

**BOARD BOOK OF  
October 8, 2020**



**Leslie Bingham, 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	
<ul style="list-style-type: none"> <li>30-year, fixed interest rate mortgage loans</li> <li>Mortgage credit certificates</li> <li>Down payment, closing cost assistance</li> <li>Homebuyer education</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Homebuyer Assistance Program (HBA)*</li> <li>Single Family Homeownership</li> </ul>	
Expended Funds:	\$1,693,834,604
Total Households Served:	9,605

Energy Related Assistance	
<ul style="list-style-type: none"> <li>Utility bill payment assistance</li> <li>Energy consumption education</li> <li>Weatherization for energy efficiency</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Comprehensive Energy Assistance Program (CEAP)</li> <li>Weatherization Assistance Program (WAP)</li> </ul>	
Expended Funds:	\$147,270,662
Total Households Served:	162,668

Multifamily New Construction	
<ul style="list-style-type: none"> <li>Affordable rental units financed and developed</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>9% Housing Tax Credits (HTC)</li> <li>4% Housing Tax Credits (HTC)</li> <li>Multifamily Bonds</li> <li>Multifamily Direct Loan Program*</li> </ul>	
Expended Funds:	\$108,945,178
Total Households Served:	7,062

Homelessness Services	
<ul style="list-style-type: none"> <li>Shelter building rehabilitation, conversion, operations</li> <li>Essential services e.g., health services, transportation, job training, employment services</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Emergency Solutions Grant Program (ESG)</li> <li>Homeless Housing and Services Program (HHSP)</li> </ul>	
Expended Funds:	\$12,162,959
Total Individuals Served:	71,350

Multifamily Rehab Construction	
<ul style="list-style-type: none"> <li>Affordable rental units financed and rehabilitated</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>9% Housing Tax Credits (HTC)</li> <li>4% Housing Tax Credits (HTC)</li> <li>Multifamily Bonds</li> </ul>	
Expended Funds:	\$56,792,063
Total Households Served:	2,503

Supportive Services	
Provides administrative support for essential services for low income individuals through Community Action Agencies	
Program:	
<ul style="list-style-type: none"> <li>Community Services Block Grant Program (CSBG)</li> </ul>	
Expended Funds:	\$31,103,729
Total Individuals Served:	561,906

Owner Rehabilitation Assistance	
<ul style="list-style-type: none"> <li>Home rehabilitation, reconstruction</li> <li>Manufactured housing unit replacement</li> <li>Accessibility modifications e.g., ramp, grab bar installation</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Homeowner Rehabilitation Assistance Program (HRA)*</li> <li>Amy Young Barrier Removal Program</li> </ul>	
Expended Funds:	\$11,384,025
Total Households Served:	251

Rental Assistance	
<ul style="list-style-type: none"> <li>Short, long term rent payment help</li> <li>Assistance linked with services</li> <li>Transitional assistance</li> <li>Security, utility deposits</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Tenant-Based Rental Assistance (TBRA)*</li> <li>Section 8 Housing Choice Vouchers</li> <li>Section 811</li> </ul>	
Expended Funds:	\$11,021,909
Total Households Served:	1,932

Single Family Development	
<ul style="list-style-type: none"> <li>Single family development, reconstruction, rehabilitation</li> <li>Do-it-yourself, "sweat equity" construction, rehabilitation</li> <li>Contract for Deed refinance</li> </ul>	
Programs:	
<ul style="list-style-type: none"> <li>Single Family Development Program (SFD)*</li> <li>Contract for Deed (CFD)</li> </ul>	
Expended Funds:	\$3,769,888
Total Households Served:	85

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  
October 8, 2020

**Meeting Location:** In light of the March 13, 2020, disaster declaration by the Office of the Governor, and the subsequent waivers of portions of Tex. Gov't Code, Ch. 551\*, this meeting of the TDHCA Governing Board will be accessible to the public via the telephone and web link information, below. In order to engage in two-way communication during the meeting, persons must first register (at no cost) to attend the webinar via the link provided. Anyone who calls into the meeting without registering online will not be able to ask questions or provide comments, but the meeting will still be audible. A recording of the meeting will be made available to the public as soon as possible following the meeting.

**Governing Board Webinar registration:**

<https://attendee.gotowebinar.com/register/9187673503020370191>

Dial-in number: +1 (914) 614-3221, access code 743-488-678 (persons who use the dial-in number and access code without registering online will only be able to hear the Board meeting and will not be able to ask questions or provide comments). Note, this meeting will be proceeding as a videoconference under Tex. Gov't Code §551.127, as modified by waiver.

If the GoToWebinar terminates prior to adjournment of the meeting (i.e. if the webinar session "crashes") the meeting will be recessed. A new link to the meeting will be posted immediately on the TDHCA Board meetings web page (<https://www.tdhca.state.tx.us/board/meetings.htm>) along with the time the meeting will resume. The time indicated to resume the meeting will be within six hours of the interruption of the webinar. Please note that in this contingency, the original meeting link will no longer function, and only the new link (posted on the TDHCA Board meetings web page) will work to return to the meeting.

CALL TO ORDER

ROLL CALL

CERTIFICATION OF QUORUM

Leslie Bingham, Vice Chair

*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.*

\* The list of Open Meeting laws subject to temporary suspension effective March 16, 2020, is available at: <https://www.texasattorneygeneral.gov/sites/default/files/images/admin/2020/Press/Open%20Meeting%20Laws%20Subject%20to%20Temporary%20Suspension.pdf>

## 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:

#### EXECUTIVE

- a) Presentation, discussion, and possible action on Board meeting minutes summaries for July 23, 2020 and September 3, 2020

**Beau Eccles**  
General Counsel

#### ASSET MANAGEMENT

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

**Rosalio Banuelos**  
Director of Asset  
Management

98005	Falcon Pointe Apartments	Rosenberg
98050	Las Villas de Leon	San Antonio
98067	Asbury Place Apartments	San Marcos
99177	Park at Clear Creek	Hempstead
00003	The Villas of Greenville	Greenville
00027	Rosemont at Arlington Park	Dallas
01029	The Landing	Waco
01094	South Cooperstown Apartments	El Paso
01099	Cooperstown Apartments	El Paso
01101	Timber Ridge Apartments	Houston
02051	Pueblo Montana	El Paso
02053	Castner Palms	El Paso
04226	Arbor Cove	Donna
11149	Silver Glen Apartments	Houston
13071	Windy Ridge Apartments	Austin
16043	SilverLeaf at Panhandle Seniors	Panhandle
16057	Silverleaf at Mason	Mason

#### MULTIFAMILY FINANCE

- c) Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications

**Teresa Morales**  
Director of  
Multifamily Bonds

20476	Grand Station	Austin ETJ
20455	Redwood	San Marcos
20480	Bridge at Turtle Creek	Austin
20474	Canyon Pass	San Antonio
20449	EMLI at Pecan Creek	Aubrey

- d) Presentation, discussion, and possible action regarding Awards of Direct Loan funds from the 2020-1 Multifamily Direct Loan Notice of Funding Availability

**Marni Holloway**  
Director of  
Multifamily Finance

20505	Roosevelt Gardens	Austin
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- e) Presentation, discussion, and possible action regarding a Material Amendment of the Housing Tax Credit Application for La Grange Springs (HTC #20273)

#### LEGAL

- f) Presentation, discussion, and possible action regarding the adoption of two Agreed Final Orders concerning related properties Sycamore Center Villas (CMTS 3283 / HTC 02484) and Rosemont at Arlington Park (CMTS 64 / HTC 00027)

**Jeff Pender**  
Deputy General Counsel

**BOND FINANCE**

- g) Presentation, discussion, and possible action on Inducement Resolution No. 21-003 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

**Teresa Morales**  
Director of  
Multifamily Bonds

21600 Corona del Valle El Paso  
20630 Caroline Lofts Houston

- h) Presentation, discussion, and possible action regarding an increase in authorization for the Taxable Mortgage Purchase Program
- i) Presentation, discussion, and possible action on Resolution No. 21-004 authorizing request to the Texas Bond Review Board for annual waiver of Single Family Mortgage Revenue Bond set-aside requirements; authorizing the execution of documents and instruments relating thereto; making certain findings and determinations in connection therewith; and containing other provisions relating to the subject
- j) Presentation, discussion, and possible action regarding Resolution No. 21-005 authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 96, approving the form and substance of the program manual and the program summary, authorizing the execution of documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 96, and containing other provisions relating to the subject
- k) Presentation, discussion, and possible action on Resolution No. 21-006 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds and containing other provisions relating to the subject

**Monica Galuski**  
Director of  
Bond Finance

**SINGLE FAMILY & HOMELESS PROGRAMS**

- l) Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family General Set-Aside Notice of Funding Availability and publication of the NOFA in the Texas Register
- m) Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family Persons with Disabilities Set-Aside Notice of Funding Availability and publication of the NOFA in the Texas Register
- n) Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family Contract for Deed Set-Aside Notice of Funding Availability and publication of the NOFA in the Texas Register

**Abigail Versyp**  
Director of Single Family &  
Homeless Programs

**RULES**

- o) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 1, §1.21, Action by Department if Outstanding Balances Exist; an order adopting new 10 TAC Chapter 1, §1.21, Action by Department if Outstanding Balances Exist; and directing their publication for adoption in the Texas Register

**Brooke Boston**  
Deputy Director  
of Programs

**SECTION 811**

- p) Presentation, discussion, and possible action regarding an adjustment to contract #332-21-5201, TRACS Processing Services with Blueprint Housing Solutions
- q) Presentation, discussion, and possible action authorizing the Department to implement occupancy preferences in the Section 811 Project Rental Assistance Program

**Spencer Duran**  
Director of Section 811

**COMMUNITY AFFAIRS**

- r) Presentation, discussion and possible action on the programming of Housing Choice Voucher Program Administrative funds available to Texas through the Coronavirus Aid, Relief, and Economic Security Act and authorization to proceed with said programmed activities.

**Michael De Young**  
Director of  
Community Affairs

**CONSENT AGENDA REPORT ITEMS**

**ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:**

- a) Outreach and Activities Report (September-October)
- b) Report on Activities Related to the Department’s Response to COVID-19 Pandemic

**Michael Lyttle**  
Director of  
External Affairs

**Brooke Boston**  
Deputy Director  
of Programs

**ACTION ITEMS**

**ITEM 3: PROGRAMS**

Presentation, discussion and possible action on a substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan; approval of programming for ESG CARES II and CDBG CARES funding; and authority to make awards to identified non-competitive subrecipients

**Brooke Boston**  
Deputy Director  
of Programs

**ITEM 4: SINGLE FAMILY & HOMELESS PROGRAMS**

Presentation, discussion, and possible action on Program Year 2020 Emergency Solutions Grants Program Awards

**Abigail Versyp**  
Director of Single Family &  
Homeless Programs

**ITEM 5: ASSET MANAGEMENT**

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

**Rosalio Banuelos**  
Director of Asset  
Management

16373 Avondale Farms Seniors Haslet

**ITEM 6: MULTIFAMILY FINANCE**

- a) Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(a)(3)(B)(ii) related to Neighborhood Risk Factors for W. Leo Daniels (#20482) in Houston
- b) Presentation, discussion, and possible action on a timely filed appeal for HTC Application 20344, Merritt Sunset under the Department’s Multifamily Program Rules

**Teresa Morales**  
Director of  
Multifamily Bonds

**Marni Holloway**  
Director of  
Multifamily Finance

**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**  
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](http://www.tdhca.state.tx.us) or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11<sup>th</sup> 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 Nancy Dennis, 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.

1a

**BOARD ACTION REQUEST**

**BOARD SECRETARY**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action on Board meeting minutes summaries for July 23, 2020, and September 3, 2020

**RECOMMENDED ACTION**

Approve the Board meeting minutes summaries for July 23, 2020, and September 3, 2020

**RESOLVED**, that the Board meeting minutes summaries for July 23, 2020, and September 3, 2020, are hereby approved as presented.

**Texas Department of Housing and Community Affairs Governing Board  
Board Meeting Minutes Summary  
July 23, 2020**

On Thursday, the twenty-third of July 2020, at 9:00 a.m., the second of two regular meetings in July 2020 of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

The following members, constituting a quorum, were present and voting:

- Leslie Bingham, Vice Chair
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

Leslie Bingham served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

- 1) The Board unanimously approved the Consent Agenda as modified by staff. The modification came under Item 1(f) – Presentation, discussion, and possible action confirming obligations for those properties recommended for an award of competitive low income housing tax credits that sought and were awarded one point for committing at least an additional 2% of the total Units to Persons referred from the Continuum of Care or local homeless service providers to be made available for those experiencing homelessness under 10 TAC §11.9(c)(6) related to Residents with Special Housing Needs – with sub item 20317 Merritt Edge, Midland, being pulled.
- 2) Action Item 3(a) – Report and possible action on items to be included in the Department’s Legislative Appropriations Request for state fiscal years 2022-23 – was presented by Michael Lyttle, TDHCA Director of External Affairs. The Board unanimously approved staff recommendation to include the portions of the LAR referenced in the item.
- 3) The Board did not hear Action Item 4(a) – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for 17330 Blue Flame Apartments, El Paso – as it was pulled from the agenda.
- 4) Action Item 5(a) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Pecan Grove) Resolution No. 20-031 and a Determination Notice of Housing Tax Credits – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously approved staff recommendation to approve the bond resolution and the issuance of housing tax credits.



5) Action Item 5(b) – Presentation, discussion, and possible action regarding the Issuance of a Multifamily Note (Vermillion Apartments) Resolution No. 20-032 and a Determination Notice of Housing Tax Credits – was presented by Ms. Morales. The Board unanimously approved staff recommendation to approve the bond resolution and the issuance of housing tax credits.

6) Action Item 5(c) – Presentation, discussion, and possible action on Resolution No. 20-033 authorizing the Form and Substance of Amendments to the Junior Lien Trust Indenture; authorizing the Issuance, Sale and Delivery of Junior Lien Single Family Mortgage Revenue and Refunding Bonds, Taxable Series 2020, approving the form and substance of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution, and containing other provisions relating to the subject – was presented by Monica Galuski, TDHCA Director of Bond Finance. The Board unanimously adopted staff recommendation to approve the resolution.

7) Marni Holloway, TDHCA Director of Multifamily Finance, presented Action Item 6(a) – Presentation, discussion, and possible action regarding awards from the 2020 State Competitive Housing Credit Ceiling and approval of the waiting list for the 2020 Competitive Housing Tax Credit Application Round

20002	Armadillo Studios	Austin
20004	Bamboo Estates Apartments	Progreso
20006	Western Star Estates	Arlington
20008	Trailside Creek	San Antonio
20010	Paige Estates	Waco
20011	Canal Lofts	Houston
20012	Merritt Gardens	Midland
20015	New Caney Oaks	New Caney
20016	Reserve at Sulphur Springs	Sulphur Springs
20018	The Park Tower	Fort Worth
20024	Dallas Stemmons Apartments	Dallas
20025	Palladium Fain Street	Fort Worth
20027	Garland Senior Living	Garland
20034	Ranch Court Apartments	Andrews
20042	Commons at St. Anthony's	Amarillo
20046	Brandywine Apartments	Richardson
20047	Evening Star Villa	Houston
20049	Cowan Place	Fort Worth
20051	Village at McArdle	Corpus Christi
20054	Gulf Shore Villas	Rockport
20063	Azalea West	Fort Worth
20066	Vista at Everest	San Antonio
20069	Vista at Interpark	San Antonio
20072	Culebra Place Apartments	San Antonio
20075	New Hope Housing Savoy	Houston

20077	Lockwood South Apartments	Houston
20079	Fairview Terrace	Brenham
20082	Connect South Apartments	Houston
20083	Lakeview Preserve	Irving
20089	Hamilton Wolfe Lofts	San Antonio
20092	Fiesta Trails	San Antonio
20093	Brownsville Lofts	Brownsville
20097	Regency Lofts	Houston
20100	Southlawn at Milby	Houston
20111	St. Andrews Townhomes	Arlington
20114	3300 Caroline Street	Houston
20115	Avenue at Sycamore Park	Fort Worth
20116	Dian Street Villas	Houston
20120	Lennox House	Grand Prairie
20121	Eberhart Place	Austin
20125	Parkway Meadows	Houston
20128	OST Lofts	Houston
20132	The Lex on Jessamine	Fort Worth
20134	Hibiscus Village	McAllen
20138	The Ella	Houston
20139	The Loretta	Austin
20141	Richmond Senior Village	Houston
20144	The Enchanted Gardens	Victoria
20145	Gala at Ridgmar	Fort Worth
20147	Kestrel on Cooper	Arlington
20148	High View Place	Killeen
20149	Provision at Fort Worth	Fort Worth
20150	Palmville Homes	San Benito
20153	Provision at Bomber Road	White Settlement
20155	Gala at Premier	Plano
20156	Whispering Trees Apartments	Carrizo Springs
20158	Redwood Apartments	Dumas
20162	Hacienda Santa Barbara	Socorro
20167	Laurel Flats	Tyler
20171	Avanti Viking Hills	Waco
20177	Avanti Legacy Valor Heights	McAllen
20179	Avanti West	Edinburg
20181	Avanti Valley View	Hidalgo
20184	The Heritage at Abilene	Abilene
20186	The Residence at Ridgehill	Kerrville
20187	Cortez Plaza	El Paso
20188	Village at Boyer	San Antonio
20190	Nuestra Senora	El Paso
20192	Arbor Park	Austin

20197	Villas at Western Heights	Dallas
20198	Village at Perrin Beitel	San Antonio
20200	Lofts at Temple Medical District	Temple
20202	Pathways at Chalmers West	Austin
20204	Heritage Senior Residences	Houston
20205	Ella Grand	Houston
20210	Amber Ridge Apartments	Angleton
20211	Ennis Trails	Ennis
20212	Vernon Pioneer Crossing	Vernon
20216	Henderson Trails	Henderson
20217	Somerville Estates	Somerville
20220	Trinity Estates	Trinity
20222	Brenham Trails	Brenham
20223	Campanile on Briar Hollow	Houston
20224	Crossroads Apartments	Fort Worth
20231	Walnut Trails	San Angelo
20232	Beaumont Trails	Beaumont
20233	Quinlan Estates, LP	Quinlan
20235	Madisonville Estates	Madisonville
20240	Livingston Pioneer Crossing	Livingston
20248	Cedar Cove Apartments	Sealy
20250	Town Oaks Apartments	Kenedy
20251	Mathis Apartments	Mathis
20256	Timpson Seniors Apartments	Timpson
20261	Sunset Vista Seniors	El Paso
20262	Abbingtion Park	Henderson
20264	Juliette Fowler Residences	Dallas
20267	Valley View Estates	Fabens
20268	Inkwood Estates	Clint
20272	Westwind of Dumas	Dumas
20273	La Grange Springs	La Grange
20275	The Park on 14 <sup>th</sup>	Plano
20280	Hays Street Lofts	San Antonio
20281	Bayou Bend Apartments	Waller
20288	Providence at Buna	Buna
20292	Carver Ridge Apartments	Hutto
20293	Pendleton Square	Harlingen
20294	Sagebrush Apartments	Brady
20297	Artcraft Palms	El Paso
20306	The Trails at Abilene	Abilene
20309	Casitas Los Ebanos	Bishop
20310	Highpoint at Wynnewood	Dallas
20316	Virginia Flats	Beaumont
20317	Merritt Edge	Midland

20320	Mariposa at Mesquite	Mesquite
20324	BCC Village Townhomes	Brownsville
20329	Fish Pond at Huntsville	Huntsville
20330	Fish Pond at Prospect Hill	San Antonio
20331	Fish Pond at Fitzgerald	Corpus Christi
20332	GardenWalk of Farmersville	Farmersville
20333	GardenWalk of Royse City	Royse City
20342	The Cottages at Cedar Ridge	Elgin
20344	Merritt Sunset	Midland

Following public comment (listed below), the Board unanimously approved staff recommendation on the list of housing tax credit awards and the waiting list.

- Cynthia Bast, Locke Lord attorney representing applicant of application 20116, testified in support of staff recommendation to award HTCs to application 20166
- Darryl Brandis, Shady Acres resident, testified in opposition to staff recommendation to award HTCs to application 20166
- William Steward, Shady Acres resident, testified in support of staff recommendation to award HTCs to application 20166
- Jessica Haponik testified in opposition to staff recommendation to award HTCs to application 20166
- Russ Michaels, Texas Interfaith Housing and part of the applicant team for application 20116, testified in support of staff recommendation to award HTCs to application 20166
- Brian Strong testified in opposition to staff recommendation to award HTCs to application 20166
- Jervon Harris, Gardner Capital and part of the applicant team for application 20116, testified in support of staff recommendation to award HTCs to application 20166
- Jason Shaughnessy testified in opposition to staff recommendation to award HTCs to application 20166
- Rebecca Bass, Clark Pines subdivision resident, testified in opposition to staff recommendation to award HTCs to application 20166
- Nicolas Alvarado testified in opposition to staff recommendation to award HTCs to application 20166
- Brian Kilpatrick, attorney for Wilson Cribbs & Goren representing the Park 16 Square Co-owners Association, Inc., testified in opposition to staff recommendation to award HTCs to application 20223
- Lora Myrick, Betco Consulting and consultant for the applicant of application 20223, testified in support of staff recommendation to award HTCs to application 20223.

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions

and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 1:27 p.m. The next meeting is set for Thursday, September 3, 2020.

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Secretary

Approved:

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Chair

**Texas Department of Housing and Community Affairs Governing Board  
Board Meeting Minutes Summary  
September 3, 2020**

On Thursday, the third of September 2020, at 9:04 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held online via telephone and web link.

The following members, constituting a quorum, were present and voting:

- Leslie Bingham, Vice Chair
- Paul A. Braden
- Sharon Thomason
- Leo Vasquez

Leslie Bingham served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as secretary.

1) The Board unanimously adopted a resolution recognizing October as Energy Awareness Month in Texas.

2) The Board unanimously approved the Consent Agenda except for following items moved to the Action Item agenda:

- Item 1(i) – Presentation, Discussion and Possible Action on Extensions to the Release of Coronavirus Aid, Relief, and Economic Security Act Community Services Block Grant Funds and Low Income Home Energy Assistance Program Funds Held in Emergency Reserve and Authorization to Award Such Funds; and
- 1(j) – Presentation, discussion, and possible action on Inducement Resolution No. 21-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for 20626 Palladium Mountain Creek Apartments, Dallas; 20627 Palladium Simpson Stuart Apartments, Dallas; 20628 Mayhill Road Apartments, Denton; and 20629 Residences at Merritt Hill Apartments, Rowlett

3) Action Item 1(i) – Presentation, Discussion and Possible Action on Extensions to the Release of Coronavirus Aid, Relief, and Economic Security Act Community Services Block Grant Funds and Low Income Home Energy Assistance Program Funds Held in Emergency Reserve and Authorization to Award Such Funds – was presented by Michael DeYoung, TDHCA Director of Community Affairs, with additional information from Bobby Wilkinson, TDHCA Executive Director.

Following public comment (listed below), the Board unanimously approved staff recommendation on extending the release of CARES Act CSBG and LIHEAP funds and providing the Executive Director authority to award reserve funds based on performance.

- Laura Ponce, Project BRAVO, testified in opposition to staff recommendation

4) Action Item 1(j) – Presentation, discussion, and possible action on Inducement Resolution No. 21-001 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority for 20626 Palladium Mountain Creek Apartments, Dallas; 20627 Palladium Simpson Stuart Apartments, Dallas; 20628 Mayhill Road Apartments, Denton; and 20629 Residences at Merritt Hill Apartments, Rowlett – was presented by Acting Chair Bingham. The Board unanimously adopted staff recommendation to approve the inducement resolution.

5) Sharon Thomason, Chair of the TDHCA Governing Board Audit and Finance Committee presented Action Item 3(a) – Report on the meeting of the Internal Audit and Finance Committee. The Board voted unanimously to accept the report and took no further action.

6) Action Item 4(a) – Presentation, discussion and possible action of a substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan and approval of programming for ESG CARES II and CDBG CARES funding – was not heard as it was pulled from the agenda.

7) Action Item 5(a) – Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, the proposed new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing their publication for public comment in the Texas Register – was presented by Andrew Sinnott, TDHCA Multifamily Loan Programs Administrator. The Board unanimously approved staff recommendation to publish the draft rules for public comment.

8) Action Item 6(a) – Report on six-month extension to the placed-in-service deadline for 2018 9% Housing Tax Credit developments – was presented by Rosalio Banuelos, TDHCA Director of Asset Management. The Board heard the report and took no further action.

9) Action Item 7(a) – Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Fish Pond at Corpus Christi) Resolution No. 21-002, a Determination Notice of Housing Tax Credits and an Award of Direct Loan Funds – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously approved staff recommendation to issue the bonds and 4% housing tax credits as well as making the Direct Loan award.

10) Action Item 8(a) – Presentation, Discussion and Possible Action regarding a waiver of §10.402(b) relating to Determination Notices for Gala at Central Park (#20406) – was presented

by Marni Holloway, TDHCA Director of Multifamily Finance. The Board unanimously adopted staff recommendation to approve the waiver request.

11) Action Item 8(b) – Presentation, discussion, and possible action on the proposed repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and a proposed new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan and directing its publication for public comment in the Texas Register – was presented by Ms. Holloway with additional information from Mr. Wilkinson and Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation to publish the draft QAP for public comment.

- Janine Sisak, Texas Affiliation of Affordable Housing Providers, testified in opposition to staff recommendation
- Nathan Kelley, Texas Affiliation of Affordable Housing Providers, testified in opposition to staff recommendation
- Joy Horak-Brown, New Hope Housing, provided comments on the proposed QAP
- Emily Abeln, New Hope Housing, provided brief comments regarding Ms. Horak-Brown’s comments
- Cynthia Bast, Locke Lord attorney, provided comments on the proposed QAP and thanked TDHCA staff for their work
- Tracey Fine, National Church Residences, testified in opposition to staff recommendation
- Robbye Meyer, Rural Rental Housing Association of Texas and Arx Advantage, testified in opposition to staff recommendation
- Abigail Tatkov testified in opposition to staff recommendation
- Sarah Anderson testified in opposition to staff recommendation

12) Action Item 8(c) – Presentation, discussion, and possible action on timely filed scoring appeals under the Department’s Multifamily Program Rules for Application 20116 Dian Street Villas, Houston – was presented by Brent Stewart, TDHCA Director of Real Estate Analysis, with additional information from Mr. Eccles and Ms. Holloway. Following public comment (listed below), the Board by a 3-1 vote (Thomason voting “nay”) granted the applicant’s appeal and found that the application’s failure of the expense-to-income ratio calculation met the administrative deficiency criteria and remanded the application back to TDHCA Real Estate Analysis staff for further review.

- Michael Lyttle, TDHCA Director of External Affairs, read a letter into the record from the Honorable Anna Eastman, State Representative, District 148, Texas House of Representatives, expressing Rep. Eastman’s support for the applicant’s appeal
- Kelly Hyde testified in opposition to the applicant’s appeal
- Cynthia Bast, Locke Lord attorney representing the applicant, testified in support of the applicant’s appeal
- Kevin Strickland testified in opposition to the applicant’s appeal



- Jervon Harris, co-developer of the application, testified in support of the applicant’s appeal
- Janine Sisak, developer of competing application to 20116, testified in opposition to the applicant’s appeal
- Ray Miller, City of Houston Housing and Community Development, provided comments on the item
- Russ Michaels, Texas Inter-Faith and co-developer of the application, testified in support of the applicant’s appeal
- Donna Rickenbacker testified in opposition to the applicant’s appeal

13) During the Public Comment portion of the meeting the follow persons provided comment:

- Zachary Krochtengel, Harmony Square Development, provided comments about the draft 2021 QAP
- Kelly Hyde provided comments expressing disappointment regarding the Board’s action on Action Item 8(c)

Except as noted otherwise, all materials presented to and reports made to the Board were approved, adopted, and accepted. These minutes constitute a summary of actions taken. The full transcript of the meeting, reflecting who made motions, offered seconds, etc., questions and responses, and details of comments, is retained by TDHCA as an official record of the meeting.

There being no further business to come before the Board, the meeting adjourned at 12:13 p.m. The next meeting is set for Thursday, October 8, 2020.

\_\_\_\_\_  
Secretary

Approved:

\_\_\_\_\_  
Chair

1b

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Falcon Pointe Apartments (HTC #98005)

**RECOMMENDED ACTION**

**WHEREAS**, Falcon Pointe Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 1998 to construct 112 multifamily units in Rosenberg, Fort Bend 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 84<sup>th</sup> 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**, Fort Bend NHC, 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 Falcon Pointe Apartments 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**

Falcon Pointe Apartments received a 9% HTC award in 1998 for the construction of 112 multifamily units for in Rosenberg, Fort Bend County. In a letter dated August 13, 2020, Robert H. Josephberg, representative for the Development Owner, Fort Bend NHC, L.P., requested approval to amend the HTC LURA related to the ROFR provision.

In 1998, the Housing Tax Credit application allotted five points to the Development 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 for Low-Income Housing Credits recorded in Fort Bend County on December 30, 1999.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 22<sup>nd</sup> year of the 30-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 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 video and telephonic public hearing on the matter on September 2, 2020. No public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

# FORT BEND NHC, L.P.

448 Viking Drive #245  
Virginia Beach, VA 23452

August 13, 2020

## **VIA ELECTRONIC DELIVERY**

Ms. Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 98005; Falcon Pointe Apartments (the "**Property**")  
Property Address: 1000 Cole Street, Rosenberg, TX 77471

Dear Ms. Trevino:

The undersigned, being the General Partner (herein so called) of Fort Bend NHC, L.P., a Virginia limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes request for 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 \$3,000. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. 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,

**FORT BEND NHC, L.P.,**  
a Virginia limited partnership

By: Fort Bend National Housing, L.L.C.,  
a Virginia limited liability company,  
its general partner

By:

  
Robert H. Josephberg, Manager

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Las Villas de Leon (HTC #98050)

**RECOMMENDED ACTION**

**WHEREAS**, Las Villas de Leon (the Development) received a 9% Housing Tax Credit (HTC) award in 1998 for the new construction of 132 multifamily units in San Antonio, Bexar 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 84<sup>th</sup> 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**, Corpus Christi NHC, 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 Las Villas de Leon 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**

Las Villas de Leon received a 9% HTC award in 1998 for the new construction of 132 multifamily units in San Antonio, Bexar County. In a letter dated August 13, 2020, the Development Owner, Corpus Christi NHC L.P. (Robert H. Josephberg), requested approval to amend the HTC LURA related to the ROFR provision.

In 1998, the Housing Tax Credit Qualified Allocation Plan and Rules allotted two 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 Bexar County on December 12, 2000.

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 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 21<sup>st</sup> year of 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 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 via Zoom teleconference on the matter on September 3, 2020. No negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.



# **CORPUS CHRISTI NHC, L.P.**

448 Viking Drive #245  
Virginia Beach, VA 23452

August 13, 2020

## **VIA ELECTRONIC DELIVERY**

Ms. Dee Patience  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 98050; Las Villas de Leon Apartments (the "**Property**")  
Property Address: 6600 West Commerce Street, San Antonio, TX 78237

Dear Ms. Patience:

The undersigned, being the General Partner (herein so called) of Corpus Christi NHC, L.P., a Virginia limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes request for 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 \$3,000. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. 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,

**CORPUS CHRISTI NHC, L.P.,**  
a Virginia limited partnership

By: Corpus Christi National Housing, LLC,  
a Virginia limited liability company,  
its general partner

By:

  
\_\_\_\_\_  
Robert H. Josephberg, Manager

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Asbury Place Apartments (HTC #98067)

**RECOMMENDED ACTION**

**WHEREAS**, Asbury Place Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 1998 for the new construction of 64 multifamily units in San Marcos, Hays 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 84<sup>th</sup> 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**, Jackson Community Apartments, 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 Asbury Place Apartments 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**

Asbury Place Apartments received a 9% HTC award in 1998 for the new construction of 64 multifamily units in San Marcos, Hays County. In a letter dated June 23, 2020, the Development Owner, Jackson Community Apartments, L.P. (David P. Cole), requested approval to amend the HTC LURA related to the ROFR provision.

In 1998, the Housing Tax Credit Qualified Allocation Plan and Rules 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 Hays County on December 28, 2000.

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 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 20<sup>th</sup> year of 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 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 telephonic public hearing on the matter on August 26, 2020. No negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

**JACKSON COMMUNITY APARTMENTS, L.P.**

1350 Wonder World Drive  
San Marcos, Texas 78666

June 23, 2020

**VIA HAND DELIVERY**

Mr. Mark Fugina  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 98067; Asbury Place Apartments (f/k/a Jackson Community)  
(the "**Property**")

Dear Ms. DeBellas:

The undersigned, being the General Partner (herein so called) of Jackson Community Apartments, 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 \$3,000.00. 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,

**JACKSON COMMUNITY APARTMENTS, L.P.**,  
a Texas limited partnership

By: Commonwealth Ashbury L.L.C.,  
a Texas limited liability company,  
Its: General Partner

By:   
\_\_\_\_\_  
David P. Cole  
Its: Administrative Manager

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Park at Clear Creek (HTC #99177)

**RECOMMENDED ACTION**

**WHEREAS**, Park at Clear Creek (the Development) received a 9% Housing Tax Credit (HTC) award in 1999 to construct 76 multifamily units in Hempstead, Waller 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 84<sup>th</sup> 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**, Clear Creek Housing, Ltd. (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 Park at Clear Creek 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

Park at Clear Creek received a 9% HTC award in 1999 for the construction of 76 multifamily units in Hempstead, Waller County. In a letter dated August 4, 2020, Louis Carranza and H. Chris Richardson, representatives for the Development Owner, requested approval to amend the HTC LURA related to the ROFR provision.

In 1999, the Housing Tax Credit application allotted five points to the Development 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 for Low-Income Housing Credits.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 20<sup>th</sup> year of 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 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 video and telephonic public hearing on the matter on September 1, 2020. There were no residents in attendance at the virtual public hearing, and no public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.



**CLEAR CREEK HOUSING, LTD.**  
4001 W. Sam Houston Pkwy. N., Suite 100  
Houston, Texas 77043

August 4, 2020

**VIA ELECTRONIC DELIVERY**

Ms. Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

*email: lucy.trevino@tdhca.state.tx.us*

Re: TDHCA File No. 99177  
Park at Clear Creek (the "**Property**")

Dear Ms. Trevino:

The undersigned, being the General Partner (herein so called) of Clear Creek Housing, Ltd., a Texas limited partnership (the "**Partnership**") and the current owner of the Property, submit this request for a material LURA amendment in order to modify the two-year Right of First Refusal ("**ROFR**") period.

The Partnership entered into that certain Purchase Agreement for the Property (the "**Purchase Agreement**") dated July 31, 2020 between the Partnership, as seller, and Harmony Housing Advisors, Inc., a Delaware ("**New Owner**"), as buyer. The Partnership and New Owner anticipate the fee simple purchase and sale of the Property contemplated by the Purchase Agreement will close November 30, 2020. Because of this timing, it is anticipated the LURA amendment requested herein may be issued and recorded in favor of New Owner. New Owner, by its execution hereof, approves of the Partnership's LURA amendment request.

**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.

**Removal of HUB Requirement Requested**

You are aware that General Partner/Partnership is requesting this change to the ROFR process as a preliminary step in contemplation of a sale of the Project to a Qualified Nonprofit Organization, as defined in the Rules. For flexibility in the future operation of the Project, the General Partner/Partnership is requesting that the LURA also be amended to remove the requirement for material participation by a HUB. It is General Partner/Partnership's understanding that pursuant to §10.406(g) of the Rules, the TDHCA is willing to amend the LURA in this regard if the following conditions apply:

- (i) The selling HUB is acting of its own volition;

- (ii) The participation by the HUB has been substantive and meaningful, enabling the HUB to realize financial benefit and to acquire skills relating to the ownership and operation of affordable housing; and
- (iii) The proposed purchaser meets the Department's standards for ownership transfers.

General Partner/Partnership enclose an Affidavit regarding the above conditions by Louis Carranza, President of Primis Corporation, a Texas Delaware corporation d/b/a in Texas as Primis Corporation of Delaware and certified HUB, which serves as a co-venturer of the General Partner of the Project Owner.

#### **LURA Amendment**

In accordance with Section 10.405(b) of the Rules, the Partnership, is delivering a fee in the amount of \$2,500. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. 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.

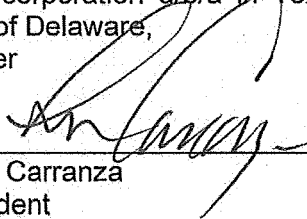
Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

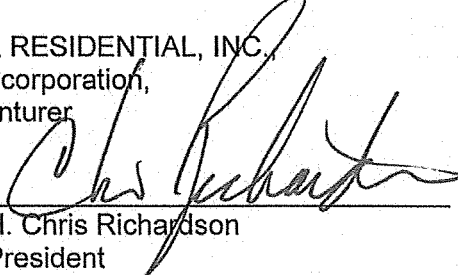
**CLEAR CREEK HOUSING, LTD.**

By: BRI Venture  
a Texas joint venture  
its general partner

By: Primis Corporation,  
a Delaware corporation d/b/a in Texas as Primis  
Corporation of Delaware,  
its co-venturer


By:   
\_\_\_\_\_  
Louis Carranza  
President

By: BLAZER RESIDENTIAL, INC.,  
a Texas corporation,  
its co-venturer

By:   
\_\_\_\_\_  
H. Chris Richardson  
President

Sincerely,

**HARMONY HOUSING ADVISORS, INC.,**  
a Delaware corporation

By:   
Name: \_\_\_\_\_ Robert R. Barolak  
Title: \_\_\_\_\_ President

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for The Villas of Greenville (HTC #00003)

**RECOMMENDED ACTION**

**WHEREAS**, The Villas of Greenville (the Development) received a 9% Housing Tax Credit (HTC) award in 2000 to construct 128 multifamily units for elderly households in Greenville, Hunt 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 84<sup>th</sup> 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**, Greenville Senior Housing, 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 The Villas of Greenville 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 Villas of Greenville received a 9% LIHTC award in 2000 for the new construction of 128 multifamily units for elderly households in Greenville, Hunt County. In a letter dated August 20, 2020, Jill Brooks-Garnett, the representative for the Development Owner, Greenville Senior Housing, L.P., requested approval to amend the HTC LURA related to the ROFR provision.

In 2000, the Housing Tax Credit application allotted five points to the Development 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 for Low-Income Housing Credits recorded in Hunt County on May 17, 2001.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 20<sup>th</sup> year of 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 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 video and telephonic public hearing on the matter on September 10, 2020. There were no residents in attendance at the virtual public hearing, and no public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

# GREENVILLE SENIOR HOUSING, L.P.

500 Joe Ramsey Boulevard East  
Greenville, Texas 75401

August 20, 2020

## **VIA ELECTRONIC DELIVERY**

Ms. Lee Ann Chance  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 00-003; The Villas of Greenville (the "**Property**")

Dear Ms. Chance:

The undersigned, being the General Partner (herein so called) of Greenville Senior Housing, L.P., a Texas limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes request for 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 \$3,500. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. 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,

**GRAND MARIAS, LLC D/B/A ALDEN GRAND MARIAS, LLC**  
a Delaware limited liability company,

By: Alden Affordable Holdings, LLC,  
a Delaware limited liability company,  
its sole member

By:   
\_\_\_\_\_  
Jill Brooks-Garnett, Chief Operating Officer



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Rosemont at Arlington Park (HTC #00027)

**RECOMMENDED ACTION**

**WHEREAS**, Rosemont at Arlington Park (the Development) received a 9% Housing Tax Credit (HTC) award in 2000 to construct 100 multifamily units in Dallas, Dallas 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 84<sup>th</sup> 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**, Chattanooga Housing, 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 Rosemont at Arlington Park 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**

Rosemont at Arlington Park received a 9% LIHTC award in 2000 for the new construction of 100 multifamily units in Dallas, Dallas County. In a letter dated August 20, 2020, Jill Brooks-Garnett, representative for the Development Owner, Chattanooga Housing, L.P., requested approval to amend the HTC LURA related to the ROFR provision.

In 2000, the Housing Tax Credit application allotted five points to the Development 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 for Low-Income Housing Credits recorded in Dallas County on June 21, 2002.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 19<sup>th</sup> year of 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 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 video and telephonic public hearing on the matter on September 10, 2020. No public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

# CHATTANOOGA HOUSING, L.P.

1700 Chattanooga Street  
Dallas, Texas 75235

August 20, 2020

## **VIA ELECTRONIC DELIVERY**

Ms. Lee Ann Chance  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 00-027-; Arlington Park Villas a/k/a Rosemont at Arlington Park (the "Property")

Dear Ms. Chance:

The undersigned, being the General Partner (herein so called) of Chattanooga Housing, L.P., a Texas limited partnership (the "**Partnership**") and the current owner of the Property. This letter constitutes request for 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 \$3,000. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, lenders, and appropriate elected officials as to these proposed amendments. 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,

**GRAND MARIAS, LLC D/B/A ALDEN GRAND MARIAS, LLC**  
a Delaware limited liability company,

By: Alden Affordable Holdings, LLC,  
a Delaware limited liability company,  
its sole member

By:   
Jill Brooks-Garnett, Chief Operating Officer

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for The Landing (HTC #01029)

**RECOMMENDED ACTION**

**WHEREAS**, The Landing formerly known as Brazos Landing Townhomes (the Development) received a 9% Housing Tax Credit (HTC) award in 2001 to construct 160 multifamily units (120 of which are HTC units) in Waco, McLennan 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 84<sup>th</sup> 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**, 2509 Lake Shore Partners, L.P., the Development 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 The Landing 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 Landing fka Brazos Landing Townhomes received a 9% HTC award in 2001 for the new construction of 160 multifamily units (120 of which are HTC units) in Waco, McLennan County. In a letter dated August 27, 2020, the Development Owner, 2509 Lake Shore Partners, L.P. (Albert E. Magill, III), requested approval to amend the HTC LURA related to the ROFR provision.

In 2001, the Housing Tax Credit application allotted five points to the Development 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 McLennan County on December 15, 2003.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 18<sup>th</sup> year of the 30-year Extended Use Period. 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 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 as amended, 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 August 24, 2020. An attendee list and meeting minutes with resident comments were provided. The attendee list was signed by three staff members, including the Owner representative, and two residents. The meeting minutes indicate no negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

2509 Lake Shore Partners, LP  
2603 Augusta Dr. Suite 1400  
Houston, Texas 77057

August 27, 2020

Jonathon Chilson  
Associate Asset Manager – Region 8  
Texas Dept. of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, Texas 78711-3941

Re: The Brazos Landing Townhomes - TDHCA 01029  
CMTS 272

Dear Jonathon:

Magill Development Company, LLC the Managing Partner of LSP Development, LLC and the General Partner of 2509 Lakes Shore Partners, LP is requesting approval to Amend the subject LURA Appendix D – Additional Use Restriction – Right of First Refusal from its current reading reflecting a two year Notice period prior to the expiration of the Compliance as well as other guidelines to a revised Right of First Refusal period as described in amended Section 2306.6725 of the Texas Governmental Code.

We have sent Notices to all Residents of The Landing Townhomes as well as Lenders and Investors as required by the Post Award Activities Manual as attached in Exhibit A. Additionally, we have had a Public Hearing on August 24, 2020 at the subject property.

Exhibit B is a copy of the minutes taken during the Public Hearing. Also, a copy of the Check and Payment Voucher is attached and was sent under separate cover to the Department for processing.

Thank you for your cooperation and support in Amending the ROFR to comply with Section 2306.6725 of the Texas Government Code.

Sincerely,



Albert E. Magill, III  
2509 Lakeshore Partners, LP  
General Partner

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for South Cooperstown Apartments (HTC #01094)

**RECOMMENDED ACTION**

**WHEREAS**, South Cooperstown Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 2001 to construct 20 multifamily units in the City of El Paso, El Paso County;

**WHEREAS**, the HTC Application for the Development received three points for agreeing to Material Participation by a Qualified Nonprofit Organization and to a Joint Venture with a Qualified Nonprofit Organization in the Project, and these requirements are included in the Land Use Restriction Agreement (LURA) for the Development;

**WHEREAS**, since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation (LVHC), which at this time wishes to be removed from the ownership structure of the Development;

**WHEREAS**, South Cooperstown, Ltd. (the Development Owner or Owner), through its General Partner, El Paso Cooperstown, LLC, is proposing to replace the Qualified Nonprofit requirement in the LURA with a requirement for a certified Historically Underutilized Business (HUB), which carried the same point value in the 2001 QAP;

**WHEREAS**, the removal of material participation by a Nonprofit Organization requires Board approval under 10 TAC §10.405(b)(2)(D) and §10.406(f)(3);

**WHEREAS**, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b), including holding a public hearing; and

**WHEREAS**, the requested change does 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 HTC LURA for South Cooperstown Apartments is approved as presented to 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**

South Cooperstown Apartments received a 9% HTC award in 2001 for the new construction of 20 multifamily units in the City of El Paso, El Paso County. The HTC Application for the Development received three points to include Material Participation and a Joint Venture with a Qualified Nonprofit in the ownership structure of the General Partner of the Development Owner throughout the Compliance Period. This requirement was codified in the Development's LURA, which was recorded in El Paso County on November 5, 2003. At application, the Development Owner also elected, and was awarded points, to extend the Compliance Period to 25 consecutive taxable years, resulting in the Compliance Period extending through 2027. However, the 15-year federal Compliance Period ended on December 31, 2017, and the Development was not originally reported as being in the nonprofit set-aside at carryover. Since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation.

On August 11, 2020, R.L. Bowling, IV, the Development Owner's representative, submitted a request for approval to transfer the interest of the minority member of the General Partner (GP) from LVHC, the existing Nonprofit Organization, to Tropicana Properties Inc., a Historically Underutilized Business (HUB). However, pursuant to 10 TAC §10.406(f)(1), an ownership transfer is allowable only to replace the existing Nonprofit Organization with a qualified Nonprofit Organization. Since this request seeks to replace the Nonprofit with a HUB, Board approval is required under 10 TAC §10.405(b)(2)(D), and in a letter dated August 20, 2020, the Owner requested approval for a material amendment to the LURA to replace the nonprofit requirements with the HUB requirement.

According to the Owner, LVHC no longer wishes to be an owner of the GP, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits. As a result, both members of the GP have mutually agreed of their own free volition to assign the interest of LVHC to Tropicana Properties, Inc., which has also agreed to accept this transfer of interest.

The requested change does not materially alter the Development in a negative manner, and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held an in-person and telephonic public hearing on the matter on September 17, 2020, but no public comment was received regarding the amendment request.

Staff has confirmed that the points for HUB participation are equal to those awarded for Nonprofit Participation; therefore, the scoring remains unaffected by the replacement of a HUB participating materially rather than the qualified Nonprofit.

Staff recommends approval of the Material Amendment to the LURA as presented herein. Approval of the ownership transfer will be handled administratively, separate from this request.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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August 20, 2020

Karen Treadwell

Texas Department of Housing and Community

Affairs 221 E. 11th Street | Austin, TX 78701

512.936.7839

SENT VIA ELECTRONIC MAIL

### **RE: Material LURA Amendments for (Cooperstown, South Cooperstown, Pueblo Montana, Castner Palms)**

Dear Ms. Treadwell,

El Paso-Cooperstown, LLC is the General Partner (GP) in four Housing Tax Credit Development partnerships that own four separate 9% LIHTC developments in El Paso, Texas. The four developments are:

Cooperstown (TDHCA Award #01099), placed-in-service in 2003 South

Cooperstown (TDHCA Award #01094), placed-in-service in 2003

Pueblo Montana Palms (TDHCA Award #02051), placed-in-service in 2004,

and Castner Palms (TDHCA Award #02053), placed-in-service in 2004

South Cooperstown, LTD is formally requesting a material amendment to the LURA due to a transfer of ownership from a Nonprofit Organization to a Historically Underutilized Business which will continue the material participation throughout the extended compliance period.

The current members of El Paso-Cooperstown, LLC consist of Tropicana Building Corporation ("TBC") as 95% owner and the Lower Valley Housing Corporation ("LVHC") as 5% non-profit owner. **At this time, LVHC no longer wishes to be an owner of El Paso-Cooperstown, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits.** As a result, both companies have mutually agreed of their own free volition (void of any undue hardship or required or forced action) to assign the interest in the LLC of LVHC to Tropicana Properties, Inc. ("TPI") a certified (HUB). Tropicana Properties, Inc. has also agreed to accept this transfer of interest. (See attached "Purchase and Sale Agreement" evidencing the three companies mutually agreeing to this transfer.)

TPI has materially participated in various LLCs as an owner in over 15 other LIHTC developments, most recently in the newly completed Jaime O. Perez Memorial Apartments, LTD and Nevarez Palms, LTD partnerships created from their respective 2018 awarded developments. TPI has extensive experience in management and development in El Paso County for over 15 years.

The Initial Compliance Period of 15 years has expired for each of these four developments, however, TPI will materially participate and have an ownership interest in the development's ownership entities throughout the Extended Compliance Period.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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Therefore, all parties respectfully request a LURA amendment to replace LVHDC with TPI. LVHDC is a non-profit organization which requires a material LURA amendment further described in §10.406 of the Post Award and Asset Management Requirements Rules (Rules). This amendment request was not reasonably foreseeable at the time of Application.

### The contact information for the new party entering the partnership is:

Demetrio Jimenez,  
President  
Tropicana Properties, Inc.  
2505 E. Missouri, Suite 200  
El Paso, TX 79903  
(915) 755-9113  
Email: [djimenez@tropicanaproperties.org](mailto:djimenez@tropicanaproperties.org)

Please call me on my cell phone at [REDACTED] if you have any questions regarding this application, as I am not in the office very frequently due to the COVID crisis, or contact me at my email address:  
[REDACTED]

Sincerely,



R.L. Bowling, IV  
Manager  
El Paso-Cooperstown, LLC

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Cooperstown Apartments (HTC #01099)

**RECOMMENDED ACTION**

**WHEREAS**, Cooperstown Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 2001 to construct 16 multifamily units in the City of El Paso, El Paso County;

**WHEREAS**, the HTC Application for the Development received three points for agreeing to Material Participation by a Qualified Nonprofit Organization and to a Joint Venture with a Qualified Nonprofit Organization in the Project, and these requirements are included in the Land Use Restriction Agreement (LURA) for the Development;

**WHEREAS**, since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation (LVHC), which at this time wishes to be removed from the ownership structure of the Development;

**WHEREAS**, Cooperstown, Ltd. (the Development Owner or Owner), through its General Partner, El Paso Cooperstown, LLC, is proposing to replace the Qualified Nonprofit requirement in the LURA with a requirement for a certified Historically Underutilized Business (HUB), which carried the same point value in the 2001 Qualified Allocation Plan (QAP);

**WHEREAS**, the removal of material participation by a Nonprofit Organization requires Board approval under 10 TAC §10.405(b)(2)(D) and §10.406(f)(3);

**WHEREAS**, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b), including holding a public hearing; and

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

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested Material Amendment to the HTC LURA for Cooperstown Apartments is approved as presented to 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**

Cooperstown Apartments received a 9% HTC award in 2001 for the new construction of 16 multifamily units in the City of El Paso, El Paso County. The HTC Application for the Development received three points to include Material Participation and a Joint Venture with a Qualified Nonprofit Organization in the ownership structure of the General Partner of the Development Owner throughout the Compliance Period. This requirement was codified in the Development's LURA, which was recorded in El Paso County on November 25, 2003. At application, the Development Owner also elected, and was awarded points, to extend the Compliance Period to 25 consecutive taxable years, resulting in the Compliance Period extending through 2027. However, the 15-year federal Compliance Period ended on December 31, 2017, and the Development was not originally reported as being in the nonprofit set-aside at carryover. Since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation.

On August 11, 2020, R.L. Bowling, IV, the Development Owner's representative, submitted a request for approval to transfer the interest of the minority member of the General Partner (GP) from LVHC, the existing Nonprofit Organization, to Tropicana Properties, Inc., a Historically Underutilized Business (HUB). However, pursuant to 10 TAC §10.406(f)(1), an ownership transfer is allowable only to replace the existing Nonprofit Organization with a qualified Nonprofit Organization. Since this request seeks to replace the Nonprofit with a HUB, Board approval is required under 10 TAC §10.405(b)(2)(D), and in a letter dated August 20, 2020, the Owner requested approval for a material amendment to the LURA to replace the nonprofit requirements with the HUB requirement.

According to the Owner, LVHC no longer wishes to be an owner of the GP, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits. As a result, both members of the GP have mutually agreed of their own free volition to assign the interest of LVHC to Tropicana Properties, Inc., which has also agreed to accept this transfer of interest.

The requested change does not materially alter the Development in a negative manner, and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held an in-person and telephonic public hearing on the matter on September 17, 2020, but no public comment was received regarding the amendment request.

Staff has confirmed that the points for HUB participation are equal to those awarded for Nonprofit Participation; therefore, the scoring remains unaffected by the replacement of a HUB participating materially rather than the qualified Nonprofit.

Staff recommends approval of the Material Amendment to the LURA as presented herein. Approval of the ownership transfer will be handled administratively, separate from this request.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

---

August 20, 2020

Karen Treadwell

Texas Department of Housing and Community

Affairs 221 E. 11th Street | Austin, TX 78701

512.936.7839

SENT VIA ELECTRONIC MAIL

### **RE: Material LURA Amendments for (Cooperstown, South Cooperstown, Pueblo Montana, Castner Palms)**

Dear Ms. Treadwell,

El Paso-Cooperstown, LLC is the General Partner (GP) in four Housing Tax Credit Development partnerships that own four separate 9% LIHTC developments in El Paso, Texas. The four developments are:

Cooperstown (TDHCA Award #01099), placed-in-service in 2003 South

Cooperstown (TDHCA Award #01094), placed-in-service in 2003

Pueblo Montana Palms (TDHCA Award #02051), placed-in-service in 2004,

and Castner Palms (TDHCA Award #02053), placed-in-service in 2004

South Cooperstown, LTD is formally requesting a material amendment to the LURA due to a transfer of ownership from a Nonprofit Organization to a Historically Underutilized Business which will continue the material participation throughout the extended compliance period.

The current members of El Paso-Cooperstown, LLC consist of Tropicana Building Corporation ("TBC") as 95% owner and the Lower Valley Housing Corporation ("LVHC") as 5% non-profit owner. **At this time, LVHC no longer wishes to be an owner of El Paso-Cooperstown, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits.** As a result, both companies have mutually agreed of their own free volition (void of any undue hardship or required or forced action) to assign the interest in the LLC of LVHC to Tropicana Properties, Inc. ("TPI") a certified (HUB). Tropicana Properties, Inc. has also agreed to accept this transfer of interest. (See attached "Purchase and Sale Agreement" evidencing the three companies mutually agreeing to this transfer.)

TPI has materially participated in various LLCs as an owner in over 15 other LIHTC developments, most recently in the newly completed Jaime O. Perez Memorial Apartments, LTD and Nevarez Palms, LTD partnerships created from their respective 2018 awarded developments. TPI has extensive experience in management and development in El Paso County for over 15 years.

The Initial Compliance Period of 15 years has expired for each of these four developments, however, TPI will materially participate and have an ownership interest in the development's ownership entities throughout the Extended Compliance Period.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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Therefore, all parties respectfully request a LURA amendment to replace LVHDC with TPI. LVHDC is a non-profit organization which requires a material LURA amendment further described in §10.406 of the Post Award and Asset Management Requirements Rules (Rules). This amendment request was not reasonably foreseeable at the time of Application.

The contact information for the new party entering the partnership is:

Demetrio Jimenez,  
President  
Tropicana Properties, Inc.  
2505 E. Missouri, Suite 200  
El Paso, TX 79903  
(915) 755-9113  
Email: [djimenez@tropicanaproperties.org](mailto:djimenez@tropicanaproperties.org)

Please call me on my cell phone at (915) 474-5250 if you have any questions regarding this application, as I am not in the office very frequently due to the COVID crisis, or contact me at my email address: [bbowling4@tropicanahomes.com](mailto:bbowling4@tropicanahomes.com).

Sincerely,



R.L. Bowling, IV  
Manager  
El Paso-Cooperstown, LLC



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Timber Ridge Apartments (HTC #01101)

**RECOMMENDED ACTION**

**WHEREAS**, Timber Ridge Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 2001 to construct 192 multifamily units in Houston, Harris 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 84<sup>th</sup> 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**, Timber Ridge Housing, Ltd. (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 Timber Ridge Apartments 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

Timber Ridge Apartments received a 9% LIHTC award in 2001 for the new construction of 192 multifamily units for in Houston, Harris County. In a letter dated August 24, 2020, Jarvis Taylor, representative for the Development Owner, Timber Ridge Housing, Ltd., requested approval to amend the HTC LURA related to the ROFR provision.

In 2001, the Housing Tax Credit application allotted five points to the Development 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 for Low-Income Housing Credits recorded in Harris County on April 6, 2004.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 18<sup>th</sup> year of 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 84<sup>th</sup> 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 video and telephonic public hearing on the matter on September 8, 2020. No public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

# **TIMBER RIDGE HOUSING, LTD.**

4001 W. Sam Houston Pkwy. North, Suite 100  
Houston, Texas 77043

August 24, 2020

## **VIA ELECTRONIC DELIVERY**

Ms. Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 01101; Timber Ridge I Apartments (the "**Property**")  
Property Address: 5350 Aeropark Drive, Houston, Texas 77032

Dear Ms. Trevino:

The undersigned, being the General Partner (herein so called) of Timber Ridge Housing, Ltd., a Texas limited partnership (the "**Partnership**"), and the current owner of the Property. This letter constitutes request for 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. In addition, the Partnership commits to hold a telephonic public hearing, as required by the Rules, and to notify all residents, investors, and lenders as to this proposed amendment. The Partnership will proceed to set a date and time for the telephonic 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 October 8, 2020 TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

**TIMBER RIDGE HOUSING, LTD.,**  
a Texas limited partnership

By: Jeffersonian Contactors, Inc.,  
a Texas corporation,  
its Managing General Partner

By: Education Based Housing, Inc.,  
a Texas nonprofit corporation,  
its Sole Shareholder

By:   
Jarvis Taylor  
Executive Director

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Pueblo Montana (HTC #02051)

**RECOMMENDED ACTION**

**WHEREAS**, Pueblo Montana (the Development) received a 9% Housing Tax Credit (HTC) award in 2002 to construct 36 multifamily units in the City of El Paso, El Paso County;

**WHEREAS**, the HTC Application for the Development received three points for agreeing to a Joint Venture with a Qualified Nonprofit Organization in the Project, and this requirement is included in the Land Use Restriction Agreement (LURA) for the Development;

**WHEREAS**, since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation (LVHC), which at this time wishes to be removed from the ownership structure of the Development;

**WHEREAS**, Pueblo Montana Apartments, Ltd. (the Development Owner or Owner), through its General Partner, El Paso Cooperstown, LLC, is proposing to replace the Qualified Nonprofit requirement in the LURA with a requirement for a certified Historically Underutilized Business (HUB), which carried the same point value in the 2002 Qualified Allocation Plan (QAP);

**WHEREAS**, the removal of material participation by a Nonprofit Organization requires Board approval under 10 TAC §10.405(b)(2)(D) and §10.406(f)(3);

**WHEREAS**, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b), including holding a public hearing; and

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

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested Material Amendment to the HTC LURA for Pueblo Montana is approved as presented to 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**

Pueblo Montana received a 9% HTC award in 2002 for the new construction of 36 multifamily units in the City of El Paso, El Paso County. The HTC Application for the Development received three points to include a Joint Venture with a Qualified Nonprofit Organization in the ownership structure of the General Partner of the Development Owner throughout the Compliance Period. This requirement was codified in the Development's LURA, which was recorded in El Paso County on October 26, 2004. At application, the Development Owner also elected, and was awarded points, to extend the Compliance Period to 25 consecutive taxable years, resulting in the Compliance Period extending through 2028. However, the 15-year federal Compliance Period ended on December 31, 2018, and the Development was not originally reported as being in the nonprofit set-aside at carryover. Since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation.

On August 11, 2020, R.L. Bowling, IV, the Development Owner's representative, submitted a request to transfer the interest of the minority member of the General Partner (GP) from the existing Nonprofit Organization to Tropicana Properties, Inc., a Historically Underutilized Business (HUB). However, pursuant to 10 TAC §10.406(f)(1), an ownership transfer is allowable only to replace the existing Nonprofit Organization with a qualified Nonprofit Organization. Since this request seeks to replace the Nonprofit with a HUB, Board approval is required under 10 TAC §10.405(b)(2)(D), and in a letter dated August 20, 2020, the Owner requested approval for a material amendment to the LURA to replace the nonprofit requirement with the HUB requirement.

According to the Owner, LVHC no longer wishes to be an owner of the GP, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits. As a result, both members of the GP have mutually agreed of their own free volition to assign the interest of LVHC to Tropicana Properties, Inc., which has also agreed to accept this transfer of interest.

The requested change does not materially alter the Development in a negative manner, and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held an in-person and telephonic public hearing on the matter on September 17, 2020, but no public comment was received regarding the amendment request.

Staff has confirmed that the points for HUB participation were equal to those awarded for Nonprofit Participation; therefore, the scoring remains unaffected by the replacement of a HUB participating materially rather than the qualified nonprofit organization.

Staff recommends approval of the Material Amendment to the LURA as presented herein. Approval of the ownership transfer will be handled administratively, separate from this request.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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August 20, 2020

Karen Treadwell

Texas Department of Housing and Community

Affairs 221 E. 11th Street | Austin, TX 78701

512.936.7839

SENT VIA ELECTRONIC MAIL

### **RE: Material LURA Amendments for (Cooperstown, South Cooperstown, Pueblo Montana, Castner Palms)**

Dear Ms. Treadwell,

El Paso-Cooperstown, LLC is the General Partner (GP) in four Housing Tax Credit Development partnerships that own four separate 9% LIHTC developments in El Paso, Texas. The four developments are:

Cooperstown (TDHCA Award #01099), placed-in-service in 2003 South

Cooperstown (TDHCA Award #01094), placed-in-service in 2003

Pueblo Montana Palms (TDHCA Award #02051), placed-in-service in 2004,

and Castner Palms (TDHCA Award #02053), placed-in-service in 2004

South Cooperstown, LTD is formally requesting a material amendment to the LURA due to a transfer of ownership from a Nonprofit Organization to a Historically Underutilized Business which will continue the material participation throughout the extended compliance period.

The current members of El Paso-Cooperstown, LLC consist of Tropicana Building Corporation ("TBC") as 95% owner and the Lower Valley Housing Corporation ("LVHC") as 5% non-profit owner. **At this time, LVHC no longer wishes to be an owner of El Paso-Cooperstown, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits.** As a result, both companies have mutually agreed of their own free volition (void of any undue hardship or required or forced action) to assign the interest in the LLC of LVHC to Tropicana Properties, Inc. ("TPI") a certified (HUB). Tropicana Properties, Inc. has also agreed to accept this transfer of interest. (See attached "Purchase and Sale Agreement" evidencing the three companies mutually agreeing to this transfer.)

TPI has materially participated in various LLCs as an owner in over 15 other LIHTC developments, most recently in the newly completed Jaime O. Perez Memorial Apartments, LTD and Nevarez Palms, LTD partnerships created from their respective 2018 awarded developments. TPI has extensive experience in management and development in El Paso County for over 15 years.

The Initial Compliance Period of 15 years has expired for each of these four developments, however, TPI will materially participate and have an ownership interest in the development's ownership entities throughout the Extended Compliance Period.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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Therefore, all parties respectfully request a LURA amendment to replace LVHDC with TPI. LVHDC is a non-profit organization which requires a material LURA amendment further described in §10.406 of the Post Award and Asset Management Requirements Rules (Rules). This amendment request was not reasonably foreseeable at the time of Application.

The contact information for the new party entering the partnership is:

Demetrio Jimenez,  
President  
Tropicana Properties, Inc.  
2505 E. Missouri, Suite 200  
El Paso, TX 79903  
(915) 755-9113  
Email: [djimenez@tropicanaproperties.org](mailto:djimenez@tropicanaproperties.org)

Please call me on my cell phone at (915) 474-5250 if you have any questions regarding this application, as I am not in the office very frequently due to the COVID crisis, or contact me at my email address: [bbowling4@tropicanahomes.com](mailto:bbowling4@tropicanahomes.com).

Sincerely,



R.L. Bowling, IV  
Manager  
El Paso-Cooperstown, LLC



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Castner Palms (HTC #02053)

**RECOMMENDED ACTION**

**WHEREAS**, Castner Palms (the Development) received a 9% Housing Tax Credit (HTC) award in 2002 to construct 100 multifamily units in the City of El Paso, El Paso County;

**WHEREAS**, the HTC Application for the Development received three points for agreeing to a Joint Venture with a Qualified Nonprofit Organization in the Project, and this requirement is included in the Land Use Restriction Agreement (LURA) for the Development;

**WHEREAS**, since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation (LVHC), which at this time wishes to be removed from the ownership structure of the Development;

**WHEREAS**, Castner Palms, Ltd. (the Development Owner or Owner), through its General Partner, El Paso Cooperstown, LLC, is proposing to replace the Qualified Nonprofit requirement in the LURA with a requirement for a certified Historically Underutilized Business (HUB), which carried the same point value in the 2002 Qualified Allocation Plan (QAP);

**WHEREAS**, the removal of material participation by a Nonprofit Organization requires Board approval under 10 TAC §10.405(b)(2)(D) and §10.406(f)(3);

**WHEREAS**, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b), including holding a public hearing; and

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

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested Material Amendment to the HTC LURA for Castner Palms is approved as presented to 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**

Castner Palms received a 9% HTC award in 2002 for the new construction of 100 multifamily units in the City of El Paso, El Paso County. The HTC Application for the Development received three points to include a Joint Venture with a Qualified Nonprofit Organization in the ownership structure of the General Partner of the Development Owner throughout the Compliance Period. This requirement was codified in the Development's LURA, which was recorded in El Paso County on October 26, 2004. At application, the Development Owner also elected, and was awarded points, to extend the Compliance Period to 25 consecutive taxable years, resulting in the Compliance Period extending through 2028. However, the 15-year federal Compliance Period ended on December 31, 2018, and the Development was not originally reported as being in the nonprofit set-aside at carryover. Since the time that the LURA was filed, the 5% non-profit member of the General Partner has been Lower Valley Housing Corporation.

On August 11, 2020, R.L. Bowling, IV, the Development Owner's representative, submitted a request to transfer the interest of the minority member of the General Partner (GP) from the existing Nonprofit Organization to Tropicana Properties, Inc., a Historically Underutilized Business (HUB). However, pursuant to 10 TAC §10.406(f)(1), an ownership transfer is allowable only to replace the existing Nonprofit Organization with a qualified Nonprofit Organization. Since this request seeks to replace the Nonprofit with a HUB, Board approval is required under 10 TAC §10.405(b)(2)(D), and in a letter dated August 20, 2020, the Owner requested approval for a material amendment to the LURA to replace the nonprofit requirement with the HUB requirement.

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The requested change does not materially alter the Development in a negative manner, and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held an in-person and telephonic public hearing on the matter on September 17, 2020, but no public comment was received regarding the amendment request.

Staff has confirmed that the points for HUB participation were equal to those awarded for Nonprofit Participation; therefore, the scoring remains unaffected by the replacement of a HUB participating materially rather than the qualified nonprofit organization.

Staff recommends approval of the Material Amendment to the LURA as presented herein. Approval of the ownership transfer will be handled administratively, separate from this request.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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August 20, 2020

Karen Treadwell

Texas Department of Housing and Community

Affairs 221 E. 11th Street | Austin, TX 78701

512.936.7839

SENT VIA ELECTRONIC MAIL

### **RE: Material LURA Amendments for (Cooperstown, South Cooperstown, Pueblo Montana, Castner Palms)**

Dear Ms. Treadwell,

El Paso-Cooperstown, LLC is the General Partner (GP) in four Housing Tax Credit Development partnerships that own four separate 9% LIHTC developments in El Paso, Texas. The four developments are:

Cooperstown (TDHCA Award #01099), placed-in-service in 2003 South

Cooperstown (TDHCA Award #01094), placed-in-service in 2003

Pueblo Montana Palms (TDHCA Award #02051), placed-in-service in 2004,

and Castner Palms (TDHCA Award #02053), placed-in-service in 2004

South Cooperstown, LTD is formally requesting a material amendment to the LURA due to a transfer of ownership from a Nonprofit Organization to a Historically Underutilized Business which will continue the material participation throughout the extended compliance period.

The current members of El Paso-Cooperstown, LLC consist of Tropicana Building Corporation ("TBC") as 95% owner and the Lower Valley Housing Corporation ("LVHC") as 5% non-profit owner. **At this time, LVHC no longer wishes to be an owner of El Paso-Cooperstown, as LVHC sees their ownership as an undue burden with potential liabilities exceeding benefits.** As a result, both companies have mutually agreed of their own free volition (void of any undue hardship or required or forced action) to assign the interest in the LLC of LVHC to Tropicana Properties, Inc. ("TPI") a certified (HUB). Tropicana Properties, Inc. has also agreed to accept this transfer of interest. (See attached "Purchase and Sale Agreement" evidencing the three companies mutually agreeing to this transfer.)

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The Initial Compliance Period of 15 years has expired for each of these four developments, however, TPI will materially participate and have an ownership interest in the development's ownership entities throughout the Extended Compliance Period.

## El Paso Cooperstown, LLC

2505 E. Missouri, Suite 300; El Paso, TX 79903

Ph: 915-821-3550 Fax: 915-821-7002

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Therefore, all parties respectfully request a LURA amendment to replace LVHDC with TPI. LVHDC is a non-profit organization which requires a material LURA amendment further described in §10.406 of the Post Award and Asset Management Requirements Rules (Rules). This amendment request was not reasonably foreseeable at the time of Application.

The contact information for the new party entering the partnership is:

Demetrio Jimenez,  
President  
Tropicana Properties, Inc.  
2505 E. Missouri, Suite 200  
El Paso, TX 79903  
(915) 755-9113  
Email: [djimenez@tropicanaproperties.org](mailto:djimenez@tropicanaproperties.org)

Please call me on my cell phone at (915) 474-5250 if you have any questions regarding this application, as I am not in the office very frequently due to the COVID crisis, or contact me at my email address: [bbowling4@tropicanahomes.com](mailto:bbowling4@tropicanahomes.com).

Sincerely,



R.L. Bowling, IV  
Manager  
El Paso-Cooperstown, LLC

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Arbor Cove (HTC #04226)

**RECOMMENDED ACTION**

**WHEREAS**, Arbor Cove (the Development) received a 9% Housing Tax Credit (HTC) award in 2004 to construct 120 multifamily units in Donna, Hidalgo 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 84<sup>th</sup> 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**, Arbor Cove, Ltd. (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 Arbor Cove 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**

Arbor Cove received a 9% HTC award in 2004 for the new construction of 120 multifamily units in Donna, Hidalgo County. In a letter dated July 30, 2020, the Development Owner, Arbor Cove, Ltd. (Mark S. Moorhouse), requested approval to amend the HTC LURA related to the ROFR provision.

In 2004, the Housing Tax Credit application allotted five points to the Development 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 Hidalgo County on February 14, 2007.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 15<sup>th</sup> year of the Compliance Period. 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 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 as amended, 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 telephonic public hearing on the matter on August 10, 2020. There were no attendees at the public hearing, and no public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

**ARBOR COVE**  
2805 Arbor Cove Dr.  
Donna, Hidalgo County, Texas 78537

July 30, 2020

**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. 04226 & 07055; Arbor Cove (the "**Property**")

Dear Mr. Kent Bedell:

The undersigned, being the General Partner (herein so called) of Arbor Cove, Ltd., 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,

**ARBOR COVE, LTD.,**  
a Texas limited partnership

By: Donna Leased Housing Associates GP I, LLC,  
a Texas limited liability company,  
its general partner

By:   
Name: Mark S. Moorhouse  
Title: Senior Vice President



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Silver Glen Apartments (HTC #11149)

**RECOMMENDED ACTION**

**WHEREAS**, Silver Glen Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 2011 to acquire and rehabilitate 160 multifamily units in Houston, Harris 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 84<sup>th</sup> 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**, Houston Leased Housing Associates III, Limited Partnership (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 Silver Glen Apartments 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**

Silver Glen Apartments received a 9% HTC award in 2011 for the acquisition and rehabilitation of 160 multifamily units for in Houston, Harris County. In a letter dated July 31, 2020, Jarvis Taylor, representative for the Development Owner, Houston Leased Housing Associates III, Limited Partnership, requested approval to amend the HTC LURA related to the ROFR provision.

In 2011, the Housing Tax Credit application allotted one point to the Development 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 for Low-Income Housing Credits recorded in Harris County on March 10, 2014.

The additional use restrictions in the current HTC 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)), or to a tenant organization or to the Department, if at any time after the 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the eight year of the Compliance Period. 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 84<sup>th</sup> 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 telephonic public hearing on the matter on August 10, 2020. No public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

**SILVER GLEN APARTMENTS**  
7601 Curry St.  
Houston, Harris County, Texas 77093

July 31, 2020

**VIA HAND DELIVERY**

Ms. Lucy Trevino  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 11149; Silver Glen Apartments (the "**Property**")

Dear Ms. Trevino:

The undersigned, being the General Partner (herein so called) of Houston Leased Housing Associates III, Limited Partnership, 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.

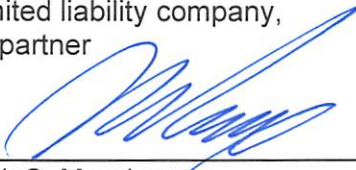
Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

**HOUSTON LEASED HOUSING ASSOCIATES III, LIMITED  
PARTNERSHIP,**  
a Texas limited partnership

By: Houston Leased Housing Associates GP III, LLC,,  
a Texas limited liability company,  
its general partner

By:

  
Name: Mark S. Moorhouse

Title: Vice President

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Windy Ridge Apartments (HTC #13071)

**RECOMMENDED ACTION**

**WHEREAS**, Windy Ridge Apartments (the Development) received a 9% Housing Tax Credit (HTC) award in 2013 for the new construction of 120 multifamily units in Austin, Travis 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**, TX RR620 Apartments, Ltd. (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 Windy Ridge Apartments 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**

Windy Ridge Apartments received a 9% HTC award in 2013 for the new construction of 120 multifamily units in Austin, Travis County. In a letter dated July 31, 2020, the Development Owner, TX RR620 Apartments, Ltd. (Mark S. Moorhouse), requested approval to amend the HTC LURA related to the ROFR provision.

In 2013, the Housing Tax Credit Qualified Allocation Plan and Rules allotted one point 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 Travis County on September 21, 2016.

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 15<sup>th</sup> year of the Compliance Period the Owner decides to sell the property. The Development is currently in the 5<sup>th</sup> year of the Compliance Period. 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 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 telephonic public hearing on the matter on August 11, 2020. No negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

**WINDY RIDGE APARTMENTS**  
10910 Ranch Road 620  
Austin, Travis County, Texas 78726

July 31, 2020

**VIA HAND DELIVERY**

Ms. Laura DeBellas  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: TDHCA File No. 13071; Windy Ridge Apartments (the "**Property**")

Dear Ms. DeBellas:

The undersigned, being the General Partner (herein so called) of TX RR620 Apartments, Ltd., 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,

**TX RR620 APARTMENTS, LTD.,**  
a Texas limited partnership

By: Austin Leased Housing Associates GP I, LLC, a Minnesota  
limited liability company,  
its general partner

By: 

Name: Mark S. Moorhouse

Title: Senior Vice President



**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for SilverLeaf at Panhandle Seniors (HTC #16043)

**RECOMMENDED ACTION**

**WHEREAS**, SilverLeaf at Panhandle Seniors (the Development) received a 9% Housing Tax Credit (HTC) award in 2016 to construct 60 multifamily units in Panhandle, Carson County;

**WHEREAS**, Cynthia L. Bast with Locke Lord, LLP and on behalf of SilverLeaf at Panhandle Seniors, LLC (the Development Owner or Owner) requests approval for an amendment to the Land Use Restriction Agreement (LURA) for a change in the Owner's set aside election to the Average Income Set Aside and modification in the income and rent restrictions at the Development to allow for tenants earning up to 80% Area Median Income (AMI), while maintaining an overall average unit designation that does not exceed 60% AMI;

**WHEREAS**, the HTC Application for the Development was awarded points for deeper rent targeting, and the Owner has agreed to maintain the number of units at or below 30% and 50% AMI as previously approved or greater;

**WHEREAS**, Board approval is required for changes to the income or rent restrictions as directed in 10 TAC §10.405(b)(2)(B), 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; and

**WHEREAS**, the requested change does not negatively affect the Development, impact the viability of the transaction, or impact the selection of the Application for an award;

**NOW, therefore, it is hereby**

**RESOLVED**, that the material LURA amendment for SilverLeaf at Panhandle Seniors 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**

SilverLeaf at Panhandle Seniors was originally approved for a 9% HTC award in 2016 for the new construction of 60 multifamily units. As originally approved, the Development is required to have 54 low income units (five units at 30%, 11 units at 50%, and 38 units at 60% AMI) and six market rate units. The Owner elected the 40% at 60% income set aside at application, and this election is reflected in the LURA for the Development. Construction of the Development is complete, and IRS Forms 8609 have been issued for the Development.

In a letter dated July 23, 2020, Cynthia L. Bast on behalf of the Development Owner, requested approval for a material amendment to the LURA to change the set aside from maintaining 40% or more of the residential units as both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income (40% at 60% minimum set aside election) to the new election of Average Income allowed under IRC §42(g)(1)(C) as adopted by the Federal Consolidated Appropriations Act of 2018. According to the request, the existing unit mix would change to a proposed unit designation percentage of 55.79%; however, this percentage could change over time as long as the average does not exceed 60%.

Due to the fact that SilverLeaf at Panhandle Seniors was approved for an award in 2016, the Average Income Election was not an option at the time of original Application, and therefore, the proposed amendment was not reasonably foreseeable or preventable by the Applicant at the time of Application. Additionally, at the time when the LURA for this Development was prepared in 2018, the average income test was included in the Code but not included in the TDHCA LURA form provided to the Owner.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a telephonic public hearing on the matter on August 7, 2020. No negative public comment was received regarding the requested amendment.

At application, the Development was awarded points for proposing to have five units at 30% AMI and 11 units at 50% AMI; therefore, to not impact the scoring of the Application, staff recommends that at least this same number of units at or below 30% and 50% AMI be provided, and the Owner has agreed.

Staff recommends approval of the material LURA amendment for the Average Income set aside election with the condition that the Owner maintain no less than the number of units at 30% AMI or less and 50% AMI or less as originally approved.



600 Congress Avenue, Suite 2200  
Austin, Texas 78701-2748  
Telephone: 512-305-4700  
Fax: 512-305-4800  
www.lockelord.com

Cynthia L. Bast  
Direct Telephone: 512-305-4707  
Direct Fax: 512-391-4707  
clbast@lockelord.com

July 23, 2020

**Via Email Delivery**

Mr. Rosalio Banuelos  
Texas Department of Housing  
and Community Affairs  
221 East 11th Street  
Austin, Texas 78711-3941

RE: LURA Amendment Request  
Silverleaf at Panhandle (the "**Development**")  
TDHCA Development Number: 16043

Dear Rosalio:

We represent Silverleaf at Panhandle, LLC, which is the Development Owner.<sup>1</sup> The Development received an award of Housing Tax Credits in the 2016 competitive cycle. The purpose of this letter is to request that the Development Owner be allowed to elect the average income test, as permitted by Section 42(g)(1)(C) of the Internal Revenue Code (the "**Code**").

**Average Income Test**

Congress added the average income test to the Code pursuant to The Consolidated Appropriations Act, effective as of March 23, 2018 (the "**Code Modification**"). Per Section 42(g)(1) of the Code, as amended, a taxpayer must make an election to meet the 20-50 test, the 40-60 test, or the average income test, in order for its development to be considered a "qualified low-income housing project." When the average income test was added to Section 42(g)(1), the IRS revised Form 8609 at Box 10c, with a notation as follows: "The average income test is only available for elections made after March 23, 2018." The instructions for Form 8609 indicate that an election is made at the time the Form 8609 is completed and submitted. The instructions say: "You must meet the minimum set-aside requirements under Section 42(g)(1) for the project by electing one of the following tests. Once made, the election is irrevocable."

Thus, a taxpayer completing and submitting its Form 8609 after March 23, 2018 should

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<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings ascribed to them pursuant to 10 TAC §10.400(b).

be able to make the election to use the average income test.

### Timeline

The Development Owner received a Tax Credit award in July 2016 and commenced development of its property. The property was placed into service in June 2018, and the Development Owner requested its LURA on November 1, 2018. At this time, the average income test was included in the Code, but the form LURA provided by TDHCA did not include the ability to identify the average income test. According to TDHCA rule and procedure, a LURA must be signed and recorded before TDHCA will issue Forms 8609 to the Development Owner. When the Development Owner received its Forms 8609, it checked the box at 10c to elect the average income test. The Development Owner is awaiting the return of the signed Forms 8609 from TDHCA at this time. Timing of receipt is important, as the Investor needs to confirm receipt of tax credits and finalize the audit.

### Background Information

The Development was proposed with 60 total Units, having restrictions as follows:

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	Income	# Units	% Total
Eff	-	0.0%	0	30%	5	8.3%
1	34	56.7%	0	40%	-	0.0%
2	26	43.3%	0	50%	11	18.3%
3	-	0.0%	0	60%	38	63.3%
4	-	0.0%	0	MR	6	10.0%
<b>TOTAL</b>	<b>60</b>	<b>100.0%</b>	<b>-</b>	<b>TOTAL</b>	<b>60</b>	<b>100.0%</b>

At the time of Application the average income test was not available. Therefore, the Development Owner advised that it would elect the 40-60 test under Section 42(g)(1) of the Code. However, now that the average income test is available, the Development Owner wishes to make that election. Because the form of LURA provided to the Development Owner did not include the average income test, we believe a LURA amendment is appropriate to make the LURA consistent with the Forms 8609.

### Impact of Amendment

The requested amendment was not foreseeable by the Development Owner, as it could not have predicted the change to federal law. In addition, the fact that the Development Owner received a form of LURA that did not include the average income test, even though it

was produced after the March 23, 2018 effective date was not within Development Owner's control. Adopting this amendment will give the Development Owner more flexibility in leasing, which is particularly important at this time of economic uncertainty. Practically, the amendment should not have a significant impact on the residents or the potential residents.

**Request**

For all of the reasons recited above, the Development Owner requests that TDHCA amend its LURA to reflect its election of the average income test on the Forms 8609. A \$2500 fee will be sent separately. The Development Owner commits to hold a public hearing and notify the residents and its investor and lender, as required by 10 TAC §10.405(b)(3). Copies of the notifications are included for your reference.

Sincerely,



Cynthia L. Bast

Enclosures

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Silverleaf at Mason (HTC #16057)

**RECOMMENDED ACTION**

**WHEREAS**, Silverleaf at Mason (the Development) received a 9% Housing Tax Credit (HTC) award in 2016 to construct 45 multifamily units in Mason, Mason County;

**WHEREAS**, Cynthia L. Bast with Locke Lord, LLP and on behalf of SilverLeaf at Mason, LLC (the Development Owner or Owner) requests approval for an amendment to the Land Use Restriction Agreement (LURA) for a change in the Owner's set aside election to the Average Income Set Aside and modification in the income and rent restrictions at the Development to allow for tenants earning up to 80% Area Median Income (AMI), while maintaining an overall average unit designation that does not exceed 60% AMI;

**WHEREAS**, the HTC Application for the Development was awarded points for deeper rent targeting, and the Owner has agreed to maintain the number of units at or below 30% and 50% AMI as previously approved or greater;

**WHEREAS**, Board approval is required for changes to the income or rent restrictions as directed in 10 TAC §10.405(b)(2)(B), 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; and

**WHEREAS**, the requested change does not negatively affect the Development, impact the viability of the transaction, or impact the selection of the Application for an award;

**NOW, therefore, it is hereby**

**RESOLVED**, that the material LURA amendment for Silverleaf at Mason 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**

Silverleaf at Mason was originally approved for a 9% HTC award in 2016 for the new construction of 45 multifamily units. As originally approved, the Development is required to have 44 low income units (four units at 30%, nine units at 50%, and 31 units at 60% AMI) and one market rate unit. The Owner elected the 40% at 60% income set aside at application, and this election is reflected in the LURA for the Development. Construction of the Development is complete, but IRS Forms 8609 have not yet been issued for the Development.

In a letter dated July 23, 2020, Cynthia L. Bast on behalf of the Development Owner, requested approval for a material amendment to the LURA to change the set aside from maintaining 40% or more of the residential units as both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income (40% at 60% minimum set aside election) to the new election of Average Income allowed under IRC §42(g)(1)(C) as adopted by the Federal Consolidated Appropriations Act of 2018. According to the request, the existing unit mix would change to a proposed unit designation that could fluctuate but will not exceed an average of 60%.

Due to the fact that Silverleaf at Mason was approved for an award in 2016, the Average Income Election was not an option at the time of original Application, and therefore, the proposed amendment was not reasonably foreseeable or preventable by the Applicant at the time of Application. Additionally, at the time when the LURA for this Development was prepared in 2018, the average income test was included in the Code but not included in the TDHCA LURA form provided to the Owner.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a telephonic public hearing on the matter on August 7, 2020. No negative public comment was received regarding the requested amendment.

At application, the Development was awarded points for proposing to have four units at 30% AMI and nine units at 50% AMI; therefore, to not impact the scoring of the Application, staff recommends that at least this same number of units at or below 30% and 50% AMI be provided, and the Owner has agreed.

Staff recommends approval of the material LURA amendment for the Average Income set aside election with the condition that the Owner maintain no less than the number of units at 30% AMI or less and 50% AMI or less as originally approved.

July 23, 2020

**Via Email Delivery**

Mr. Rosalio Banuelos  
Texas Department of Housing  
and Community Affairs  
221 East 11th Street  
Austin, Texas 78711-3941

RE: LURA Amendment Request  
Silverleaf at Mason (the "**Development**")  
TDHCA Development Number: 16057

Dear Rosalio:

We represent Silverleaf at Mason, LLC, which is the Development Owner.<sup>1</sup> The Development received an award of Housing Tax Credits in the 2016 competitive cycle. The purpose of this letter is to request that the Development Owner be allowed to elect the average income test, as permitted by Section 42(g)(1)(C) of the Internal Revenue Code (the "**Code**").

**Average Income Test**

Congress added the average income test to the Code pursuant to The Consolidated Appropriations Act, effective as of March 23, 2018 (the "**Code Modification**"). Per Section 42(g)(1) of the Code, as amended, a taxpayer must make an election to meet the 20-50 test, the 40-60 test, or the average income test, in order for its development to be considered a "qualified low-income housing project." When the average income test was added to Section 42(g)(1), the IRS revised Form 8609 at Box 10c, with a notation as follows: "The average income test is only available for elections made after March 23, 2018." The instructions for Form 8609 indicate that an election is made at the time the Form 8609 is completed and submitted. The instructions say: "You must meet the minimum set-aside requirements under Section 42(g)(1) for the project by electing one of the following tests. Once made, the election is irrevocable."

Thus, a taxpayer completing and submitting its Form 8609 after March 23, 2018 should

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<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings ascribed to them pursuant to 10 TAC §10.400(b).



be able to make the election to use the average income test.

### Timeline

The Development Owner received a Tax Credit award in July 2016 and commenced development of its property. The property was placed into service in July 2018, and the Development Owner requested its LURA on November 1, 2018. At this time, the average income test was included in the Code, but the form LURA provided by TDHCA did not include the ability to identify the average income test. According to TDHCA rule and procedure, a LURA must be signed and recorded before TDHCA will issue Forms 8609 to the Development Owner. The Development Owner is awaiting its Forms 8609. Upon receipt, it plans to check the box at 10c to elect the average income test. Timing of receipt of Forms 8609 is important, as the Investor needs to have assurance of tax credit delivery and completion of the Development's audit.

### Background Information

The Development was proposed with 49 total Units, which was subsequently amended to 45 Unit, having restrictions as follows:

UNIT DISTRIBUTION						
# Beds	# Units	% Total	Assisted	Income	# Units	% Total
Eff	-	0.0%	0	30%	4	8.9%
1	25	55.6%	0	40%	-	0.0%
2	20	44.4%	0	50%	9	20.0%
3	-	0.0%	0	60%	31	68.9%
4	-	0.0%	0	MR	1	2.2%
<b>TOTAL</b>	<b>45</b>	<b>100.0%</b>	<b>-</b>	<b>TOTAL</b>	<b>45</b>	<b>100.0%</b>

At the time of Application the average income test was not available. Therefore, the Development Owner advised that it would elect the 40-60 test under Section 42(g)(1) of the Code. However, now that the average income test is available, the Development Owner wishes to make that election. Because the form of LURA provided to the Development Owner did not include the average income test, we believe a LURA amendment is appropriate to make the LURA consistent with the Forms 8609.

### Impact of Amendment

The requested amendment was not foreseeable by the Development Owner, as it could not have predicted the change to federal law. In addition, the fact that the Development Owner received a form of LURA that did not include the average income test, even though it

was produced after the March 23, 2018 effective date was not within Development Owner's control. Adopting this amendment will give the Development Owner more flexibility in leasing, which is particularly important at this time of economic uncertainty. In the process of lease up, the Development Owner has discovered a variety of potential resident households that have an income just barely over 60%. Practically, the amendment should not have a significant impact on the residents or the potential residents. It would simply allow the Development Owner to rent to households that have an income slightly higher than the 60% threshold.

### **Request**

For all of the reasons recited above, the Development Owner requests that TDHCA amend its LURA to reflect its election of the average income test on the Forms 8609. A \$2500 fee will be sent separately by our client. The Development Owner commits to hold a public hearing and notify the residents and its investor and lender, as required by 10 TAC §10.405(b)(3). Copies of the notifications are included for your reference.

Sincerely,



Cynthia L. Bast

Enclosures

1c

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications

**RECOMMENDED ACTION**

**WHEREAS**, five applications as further detailed below were 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 each application listed herein; and

**WHEREAS**, EARAC recommends each of the five applications for an award of 4% Housing Tax Credits, in the specific amounts 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 Determination Notices in the respective amounts for each of the applications listed herein, subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, and subject to any EARAC 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 that can possibly 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 15<sup>th</sup> of each year. After such date, there may be more Private Activity Bond volume cap that goes towards multifamily housing. The collapse occurred on August 17, 2020 (given that the 15<sup>th</sup> was a weekend), and there was approximately \$1.5 billion in applications requesting volume cap, with approximately \$1.3 billion of those requests being for multifamily. Approximately \$370 million in unreserved volume cap collapsed and was used to reserve some of those requests and there have been a few withdrawals whereby

additional reservations have been issued. Currently, there is approximately \$616.5 million in multifamily requests that are unreserved and waiting for volume cap to be released through currently reserved applications that are withdrawn.

Individual projects receive a Certification of Reservation (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 Reservation is issued is what determines the 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 processed thus far for 2020. The list reflects all applications received and includes a column that denotes the applications' status, specifically, those that have already closed, have 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.

The Reservations from the BRB for the developments described herein were issued under the Priority 3 designation unless noted otherwise, 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 each of the projects are indicated in their respective summaries, below.

#### 20455 Redwood

Redwood is the proposed new construction of 296 units to be located on Redwood Road in San Marcos, Hays County. The general population will be served and the income averaging minimum set-aside has been elected. The application reflects that 30 units will be rent and income restricted at 30% of AMFI, and the remaining 266 units will be rent and income restricted at 60% of AMFI. The Capital Area Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$2,145,888

#### 20476 Grand Station Apartments

Grand Station Apartments involves new construction of 216 units to be located at 16016 Bratton Lane in the extraterritorial jurisdiction of Austin, Travis County. The general population will be served and all of the units will be rent and income restricted at 60% of AMFI. The Travis County Housing Finance Corporation is serving as the bond issuer. In lieu of a Reservation, a Carryforward Designation Certificate was issued by the BRB on January 4, 2019, and will expire on December 31, 2021. Given the length of time to close under this type of reservation, EARAC recommends a condition be placed on the award that closing shall take place no later than February 5, 2021, which is a more typical closing timeline under which traditional Reservations would have to close. If the closing has not occurred by this date, the Executive Director is authorized to approve or deny an extension of the closing date under the Determination Notice, subject to the EARAC recommendation.

Recommended HTC Amount: \$1,347,471

20480 Bridge at Turtle Creek

Bridge at Turtle Creek involves the new construction of 307 units to be located at 735 Turtle Creek Boulevard in Austin, Travis County. The development will serve the general population and the income averaging minimum set-aside has been elected. The application proposes that 70 units will be rent and income restricted at 50% of AMFI, 187 units will be rent and income restricted at 60% of AMFI, and the remaining 50 units will be rent and income restricted at 70% of AMFI. The Austin Affordable PFC, Inc. is serving as the bond issuer.

Recommended HTC Amount: \$2,332,344

20474 Canyon Pass

Canyon Pass Apartments proposes the new construction of 264 units to be built at 25655 Overlook Parkway in San Antonio, Bexar County. The general population will be served and all of the units will be rent and income restricted at 60% of AMFI. The San Antonio Housing Trust Finance Corporation is serving as the bond issuer. In lieu of a Reservation, a Carryforward Designation Certificate was issued by the BRB January 3, 2020, and will expire on December 31, 2022. Given the length of time to close under this type of reservation, EARAC recommends a condition be placed on the award that closing shall take place no later than February 5, 2021, which is a more typical closing timeline under which traditional Reservations would have to close. If the closing has not occurred by this date, the Executive Director is authorized to approve or deny an extension of the closing deadline under the Determination Notice, subject to the EARAC recommendation.

*Undesirable Site Feature – High Voltage Transmission Line:* The development site will be located within 100 feet of an overhead high voltage transmission line, which violates 10 TAC §11.101(a)(2)(D) of the 2020 QAP. The transmission line, as represented by the applicant, has a height of 80 feet, and is located at the center of a 75 foot wide easement that traverses the northern section of the subject site. Moreover, there is a transmission structure located on the development site near the western boundary. The QAP does not apply the limitation to local electric service lines and poles; however, it does not speak to transmission support structures in this regard.

A letter was provided by Eduardo J. Olivarez, Jr., P.E., Senior Engineer for City Public Service Energy (CPS Energy). According to the engineer, the nearest building is proposed to be located approximately 93 feet from the overhead transmission line at its closest point, when measured diagonally. The nearest building will be located approximately 122 feet from the CPS Energy transmission structure. The engineer states that the distances meet CPS Energy standards for distance and safety requirements and that the proposed site plan for the development depicts the vertical improvements outside of the easement area. Staff has confirmed that the CPS Energy standards for residential development in proximity to such transmission lines are adopted via local ordinance and, therefore, meet the

requirements for a determination of eligibility under 10 TAC §11.101(a)(2). Staff recommends the site be considered eligible based on the information provided.

Recommended HTC Amount: \$2,003,601

20466 EMLI at Pecan Creek

EMLI at Pecan Creek is proposed to be located at the northwest corner of Ike Byrom Road and FM 2931 in the extraterritorial jurisdiction of Aubrey, Denton County, and involves the new construction of 254 units serving the general population. The applicant has elected to utilize the income averaging minimum set-aside, as 84 units will be rent and income restricted at 70% of AMFI, 86 units will be rent and income restricted at 60% of AMFI, and the remaining 84 units will be rent and income restricted at 50% of AMFI.

The application was previously approved by the Board on April 23, 2020, and a Determination Notice in the amount of \$1,484,333 was issued. Subsequent to Board approval, the Reservation was withdrawn and a new one was issued. The applicant notified staff of the new Reservation and disclosed that the bond amount under the Reservation was increased from \$20M to \$30M and also disclosed other changes that occurred since Board approval. These changes include the following: lender and syndicator changed (to Regions Bank) and the financing structure changed from a HUD 221 (d)(4) loan to a Fannie Mae Forward M-TEB. The syndication rate decreased from \$0.91 to \$0.89 and the loan terms, including the interest rate associated with the perm loan have also changed.

The Determination Notice issued after Board approval is tied to the bond Reservation docket number issued by the BRB. For Reservations that are withdrawn after Board approval, the QAP allows for a certification to be submitted when a new bond Reservation is issued. In order for an applicant to utilize the certification process under 10 TAC §11.201(3) there are a number of aspects to the application that could not have changed since Board approval; however, if certain aspects did change then the Department will need to re-review to determine if any of those changes are considered material to the overall transaction that was previously approved by the Board. The changes have been re-reviewed and the impact to the overall underwriting are reflected in more detail in the Real Estate Analysis report included in this Board presentation. Staff notes that there is a decrease to the credit amount of \$71,195 that is part of the Board's action today. The Denton County Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$1,413,138

**EXHIBIT A**  
**Previous Participation Results**

<b>Application Number</b>	<b>Development Name</b>	<b>Category</b>	<b>PPR Conditions</b>
20455	Redwood	1	N/A
20476	Grand Station	1	N/A
20480	Bridge at Turtle Creek	2	N/A
20474	Canyon Pass	1	N/A
20449	EMLI at Pecan Creek	1	N/A





## 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	Closed	216	216	\$ 34,000,000	\$ 2,189,841	\$ 2,189,841
20600		Oaks on Clark	San Antonio	4/23/2020	Closed	80	80	\$ 12,000,000	\$ 607,290	\$ 597,284
20605	19608	Reserve at San Marcos	San Marcos	3/26/2020	Closed	376	320	\$ 41,000,000	\$ 1,857,733	\$ 1,857,733
20448	18458; 19431	Scharbauer Flats	Midland	2/20/2020	Closed	300	300	\$ 40,000,000	\$ 2,895,615	\$ 2,895,615
20410		Traders Flats	San Antonio	5/21/2020	Closed	324	324	\$ 38,000,000	\$ 1,863,629	\$ 1,863,629
20465	19428	Riverstone	San Marcos	11/7/2019	Closed	336	336	\$ 50,000,000	\$ 2,349,942	\$ 2,349,942
20414		The Arbor at Wayforest	Houston	3/26/2020	Closed	192	192	\$ 20,000,000	\$ 1,262,807	\$ 1,262,807
20420		Pan American	San Antonio	4/23/2020	Closed	100	100	\$ 15,000,000	\$ 674,355	\$ 674,355
20429	19452	Las Palmas	La Feria	1/16/2020	Closed	36	35	\$39,120,000 (portfolio)	\$ 87,983	\$ 87,983
20422	19445	Brush Country Cottages	Dilley	1/16/2020	Closed	28	28	-	\$ 89,069	\$ 89,069
20423	19446	Chula Vista	San Diego	1/16/2020	Closed	44	44	-	\$ 149,982	\$ 149,982
20424	19447	Cielo Lindo	Edcouch	1/16/2020	Closed	34	34	-	\$ 101,022	\$ 101,022
20425	19448	La Estancia	Sebastian	1/16/2020	Closed	32	32	-	\$ 101,210	\$ 101,210
20426	19449	La Posada I & II	Ela	1/16/2020	Closed	74	74	-	\$ 208,076	\$ 208,076
20427	19450	La Reina	La Villa	1/16/2020	Closed	30	30	-	\$ 65,586	\$ 65,586
20428	19451	La Sombra	Donna	1/16/2020	Closed	50	50	-	\$ 118,354	\$ 118,354
20430	19453	Leuty Avenue	Justin	1/16/2020	Closed	24	24	-	\$ 80,261	\$ 80,261
20432	19455	Los Naranjos	Alton	1/16/2020	Closed	30	30	-	\$ 67,810	\$ 67,810
20433	19456	Oak Haven	Donna	1/16/2020	Closed	24	24	-	\$ 63,090	\$ 63,090
20434	19457	Raintree	Alamo	1/16/2020	Closed	32	32	-	\$ 82,925	\$ 82,925
20435	19458	Seagraves Gardens	Seagraves	1/16/2020	Closed	32	32	-	\$ 91,709	\$ 91,709
20436	19459	Silver Trail	Menard	1/16/2020	Closed	24	24	-	\$ 67,091	\$ 67,091
20437	19460	The Village	Tomball	1/16/2020	Closed	64	64	-	\$ 172,768	\$ 172,768
20438	19461	Valley View	Valley View	1/16/2020	Closed	24	24	-	\$ 78,834	\$ 78,834
20439	19462	Villa Vallarta	Rio Grande City	1/16/2020	Closed	40	40	-	\$ 122,529	\$ 122,529
20440	19463	Vista Verde	Cotulla	1/16/2020	Closed	24	24	-	\$ 82,514	\$ 82,514
20441	19464	Willowick	Gainesville	1/16/2020	Closed	60	60	-	\$ 171,018	\$ 171,018
20442	19465	Windmill	Giddings	1/16/2020	Closed	28	28	-	\$ 77,926	\$ 77,926
20443	19466	Windwood I & II	Kingsland	1/16/2020	Closed	68	68	-	\$ 151,618	\$ 151,618
20407		New Hope Housing Avenue J	Houston	2/20/2020	Closed	100	100	\$ 23,000,000	\$ 1,290,647	\$ 1,290,467
20401		Palladium Port Aransas	Port Aransas	4/23/2020	Closed	183	165	\$ 19,000,000	\$ 1,155,074	\$ 1,155,074
20408		Vi Collina	Austin	4/23/2020	Closed	170	170	\$ 24,000,000	\$ 1,340,220	\$ 1,340,220
20611	20402	333 Holly	The Woodlands	5/21/2020	Closed	332	332	\$ 36,800,000	\$ 2,484,301	\$ 2,484,301
20612	20403	The Pines	The Woodlands	5/21/2020	Closed	152	152	\$ 22,000,000	\$ 1,469,273	\$ 1,469,273
20604	19468	The Walzem	San Antonio	5/21/2020	Closed	200	200	\$ 20,000,000	\$ 1,326,147	\$ 1,280,892
20603	19612	Scott Street Lofts	Houston	5/21/2020	Closed	123	98	\$ 18,000,000	\$ 741,693	\$ 711,964
20416		The Estates at Owen Tech	Austin	5/21/2020	Closed	174	174	\$ 20,000,000	\$ 1,213,610	\$ 1,213,610
20409		McKinney Flats	McKinney	3/26/2020	Closed	205	205	\$ 32,000,000	\$ 1,393,849	\$ 1,393,849
20404		Tampico Apartments	San Antonio	3/26/2020	Closed	200	136	\$ 23,000,000	\$ 739,670	\$ 739,670
20418		Park at 38 Thirty	San Antonio	3/26/2020	Closed	196	196	\$ 25,000,000	\$ 1,027,837	\$ 1,027,837
20412		1604 Lofts Apartments	San Antonio	5/21/2020	Closed	324	324	\$ 38,000,000	\$ 1,895,702	\$ 1,895,702
20452		Enclave at Lake Pointe	Houston	6/25/2020	Closed	132	132	\$ 14,200,000	\$ 723,725	\$ 723,725
20458		Kinwood Apartments	McKinney	6/25/2020	Closed	200	200	\$ 30,000,000	\$ 1,245,289	\$ 1,240,383
20405		Gala at Fate	Fate	5/21/2020	Closed	185	185	\$ 25,000,000	\$ 1,166,285	\$ 1,166,285
20421	19442	Richcrest Apartments	Houston	3/26/2020	Closed	288	286	\$ 30,000,000	\$ 1,974,441	\$ 1,974,441
20456		The Hollows	Channelview CDP	7/23/2020	Closed	192	192	\$ 20,000,000	\$ 1,043,287	\$ 1,043,287
20461		Cascade at Onion Creek	Austin	6/25/2020	Closed	264	264	\$ 35,000,000	\$ 1,431,091	\$ 1,422,168
20609		Pecan Grove	Seguin	7/23/2020	Closed	198	198	\$ 26,000,000	\$ 1,353,160	\$ 1,353,160
20447	19472	Franklin Park	Austin	5/21/2020	Closed	163	163	\$ 15,000,000	\$ 737,361	\$ 737,361
20450		Mira Vista	San Antonio	5/21/2020	Closed	312	312	\$ 28,000,000	\$ 1,783,385	\$ 1,783,385
20419		Woodway Village	Austin	6/25/2020	Closed	160	160	\$ 30,000,000	\$ 1,196,513	\$ 1,168,103
20457		Pinewood Apartments	Houston	6/25/2020	Closed	240	240	\$ 30,000,000	\$ 1,174,359	\$ 1,106,302
20459		Spring Villas	Austin	6/25/2020	Closed	304	302	\$ 45,000,000	\$ 2,295,642	\$ 2,295,524
20602	03438	The Vermillion	Houston	7/23/2020	Closed	260	260	\$ 29,000,000	\$ 1,372,549	\$ 1,375,437
20467		Greenline North	San Antonio	7/23/2020	Closed	292	292	\$ 50,000,000	\$ 1,930,015	\$ 1,930,015
20466		Blue Water Gardens	Hereford	9/3/2020	Closed	132	132	\$ 16,750,000	\$ 738,553	\$ 738,553
TBD	19438	Legacy Senior	Round Rock	11/7/2019	Closed	157	157	\$ 20,000,000	\$ 732,029	\$ 732,029
20460	18423; 19400	Villas del San Xavier	San Marcos	12/12/2019	Approved	156	156	\$ 25,000,000	\$ 1,059,750	\$ 1,059,750
TBD	18456; 19470	Jackie Robinson Apartments	El Paso	12/12/2019	Approved	186	186	\$ 30,000,000	\$ 1,290,195	\$ 1,290,195
20446	19432	St. Johns Square	San Antonio	3/26/2020	Approved	252	54	\$ 50,000,000	\$ 473,449	\$ 449,524
20601	19611	Granada Terrace Apartments	Houston	4/23/2020	Approved	156	156	\$ 12,000,000	\$ 882,061	\$ 882,061
20400		Palladium West Francis	Midland	5/21/2020	Approved	240	188	\$ 25,000,000	\$ 1,596,885	\$ 1,596,885
20406		Gala at Central Park Apartments	Hurst	6/25/2020	Approved	94	94	\$ 15,000,000	\$ 486,783	\$ 486,783
20471		Northwood	Houston ETJ	7/23/2020	Approved	288	288	\$ 40,000,000	\$ 2,378,498	\$ 2,378,498
20415		Avenue on 34th Apartments	Houston	9/3/2020	Approved	70	56	\$ 12,000,000	\$ 333,845	\$ 333,845
20411		Kitty Hawk Flats Apartments	San Antonio	9/3/2020	Approved	239	239	\$ 28,000,000	\$ 1,359,994	\$ 1,359,994
20606	19610	Fish Pond at Corpus Christi	Corpus Christi	9/3/2020	Approved	112	111	\$ 10,000,000	\$ 682,849	\$ 682,849
20454		South Terrace	Waco	9/3/2020	Approved	250	250	\$ 25,000,000	\$ 1,452,219	\$ 1,445,826
20478		Vera at Odessa	Odessa	9/3/2020	Approved	288	288	\$ 35,000,000	\$ 1,389,149	\$ 1,389,149
20475		Northview Apartments	San Antonio	9/3/2020	Approved	156	156	\$ 25,000,000	\$ 1,270,215	\$ 1,270,215
20483	02412	Shady Oaks	Fort Worth	9/3/2020	Approved	138	138	\$ 15,000,000	\$ 654,862	\$ 654,862
20449	19469	EMLI at Pecan Creek	Aubrey	4/23/2020	Approved	254	254	\$ 30,000,000	\$ 1,484,333	\$ 1,413,138
20455		Redwood	San Marcos	10/8/2020	Approved	296	296	\$ 50,000,000	\$ 2,145,888	\$ 2,145,888

20474	Canyon Pass	San Antonio	10/8/2020	Approved	264	264	\$	35,000,000	\$	2,003,601	\$	2,003,601
20476	Grand Station Apartments	Austin	10/8/2020	Approved	216	216	\$	35,000,000	\$	1,380,252	\$	1,347,471
20480	Bridge at Turtle Creek	Austin	10/8/2020	Approved	307	307	\$	44,000,000	\$	2,332,344	\$	2,332,344
					<b>12,526</b>	<b>12,093</b>	<b>\$</b>	<b>1,285,750,000</b>	<b>\$</b>	<b>77,565,466</b>	<b>\$</b>	<b>77,238,476</b>
20479	The Oaks	Dallas	11/5/2020	Active	260	243	\$	35,000,000	\$	1,488,978	\$	-
20484	The Lantana	San Marcos	11/5/2020	Active	216	216	\$	26,000,000	\$	1,750,669	\$	-
20490	2100 Memorial	Houston	11/5/2020	Active	197	159	\$	35,000,000	\$	1,640,803	\$	-
20462	Sunland County Apartments	Harlingen	11/5/2020	Active	166	166	\$	20,000,000	\$	941,981	\$	-
20486	Old Manor Senior	Austin	11/5/2020	Active	207	207	\$	30,000,000	\$	1,632,397	\$	-
20463	Trinity Oaks	Sulpher Springs	11/5/2020	Active	48	48	\$	2,129,000	\$	497,000	\$	-
20464	Pine Terrace	Mount Pleasant	11/5/2020	Active	76	76	\$	3,371,000	\$	210,127	\$	-
20482	W. Leo Daniels Towers	Houston	11/5/2020	Active	100	100	\$	15,000,000	\$	833,142	\$	-
20489	Horizon Pointe	San Antonio	11/5/2020	Active	312	312	\$	35,000,000	\$	2,045,672	\$	-
20613	Riverside Senior	Fort Worth	11/5/2020	Active	264	264	\$	40,000,000	\$	1,818,482	\$	-
20610	Terrace at Southern Oaks	Dallas	12/10/2020	Active	300	300	\$	45,000,000	\$	2,000,114	\$	-
20617	02469 Murdeaux Villas	Dallas	12/10/2020	Active	302	280	\$	35,000,000	\$	17,294,118	\$	-
20488	Wildhorse Flats	Austin	12/10/2020	Active	310	310	\$	50,000,000	\$	2,786,158	\$	-
20487	Springdale Manor Apartments	Austin	12/10/2020	Active	186	186	\$	20,000,000	\$	1,182,803	\$	-
20495	Fawn Ridge Apartments	The Woodlands	12/10/2020	Active	119	118	\$	16,500,000	\$	733,463	\$	-
20491	Ridgecrest Terrace	Dallas	12/10/2020	Active	250	250	\$	40,000,000	\$	1,790,582	\$	-
20493	The Ridge at Lancaster	Dallas	12/10/2020	Active	300	300	\$	50,000,000	\$	2,305,102	\$	-
20494	La Cima	Austin	12/10/2020	Active	260	260	\$	39,000,000	\$	1,772,256	\$	-
20498	Gala at Waxahachie	Waxahachie	12/10/2020	Active	185	185	\$	25,000,000	\$	1,124,956	\$	-
20497	The Oleanders at Broadway	Galveston	12/10/2020	Active	348	261	\$	51,757,648	\$	2,190,531	\$	-
20496	Marshall Apartments	Austin	12/10/2020	Active	100	100	\$	16,500,000	\$	556,883	\$	-
20620	Oso Bay Apartments	Corpus Christi	1/1/2021	Active	104	104	\$	14,000,000	\$	701,367	\$	-
					<b>4,610</b>	<b>4,445</b>	<b>\$</b>	<b>644,257,648</b>	<b>\$</b>	<b>47,297,584</b>	<b>\$</b>	<b>-</b>
20615	The Montage	San Antonio ETJ	6/25/2020	Pre-Application	216	216	\$	35,000,000	\$	1,454,238	\$	-
20619	The Citadel	Houston	7/23/2020	Pre-Application	74	67	\$	15,000,000	\$	914,051	\$	-
20621	05044 Copperwood	The Woodlands	7/23/2020	Pre-Application	300	300	\$	60,000,000	\$	2,563,139	\$	-
20622	04108 Tamarac Pines	The Woodlands	7/23/2020	Pre-Application	300	300	\$	60,000,000	\$	2,360,422	\$	-
20623	04101 Pleasant Hill	Austin	7/23/2020	Pre-Application	100	100	\$	20,000,000	\$	874,194	\$	-
20624	534284 Cedar Ridge	Leander	7/23/2020	Pre-Application	152	152	\$	18,000,000	\$	567,459	\$	-
20625	04147 Shiloh Village	Dallas	7/23/2020	Pre-Application	168	168	\$	25,000,000	\$	1,234,715	\$	-
20626	Palladium Mountain Creek	Dallas	9/3/2020	Pre-Application	152	152	\$	14,750,000	\$	1,044,403	\$	-
20627	Palladium Simpson Stuart	Dallas	9/3/2020	Pre-Application	270	270	\$	25,750,000	\$	1,864,956	\$	-
20628	Mayhill Road	Denton	9/3/2020	Pre-Application	360	360	\$	30,000,000	\$	2,247,493	\$	-
20629	Residences at Merritt Hill	Rowlett	9/3/2020	Pre-Application	260	260	\$	50,000,000	\$	2,206,067	\$	-
20630	Caroline Lofts	Houston	10/8/2020	Pre-Application	119	80	\$	20,000,000	\$	570,279	\$	-
21600	94063 Corona Del Valle	El Paso	10/8/2020	Pre-Application	101	101	\$	8,500,000	\$	524,995	\$	-
					<b>2,572</b>	<b>2,526</b>	<b>\$</b>	<b>382,000,000</b>	<b>\$</b>	<b>18,426,411</b>	<b>\$</b>	<b>-</b>
20417	St. Joe Apartments	Houston	3/19/2020	Withdrawn	307	307	\$	51,757,648	\$	4,596,000	\$	-
20468	Preserve at the Port	San Antonio	7/23/2020	Withdrawn	384	384	\$	37,000,000	\$	1,654,968	\$	-
20431	19454 Los Laureles	Edcouch	1/16/2020	Withdrawn	23	23	\$	-	\$	88,153	\$	88,153
20481	Echo East	San Antonio	9/3/2020	Withdrawn	192	192	\$	20,000,000	\$	1,306,258	\$	-
20413	Residences at Merritt Hill	Rowlett	5/21/2020	Withdrawn	260	260	\$	33,000,000	\$	1,888,671	\$	1,888,671
20473	Agave East	Austin ETJ	9/3/2020	Withdrawn	240	240	\$	35,000,000	\$	1,355,697	\$	1,355,697
20477	Sphinx at Throckmorton Villas	McKinney	10/8/2020	Withdrawn	220	216	\$	28,000,000	\$	1,670,582	\$	-
20444	Plano Kathryn Senior Living	Plano	6/25/2020	Withdrawn	252	252	\$	30,000,000	\$	1,774,750	\$	1,774,750
					<b>1,878</b>	<b>1,874</b>	<b>\$</b>	<b>234,757,648</b>	<b>\$</b>	<b>14,335,079</b>	<b>\$</b>	<b>5,107,271</b>
				<b>TOTAL*</b>	<b>15,410</b>	<b>14,931</b>	<b>\$</b>	<b>1,702,750,000</b>	<b>\$</b>	<b>98,037,549</b>	<b>\$</b>	<b>77,238,476</b>

\*Totals include Closed, Approved, Active and Pre-Application Status

# 20455 Redwood - Application Summary

REAL ESTATE ANALYSIS DIVISION

October 1, 2020

PROPERTY IDENTIFICATION	
Application #	20455
Development	Redwood
City / County	San Marcos / Hays
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION			
TDHCA Program	Request	Recommended	
LIHTC (4% Credit)	\$2,145,888	\$2,145,888	\$7,250/Unit \$0.86

KEY PRINCIPALS / SPONSOR		
LDG Development, LLC Jason Trevino Justin Hartz Capital Area Multi-Housing Inc. James Shaw		
Related Parties	Contractor - Yes	Seller - No

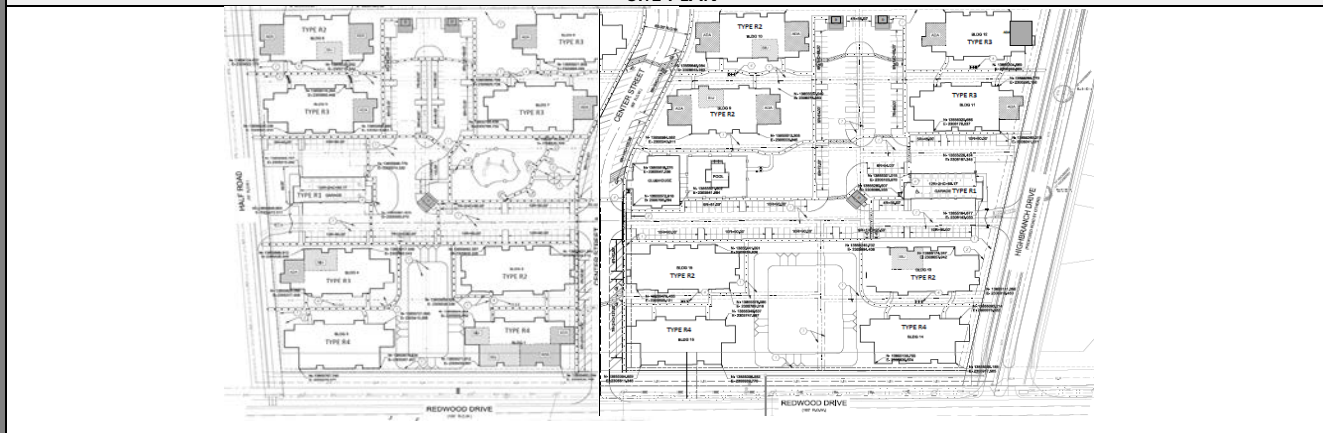
## TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	30	10%
1	24	8%	40%	-	0%
2	132	45%	50%	-	0%
3	116	39%	60%	266	90%
4	24	8%	MR	-	0%
<b>TOTAL</b>	<b>296</b>	<b>100%</b>	<b>TOTAL</b>	<b>296</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.18	Expense Ratio	36.9%
Breakeven Occ.	83.6%	Breakeven Rent	\$1,046
Average Rent	\$1,159	B/E Rent Margin	\$113
Property Taxes	\$253/unit	Exemption/PILOT	0%
Total Expense	\$4,828/unit	Controllable	\$3,375/unit

## SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (15% Maximum)	9.2%		
Highest Unit Cap. Rate	44%	4 BR/60%	22
Dominant Unit Cap. Rate	22%	2 BR/60%	120
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	N/A	N/A	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	1,311 SF	Density	21.7/acre
Acquisition	\$10K/unit	\$2,967K	
Building Cost	\$69.96/SF	\$92K/unit	\$27,146K
Hard Cost	\$115K/unit		\$34,124K
Total Cost	\$215K/unit		\$63,704K
Developer Fee	\$6,901K	(32% Deferred)	Paid Year: 5
Contractor Fee	\$4,463K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
PNC	15/35	3.43%	\$42,185,000	1.18						PNC	\$18,450,945
					PNC Refundable Commitment Fee	0/0	0.00%	\$843,700	1.18	LDG Multifamily, LLC	\$2,224,529
<b>TOTAL DEBT (Must Pay)</b>			<b>\$42,185,000</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$843,700</b>		<b>TOTAL EQUITY SOURCES</b>	<b>\$20,675,474</b>
										<b>TOTAL DEBT SOURCES</b>	<b>\$43,028,700</b>
										<b>TOTAL CAPITALIZATION</b>	<b>\$63,704,174</b>

**CONDITIONS**

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	Capital Area Housing Finance Corporation
Expiration Date	2/14/2021
Bond Amount	\$50,000,000
BRB Priority	Priority 3
Bond Structure	Freddie Mac Tax Exempt Loan (TEL)
% Financed with Tax-Exempt Bonds	85.4%

**RISK PROFILE**

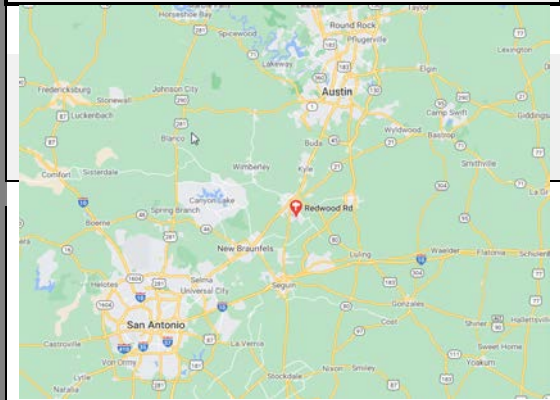
**STRENGTHS/MITIGATING FACTORS**

- Overall Feasibility Indicators
- Attached garages should compete well in the market.
- Developer/Owner's construction and management of LIHTC properties in Texas.

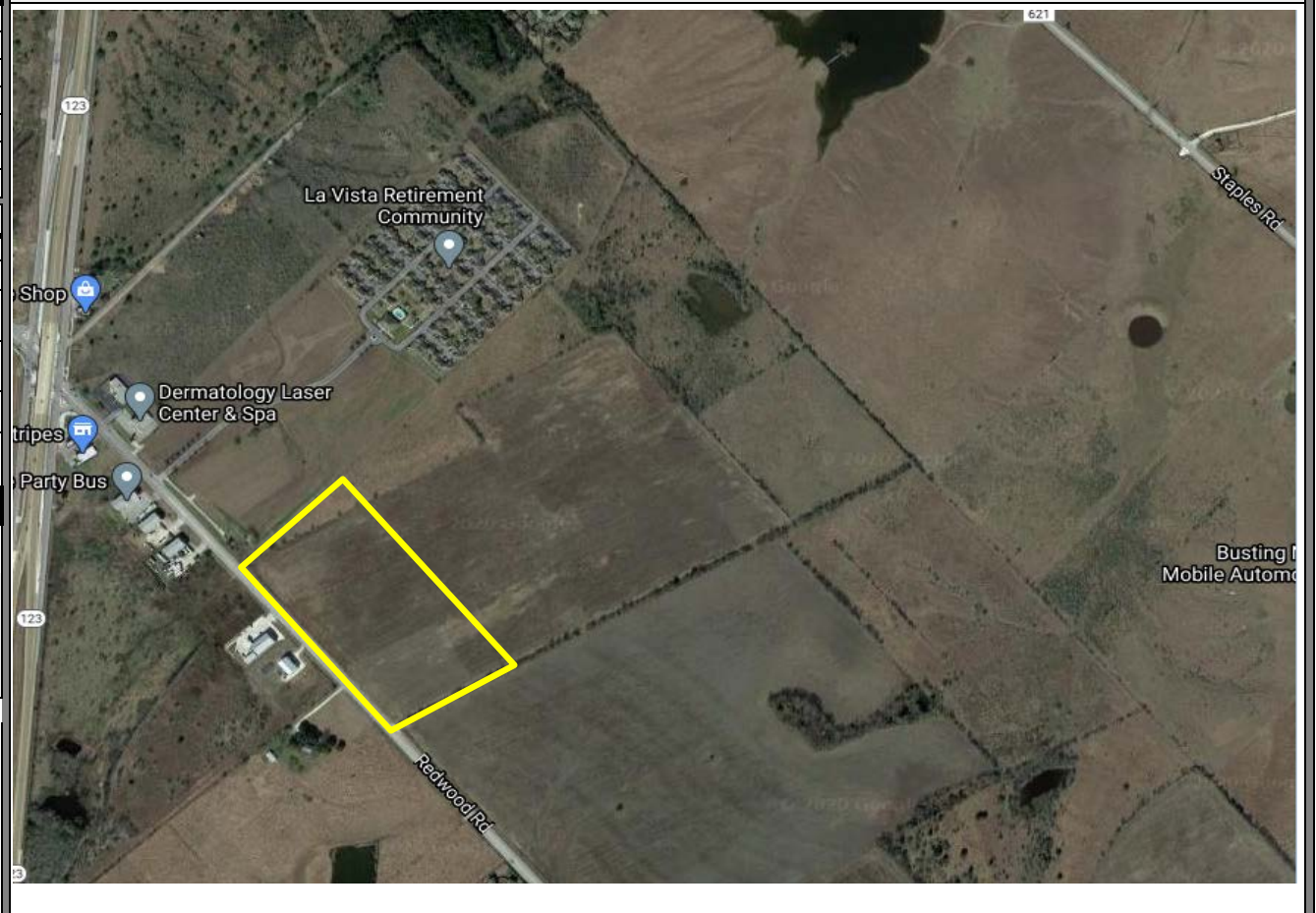
**WEAKNESSES/RISKS**

- Feasibility dependent on PILOT agreement

**AREA MAP**



**AERIAL PHOTOGRAPH(S)**





# 20476 Grand Station - Application Summary

REAL ESTATE ANALYSIS DIVISION  
September 30, 2020

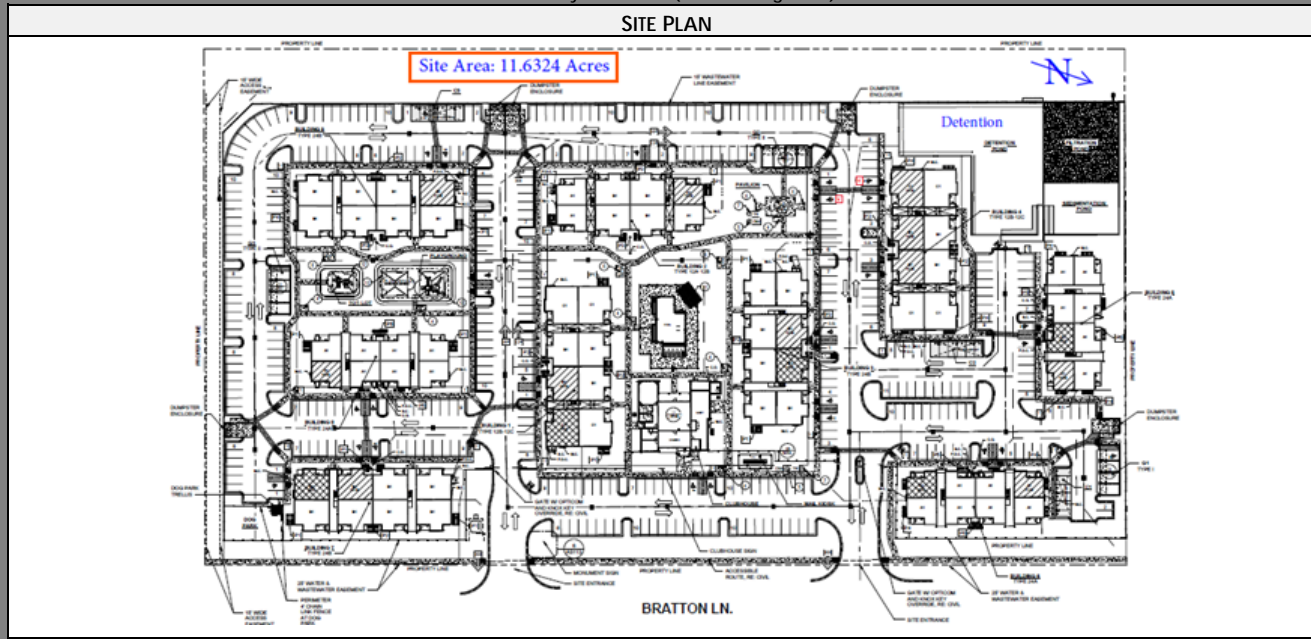
PROPERTY IDENTIFICATION		RECOMMENDATION				
Application #	20476	TDHCA Program	Request	Recommended		
Development	Grand Station			LIHTC (4% Credit)	\$1,380,252	\$1,347,471
City / County	Austin / Travis					
Region/Area	7 / Urban					
Population	General					
Set-Aside	General					
Activity	New Construction					

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> <li>Jean Latsha &amp; Craig Lintner / Pedcor Investments, LLC</li> <li>Travis County Housing Finance Corporation Grand Station, LLP / Partnership GP</li> </ul>		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	84	39%	40%	-	0%
2	108	50%	50%	-	0%
3	24	11%	60%	216	100%
4	-	0%	MR	-	0%
<b>TOTAL</b>	<b>216</b>	<b>100%</b>	<b>TOTAL</b>	<b>216</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.20	Expense Ratio	34.4%
Breakeven Occ.	82.6%	Breakeven Rent	\$947
Average Rent	\$1,064	B/E Rent Margin	\$116
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,136/unit	Controllable	\$3,197/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	5.4%		
Highest Unit Capture Rate	20%	3 BR/60%	24
Dominant Unit Cap. Rate	15%	2 BR/60%	108
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	929 SF	Density	18.6/acre
Acquisition		\$20K/unit	\$4,326K
Building Cost	\$95.06/SF	\$88K/unit	\$19,070K
Hard Cost		\$125K/unit	\$26,895K
Total Cost		\$223K/unit	\$48,244K
Developer Fee	\$5,478K	(38% Deferred)	Paid Year: 7
Contractor Fee	\$3,765K	30% Boost	No

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
Merchants Capital - 221(d)(4)	40/40	2.50%	\$33,900,033	1.20						Pedcor Funding Corp.	\$12,249,730	
										Pedcor Development Associates	\$2,094,216	
										<b>TOTAL EQUITY SOURCES</b>	<b>\$14,343,946</b>	
										<b>TOTAL DEBT SOURCES</b>	<b>\$33,900,033</b>	
<b>TOTAL DEBT (Must Pay)</b>			<b>\$33,900,033</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$0</b>		<b>TOTAL CAPITALIZATION</b>		<b>\$48,243,979</b>

**CONDITIONS**

- 1 Receipt and acceptance by Cost Certification:
- Evidence that the property qualifies for 100% property tax exemption.

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**

<b>Issuer</b>	Travis County Housing Finance Corporation	
<b>Expiration Date</b>	12/31/2021	
<b>Bond Amount</b>	\$35,000,000	
<b>BRB Priority</b>	Carryforward	
<b>Bond Structure</b>	FHA 221(d)(4)	
<b>% Financed with Tax-Exempt Bonds</b>	83.5%	

**RISK PROFILE**

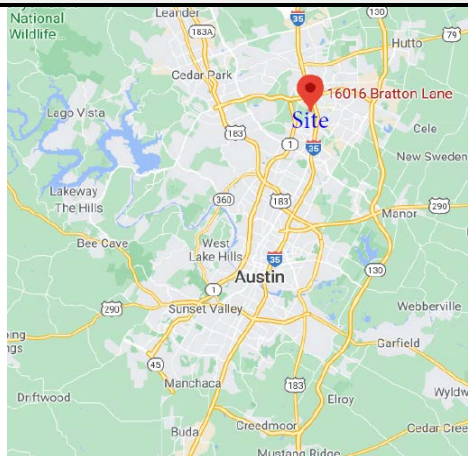
**STRENGTHS/MITIGATING FACTORS**

- Overall market occupancy reported at 98.5%
- Gross capture rate of 5.4%
- Developer/Owner's experience with construction and management of similar HTC properties in Austin and other Texas markets

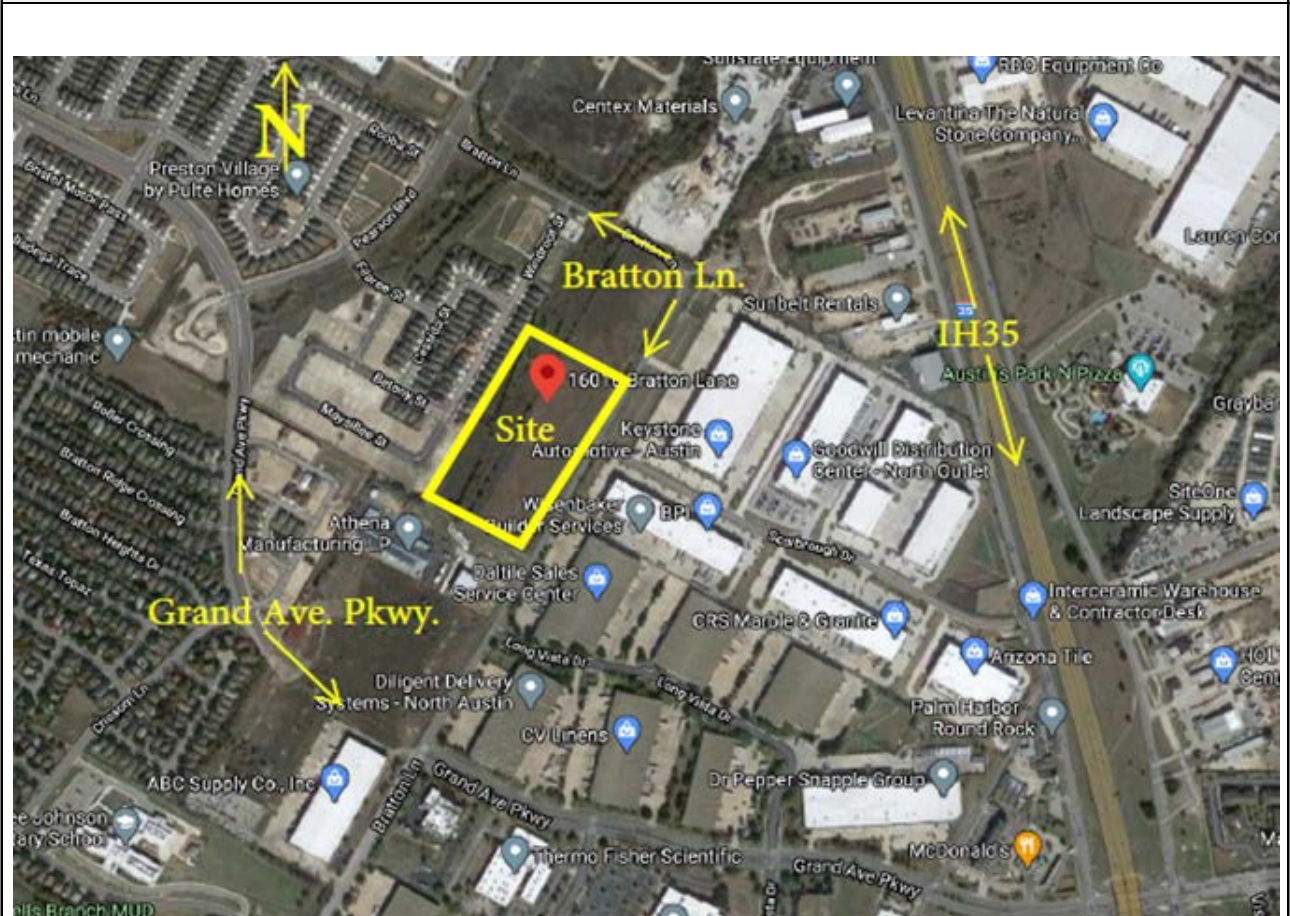
**WEAKNESSES/RISKS**

- 20% capture rate on 3BR/60% units
- Feasibility relies on 100% property tax exemption and a 3% Management Fee

**AREA MAP**



**AERIAL PHOTOGRAPH(S)**





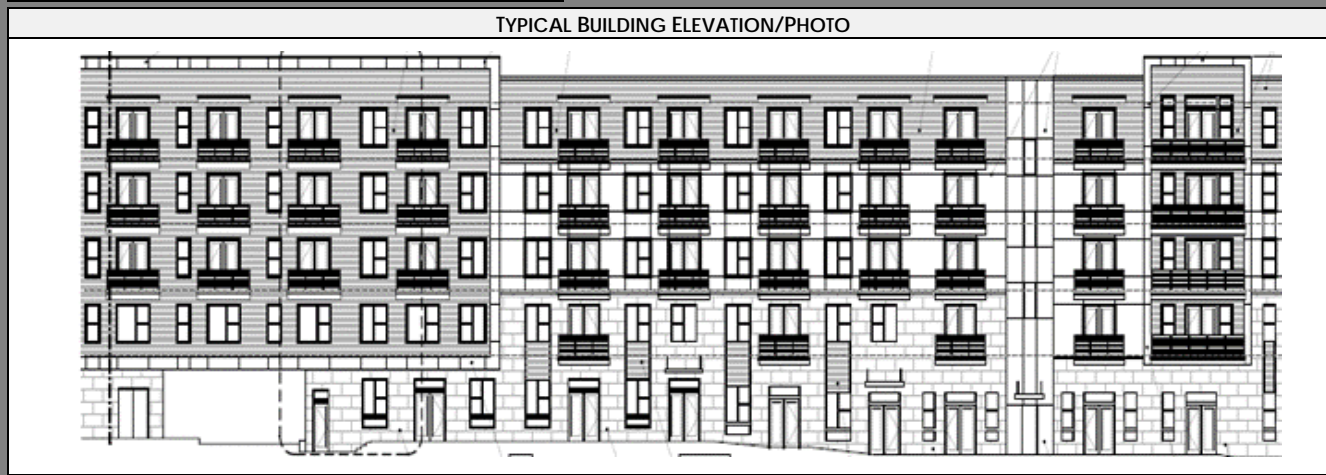
# 20480 Bridge at Turtle Creek - Application Summary

REAL ESTATE ANALYSIS DIVISION  
September 30, 2020

PROPERTY IDENTIFICATION	
Application #	20480
Development	Bridge at Turtle Creek
City / County	Austin / Travis
Region/Area	7 / Urban
Population	General
Set-Aside	General
Activity	New Construction

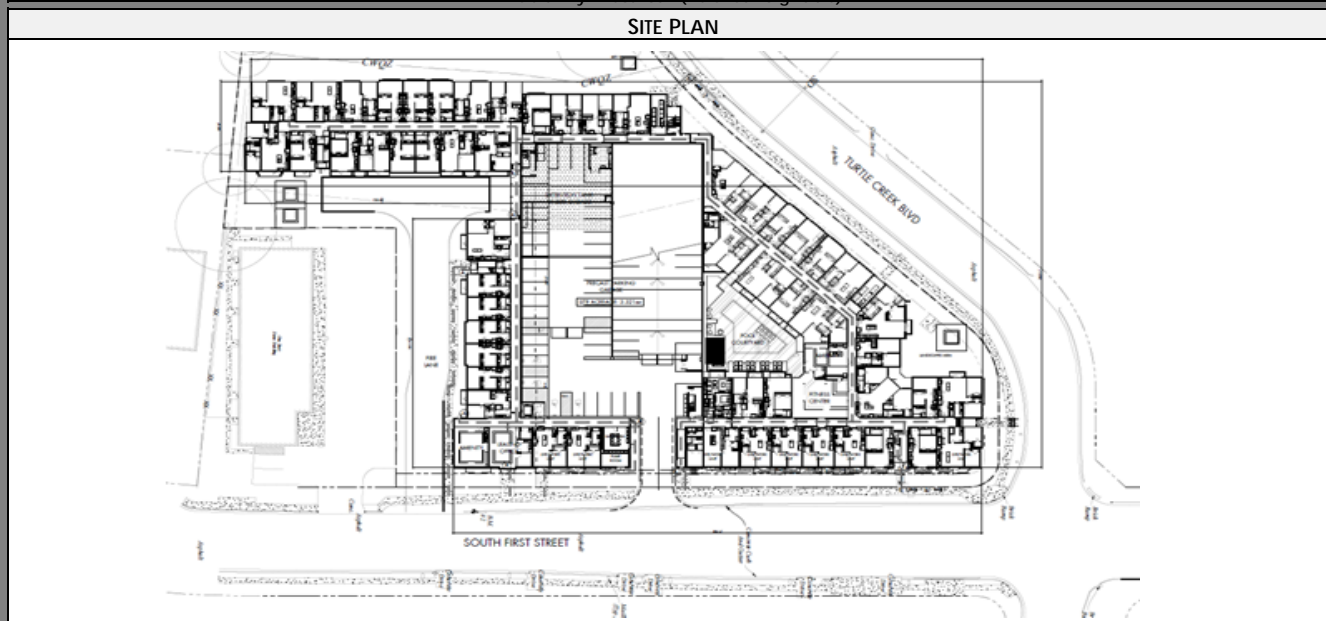
RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$2,332,344	\$2,332,344	\$7,597/Unit	\$0.87	

KEY PRINCIPALS / SPONSOR		
Austin Affordable Housing Corp: GP, 30% Developer		
JCI Multifamily, LP: SLP, 70% Developer, Guarantor		
Purple Martin Real Estate, LLC-Consultant		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	134	44%	30%	-	0%
1	96	31%	40%	-	0%
2	77	25%	50%	70	23%
3	-	0%	60%	187	61%
4	-	0%	70%	50	
<b>TOTAL</b>	<b>307</b>	<b>100%</b>	<b>TOTAL</b>	<b>307</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio	35.5%
Breakeven Occ.	84.7%	Breakeven Rent	\$971
Average Rent	\$1,062	B/E Rent Margin	\$91
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,234/unit	Controllable	\$2,845/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (15% Maximum)			2.9%
Highest Unit Capture Rate	9%	0 BR/60%	72
Dominant Unit Cap. Rate	6%	1 BR/60%	96
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	690 SF	Density	92.5/acre
Acquisition		\$16K/unit	\$4,937K
Building Cost	\$145.22/SF	\$100K/unit	\$30,772K
Hard Cost		\$114K/unit	\$35,139K
Total Cost		\$214K/unit	\$65,735K
Developer Fee	\$7,260K	(43% Deferred)	Paid Year: 8
Contractor Fee	\$5,264K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
KeyBank	15/35	3.64%	\$42,500,000	1.10						RBC Capital Markets	\$20,287,334
Adjustment to Debt Per §11.302(c)(2)	15/35	3.64%	(\$1,900,000)	1.15						0	\$0
					Reinvestment of Bonds Proceeds			\$892,500	1.15	AAHC and JCI Multifamily, LP	\$3,105,076
					Refund of Freddie Mac Forward Commitment Fee			\$850,000	1.15		
<b>TOTAL DEBT (Must Pay)</b>			<b>\$40,600,000</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$1,742,500</b>		<b>TOTAL EQUITY SOURCES</b>	<b>\$23,392,410</b>
										<b>TOTAL DEBT SOURCES</b>	<b>\$42,342,500</b>
										<b>TOTAL CAPITALIZATION</b>	<b>\$65,734,910</b>

**CONDITIONS**

- 1 Receipt and acceptance by Cost Certification:
- a: Certification that appropriate asbestos abatement procedures were implemented during demolition of the day care center.
  - b: Certification from Appraisal District that the property qualifies for property tax exemption.
  - c: Executed ground lease with HACA clearly specifying all terms and conditions, including who will retain ownership of land and improvements at the end of the lease.

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	Austin Affordable PFC, Inc.
Expiration Date	12/1/2020
Bond Amount	\$44,000,000
BRB Priority	Priority 3
Bond Structure	Freddie TEL
% Financed with Tax-Exempt Bonds	80.7%
RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
<ul style="list-style-type: none"> <li>▫ Strong cash flow potential</li> <li>▫ Parking garage should compete well in market.</li> <li>▫ Location in Austin</li> </ul>	
WEAKNESSES/RISKS	
<ul style="list-style-type: none"> <li>▫ JPI lack of affordable developing in Texas</li> <li>▫ Drainage easement</li> <li>▫ 1.2 parking ratio per unit</li> </ul>	
AREA MAP	



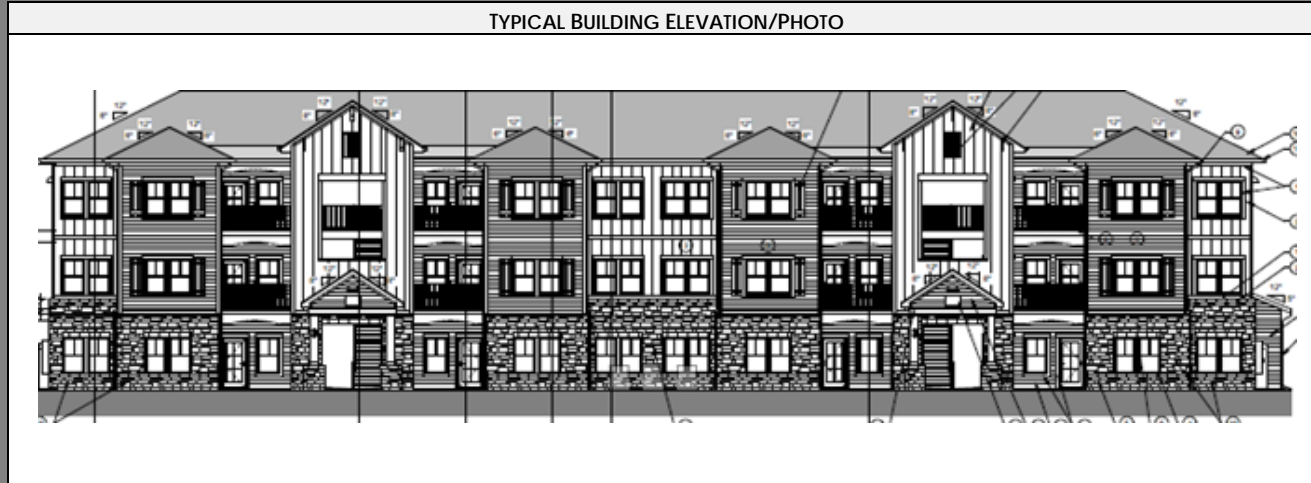


# 20474 Canyon Pass - Application Summary

REAL ESTATE ANALYSIS DIVISION  
September 30, 2020

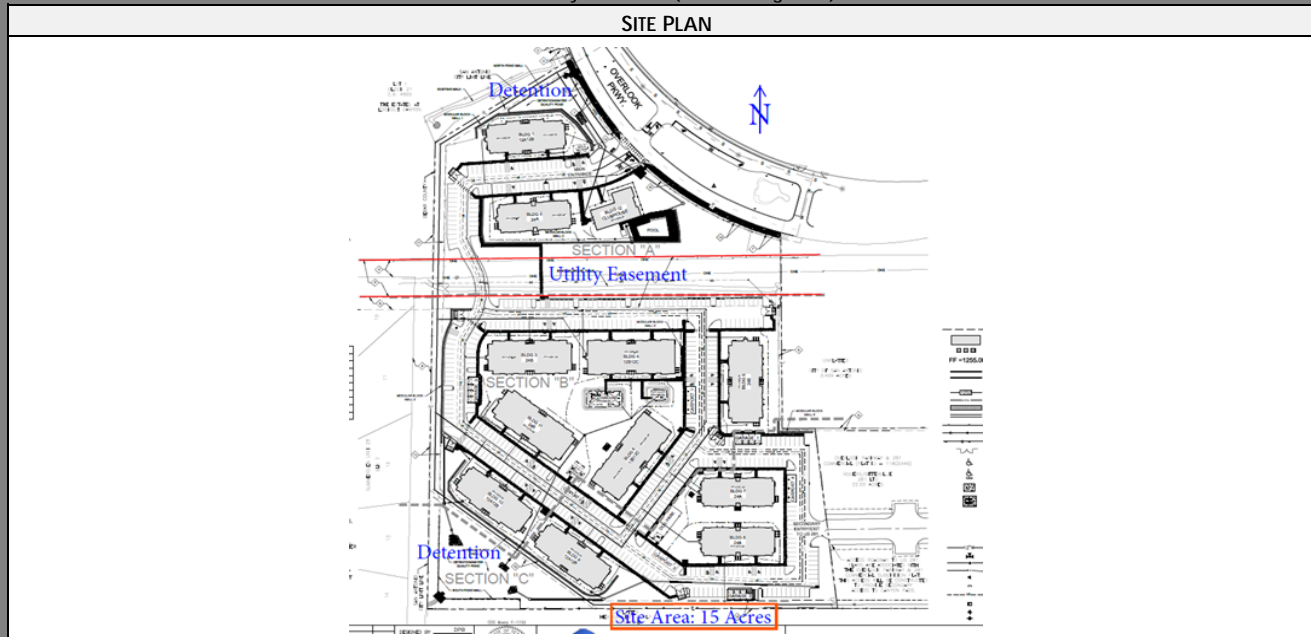
PROPERTY IDENTIFICATION		RECOMMENDATION			
Application #	20474	TDHCA Program	Request	Recommended	
Development	Canyon Pass	LIHTC (4% Credit)	\$2,003,601	\$2,003,601	\$7,589/Unit \$0.91
City / County	San Antonio / Bexar				
Region/Area	9 / Urban				
Population	General				
Set-Aside	General				
Activity	New Construction				

KEY PRINCIPALS / SPONSOR		
<ul style="list-style-type: none"> <li>Jean Latsha &amp; Craig Lintner / Pedcor Investments, LLC</li> <li>San Antonio Housing Trust Public Facility Corporation / Partnership GP</li> </ul>		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	108	41%	40%	-	0%
2	132	50%	50%	-	0%
3	24	9%	60%	264	100%
4	-	0%	MR	-	0%
<b>TOTAL</b>	<b>264</b>	<b>100%</b>	<b>TOTAL</b>	<b>264</b>	<b>100%</b>

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.20	Expense Ratio	36.7%
Breakeven Occ.	82.9%	Breakeven Rent	\$766
Average Rent	\$857	B/E Rent Margin	\$91
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$3,571/unit	Controllable	\$2,705/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	7.4%		
Highest Unit Capture Rate	29%	2 BR/60%	132
Dominant Unit Cap. Rate	29%	2 BR/60%	132
Premiums (↑60% Rents)	N/A	N/A	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	919 SF	Density	17.6/acre
Acquisition		\$12K/unit	\$3,267K
Building Cost	\$90.09/SF	\$83K/unit	\$21,855K
Hard Cost		\$121K/unit	\$31,954K
Total Cost		\$207K/unit	\$54,600K
Developer Fee	\$6,449K	(63% Deferred)	Paid Year: 11
Contractor Fee	\$4,474K	30% Boost	Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Merchants Capital 221(d)(4)	40/40	2.50%	\$32,344,562	1.20						Pedcor Funding Corp.	\$18,214,537
										Pedcor Development Associates	\$4,040,952
										<b>TOTAL EQUITY SOURCES</b>	<b>\$22,255,490</b>
										<b>TOTAL DEBT SOURCES</b>	<b>\$32,344,562</b>
<b>TOTAL DEBT (Must Pay)</b>			<b>\$32,344,562</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$0</b>		<b>TOTAL CAPITALIZATION</b>	<b>\$54,600,052</b>

**CONDITIONS**

1 Receipt and acceptance by Cost Certification:

- a: Evidence that the property qualifies for 100% property tax exemption.
- b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

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	Antonio Housing Trust Finance Corp.
Expiration Date	12/31/2022
Bond Amount	\$35,000,000
BRB Priority	Carryforward
Bond Structure	FHA 221(d)(4)
% Financed with Tax-Exempt Bonds	69.8%

**RISK PROFILE**

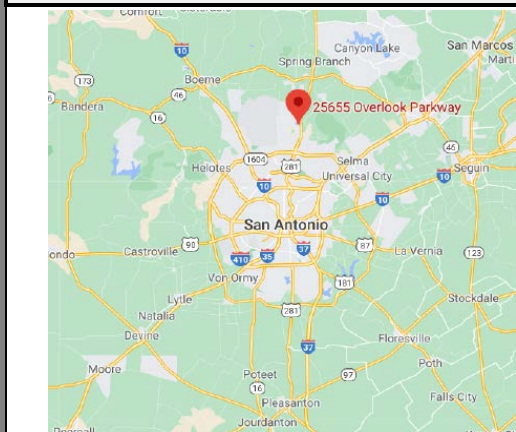
**STRENGTHS/MITIGATING FACTORS**

- Overall market occupancy reported at 98%
- New construction with attractive design should enhance marketability
- Developer/Owner's experience with construction and management of similar HTC properties in San Antonio and other Texas markets

**WEAKNESSES/RISKS**

- 29% capture rate on 2BR/60% units
- Feasibility relies on 100% property tax exemption, achieving maximum 60% rents and a 3% Management Fee

**AREA MAP**



**AERIAL PHOTOGRAPH(S)**





**Addendum to Underwriting Report**

TDHCA Application #: 20449 Program(s): 4% HTC

**EMLI At Pecan Creek**

Address/Location: NWQ of Ike Byrom Rd and FM 2931

City: Aubrey County: Denton Zip: 76227

APPLICATION HISTORY	
Report Date	PURPOSE
09/30/20	New Determination Notice
04/15/20	New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
LIHTC (4% Credit)	\$1,484,333				\$1,413,138				

**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:** FEMA CLOMR and the Architect Letter submitted 9/24/20. Condition satisfied.

- 2 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: 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.

c: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

**Status:** Condition no longer applicable, unless the Green Discount UA is used at Cost Certification.

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 Subject received an award of \$1,484,333 in 4% Housing Tax Credits in April 2020. Applicant is now requesting changes to the financing. With the request, Applicant submitted updated exhibits for the development cost schedule and sources and uses. Applicant is proposing a change in the Lender and Syndicator and are no longer pursuing a FHA HUD loan. The requested bond amount has also increased to \$30M (up from \$20M). Applicant indicates this change is necessary due to current market situations.

### Operating Pro Forma

Applicant updated rents based on the current 2020 HTC rents. Overall income decreased less than 1% due to an increase in utility allowances and limiting the rent on the 70% units. Applicant has limited the rents on the 70% units \$99-\$137 (11% on average) below max rents. Applicant's expenses and NOI also show a marginal decrease of less than 1%. Underwriter's NOI reflects similar updates to rents and expenses.

Applicant's pro forma no longer uses a Green Discount utility allowance. Use of the standard non-Green Discount utility allowances causes the debt coverage ratio to fall below the minimum 1.15 and an adjustment to the permanent debt amount is required.

Applicant's expenses and NOI are still not within 5% of the Underwriter's estimate; therefore, Underwriter's pro forma continues to be used to determine feasibility.

### Development Cost

Total development costs increased \$1.6M (4.1%) largely attributed to a \$2.7M increase in soft costs and financing. Revised Cost Schedule includes \$1.3M Negative Arbitrage based on calculations provided by Denton HFC.

A \$739K decrease in contingency is also reflected.

### Sources of Funds

Regions will provide both the debt and equity. Regions will provide a \$27.3M Fannie Mae M-TEB loan at 3.56% amortized over 35 years with a 15 year term.

Equity will also be provided by Regions in the amount of \$12,574,413 (down from \$13,507,430) at \$0.89 (down from \$0.91).

Applicant has requested a \$71,179 decrease in annual tax credits. This results in a decrease of \$933K in equity proceeds at the current \$0.89 equity rate.

Underwriter recommends an annual tax credit allocation of \$1,413,138 (\$71,179 decrease over previous recommendation). This results in total equity proceeds of \$12,574,413 (\$933K decrease over previous recommendation).

Underwriter:	<u>Diamond Unique Thompson</u>
Manager of Real Estate Analysis:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

**UNIT MIX/RENT SCHEDULE**  
**EMLI At Pecan Creek, Aubrey, 4% HTC #20449**

LOCATION DATA	
CITY:	Aubrey
COUNTY:	Denton
Area Median Income	\$86,200
PROGRAM REGION:	3

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	20%	-	0.0%
1	110	43.3%	0	0	30%	-	0.0%
2	96	37.8%	0	0	40%	-	0.0%
3	48	18.9%	0	0	50%	84	33.1%
4	-	0.0%	0	0	60%	86	33.9%
5	-	0.0%	0	0	70%	84	33.1%
					80%	-	0.0%
					MR	-	0.0%
<b>TOTAL</b>	<b>254</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>TOTAL</b>	<b>254</b>	<b>100.0%</b>

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.36%
APP % Construction	3.36%
Average Unit Size	936 sf

UNIT MIX / MONTHLY RENT SCHEDULE																						
HTC		MRB		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS			
Type	Gross Rent	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 50%	\$808	MRB 50%	\$808	36	1	1	759	\$808	\$66	\$742	\$0	\$0.98	\$742	\$26,712	\$26,712	\$742	\$0.98	\$0	\$967	\$1.27	\$1,039	
TC 60%	\$970	MRB 60%	\$970	38	1	1	759	\$970	\$66	\$904	\$0	\$1.19	\$904	\$34,352	\$34,352	\$904	\$1.19	\$0	\$967	\$1.27	\$1,039	
TC 70%	\$1,132	MRB 70%	\$1,132	36	1	1	759	\$1,132	\$66	\$1,066	(\$99)	\$1.27	\$967	\$34,812	\$34,812	\$967	\$1.27	(\$99)	\$967	\$1.27	\$1,039	
TC 50%	\$970	MRB 50%	\$970	32	2	2	999	\$970	\$85	\$885	(\$0)	\$0.89	\$885	\$28,320	\$28,334	\$885	\$0.89	\$0	\$1,147	\$1.15	\$1,221	
TC 60%	\$1,164	MRB 60%	\$1,164	32	2	2	999	\$1,164	\$85	\$1,079	(\$0)	\$1.08	\$1,079	\$34,528	\$34,542	\$1,079	\$1.08	\$0	\$1,147	\$1.15	\$1,221	
TC 70%	\$1,358	MRB 70%	\$1,358	32	2	2	999	\$1,358	\$85	\$1,273	(\$126)	\$1.15	\$1,147	\$36,704	\$36,704	\$1,147	\$1.15	(\$126)	\$1,147	\$1.15	\$1,221	
TC 50%	\$1,120	MRB 50%	\$1,120	16	3	2	1,218	\$1,120	\$104	\$1,016	\$0	\$0.83	\$1,016	\$16,256	\$16,256	\$1,016	\$0.83	\$0	\$1,327	\$1.09	\$1,437	
TC 60%	\$1,344	MRB 60%	\$1,344	16	3	2	1,218	\$1,344	\$104	\$1,240	\$0	\$1.02	\$1,240	\$19,840	\$19,840	\$1,240	\$1.02	\$0	\$1,327	\$1.09	\$1,437	
TC 70%	\$1,568	MRB 70%	\$1,568	16	3	2	1,218	\$1,568	\$104	\$1,464	(\$137)	\$1.09	\$1,327	\$21,232	\$21,232	\$1,327	\$1.09	(\$137)	\$1,327	\$1.09	\$1,437	
<b>TOTALS/AVERAGES:</b>				<b>254</b>				<b>237,858</b>				<b>(\$39)</b>	<b>\$1.06</b>	<b>\$995</b>	<b>\$252,756</b>	<b>\$252,784</b>	<b>\$995</b>	<b>\$1.06</b>	<b>(\$39)</b>	<b>\$1,103</b>	<b>\$1.18</b>	<b>\$1,183</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$3,033,072</b>	<b>\$3,033,405</b>
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**STABILIZED PRO FORMA**

**EMLI At Pecan Creek, Aubrey, 4% HTC #20449**

**STABILIZED FIRST YEAR PRO FORMA**

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	Other	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.06	\$995	\$3,033,072	\$3,067,416	\$3,060,888	\$3,033,405	\$995	\$1.06		0.0%	(\$333)
Laundry/ Vending/ Amnity Income						\$20.00	\$60,960	60,960						
Total Secondary Income						\$20.00		60,960	\$60,960	\$20.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>							\$3,094,032	\$3,128,376	\$3,121,848	\$3,094,365			0.0%	(\$333)
Vacancy & Collection Loss						7.5% PGI	(232,052)	(234,628)	(234,139)	(232,077)	7.5% PGI		0.0%	25
Rental Concessions							(62,076)	(72,408)	0	-			0.0%	(62,076)
<b>EFFECTIVE GROSS INCOME</b>							\$2,799,904	\$2,821,340	\$2,887,709	\$2,862,288			-2.2%	(\$62,384)

General & Administrative	\$109,563	\$431/Unit	\$149,938	\$590	2.43%	\$0.29	\$268	\$68,009	\$68,009	\$109,563	\$109,563	\$431	\$0.46	3.83%	-37.9%	(41,554)
Management	\$107,887	4.3% EGI	\$115,268	\$454	4.11%	\$0.48	\$453	\$115,090	\$115,982	\$115,508	\$114,492	\$451	\$0.48	4.00%	0.5%	598
Payroll & Payroll Tax	\$324,341	\$1.277/Unit	\$356,915	\$1,405	10.37%	\$1.22	\$1,144	\$290,464	\$290,464	\$319,548	\$319,548	\$1,258	\$1.34	11.16%	-9.1%	(29,084)
Repairs & Maintenance	\$182,617	\$719/Unit	\$164,681	\$648	4.99%	\$0.59	\$551	\$139,853	\$139,853	\$152,400	\$152,400	\$600	\$0.64	5.32%	-8.2%	(12,547)
Electric/Gas	\$56,370	\$222/Unit	\$39,068	\$154	1.63%	\$0.19	\$180	\$45,720	\$45,720	\$39,068	\$39,068	\$154	\$0.16	1.36%	17.0%	6,652
Water, Sewer, & Trash	\$187,790	\$739/Unit	\$162,570	\$640	4.27%	\$0.50	\$471	\$119,634	\$119,634	\$162,570	\$162,570	\$640	\$0.68	5.68%	-26.4%	(42,936)
Property Insurance	\$71,257	\$0.30/sf	\$89,219	\$351	1.86%	\$0.22	\$205	\$52,070	\$52,070	\$52,070	\$52,070	\$205	\$0.22	1.82%	0.0%	-
Property Tax (@ 100%) 1.7936	\$202,547	\$797/Unit	\$330,911	\$1,303	8.52%	\$1.00	\$939	\$238,506	\$238,506	\$282,622	\$278,910	\$1,098	\$1.17	9.74%	-14.5%	(40,404)
Reserve for Replacements	\$110,265	\$434/Unit	\$72,307	\$285	2.27%	\$0.27	\$250	\$63,500	\$63,500	\$63,500	\$63,500	\$250	\$0.27	2.22%	0.0%	-
Supportive Services			\$24,474	\$96	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)			\$11,430	\$45	0.36%	\$0.04	\$40	\$10,160	\$10,160	\$10,160	\$10,160	\$40	\$0.04	0.35%	0.0%	-
Bond Trustee Fees			\$0	\$0	0.18%	\$0.02	\$20	\$5,000	\$5,000	\$5,000	\$5,000	\$20	\$0.02	0.17%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>41.00%</b>	<b>\$4.83</b>	<b>\$4,520</b>	<b>\$1,148,006</b>	<b>\$1,148,898</b>	<b>\$1,312,009</b>	<b>\$1,307,281</b>	<b>\$5,147</b>	<b>\$5.50</b>	<b>45.67%</b>	<b>-12.2%</b>	<b>\$ (159,275)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>59.00%</b>	<b>\$6.94</b>	<b>\$6,504</b>	<b>\$1,651,898</b>	<b>\$1,672,442</b>	<b>\$1,575,700</b>	<b>\$1,555,007</b>	<b>\$6,122</b>	<b>\$6.54</b>	<b>54.33%</b>	<b>6.2%</b>	<b>\$ 96,891</b>

CONTROLLABLE EXPENSES							\$2,613/Unit					\$3,083/Unit				
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*EMLI At Pecan Creek, Aubrey, 4% HTC #20449*

DEBT / GRANT SOURCES																			
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE								
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	Cumulative			
		UW	App													DCR	LTC		
Regions		1.14	1.21	1,365,353	3.56%	35	15	\$27,300,000	\$26,793,990	\$25,785,900	\$27,300,000	15	35	3.56%	\$1,365,353	1.14	64.4%		
Adjustment to Debt Per §11.302(c)(2)											(\$300,000)	15	35	3.56%	(\$15,004)	1.15	-0.7%		
				<b>\$1,365,353</b>	<b>TOTAL DEBT / GRANT SOURCES</b>				<b>\$27,300,000</b>			<b>\$27,000,000</b>	<b>TOTAL DEBT SERVICE</b>				<b>\$1,350,349</b>	<b>1.15</b>	<b>63.7%</b>
<b>NET CASH FLOW</b>		\$189,654	\$286,545							<b>TDHCA</b>		<b>NET OPERATING INCOME</b>		\$1,555,007	\$204,658	<b>NET CASH FLOW</b>			

EQUITY SOURCES														
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Regions	LIHTC Equity	29.7%	\$1,413,138	0.89	\$12,574,413	\$13,507,430	\$13,507,430	\$12,574,413	\$0.8898	\$1,413,138	29.7%	\$5,564	Applicant Request	
Liberty Multifamily, LLC	Deferred Developer Fees	5.9%	(55% Deferred)		\$2,508,897	\$421,581	\$658,916	\$2,808,897	(61% Deferred)		6.6%	Total Developer Fee: \$4,603,456		
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%			
<b>TOTAL EQUITY SOURCES</b>		<b>35.6%</b>			<b>\$15,083,310</b>	<b>\$13,929,011</b>	<b>\$14,166,346</b>	<b>\$15,383,310</b>			<b>36.3%</b>			
<b>TOTAL CAPITALIZATION</b>					<b>\$42,383,310</b>	\$40,723,001	<b>\$39,952,246</b>	<b>\$42,383,310</b>					15-Yr Cash Flow after Deferred Fee:	<b>\$2,270,063</b>

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE			
Eligible Basis	Acquisition	New Const. Rehab	Total Costs	Applicant	TDHCA	Total Costs	New Const. Rehab	Acquisition	%	\$			
Land Acquisition			\$3,937 / Unit \$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$3,937 / Unit		0.0%	\$0			
Building Acquisition	\$0		\$ / Unit \$0	\$0	\$0	\$0	\$ / Unit	\$0	0.0%	\$0			
Closing costs & acq. legal fees			\$5,000	\$5,000	\$5,000	\$5,000				\$0			
Off-Sites			\$ / Unit \$0	\$0	\$0	\$0	\$ / Unit		0.0%	\$0			
Site Work		\$2,375,864	\$9,354 / Unit \$2,375,864	\$2,375,864	\$3,161,958	\$3,161,958	\$12,449 / Unit	\$2,375,864	-24.9%	(\$786,094)			
Site Amenities		\$655,500	\$2,581 / Unit \$655,500	\$655,500	\$0	\$0	\$ / Unit	\$655,500	0.0%	\$655,500			
Building Cost		\$19,294,561	\$81.12 /sf \$75,963/Unit \$19,294,561	\$19,294,561	\$19,372,431	\$19,372,431	\$76,269/Unit \$81.45 /sf \$19,372,431	\$19,372,431	-0.4%	(\$77,870)			
Contingency		\$1,493,484	6.69% 6.69% \$1,493,484	\$2,232,593	\$1,577,407	\$1,493,484	6.63% 6.67% \$1,493,484	\$1,493,484	0.0%	\$0			
Contractor Fees		\$3,125,630	13.12% 13.12% \$3,125,630	\$3,125,630	\$3,125,630	\$3,125,630	13.01% 13.08% \$3,125,630	\$3,125,630	0.0%	\$0			
Soft Costs	0	\$2,505,145	\$10,262 / Unit \$2,606,645	\$2,275,281	\$2,275,281	\$2,606,645	\$10,262 / Unit	\$2,505,145	\$0	0.0%	\$0		
Financing	0	\$1,239,523	\$21,076 / Unit \$5,353,253	\$2,988,732	\$2,988,732	\$5,353,253	\$21,076 / Unit	\$1,239,523	\$0	0.0%	\$0		
Developer Fee	\$0	\$4,603,456	15.00% 15.00% \$4,603,456	\$4,640,000	\$4,539,023	\$4,603,456	14.90% 14.96% \$4,603,456	\$0	0.0%	\$0			
Reserves			9 Months \$1,869,917	\$2,129,840	\$1,333,387	\$1,328,815	6 Months		40.7%	\$541,102			
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		<b>\$0</b>	<b>\$35,293,163</b>	<b>\$166,863 / Unit</b>	<b>\$42,383,310</b>	<b>\$40,723,001</b>	<b>\$39,378,850</b>	<b>\$42,050,672</b>	<b>\$165,554 / Unit</b>	<b>\$35,371,033</b>	<b>\$0</b>	<b>0.8%</b>	<b>\$332,638</b>
Acquisition Cost	\$0			\$0	\$0								
Contingency		\$0		\$0	(\$669,778)								
Contractor's Fee		\$0		\$0	\$0								
Financing Cost		\$0											
Developer Fee	\$0	\$0		\$0	(\$100,977)								
Reserves				\$0	\$0								
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$35,293,163</b>	<b>\$166,863/unit</b>	<b>\$42,383,310</b>	<b>\$39,952,246</b>		<b>\$42,050,672</b>	<b>\$165,554/unit</b>	<b>\$35,371,033</b>	<b>\$0</b>	<b>0.8%</b>	<b>\$332,638</b>
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$42,383,310</b>								

**CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS**

*EMLI At Pecan Creek, Aubrey, 4% HTC #20449*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
<b>ADJUSTED BASIS</b>	\$0	\$35,293,163	\$0	\$35,371,033
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$35,293,163	\$0	\$35,371,033
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$45,881,112	\$0	\$45,982,343
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$45,881,112	\$0	\$45,982,343
Applicable Percentage	3.36%	3.36%	3.36%	3.36%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$1,541,605	\$0	\$1,545,007
<b>CREDITS ON QUALIFIED BASIS</b>		\$1,541,605		\$1,545,007

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8898	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$1,541,605	\$13,717,544	----	----	----
<b>Needed to Fill Gap</b>	\$1,728,808	\$15,383,310	----	----	----
<b>Applicant Request</b>	\$1,413,138	\$12,574,413	<b>\$1,413,138</b>	<b>\$0</b>	<b>\$0</b>

50% Test for Bond Financing for 4% Tax Credits					
Tax-Exempt Bond Amount	\$30,000,000		Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
Aggregate Basis Limit for 50% Test	\$60,000,000				
	Applicant	TDHCA			
Land Cost	\$1,000,000	\$1,000,000	amount aggregate basis can increase before 50% test fails	\$28,208,793	\$28,000,329
Depreciable Bldg Cost	\$30,791,207	\$30,999,671			
<b>Aggregate Basis for 50% Test</b>	<b>\$31,791,207</b>	<b>\$31,999,671</b>			

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Garden (Up to 4-story)	237,858 SF	\$92.42	21,981,983
Adjustments				
Exterior Wall Finish	4.24%		3.92	\$932,969
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roof Adjustment(s)			0.00	0
Subfloor			(0.19)	(44,466)
Floor Cover			2.56	608,916
Breezeways	\$28.42	33,472	4.00	951,159
Balconies	\$28.24	13,489	1.60	380,923
Plumbing Fixtures	\$1,070	667	3.00	713,690
Rough-ins	\$525	508	1.12	266,700
Built-In Appliances	\$1,780	254	1.90	452,120
Exterior Stairs	\$2,280	81	0.78	184,680
Heating/Cooling			2.21	525,666
Storage Space	\$28.42	0	0.00	0
Carports	\$12.25	17,200	0.89	210,700
Garages		0	0.00	0
Common/Support Area	\$87.21	4,699	1.72	409,808
Elevators		0	0.00	0
<b>Other:</b>			0.00	0
Fire Sprinklers	\$2.59	276,029	3.01	714,915
<b>SUBTOTAL</b>			<b>118.94</b>	<b>28,289,764</b>
Current Cost Multiplier	0.99		(1.19)	(282,898)
Local Multiplier	0.87		(15.46)	(3,677,669)
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>102.28</b>	<b>\$24,329,197</b>
Plans, specs, survey, bldg permits	3.30%		(3.38)	(\$802,863)
Contractor's OH & Profit	11.50%		(11.76)	(2,797,858)
<b>NET BUILDING COSTS</b>		\$81,608/unit	\$87.15/sf	\$20,728,476



## Long-Term Pro Forma

*EMLI At Pecan Creek, Aubrey, 4% HTC #20449*

	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%	\$2,862,288	\$2,919,533	\$2,977,924	\$3,037,482	\$3,098,232	\$3,420,699	\$3,776,728	\$4,169,812	\$4,603,810	\$5,082,978	\$5,612,019
TOTAL EXPENSES	3.00%	\$1,307,281	\$1,345,354	\$1,384,547	\$1,424,892	\$1,466,424	\$1,693,147	\$1,955,270	\$2,258,355	\$2,608,847	\$3,014,205	\$3,483,068
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$1,555,007</b>	<b>\$1,574,179</b>	<b>\$1,593,377</b>	<b>\$1,612,590</b>	<b>\$1,631,808</b>	<b>\$1,727,551</b>	<b>\$1,821,458</b>	<b>\$1,911,457</b>	<b>\$1,994,963</b>	<b>\$2,068,773</b>	<b>\$2,128,951</b>
EXPENSE/INCOME RATIO		45.7%	46.1%	46.5%	46.9%	47.3%	49.5%	51.8%	54.2%	56.7%	59.3%	62.1%
<b>MUST -PAY DEBT SERVICE</b>												
TOTAL DEBT SERVICE		\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349	\$1,350,349
DEBT COVERAGE RATIO		1.15	1.17	1.18	1.19	1.21	1.28	1.35	1.42	1.48	1.53	1.58
<b>ANNUAL CASH FLOW</b>		<b>\$204,658</b>	<b>\$223,830</b>	<b>\$243,028</b>	<b>\$262,241</b>	<b>\$281,459</b>	<b>\$377,202</b>	<b>\$471,109</b>	<b>\$561,108</b>	<b>\$644,614</b>	<b>\$718,424</b>	<b>\$778,602</b>
Deferred Developer Fee Balance		\$2,604,240	\$2,380,410	\$2,137,382	\$1,875,141	\$1,593,683	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$101,219</b>	<b>\$2,270,063</b>	<b>\$4,897,642</b>	<b>\$7,956,886</b>	<b>\$11,405,992</b>	<b>\$15,184,991</b>

1d

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion and possible action regarding an Award of Direct Loan funds from the 2020-1 Multifamily Direct Loan Notice of Funding Availability

**RECOMMENDED ACTION**

**WHEREAS**, the Board previously authorized the release of the 2020-1 Multifamily Direct Loan Notice of Funding Availability (NOFA) for up to \$13,864,168 with the application acceptance period beginning on January 13, 2020;

**WHEREAS**, the NOFA has since been amended several times to increase the amount available to \$43,312,142.20;

**WHEREAS**, Application #20505, which was received on July 31, 2020, as a Priority 3 application under the 2020-1 NOFA, has requested an additional \$1,000,000 (in Direct Loan funds) for Roosevelt Gardens, and has received complete reviews for compliance with program and underwriting requirements and was previously awarded \$2,000,000 in National Housing Trust Fund (NHTF) on December 12, 2019;

**WHEREAS**, in accordance with 10 TAC §1.301(f)(1), the compliance history is designated as a Category 1 and deemed acceptable without conditions by the Executive Award and Review Advisory Committee (EARAC);

**WHEREAS**, 10 TAC §13.5(h)(2) requires Applications for Developments previously awarded funds by the Department in the last 15 years (regardless of fund source) to be found eligible by the Executive Director;

**WHEREAS**, this Application provided evidence of circumstances beyond the Applicant's control that could not have been prevented with appropriate due diligence, including increased labor and material costs as a result of record low unemployment in the area and high demand for building materials, as criteria for the Executive Director to consider in affirming their eligibility;

**WHEREAS**, the Executive Director has found this Application to be eligible;

**WHEREAS**, staff recommends awarding \$1,000,000 in NHTF in addition to the original award of \$2,000,000 in NHTF; and

**WHEREAS**, this Application has layered NHTF rent restrictions on an additional seven (21 total) of the 40 units as a result of this addition of NHTF;

**NOW, therefore, it is hereby**

**RESOLVED**, that an award of \$1,000,000 in NHTF from the 2020-1 NOFA for Roosevelt Gardens is hereby approved in the form presented at this meeting;

**FURTHER RESOLVED**, that because the Department has not yet met its 2019 NHTF commitment deadline, in accordance with the 2020-1 NOFA the deadline to sign a contract amendment with the Department is July 1, 2021, despite any other deadline in the TAC; and

**FURTHER RESOLVED**, that the Board's approval is conditioned upon satisfaction of all conditions of underwriting, and completion of any other reviews required to assure compliance with the applicable NHTF rules and requirements.

### **BACKGROUND**

On December 12, 2019, the Board approved issuance of the 2020-1 NOFA for up to \$13,846,168, which has subsequently been amended to increase the amount available to \$43,312,142.20 within three set-asides:

- \$29,465,974.20 of National Housing Trust Fund in the Soft Repayment set-aside,
- \$0 of HOME funds under the CHDO set-aside,
- \$13,846,168 of HOME funds in the General set-aside.

Roosevelt Gardens was awarded \$2,000,000 in NHTF on December 12, 2019, which proposed new construction of 40 efficiency, one- and two-bedroom units for a supportive housing population in Austin. Due to other federal funding, all units will have a preference for households where one member has been diagnosed with HIV or AIDS.

The Applicant encountered circumstances beyond their control that could not have been prevented or foreseen after the original NHTF award, namely increased construction costs and the pandemic's negative impact on the applicant's ability to fundraise. Total development costs increased \$1,124,842 (14%), which is being absorbed by \$124,842 in owner equity and the \$1,000,000 in additional NHTF. Despite the increased development costs, the developer fee amount that was previously underwritten has not changed.

Staff is recommending the Board's approval of Roosevelt Gardens' additional Direct Loan Application (#20505) for additional NHTF in the amount of \$1,000,000 (for total loan awards from the Department of \$3,000,000) as a deferred forgivable loan at 0% interest rate with a 40-year term under the Soft Repayment Set-Aside. The additional \$1,000,000 in NHTF loan proceeds will be used to fund increased hard costs.

As a result of the additional \$1,000,000 HOME investment, seven additional (21 total) units of the 40 units will be restricted by NHTF rent and income restrictions under the NHTF Land Use Restriction Agreement. The Department has the ability to invest additional NHTF funds in this project, despite having previously invested NHTF funds in this project, since the federal affordability period has not yet begun.

The recommended application and award amounts are outlined in the attached award recommendations log behind this Board item.

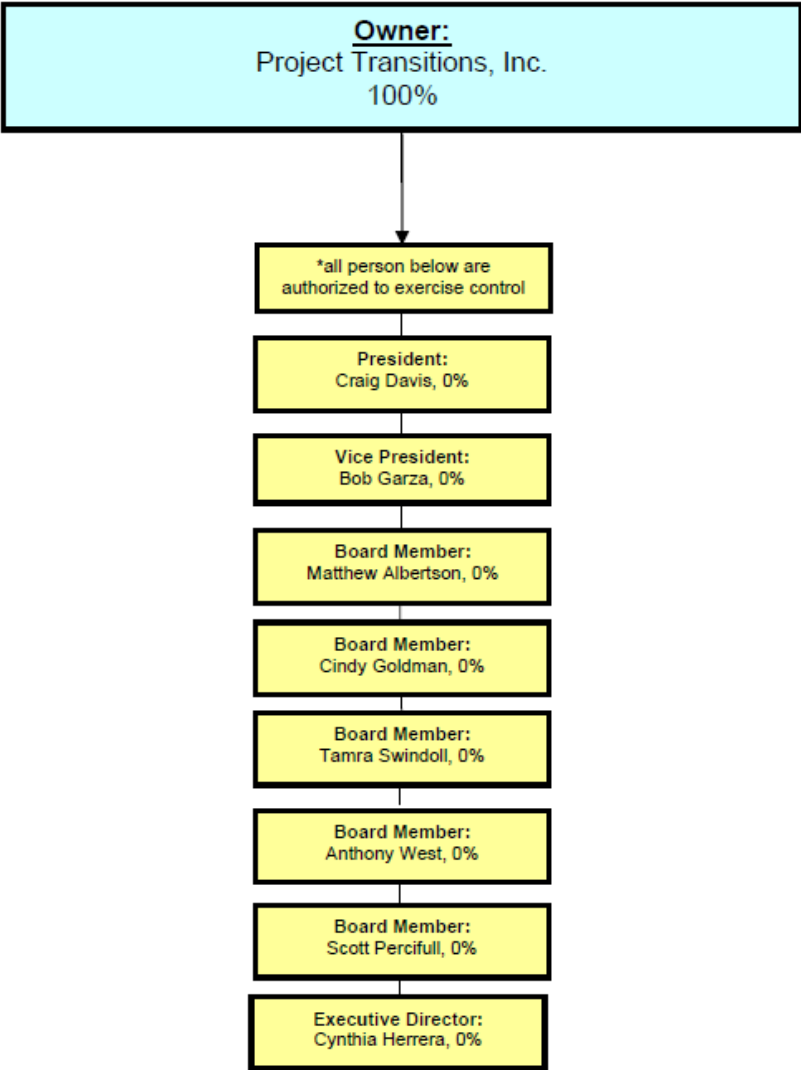
This application has been underwritten and determined to meet the Real Estate Analysis rules and requirements and has received a previous participation review.

This Contract will reflect the Site Development Requirements and Restrictions under the 2020 QAP as outlined in 10 TAC Chapter 11, Subchapter B.

*Organizational and Site Control Structure:* The borrower/applicant is Project Transitions, Inc. and includes entities and principals as indicated in the organization chart below. The applicant's portfolio is considered a Category 1 and the previous participation was deemed acceptable by EARAC. Project Transitions, Inc. will own the property.

*Public Comment:* There have been no letters of support or opposition received by the Department in connection with this current application.

# Ownership Chart





**2020-1 Multifamily Direct Loan Program - Application Log - October 1, 2020**  
**Per 2020-1 Multifamily Direct Loan Notice of Funding Availability (as amended by First, Second, Third, Fourth, Fifth, and Sixth Amendments to 2020-1 NOFA)**

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. This log will be updated periodically as staff completes application reviews and as more applications are received. The 2020-1 NOFA 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 Application Acceptance Date within each set-aside in accordance with Section 3 of the 2020-1 NOFA.*

**Soft Repayment (NHTF only)**

Total Set Aside Funding Level: **\$29,465,974**

TDHCA #	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Application Acceptance Date	Comments
20002	Armadillo Studios	Austin	Travis	7	NC	\$ 2,000,000	Supportive Housing	110	14	9%	4/1/2020	Recommended for award at 7/23/20 Board meeting
20040	Espero Austin at Rutland	Austin	Travis	7	NC	\$ -	Supportive Housing	135	25	9%	4/1/2020	Terminated
20501	Samano	Brownsville	Cameron	11	ADR	\$ 2,000,000	Supportive Housing	40	14	N	5/28/2020	
20406	Gala at Central Park	Hurst	Tarrant	3	NC	\$ 3,000,000	Elderly	94	19	4%	6/4/2020	Recommended for award at 6/25/20 Board meeting
20503	Brooks Haven Supportive Housing	Rockdale	Milam	8	NC	\$ 3,000,000		30	30	N	7/6/2020	
20504	Burnet Place Apartments	Austin	Travis	7	NC	\$ 3,000,000	Supportive Housing	61	21	N	7/24/2020	
20505	Roosevelt Gardens	Austin	Travis	7	NC	\$ 1,000,000	Supportive Housing	40	7	N	7/31/2020	To be recommended for award at 10/1/20 Board meeting
20462	Sunland Country Apartments	Harlingen	Cameron	11	NC	\$ 3,000,000	General	166	9	4%	8/6/2020	
20224	Crossroads Apartments	Fort Worth	Tarrant	3	NC	\$ 1,954,000	Supportive Housing	68	13	9%	TBD <sup>3</sup>	
<b>Total Amount Requested Under Soft Repayment Set Aside</b>						<b>\$ 18,954,000</b>	<b>Total Units</b>	<b>744</b>	<b>152</b>			
<b>Total Amount Awarded Under Soft Repayment Set Aside</b>						<b>\$ 5,000,000</b>	<b>Total Units</b>	<b>204</b>	<b>33</b>			
<b>Total Amount Remaining Under Soft Repayment Set Aside</b>						<b>\$ 24,465,974</b>						

**CHDO (HOME funds only)**

Total Set Aside Funding Level: **\$0**

TDHCA #	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Application Acceptance Date	Comments
20317	Merritt Edge	Midland	Midland	12	NC	\$ -	Elderly	124	20	9%	4/1/2020	Application withdrawn
20344	Merritt Sunset	Midland	Midland	12	NC	\$ -	General	149	21	9%	4/1/2020	Application withdrawn
<b>Total Amount Requested Under CHDO Set Aside</b>						<b>\$ -</b>	<b>Total Units</b>	<b>273</b>	<b>41</b>			
<b>Total Amount Awarded Under CHDO Set Aside</b>						<b>\$ -</b>	<b>Total Units</b>	<b>0</b>	<b>0</b>			
<b>Total Amount Remaining Under CHDO Set Aside</b>						<b>\$ -</b>						

**General (HOME funds only)**

Total Set Aside Funding Level: **\$13,846,168**

TDHCA #	Property Name	Property City	Property County	Region	Housing Activity <sup>1</sup>	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Layering <sup>2</sup>	Application Acceptance Date	Comments
20502	Heritage Heights at Big Spring	Big Spring	Howard	12	NC	\$ 255,000	Elderly	66	2	N	3/31/2020	Recommended for award at 6/25/20 Board meeting
20329	Fish Pond at Huntsville	Huntsville	Walker	6	NC	\$ 2,650,000	Elderly	48	27	9%	4/1/2020	Recommended for award at 7/23/20 Board meeting
20463	Trinity Oaks	Sulphur Springs	Hopkins	4	A/R	\$ 925,000	Elderly	48	16	4%	4/28/2020	
20464	Pine Terrace	Mount Pleasant	Titus	4	A/R	\$ 1,650,000	Elderly	76	28	4%	4/28/2020	
20329	Fish Pond at Huntsville	Huntsville	Walker	6	NC	\$ 350,000	Elderly	48	3	N	9/1/2020	Supplemental Direct Loan request
20200	Lofts at Temple Medical District	Temple	Bell	8	NC	\$ 3,000,000	Elderly	120	25	9%	TBD <sup>3</sup>	
20012	Merritt Gardens	Midland	Midland	12	NC	\$ 2,000,000	Elderly	120	20	9%	TBD <sup>3</sup>	
<b>Total Amount Requested Under General Set Aside</b>						<b>\$ 10,830,000</b>	<b>Total Units</b>	<b>286</b>	<b>76</b>			
<b>Total Amount Awarded Under General Set Aside</b>						<b>\$ 2,905,000</b>	<b>Total Units</b>	<b>114</b>	<b>29</b>			
<b>Total Amount Remaining Under General Set Aside</b>						<b>\$ 10,941,168</b>						

1 = Housing Activity: NC=New Construction, R=Rehabilitation, ADR= Adaptive Reuse

2 = Layering of Other Department Funds: 9%=9% Competitive Tax Credits, 4%=4% Noncompetitive Tax Credits

3 = In accordance with 10 TAC §13.4(c)(3), 2020 9%-layered applications are considered Priority 3 after late July Board meeting. Application Acceptance date, should the Application come off the 9% waitlist, will be the date a potential Commitment Notice is issued.



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

Greg Abbott  
GOVERNOR

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Leo Vasquez, Member

August 19, 2020

*Writer's direct dial: 512/475-1676*  
*Email: [marni.holloway@tdhca.state.tx.us](mailto:marni.holloway@tdhca.state.tx.us)*

Jennifer Hicks  
Founder  
True Casa Consulting, LLC  
3000 Skylark Drive  
Austin, TX 78757

RE: ELIGIBILITY DETERMINATION FOR ROOSEVELT GARDENS (19508) SUPPLEMENTAL DIRECT LOAN APPLICATION

Dear Ms. Hicks:

We have received your request for an eligibility determination in accordance with 10 TAC §13.5(h)(2)-(3) for a to-be-submitted Direct Loan application for supplemental funding for the previously-awarded Roosevelt Gardens application (19508). You describe several factors – increased construction costs, unexpected disapproval of an FHLB loan application, the pandemic's negative impact on the Applicant's (Project Transitions) ability to fundraise, and a longer construction timeline than anticipated due to an extended period of abatement prior to demolition – that have caused the borrower to seek additional Direct Loan funds after having already received an award of Direct Loan funds less than a year ago.

Staff has determined that these factors are sufficient evidence of factors beyond the Applicant's control that could not have been prevented with appropriate due diligence in accordance with 10 TAC §13.5(h)(3)(B)(i). Therefore, I find the to-be-submitted Direct Loan application from Project Transitions eligible in accordance with 10 TAC §13.5(h)(2).

Sincerely,

Marni Holloway  
Multifamily Finance Director







**Addendum to Underwriting Report**

TDHCA Application #: **20505-19508** Program(s): **MDL**

**Roosevelt Gardens**

Address/Location: 5606 Roosevelt Avenue

City: Austin County: Travis Zip:

APPLICATION HISTORY	
Report Date	PURPOSE
09/29/20	MDL Increase / MDL Closing
12/04/19	Original Underwriting Report

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Deferred Forgivable)	\$2,000,000	0.00%		40	\$3,000,000	0.00%		40	1

\* Multifamily Direct Loan Terms:

\* Lien position after conversion to permanent. The Department's lien position during construction may vary.

**CONDITIONS STATUS**

- 1 Receipt and acceptance before Direct Loan Closing
  - a: Substantially final construction contract with Schedule of Values.
  - b: Updated term sheets with substantially final terms from all lenders.
  - c: Executed HOPWA Contract.
  - d: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

**Status: 1(a)-(e) satisfied.**
- 2 Receipt and acceptance by Cost Certification:
  - a: Certification that testing for asbestos was performed on the existing structure prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented along with certification that all demolition was performed pursuant to all applicable laws and regulations.
  - b: Certification on whether any of the existing plumbing systems was used as part of the reconstruction at the site. If they were used, then certification that testing for lead in drinking water was performed on the existing plumbing system.

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.

## SET-ASIDES

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	21

## ANALYSIS

Roosevelt Gardens was awarded a \$2,000,000 Multifamily Direct Loan under the 2019 NOFA. The cap has since been lifted to \$3,000,000 under the 2020 NOFA.

The Applicant cites several factors contributing to the need for additional funding, including increased construction costs, a longer construction timeline than anticipated due to an extended period of abatement prior to demolition, and the pandemic's negative impact on the Applicant's (Project Transitions) ability to fundraise. An application for FHLB funding was not approved.

The Applicant has requested \$1,000,000 under the current NOFA.

Residents have already been relocated from the existing site. Asbestos abatement and demolition is slated to be complete in early October. A construction contract has been signed with the General Contractor ready to break ground mid October.

### Operating Pro Forma

Number of MDL-restricted units increased from 14 to 21 reflecting increased loan amount.

HOPWA Contract requires tenants to pay 30% of their income. Collected Rents are calculated at 30% of the lowest income restriction per unit.

Applicant's operating expense estimates are unchanged aside from adjusted TDHCA Compliance Fee for current number of MDL-restricted units. Underwriter's expenses updated based on current data from comparable properties.

HOPWA Contract supplements tenant-paid rent by providing break-even operating subsidy to cover expenses. The City of Austin confirmed the HOPWA Contract will be renewed for October 2020 -September 2021, and that the City's 2019-2024 Consolidated Plan reflects intent to continue funding Project Transitions for HOPWA services through at least September 2024.

### Development Cost

The Applicant's construction contract indicates hard construction cost (site work plus building cost) has increased from \$4.825M to \$6.275M (a 30% increase) from original estimates.

Applicant's cost schedule indicates a 31% decrease in soft costs and financing costs, from \$1.2M to \$835K.

Developer Fee is unchanged, dropping to 11.43% of the current cost (from 14.85% originally).

Total Development Cost increased 14% from \$7.9M to \$9.0M.

### Sources of Funds

TSAHC will provide a construction loan in the amount of \$150,088 at 3.00% interest. This loan was not included in the previous schedule of sources.

Project Transitions, Inc. is making a permanent commitment of \$150,088 as an Owner's Cash Contribution to Roosevelt Gardens as a bridge for fundraising. As private funds are raised, Project Transitions, Inc. will be reimbursed. (The Owner Contribution was previously underwritten at \$218,660.)

Applicant provided the closing statement for the AHFC loan in the total amount of \$4,950,000. Terms of the loan will be for a minimum of 40 years at zero percent interest. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the loan period contingent upon compliance with the loan agreement.

The City of Austin has approved fee waivers in the amount of \$105,876 under the SMART Program.

The Applicant provided an Executed Grant from the Lola Wright Foundation in the amount of \$17,515 to facilitate the move to the new facility. This source of funds was not included in the previous underwriting.

The Applicant provided an Executed Resource Recovery Agreement for a \$100,000 grant from the City of Austin Brownfields Revitalization Office for abatement of asbestos-containing materials. This source of funds was not included in the previous underwriting.

The Applicant was previously awarded a \$50,000 Pre-Development Grant from TDHCA TCAP RF funds executed 9/26/19.

The Applicant was previously awarded a \$2,000,000 TDHCA Multifamily Direct Loan executed 2/4/20, at 0% interest for 40 years with repayment of principal deferred until end of the loan term, when any and all remaining unpaid principal is due and payable in full.

**Conclusion**

The Underwriter recommends increasing the amount of the Multifamily Direct Loan to \$3,000,000; and amending the terms to reflect repayment of principal deferred and forgiven at the end of the loan term; and proceeding to close on the Loan.

Manager of Real Estate Analysis: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

**UNIT MIX/RENT SCHEDULE**  
**Roosevelt Gardens , Austin, MDL #19508**

LOCATION DATA	
CITY:	Austin
COUNTY:	Travis
Area Median Income	\$95,900
PROGRAM REGION:	7

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	12	30.0%	12	6	20%		0.0%
1	22	55.0%	22	12	30%	21	52.5%
2	6	15.0%	6	3	40%		0.0%
3	-	0.0%	0	0	50%	19	47.5%
4	-	0.0%	0	0	60%		0.0%
5	-	0.0%	0	0	70%		0.0%
					80%		0.0%
					MR		0.0%
<b>TOTAL</b>	<b>40</b>	<b>100.0%</b>	<b>40</b>	<b>21</b>	<b>TOTAL</b>	<b>40</b>	<b>100.0%</b>

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	NA
Applicable Fraction	100%
APP % Acquisition	NA
APP % Construction	NA
Average Unit Size	511 sf

**UNIT MIX / MONTHLY RENT SCHEDULE**

TDHCA Direct Loan	RENT ASSISTED UNIT	UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS			MARKET RENTS			
		# 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	
HTF 30%	COA 30%	4	0	1	440	\$154	\$0	\$154	\$0	\$0.35	\$154	\$616	\$616	\$154	\$0.35	\$0	\$1,050	\$2.39	\$1,050
HTF 30%	COA 50%	2	0	1	440	\$154	\$0	\$154	\$0	\$0.35	\$154	\$308	\$308	\$154	\$0.35	\$0	\$1,050	\$2.39	\$1,050
	COA 50%	6	0	1	440	\$257	\$0	\$257	\$0	\$0.58	\$257	\$1,542	\$1,542	\$257	\$0.58	\$0	\$1,050	\$2.39	\$1,050
HTF 30%	COA 30%	8	1	1	442	\$165	\$0	\$165	\$0	\$0.37	\$165	\$1,320	\$1,320	\$165	\$0.37	\$0	\$1,050	\$2.38	\$1,050
HTF 30%	COA 50%	4	1	1	442	\$165	\$0	\$165	\$0	\$0.37	\$165	\$660	\$660	\$165	\$0.37	\$0	\$1,050	\$2.38	\$1,050
	COA 50%	10	1	1	442	\$275	\$0	\$275	\$0	\$0.62	\$275	\$2,750	\$2,750	\$275	\$0.62	\$0	\$1,050	\$2.38	\$1,050
HTF 30%	COA 30%	2	2	2	906	\$198	\$0	\$198	\$0	\$0.22	\$198	\$396	\$396	\$198	\$0.22	\$0	\$1,550	\$1.71	\$1,550
HTF 30%	COA 50%	1	2	2	906	\$198	\$0	\$198	\$0	\$0.22	\$198	\$198	\$198	\$198	\$0.22	\$0	\$1,550	\$1.71	\$1,550
	COA 50%	3	2	2	906	\$329	\$0	\$329	\$0	\$0.36	\$329	\$987	\$987	\$329	\$0.36	\$0	\$1,550	\$1.71	\$1,550
<b>TOTALS/AVERAGES:</b>		<b>40</b>			<b>20,440</b>				<b>\$0</b>	<b>\$0.43</b>	<b>\$219</b>	<b>\$8,777</b>	<b>\$8,777</b>	<b>\$219</b>	<b>\$0.43</b>	<b>\$0</b>	<b>\$1,125</b>	<b>\$2.20</b>	<b>\$1,125</b>

<b>ANNUAL POTENTIAL GROSS RENT:</b>	<b>\$105,324</b>	<b>\$105,324</b>
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**STABILIZED PRO FORMA**

*Roosevelt Gardens , Austin, MDL #19508*

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
Database	Foundation Comm 3 SRO's		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>			\$0.43		\$219	\$105,324	\$111,002	\$111,002	\$105,324	\$219	\$0.43		0.0%	\$0
Laundry, Damages, Lease Term Fees						\$9.08	4,350							
Late Charges, App Fees, NSF Fees						\$2.08	996							
HOPWA Subsidy						\$0.00	0	64,462	\$81,376					
Total Secondary Income						\$11.16		5,346	\$5,354	\$11.16			1708.5%	\$91,481
<b>POTENTIAL GROSS INCOME</b>							\$202,159	\$116,348	\$180,810	\$192,054			5.3%	\$10,105
Vacancy & Collection Loss						5.0% PGI	(10,108)	(8,726)	(9,041)	(9,603)	5.0% PGI		5.3%	(505)
Rental Concessions							-	0	0	-			0.0%	-
<b>EFFECTIVE GROSS INCOME</b>							\$192,051	\$107,622	\$171,770	\$182,451			5.3%	\$9,600

General & Administrative	\$15,023	\$376/Unit	\$15,523	\$388	12.15%	\$1.14	\$583	\$23,334	\$23,334	\$14,700	\$15,523	\$388	\$0.76	8.51%	50.3%	7,811
Management	\$17,754	6.0% EGI	\$17,172	\$429	9.37%	\$0.88	\$450	\$18,001	\$18,001	\$8,588	\$17,172	\$429	\$0.84	9.41%	4.8%	829
Payroll & Payroll Tax	\$45,904	\$1,148/Unit	\$91,083	\$2,277	29.04%	\$2.73	\$1,394	\$55,777	\$55,777	\$55,777	\$55,777	\$1,394	\$2.73	30.57%	0.0%	-
Repairs & Maintenance	\$36,158	\$904/Unit	\$23,541	\$589	18.33%	\$1.72	\$880	\$35,211	\$35,211	\$24,000	\$24,000	\$600	\$1.17	13.15%	46.7%	11,211
Electric/Gas	\$7,665	\$192/Unit	\$25,344	\$634	7.19%	\$0.68	\$345	\$13,812	\$13,812	\$25,219	\$25,344	\$634	\$1.24	13.89%	-45.5%	(11,532)
Water, Sewer, & Trash	\$30,439	\$761/Unit	\$16,438	\$411	9.23%	\$0.87	\$443	\$17,718	\$17,718	\$15,527	\$16,438	\$411	\$0.80	9.01%	7.8%	1,280
Property Insurance	\$13,105	\$0.64 /sf	\$13,370	\$334	9.10%	\$0.86	\$437	\$17,484	\$17,484	\$17,484	\$17,484	\$437	\$0.86	9.58%	0.0%	-
Property Tax (@ 0% 2.1965)	\$22,363	\$559/Unit	\$10,093	\$252	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements	\$11,777	\$294/Unit			5.21%	\$0.49	\$250	\$10,000	\$10,000	\$10,000	\$10,000	\$250	\$0.49	5.48%	0.0%	-
TDHCA Direct Loan Compliance Fees (\$34/MDL unit)					0.37%	\$0.03	\$18	\$714	\$1,360	\$474	\$714	\$18	\$0.03	0.39%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>100.00%</b>	<b>\$9.40</b>	<b>\$4,801</b>	<b>\$ 192,051</b>	\$192,697	\$171,770	<b>\$182,451</b>	<b>\$4,561</b>	<b>\$8.93</b>	<b>100.00%</b>	<b>5.3%</b>	<b>\$ 9,600</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>0.00%</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0</b>	(\$85,075)	\$0	<b>\$0</b>	<b>\$0</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>-100%</b>	<b>\$ (0)</b>

CONTROLLABLE EXPENSES							\$3,646/Unit						\$3,427/Unit			
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Roosevelt Gardens , Austin, MDL #19508*

DEBT / GRANT SOURCES																	
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Prior Underwriting		Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App						Applicant	TDHCA						DCR	LTC
City of Austin		#DIV/0!	#DIV/0!	-	0.00%	0	40	\$4,950,000	\$4,950,000	\$4,950,000	\$4,950,000	99	0	0.00%		#DIV/0!	54.7%
TDHCA		#DIV/0!	#DIV/0!		0.00%	0	40	\$3,000,000	\$2,000,000	\$2,000,000	\$3,000,000	40	0	0.00%		#DIV/0!	33.1%
<b>CASH FLOW DEBT / GRANTS</b>																	
City of Austin (Brownfield Rev)		#DIV/0!	#DIV/0!		0.00%	0	0	\$100,000			\$100,000	0	0	0.00%		#DIV/0!	1.1%
TDHCA Pre-Development		#DIV/0!	#DIV/0!		0.00%	0	0	\$50,000	\$50,000	\$50,000	\$50,000	0	0	0.00%		#DIV/0!	0.6%
Lola Wright Foundation		#DIV/0!	#DIV/0!		0.00%	0	0	\$17,515	\$0	\$0	\$17,515	0	0	0.00%		#DIV/0!	0.2%
City of Austin Fee Waiver		#DIV/0!	#DIV/0!		0.00%	0	0	\$105,876	\$105,876	\$105,876	\$105,876	0	0	0.00%		#DIV/0!	1.2%
Project Transitions, Inc.		#DIV/0!	#DIV/0!		0.00%	0	0	\$150,088	\$218,660	\$218,660	\$150,088	0	0	0.00%		#DIV/0!	1.7%
				<b>\$0</b>	<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$8,373,479</b>	<b>\$7,324,536</b>	<b>\$7,324,536</b>	<b>\$8,373,479</b>	<b>TOTAL DEBT SERVICE</b>			<b>\$0</b>	<b>#DIV/0!</b>	<b>92.5%</b>
<b>NET CASH FLOW</b>		\$0	\$0								<b>TDHCA</b>	<b>NET OPERATING INCOME</b>	\$0	\$0	<b>NET CASH FLOW</b>		

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE			
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Amount	Prior Underwriting		Amount	% Cost	Total Developer Fee:	Total Developer Fee:	#	NUM!
				Applicant	TDHCA						
Project Transitions, Inc.	Deferred Developer Fees	7.5%	\$679,000	\$603,100	\$603,100	\$679,999	(89% Deferred)	7.5%			
Additional (Excess) Funds Req'd		0.0%		\$0	\$0	\$0		0.0%			
<b>TOTAL EQUITY SOURCES</b>			<b>\$679,000</b>	<b>\$603,100</b>	<b>\$603,100</b>	<b>\$679,999</b>		<b>7.5%</b>			
<b>TOTAL CAPITALIZATION</b>				<b>\$9,052,479</b>	<b>\$7,927,636</b>	<b>\$7,927,636</b>	<b>\$9,052,478</b>			<b>15-Yr Cash Flow after Deferred Fee:</b>	<b>#NUM!</b>

DEVELOPMENT COST / ITEMIZED BASIS												
APPLICANT COST / BASIS ITEMS				Prior Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE		
Acquisition	New Const. Rehab	Total Costs	Total Costs	Applicant	TDHCA	Total Costs	Total Costs	Eligible Basis		%	\$	
								New Const. Rehab	Acquisition			
Land Acquisition		\$ / Unit	\$0	\$0	\$0	\$ / Unit	\$0			0.0%	\$0	
Building Acquisition		\$ / Unit	\$0	\$0	\$0	\$ / Unit	\$0			0.0%	\$0	
Demolition		\$1,863 / Unit	\$74,529	\$141,270	\$145,000	\$74,529	\$1,863 / Unit			0.0%	\$0	
Site Work		\$12,823 / Unit	\$512,917	\$503,690	\$501,948	\$529,158	\$13,229 / Unit			-3.1%	(\$16,241)	
Site Amenities		\$3,406 / Unit	\$136,237	\$64,400	\$65,400	\$119,996	\$3,000 / Unit			13.5%	\$16,241	
Building Cost		\$279.09 /sf	\$142,616/Unit	\$5,704,641	\$4,115,934	\$4,115,934	\$138,794/Unit	\$271.61 /sf		2.8%	\$152,863	
Contingency		3.31%	\$213,000	\$285,432	\$300,493	\$213,000	3.39%			0.0%	\$0	
Contractor Fees		11.81%	\$784,260	\$707,731	\$707,731	\$784,260	12.09%			0.0%	\$0	
Soft Costs		\$19,331 / Unit	\$773,228	\$1,019,769	\$1,019,769	\$773,228	\$19,331 / Unit			0.0%	\$0	
Financing		\$1,564 / Unit	\$62,550	\$185,750	\$185,750	\$62,550	\$1,564 / Unit			0.0%	\$0	
Developer Fee		11.43%	\$759,000	\$759,000	\$759,000	\$759,000	11.70%			0.0%	\$0	
Reserves		2 Months	\$32,116	\$144,660	\$144,660	\$32,116	2 Months			0.0%	\$0	
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>			<b>\$226,312 / Unit</b>	<b>\$9,052,478</b>	<b>\$7,927,636</b>	<b>\$7,945,685</b>	<b>\$8,899,615</b>	<b>\$222,490 / Unit</b>		<b>1.7%</b>	<b>\$152,863</b>	
Acquisition Cost			\$0	\$0								
Contingency			\$0	\$0								
Contractor's Fee			\$0	\$0								
Financing Cost												
Developer Fee			\$0	\$0								
Reserves			\$0	\$0								
<b>ADJUSTED BASIS / COST</b>			<b>\$226,312/unit</b>	<b>\$9,052,478</b>	<b>\$7,927,636</b>	<b>\$7,945,685</b>	<b>\$8,899,615</b>	<b>\$222,490/unit</b>	<b>\$0</b>	<b>\$0</b>	<b>1.7%</b>	<b>\$152,863</b>
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>					<b>\$9,052,478</b>							



1e



**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment of the Housing Tax Credit Application for La Grange Springs (HTC #20273)

**RECOMMENDED ACTION**

**WHEREAS**, La Grange Springs (the Development) was approved by the Board for a 9% Housing Tax Credit (HTC) award in 2020 to construct 72 multifamily units in La Grange, Fayette County;

**WHEREAS**, La Grange Springs 2020, LP (the Development Owner or Owner) requests approval for a reduction in the Common Area from 3,433 to 2,697 square feet, a reduction of 21% or 736 square feet from the original design represented at Application;

**WHEREAS**, Board approval is required for a reduction of three percent or more in the Common Area 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;

**WHEREAS**, the requested change does 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; and

**WHEREAS**, the Development is still required to meet the accessibility requirements in the 2020 Qualified Allocation Plan and 10 TAC Chapter 1, Subchapter B;

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested material amendment of the Application for La Grange Springs is approved as presented to 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 Grange Springs received a 9% HTC award in 2020 for the new construction of 72 multifamily units, including 64 HTC units and eight market rate units, in La Grange, Fayette County. On September 17,

2020, Robbye Meyer, the Owner’s representative, submitted a request for approval of a material amendment of the Application. The request is for approval of a 21% reduction of the clubhouse common area from 3,433 to 2,697 square feet, a reduction of 736 square feet. The Owner provided a letter stating that the proposed reduction arises from value engineering done after review with the city and county. The letter states that the reason for the change was not reasonably foreseeable until additional discovery work was performed after the award. The letter states that the reduction will not diminish the quality of the amenities or services that the Application proposed for the tenants.

The following table identifies the changes to the Application:

Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)	
Application	Amendment
<p><u>Common Area: 3,433 s.f.</u></p>	<p><u>Common Area: 2,697 s.f., a 736 s.f. or 21% reduction</u></p>

The amendment does not materially alter the Development in a negative manner and was not reasonably foreseeable or preventable by the Development Owner at the time of Application. The Development Owner has complied with the amendment requirements under 10 TAC §10.405(a).

Staff recommends approval of the amendment request as presented herein.

1f

**BOARD ACTION REQUEST**

**LEGAL DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning related properties Sycamore Center Villas (CMTS 3283 / HTC 02484) and Rosemont at Arlington Park (CMTS 64 / HTC 00027)

**RECOMMENDED ACTION**

**WHEREAS**, Sycamore Center Villas, owned by Sycamore Center Villas, L.P. (Sycamore Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

**WHEREAS**, Rosemont at Arlington Park, owned by Chattanooga Housing, L.P. (Rosemont Owner), had uncorrected compliance findings relating to the applicable land use restriction agreement and the associated statutory and rule requirements;

**WHEREAS**, Sycamore Owner and Rosemont Owner are related entities, ultimately controlled by Alan Fair, as the majority member and manager of Alden Torch Financial, LLC (collectively known as "Owner");

**WHEREAS**, all findings that had been referred for an administrative penalty were resolved informally before consideration by the Enforcement Committee;

**WHEREAS**, on August 26, 2020, Owner representatives participated in an informal conference with the Enforcement Committee and agreed, subject to Board approval, to enter into an Agreed Final Order for each property;

**WHEREAS**, the Agreed Final Order for Sycamore Owner shall assess an administrative penalty of \$1,000;

**WHEREAS**, the Agreed Final Order for Rosemont Owner shall stipulate that violations occurred, but assess no administrative penalty; and

**WHEREAS**, staff has based its recommendations for an Agreed Final Order on the Department's rules for administrative penalties and an assessment of each and all of the statutory factors to be considered in assessing such penalties, applied specifically to the facts and circumstances present in this case.

**NOW, therefore, it is hereby**

**RESOLVED**, that Agreed Final Orders assessing an administrative penalty of \$1,000 for noncompliance at Sycamore Center Villas (CMTS 3283 / HTC 02484)

and assessing no administrative penalty, but stipulating that violations occurred at Rosemont at Arlington Park (CMTS 64 / HTC 00027), both as presented at this meeting, but authorizing staff to make any necessary non-substantive technical corrections, are hereby adopted as orders of this Board.

## **BACKGROUND**

Sycamore Center Villas, L.P. (Sycamore Owner) is the owner of Sycamore Center Villas (Sycamore), a low-income apartment complex composed of 280 units, located in Tarrant County. Sycamore Owner is subject to a Land Use Restriction Agreement (LURA) signed in 2004 in consideration for a housing tax credit allocation in the annual amount of \$753,222 to build and operate Sycamore.

Chattanooga Housing, L.P. (Rosemont Owner) is the owner of Rosemont at Arlington Park (Rosemont), a low-income apartment complex composed of 100 units, located in Dallas County. Rosemont Owner is subject to a LURA signed in 2002 in consideration for a housing tax credit allocation in the annual amount of \$558,136 to build and operate Rosemont.

Alan Fair is the majority member and manager for Alden Torch Financial LLC, the sole member of Alden Affordable Holdings, LLC, the sole member of both Alden GP – Sycamore Center Villas, LLC and Alden Grand Marais, LLC, the general partners for Sycamore Owner and Rosemont Owner, respectively. While the limited partner entities that own both properties are original, both were internally restructured, with affiliates of former investor partners taking over the properties in 2015 and 2017, respectively. CMTS lists Norma Padilla, Director of Strategic Management for Alden Torch Financial LLC, as the primary contact for both Owners. Both properties are managed by Elmington Property Management, with Ann Marie Carroll Wetherington listed as the primary contact in CMTS. Elmington began managing the properties in January 2020.

The ownership group, Alden Torch Financial, controlled by Alan Fair, has a history of prior administrative penalty referrals, one of which was closed with a warning letter in 2018 after discussion with the Enforcement Committee during an informal conference. The ownership group was then referred for a penalty for Sycamore and Rosemont during 2020. Referred findings for both properties were corrected after an informal conference notice was issued, but before the scheduled informal conference.

It is not appropriate to close the current administrative penalty referral with a warning letter because of the prior warning letter history for a related property and Owner's failure to resolve referred violations before an informal conference notice was issued, however, corrective documentation was received before the informal conference to address all violations.

The following compliance violations at Sycamore were identified in 2019 and referred for a penalty in 2020. Final findings were resolved on June 20, 2020, after an informal conference notice was issued. All findings are considered corrected.

1. Unit not leased to low income household: The tenant income certification for unit 716 was not executed; therefore, the household could not be verified as eligible. Corrective documentation demonstrating eligibility was submitted after an informal conference notice was issued.

2. Failure to collect Annual Eligibility Certifications: Annual Eligibility certifications were not collected for units 334, 437, 511, 716, 816, 913, 1321, and 1325.

The following compliance violations at Rosemont were identified in 2019 and referred for a penalty in 2020. Final findings were resolved on March 5, 2020, after an informal conference notice was issued.

1. Written Policies and Procedures, including tenant selection criteria.

Owner representatives participated in an informal conference with the Enforcement Committee on August 26, 2020, and agreed to sign Agreed Final Orders for both properties. Violations at Rosemont only related to written policies and procedures and the Enforcement Committee recommends an Agreed Final Order assessing no administrative penalty for noncompliance at Rosemont, but stipulating that violations occurred and were not timely corrected. Violations for Sycamore were more concerning given the prior referral history for the ownership group and the extent of an identified vacancy problem. While the violations in themselves for Sycamore are not serious when considered in isolation, the number of violations is concerning, as is an identified vacancy pattern discussed further below. The Enforcement Committee therefore recommends an Agreed Final Order in the amount of \$1,000 for Sycamore. This represents a \$400 reduction from the maximum administrative penalty, recognizing complications from COVID-19, the fact that the household with an income eligibility violation ultimately qualified for occupancy, a property management change in January 2020 that has significantly improved responsiveness, and efforts made by ownership and property management to make operational improvements during 2020. Additionally, all violations were corrected before the informal conference, and no penalty has previously been paid by this ownership group.

After referral for an administrative penalty, property management for Sycamore stated that the referred violations were not timely resolved due to move-in delays related to COVID-19. The housing authority was not doing move-in inspections for Section 8 units, and many employers were not open for employment verifications. This was considered by staff, however, a review of the file suggested a more complicated situation that new property management was unable to explain. Violations for failure to complete Annual Eligibility Certifications were identified for 25% of the files reviewed during the monitoring visit, with due dates for the certifications spanning the course of over a year. These certifications are primarily only used for data collection, but the form can identify households as ineligible for the program in the rare event that student status changed without meeting a program exemption. All referred violations also related to units that were vacant at the time of referral. Having a couple of vacant units with unresolved violations at the time of an administrative penalty referral is common, but this property had nine, which is unusual based on the sample size. Move-in delays due to COVID-19 are also common, but upon further review, TDHCA staff found that many of the affected units had been vacant for a significant period prior to COVID-19 delays. Staff requested an explanation for the extended vacancies, but property management staff was unable to explain, other than to state that the property management company had changed during 2020 and that

occupancy was being prioritized. Additionally, staff review of the Unit Status Report showed a large number of units vacant for extended periods throughout the property, with no explanation in the files or annual reports. These vacancies were not cited as findings of noncompliance, but were relevant factors for discussion with owner and management representatives during the informal conference.

During the informal conference, owner representatives acknowledged the violation timeline and outlined their plans for improvement. Updated written policies and procedures for Rosemont have been rolled out at all related properties, and Elmington has been rebuilding trained onsite management teams. Due to COVID, that effort had to be done twice, first after they took over management in January, then again in the spring due to significant staff turnover at Sycamore when people stopped coming to work due to COVID concerns and restrictions. Elmington also had HUD REAC and TDHCA UPCS inspections at Sycamore in February 2020, prioritizing their focus to timely correct physical violations. Owner representatives also discussed the vacancy rate at Sycamore, indicating that prior management had not focused on leasing numbers, and that the property is located in a difficult area, with security concerns. Units that are made ready but not occupied have been frequently vandalized by resident teenagers, a particular problem for much of 2020 due to COVID-19 school closures and remote learning. Elmington is improving security, working with a security officer and truancy officer, and sending notices to residents. They are also improving screening and working to remove tenants who vandalize the property, but those efforts are hampered due to COVID-19 eviction restrictions and slowed court proceedings. Owner representatives stated that they are financially committed to the property and have funding set aside to perform final make-ready finishing touches for vacant units as soon as qualified households apply.

Consistent with direction from the Department's Enforcement Committee, an Agreed Final Order stipulating that violations occurred at Rosemont at Arlington Park is recommended, with no administrative penalty. For Sycamore Center Villas, an administrative penalty in the amount of \$1,000 is recommended. This will be a reportable item of consideration under previous participation for any new award to the principals of the Owners.



ENFORCEMENT ACTION AGAINST	§	BEFORE THE
SYCAMORE CENTER VILLAS, L.P. WITH	§	TEXAS DEPARTMENT OF
RESPECT TO SYCAMORE CENTER VILLAS	§	HOUSING AND COMMUNITY
(HTC FILE # 02484 / CMTS # 3283)	§	AFFAIRS
	§	
	§	

**AGREED FINAL ORDER**

**General Remarks and official action taken:**

On this 8<sup>th</sup> day of October, 2020, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **SYCAMORE CENTER VILLAS, L.P.**, a Texas limited partnership (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

**WAIVER**

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

**FINDINGS OF FACT (FOF)**

**Jurisdiction:**

1. During 2003, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$753,222 to build and operate Sycamore Center Villas (Property) (HTC file No. 02484 / CMTS No. 3283 / LDLD No. 917).

2. Respondent signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective November 19, 2004, and filed of record at Document Number D204397073 of the Official Public Records of Real Property of Tarrant County, Texas (Records), as amended by a First Amendment executed on January 25, 2006, and filed in the Records at Document Number D206030770.
3. Respondent is subject to the regulatory authority of TDHCA.

**Compliance Violations<sup>1</sup>:**

4. An on-site monitoring review was conducted on October 10, 2019, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a January 12, 2020, corrective action deadline was set. An extension was approved through February 12, 2020, then a grace period was provided through March 15, 2020, however, the following violations were not resolved before the extended corrective action deadline:
  - a. Respondent failed to provide complete documentation that household income was within prescribed limits upon initial occupancy for unit 716, a violation of 10 TAC §10.611 (Determination, Documentation and Certification of Annual Income) and Section 4 of the LURA, which require screening of tenants to ensure qualification for the program. The finding was corrected with a new household file submitted on June 20, 2020.
  - b. Respondent failed to provide Annual Eligibility Certifications for units 334, 437, 511, 716, 816, 913, 1321, and 1325, a violation of 10 TAC §10.612 (Tenant File Requirements), which requires developments to annually collect an Annual Eligibility Certification form from each household. The final findings were corrected with new household files submitted on June 20, 2020.
5. All violations listed above are considered resolved at the time of this Order.

**CONCLUSIONS OF LAW**

1. The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC §2.
2. Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).

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<sup>1</sup> Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

3. Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
4. Respondent violated 10 TAC §10.611 and Section 4 of the LURA in 2019, by failing to provide documentation that household income was within prescribed limits upon initial occupancy for unit 716;
5. Respondent violated 10 TAC §10.609 in 2019 by failing to collect Annual Eligibility Certifications for units 334, 437, 511, 716, 816, 913, 1321, and 1325.
6. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.
7. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
8. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.
9. An administrative penalty of \$1,000 is an appropriate penalty in accordance with 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

**IT IS HEREBY ORDERED** that Respondent is assessed an administrative penalty in the amount of \$1,000.

**IT IS FURTHER ORDERED** that Respondent shall pay and is hereby directed to pay the \$1,000 administrative penalty by cashier's check payable to the "Texas Department of Housing and Community Affairs", sent to the following address on or before the earlier of November 9, 2020, or the closing date if the property is sold before November 9, 2020:

If via overnight mail (FedEx, UPS):	If via USPS:
TDHCA Attn: Ysella Kaseman 221 E 11 <sup>th</sup> St Austin, Texas 78701	TDHCA Attn: Ysella Kaseman P.O. Box 13941 Austin, Texas 78711

**IT IS FURTHER ORDERED** that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

**IT IS FURTHER ORDERED** that the terms of this Agreed Final Order shall be published on the TDHCA website.

*[Remainder of page intentionally blank]*

Approved by the Governing Board of TDHCA on October 8, 2020.

By: \_\_\_\_\_  
Name: Leslie Bingham  
Title: Vice Chair of the Board of TDHCA

By: \_\_\_\_\_  
Name: James "Beau" Eccles  
Title: Secretary of the Board of TDHCA

STATE OF TEXAS §  
  §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public, on this \_\_\_ day of October, 2020, personally appeared Leslie Bingham, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
  §  
COUNTY OF TRAVIS §

Before me, the undersigned notary public, on this \_\_\_ day of October, 2020, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas



STATE OF \_\_\_\_\_ §  
  §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public, on this \_\_\_ day of \_\_\_\_\_, 2020, personally appeared Alan T. Fair, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas

## **Exhibit 1**

### **Texas Administrative Code**

TITLE 10                           COMMUNITY DEVELOPMENT  
PART 1                           TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CHAPTER 10                       UNIFORM MULTIFAMILY RULES  
SUBCHAPTER E POST AWARD AND ASSET MANAGEMENT REQUIREMENTS  
RULE §10.406                    Ownership Transfers (§2306.6713)

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(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The following exceptions to the ownership transfer process outlined herein apply:

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter.

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff may make a recommendation to the Board for the



debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA.

(3) Exceptions to the above may be made on a case by case basis if the Development is past its Compliance Period/Federal Affordability Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this chapter (relating to LURA Amendments that require Board Approval). The Board must find that:

(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of 8609's, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

(1) A written explanation outlining the reason for the request;

(2) Ownership transfer information, including but not limited to the type of sale, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(A) of Subchapter C;

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(B) of Subchapter C;

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired;

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of Subchapter C (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties or fees imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PCA, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this chapter (relating to Fee Schedule, Appeals, and other Provisions).

Source Note: The provisions of this §10.406 adopted to be effective January 5, 2017, 41 TexReg 10569; amended to be effective January 4, 2018, 42 TexReg 7610; amended to be effective December 30, 2018, 43 TexReg 8297

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
CHATTANOOGA HOUSING, L.P. WITH	§	TEXAS DEPARTMENT OF
RESPECT TO ROSEMONT AT ARLINGTON	§	HOUSING AND COMMUNITY
PARK (HTC FILE # 00027 / CMTS # 64)	§	AFFAIRS
	§	
	§	

**AGREED FINAL ORDER**

**General Remarks and official action taken:**

On this 8<sup>th</sup> day of October, 2020, the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or Department) considered the matter of whether enforcement action should be taken against **CHATTANOOGA HOUSING, L.P.**, a Texas limited partnership (Respondent).

This Agreed Order is executed pursuant to the authority of the Administrative Procedure Act (APA), Tex. Gov't Code §2001.056, which authorizes the informal disposition of contested cases. In a desire to conclude this matter without further delay and expense, the Board and Respondent agree to resolve this matter by this Agreed Final Order. The Respondent agrees to this Order for the purpose of resolving this proceeding only and without admitting or denying the findings of fact and conclusions of law set out in this Order.

Upon recommendation of the Enforcement Committee, the Board makes the following findings of fact and conclusions of law and enters this Order:

**WAIVER**

Respondent acknowledges the existence of their right to request a hearing as provided by Tex. Gov't Code §2306.044, and to seek judicial review, in the District Court of Travis County, Texas, of any order as provided by Tex. Gov't Code §2306.047. Pursuant to this compromise and settlement, the Respondent waives those rights and acknowledges the jurisdiction of the Board over Respondent.

**FINDINGS OF FACT (FOF)**

**Jurisdiction:**

1. During 2000, Respondent was awarded an allocation of Low Income Housing Tax Credits by the Board, in an annual amount of \$558,136 to build and operate Rosemont at Arlington Park (Property) (HTC file No. 00027 / CMTS No. 64 / LDLD No. 916).

2. Respondent signed a land use restriction agreement (LURA) regarding the Property. The LURA was effective February 4, 2002, and filed of record at Document Number 200201880772 of the Official Public Records of Real Property of Dallas County, Texas (Records).
3. Respondent is subject to the regulatory authority of TDHCA.

Compliance Violations<sup>1</sup>:

4. An on-site monitoring review was conducted on August 9, 2019, to determine whether Respondent was in compliance with LURA requirements to lease units to low income households and maintain records demonstrating eligibility. The monitoring review found violations of the LURA and TDHCA rules. Notifications of noncompliance were sent and a November 27, 2019, corrective action deadline was set. After reviewing corrective documentation, a grace period was provided through January 31, 2020, however, the following violations were not resolved before the extended corrective action deadline:
  - a. Respondent failed to provide fully compliant written tenant policies and procedures, including selection criteria, a violation of 10 TAC §10.610<sup>2</sup> (Written Policies and Procedures), which requires all developments to establish written tenant selection criteria that meet minimum TDHCA requirements. Final documentation to correct the violation was submitted on March 5, 2020.
5. All violations listed above are considered resolved at the time of this Order.

**CONCLUSIONS OF LAW**

- 1 The Department has jurisdiction over this matter pursuant to Tex. Gov't Code §§2306.041-.0503 and 10 TAC §2.
- 2 Respondent is a "housing sponsor" as that term is defined in Tex. Gov't Code §2306.004(14).
- 3 Pursuant to IRC §42(m)(1)(B)(iii), housing credit agencies are required to monitor for noncompliance with all provisions of the IRC and to notify the Internal Revenue Service of such noncompliance.
- 4 Respondent violated 10 TAC §10.610 in 2019, by not maintaining written policies and procedures, including tenant selection criteria, meeting minimum TDHCA requirements;

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<sup>1</sup> Within this Agreed Final Order, all references to violations of TDHCA Compliance Monitoring rules at 10 TAC Chapter 10 refers to the versions of the code in effect at the time of the compliance monitoring reviews and/or inspections that resulted in recording each violation. All past violations remain violations under the current code and all interim amendments.

<sup>2</sup> This rule is now at 10 TAC §10.802.

5. Because Respondent is a housing sponsor with respect to the Property, and has violated TDHCA rules, the Board has personal and subject matter jurisdiction over Respondent pursuant to Tex. Gov't Code §2306.041 and §2306.267.
6. Because Respondent is a housing sponsor, TDHCA may order Respondent to perform or refrain from performing certain acts in order to comply with the law, TDHCA rules, or the terms of a contract or agreement to which Respondent and TDHCA are parties, pursuant to Tex. Gov't Code §2306.267.
7. Because Respondent has violated rules promulgated pursuant to Tex. Gov't Code §2306.053 and has violated agreements with the Agency to which Respondent is a party, the Agency may impose an administrative penalty pursuant to Tex. Gov't Code §2306.041.
8. It is appropriate to assess no administrative penalty in accordance with the policies situated at 10 TAC Chapter 2.

Based upon the foregoing findings of fact and conclusions of law, and an assessment of the factors set forth in Tex. Gov't Code §2306.042 to be considered in assessing such penalties as applied specifically to the facts and circumstances present in this case, the Governing Board of the Texas Department of Housing and Community Affairs orders the following:

**IT IS HEREBY ORDERED** that Respondent not be assessed an administrative penalty.

**IT IS FURTHER ORDERED** that Respondent shall follow the requirements of 10 TAC §10.406, a copy of which is included at Exhibit 1, and obtain approval from the Department prior to consummating a sale of the property, if contemplated.

**IT IS FURTHER ORDERED** that the terms of this Agreed Final Order shall be published on the TDHCA website.

*[Remainder of page intentionally blank]*

Approved by the Governing Board of TDHCA on October 8, 2020.

By: \_\_\_\_\_  
Name: Leslie Bingham  
Title: Vice Chair of the Board of TDHCA

By: \_\_\_\_\_  
Name: James "Beau" Eccles  
Title: Secretary of the Board of TDHCA

STATE OF TEXAS                §  
   §  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public, on this \_\_\_\_ day of October, 2020, personally appeared Leslie Bingham, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS                §  
   §  
COUNTY OF TRAVIS       §

Before me, the undersigned notary public, on this \_\_\_\_ day of October, 2020, personally appeared James "Beau" Eccles, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF \_\_\_\_\_ §  
 COUNTY OF \_\_\_\_\_ §

BEFORE ME, \_\_\_\_\_ (*notary name*), a notary public in and for the State of \_\_\_\_\_, on this day personally appeared Alan T. Fair (*person signing document*), known to me or proven to me through circle one: personally known / driver's license / passport 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, who being by me duly sworn, deposed as follows:

1. "My name is Alan T. Fair, I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of \_\_\_\_\_ for Respondent. I am the authorized representative of Respondent, owner of the Property, which is subject to a Land Use Restriction Agreement monitored by the TDHCA in the State of Texas, and I am duly authorized by Respondent to execute this document.
3. Respondent knowingly and voluntarily enters into this Agreed Final Order, and agrees with and consents to the issuance and service of the foregoing Agreed Order by the Governing Board of the Texas Department of Housing and Community Affairs."

**RESPONDENT:**

**CHATTANOOGA HOUSING, L.P.**, a Texas limited partnership

**ALDEN GRAND MARAIS, LLC**, a Delaware limited liability company, its general partner

**ALDEN AFFORDABLE HOLDINGS, LLC**, a Delaware limited liability company, its sole member

**ALDEN TORCH FINANCIAL LLC**, a Delaware limited liability company, its sole member

By: \_\_\_\_\_

Name: Alan T. Fair

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ §  
§  
COUNTY OF \_\_\_\_\_ §

Before me, the undersigned notary public, on this \_\_\_\_ day of \_\_\_\_\_, 2020, personally appeared Alan T. Fair, proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

(Seal)

\_\_\_\_\_  
Notary Public, State of Texas



**Exhibit 1**

**Texas Administrative Code**

TITLE 10                           COMMUNITY DEVELOPMENT  
PART 1                            TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CHAPTER 10                      UNIFORM MULTIFAMILY RULES  
SUBCHAPTER E   POST AWARD AND ASSET MANAGEMENT REQUIREMENTS  
RULE §10.406                    Ownership Transfers (§2306.6713)

---

(a) Ownership Transfer Notification. All multifamily Development Owners must provide written notice and a completed Ownership Transfer packet, if applicable, to the Department at least 45 calendar days prior to any sale, transfer, or exchange of the Development or any portion of or Controlling interest in the Development. Except as otherwise provided herein, the Executive Director's prior written approval of any such transfer is required. The Executive Director may not unreasonably withhold approval of the transfer requested in compliance with this section.

(b) Exceptions. The following exceptions to the ownership transfer process outlined herein apply:

(1) A Development Owner shall be required to notify the Department but shall not be required to obtain Executive Director approval when the transferee is an Affiliate of the Development Owner with no new Principals or the transferee is a Related Party who does not Control the Development and the transfer is being made for estate planning purposes.

(2) Transfers that are the result of an involuntary removal of the general partner by the investment limited partner do not require advance approval but must be reported to the Department as soon as possible due to the sensitive timing and nature of this decision. In the event the investment limited partner has proposed a new general partner or will permanently replace the general partner, a full Ownership Transfer packet must be submitted.

(3) Changes to the investment limited partner, non-Controlling limited partner, or other non-Controlling partners affiliated with the investment limited partner do not require Executive Director approval. A General Partner's acquisition of the interest of the investment limited partner does not require Executive Director approval, unless some other change in ownership is occurring as part of the same overall transaction.

(4) Changes resulting from foreclosure do not require advance approval but acquiring parties must notify the Department as soon as possible of the revised ownership structure and ownership contact information.

(c) General Requirements.

(1) Any new Principal in the ownership of a Development must be eligible under §11.202 of Subchapter C (relating to Ineligible Applicants and Applications). In addition, Principals will be reviewed in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee).

(2) Changes in Developers or Guarantors must be addressed as non-material amendments to the application under §10.405 of this subchapter.

(3) To the extent an investment limited partner or its Affiliate assumes a Controlling interest in a Development Owner, such acquisition shall be subject to the Ownership Transfer requirements set forth herein. Principals of the investment limited partner or Affiliate will be considered new Principals and will be reviewed as stated under paragraph (1) of this subsection.

(4) Simultaneous transfer or concurrent offering for sale of the General Partner's and Limited Partner's control and interest will be subject to the Ownership Transfer requirements set forth herein and will trigger a Right of First Refusal, if applicable.

(d) Transfer Actions Warranting Debarment. If the Department determines that the transfer, involuntary removal, or replacement was due to a default by the General Partner under the Limited Partnership Agreement, or other detrimental action that put the Development at risk of failure or the Department at risk for financial exposure as a result of non-compliance, staff may make a recommendation to the Board for the

debarment of the entity and/or its Principals and Affiliates pursuant to the Department's debarment rule. In addition, a record of transfer involving Principals in new proposed awards will be reported and may be taken into consideration by the Executive Award and Review Committee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), prior to recommending any new financing or allocation of credits.

(e) Transfers Prior to 8609 Issuance or Construction Completion. Prior to the issuance of IRS Form(s) 8609 (for Housing Tax Credits) or the completion of construction (for all Developments funded through other Department programs) an Applicant may request an amendment to its ownership structure to add Principals. The party(ies) reflected in the Application as having Control must remain in the ownership structure and retain Control, unless approved otherwise by the Executive Director. A development sponsor, General Partner or Development Owner may not sell the Development in whole or voluntarily end their Control prior to the issuance of 8609s.

(f) Nonprofit Organizations. If the ownership transfer request is to replace a nonprofit organization within the Development ownership entity, the replacement nonprofit entity must adhere to the requirements in paragraph (1) or (2) of this subsection.

(1) If the LURA requires ownership or material participation in ownership by a Qualified Nonprofit Organization, and the Development received Tax Credits pursuant to §42(h)(5) of the Code, the transferee must be a Qualified Nonprofit Organization that meets the requirements of §42(h)(5) of the Code and Tex. Gov't Code §2306.6706, if applicable, and can demonstrate planned participation in the operation of the Development on a regular, continuous, and substantial basis.

(2) If the LURA requires ownership or material participation in ownership by a nonprofit organization or CHDO, the Development Owner must show that the transferee is a nonprofit organization or CHDO, as applicable, that complies with the LURA.

(3) Exceptions to the above may be made on a case by case basis if the Development is past its Compliance Period/Federal Affordability Period, was not reported to the IRS as part of the Department's Nonprofit Set Aside in any HTC Award year, and follows the procedures outlined in §10.405(b)(1) - (5) of this chapter (relating to LURA Amendments that require Board Approval). The Board must find that:

(A) The selling nonprofit is acting of its own volition or is being removed as the result of a default under the organizational documents of the Development Owner;

(B) The participation by the nonprofit was substantive and meaningful during the full term of the Compliance Period but is no longer substantive or meaningful to the operations of the Development; and

(C) The proposed purchaser is an affiliate of the current Owner or otherwise meets the Department's standards for ownership transfers.

(g) Historically Underutilized Business (HUB) Organizations. If a HUB is the general partner or special limited partner of a Development Owner and it determines to sell its ownership interest, after the issuance of 8609's, the purchaser of that partnership interest or the general or special limited partner is not required to be a HUB as long as the procedure described in §10.405(b)(1) of this chapter (relating to Non-Material LURA Amendments) has been followed and approved.

(h) Documentation Required. A Development Owner must submit documentation requested by the Department to enable the Department to understand fully the facts and circumstances pertaining to the transfer and the effects of approval or denial. Documentation must be submitted as directed in the Post Award Activities Manual, which includes but is not limited to:

(1) A written explanation outlining the reason for the request;

(2) Ownership transfer information, including but not limited to the type of sale, amount of Development reserves to transfer in the event of a property sale, and the prospective closing date;

(3) Pre and post transfer organizational charts with TINs of each organization down to the level of natural persons in the ownership structure as described in §11.204(13)(A) of Subchapter C;

(4) A list of the names and contact information for transferees and Related Parties;

(5) Previous Participation information for any new Principal as described in §11.204(13)(B) of Subchapter C;

(6) Agreements among parties associated with the transfer;

(7) Owners Certifications with regard to materials submitted further described in the Post Award Activities Manual;

(8) Detailed information describing the organizational structure, experience, and financial capacity of any party holding a controlling interest in any Principal or Controlling entity of the prospective Development Owner;

(9) Evidence and certification that the tenants in the Development have been notified in writing of the proposed transfer at least 30 calendar days prior to the date the transfer is approved by the Department. The ownership transfer approval letter will not be issued until this 30 day period has expired;

(10) Any required exhibits and the list of exhibits related to specific circumstances of transfer or Ownership as detailed in the Post Award Activities Manual.

(i) Once the Department receives all necessary information under this section and as required under the Post Award Activities Manual, staff shall initiate a qualifications review of a transferee, in accordance with Chapter 1, Subchapter C of this title (relating to Previous Participation and Executive Award Review and Advisory Committee), to determine the transferee's past compliance with all aspects of the Department's programs, LURAs and eligibility under this chapter and §11.202 of Subchapter C (relating to Ineligible Applicants and Applications).

(j) Credit Limitation. As it relates to the Housing Tax Credit amount further described in §11.4(a) of this title (relating to Tax Credit Request and Award Limits), the credit amount will not be applied in circumstances described in paragraphs (1) and (2) of this subsection:

(1) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(2) In cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(k) Penalties, Past Due Fees and Underfunded Reserves. The Development Owner must comply with any additional documentation requirements as stated in Subchapter F of this chapter (relating to Compliance Monitoring). The Development Owner, as on record with the Department, will be liable for any penalties or fees imposed by the Department even if such penalty can be attributable to the new Development Owner unless such ownership transfer is approved by the Department. In the event a transferring Development has a history of uncorrected UPCS violations, ongoing issues related to keeping housing sanitary, safe, and decent, an account balance below the annual reserve deposit amount as specified in §10.404(a) (relating to Replacement Reserve Accounts), or that appears insufficient to meet capital expenditure needs as indicated by the number or cost of repairs included in a PCA, the prospective Development Owner may be required to establish and maintain a replacement reserve account or increase the amount of regular deposits to the replacement reserve account by entering into a Reserve Agreement with the Department. The Department may also request a plan and timeline relating to needed repairs or renovations that will be completed by the departing and/or incoming Owner as a condition to approving the Transfer.

(l) Ownership Transfer Processing Fee. The ownership transfer request must be accompanied by the corresponding ownership transfer fee as outlined in §11.901 of this chapter (relating to Fee Schedule, Appeals, and other Provisions).

Source Note: The provisions of this §10.406 adopted to be effective January 5, 2017, 41 TexReg 10569; amended to be effective January 4, 2018, 42 TexReg 7610; amended to be effective December 30, 2018, 43 TexReg 8297

1g

**BOARD ACTION REQUEST**

**BOND FINANCE DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action on Inducement Resolution No. 21-003 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. 21-003 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 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 \$28.5M in private activity bond volume cap. Staff notes that the Department's set-aside of \$159,839,794 for the 2020 program year has been met, in addition to \$69M from 2019 Carryforward. Including applications submitted as part of the August 15<sup>th</sup> collapse, TDHCA has reserved an additional \$160M for the 2020 program year, bringing the total in reserved applications to \$388.8M for 2020. The pre-applications listed below will be placed on the Department's waiting list to receive a Reservation, bringing the total of pre-applications on the waiting list to \$347M.

### **20630 – Caroline Lofts**

New construction of 119 units is proposed for this multifamily development to be located at 2403 Caroline Street in Houston, Harris County. This transaction is proposed to be Priority 3 and will serve the general population. The applicant has elected an intent to use income averaging for the development. Eight of the units will be rent and income restricted at 30% of Area Median Family Income (AMFI), sixteen of the units will be rent and income restricted at 50% of AMFI, 36 of the units will be rent and income restricted at 60% of AMFI, 25 of the units will be rent and income restricted at 80% of AMFI, and the remaining 39 units will be market rate.

The applicant disclosed a Neighborhood Risk Factor (NRF) involving the proposed development site's proximity to a structure that would commonly be regarded as blighted or abandoned. After reviewing the mitigation submitted by the applicant, staff has determined that the NRF is not of a nature or severity that should render the site ineligible and can be considered mitigated at pre-application.

The Department has received two letters of support for the proposed development. The first being from Houston City Council Member Dr. Carolyn Evans-Shabazz, and the second from State Representative Garnet F. Coleman. A copy of those letters are included herein.

Bond Inducement Amount: \$20,000,000

### **21600 – Corona Del Valle**

An acquisition and rehabilitation of 101 units is proposed for this multifamily development to be located at 5453 Ridge Street in El Paso, El Paso County. This transaction is proposed to be Priority 1A and will serve the general population. The development was originally constructed in 1997 using Competitive (9%) Housing Tax Credits and consists of two, three, and four bedroom units. The property is currently encumbered by a TDHCA Land Use and Regulatory Agreement that requires 100% of the units be set aside for low income families. Eighty of the units are currently covered by a Section 8 HAP Contract, which is expected to be renewed in conjunction with the closing of the transaction. Fifty-one of the units will be rent and income restricted at 50% of AMFI, and 50 of the units will be rent and income restricted at 60% of AMFI. The Department has not received any letters of support or opposition for the proposed development.

Bond Inducement Amount: \$8,500,000

## RESOLUTION NO. 21-003

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 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 Governing 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 Section 2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act regarding meetings of the Governing Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8<sup>th</sup> day of October, 2020.

**EXHIBIT "A"**

Descriptions of the Owners and the Developments

Project Name	Owner	Principals	Amount Not to Exceed
Caroline Lofts	Caroline Lofts, LP, a Texas limited partnership	General Partner/Member: Caroline Lofts Advisors, LLC, a Texas limited liability company	\$20,000,000
Costs: Acquisition/construction of a 119-unit affordable, multifamily housing development to be known as Caroline Lofts, located on 2403 Caroline Street, Houston, Harris County, Texas 77004			

Project Name	Owner	Principals	Amount Not to Exceed
Corona Del Valle Apartments	CDV 34, LLC, a Texas limited liability company	General Partner/Member: CLJR CDV 34 MM, LLC, a Texas limited liability company	\$8,500,000
Costs: Acquisition/rehabilitation of a 101-unit affordable, multifamily housing development to be known as Corona Del Valle Apartments, located on 5453 Ridge Street, El Paso, El Paso County, Texas 79932			



Dr. Carolyn Evans-Shabazz

Houston City Council Member, District D



August 31, 2020

Texas Department of Housing and Community Affairs  
221 E 11th St  
Austin, TX 78701

**Attn:** Marni Holloway – Via Email – [marni.holloway@tdhca.state.tx.us](mailto:marni.holloway@tdhca.state.tx.us)  
Director of Multifamily Finance

**Re: Support for Caroline Lofts, TDHCA Application No. 20630**

Dear Ms. Holloway,

I am writing this letter to express support for an application submitted by Caroline Lofts, LP, for a proposed affordable housing community to be located at 2403 Caroline Street in the Midtown community. This proposed development offers a unique opportunity to provide much needed quality affordable workforce housing in a higher income area of town, where affordable housing is non-existent.

Houston City Council District D encompasses the area where the proposed development site is located, and I believe the surrounding community will benefit from the availability of affordable workforce housing options for families. In addition, I am confident this project will help continue an exciting redevelopment of this area and bring new amenities and options for residents.

I am happy to support Caroline Lofts and their Bond Reservation Application. If you have any questions, please feel free to reach out to my office directly.

Respectfully,

A handwritten signature in black ink that reads "Dr. Carolyn Evans-Shabazz".

Dr. Carolyn Evans-Shabazz

STATE of TEXAS  
HOUSE of REPRESENTATIVES



GARNET F. COLEMAN  
STATE REPRESENTATIVE  
DISTRICT 147

September 1, 2020

Texas Department of Housing and Community Affairs  
221 E 11th St  
Austin, TX 78701  
Attn: Marni Holloway  
Director of Multifamily Finance

Re: Support for Caroline Lofts, TDHCA Application No. 20630

Dear Ms. Holloway,

I am writing to you to express support for an application submitted by Caroline Lofts, LP, for a proposed affordable housing community to be located at 2403 Caroline Street, Houston, TX 77004. This proposed development offers a unique opportunity to provide needed quality affordable workforce housing in this area of town.

Texas House District 147 encompasses the area of the Caroline Lofts development, and I believe the community will benefit from the availability of affordable housing options for families.

I am happy to support Caroline Lofts and their Bond Reservation Application. If you have any questions, please feel free to reach out to my chief of staff, Nicolas Kalla at 512-463-0524, or by email at [Nicolas.kalla@house.texas.gov](mailto:Nicolas.kalla@house.texas.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Garnet F. Coleman".

Garnet F. Coleman  
State Representative, District 147



1h

**BOARD ACTION REQUEST**  
**BOND FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding an increase in authorization for the Taxable Mortgage Purchase Program

**RECOMMENDED ACTION**

**WHEREAS**, Chapter 2306 of the Tex. Gov't Code, subchapter M, authorizes the Department (a) to purchase notes and other obligations evidencing loans or interests in loans for individuals and families of low and very low income and families of moderate income and (b) to sell, at public or private sale, with or without public bidding, a mortgage or other obligation held by the Department;

**WHEREAS**, pursuant to Resolution No. 13-003 adopted September 6, 2012, the Board approved a taxable mortgage purchase program designated Program 79 (TMP-79) to fund all or a portion of the Department's single family loan production up to a maximum of \$600 million in total mortgage loans acquired, pooled into mortgage-backed securities (MBS), and sold through TMP-79;

**WHEREAS**, over time, the Board has authorized increases to the maximum amount of mortgage loans that can be acquired, pooled into MBS, and sold through TMP-79, most recently in October 2018, when the Board approved an annual maximum of \$2 billion;

**WHEREAS**, based on current and projected loan demand, staff recommends an increase to the annual maximum; and

**WHEREAS**, the Board desires to authorize an increase in the amount of mortgage loans to be acquired and sold under TMP-79 to a calendar year annual maximum of \$3 billion;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Board hereby authorizes an increase in the amount of mortgage loans to be acquired and sold under TMP-79 to a calendar year annual maximum amount of \$3 billion and authorizes the modification of relevant documents to reflect this change.

**BACKGROUND**

In October 2012, the Department implemented TMP-79, a down payment and closing cost assistance program based on a private sector mortgage banking model. Through this program, the Department sells mortgage-backed securities (MBS), to be backed by mortgage loans that have not yet been originated, into the forward delivery market. This program is known as a To-

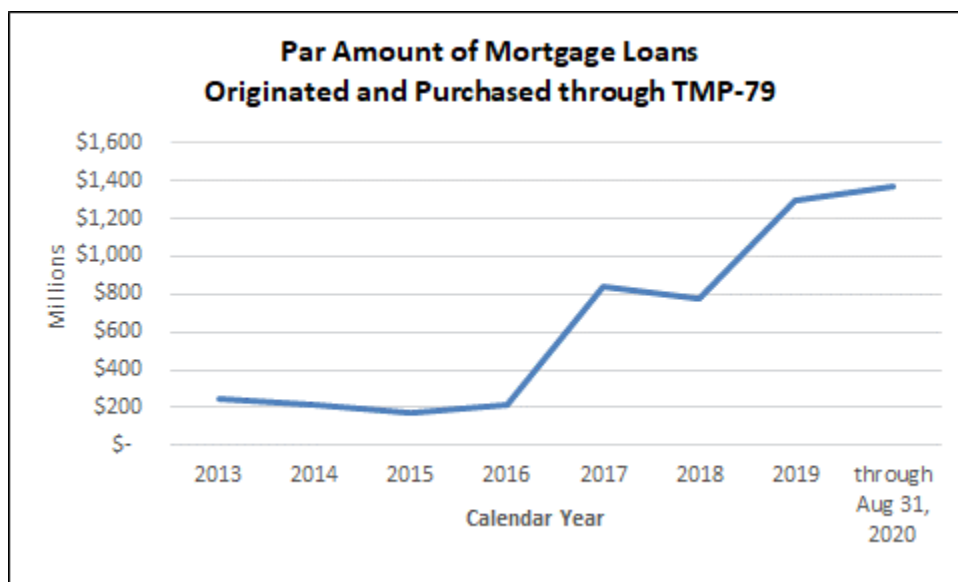
Be-Announced or “TBA” program because mortgage rates and loan pricing are established daily for an unspecified par amount of mortgage loans to be closed, securitized, and delivered to the MBS purchaser (the “TBA Provider”) in the future. The TBA Provider issues daily price quotes for the future purchase of the MBS, depending on the underlying mortgage rates, and the Department sets the rates for its single family program accordingly. The mortgage loans are originated, pooled into MBS, and delivered to the TBA Provider for purchase at the original quoted prices.

This financing structure does not involve the issuance of debt, and is not an obligation of the State of Texas. Loans are hedged by the Department’s TBA Provider, Hilltop Securities. The TBA Provider bears the interest rate and fallout risk (non-delivery of loans) associated with TMP-79. The Department’s economic exposure is limited to a \$2 million escrow account established pursuant to the contract with Hilltop Securities.

When TMP-79 was implemented, the maximum amount of mortgage loans approved to be acquired and sold under the program was \$600 million. Since that time, the Board has approved several increases to that maximum to accommodate increased loan volume. The most recent increase approved by the Board in October 2018, authorized the amount of loans that can be acquired and sold under TMP-79 up to an annual maximum of \$2 billion.

TMP-79 loan volume continues to increase, and, based on current production levels, staff expects that the total loans acquired, pooled into MBS, and sold under TMP-79 will exceed \$2 billion in calendar year 2020. To accommodate the increase in volume, and to ensure that the program continues uninterrupted, staff is recommending an increase to an annual maximum of \$3 billion.

The following chart is a historical recap of loan volume for TMP-79, by calendar year, through August 31, 2020.



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**BOARD ACTION REQUEST**

**BOND FINANCE DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action on Resolution No. 21-004 authorizing request to the Texas Bond Review Board for annual waiver of Single Family Mortgage Revenue Bond set-aside requirements; authorizing the execution of documents and instruments relating thereto; making certain findings and determinations in connection therewith; and containing other provisions relating to the subject

**RECOMMENDED ACTION**

Adopt attached resolution.

**BACKGROUND**

Tex. Gov't Code §2306.142(l) requires that, beginning on September 1, 2002, and in each subsequent State fiscal year, the Department allocate, through set-aside or reservation of funds, not less than 40% of the total single-family mortgage revenue bond loan volume for mortgage loans, including subprime mortgage loans, to be originated in underserved economic and geographic submarkets in the state. Pursuant to Tex. Gov't Code §2306.142(m), the Department has requested and the Texas Bond Review Board (BRB) has granted, a waiver of the requirements of Tex. Gov't Code §2306.142(l) (the Waiver) for all single family revenue bonds issued by the Department since 2002. While previously requested and received on an issue-by-issue basis, since July 20, 2017, BRB has granted Waivers to the Department on a calendar year basis. With each Waiver request, the Department includes a report (the Report) prepared by the Department's Financial Advisor, currently Stifel, Nicolaus and Company (Stifel) as successor to George K. Baum and Company.

Exhibit A to the attached resolution is the Report prepared by Stifel, dated September 25, 2020, which concludes that compliance with the requirements of Tex. Gov't Code §2306.142(l) remains unfeasible and could damage the financial condition of the Department. Staff requests that the Board accept this Report and authorize the submission of a request to BRB for a Waiver for all single family revenue bonds issued by the Department in calendar year 2021.

The annual Waiver allows single family revenue bonds issued by the Department to qualify as exempt from formal approval by BRB, as these bonds are self-supporting revenue security issues that have no general revenue impact to the state. Exemption from formal approval may result in faster approval, but pursuant to 34 TAC §181.9(d), one or more members of the BRB can, within six business days of receipt of an issue for approval, provide a written request that the proposed issuance adhere to the formal approval process.

## RESOLUTION NO. 21-004

RESOLUTION AUTHORIZING REQUEST TO TEXAS BOND REVIEW BOARD FOR ANNUAL WAIVER OF SINGLE-FAMILY MORTGAGE REVENUE BOND SET-ASIDE REQUIREMENTS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; 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 (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as 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 acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, 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 mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, 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

WHEREAS, Section 2306.142 of the Act requires the Department to evaluate the feasibility of a single-family mortgage revenue bond program designed to meet the credit needs of the underserved economic and geographic submarkets of the State, including those submarkets served disproportionately by subprime lenders; and

WHEREAS, Section 2306.142(l) of the Act requires that, beginning on September 1, 2002, and in each subsequent State fiscal year, the Department allocate, through set-aside or reservation of funds, not less than 40 percent of the total single-family mortgage revenue bond loan volume for mortgage loans, including subprime mortgage loans, to be originated in underserved economic and geographic submarkets in the State (the "Section 2306.142(l) Requirements"); and

WHEREAS, Section 2306.142(m) of the Act provides that if the Board determines in any year that bonds intended to be issued to achieve the purposes of Section 2306.142 of the Act are unfeasible or would damage the financial condition of the Department, the Board may formally appeal to and request a waiver from the Texas Bond Review Board (the "Bond Review Board") of

the Section 2306.142(l) Requirements; and

WHEREAS, at the February 28, 2017 meeting, the Board was presented with a report of its financial advisor, George K. Baum & Company (“GKB”) that addresses the feasibility and potential economic impact to the Department of fulfilling the Section 2306.142(l) Requirements (the “Initial Report”), which Report has been submitted to the Bond Review Board; and

WHEREAS, in reliance upon the Initial Report and by resolution No. 17-019 approved on May 25, 2017, the Board authorized submission of a request to the Bond Review Board for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2017, and such request was granted on July 20, 2017; and

WHEREAS, in reliance on an updated report of GKB dated December 14, 2017 and by resolution No. 18-011 approved on December 14, 2017, the Board authorized submission of a request to the Bond Review Board for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2018, and such request was granted on January 18, 2018; and

WHEREAS, in reliance on an updated report of GKB dated October 11, 2018 and by resolution No. 19-005 approved on October 11, 2018, the Board authorized submission of a request to the Bond Review Board for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2019, and such request was granted on November 15, 2018; and

WHEREAS, in reliance on an updated report of GKB dated September 26, 2019 and by resolution No. 20-004 approved on October 10, 2019, the Board authorized submission of a request to the Bond Review Board for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2020, and such request was granted on November 21, 2019; and

WHEREAS, the Board desires to accept and rely on the updated report of Stifel Nicolaus & Company (“Stifel”), as successor to GKB as financial advisor to the Department, dated September 25, 2020 (the “Updated Report”), regarding the Section 2306.142(l) Requirements attached hereto as Exhibit A; and

WHEREAS, in reliance on the Updated Report, the Board now desires to authorize submission to the Bond Review Board of a request for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2021;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

## ARTICLE 1

### APPROVAL OF DOCUMENTS AND CERTAIN ACTIONS

Section 1.1 Acceptance of Updated Report. The Board hereby accepts the Updated Report.

Section 1.2 Request for Waiver of Section 2306.142(l) Requirements. The submission of a request for a waiver of the Section 2306.142(l) Requirements for all single-family revenue bonds issued by the Department in calendar year 2021 is hereby authorized and approved.

Section 1.3 Execution and Delivery of Documents. The Authorized Representatives are each hereby authorized to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, 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 1.4 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 of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds of the Department, the Director of Texas Homeownership of the Department, and the Secretary or 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.

Section 1.5 Ratifying Other Actions. All other actions taken or to be taken by the Executive Director and the Department's staff in connection in carrying out the purposes of this Resolution are hereby ratified and confirmed.



## ARTICLE 2

### GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing 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 Section 2306.032 of the Texas Government Code, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act regarding meetings of the Governing Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8th day of October, 2020.

Exhibit A

September 25, 2020

Executive Director and Board of Directors  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701

At the request of Department staff, Stifel, Nicolaus & Company (“Stifel”, successor to George K. Baum & Company) prepared this report to address certain provisions of the Texas Government Code, Title 10, Subtitle G, Chapter 2306, specifically the feasibility and potential economic impact to the Department of complying with Section 2306.142(l). As noted below, we are not providing the Department with any legal advice. We are retained by the Department in an expert financial capacity only. For legal analysis of Texas Government Code, Title 10, Subtitle G, Chapter 2306, or any other applicable law or regulation, please contact your legal counsel.

This report updates and reiterates our reports to the Board dated February 28, 2017, December 14, 2017, October 11, 2018 and September 24, 2019 (the “Prior Reports”) and provides our analysis of feasibility and economic impact, as well as a summary of how the Department serves the credit needs of borrowers in underserved economic and geographic submarkets. We understand that the Department completed the market study required under Section 2306.142(c) in 2002. This report reconfirms the findings of our Prior Reports and concludes that compliance with the requirements of Section 2306.142(l) remains unfeasible and could damage the financial condition of the Department. This is consistent with the conclusion reached by the Bond Review Board (“BRB”) in granting waivers to the Department since 2002.

## Background

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Section 2306.142(l) of the Texas Government Code requires that single family mortgage revenue bonds issued by the Department contain specific set-asides or reservations of funds for mortgage loans, including subprime mortgage loans<sup>(1)</sup>, to be originated in underserved economic and geographic submarkets in the state. Specifically, Section 2306.142(l) states:

*In the state fiscal year beginning on September 1, 2002, and in each subsequent state fiscal year, the department shall allocate not less than 40 percent of the total single-family mortgage revenue bond loan volume to meet the credit needs of borrowers in underserved economic and geographic submarkets in the state, subject to the identification of a satisfactory market volume demand through the market study.*

As permitted under Section 2306.142(m) and prior to the first annual waiver granted by the BRB on July 20, 2017, the Department requested and received from the BRB a waiver of this provision for every new origination single family mortgage revenue bond issue closed by the Department since 2002. The BRB

<sup>(1)</sup> Section 2306.142 contains multiple references to the inclusion of subprime borrowers as part of underserved economic and geographic submarkets. The complete text of Section 2306.142 is attached.

began issuing annual waivers based, in part, on the Board's acceptance, approval and submission to the BRB of Stifel/George K. Baum's report. These waivers were granted on the basis that compliance with Section 2306.142(l) is unfeasible and could damage the financial condition of the Department.

### **Feasibility and Economic Impact**

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Under current market conditions, fulfilling the requirements of Section 2306.142(l) (specifically allocating or reserving any portion of the bond proceeds) is not feasible, not economically viable, would not be "consistent with the reasonable financial operation of the Department", and could damage the financial condition of the Department. Further, it is anticipated and assumed that, due to the financing structures implemented by the Department, the Department will continue to request an annual waiver from BRB of the requirements of Section 2306.142(l).

Compliance with the 40% set aside requirement of Section 2306.142(l), which includes the subprime requirement of Section 2306.142(f), is not feasible and could damage the financial condition of the Department for the following reasons:

- 1) Single family indentures require "MBS eligible" loans. The Department has not used "whole loan" collateral to support its indentures since 1988. Since then, the Department pools its mortgage loans into mortgage-backed securities ("MBS") that are backed by Ginnie Mae, Fannie Mae, or Freddie Mac, which effectively guarantee the timely receipt of underlying mortgage loan payments to meet the debt service requirements of the Department's indentures. This financing structure results in a higher rating on the bonds and a lower cost of debt, while the Department pledges fewer assets to the bond indenture than otherwise would be required. In addition, the MBS structure eliminates (i) the cost of overcollateralization, (ii) the need to fund debt service reserves, and (iii) the costs, expenses, and losses typically associated with whole loans.

Each agency (Ginnie Mae, Fannie Mae, and Freddie Mac) has specific mortgagor eligibility requirements for mortgage loans that are securitized into an MBS. While the definition of subprime has changed over time (particularly since the events of 2008), subprime loans generally are not eligible for securitization. As such, the Department would have to maintain those loans as whole loans. As detailed in the previous paragraph, there are significant economic reasons for the Department to maintain its MBS financing structure as it allows the Department to assist the maximum amount of low and moderate income homebuyers in the most efficient manner without incurring unnecessary credit risk. The cost of foregoing these efficiencies to accommodate the introduction of a significant number of low rated whole loans would be impractical and could damage the financial condition of the Department.

- 2) Master Servicers have minimum credit requirements. The Department uses a Master Servicer to purchase, pool, and service mortgage loans originated through its single family mortgage programs. The Master Servicer typically has minimum credit requirements for eligible borrowers. The Department's Master Servicer, Idaho Housing and Finance Authority ("IHFA"), has a minimum

FICO score requirement of 620. Therefore, the Department cannot originate loans for credits below 620 FICO due to the Master Servicer's credit requirements.

- 3) The 40% set-aside requirement creates significant interest rate risk in the form of rate buy-down and/or unexpended proceeds call risk. Because the bond rate is set at closing, the Department is subject to interest rate risk on set-aside amounts. If the market interest rate for mortgage loans drops, the Department's mortgage rate may be unattractive. For short periods of time or for relatively small amounts, this is manageable; however, a 40% set-aside could be quite costly. The Department would be faced with a choice: a) contribute its own funds to "buy down" the mortgage rate, or b) invoke a non-origination call on the bonds, potentially damaging the Department's reputation among bond purchasers and possibly increasing its borrowing cost in the future. Once again, compliance with Section 2306.142(l) is not feasible and could damage the financial condition of the Department.
  
- 4) Excessive cost of negative arbitrage to meet the 40% set aside requirement. Negative arbitrage is the cost that results when the interest rate paid on the bonds exceeds the interest rate earned on bond proceeds. When bond proceeds are required to be set aside, the required amount is deposited and invested until used; concurrently, the bonds accrue and pay interest at a higher rate than that earned on the set-aside amounts. For the last ten years or so, interest rates on 30-year housing bonds have greatly exceeded the short-term investment rates at which bond proceeds can be invested.

However, a financing structure with no set-aside requirements can, and has been, implemented by the Department resulting in significant savings related to negative arbitrage. When the requirements of Section 2306.142(l) are waived, the Department is able to originate and pool mortgage loans in advance of the bond issuance and can purchase the resulting MBS using bond proceeds at the closing of the bond issue. This eliminates negative arbitrage associated with that portion of loans purchased when the bonds are issued.

While a small amount of negative arbitrage might be absorbed by a financing structure, the amount of negative arbitrage associated with setting aside 40% of the bond proceeds would be cost prohibitive. The Department could be forced to make an outright donation to the structure (as opposed to a contribution that could be recouped). For example, the Department would need to set-aside more than \$180 million in loans annually to fulfill a 40% set aside requirement on \$450 million total loan volume. The cost of "negative arbitrage" associated with reserving \$180 million of loans annually (40% of \$450 million) could exceed \$3.6 million per year in the current market. The negative arbitrage cost would be significantly higher if the Department issued taxable bonds. Historically, the vast majority of funds set aside for targeted areas (required by the IRS to meet tax law) and similar requirements are not used, remain idle, and incur negative arbitrage for the entire one-year set-aside period.

If the Department chose to fund the negative arbitrage by increasing the rate charged to the homebuyers, the resulting rate would be (i) too high to be attractive, making origination unlikely and exacerbating the cost of the negative arbitrage, and (ii) too high to comply with Internal Revenue Service requirements related to the permissible spread between bond yield and mortgage yield for tax exempt bond issues.

### **Serving the Needs of Borrowers in Underserved Economic and Geographic Submarkets**

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The Department regularly serves borrowers in underserved economic and geographic submarkets. Through its “to-be-announced” (or TBA) program, also known as the Taxable Mortgage Program (“TMP-79”), the Department offers daily financing options to homebuyers throughout the State. TMP-79, which began in October 2012, is a continuous funding program that currently serves as the Department’s primary mortgage loan origination mechanism for single family programs. Summary highlights of TMP-79 include the following:

- TMP-79 is currently the only statewide down payment assistance program that offers financing to borrowers with FICO scores as low as 620 without charging a penalty at loan closing.
- Since October 2012, the Department has financed and purchased over \$5.7 billion in first lien mortgage loans and provided over \$232 million in associated down payment and closing cost assistance (in the form of a 30 year term, 0% interest, due on sale or refinance, second mortgage loans).
- Approximately 70% of program borrowers earn less than 80% of Area Median Income (“AMI”).
- The Department offers free online Homebuyer Education training. Since the launch in March 2016 there have been 59,741 individuals that have completed the online training and 17,885 of those individuals fulfilled the training in 2020. This tool educates first-time homebuyers regarding the complex process of purchasing a home and is one of the requirements for participation in one of the Department’s single family loan programs.
- The Department is responsible for the Texas Statewide Homebuyer Education Program, which is offered through third party providers. This program provides training to housing counselors with respect to the content and techniques for providing comprehensive pre- and post-purchase homebuyer education that is used to provide quality homebuyer education throughout the state.

## Conclusion

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Based on the costs and risks described above, and consistent with the conclusion reached by the Bond Review Board (“BRB”) in granting waivers to the Department since 2002, we believe that meeting the requirements of Section 2306.142(l) remains unfeasible.

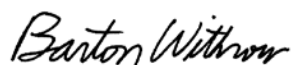
The Department, however, continues to achieve its objectives by adapting and innovatively structuring its programs to serve an ever-expanding borrower base of Texas homebuyers in underserved markets – economic, credit, geographic, or otherwise. The Department’s use of MBS to secure its bonds programs significantly reduces the Department’s risk and borrowing cost. Therefore, the Department expects to continue to request an annual waiver of Section 2306.142(l) from BRB each calendar year. The Department will continue to monitor its ability to meet these requirements as it looks for ways to better serve its borrower base, which is composed primarily of low, very low, and moderate income first-time homebuyers. The Department also will maintain the integrity of its bond indentures and operate in a manner that is “consistent with the reasonable financial operation of the Department”.

## Use of the Report

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It is expressly understood and agreed that (a) this report is provided solely for the information of and assistance to the Texas Department of Housing and Community Affairs and the Texas Bond Review Board and is not to be used, circulated, quoted or otherwise referred to without our written consent, and (b) this report is not intended, and is not under any circumstances to be construed, as legal advice or as requiring us to perform services which may constitute the practice of law. We are retained and engaged by the Department in an expert financial capacity only. Our statements and conclusions are based in part on information provided to us by Department staff, and we assume that information to be materially complete, accurate and true. We have not undertaken any responsibility or duty to independently verify that information, and this report is not intended to and does not attest that such information is materially complete, accurate or true.

Sincerely,



Barton Withrow  
Director  
Stifel Public Finance

## GOVERNMENT CODE

### CHAPTER 2306. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Sec. 2306.142. AUTHORIZATION OF BONDS. (a) Subject to the requirements of this section, the board shall authorize all bonds issued by the department.

(b) If the issuance is authorized by the board, the department shall issue single-family mortgage revenue bonds to make home mortgage credit available for the purchase of newly constructed or previously owned single-family homes to economic and geographic submarkets of borrowers who are not served or who are substantially underserved by the conventional, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Federal Housing Administration home mortgage lending industry or by housing finance corporations organized under Chapter 394, Local Government Code.

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

- (1) home ownership rates;
- (2) loan volume;
- (3) loan approval ratios;
- (4) loan interest rates;
- (5) loan terms;
- (6) loan availability;
- (7) type and number of dwelling units; and

(8) use of subprime mortgage loan products, comparing the volume amount of subprime loans and interest rates to "A" paper mortgage loans as defined by Standard and Poor's credit underwriting criteria.

(d) The department or its designee shall analyze the potential market demand, loan availability, and private sector home mortgage lending rates available to extremely low, very low, low, and moderate income borrowers in the rural counties of the state, in census tracts in which the median family income is less than 80 percent of the median family income for the county in which the census tract is located, and in the region of the state adjacent to the international border of the state. The department or its designee shall establish a process for serving those counties, census tracts, and regions through the single-family mortgage revenue bond program in a manner proportionate to the credit needs of those areas as determined through the department's market study.

(e) Using the market study and the analysis required by this section, the board shall evaluate the feasibility of a single-family mortgage revenue bond program with loan marketing, eligibility, underwriting, structuring, collection, and foreclosure criteria and with loan services practices that are designed to meet the



credit needs of the underserved economic and geographic submarkets of the state, including those submarkets served disproportionately by subprime lenders.

(f) In evaluating a proposed bond program under this section, the board shall consider, consistent with the reasonable financial operation of the department, specific set-asides or reservations of mortgage loans for underserved economic and geographic submarkets in the state, including the reservation of funds to serve borrowers who have "A-" to "B-" credit according to Standard and Poor's credit underwriting criteria.

(g) The department may use any source of funds or subsidy available to the department to provide credit enhancement, down payment assistance, pre-homebuyer and post-homebuyer counseling, interest rate reduction, and payment of incentive lender points to accomplish the purposes of this section in a manner considered by the board to be consistent with the reasonable financial operation of the department.

(h) In allocating funds under Subsection (g), the department's highest priority is to provide assistance to borrowers in underserved economic and geographic submarkets in the state. If the board determines that sufficient funds are available after fully meeting the credit needs of borrowers in those submarkets, the department may provide assistance to other borrowers.

(i) The board shall certify that each single-family mortgage revenue bond issued by the department under this section is structured in a manner that serves the credit needs of borrowers in underserved economic and geographic submarkets in the state.

(j) After any board approval and certification of a single-family mortgage revenue bond issuance, the department shall submit the proposed bond issuance to the Bond Review Board for review.

(k) In the state fiscal year beginning on September 1, 2001, the department shall:

(1) adopt by rule a market study methodology as required by Subsection (c);

(2) conduct the market study;

(3) propose for board review a single-family mortgage revenue bond program, including loan feature details, a program for borrower subsidies as provided by Subsections (g) and (h), and origination and servicing infrastructure;

(4) identify reasonable capital markets financing;

(5) conduct a public hearing on the market study results and the proposed bond program;

and

(6) submit for review by the Bond Review Board the market study results and, if approved and certified by the board, the proposed bond program.

(l) In the state fiscal year beginning on September 1, 2002, and in each subsequent state fiscal year, the department shall allocate not less than 40 percent of the total single-family mortgage revenue bond loan volume to meet the credit needs of borrowers in underserved economic and geographic submarkets in the state, subject to the identification of a satisfactory market volume demand through the market study.

(m) On completion of the market study, if the board determines in any year that bonds intended to be issued to achieve the purposes of this section are unfeasible or would damage the financial condition of the department, the board may formally appeal to the Bond Review Board the requirements of Subsection (k)

or (l), as applicable. The Bond Review Board has sole authority to modify or waive the required allocation levels.

(n) In addition to any other loan originators selected by the department, the department shall authorize colonia self-help centers and any other community-based, nonprofit institutions considered appropriate by the board to originate loans on behalf of the department. All non-financial institutions acting as loan originators under this subsection must undergo adequate training, as prescribed by the department, to participate in the bond program. The department may require lenders to participate in ongoing training and underwriting compliance audits to maintain good standing to participate in the bond program. The department may require that lenders meet appropriate eligibility standards as prescribed by the department.

(o) The department shall structure all single-family mortgage revenue bond issuances in a manner designed to recover the full costs associated with conducting the activities required by this section.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 980, Sec. 24, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1367, Sec. 2.02, eff. Sept. 1, 2001.

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**BOARD ACTION REQUEST**

**BOND FINANCE DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding Resolution No. 21-005 authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 96, approving the form and substance of the program manual and the program summary, authorizing the execution of documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 96, and containing other provisions relating to the subject

**RECOMMENDED ACTION**

Adopt attached Resolution.

**BACKGROUND**

Mortgage Credit Certificates (MCCs) make homeownership more affordable for low and moderate income homebuyers. An MCC allows homebuyers to claim, on an annual basis, a direct reduction to federal income tax liability equal to the annual mortgage loan interest paid times the MCC Credit Rate (established by the Department and described herein), subject to an annual maximum of \$2,000 if the MCC Credit Rate exceeds 20%. Because the MCC reduces the homebuyer's federal income tax liability, the credit amount may be used to effectively increase the homebuyer's net income for loan qualification purposes. Mortgage loan interest paid by the homebuyer that exceeds the credit claimed may be included as an itemized deduction on the homebuyer's annual federal income tax return.

To be eligible for an MCC, homebuyers must meet Internal Revenue Service (IRS) requirements for mortgage revenue bonds. With few exceptions, MCC recipients must be first-time homebuyers (cannot have had an ownership interest in a primary residence within the last three years), must be within IRS income and purchase price limits, and must occupy the residence as their primary residence. MCCs cannot be issued for mortgage loans that are funded with tax-exempt bond proceeds.

MCCs require an allocation of state ceiling, also known as volume cap. The Department can exchange \$1 of single family mortgage revenue bond volume cap for \$0.25 of MCC issuance authority. The par amount of mortgage loans that can receive an MCC is determined by dividing the MCC issuance authority by the MCC Credit Rate, which is established by the Department. The IRS requires the MCC Credit Rate to be between 10% and 50%.

The Department offers two MCC program options. The first is a stand-alone MCC, where the Department issues an MCC for a mortgage loan that was originated and funded by a third party

lender. The second option is a “combo” loan, where the Department issues an MCC for a mortgage loan that was originated and funded through the Department’s Taxable Mortgage Program.

Program 94, the Department’s most recent MCC program, was released February 11, 2020, and used \$400 million of volume cap. Other than amounts reserved for Targeted Areas (census tracts in which 70% or more of the families have incomes at or below 80% of the statewide median income, or areas of chronic economic distress), Program 94 has been fully committed.

Publication of the required Public Notice for Mortgage Credit Certificate Program for Program 96 was completed on August 7, 2020, and Program 96 is scheduled for release in mid-November. The attached resolution seeks authorization for the conversion of \$800 million of single family volume cap to MCC Authority (see Volume Cap Conversion below) and the issuance of new MCCs under Program 96. The resolution also seeks approval of (i) the Program Manual and Program Summary, (ii) initial MCC Credit Rates of 30% (for loan amounts less than or equal to \$175,000 and subject to the \$2,000 annual maximum credit) and 20% (for loan amounts greater than \$175,000), and (iii) the use of up to \$250,000 of Department funds to pay the costs of implementing Program 96.

The Credit Rates of 30% and 20% are the result of staff analysis of current mortgage rates and the resulting benefit to homebuyers, and are intended to maximize the benefit to eligible homebuyers while effectively leveraging and managing the Department’s allocated volume cap. Calculation examples follow.

30% Credit Rate (Loans <= \$175,000)					20% Credit Rate (Loans > \$175,000)			
Loan Amount					Loan Amount			
\$150,000					\$250,000			
Mtg Int Rate					Mtg Int Rate			
3.75%					3.75%			
Year	Mtg Int	Calc Tax Credit Amount	Max Tax Credit Allowed	Sched A Mtg Int Deduction	Mtg Int	Calc Tax Credit Amount	Max Tax Credit Allowed	Schedule A Mtg Int Deduction
1	\$5,578	\$1,673	\$1,673	\$3,905	\$9,297	\$1,859	N/A	\$7,437
2	5,473	1,642	1,642	3,831	9,121	1,824	N/A	7,297
3	5,363	1,609	1,609	3,754	8,939	1,788	N/A	7,151
4	5,250	1,575	1,575	3,675	8,750	1,750	N/A	7,000
5	5,132	1,540	1,540	3,593	8,554	1,711	N/A	6,843

Through Program 96, the Department expects to provide MCCs for approximately \$800 million in mortgage loans, using \$800 million in volume cap:

**Volume Cap Conversion**

Single Family Bond Volume Cap	800,000,000	=	Par Amount of Bond Loans that can be originated
Exchange \$1 for \$0.25	200,000,000	=	MCC Issuance Authority
Divide by Avg MCC Credit Rate (25%)	800,000,000	=	Max Par Amount of Loans that can receive MCCs

The following chart details the Department’s recent MCC issuance activity. Bear in mind that the Department suspended the Stand Alone MCC option from February 1, 2019 until August 15, 2019, to preserve and manage the Department’s volume cap.

**Mortgage Loans for which TDHCA Issued an MCC**

Fiscal Year	MCC Combos		Stand Alone MCCs		Total Loans with MCCs	
	Loan Amount	# of Loans	Loan Amount	# of Loans	Loan Amount	# of Loans
<b>2020</b>	\$307,874,915	1,691	\$293,528,741	1,488	\$601,403,656	3,179
<b>2019</b>	379,366,248	2,258	251,942,261	1,362	631,308,509	3,620
<b>2018</b>	356,464,172	2,191	405,515,513	2,216	761,979,685	4,407
<b>2017</b>	232,866,243	1,462	343,098,430	1,985	575,964,673	3,447

## RESOLUTION NO. 21-005

RESOLUTION AUTHORIZING THE IMPLEMENTATION OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MORTGAGE CREDIT CERTIFICATE PROGRAM 96; APPROVING THE FORM AND SUBSTANCE OF THE PROGRAM MANUAL AND THE PROGRAM SUMMARY; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT MORTGAGE CREDIT CERTIFICATE PROGRAM 96; 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 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

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 shall 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, pursuant to a separate resolution adopted as of the date hereof, the Board has authorized the filing of one or more applications with the Texas Bond Review Board to obtain a reservation of a portion of the State ceiling private activity bond volume cap for qualified mortgage bonds in the amount of \$800,000,000 (the “Reservation”); and

WHEREAS, the Department desires to convert an amount not to exceed \$800,000,000 of the Reservation to mortgage credit certificates (“MCCs”), to be used for the Department’s Mortgage Credit Certificate Program to be designated as Program 96 (“MCC Program 96”); and

WHEREAS, the Board desires to approve the Program Manual (the “Program Manual”) in substantially the form attached hereto, setting forth the terms and conditions upon which MCCs will be issued by the Department; and

WHEREAS, the Board desires to approve the Program Summary (the “Program Summary”) in substantially the form attached hereto setting forth the terms of MCC Program 96; and

WHEREAS, the Board desires to approve an initial range for the mortgage credit certificate rate; and

WHEREAS, the Board desires to approve the use of an amount not to exceed \$250,000 of Department funds to pay the costs of implementing MCC Program 96; and

WHEREAS, the Board desires to approve the forms of the Program Manual and the Program Summary, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement MCC Program 96 in accordance with such documents by authorizing MCC Program 96, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out MCC Program 96; NOW, THEREFORE,

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

## ARTICLE 1

### USE OF PRIVATE ACTIVITY BOND VOLUME CAP

Section 1.1. Authorization of Certain Actions. The Board authorizes the Executive Director of the Department, the staff of the Department as designated by the Executive Director and Bracewell LLP, Bond Counsel to the Department (“Bond Counsel”) to take such actions on its behalf as may be necessary to carry out the actions authorized in this Resolution.



Section 1.2. MCC Authority. The Department shall take such steps as are necessary to convert \$800,000,000 of its authority to issue qualified mortgage bonds under the Reservation to authority to issue MCCs in order to implement MCC Program 96.

## ARTICLE 2

### APPROVAL OF MCC DOCUMENTS

Section 2.1. Approval of Program Manual and Program Summary. The form and substance of the Program Manual and Program Summary are hereby authorized and approved.

Section 2.2. Mortgage Credit Certificate Rate. The initial mortgage credit certificate rate under the Program shall be 20% (for loan amounts greater than \$175,000) and 30% (for loan amounts up to \$175,000); the rate shall be subject to adjustment as specified by the Department from time to time; provided that the maximum mortgage credit certificate rate shall not exceed 40%.

Section 2.3. Execution and Delivery of Other Documents and Waiver, Reduction or Increase of Fees. The Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests, public notices 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, the Program Manual and the Program Summary. The staff of the Department is authorized to waive, reduce or increase the fees described in the Program Manual from time to time for marketing purposes.

Section 2.4. Power to Revise Form of Documents. Notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bond Counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the delivery of such documents by the Authorized Representatives.

Section 2.5. Exhibits Incorporated Herein. All of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Program Manual
- Exhibit B - Program Summary

Section 2.6. 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 referred to in this Article 2:

the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds 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.

Section 2.7. Department Contribution and Fees. The Department authorizes the contribution of Department funds in an amount not to exceed \$250,000 to pay certain costs of implementing MCC Program 96.

### ARTICLE 3

#### GENERAL PROVISIONS

Section 3.1. Purposes of Resolution. The Board of the Department has expressly determined and hereby confirms that the implementation of MCC Program 96 contemplated by this Resolution accomplishes a valid public purpose of the Department by providing for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State.

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, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act regarding meetings of the Governing Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8th day of October, 2020.

# **EXHIBIT A**

## **PROGRAM MANUAL**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**MORTGAGE CREDIT CERTIFICATE PROGRAM**

### **Program Administered by:**

**Texas Department of Housing and  
Community Affairs  
221 East 11th Street  
Austin, Texas 78701  
(512) 475-0277**

**eHousingPlus  
3050 Universal Boulevard, Suite 190  
Weston, Florida 33331  
(954) 217-0817**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM**

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM

**INTRODUCTION**

Pursuant to Chapter 1372 of the Texas Government Code and the rules promulgated by the Texas Bond Review Board thereunder, Texas Department of Housing and Community Affairs (the “Department”) has received a private activity bond volume cap allocation in the aggregate amount of \$800,000,000 to conduct a single-family mortgage program in Texas (the “Eligible Loan Area”). Capitalized terms used in this Program Manual are defined under the caption “Definitions.”

General Overview

A mortgage credit certificate (an “MCC”) is an instrument designed to assist persons of low to moderate income to better afford individual ownership of housing. The procedures for issuing MCCs were established by the United States Congress as an alternative to the issuance of single-family mortgage revenue bonds. As distinguished from a bond program, in an MCC program no bonds are issued, no mortgage money is actually raised, many of the costs associated with a bond program are not incurred, and lenders are required to pay only nominal up-front fees.

MCCs are issued directly to qualifying Applicants who are then able each year to take a tax credit equal to a specified percentage of the interest paid on their mortgages not to exceed \$2,000. The Mortgage Credit Certificate Rate for the Program will be 20% (for loan amounts greater than \$175,000) or 30% (for loan amounts up to \$175,000) and subject to change as specified in the periodic distribution of Lender Commitment Lot Notices. Thus, an Applicant with a \$170,000 mortgage at a 3.50% annual interest rate would realize the following savings in the example listed below:

Mortgage Amount:	\$170,000
Interest Rate:	3.50%
Total Interest Paid First Year:	5,950
(Mortgage Credit Certificate Rate):	<u>x 30%</u>
	<u>\$1,785</u>

(Based upon a 30-year mortgage with equal monthly installments of principal and interest.)

During the first year of the Program, this Applicant would be entitled to a tax credit of \$1,785. Based upon such an entitlement, he or she would be able to file in advance a revised W-4 withholding form taking into consideration this tax credit. Additionally, taxpayers who file itemized returns may take a deduction for their mortgage interest paid each year, less an amount equal to the tax credit taken. In the above example, the additional interest deduction would be \$5,950 less \$1,785, or \$4,165.

The benefit to the homeowner cannot exceed the amount of federal taxes paid each year after other credits and deductions have been taken into account. Any unused MCC tax credit can be carried forward up to three years to be applied against future income tax liability. For example, if a homeowner is eligible for a \$2,000 tax credit, but only has a tax liability of \$1,700, the homeowner may carry forward the \$300 amount to the succeeding three years and apply it in a year in which the homeowner’s tax liability exceeds the credit amount for that year. In addition, all or a portion of the MCC tax credit may be subject to recapture if the residence is sold within 9 years of purchase. This tax credit recapture is further explained in the Notice of Potential Recapture Tax on Sale of Home found at Tab 5 of this Program Manual.

A purchaser of a new home or existing home may apply for an MCC through a participating Lender at the time he or she applies for a mortgage from the Lender.

Since the Department will not make or hold these mortgages, the Department will not underwrite the loans. Rather, all loan approval, underwriting and execution of required state and federal certifications or Affidavits will be

performed by the Lenders participating in the Program. The Department or its designee will receive executed certificates and Affidavits on each application from a Lender in order to determine eligibility for the Program. Lenders will process mortgage loans of all types, using normal procedures, with additions to procedures at relevant points in order to satisfy Program requirements.

The Department encourages all who believe they qualify to apply for an MCC at the offices of a participating Lender who can explain the Program and its restrictions. Use of the Notice to Buyers included at Tab 1 in this Program Manual can assist Lenders and Applicants in determining whether or not an Applicant can qualify for the Program. The Lender should be well-versed in the state, federal and local restrictions outlined in this Program Manual so that Applicants are aware of these restrictions before the application is taken. The Lender must reject applicants who do not qualify under the restrictions of the Program.

Of each MCC allocation received, 20% will be set aside for the first year of the Program for use in connection with the issuance of MCCs to owners of homes located within federally-designated targeted areas (“Targeted Areas”).

The purpose of this Program Manual is to describe the Program, set forth the relevant state and federal restrictions, identify the respective roles of the Department, the Lender, the Applicant and the Seller, and to detail the processing procedures. The Program definitions, MCC processing documents and applicable federal regulations are included in this Program Manual for your reference.

The Department may revise this Program Manual from time to time by issuing amendments hereto.

## **DEFINITIONS**

As used in this Program Manual, the following words and terms have the meaning set forth below:

Affidavits. An affidavit filed in connection with the Program made under oath and subject to the penalties of perjury and the civil penalties provided herein.

Applicant. Any person or persons: (i) whose Income does not exceed the Income Limits; (ii) who intends to occupy the Residence to be financed with a loan as his or her Principal Residence within a reasonable period (not to exceed 60 days) following the making of such loan; (iii) who has not had a present Ownership interest in a Principal Residence at any time during the three-year period ending on the date of execution of the loan; provided, however, that the three-year requirement does not apply to an Applicant who (a) purchases a Residence located in a Targeted Area or (b) is a Qualified Veteran; (iv) who has not had an existing mortgage (including a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow or any other form of owner-financing), whether or not paid off, on the Residence to be financed with such loan at any time prior to the execution of the loan, other than an existing mortgage securing a construction period loan, bridge loan or similar temporary financing initially incurred for the sole purpose of acquiring the Residence, initially incurred within 24 months of execution of the loan and having an original term not exceeding 24 months; and (v) who is a United States citizen, a lawful permanent resident alien or a non-permanent resident alien who is eligible to work in the United States, in each case with a valid social security number or individual tax identification number, and who meets the criteria set forth in this Program Manual.

Commitment Lot Notice. The notice from the Department to the Program Administrator in substantially the form of Exhibit D-1.

Compliance File. The documents required to be submitted by the Lender or closing agent within 30 days of closing date of the loan, as attached to the Compliance File Checklist (See Tab 3 of this Program Manual).

Department. Texas Department of Housing and Community Affairs and its successors and assigns.

Duplex. A two-family residence in which one unit will be occupied by the Applicant as his or her Principal Residence and the units were first occupied for residential purposes at least five years prior to the closing date of the loan associated with the MCC. The five-year requirement does not apply to a duplex if it is located in a Targeted Area

and the family income of the Applicant meets the income limits for Targeted Area Loans (120% or 140% of applicable median family income, as appropriate).

Eligible Loan Area. State of Texas.

Existing Housing. A single family dwelling unit that has been previously occupied prior to loan commitment.

Family. Any person or persons living together not contrary to law, e.g. traditional families, two unmarried persons sharing the same Residence or a single person.

FICO Credit Score. A method of assessing credit risk based on the statistical probability of repayment of debt developed by Fair, Isaac & Co. FICO Credit Scores assign relative risk rankings to applicants based on a statistical analysis of their credit histories.

Income. All income of the Applicant and anyone else who will occupy the Residence and will be secondarily liable on the mortgage loan. The Income Limits are set forth in the Notice to Buyers, the Program Summary and on the Department's website.

Lender. An institutional lender regulated by state or federal law, or any other entity which in its regular course of business makes loans which would qualify for MCC assistance, is authorized to do business in the Eligible Loan Area, and who has entered into a MCC Program Participation Agreement with the Department.

Lender Commitment Lot Notice. The notice from the Department or its designee to the Lender in substantially the form of Exhibit D-2.

MCC. A mortgage credit certificate issued pursuant to the terms and conditions of the Program, the annual federal income tax credit for which shall not exceed \$2,000.

Mortgage Credit Certificate Rate or MCC Rate. For purposes of this Program, the Mortgage Credit Certificate Rate(s) shall be specified in the periodic distribution of Lender Commitment Lot Notices. The Department may change the Mortgage Credit Certificate Rate from time to time based on borrower demand and financial market conditions. Initially, the Mortgage Credit Certificate Rates shall be 20% (for loan amounts greater than \$175,000) and 30% (for loan amounts less than or equal to \$175,000).

New Housing. A single family dwelling unit that is proposed to be constructed, currently under construction, or existing but not previously occupied.

Ownership. Ownership by any means, whether outright or partial, including property subject to a mortgage or other security interest, including a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common, or tenancy by the entirety, an ownership interest in trust, a life estate interest, a purchase by a land contract or contract for deed. The term does not include (i) a remainder interest; (ii) a lease with or without an option to purchase; (iii) a mere expectancy to inherit an interest; (iv) the interest that a purchaser of a Residence acquires on the execution of a purchase contract; and (v) an interest in other than a Principal Residence. An Ownership interest in a mobile home or other factory-made housing which was permanently affixed to real property owned by the Applicant constitutes Ownership in a Principal Residence.

Principal Residence. A Residence that the Applicant reasonably expects to become the principal Residence of the Applicant within a reasonable time after execution of the loan to provide financing for the Residence and that will, depending on all facts and circumstances (including the good faith of the Applicant) be occupied by the Applicant for residential purposes.

Program. Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program, designated as Program 96.

Program Manual. Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program, Program Manual, as revised and amended by the Department from time to time.

Program Summary. Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program, Program Summary, as revised and amended by the Department from time to time.

Purchase Price. The term “Purchase Price” has the meaning given to the term “Acquisition Cost” under Internal Revenue Code Section 143 and the regulations thereunder, which currently is the cost to an Applicant of acquiring a Residence from the Seller as a completed residential unit, including: (i) all amounts paid, either in cash or in kind, by the Applicant (or a related party or for the benefit of the Applicant) to the Seller (or a related party or for the benefit of the Seller) as consideration for the Residence; (ii) if the Residence is incomplete, the reasonable cost of completing the Residence; and (iii) if the Residence is purchased subject to a ground rent, the capitalized value of the ground rent calculated using a discount rate authorized by the Internal Revenue Service. “Purchase Price” does not include: (i) usual and reasonable settlement and financing costs (including title and transfer fees, title insurance, survey fees, credit reference fees, legal fees, appraisal expenses, points paid by the Applicant (but not points paid by the Seller) and other similar costs), but only to the extent that such amounts do not exceed the usual and reasonable costs which would be paid by the Applicant in a case in which financing is not assisted by the issuance of an MCC or provided through the issuance of tax-exempt bonds (for example, if the Applicant agrees to pay more than a pro rata share of property taxes, such excess shall be treated as part of the Purchase Price); and (ii) the value of services performed by the Applicant or members of the Applicant’s family (including brothers and sisters (whether by whole or half blood), spouse, ancestors and lineal descendants only) in completing the Residence. The Purchase Price Limits are set forth in the Notice to Buyers, the Program Summary and on the Department’s website. The Purchase Price limits applicable to Duplexes are set forth on the Department’s website.

Qualified Veteran. An Applicant who is a “veteran” (as defined in 38 U.S.C. Section 101) who has not previously obtained a loan financed by single family mortgage revenue bonds utilizing the veteran exception set forth in Section 143(d)(2)(D) of the Internal Revenue Code of 1986, as amended.

Residence. The term “Residence” is more fully described in the Applicant Affidavit contained at Tab 2. A Residence includes a single-family house, a Duplex, condominium unit, or mobile home permanently affixed to real property. The term Residence also includes any manufactured home in one or more sections which in the traveling mode is 8 body feet or more in width and 40 body feet or more in length and when erected on site is 320 or more square feet and which is built on a permanent chassis and designed to be used as a dwelling and connected to the required utilities, including plumbing, heating, air conditioning and electrical systems contained therein and meets the HUD minimum standards set forth in Title 24 parts 3280, 3282 and 42 U.S.C. 5401 et seq. A manufactured home must have been constructed after June 21, 1978 and be permanently affixed to the real property which will be owned by the Applicant and subject to the mortgage loan that is associated with the MCC. The term Residence does not include recreational vehicles, campers, manufactured homes not permanently affixed to real property and other similar vehicles. It does not include property such as appliances or a piece of furniture, which, under applicable local law, is not a fixture.

State. The State of Texas.

Targeted Area. The census tracts identified in Exhibit B may be amended from time to time within the Eligible Loan Area that are “qualified census tracts”, which include certain census tracts identified by the United States Treasury Department in Revenue Procedure 2014-14 as having a substantial number of lower-income persons.

## **LOAN PROCESSING PROCEDURES AND PROGRAM ADMINISTRATION**

Applicants that may be eligible for participation in the Program should apply for MCCs in conjunction with their normal mortgage loan applications. Applicants must make applications for conventional, FHA, VA, or USDA-RHS at the mortgage lending institution of their choice participating in the Program before applying for an MCC.



The MCC processing procedures are designed to coincide with the regular, on-going mortgage loan processing and underwriting procedures that are in place at most mortgage lending institutions. The Department recognizes that there are procedural variations among the participating Lenders; consequently, the procedures outlined herein are meant to be suggestive with respect to the sequence of events. However, all the elements of the processing sequence noted below must at some point be completed by the responsible party.

The fees of the Program are set forth at each step in the processing procedures which follow, and the fees charged by the Lender may in no event exceed the fees specified in this Program Manual. A Schedule of Fees is attached hereto as Exhibit A.

The following is the loan processing and Program administration flow chart for the MCC Program:

**A. Loan Origination and MCC Reservation**

1. The Applicant applies for a loan from a participating Lender.
2. The Lender gives the Applicant a Notice to Buyers that explains the Program and contains consumer information. (See Tab 1 of this Program Manual for this Guide.) The Notice to Buyers is intended to present certain facts to the Applicant concerning the restrictions, regulations, and prohibitions of the Program because of certain federal, state and Department regulations, as well as explain the penalties for misuse of the Program. It is imperative that the Applicant understands the terms and conditions of the Program. During the initial interview, it is the responsibility of the Lender to explain the terms and conditions of the Program to the Applicant, and to make sure that the Applicant receives a copy of the Notice to Buyers. The Notice to Buyers must be signed by the Applicants and returned to the Lender for inclusion in the Compliance File.
3. The Lender generally determines if the Applicant is a possible candidate for an MCC, based on preliminary indications of Income, Purchase Price, prior Ownership, and tax liability.
4. No MCC funds may be reserved prior to the date specified in the applicable Lender Commitment Lot Notice. All persons interested in making applications for an MCC at a participating Lender must be considered on a first-come, first-served basis, and must have an application for a mortgage loan on file with the Lender.
5. Upon fully discussing the Program with the Applicant and gathering all of the necessary documentation to verify the Applicant's eligibility, the Lender is ready to begin the reservation process. The Lender will reserve the MCC funds in the Department's or its designee's on-line reservation system. After reserving the funds the Lender will complete the underwriter's certification process and proceed with closing.
6. The Lender may provide the Applicant with a copy of IRS Form W-4 Employee's Withholding Allowance Certificate. The Applicant may complete the W-4, if necessary, to change his or her Federal withholding tax, adjusting it in an amount comparable to the expected MCC tax credit. (See Tab 7 of this Program Manual.)
7. A Lender may not remove a spouse from an application to qualify an Applicant if a co-occupying spouse is not a legal United States resident.
8. **MCC reservations may not be transferred from one Lender to another. In the event an Applicant elects to change Lenders, the MCC reservation will be canceled and a new application and reservation process must be commenced by the Applicant with the new Lender.**

**B. Lender Loan Approval and Verification**

1. The Lender performs normal loan approval or underwriting procedures.
2. The Lender may consider the MCC when determining the amount of disposable income available for the monthly house payment in order to determine the Applicant's qualification for the loan. The Lender determines general acceptability in accordance with its own loan approval standards and applicable FNMA, FHLMC, FHA, VA, USDA-RHS and private mortgage insurance standards and underwriting guidelines.
3. In conjunction with the Lender's regular verification process, the Lender performs reasonable investigation as to whether the Program requirements have been met as required by regulations noted in the certificate of the Lender. Lenders may verify these facts at different times and in various ways, depending upon the Lender's particular procedures for processing loans.
4. The Lender verifies that the Income Limits, Purchase Price Limits, and other non-credit Program requirements are met.

**C. Loan Closing and Submission of Final MCC Program Documents**

1. As part of the loan closing process, the Lender should have the Applicant sign the Applicant Affidavit. (See Tab 2 of this Program Manual.) This document contains certifications and Affidavits required of the Applicant by the federal MCC regulations and state requirements as follows:
  - (a) Certification that the Applicant's annualized gross monthly Income does not exceed the applicable Income Limits.
  - (b) Certification that the home will be used as a Principal Residence, and that the MCC holder will notify the Department when the home ceases to be the Principal Residence of the holder.
  - (c) Certification that Applicant has not had an ownership interest in a Principal Residence during the preceding three-year period (unless an exception applies).
  - (d) Certification that the Residence is located within the Eligible Loan Area.
  - (e) Certification that the loan is a new mortgage loan.
  - (f) Certification that the loan applied for does not constitute a prohibited mortgage.
  - (g) Certification that the Purchase Price does not exceed the Purchase Price Limits.
  - (h) Certification that the Applicant was not forced to apply through a particular Lender.
  - (i) Certification that no interest is being paid to a related person.
  - (j) To the extent applicable, certification that there are no allocations to particular developments as described in Treasury Regulation §1.25-3T(k).
  - (k) To the extent applicable, certification of the Applicant's status as a Qualified Veteran.
  - (l) Acknowledgment that any material misstatement or fraud is made under penalty of perjury and the civil penalties provided herein.

2. The Lender should also provide the Applicant with the Notice of Potential Recapture Tax on Sale of Home to Applicant (See Tab 5 of this Program Manual), which must be signed by the Applicant at closing.
3. Either the Lender or the closing agent submits to the Department or its designee a completed and executed Compliance File by regular mail, overnight delivery or electronic submission.
4. The Compliance File includes all of the executed certifications and Affidavits noted herein. Each document must be complete and signed where appropriate. All documents must be dated within six (6) months of the submission date to the Department. Original or certified copies of documents should be sent to the Department or its designee, except as otherwise indicated. The eligibility of an Applicant shall be determined by the Lender. The Lender must review the Compliance File Checklist and related documents to determine their completeness in accordance with the terms of this Program Manual. Reasonable efforts should be undertaken to verify the information given, either independently or concurrently with underwriting procedures.
5. The Compliance File will specifically include the following documents:
  - (a) The Applicant Affidavit, along with federal tax transcripts or signed tax returns (including all schedules) for the previous three years (such federal tax transcripts are not required for loans made in Targeted Areas or for an Applicant who is a Qualified Veteran). Federal tax transcripts can be requested from the IRS by the Applicant by using IRS Form 4506-T;
  - (b) The Affidavit of Seller, certifying the Purchase Price of the Residence and certain other matters contained therein (See Tab 2 of this Program Manual for this document) (signature is waived for a real estate owned property);
  - (c) A Certificate of the Lender, certifying that the Lender has performed a reasonable investigation to make the required Program determinations (See Tab 2 of this Program Manual for this document). Further, by its submission, the Lender certifies that all Program eligibility requirements have been met, and that the loan fees are reasonable relative to other loans not associated with MCCs;
  - (d) A photocopy of the closing disclosure executed by all parties;
  - (e) The Notice of Potential Recapture Tax on Sale of Home, executed by the Applicant (See Tab 5 of this Program Manual for this document);
  - (f) The MCC Issuance Fee in the amount as specified in the periodic distribution of Lender Commitment Lot Notices in the form of an electronic payment order made payable to the Department or its designee. The MCC Issuance Fee may be paid by the Applicant, the Seller, the Lender or any other person on the Applicant's behalf. In addition to the MCC Issuance Fee and the other fees provided herein, the Lender may collect and retain at loan closing an MCC Document Handling Fee of up to \$75. Such Fee may be paid by the Applicant, the Seller or any other person on the Applicant's behalf;
  - (g) The Applicant's certificate of completion of an approved pre-purchase homebuyer education course;
  - (h) A copy of the Qualified Veteran's discharge papers, if applicable;
  - (i) The Applicant's federal tax transcript or signed tax returns (obtained by IRS Form 4506-T) for the preceding calendar year (applicable only to loans closed after February 15th). All loans closed after February 15 of each year will require the prior year's federal tax transcript prior to issuance of the MCC;

- (j) A copy of the real estate purchase contract for the Residence, if required;
  - (k) A copy of the final executed loan application (1003) submitted to the Lender, if required;  
and
  - (l) A copy of the Warranty Deed, if required.
6. ALL DOCUMENTS LISTED ON THE COMPLIANCE FILE CHECKLIST MUST BE SUBMITTED TO THE DEPARTMENT OR ITS DESIGNEE WITHIN 30 DAYS FOLLOWING THE CLOSING DATE OF THE MORTGAGE LOAN.

**D. Issuance of MCC**

The Department or its designee confirms the completion of the Applicant's file, that the loan was closed as evidenced by the Compliance File, and that the Applicant has met the requirements for issuance of an MCC. The Department then forwards to the Applicant, with a copy to the Lender, an executed MCC dated as of the closing date of the loan. (See Exhibit C for the MCC form.) A copy of the MCC is retained by the Department.

**E. Suspended File; Resubmission of MCC Documents**

If a Compliance File is incomplete or incorrect, the file will be suspended and the Lender will be given up to thirty (30) days from the date of contact by the Department to submit complete and/or revised documentation. Any resubmission of a Compliance File that has been returned or denied by the Department must include all information which the Department has determined necessary for reconsideration.

**F. MCC Cancellations**

Any suspended Compliance File that is not cleared for MCC issuance within thirty (30) days will be cancelled by the Department under the Notice of Cancellation provided under Tab 8 of this Program Manual. The Lender should cancel MCC reservations in the on-line reservation system.

**G. Reissuance of MCC**

The Department shall, upon payment by the MCC holder of a Reissuance Fee, issue a reissued MCC for certain refinancings under Treas. Regs. §1.25-3(p) if the Department receives to its satisfaction evidence that:

- (i) The reissued MCC is issued to the holder of an existing MCC with respect to the same property to which the existing MCC relates.
- (ii) The reissued MCC entirely replaces the existing MCC (that is, the holder cannot retain the existing MCC with respect to any portion of the outstanding balance of the certified mortgage indebtedness specified on the existing MCC).
- (iii) The certified mortgage indebtedness specified on the reissued MCC does not exceed the remaining outstanding balance of the certified mortgage indebtedness specified on the existing MCC.
- (iv) The reissued MCC does not increase the Mortgage Credit Certificate Rate specified in the existing MCC.
- (v) The expiration date on the reissued MCC is not later than the expiration date on the existing MCC.

- (vi) The reissued MCC does not result in an increase in the tax credit that would otherwise have been allowable to the holder under the existing MCC for any taxable year. The holder of a reissued MCC determines the amount of tax credit that would otherwise have been allowable by multiplying the interest that was scheduled to have been paid on the refinanced loan by the Mortgage Credit Certificate Rate of the existing MCC. In the case of a series of refinancings, the tax credit that would otherwise have been allowable is determined from the amount of interest that was scheduled to have been paid on the original loan and the Mortgage Credit Certificate Rate of the original MCC.

## **H. Changes Prior to Closing**

The Lender must notify the Department or its designee of any changes that affect the conditions under which the MCC was reserved.

### **1. Changes in the Applicant's Financial Condition Prior to Closing**

The eligibility of an Applicant for an MCC is based upon the Applicant's Income and Family size. Changes in the Applicant's financial status or Family size may affect the eligibility for an MCC. Upward changes in Income, whether or not foreseen or predictable at the time of the reservation, and changes in the working status of a spouse from unemployed to employed may also affect eligibility. If the Applicant marries prior to closing, the new spouse must satisfy the prior home Ownership requirements contained in the Applicant Affidavit, and the Applicant Affidavit must be completed by both spouses and submitted with the Compliance File. Any Income added to the Family Income may affect the eligibility of the Applicants.

### **2. Changes in Home Ownership Status, Purchase Price and Amount of Loan Prior to Closing**

If the Applicant acquires a present ownership interest in a Principal Residence prior to loan closing and/or if the total Purchase Price of the Residence purchased in connection with the MCC increases so as to exceed the Purchase Price Limitations set forth herein, the MCC reservation must be canceled.

### **3. Other Changes in Circumstances Prior to Closing**

The Lender must immediately notify the Department or its designee in writing of any change in the circumstances upon which the MCC reservation was made. If any other change of the circumstances upon which the MCC reservation was made results in the Applicants not meeting the requirements for a qualified MCC, the MCC reservation must be canceled.

## **I. Record Keeping and Federal Report Filing**

- 1. For each calendar quarter during which the Department issues MCCs beginning with the quarter in which the election to issue that MCCs is made, it must make reports on IRS Form 8330. The report must include:
  - (a) Name, address and ITIN (social security number or individual tax identification number) of the Department.
  - (b) Date of election.
  - (c) The sum of the products of the certified indebtedness amount (loan amount), and the Mortgage Credit Certificate Rate, for each MCC issued.
  - (d) Name, address and TIN of each MCC holder where an MCC was revoked.

2. Annually, the Department must report to the Internal Revenue Service:
  - (a) The number of MCCs by Income and Purchase Price as required by IRS reporting regulations.
  - (b) The volume of MCCs by Income and Purchase Price as required by IRS reporting regulations.
3. For each calendar year during which it originates loans to Applicants obtaining MCCs or issues a reissued MCC, the Lender must file an annual report using IRS Form 8329 with respect to such MCCs and reissued MCCs. Prior to the filing deadline for such report, the Department will assist in furnishing to the Lender the information in its records necessary for the Lender to complete IRS Form 8329. For each reissued MCC, the lender for the refinanced loan, if not a participating Lender, shall acknowledge and agree to file an IRS Form 8329 with respect to such reissued MCC by signing the Certificate of Lender for Refinanced Mortgage Loan (See Tab 6B of this Program Manual).
4. For 6 years, the Lender must retain:
  - (a) Name, address and TIN of each MCC holder.
  - (b) Name, address and TIN of the Department.
  - (c) Date of loan, certified indebtedness amount, and Mortgage Credit Certificate Rate.
5. In January following each year during which MCCs are issued, the Department will attempt to mail an IRS Form 8396 to each MCC holder of record as a reminder to properly declare the MCC tax credit for federal income tax purposes.

**J. Revocation of MCCs**

1. Automatic revocation occurs when the Residence related to the MCC ceases to be the MCC certificate holder's Principal Residence.
2. An MCC holder will have its MCC revoked if the holder does not meet the requirements for a qualified MCC.
3. Revocation will occur upon the discovery of any material misstatement, whether negligent or fraudulent, by any person related to the issuance of the MCC.

**K. Curing Defects**

In the event any defects are discovered in any certificate or Affidavit after an MCC has been issued, the Lender and the MCC holder shall be notified of such defect and given 60 days to cure it prior to revocation of the MCC.

**L. Transfer of MCCs on Mortgage Assumptions**

A loan assumption associated with an MCC will be treated as a new MCC application, and the procedure required by this Program Manual will be repeated. A single MCC Assumption Fee will be charged by the Department in connection with such transfers.

**M. Post-Audit**

The Department may perform a random case post-audit of the Lender records.

**N. MCC Eligibility Denial**

In the event a Lender determines that an Applicant is ineligible for an MCC, the Lender shall cancel the reservation in the on-line registration system.

**O. Recapture of MCC Tax Credit**

In the event an MCC holder sells his or her Principal Residence within 9 years of issuance of an MCC, a portion of the tax credit utilized by the holder may be subject to a recapture tax. See the Notice of Potential Recapture Tax on Sale of Home at Tab 5 of this Program for further information regarding tax credit recapture.

**P. Targeted Area Reservation**

For at least one year after the commencement of the Program, the Department will reserve twenty percent (20%) of the Department's MCC authority for home mortgage loans in Targeted Areas.

**Q. Qualified Veterans**

A Qualified Veteran is exempt from the three-year no prior home ownership requirement. The Qualified Veteran must (a) certify that (i) he or she has not previously obtained a mortgage loan financed by single family mortgage revenue bonds utilizing the exception set forth in Section 143(d)(2)(D) of the Internal Revenue Code of 1986, as amended, and (ii) is utilizing the veteran exception set forth in Section 143(d)(2)(D) of the Internal Revenue Code of 1986, as amended and (b) provide copies of discharge papers, if applicable.

**APPLICANT AND LOAN APPROVAL REQUIREMENTS**

**A. Overview**

For loans involving MCCs, the loan approval and underwriting standards may be modified to reflect a recognition of the MCC derived federal income tax credit for mortgage interest in determining income, housing expense, and indebtedness ratios. The secondary mortgage market and the mortgage insurance industry have established underwriting policies for loans involving MCCs. These are available separately as policy statements from the mortgage lending industry.

The Applicant, Purchase Price and mortgage underwriting requirements covered in this section are incorporated in the Program documents contained in this Program Manual. It will be necessary for all Applicants, participating Lenders and other parties to the transaction to complete and sign the appropriate Program documents and attest to their validity. The Lender will be required to submit certifications in which it will certify that it has reviewed Affidavits of the Applicant and the Seller and found them to be true and correct. If the Lender becomes aware of misstatements, whether negligently or intentionally made, it must notify the Department immediately. The Department reserves the right to take all appropriate actions including, if necessary, denial or revocation of the MCC. The Lender should also be aware, and inform the Applicant, that both federal and Texas law provide for fines and criminal penalties for misrepresentations made in connection with participation in the Program. In an attempt to assure that Program requirements are met, an Applicant Affidavit is required of each Applicant, and must be submitted to the Department.

**The mortgage loan must be a fixed rate loan and financed from sources other than tax-exempt mortgage bonds or tax-exempt veterans' mortgage bonds.** For mortgage loans using only an MCC, the mortgage may be a conventional, FHA, VA or USDA-RHS loan and will be at prevailing market rates.

## B. Applicant Eligibility Requirements

Similar to any normal mortgage loan, the Applicant must meet the credit and underwriting criteria established by the participating Lender providing the loan. Based on relevant federal and state regulations, Applicants must also meet the following requirements specific to MCCs:

1. First-time Homebuyer Requirement. The Applicant who will become an MCC holder cannot have had an Ownership interest in a Principal Residence at any time during the preceding three years ending on the date on which the loan is executed. This requirement qualifies the Applicant as a “first-time homebuyer” with respect to the federal regulations. The Lender must obtain an Applicant Affidavit to the effect that the Applicant had no Ownership interest in a Principal Residence at any time during the three-year period prior to the date on which the loan is executed. This fact must be verified by the Lender through request for, and examination of, the Applicant’s federal tax transcripts for the preceding three years to determine whether the Applicant has claimed a deduction for interest or taxes on property that was the Applicant’s Principal Residence. The first-time homebuyer requirement does not apply to a loan made to finance a Residence in a Targeted Area or a loan made to a Qualified Veteran or in certain cases permitted under applicable provisions of the Code.

For purposes of the first-time homebuyer requirement, a Principal Residence includes a single-family house, Duplex, condominium unit or mobile home. Ownership interest means ownership by any means, whether outright or partial, including property subject to a mortgage or other security interest. Ownership interest also means a fee simple ownership interest, a joint ownership interest by joint tenancy, tenancy in common, or tenancy by the entirety, an ownership interest in trust, a life estate interest, and purchase by a land contract or contract for deed. To meet the first-time homebuyer requirement, the Applicant must complete and sign the Applicant Affidavit and attach federal tax transcripts for the last three years to the Applicant Affidavit, which federal tax transcripts state the type of return filed by the Applicant for each tax year, the Applicant’s filing status and adjusted gross income for the last three years. To summarize this procedure as it applies to different cases:

- (a) If the Applicant can produce federal tax transcripts stating the type of return filed (1040, 1040A or 1040EZ) for the last three years that show no deductions of interest or taxes for a Principal Residence, these forms must be submitted to the Lender and forwarded to the Department or its designee with the Applicant Affidavit.
- (b) The Department will not issue the MCC until receipt of federal tax transcripts (including all schedules), that show the type of return filed and that the Applicant took no deduction of interest or taxes for a Principal Residence for the years in question. The federal tax transcripts can be requested from the IRS by the Applicant by using IRS Form 4506-T.
- (c) In the unusual event the Applicant was not required by law to file federal income tax returns for any year during the preceding three years, it will be necessary for the Applicant to so state on the Applicant Affidavit forwarded to the Department with the other Program documents and to provide an IRS printout stating “No Record Found” for each applicable tax year.
- (d) When the loan is executed during the period between January 1 and February 15 and the Applicant has not yet filed his or her federal income tax return for the preceding year with the IRS, the Department may, with respect to such year, rely on an Applicant Affidavit stating that the Applicant is not entitled to claim deductions for taxes or interest on indebtedness with respect to property constituting his or her Principal Residence for the preceding calendar year.
- (e) If the loan is made in a Targeted Area or if the Applicant is a Qualified Veteran, the Applicant is not required to provide federal tax transcripts.



2. Principal Residence Requirement. The Applicant must use the Residence that involves the MCC as his or her Principal Residence. The Lender must obtain from the Applicant, via the Program documents, a statement of the Applicant's intent to use the Residence as his or her Principal Residence within a reasonable time (not to exceed 60 days) after the MCC is issued. This Affidavit further states that the MCC holder will notify the Lender and the Department if the Residence ceases to be his or her Principal Residence.
3. Revocation. An Applicant will have his or her MCC revoked if the Applicant does not meet the requirements for a qualified MCC. Revocation will occur upon the discovery of any material misstatement, whether negligent or fraudulent. Revocation will occur if the Residence to which the MCC relates ceases to be Applicant's Principal Residence.
4. Fraud. If the Applicant or MCC holder provides a certificate, Affidavit, or any other information to the Lender or the Department containing a material misstatement and such misstatement is due to fraud, then any MCC issued shall be automatically null and void without the need for any further action by the Department.
5. Penalties for Misstatement. If the Applicant makes a material misstatement in any Affidavit or certification made in connection with an application for the issuance of an MCC and such misstatement is due to negligence of the Applicant, the Applicant shall pay a civil penalty fee of \$1,000 for each MCC with respect to which a misstatement was made. If any Applicant makes a material misstatement in any Affidavit or certification made in connection with application for or issuance of an MCC and such misstatement is due to fraud, the Applicant shall pay a penalty fee of \$10,000 under Section 6709 of the Internal Revenue Code for each MCC with respect to which the fraudulent misstatement was made. The above-described civil penalties shall be imposed in addition to any criminal penalty provided by law.
6. Income Limits. The annual gross Income of an Applicant is limited to the applicable amount shown in the Notice to Buyers, the Program Summary and on the Department's website. These limits may be modified annually.
7. Purchase Price Limits. Initially, the Purchase Price limits shall be as set forth in the Notice to Buyers, the Program Summary and on the Department's website, but these amounts are subject to reduction by any applicable FHA limits, or such revised amounts as may be effective from time to time, as required by the federal regulations. The determination whether the residence meets the applicable Purchase Price limits shall be made as of the date of issuance of the MCC. Any revisions of the Purchase Price limits by the Department may rely on average area purchase price limitations published by the Treasury Department, any successor thereof, or as may be provided in Section 143 of the Internal Revenue Code, for the statistical area in which the residence is located.
8. Homebuyer Education. The Applicant must complete a pre-purchase homebuyer education course under the Program. The education requirement may be met by attending one-on-one counseling as provided through the Department's network of certified Texas Statewide Homebuyer Education Providers, HUD-approved counseling agencies, on-line counseling offered through the Department's Texas Homebuyer U, mortgage insurance companies and/or HUD, Fannie Mae or Freddie Mac approved lender programs. The certificate of completion must be included in the Compliance File in order to satisfy this requirement.
9. Non-Purchasing Spouse. A non-purchasing spouse must be considered in determining eligibility to participate in the Program. Although the spouse may not be an Applicant for the loan, and his or her income may be excluded for credit underwriting purposes, a spouse's income must be considered in the calculation of Income for purposes of the MCC. A non-purchasing spouse must also meet the first-time homebuyer requirement and the Principal Residence requirement. A non-purchasing spouse may disqualify the purchasing spouse even if the purchasing spouse fully meets the Program requirements. A non-purchasing spouse must provide federal tax transcripts and income information, even if the spouse has no income, as well as executing all applicable Affidavits. Non-

purchasing spouses must have a valid social security number or an Individual Tax Identification Number (ITIN).

**C. Loan Requirements**

1. New Loan Requirements. An MCC cannot be issued in conjunction with the acquisition or replacement of an existing loan or mortgage; however, an MCC can be used in conjunction with the replacement of construction period loans or bridge loans of a temporary nature. Construction period or bridge loans must be for no longer than 24 months. The Lender must obtain from the Applicant, via the Program documents, a statement to the effect that the loan being made in connection with the MCC will not be used to acquire or replace an existing mortgage or land contract, subject to the exceptions outlined above.
2. Prohibited Mortgages. An MCC cannot be used in conjunction with a qualified mortgage bond or a qualified veterans' mortgage bond. The Lender must obtain from the Applicant, via the Program documents, a statement that no portion of the financing of the Residence in connection with the MCC is provided from a qualified mortgage or veterans' bond.
3. No Interest Paid to Related Persons. No interest on the certified indebtedness amount of the loan can be paid to a person who is a related person to the certificate holder, as the term "related person" is defined in Section 144(a)(3)(A) of the Internal Revenue Code and regulations promulgated by the Internal Revenue Service pursuant thereto. The Lender must obtain from the Applicant, via the Program documents, a statement that a related person does not have, and is not expected to have, an interest as a creditor in the loan.
4. Transferability. If the loan is assumed by a new purchaser, the MCC may be transferable under certain circumstances:
  - (a) The transferee must demonstrate he or she has assumed the liability for the remaining balance of the loan.
  - (b) The new MCC must meet all the conditions of the original certificate, and any changes in federal, state or Department policy that amends the requirements of the original MCC.
5. Term of Mortgage Loans. Each mortgage loan associated with an MCC shall have a term of either 15 years or 30 years.

EXHIBIT A

SCHEDULE OF PROGRAM FEES AND EXPENSES

**MCC Assumption Fee**                      \$125

This fee is submitted to the Department or its designee with the Applicant's new Application through a participating Lender.

**MCC Issuance Fee**                      \$400

This fee is submitted to the Department or its designee upon loan closing with all of the completed Program documents required for the issuance of an MCC. Upon receipt of the fee and the required documentation, the Department or its designee will issue an MCC to the borrower with a copy to the Lender.

**MCC Document Handling Fee**    up to \$75

This fee may be charged and retained by the Lender to compensate it for handling the additional documentation required of it by the Program. The Lender additionally is authorized to charge its reasonable and customary fees and charges for origination of the loan.

**Lender Participation Fee**              \$1,000

This one-time fee is to be paid by the Lender and submitted with the MCC Program Participation Agreement to the Department or its designee. The Lender's participation will be noted on the Department's website. The Lender Participation Fee will be waived for Lenders that have participated in one of the Department's previous MCC Programs.

**Late Fee**                                      \$75

This fee may be charged to the Lender for a Compliance File that is sent to the Department or its designee more than thirty (30) days after the date of closing.

**MCC Reissuance Fee**                      \$50

This fee may be charged and retained by the Department or its designee to compensate it for handling and processing the issuance of a reissued MCC pursuant to a mortgage refinancing.

**MCC Compliance Fee**                      \$275

This fee is submitted to the Department or its designee upon closing for compliance review.

EXHIBIT B

County	Qualified Census Tracts					
Atascosa .....	9603.00					
Bell .....	0207.01 9800.01	0207.02	0208.00	0216.02	0226.00	0229.00
Bexar .....	1103.00 1214.04 1306.00 1411.01 1602.00 1612.00 1705.00 1713.01 1905.03	1105.00 1302.00 1307.00 1411.02 1605.01 1620.04 1708.00 1715.01 1910.04	1106.00 1303.00 1309.00 1505.01 1605.02 1701.02 1709.00 1716.02 1914.08	1108.00 1304.01 1401.00 1505.02 1606.00 1702.00 1710.00 1802.01 1919.00	1109.00 1304.02 1406.00 1508.00 1609.02 1703.00 1711.00 1804.00	1110.00 1305.00 1410.00 1514.00 1610.00 1704.01 1712.00 1810.05
Bowie .....	0105.00	0106.00				
Brazos.....	0005.00	0006.04	0014.00	0017.02	0020.12	
Brown.....	9506.00	9507.00				
Cameron .....	0105.00 0119.03 0127.00 0133.05 0136.00 0139.03	0109.00 0121.02 0128.00 0133.06 0137.00 0140.01	0110.00 0125.05 0131.06 0133.07 0138.01 0140.02	0112.00 0125.07 0132.03 0133.08 0138.02 0141.00	0117.00 0126.07 0132.06 0133.09 0139.01 0142.00	0119.01 0126.09 0132.07 0134.01 0139.02 0143.00
Castro .....	9502.00					
Cherokee .....	9505.00	9507.00				
Collin.....	0317.20					
Coryell.....	0105.04					
Dallas.....	0004.01 0015.03 0038.00 0049.00 0060.02 0078.19 0086.04 0089.00 0099.00 0109.04 0122.08 0138.05 0146.02 0182.04 0194.12	0004.05 0020.00 0039.01 0054.00 0072.01 0078.20 0087.01 0091.04 0100.00 0114.01 0122.11 0141.03 0146.03 0185.05 0194.13	0008.00 0025.00 0039.02 0056.00 0072.02 0078.23 0087.03 0093.03 0101.01 0115.00 0130.11 0141.14 0154.04 0185.06 0203.00	0009.00 0027.01 0041.00 0057.00 0078.11 0078.26 0087.04 0093.04 0107.01 0116.01 0131.05 0143.08 0166.05 0188.02 0205.00	0012.04 0027.02 0043.00 0059.02 0078.15 0085.00 0087.05 0096.10 0107.03 0116.02 0136.25 0143.09 0166.07 0190.13	0015.02 0034.00 0047.00 0060.01 0078.18 0086.03 0088.02 0098.04 0109.03 0120.00 0137.13 0144.07 0177.03 0190.19

County	Qualified Census Tracts					
Dawson.....	9504.02					
Denton.....	0206.01	0209.00	0212.01	0217.39		
Dimmit .....	9504.00					
Ector.....	0015.00	0019.00				
El Paso.....	0001.08	0001.09	0001.10	0002.05	0003.01	0004.04
	0006.00	0008.00	0010.01	0010.02	0011.15	0012.01
	0014.00	0016.00	0017.00	0018.00	0019.00	0020.00
	0021.00	0022.01	0022.02	0023.00	0026.00	0028.00
	0029.00	0030.00	0031.00	0032.00	0034.02	0035.02
	0036.01	0036.02	0037.01	0037.02	0038.03	0038.04
	0039.01	0039.03	0041.03	0041.05	0041.07	0042.01
	0042.02	0101.02	0102.20	0102.21	0103.32	0103.33
	0103.34	0103.35	0103.44	0103.47	0104.05	0104.06
	0104.07	0104.08	0105.01	0105.04	0105.06	0106.00
Ellis .....	0604.00					
Falls.....	0004.00					
Fort Bend.....	6750.00					
Galveston.....	7237.00	7246.00	7252.00			
Gray.....	9507.00	9508.00				
Grayson .....	0020.00					
Gregg.....	0012.00	0013.00	0015.00			
Guadalupe .....	2102.00					
Hale .....	9501.00					
Harris.....	2104.00	2110.00	2111.00	2113.00	2116.00	2117.00
	2119.00	2123.00	2124.00	2205.00	2207.00	2208.00
	2210.00	2215.00	2222.00	2225.01	2226.00	2227.00
	2230.02	2301.00	2303.00	2304.00	2306.00	2308.00
	2310.00	2315.00	2318.00	2321.00	2327.02	2331.02
	2333.00	2336.00	2401.00	2405.01	2405.02	2406.00
	2408.01	2415.00	2534.00	3105.00	3110.00	3111.00
	3116.00	3117.00	3122.00	3123.00	3124.00	3128.00
	3136.00	3138.00	3143.00	3206.02	3212.00	3220.00
	3230.00	3231.00	3235.00	3239.00	3312.00	3314.00
	3316.02	3317.00	3320.00	3328.00	3331.00	3332.02
	4201.00	4205.00	4211.01	4211.02	4212.01	4212.02
	4213.00	4214.01	4214.02	4215.00	4216.00	4222.00
	4223.01	4224.01	4229.00	4231.00	4320.02	4327.01
	4328.01	4328.02	4330.01	4330.02	4330.03	4331.00
	4334.00	4335.01	4335.02	4336.00	4531.00	4532.00

County	Qualified Census Tracts					
	4533.00	4534.03	4544.00	5204.00	5205.00	5206.01
	5206.02	5210.00	5214.00	5301.00	5303.00	5304.00
	5307.00	5320.01	5330.00	5333.00	5340.01	5501.00
	5502.00	5503.01	9801.00			
Harrison.....	0204.01	0205.01				
Hays .....	0103.04					
Hidalgo.....	0201.01	0201.02	0204.03	0205.01	0206.00	0207.23
	0207.25	0210.00	0211.00	0213.02	0213.03	0214.01
	0215.00	0218.03	0218.04	0218.05	0218.06	0221.03
	0221.05	0221.06	0222.03	0222.04	0224.01	0225.01
	0225.02	0227.02	0228.00	0229.00	0231.02	0231.04
	0235.03	0235.07	0235.11	0235.13	0235.14	0237.00
	0241.07	0241.08	0241.09	0241.12	0241.13	0241.14
	0242.01	0242.04	0242.05	0246.00		
Hill .....	9609.00	9610.00				
Houston .....	9504.00					
Hudspeth .....	9503.00					
Hunt.....	9605.00	9608.00	9609.00			
Hutchinson .....	9507.00	9508.00				
Jasper.....	9503.00					
Jefferson .....	0001.03	0007.00	0009.00	0019.00	0026.00	0051.00
	0059.00	0061.00	0063.00	0117.00		
Johnson.....	1308.00					
Karnes .....	9704.00					
Kaufman.....	0505.00					
Lamar .....	0005.00	0008.00				
Lamb .....	9505.00					
Lubbock.....	0002.02	0003.01	0003.02	0006.03	0006.05	0009.00
	0010.00	0012.00	0013.00	0017.09	0020.02	0024.00
Maverick .....	9502.01	9502.04	9504.00			
McLennan .....	0002.00	0004.00	0005.98	0010.00	0011.00	0012.00
	0015.00	0023.02	0027.00	0033.00	0043.00	
Midland .....	0015.00	0017.00				

County	Qualified Census Tracts					
Montgomery .....	6931.01	6934.00				
Nacogdoches .....	9506.00	9507.00	9509.00			
Nueces .....	0006.00	0008.00	0009.00	0010.00	0011.00	0012.00
	0013.00	0015.00	0016.01	0018.01	0027.06	0033.03
	0033.05	0056.02	0064.00			
Palo Pinto .....	0009.00					
Polk .....	2102.03	2103.01				
Potter .....	0103.00	0106.00	0110.00	0120.00	0126.00	0128.00
	0130.00	0145.00	0148.00	0150.00	0153.00	0154.00
Robertson .....	9605.00					
San Augustine .....	9502.00					
San Patricio .....	0113.00					
Shelby.....	9504.00					
Smith .....	0002.01	0004.00	0005.00	0007.00		
Starr.....	9501.05	9501.06	9501.07	9502.02	9502.03	9502.04
	9504.02	9507.01				
Tarrant.....	1002.02	1005.01	1009.00	1012.02	1013.02	1014.02
	1017.00	1025.00	1035.00	1036.01	1037.01	1038.00
	1045.02	1045.03	1045.04	1046.01	1046.03	1047.02
	1048.02	1048.03	1048.04	1050.06	1052.05	1059.01
	1059.02	1061.02	1062.01	1065.16	1066.00	1103.01
	1111.03	1217.03	1219.03	1219.05	1219.06	1228.01
	1231.00	1234.00	1235.00	1236.00		
Taylor.....	0102.00	0103.00	0107.00	0117.00	0122.00	0131.00
Terry.....	9503.00					
Titus .....	9506.00	9507.00				
Tom Green .....	0007.00	0015.00	0018.00			
Travis.....	0006.01	0006.03	0008.02	0018.04	0018.06	0018.12
	0018.19	0018.20	0018.23	0018.63	0021.05	0021.08
	0021.10	0021.11	0022.08	0023.07	0023.08	0023.10
	0023.12	0023.15	0023.16	0023.17	0024.13	0024.19
Val Verde .....	9503.02	9506.01	9506.02			
Victoria.....	0003.01	0003.02				
Walker .....	7906.00	7907.00				

County	Qualified Census Tracts					
Webb .....	0001.05	0001.07	0001.08	0001.09	0002.00	0003.00
	0006.01	0007.00	0008.00	0009.03	0009.04	0011.05
	0012.01	0012.02	0013.00	0015.01	0018.07	0018.08
	0018.09	0018.14	0018.17	0018.18	0019.00	
Wichita .....	0101.00	0102.00	0104.00	0108.00	0111.00	0114.00
	0130.00					
Willacy .....	9503.00	9506.00	9507.00			
Zapata.....	9503.01					
Zavala.....	9501.00	9503.01	9503.02			

The determination of the Qualified Census Tracts in the State of Texas was made by the United States Department of Housing and Urban Development and the Treasury Department based on criteria in the 2010 Census and Section 143 of the Internal Revenue Code. The Texas Department of Housing and Community Affairs did not participate in the determination of the Qualified Census Tracts although the Lenders and/or the Department may rely thereon.

NOTE: Census tract reference maps are available on the U.S. Census Bureau website at <http://www.ffiec.gov/Geocode/default.aspx>.



EXHIBIT C  
(Form of Face of Certificate)

**MORTGAGE CREDIT CERTIFICATE**  
As Department of Housing and Community Affairs  
TDHCA Texas MCC - \_\_\_\_\_

Mortgage Credit Certificate No. \_\_\_\_\_

Dated: \_\_\_\_\_

This Mortgage Credit Certificate is issued on behalf of Texas Department of Housing and Community Affairs (the "Issuer"), located at  
P.O. Box 13941, Austin, TX 78711. TIN #: 74-2610542  
Pursuant to the Issuer's election (filed with the IRS) not to issue qualified mortgage bonds, dated \_\_\_\_\_, 2020

Name(s): \_\_\_\_\_  
Social Security Number(s): \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Mortgage Credit Certificate is issued to:

Name of Holder(s): \_\_\_\_\_  
Name of Holder(s): \_\_\_\_\_

who shall be known as the "Holder(s)".

This Mortgage Credit Certificate shall entitle Holder(s) to an annual credit of \_\_ (%) percent of the annual interest upon the certified Indebtedness Amount of \$ \_\_\_\_\_ (mortgage amount), which consists of a first mortgage loan, received from \_\_\_\_\_, who shall be known as the "Lender".

This Mortgage Credit Certificate is to be used in connection with a mortgage loan for the purchase of a single-family residence (the "Residence") located at: \_\_\_\_\_

The acquisition cost for the Residence for which this Mortgage Credit Certificate is issued for is \$ \_\_\_\_\_

This Mortgage Credit Certificate meets the requirements of:

- Temporary IRS Regulation Section 1.25-3T (d) relating to residence requirement;
- Temporary IRS Regulation Section 1.25-3T (e) relating to 3-year requirement;
- Temporary IRS Regulation Section 1.25-3T (g) relating to new mortgage requirement;
- Temporary IRS Regulation Section 1.25-3T (i) relating to prohibited mortgages;
- Temporary IRS Regulation Section 1.25-3T (j) relating to particular lenders;
- Temporary IRS Regulation Section 1.25-3T (k) relating to allocations to particular developments; and
- Temporary IRS Regulation Section 1.25-3T (n) relating to interest paid to related persons.

The Residence \_\_ is or \_\_ is not in a targeted area as described in Section 143 (j) of the Internal Revenue Code.

The Mortgage Loan was closed on \_\_\_\_\_

If the Issuer becomes aware that a material misstatement, whether negligent or intentional, has been made in the application or this Certificate, this Mortgage Credit Certificate shall be revoked. Further, if such material misstatement shall be due to fraud, this Mortgage Credit Certificate shall be null and void without any need for further action on the part of the Issuer.

Under penalty of perjury, I hereby declare that to the best of my knowledge and belief the determinations required by the Temporary IRS Regulations made.

Program Administrator for:  
Texas Department of Housing and Community Affairs

\_\_\_\_\_  
www.eHousingPlus.com  
services@eHousingPlus.com

(FORM OF CERTIFICATE)  
(REVERSE)  
TERMS AND CONDITIONS

**FEDERAL TAX CREDIT.** This Mortgage Credit Certificate (“MCC”) entitles the holder (as named on the face of this MCC) to an annual federal tax credit equal to (i) for MCC Rates greater than 20%, the lesser of \_\_\_\_\_ percent of the annual interest paid on the mortgage loan described on the face of this MCC or \$2,000, or (ii) for MCC Rates equal to or less than 20%, \_\_\_\_\_ percent of the annual interest paid on the mortgage loan described on the face of this MCC. In addition, this MCC will reduce the holder’s mortgage interest deduction by an amount equal to the tax credit for the same tax year. The credit cannot be larger than the holder’s annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of current year tax liability may, however, be carried forward for use in the subsequent three years. At the time of issuance of this MCC, the filing of IRS Form 8396 is required in order to take advantage of the tax credit each year.

**PRINCIPAL RESIDENCE.** This MCC is to be used in connection with the financing of the purchase of a Residence. The Residence must be or become the holder’s “Principal Residence” within a reasonable time (not to exceed 60 days) following the date of issuance of the MCC. The “Principal Residence” means a Residence that, depending on all the facts and circumstances (including the good faith intent of the occupant), is occupied by the holder primarily for residential purposes. “Principal Residence” does not include a home used as an investment property or a recreational home, or a home that is used primarily in a trade or business (as evidenced by the use of more than 15 percent of the total floor space in a trade of business). Further, the holder may not claim, with respect to the Residence, any deductions pursuant to Section 280A of the Internal Revenue Code of 1986, as amended, for expense incurred in connection with the business use of a home.

**PRIOR OWNERSHIP OF A RESIDENCE.** The holder of this MCC cannot have had a present ownership interest in a Principal Residence at any time during the three-year period prior to the date on which the loan is executed. For purposes of making such determination, a Principal Residence includes a single-family house, condominium unit, mobile home, share of a housing cooperative or occupancy of a unit in a multifamily building owned by the holder. The term “present ownership interest” includes a fee simple interest; a joint tenancy, a tenancy in common or a tenancy by the entirety; the interest of a tenant-shareholder in a cooperative; a life estate; a land contract under which possession and the burdens and benefits of ownership are transferred although legal title is not transferred until some later date; and an interest held in trust for one person by another person. A “present ownership interest” does not include a remainder interest, a lease with or without an option to purchase, mere expectancy to inherit an interest in a principal residence, the interest that a person acquires upon the execution of a real estate purchase contract, or any interest in other than a “Principal Residence” during the previous three years. This requirement is waived if the Residence is located in a Targeted Area or if the Residence is acquired by a Qualified Veteran.

**PARTICIPATING LENDER AND LOAN ELIGIBILITY.** Financing may be sought from any Lender. The decision to make a loan is completely within the discretion of the Lender to whom the application for a mortgage loan is submitted. The Issuer plays no role in the decision to make a loan or determining the amount of the loan.

**MORTGAGE REQUIREMENTS.** No MCC will be issued in connection with financing that is to be used to replace an existing mortgage on the Residence to which the holder is a party or upon which the holder is an obligor. No MCC will be issued unless, prior to the date thereof, the holder was not a party to a mortgage on the Residence (whether in the form of a deed of trust, contract for deed, conditional sales contract, pledge, agreement to hold title in escrow, or other form of owner financing), other than a construction loan, bridge loan, or other temporary initial financing having a term not exceeding 24 months. In addition, no MCC will be issued if any financing for the Residence is to be obtained from a qualified mortgage bond or qualified veterans’ mortgage bond or if any person who is related to the holder has an interest as a creditor in the financing.

**OCCUPANCY OF THE RESIDENCE.** If the Residence ceases to be occupied as the holder’s “Principal Residence,” the holder will no longer be eligible for the MCC and must immediately notify the Department and the Lender providing the financing of this fact and the date of this event.

**INCOME LIMITS.** At the time of execution of the loan in connection with which this MCC is issued, the holder’s current income cannot exceed, (i) for families of three or more persons, 115% (140% in certain Targeted Areas) of the area median income and (ii) for individuals and families of two persons, 100% (120% in certain Targeted Areas) of the area median income, subject to an upward adjustment of the income limits in certain “high housing cost areas.” The Income Limits may be subject to adjustment at any time.

**PURCHASE PRICE LIMITS.** The purchase price for the Residence being acquired in connection with which this MCC is issued cannot exceed 90% (110%, in the case of certain Targeted Area Residences) of the average area purchase price applicable to the Residence. These limits may be subject to adjustment at any time.

**TRANSFERABILITY.** This MCC is not assumable and is transferable only upon application to the Department. The proposed transferee must meet all Program requirements then in effect.

**COMPLIANCE WITH INTERNAL REVENUE CODE.** This MCC is intended to comply with the provisions of Section 25 of the Internal Revenue Code of 1986, as amended, as well as any other applicable federal or State laws.

**REFINANCING.** The refinanced loan amount cannot exceed the outstanding balance of the original mortgage loan as of the date of the refinancing.

EXHIBIT D-1

Commitment Lot Notice  
(FROM DEPARTMENT TO PROGRAM ADMINISTRATOR)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM NO. 96

To: eHousingPlus  
3050 Universal Boulevard, Suite 190  
Weston, FL 33331  
Attention: Paloma Miranda  
Email: Paloma.Miranda@hdsoftware.net

On the date hereof, the Issuer has established the following Commitment Lot:

<b>Commitment Lot Designation</b>	<b>Commitment Lot Size</b>	<b>MCC Rates</b>	<b>MCC Issuance Fee(s)</b>
_____	\$ _____	<u>20%</u> or <u>30%</u> , as determined by applicant	_____ MCC Only _____ TMP Loan/MCC Combination

TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT D-2

Lender Commitment Lot Notice  
(FROM PROGRAM ADMINISTRATOR TO MORTGAGE LENDER)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM NO. 96

First Date to Reserve MCC Funds \_\_\_\_\_  
Commitment Lot Size: \$ \_\_\_\_\_  
Mortgage Credit Certificate Rates: 20% or 30%, as determined by applicant  
MCC Issuance Fee(s) \_\_\_\_\_ MCC Only  
\_\_\_\_\_ TMP Loan/MCC Combination

All MCC funds are available on a first-come, first-served basis. MCC reservations expire ninety (90) days from the date of registration. Updates to extend time must be made in the reservation system by the participating lender.

**REMINDER: If doing a TMP Loan/MCC Combination, the more restrictive program guidelines will apply.**

If you have any questions regarding this notice, please contact:  
ehousing  
Compliance office  
3050 Universal Boulevard, Suite 190  
Weston, FL 33331 954-217-0817 Email: Paloma.Miranda@hdsoftware.net

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Tax-Exempt Mortgage / Taxable Mortgage**

**My First Texas Home / My Choice Texas Home / Texas Mortgage Credit Certificate (MCC)**

REVISED: 10/08/2020

**NOTICE TO BUYERS**

Texas Department of Housing and Community Affairs (“TDHCA”) created its homeownership options to help make ownership of new or existing homes more affordable for individuals and families of low and moderate income in the State of Texas, especially first-time buyers. The Tax-Exempt and Taxable Mortgage Program(s) (My First Texas Home and My Choice Texas Home) provide the homebuyer with a 30-year fixed interest rate mortgage loan and assistance to be used towards down-payment and/or closing cost assistance. The Texas Mortgage Credit Certificate (MCC) Program provides the homebuyer with a mortgage credit certificate which increases a family’s disposable income by reducing its federal income tax obligations. This tax savings provides a family with more available income to qualify for a loan and meet mortgage payment requirements. In order to participate in either or both Programs, the homebuyer(s) must meet certain eligibility requirements, purchase a home and obtain a mortgage loan and/or MCC through a participating lender. The eligible loan area consists of the State of Texas. The Programs are administered by TDHCA.

If your home is being financed using a TDHCA mortgage loan, the residence must be occupied as your principal residence within a reasonable time not to exceed 60 days of loan closing and it may not be used as an investment property, vacation, or recreational home. You will be required to immediately notify the Servicer in writing if the residence financed using the TDHCA mortgage loan ceases to be your principal, permanent residence. You cannot rent your home without the Servicer’s prior written consent (which consent can only be given in very limited, extreme circumstances) or sell your home to a person ineligible for assistance from the Department, unless you pay your loan in full.

For mortgage credit certificates issue by TDHCA, if the residence ceases to be your principal residence, you will be required to immediately notify TDHCA so that appropriate action, including but not limited to revocation of the MCC, may be taken.

**ELIGIBLE BORROWERS**

**First-Time Homebuyer Requirement:** Borrowers seeking financing for the purchase of a residence or the issuance of an MCC must be first-time homebuyers, which means that the borrower has not owned a principal residence in the past three years. Certain exceptions exist for residences located in certain designated areas, and for applicants who are “qualified veterans.” Borrowers using the My Choice Texas Home option are not required to be a First Time Homebuyer.

**INCOME LIMITS AND**  
**HOME PURCHASE PRICE LIMITATION**

For maximum income and purchase price limits, see attachment or visit the TDHCA website: [http://www.tdhca.state.tx.us/homeownership/fthb/buyer\\_intro.htm](http://www.tdhca.state.tx.us/homeownership/fthb/buyer_intro.htm)

**ELIGIBLE PROPERTY**

**General Information:** New single family houses, including certain manufactured homes, duplexes, townhomes and condominiums are eligible for either program, and must follow standard agency (loan product) guidelines. Triplexes and fourplexes and shares in housing cooperatives are not eligible for the Program(s). The cost of the residence must not exceed the maximum home purchase price limits specified for the Program(s).

**Duplex:** A duplex may be financed under either Program as long as one unit of the duplex is occupied by the borrower as his or her principal residence and the duplex was first occupied for residential purposes at least five years prior to the closing date for the mortgage loan that is associated with the applicable program. The five-year requirement does not apply to a duplex if it is located in a qualified census tract that has been designated as a “targeted area” and the family income of the borrower meets the income limits for targeted area loans (120% or 140% of applicable median family income, as appropriate). The acquisition cost limits applicable to duplexes are available on TDHCA’s website.

**Manufactured Homes:** A manufactured home must be eligible under FHA, VA, USDA or FNMA guidelines, and be in one or more sections which in the traveling mode is 8 body feet or more in width and 40 body feet or more in length and when erected on site is 320 or more square feet and which is built on a permanent chassis and designed to be used as a dwelling and connected to the required utilities, including plumbing, heating, air conditioning and electrical systems contained therein and meets the HUD minimum standards set forth in Title 24 parts 3280, 3282 and

42 U.S.C. 5401 et seq. The manufactured home must have been constructed after June 21, 1978 and be permanently affixed to the real property which will be owned by the homebuyer and subject to the mortgage loan. Recreational vehicles, campers and other such vehicles are ineligible.

**Financing Terms:** The mortgage loan used in conjunction with the MCC Program must be financed from sources other than tax-exempt mortgage bonds or tax-exempt veterans' mortgage bonds. The mortgage may be a conventional, FHA, VA or USDA-RHS loan and will be at prevailing market rates or rate applicable with loan program. The mortgage loan must not be made to the borrower by a "related person," as defined in Section 144(a)(3)(A) of the Internal Revenue Code. If using the TMP – My First Texas Home Program, the financing terms will be established by TDHCA. Eligible property types and other terms of the Program may differ for mortgage loans financed through the Fannie Mae HFA Preferred product.

### **PROGRAM DESCRIPTION FOR TAXABLE AND TAX-EXEMPT MORTGAGE OPTIONS**

**General Information:** **TDHCA's Tax-Exempt Mortgage option – My First Texas Home** is exclusive to first time homebuyers, and provides a 30-year fixed interest rate mortgage loan that may include assistance in an amount up to 5% of the mortgage loan, to be used towards down payment and/or closing cost. The homebuyer must meet IRS Tax-Exempt Mortgage Revenue Bond income eligibility requirements, which include the income of a Non-Purchasing Spouse and anyone else who will have ownership interest in the property (sign the Deed of Trust).

**TDHCA's Taxable Mortgage option – My Choice Texas Home** provides homebuyer(s) with a 30-year fixed interest rate mortgage loan and down payment/closing cost assistance, in an amount up to 5% of the mortgage loan. There is **no** first time homebuyer requirement on the My Choice Texas Home option. For the purposes of income eligibility, the credit qualifying/1003 income used by the lender for loan qualifying is allowed.

**Benefit Amount and Length of Benefit:** The amount of benefit will vary based on the borrower's individual financial circumstances and the length of time the borrower lives in the home.

**Higher Mortgage Loan Interest Rate with Down Payment/Closing Cost Assistance:** The interest rate on your mortgage loan is based upon acceptance of down payment and/or closing cost assistance. If you receive down payment assistance from TDHCA, the interest rate on your mortgage loan **may** be at a higher interest rate than could otherwise be obtained (or may be available to you) if no down payment and/or closing cost assistance were included. If the interest rate on your mortgage loan is higher than you otherwise could obtain, you should carefully evaluate whether it is in your best financial interest to pay the higher mortgage loan interest rate associated with acceptance of down payment and/or closing cost assistance.

**Repayment of Down Payment/Closing Cost Assistance:** If receiving down payment assistance from TDHCA in connection with your mortgage loan, you will be required to repay the down payment and/or closing cost assistance you received in connection with your mortgage loan at the end of the term of your loan or earlier if you sell, refinance, transfer or otherwise dispose of your home. The annual percentage rate (APR) of interest is 0% and the 2<sup>nd</sup> mortgage loan is non-amortizing (has no monthly payment component).

**Assumption of Loan:** In order for the mortgage loan to be assumed, you must sell your home to a person eligible for assistance from the Department, otherwise, you must pay your mortgage loan in full or the Department may demand immediate full repayment of the mortgage loan. This could result in foreclosure of your mortgage and repossession of the property. In addition, if you rent the property or committed fraud or intentionally misrepresented yourself when you applied for the mortgage loan, the Mortgage Lender may foreclose your mortgage and repossess the property. If the Mortgage Lender takes your home through a foreclosure of the mortgage because of these reasons, HUD, FHA, VA, Fannie Mae, Freddie Mac, the Servicer and/or the Department (as applicable) will not be able to help you.

In order for the mortgage loan to be assumed, you must sell your home at or below the federally-designated acquisition cost in effect when you sell your home.

If the money received from the foreclosure sale is not enough to pay the remaining amount of money you owe on the loan, the Servicer may obtain a deficiency judgment against you (a court ruling that you must pay whatever money is still owed on the loan after the foreclosure sale). Such judgment will be taken over by HUD, VA, or a private mortgage insurer (as applicable). If the Servicer files an insurance claim against HUD, VA, or the private mortgage insurer (as applicable) because of the foreclosure, HUD, VA, or the private mortgage insurer (as applicable) may then bring an action against you to collect the judgment.

**Recapture.** If you sell or otherwise dispose of the residence during the next 9 years, this benefit may, under certain circumstances, be subject to "recapture." Such recapture is accomplished by an increase in your federal income tax for the year in which there is a disposition of the residence. This recapture only applies if there is a gain resulting from the sale or other disposition of the residence and total annual household income increases above specified levels. You may wish to consult a tax advisor or the Internal Revenue Service at the time of sale or other disposition of the

residence to determine the amount, if any, of the recapture tax. Following loan closing, you will be provided additional information that will be needed to calculate the maximum recapture tax liability at the time you sell or dispose of the residence. The IRS Recapture Tax Provision does not apply to the My Choice Texas Home option(s).

**PROGRAM DESCRIPTION MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM**

**General Information:** An MCC is a tax credit that will reduce the federal income taxes of qualified buyers purchasing a qualified residence. As a result, the MCC has the effect of reducing your mortgage payments. Applications must be made to TDHCA prior to closing the loan. The MCC may not be used in connection with the refinancing of an existing loan, unless such loan is a construction period loan, bridge loan or similar temporary initial financing of 24 months or less.

**Benefit Amount:** The size of your annual tax credit will be a percentage established by TDHCA (the “Mortgage Credit Certificate Rate”) of the annual interest paid on your mortgage loan. The credit cannot be larger than your annual federal income tax liability, after all other credits and deductions have been taken into account. MCC credits in excess of your current year tax liability may, however, be carried forward for use in the subsequent three years.

**Mortgage Credit Certificate Rate:** The MCC Rate for TDHCA Mortgage Credit Certificates will be issued based according to the following options:

TDHCA MCC Options	
30% MCC Credit	Up to \$2,000 annual credit
20% MCC Credit	No maximum annual credit

**Regardless of loan amount, for MCC Rates over 20% (i.e., the 30% MCC Rate), the maximum annual tax credit allowed under federal income tax law is \$2,000.**

**Tax Credit Versus Tax Deduction:** A mortgage interest deduction differs from a mortgage tax credit in a number of ways. For example, all homebuyers, regardless of income, may take a mortgage interest deduction, whereas mortgage tax credits are available only to holders of MCCs. The dollar value of a mortgage interest deduction depends upon your tax bracket. If you are in the 15 percent tax bracket, you will save 15 cents in taxes for each dollar of mortgage interest paid. With the MCC, you will save \$1 for each \$1 of credit received. Using an MCC and itemizing your deductions on Schedule A of Form 1040 will require you to reduce your mortgage interest deduction by an amount equal to your mortgage tax credit claimed.

**Length of Benefit:** Each year, your mortgage tax credit will be calculated on the basis of the designated percentage of the total interest you paid on your mortgage loan that year. The MCC will be in effect for the life of your mortgage loan, so long as the residence remains your principal residence.

**Assumption of Loan:** The MCC can be transferred only upon issuance of a new certificate by TDHCA. The person assuming your loan will have to qualify just as a new borrower would be required to qualify under the MCC Program.

**Recapture of Tax Credit:** Your MCC will be subject to certain requirements imposed by federal law concerning the recapture of a portion of the mortgage tax credit benefits granted to you upon the sale of your residence within nine years from the date of purchase. In no event will the recapture tax exceed the lesser of (i) 6.25% of the highest principal balance of your mortgage or (ii) one half of your taxable gain on the sale of your residence. At loan closing, you will be provided additional information that will be needed to calculate the maximum recapture tax liability at the time you sell or dispose of the residence.

**APPLICATION INFORMATION**

At the time of your formal mortgage loan application, you will have the ability to apply for a TDHCA mortgage loan and/or a MCC. After you have completed and signed the mortgage loan application, the lender will review your information and will reserve program funds in the Program’s on-line registration system. The MCC will be issued to the homebuyer upon loan closing and submission of the required Program documents required in Program guidelines, and applicable program fees. Loan or MCC reservations cannot be transferred from one lender to another. In the event you desire to change lenders, the loan reservation will be canceled and the application and reservation process must start over with the new lender. **The purpose of this document is to provide information on the TDHCA My First Texas Home / My Choice Texas Home and Texas Mortgage Credit Certificate programs. If applying for one or more of these programs, you should request from your lender a copy of the Loan Confirmation generated from the Program’s on-line portal to verify the applicable program option(s) reserved in connection with your mortgage loan.**

<b>CHECK IF APPLICANT IS A VETERAN</b> <input type="checkbox"/>	<b>CHECK IF CO-APPLICANT IS A VETERAN</b> <input type="checkbox"/>
<b>Important Information for Former Military Services Members.</b> Women and men who served in any branch of the United States Armed Forces, including Army, Navy, Marines, Coast Guard, Reserves, or National Guard, may be eligible for additional benefits and services. For more information please visit the Texas Veterans Portal at <a href="https://veterans.portal.texas.gov/">https://veterans.portal.texas.gov/</a> .	

**DISCLOSURE OF APPLICANT INFORMATION**

The applicant(s) hereby consent and agree that all information furnished by the applicant(s) to the participating lender and TDHCA, including but not limited to, non-public personal and financial information in connection with the application for a mortgage loan under the My First Texas Home / My Choice Texas Home or an MCC, may be disclosed to any person or other third parties in connection with the processing of the application, verification of information concerning the TDHCA loan or MCC, the loan or the applicant(s), and for any other purpose in furtherance of or connected with the Program.

Date \_\_\_\_\_

\_\_\_\_\_  
**APPLICANT**

\_\_\_\_\_  
Printed Name of Applicant

\_\_\_\_\_  
**CO-APPLICANT OR NON-PURCHASING SPOUSE (if applicable)**

\_\_\_\_\_  
Printed Name of Applicant OR Non-Purchasing Spouse (if applicable)



**APPENDIX A**

**TDHCA My FIRST Texas Home / My CHOICE Texas Home / Texas Mortgage Credit Certificate Program (MCC)**

**Combined Income and Purchase Price Limits Table**

(Including Income Limit Adjustments for High Housing Cost Areas)

**My FIRST Texas Home and Texas MCC considers the income of all person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse).**

**My CHOICE Texas Home considers the standard lender income calculation (1003/credit qualifying income).**

See Rate Notice and Available Options for current rates and eligibility requirements - <https://www.tdhca.state.tx.us/homeownership/fthb/docs/Rate-Notice.pdf>

**Effective May 18, 2020**

Area of State	Counties in Area	NON-TARGETED AREAS			* TARGETED AREAS		
		100% AMFI 1 or 2 Persons	115% AMFI 3 or more Persons	1-UNIT** Non-Targeted Area Purchase Price Limit	Govt Loan and Stand-Alone MCC	Govt Loan and Stand-Alone MCC	1 UNIT ** Targeted Area Purchase Price Limit
<b>Balance of State</b>	<b>All other counties not mentioned below</b>	<b>\$74,500</b>	<b>\$85,675</b>	<b>\$294,600</b>	<b>\$89,400</b>	<b>\$104,300</b>	<b>\$360,067</b>
Amarillo, HMFA	Armstrong, Carson, Potter, Randall	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Andrews County	Andrews	\$84,200	\$96,830	\$294,600	<i>No Targeted Census Tracts in County</i>		
Austin County, HMFA	Austin	\$81,800	\$94,070	\$294,600	<i>No Targeted Census Tracts in County</i>		
Austin-Round Rock, MSA	Bastrop, Caldwell, Hays*, Travis* & Williamson	\$97,600	\$112,240	\$359,460	\$117,120	\$136,640	\$439,340
Blanco County	Blanco	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Borden County	Borden	\$88,400	\$101,660	\$294,600	<i>No Targeted Census Tracts in County</i>		
Brazoria County, HMFA	Brazoria	\$101,600	\$116,840	\$294,600	<i>No Targeted Census Tracts in County</i>		
Cooke County	Cooke	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Crane County	Crane	\$79,900	\$91,885	\$294,600	<i>No Targeted Census Tracts in County</i>		
Dallas, HMFA	Collin*, Dallas*, Denton*, Ellis*, Hunt*, Kaufman* & Rockwall	\$86,200	\$99,130	\$359,460	\$103,440	\$120,680	\$439,340
Fort Worth - Arlington, HMFA	Johnson*, Parker & Tarrant*	\$85,363	\$98,168	\$359,460	\$102,436	\$119,508	\$439,340
Gillespie County	Gillespie	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Glasscock County	Glasscock	\$97,600	\$112,240	\$294,600	<i>No Targeted Census Tracts in County</i>		
Hartley County	Hartley	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Hemphill County	Hemphill	\$77,000	\$88,550	\$294,600	<i>No Targeted Census Tracts in County</i>		
Hood County, HMFA	Hood	\$76,700	\$88,205	\$294,600	<i>No Targeted Census Tracts in County</i>		
Houston-The Woodlands-Sugar Land, HMFA	Chambers, Fort Bend*, Galveston, Harris*, Liberty, Montgomery* & Waller	\$78,800	\$90,620	\$294,600	\$94,560	\$110,320	\$360,067
Jackson County	Jackson	\$75,300	\$86,595	\$294,600	<i>No Targeted Census Tracts in County</i>		
Kendall County, HMFA	Kendall	\$100,800	\$115,920	\$349,247	<i>No Targeted Census Tracts in County</i>		
King County	King	\$86,900	\$99,935	\$294,600	<i>No Targeted Census Tracts in County</i>		
Lipscomb County	Lipscomb	\$77,000	\$88,550	\$294,600	<i>No Targeted Census Tracts in County</i>		
Loving County	Loving	\$88,100	\$101,315	\$294,600	<i>No Targeted Census Tracts in County</i>		
Martin County, HMFA	Martin	\$74,500	\$85,675	\$303,293	<i>No Targeted Census Tracts in County</i>		
Medina County, HMFA	Medina	\$83,875	\$96,456	\$349,247	<i>No Targeted Census Tracts in County</i>		
Midland, HMFA	Midland*	\$90,700	\$104,305	\$303,293	\$108,840	\$126,980	\$370,692
Odessa MSA	Ector*	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Oldham County, HMFA	Oldham	\$75,600	\$86,940	\$294,600	<i>No Targeted Census Tracts in County</i>		
Pecos County	Pecos	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Reagan County	Reagan	\$79,700	\$91,655	\$294,600	<i>No Targeted Census Tracts in County</i>		
Roberts County	Roberts	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
San Antonio-New Braunfels, MSA	Atascosa*, Bandera, Bexar*, Comal, Guadalupe* & Wilson	\$83,875	\$96,456	\$349,247	\$100,650	\$117,425	\$426,858
Schleicher County	Schleicher	\$76,600	\$88,090	\$294,600	<i>No Targeted Census Tracts in County</i>		
Sherman-Denison, MSA	Grayson	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Somervell County, HMFA	Somervell	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Stonewall County	Stonewall	\$74,500	\$85,675	\$294,600	<i>No Targeted Census Tracts in County</i>		
Ward County	Ward	\$74,700	\$85,905	\$294,600	<i>No Targeted Census Tracts in County</i>		
Wise County, HMFA	Wise	\$86,763	\$99,778	\$359,460	<i>No Targeted Census Tracts in County</i>		

\* Property must be located in a qualified targeted census tract to use the Targeted Area Limits.

"AMFI" - Area Median Family Income; "MSA" - Metropolitan Statistical Area; "HMFA" - HUD Metro FMR Area  
 Down Payment Assistance Available to ALL Income Categories - \*Targeted Areas are areas of severe economic distress.  
 Fannie Mae Limits for counties not shown above - See Page 2

\*\* 2 UNIT Purchase Price Limits can be found at: <http://www.tdhca.state.tx.us/homeownership/fthb/docs/2-Unit-PurchasePriceLimits.pdf>  
 For additional information please visit our website at [www.MyFirstTexasHome.com](http://www.MyFirstTexasHome.com)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

APPLICANT AFFIDAVIT

My First Texas Home – Texas Mortgage Credit Certificate (TAX-EXEMPT)

There are important legal consequences to this Affidavit. Please read carefully before signing.

REVISED: 10/08/2020

THE STATE OF TEXAS §  
 COUNTY OF \_\_\_\_\_ §

LOAN AMOUNT: \$ \_\_\_\_\_  
 LENDER: \_\_\_\_\_

The undersigned, as part of my (our) application for a loan under the Department’s tax-exempt mortgage and/or for a mortgage credit certificate (“MCC”) to be issued by the Department in connection with a loan from a participating lender of my (our) choice for a single-family residence that will become my (our) permanent, primary residence, being first duly sworn state the following information to be true and correct:

\_\_\_\_\_  
 APPLICANT LAST NAME FIRST MIDDLE

\_\_\_\_\_  
 CO-APPLICANT LAST NAME FIRST MIDDLE

\_\_\_\_\_  
 ADDRESS BEING PURCHASED

\_\_\_\_\_  
 CITY COUNTY STATE TEXAS ZIP CODE

CHECK AS APPLICABLE:

- New Construction       Existing Structure       Non-Targeted Area       Targeted Area
- Mortgage Only       Mortgage w/Assistance       MCC Only       Combo

CHECK IF APPLICANT IS A VETERAN       CHECK IF CO-APPLICANT IS A VETERAN

**Important Information for Former Military Services Members.** Women and men who served in any branch of the United States Armed Forces, including Army, Navy, Marines, Coast Guard, Reserves, or National Guard, may be eligible for additional benefits and services. For more information please visit the Texas Veterans Portal at <https://veterans.portal.texas.gov/>.

**CHECK IF APPLICANT OR CO-APPLICANT IS USING THE EXCEPTION TO FIRST-TIME HOMEBUYER REQUIREMENT FOR QUALIFIED VETERANS:**  Applicant meets the requirements to qualify as a “veteran” as defined in 38 U.S.C. Section 101. Attached hereto are true and correct copies of my discharge or release papers, which demonstrate that such discharge or release was other than dishonorable. Applicant has not previously obtained a loan financed by single family mortgage revenue bonds or another MCC utilizing the exception to the first-time homebuyer requirement for Residences to Veterans under Section 143(d)(2)(D).

**Copies of Federal Tax Transcripts** for the past three (3) years for all persons who will be liable on the mortgage loan are submitted herewith or the reasons for exemption from filing are stated as follows: \_\_\_\_\_

**NOTE:** Non-purchasing spouse federal tax transcripts and income must be submitted and/or included.

**CHECK IF APPLICABLE:**  I certify that the mortgage loan closing is occurring between January 1 and February 15, and that I have not yet filed my federal income tax return for the prior year. I further certify that when I file my federal tax return for the prior year, I will neither be entitled to, nor claim, deductions for real estate taxes or interest on indebtedness with respect to my principal residence for that year.

Total Persons in Household \_\_\_\_\_

Mid Credit Score \_\_\_\_\_

**Family Income** includes the anticipated gross income of all persons expected to both live in the residence being financed and to be liable on the mortgage loan, and includes but is not limited to Annual Wages, Commissions, Bonuses, Self-Employment (Plus Depreciation), Dividends, Interest, Annuities, Pensions, Child Support, Alimony and Public Assistance:

Applicant Type	Applicant Name	Income Type	Income Amount
<b>Total Income</b>			

**NOTE:** Non-purchasing spouse federal tax transcripts and income must be submitted and/or included.

**Applicant certifies that the Persons receiving the MCC and/or benefitting from a loan under the tax-exempt mortgage option are not currently delinquent or in default with child support and/or government loans.**

The **TOTAL ACQUISITION COST** \$ \_\_\_\_\_

The above acquisition cost includes the following itemized amounts:

1. Amount paid for the residence, in cash or in kind, by Applicant to the seller (including any amount which seller is required to pay as a real estate commission or loan discount points): \$ \_\_\_\_\_
2. Amount paid for the residence, in cash or in kind, by Applicant or any person related to the Applicant or by any person for the benefit of the Applicant, to seller or any person related to seller or for seller’s benefit (other than the amount set forth above): \$ \_\_\_\_\_
3. If the residence is incomplete or unfinished the estimated cost of completing it (a written estimate of completion cost is attached): \$ \_\_\_\_\_
4. If the residence is located on leased land, the capitalized value (using a discount rate equal to the interest rate borne by the mortgage loan) of the ground rent: \$ \_\_\_\_\_
5. Land purchased separately and owned by the Applicant(s) for less than two (2) years prior to the commencement of construction of the residence. \$ \_\_\_\_\_

Apart from any normal real estate agents’ commissions, no money is being paid, no promissory note is being delivered, nor is anything else of value (including, without limitation, personal property) being exchanged or transferred to the seller of the residence or any other persons by me, or to my knowledge, by any other person in connection with the residence except as itemized with the amount of their purchase price that does not exceed their fair market value.

**TOTAL ACQUISITION COST** of the property includes all amounts paid previously or in the future, in cash or in kind by the Applicant(s) (or a related party or for the benefit of the Applicant(s)) to the seller (or a related party or for the benefit of the seller); “points” paid to the seller; if the residence is incomplete, the reasonable cost of completing the residence; the capitalized value of ground rent using the discount rate equal to the interest rate borne by the mortgage loan) (leasehold estate); additional amounts for land purchased separately and owned by the Applicant(s) less than two (2) years prior to the commencement of construction of the residence; and any other settlement and/or financing costs to the extent that such costs exceed the usual and reasonable costs that would be paid by the buyer where financing is not assisted through the issuance of an MCC or provided through the issuance of tax-exempt bonds. Acquisition cost does not include usual and reasonable settlement or financing costs; the value of services performed by the mortgagor or members of the mortgagor’s family in completing the residence; fix-up expenses such as painting, minor repairs and floor refinishing; or the cost of land which has been owned by the Applicant for at least 2 years prior to the commencement of construction of the residence.

**TYPE OF LOAN:**

I (We) acknowledge that the interest rate of my (our) mortgage loan is at a higher interest rate than I (we) might otherwise obtain if I (we) did not receive down payment and/or closing cost assistance in conjunction with this mortgage loan. I (we) have determined the interest cost associated with this mortgage loan, in light of the down payment and closing cost assistance, is in my (our) best financial interest.

**THE APPLICANT FURTHER CERTIFIES THAT:**

(a) The residence is a single-family residence (For this purpose, a single-family residence includes a two-family residence so long as (1) one unit will be occupied by the applicant and (2) the units were first occupied at least 5 years before the loan is closed.) (A residence includes stock held by a tenant-stockholder in a cooperative housing corporation. It does not include property such as an appliance, a piece of furniture, a radio, etc., which, under Texas law, is not a fixture. The term also includes any manufactured home meeting certain size requirements and that is of a kind customarily used at a fixed location.); (b) the residence does not include (1) recreational vehicles, campers and other similar vehicles or (2) land that is greater than the normal and usual lot size within the area or that is in excess of what is needed to maintain the basic livability of the residence; further, I(we) do not expect to derive any income from the land associated with the residence; (c) I(we) intend to use the residence as my (our) principal residence within a reasonable time not to exceed 60 days of loan closing, and I(we) will immediately notify the Department in writing if the residence ceases to be my(our) principal, permanent residence; (d) the residence will not be used (1) as investment property, vacation, or recreational home or (2) in conjunction with business activities (as evidenced by the use of more than fifteen percent of the total floor space in a trade or business) except for the rental of one of the units in a two family residence; further, I(we) do not intend to claim, with respect to the residence, any deductions pursuant to Section 280A of the Code for expenses incurred with respect to the business use of a home; (e) unless the residence is located in a targeted area or the Applicant is a qualified veteran, all Applicants and any co-Applicants, either individually or together, have not had a present ownership interest in a principal residence during the 3-year period prior to the date of the loan closing (a present ownership interest includes, but is not limited to, a fee simple interest; a joint, tenancy, a tenancy in common or a tenancy in the entirety; the interest of a tenant-shareholder in a cooperative, a life estate, a land contract and an interest in trust for the mortgagor; a present ownership interest does not include a remainder interest, a lease with or without an option to purchase, an expectation of inheritance, the interest acquired under a purchase contract and an interest in a residence that is not a principal residence); (f) the acquisition cost listed above does not exceed 90 percent (for residences not located in a targeted area) or 110 percent (for residences located in a targeted area) of the average area purchase price; (g) the loan will not be used to replace my(our) existing mortgage, unless such loan is a construction period loan, bridge loan or similar temporary initial financing of 24 months or less; (h) no portion of the financing of the residence is or will be provided from the proceeds of a qualified mortgage bond or a qualified veterans' mortgage bond; (i) the Department has not limited me(us) to seeking financing through any particular lender; (j) no "related person," as defined in Section 144(a)(3)(A) of the Code, has or is expected to have an interest as a creditor in the mortgage loan; (k) there are no persons who have or are expected to have a present ownership interest in the residence following closing on the loan who have not executed this Affidavit or one substantially similar to this Affidavit; and (l) I(we) do not have an application in process nor have I(we) received a commitment for a mortgage loan under any prior program of the Department (or the Texas Housing Agency).

(b) The residence will be occupied as my (our) principal residence within a reasonable time not to exceed 60 days of loan closing, will not be used as investment property, vacation, or recreational home; and I(we) will immediately notify the Servicer in writing if the residence ceases to be my(our) principal, permanent residence; (1) this is not a refinancing of an existing, previously occupied residence for which this mortgage loan is being requested and will not replace my(our) existing mortgage or land contract or a newly constructed residence has not and will not be occupied prior to loan commitment and the proceeds of the mortgage loan will not be used to replace my(our) existing mortgage, unless such loan is a construction, bridge or temporary initial financing of 24 months or less; (2) unless the residence is located in a targeted area or the mortgagor is a qualified veteran, all borrowers, spouses and any co-borrowers have submitted the most recent 3 years federal tax transcripts or reasons exempted by law to do so and individually or together have not had an ownership interest in a principal residence within 3 years of loan closing (*principal residence includes single family detached, condominium, shares in housing cooperative, occupancy in an owned multi-family housing unit, factory made housing permanently affixed to real property; ownership includes full or partial ownership interest, fee simple, joint ownership interest by joint tenancy, tenancy in common or tenancy in the entirety, the interest of a tenant-stockholder in a cooperative, a land contract under which possession and the burdens and benefits of ownership are transferred, even if legal title is until some later date, ownership interest in trust or life estate interest*); (3) there are no persons who have or are expected to have a present ownership interest in the residence following closing on the loan who have not executed this Affidavit or one substantially similar to this Affidavit; and (4) I(we) must meet all federally and locally mandated requirements to qualify for the mortgage loan.

I (we) understand this Affidavit will be relied upon for the purposes of determining my (our) eligibility and understand that any fraudulent statement will result in (i) the immediate revocation of my (our) MCC and (ii) a \$10,000 penalty under Section 6709 of the Code. I (we) further understand that any material misstatement in this Affidavit because of my (our) negligence will result in (i) the immediate revocation of my (our) MCC and (ii) a civil penalty of \$1,000. Under penalties of perjury, I (we) declare that I (we) have examined the statements and certifications contained herein, and, to the best of my(our) knowledge and belief, they are true, correct and complete. I(we) understand that perjury is a felony punishable by fine or imprisonment or both.

\_\_\_\_\_  
APPLICANT

\_\_\_\_\_  
CO-APPLICANT OR NON-PURCHASING SPOUSE

\_\_\_\_\_  
Printed Name of Applicant

\_\_\_\_\_  
Printed Name of Co-Applicant or Non-Purchasing Spouse

Sworn to and subscribed before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

PERSONALIZED SEAL

\_\_\_\_\_  
Notary Public Signature

[Signature Page to Applicant Affidavit]

**AFFIDAVIT OF SELLER**  
(Waived for REO Property)  
REVISED: 10/08/2020

I/We the undersigned, as an essential participant in an application for which a Mortgage Loan or a Mortgage Credit Certificate is being sought under one of the Texas Department of Housing and Community Affairs' homeownership programs, being first duly sworn hereby certify the following:

(a) I(we) are the Seller (or Builder) of the single-family residence (the "Residence") located at:

---

ADDRESS BEING SOLD

---

	<b>TEXAS</b>		
CITY	COUNTY	STATE	ZIP CODE

(b) I(We) certify that the total amount to be paid by the purchaser (or a related party to or for the benefit of the purchaser) to me(us), or to anyone related to me(us), or for my(our) benefit (such as payment to a real estate agent) in connection with the purchase of the Residence is \$ \_\_\_\_\_. Such amount includes the following itemized amounts: (i) amount paid for the Residence, in cash or in kind, by Applicant or any person related to the Applicant for the benefit of the Applicant to the Seller or any person related to the Seller for Seller's benefit in the amount of \$ \_\_\_\_\_, (ii) if the Residence is incomplete and the Seller will pay any amounts towards completion, the amount of \$ \_\_\_\_\_ and (iii) if the Residence is subject to a ground rent payable to the Seller, the capitalized value of the ground rent of \$ \_\_\_\_\_.

Such amount does not include (1) usual and reasonable settlement and financing costs that would be paid by the purchaser where financing is not provided through the issuance of an MCC or qualified mortgage bond issue, (2) the value of services performed by purchaser or members of the purchaser's family, (3) the cost of any land owned by the purchaser at least 2 years prior to commencement of construction on the residence, or (4) any amount paid for personal property that is not a fixture under Texas law.

(c) I(We) have not entered into any other contract or agreement with the Applicant(s), either expressed or implied, to perform additional construction on the Residence or to transfer any additional property at additional cost other than personal property contained in the Residence which are listed by item and amount and attached hereto and incorporated into this Affidavit.

**I/we understand this Affidavit will be relied upon for the purposes of determining the Applicant's eligibility and understand that any fraudulent statement will result in (i) the immediate revocation of the Applicant's MCC and (ii) a \$10,000 penalty under Section 6709 of the Code. Under penalties of perjury, I(we) declare that I(we) have examined the statements and certifications contained herein, and, to the best of my(our) knowledge and belief, they are true, correct and complete. I(we) understand that perjury is a felony punishable by fine or imprisonment or both.**

Dated	Signature of Seller or Signature of Builder Representative
	Printed Name of Seller or Builder Representative

Dated	Signature of Seller - If Seller Is Not an Individual, Type/print Name and Title and Name of Selling Entity. If Signatory Is Not the Owner, Type/print Name and Title. Attach Copy of Power of Attorney.
	Printed Name of Seller

Sworn to and subscribed before me on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

PERSONALIZED SEAL	Notary Public Signature
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**CERTIFICATE OF LENDER**  
REVISED: 10/08/2020

\_\_\_\_\_, the Lender, certifies that as of the date of closing of the mortgage loan it has (1) reviewed the foregoing affidavits of the Applicant(s) and the Seller and found the financial details contained therein (based on Lender's review of documents provided by, and the representations of the Applicant and Seller) to be true and correct; (2) has charged the Applicant(s) lender fees that are customary and reasonable and no more than what is charged by the Lender to other non-Program buyers; and (3) after completion of all underwriting, verifications and investigations, has approved the mortgage loan. **The Lender further certifies if applicable:**

**MCC ONLY:**

- The financing attached to the Applicant's MCC does not use any of the prohibited financing, such as non-TDHCA mortgages funded with a qualified mortgage bond or a qualified veterans' mortgage bond.**

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Telephone Number of Authorized Officer

\_\_\_\_\_  
Print Name & Title of Authorized Officer



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Taxable Mortgage/Tax-Exempt Mortgage/Texas Mortgage Credit Certificate (MCC)**

**COMPLIANCE FILE DELIVERY CHECKLIST**

**LOAN NUMBER:** \_\_\_\_\_ **MORTGAGOR NAME:** \_\_\_\_\_  
**LENDER:** \_\_\_\_\_  
**LENDER NUMBER if entered at reservation:** \_\_\_\_\_  
**PROGRAM:** \_\_\_\_\_

These are the required documents for this program.  
*For accuracy with the payment of the Compliance Review Fee, please visit 'PAYMENT CENTRAL' and 'FIND MY FEE' in eHP Digital Docs.*

	My Choice Texas Home Taxable Loan	My First Texas Home Tax-Exempt Bond Loan	Texas MCC Stand-Alone
___ Homebuyer Education Certificate	Y	Y	Y
___ Applicant Affidavit (Tax-Exempt Bond)	N/A	Y	Y
___ Applicant Affidavit (TBA – Taxable)	Y	N/A	N/A
___ Seller Affidavit	N/A	Y	Y
___ Certificate of Lender	N/A	Y	Y
___ Affidavit of Co-Signer (if applicable)	N/A	Y	Y
___ Taxes for Borrower(s) & Spouse – 3 years ___ IRS Transcripts or Signed 1040	N/A	Y	Y
___ Notices to Buyers	Y	Y	Y
___ Notice of Potential Recapture Tax	N/A	Y	Y
___ Real Estate Purchase Contract	Y	Y	Y
___ FINAL SIGNED 1003	Y	Y	Y
___ FINAL SIGNED CLOSING DISCLOSURE	Y	Y	Y
___ Discharge Papers (DD214) only if Veteran AND waiving first-time buyer requirement	N/A	Y	Y



## PUTTING TOGETHER A CORRECT, COMPLIANT FILE

The attached checklist includes ALL documents that are required to be delivered in the “COMPLIANCE FILE” you are submitting to eHousingPlus for review. This is an easy process if you follow the instructions and avoid common mistakes.

1. The CHECKLIST is prepopulated with the loan number of the file you are going to be working on, along with the borrower’s name, the program etc.
2. The CHECKLIST includes ALL the documents that are required, NO EXCEPTIONS.
3. The documents required are PROGRAM and LOAN specific and cannot be used for other loans.
4. The documents required include PROGRAM FORMS, downloaded and pre-populated using the eHPortal: Forms Function.
5. The balance of the documents required are standard documents such as FINAL 1003, Warranty Deed Copy, CD’s, 3 years Tax Returns AND OTHER REQUIRED FORMS THAT ARE STATED ON THE LOAN’S CHECKLIST.



### GOOD TO KNOW & COMMON ERRORS

- A FINAL document means exactly that, signed by all required.
- When TAX returns are required, it means for ALL BORROWERS AND/OR SPOUSES, FOR THE PRECEDING THREE (3) YEARS
- When putting together the Compliance File, do a quick CHECK to make sure the same loan information IS CONSISTENT across all documents. If it’s not, the file will be placed in deficient status upon receipt. COMMON ERRORS typically occur with Loan Amounts, Income, Borrower’s Correct Spelling of Names, etc.

### WHAT CAN I DO IF THE LOAN’S INFO IS NOT CONSISTENT OR INCORRECT?

If the loan has NOT closed yet:

- If the information on the eHP generated documents is not consistent with the closing documents, the information will need to be updated in the eHP system so that you can regenerate the forms prior to Closing.
- You can log into **eHPortal** and **Edit** the Loan and re-run the forms OR for certain information that is not editable, you can contact an eHP Compliance Rep who will assist you in updating the information.

If the loan HAS Closed:

- While some errors may be able to be fixed, others may require more extensive action. The loan will be at risk to be set at a deficient status.
- **Verifying required document accuracy PRIOR to closing will greatly impact the prompt approval of your loan!**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AFFIDAVIT OF COSIGNOR/GUARANTOR

There are important legal consequences to this Affidavit. Read carefully before signing.
REVISED: 10/08/2020

THE STATE OF TEXAS §
COUNTY OF \_\_\_\_\_ §

I/we the undersigned, as an obligor on a note (the "Note") made in connection with a mortgage loan (the "Mortgage Loan") being submitted by the Applicant(s) under the Department's My First Texas Home / My Choice Texas Home and/or Mortgage Credit Certificate Program ("MCC Program"):

APPLICANT LAST NAME FIRST MIDDLE

CO-APPLICANT LAST NAME FIRST MIDDLE

in the amount of \$\_\_\_\_\_ from
(the "Mortgage Lender") under the My First Texas Home / My Choice Texas Home and/or the MCC Program, hereby certify that I/we are executing the note solely for purposes of providing additional security for the Mortgage Loan.

I/We further certify that I/we have no other financial or ownership interest in the property subject to the Mortgage Loan and that I/we have no intention to and will not occupy the property subject to the Mortgage Loan as a permanent/primary residence.

The statements set forth herein are made under penalty of perjury. I/we understand that perjury is a felony punishable by fine, imprisonment or both.

Dated \_\_\_\_\_

Signature of Cosigner/Guarantor

Printed Name of Cosigner/Guarantor

Dated \_\_\_\_\_

Signature of Cosigner/Guarantor

Printed Name of Cosigner/Guarantor

Sworn to and subscribed before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

PERSONALIZED SEAL

Notary Public Signature

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**NOTICE OF POTENTIAL RECAPTURE TAX ON SALE OF HOME**

(To be delivered to Applicant at the Time of Settlement of Mortgage Loan)

REVISED: 10/08/2020

eHousingPlus  
3050 Universal Blvd. Ste 190  
Weston, FL 33331  
(954) 217-0817  
www.eHousingPlus.com

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**IMPORTANT CLOSING DOCUMENTS – DO NOT DISCARD –  
NECESSARY IF YOU SHOULD DECIDE TO SELL YOUR PROPERTY - KEEP IN SAFE PLACE  
NOTICE TO BORROWER(S) OF MAXIMUM RECAPTURE TAX AND COMPUTATION OF  
RECAPTURE TAX ON DISPOSITION OF THIS PROPERTY**

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Loan #

Dear Homeowner:

As previously disclosed to you, your mortgage may be subject to “recapture” if you sell or otherwise dispose of your house within nine years after purchase. The recapture takes the form of an increase to your federal income tax owed for the year of disposition, but only applies if you dispose of your house at a gain and your income is above a certain amount.

In accordance with the requirements of Section 143(m)(7) of the Internal Revenue Code of 1986, as amended (the “Code”), this Notice serves to inform you that the “federally-subsidized amount” with respect to your mortgage loan is \$ \_\_\_\_\_, which is 6.25% of the projected highest principal amount of your mortgage loan. Further, the adjusted qualifying income for each category of family size for each year of the 9-year period beginning on the date of closing on your mortgage loan is set forth below.

If you dispose of your house within months*:	Holding Period Percentage	Maximum Adjusted Qualifying Income (MAQI), for	
		1-2 person HH	3+ person HH
1 – 12	20%		
13 – 24	40%		
25 – 36	60%		
37 – 48	80%		
49 – 60	100%		
61 – 72	80%		
73 – 84	60%		
85 – 96	40%		
97 – 108	20%		
109 or more	No Recapture Tax		

\*from closing date of your loan

1. GENERAL - When you sell your house, you may have to pay the Recapture Tax as calculated herein.  
  
Recapture Tax may also apply if you dispose of the property in some other way, such as giving the property to a relative. Whenever "sale" is used in this notice, it also applies to other ways of disposing your house.
2. EXCEPTIONS - In the following scenarios, no Recapture tax would be due:
  - (a) You dispose of your house more than nine (9) years after you close your mortgage loan;
  - (b) Your house is disposed of as a result of your death;
  - (c) You transfer your house, either to your spouse or former spouse due to divorce, and you have no gain or loss reflected in your income (under Section 1041 of the Internal Revenue Code);
  - (d) You dispose of your house at a loss.
3. MAXIMUM RECAPTURE TAX - The maximum Recapture Tax that you may be required to pay as an addition to your Federal Income Tax is equal to the "federally-subsidized amount" of \$ \_\_\_\_\_ set forth above.
4. ACTUAL RECAPTURE TAX - The actual Recapture Tax, if any, can only be determined when you sell your house, and will be the LESSER of:
  - (a) 50% of the gain on the sale, regardless of whether it is included in your income for Federal Income Tax purposes, or
  - (b) Your Recapture Tax amount, which is calculated by multiplying the following three (3) amounts:
    - \* Maximum Recapture Tax Amount (Explained in Paragraph 3),
    - \* Holding Period Percentage (Detailed in Page 1 Table - Column 1), and
    - \* Income Percentage (Described in Item 5 below)
5. INCOME PERCENTAGE - Calculate as follows...
  - (a) Subtract the Maximum Adjusted Qualifying Income (MAQI) (see table on page 1) for the taxable year in which you sell your house, from your Modified Adjusted Income (MAI) for the same taxable year. MAI is the Adjusted Gross Income shown on your IRS tax return with the following two adjustments:
    1. PLUS any interest received or accrued in the taxable year from tax-exempt bonds that may have been excluded from your gross income, under Section 103 of the IRS Code; and
    2. MINUS the amount of gain on the sale or disposition of the property that was included in your gross income for that taxable year.

MAI - MAQI = DIFFERENCE

(b) DIFFERENCE AMOUNT	INCOME PERCENTAGE
0 or Less	-0-
\$5,000 or More	100%
More than 0 but less than \$5,000	Difference/\$5,000 (Example: \$1,000/\$5,000 = 20%)

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6. LIMITATIONS AND SPECIAL RULES ON RECAPTURE TAX - Additional provisions and rules apply in specific circumstances, such as the destruction of the property, disposition by gift, sale upon early prepayment and others.

The determination of whether you are subject to any Recapture Tax can only be made at the time of sale of your property. You may wish to consult a tax advisor and/or Internal Revenue Service office for more details in your particular case. General Information on Recapture Tax can be found in Section 143(m) of the Code, or by logging on to [www.irs.gov](http://www.irs.gov). You may also request Form 8828 and the respective instructions for said form for a better understanding on how Recapture Tax can impact you.

Sincerely,  
eHousingPlus

**FOR YOUR REFERENCE:**

Your Loan Servicer:

Originating Lender:

Loan #

Loan Amount:

Term in months:

Issuer:

Program:

Property Address:

Closing Date:

County:

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM  
REFINANCING OF MCC LOAN APPLICATION  
(REQUEST FOR NEW MCC)**

Borrower(s): \_\_\_\_\_

Borrower Telephone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Residence Address: \_\_\_\_\_

TDHCA MCC Number: \_\_\_\_\_

Balance Owing an Original Loan: \$ \_\_\_\_\_

New Loan Amount: \$ \_\_\_\_\_

Original Loan Amount: \$ \_\_\_\_\_

Refinanced Loan Maturity: \_\_\_\_\_

Closing Date of Refinancing: \_\_\_\_\_

Lender: \_\_\_\_\_

Lender Loan Reference: \_\_\_\_\_

Attachments: Original Mortgage Credit Certificate (keep a copy for your files).

Copy of closing statement

MCC Reissuance Fee payable to TDHCA – \$50

Lender Certificate for Refinanced Mortgage Loan (Tab 6B) –  
*completed by lender refinancing the mortgage loan*

The undersigned borrower (whether one or more), being the owner(s) of the above residence of (the “Residence”), and the holder of a Mortgage Credit Certificate (the “MCC”) issued in connection with the Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program, does hereby depose and say, under penalty of perjury and the civil penalties outlined herein, that each of the following statements are, correct and complete in all respects:

1. Property. The refinanced loan pertains to the same property to which the original MCC related, which is the Residence described above.

2. Replacement of Entire MCC. The new MCC replaces the original MCC in its entirety. No portion of the original MCC is being retained with respect to any portion of the outstanding balance of the original loan amount specified on the original MCC.

3. Loan Amount. The refinanced loan amount does not exceed the outstanding balance of the original mortgage loan as of the date of the refinancing.

4. MCC Rate. The new MCC will be at the same credit rate as the original MCC.

5. No Increase in Tax Credit Amounts. The undersigned acknowledges that in the event the maturity of the refinanced loan is a date later than the maturity of the original loan, the new MCC will expire as of the original maturity date so that there shall be no increase in the tax credit amounts under the new MCC for any tax year over the amounts which would have been available under the original MCC.

6. Date of Refinancing. The date of the refinancing stated above is the true and correct date the refinancing documents were executed.

7. Reaffirmation of the Original Obligations. The undersigned further reaffirms all of the representations, obligations and agreements covered under the documents signed in connection with obtaining the original MCC and acknowledges that all such obligations and agreements shall continue in full force and effect in connection with the new MCC.

8. Revocation of Mortgage Credit Certificate. The undersigned understands that if any of the statements set forth herein are not true, correct, and complete in all respects, or if federal law or regulations disqualify further participation in the MCC Program, the MCC may be immediately revoked.

9. Penalty. The statements set forth herein are made under penalty of perjury and the following civil penalties. Any material misstatement in any affidavit or certification made in connection with application for or issuance of an MCC due to my negligence shall result in a civil penalty fee payable to the Department of \$1,000, and any such material misstatement due to my fraud shall result in a civil penalty fee payable to the Department of \$10,000 I understand that perjury is a felony offense punishable by fine or imprisonment, or both.

Signature(s) of Borrower:

\_\_\_\_\_  
\_\_\_\_\_

SUBSCRIBED and SWORN to before me this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

ATTACH THE ORIGINAL MCC CERTIFICATE, LENDER CERTIFICATE FOR REFINANCED MORTGAGE LOAN (TAB 6B), AND A COPY OF YOUR CLOSING STATEMENT TO THIS FORM AND MAIL TO:

Texas Department of Housing and Community Affairs  
P.O. Box 13941  
Austin, Texas 78711-3941  
Attention: Erick Soriano

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM**

**LENDER CERTIFICATE FOR REFINANCED MORTGAGE LOAN  
(NON-PARTICIPATING LENDER)**

As the mortgage lender originating the refinanced mortgage loan referenced in the "Refinancing of MCC Loan Application," I acknowledge that I am required to file an IRS Form 8329 with the Internal Revenue Service for the reissued Mortgage Credit Certificate (MCC) associated with such refinanced mortgage loan and hereby agree to file Form 8329 with the Internal Revenue Service to update IRS information concerning the reissuance of the related MCC. The Department will forward the 8329 following reissuance of the MCC.

**For our company, Form 8329 should be forwarded to:**

**Company Name** \_\_\_\_\_

**Contact Person** \_\_\_\_\_

**Email** \_\_\_\_\_ **Phone** \_\_\_\_\_

\_\_\_\_\_  
**(Authorized Officer Signature)**

**Printed Name of Authorized Officer** \_\_\_\_\_

**Email** \_\_\_\_\_ **Phone** \_\_\_\_\_



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM**

**SUPPLEMENTAL INSTRUCTIONS FOR COMPLETING IRS FORM W-4**

The MCC tax credit is very similar to the credit which may be taken for child or dependent care expenses which ranges from 20% to 30% depending upon income. Although a separate line on the W-4 form is not provided for the MCC credit, you may use line F for this purpose.

If you anticipate at least \$1,500 of MCC mortgage interest during the year, you may enter "1" on line F. If you anticipate paying more than \$3,000 in mortgage interest during the year, you may enter "2" on line F. If you additionally have child or dependent care expenses that would entitle you to a tax credit, the number should be adjusted accordingly.

The following example shows how you might calculate the amount of mortgage interest you will pay during the year:

Mortgage balance at beginning of year:	\$170,000
Interest rate on mortgage loan:	3.50%
Estimated annual interest paid:	\$5,950

The actual amount of interest paid will be somewhat less, because with each monthly payment, your mortgage balance decreases.

If you have more than one wage earner in your family (e.g., both spouses are employed), be careful not to claim too many allowances by putting the maximum number on both workers' W-4 forms. Dual income families normally need to reduce the number of allowances taken to avoid having to pay penalties when their annual tax return is filed.

If you wish to calculate the additional amount of mortgage interest you might be able to take as an itemized deduction, follow the instructions on the back of the W-4 Form. On line 1, be sure to subtract an amount equal to the credit amount of your certificate from the total amount of mortgage interest which you have calculated for deduction purposes. (Federal law requires subtracting an amount equal to the MCC tax credit claimed from the amount of the home mortgage interest to be deducted.)

This IRS Form W-4 is to be filed with the payroll clerk where you work. You do not send the W-4 form to the Internal Revenue Service or to TDHCA. If you have any questions concerning completion of the form, your payroll clerk should be able to assist you. For additional information regarding how to calculate withholdings, please visit the following link: <https://www.irs.gov/individuals/irs-withholding-calculator>.

Failure to revise your IRS Form W-4 to reflect the MCC tax credit will have no effect on your ability to claim the deduction with your annual tax return. When you file your annual IRS form 1040, you will need to claim the MCC tax credit in the space provided. You will also need to complete IRS 8396 and file it with your tax return.

**These instructions are for your information only. Texas Department of Housing and Community Affairs and its officers and agents do not intend to render any income tax advice in connection with this MCC program. All MCC holders or applicants should consult with the Internal Revenue Service or their personal income tax advisers concerning the appropriate level of withholding allowance given their personal tax situations.**

# Form W-4 (2019)

**Future developments.** For the latest information about any future developments related to Form W-4, such as legislation enacted after it was published, go to [www.irs.gov/FormW4](http://www.irs.gov/FormW4).

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** You may claim exemption from withholding for 2019 if **both** of the following apply.

- For 2018 you had a right to a refund of **all** federal income tax withheld because you had **no** tax liability, **and**
- For 2019 you expect a refund of **all** federal income tax withheld because you expect to have **no** tax liability.

If you're exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2019 expires February 17, 2020. See Pub. 505, Tax Withholding and Estimated Tax, to learn more about whether you qualify for exemption from withholding.

## General Instructions

If you aren't exempt, follow the rest of these instructions to determine the number of withholding allowances you should claim for withholding for 2019 and any additional amount of tax to have withheld. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

You can also use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately. Consider

using this calculator if you have a more complicated tax situation, such as if you have a working spouse, more than one job, or a large amount of nonwage income not subject to withholding outside of your job. After your Form W-4 takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2019. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

**Filers with multiple jobs or working spouses.** If you have more than one job at a time, or if you're married filing jointly and your spouse is also working, read all of the instructions including the instructions for the Two-Earners/Multiple Jobs Worksheet before beginning.

**Nonwage income.** If you have a large amount of nonwage income not subject to withholding, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 3 or the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your paycheck. If you have pension or annuity income, see Pub. 505 or use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to find out if you should adjust your withholding on Form W-4 or W-4P.

**Nonresident alien.** If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

## Specific Instructions

### Personal Allowances Worksheet

Complete this worksheet on page 3 first to determine the number of withholding allowances to claim.

**Line C. Head of household please note:** Generally, you may claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

**Line E. Child tax credit.** When you file your tax return, you may be eligible to claim a child tax credit for each of your eligible children. To qualify, the child must be under age 17 as of December 31, must be your dependent who lives with you for more than half the year, and must have a valid social security number. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your wages and other income, including income earned by a spouse if you are filing a joint return.

**Line F. Credit for other dependents.** When you file your tax return, you may be eligible to claim a credit for other dependents for whom a child tax credit can't be claimed, such as a qualifying child who doesn't meet the age or social security number requirement for the child tax credit, or a qualifying relative. To learn more about this credit, see Pub. 972. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total

Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records.

<b>Form W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b> ▶ Whether you're entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		OMB No. 1545-0074 <b>2019</b>
1 Your first name and middle initial _____ Last name _____ Home address (number and street or rural route) _____ City or town, state, and ZIP code _____		2 Your social security number _____ 3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note: If married filing separately, check "Married, but withhold at higher Single rate." 4 If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. ▶ <input type="checkbox"/>		
5 Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . .		5 _____		
6 Additional amount, if any, you want withheld from each paycheck . . . . .		6 \$ _____		
7 I claim exemption from withholding for 2019, and I certify that I meet <b>both</b> of the following conditions for exemption. • Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . ▶		7 _____		
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (This form is not valid unless you sign it.) ▶		Date ▶		
8 Employer's name and address (Employer: Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.)		9 First date of employment	10 Employer identification number (EIN)	

For Privacy Act and Paperwork Reduction Act Notice, see page 4.

Cat. No. 10220Q

Form **W-4** (2019)

income includes all of your wages and other income, including income earned by a spouse if you are filing a joint return.

**Line G. Other credits.** You may be able to reduce the tax withheld from your paycheck if you expect to claim other tax credits, such as tax credits for education (see Pub. 970). If you do so, your paycheck will be larger, but the amount of any refund that you receive when you file your tax return will be smaller. Follow the instructions for Worksheet 1-6 in Pub. 505 if you want to reduce your withholding to take these credits into account. Enter “-0-” on lines E and F if you use Worksheet 1-6.

### Deductions, Adjustments, and Additional Income Worksheet

Complete this worksheet to determine if you’re able to reduce the tax withheld from your paycheck to account for your itemized deductions and other adjustments to income, such as IRA contributions. If you do so, your refund at the end of the year will be smaller, but your paycheck will be larger. You’re not required to complete this worksheet or reduce your withholding if you don’t wish to do so.

You can also use this worksheet to figure out how much to increase the tax withheld from your paycheck if you have a large amount of nonwage income not subject to withholding, such as interest or dividends.

Another option is to take these items into account and make your withholding more accurate by using the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App). If you use the calculator, you don’t need to complete any of the worksheets for Form W-4.

### Two-Earners/Multiple Jobs Worksheet

Complete this worksheet if you have more than one job at a time or are married filing jointly and have a working spouse. If you

don’t complete this worksheet, you might have too little tax withheld. If so, you will owe tax when you file your tax return and might be subject to a penalty.

Figure the total number of allowances you’re entitled to claim and any additional amount of tax to withhold on all jobs using worksheets from only one Form W-4. Claim all allowances on the W-4 that you or your spouse file for the highest paying job in your family and claim zero allowances on Forms W-4 filed for all other jobs. For example, if you earn \$60,000 per year and your spouse earns \$20,000, you should complete the worksheets to determine what to enter on lines 5 and 6 of your Form W-4, and your spouse should enter zero (“-0-”) on lines 5 and 6 of his or her Form W-4. See Pub. 505 for details.

Another option is to use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make your withholding more accurate.

**Tip:** If you have a working spouse and your incomes are similar, you can check the “Married, but withhold at higher Single rate” box instead of using this worksheet. If you choose this option, then each spouse should fill out the Personal Allowances Worksheet and check the “Married, but withhold at higher Single rate” box on Form W-4, but only one spouse should claim any allowances for credits or fill out the Deductions, Adjustments, and Additional Income Worksheet.

### Instructions for Employer

**Employees, do not complete box 8, 9, or 10. Your employer will complete these boxes if necessary.**

**New hire reporting.** Employers are required by law to report new employees to a designated State Directory of New Hires. Employers may use Form W-4, boxes 8, 9,

and 10 to comply with the new hire reporting requirement for a newly hired employee. A newly hired employee is an employee who hasn’t previously been employed by the employer, or who was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days. Employers should contact the appropriate State Directory of New Hires to find out how to submit a copy of the completed Form W-4. For information and links to each designated State Directory of New Hires (including for U.S. territories), go to [www.acf.hhs.gov/css/employers](http://www.acf.hhs.gov/css/employers).

If an employer is sending a copy of Form W-4 to a designated State Directory of New Hires to comply with the new hire reporting requirement for a newly hired employee, complete boxes 8, 9, and 10 as follows.

**Box 8.** Enter the employer’s name and address. If the employer is sending a copy of this form to a State Directory of New Hires, enter the address where child support agencies should send income withholding orders.

**Box 9.** If the employer is sending a copy of this form to a State Directory of New Hires, enter the employee’s first date of employment, which is the date services for payment were first performed by the employee. If the employer rehired the employee after the employee had been separated from the employer’s service for at least 60 days, enter the rehire date.

**Box 10.** Enter the employer’s employer identification number (EIN).



**Personal Allowances Worksheet (Keep for your records.)**

<b>A</b>	Enter "1" for yourself . . . . .	<b>A</b>	<input type="text"/>
<b>B</b>	Enter "1" if you will file as married filing jointly . . . . .	<b>B</b>	<input type="text"/>
<b>C</b>	Enter "1" if you will file as head of household . . . . .	<b>C</b>	<input type="text"/>
<b>D</b>	Enter "1" if: <ul style="list-style-type: none"> <li>• You're single, or married filing separately, and have only one job; or</li> <li>• You're married filing jointly, have only one job, and your spouse doesn't work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul>	<b>D</b>	<input type="text"/>
<b>E</b>	<b>Child tax credit.</b> See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "4" for each eligible child.</li> <li>• If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "2" for each eligible child.</li> <li>• If your total income will be from \$179,051 to \$200,000 (\$345,851 to \$400,000 if married filing jointly), enter "1" for each eligible child.</li> <li>• If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-"</li> </ul>	<b>E</b>	<input type="text"/>
<b>F</b>	<b>Credit for other dependents.</b> See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "1" for each eligible dependent.</li> <li>• If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents).</li> <li>• If your total income will be higher than \$179,050 (\$345,850 if married filing jointly), enter "-0-"</li> </ul>	<b>F</b>	<input type="text"/>
<b>G</b>	<b>Other credits.</b> If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here. If you use Worksheet 1-6, enter "-0-" on lines E and F . . . . .	<b>G</b>	<input type="text"/>
<b>H</b>	Add lines A through G and enter the total here . . . . .	<b>H</b>	<input type="text"/>

For accuracy, complete all worksheets that apply.

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, or if you have a large amount of nonwage income not subject to withholding and want to increase your withholding, see the **Deductions, Adjustments, and Additional Income Worksheet** below.
- If you have **more than one job at a time** or are **married filing jointly and you and your spouse both work**, and the combined earnings from all jobs exceed \$53,000 (\$24,450 if married filing jointly), see the **Two-Earners/Multiple Jobs Worksheet** on page 4 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 above.

**Deductions, Adjustments, and Additional Income Worksheet**

**Note:** Use this worksheet only if you plan to itemize deductions, claim certain adjustments to income, or have a large amount of nonwage income not subject to withholding.

<b>1</b>	Enter an estimate of your 2019 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 10% of your income. See Pub. 505 for details . . . . .	<b>1</b>	\$ <input type="text"/>
<b>2</b>	Enter: <ul style="list-style-type: none"> <li>\$24,400 if you're married filing jointly or qualifying widow(er)</li> <li>\$18,350 if you're head of household</li> <li>\$12,200 if you're single or married filing separately</li> </ul>	<b>2</b>	\$ <input type="text"/>
<b>3</b>	<b>Subtract</b> line 2 from line 1. If zero or less, enter "-0-"	<b>3</b>	\$ <input type="text"/>
<b>4</b>	Enter an estimate of your 2019 adjustments to income, qualified business income deduction, and any additional standard deduction for age or blindness (see Pub. 505 for information about these items) . . . . .	<b>4</b>	\$ <input type="text"/>
<b>5</b>	<b>Add</b> lines 3 and 4 and enter the total . . . . .	<b>5</b>	\$ <input type="text"/>
<b>6</b>	Enter an estimate of your 2019 nonwage income not subject to withholding (such as dividends or interest) . . . . .	<b>6</b>	\$ <input type="text"/>
<b>7</b>	<b>Subtract</b> line 6 from line 5. If zero, enter "-0-". If less than zero, enter the amount in parentheses . . . . .	<b>7</b>	\$ <input type="text"/>
<b>8</b>	<b>Divide</b> the amount on line 7 by \$4,200 and enter the result here. If a negative amount, enter in parentheses. Drop any fraction . . . . .	<b>8</b>	<input type="text"/>
<b>9</b>	Enter the number from the <b>Personal Allowances Worksheet</b> , line H, above . . . . .	<b>9</b>	<input type="text"/>
<b>10</b>	<b>Add</b> lines 8 and 9 and enter the total here. If zero or less, enter "-0-". If you plan to use the <b>Two-Earners/Multiple Jobs Worksheet</b> , also enter this total on line 1 of that worksheet on page 4. Otherwise, <b>stop here</b> and enter this total on Form W-4, line 5, page 1 . . . . .	<b>10</b>	<input type="text"/>

**Two-Earners/Multiple Jobs Worksheet**

**Note:** Use this worksheet *only* if the instructions under line H from the **Personal Allowances Worksheet** direct you here.

- 1 Enter the number from the **Personal Allowances Worksheet**, line H, page 3 (or, if you used the **Deductions, Adjustments, and Additional Income Worksheet** on page 3, the number from line 10 of that worksheet) 1
  - 2 Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here. **However**, if you're married filing jointly and wages from the highest paying job are \$75,000 or less and the combined wages for you and your spouse are \$107,000 or less, don't enter more than "3" 2
  - 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet. 3
- Note:** If line 1 is **less than** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.
- 4 Enter the number from line 2 of this worksheet 4
  - 5 Enter the number from line 1 of this worksheet 5
  - 6 Subtract line 5 from line 4 6
  - 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here 7 \$
  - 8 Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed 8 \$
  - 9 Divide line 8 by the number of pay periods remaining in 2019. For example, divide by 18 if you're paid every 2 weeks and you complete this form on a date in late April when there are 18 pay periods remaining in 2019. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck 9 \$

Table 1				Table 2			
Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above
\$0 - \$5,000	0	\$0 - \$7,000	0	\$0 - \$24,900	\$420	\$0 - \$7,200	\$420
5,001 - 9,500	1	7,001 - 13,000	1	24,901 - 84,450	500	7,201 - 36,975	500
9,501 - 19,500	2	13,001 - 27,500	2	84,451 - 173,900	910	36,976 - 81,700	910
19,501 - 35,000	3	27,501 - 32,000	3	173,901 - 326,950	1,000	81,701 - 158,225	1,000
35,001 - 40,000	4	32,001 - 40,000	4	326,951 - 413,700	1,330	158,226 - 201,600	1,330
40,001 - 46,000	5	40,001 - 60,000	5	413,701 - 617,850	1,450	201,601 - 507,800	1,450
46,001 - 55,000	6	60,001 - 75,000	6	617,851 and over	1,540	507,801 and over	1,540
55,001 - 60,000	7	75,001 - 85,000	7				
60,001 - 70,000	8	85,001 - 95,000	8				
70,001 - 75,000	9	95,001 - 100,000	9				
75,001 - 85,000	10	100,001 - 110,000	10				
85,001 - 95,000	11	110,001 - 115,000	11				
95,001 - 125,000	12	115,001 - 125,000	12				
125,001 - 155,000	13	125,001 - 135,000	13				
155,001 - 165,000	14	135,001 - 145,000	14				
165,001 - 175,000	15	145,001 - 160,000	15				
175,001 - 180,000	16	160,001 - 180,000	16				
180,001 - 195,000	17	180,001 and over	17				
195,001 - 205,000	18						
205,001 and over	19						

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to

cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You aren't required to provide the information requested on a form that's subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating

to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE PROGRAM

NOTICE OF CANCELLATION

Lender: \_\_\_\_\_

Applicant: \_\_\_\_\_ TDH#: \_\_\_\_\_

Subject Property Address: \_\_\_\_\_  
\_\_\_\_\_

TDHCA has received an MCC Compliance file on \_\_\_\_\_

Number of e-mails to Lender regarding outstanding deficiency \_\_\_\_\_

Date Notice sent to Lender \_\_\_\_\_

MCC Underwriter Certification?  Yes  No

In compliance with the Mortgage Credit Certificate Program, after several requests to address the outstanding deficiencies for the above MCC loan, this notice of cancellation is effective as of the date below. If these deficiencies are not remedied by the date below, TDHCA will not reinstate this loan and the issuance fee will be refunded back to your company.

**Reason(s) for Cancellation:**

- \_\_\_\_\_ Borrower is married – which means the NPS should have signed the Notice to Buyer; Applicant Affidavit
- \_\_\_\_\_ Affidavit of Seller – Not included with file
- \_\_\_\_\_ 3 years tax transcripts and/or signed tax returns were not included with the file 1003 reflects borrower married. (Hence NPS signature on Applicant Affidavit and Notice to Buyers)
- \_\_\_\_\_ 1003 and HUD-1 / Closing Disclosure were not included
- \_\_\_\_\_ Homebuyer Education Certificate of Completion
- \_\_\_\_\_ NPS needs to be added to eHousing system
- \_\_\_\_\_ Other

**Effective Date of Cancellation:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

# EXHIBIT B

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM

### PROGRAM SUMMARY

#### *MCC Authority*

- On November 12, 2020, TDHCA will make \$800,000,000 of MCC Authority available. The first date that MCCs can be issued under the Program is expected to be November 12, 2020. The funds will be available under the Program to participating Lenders on a controlled, first-come, first-served basis in accordance with the procedures hereinafter described. The Department will notify Lenders of various terms related to the Program and the MCCs through the periodic distribution of Lender Commitment Lot Notices by eHousingPlus, which has been designated as the Program Administrator. The Lender Commitment Lot Notice will notify Mortgage Lenders that funds are available, specify the amount of funds available (the “Commitment Lot”), specify the mortgage credit certificate rate(s) in effect for that Commitment Lot, and specify the fees applicable to the Commitment Lot.

#### *Qualified Homebuyer*

- Must be a First-Time Homebuyer (Applicant cannot have owned a home as a Principal Residence within the previous three years, except (i) in certain targeted areas, (ii) if the applicant is a qualified veteran who has not previously received financing pursuant to this exception, or (iii) in certain cases permitted under applicable provisions of the Internal Revenue Code).
- Must intend to occupy the Residence as the principal and permanent place of Residence within a reasonable time not to exceed 60 days after the Closing Date of the Mortgage Loan.
- Must meet the income guidelines of the Program.
- Must complete an approved pre-purchase homebuyer education course under the Program.

#### *Eligible Loan Area*

- State of Texas

#### *Eligible Property Types*

- New or existing single family residences, including certain duplexes
- New or existing condominiums or townhomes
- Certain manufactured housing permanently affixed to the ground

### *Program Fees and Expenses*

- Program fees will be specified in the periodic distribution of Lender Commitment Lot Notices

### *Maximum Income and Maximum Home Purchase Price Limits*

- SEE EXHIBIT A

### *Mortgage Loan Types*

- Prevailing market rate mortgages; may be a conventional (currently suspended), FHA, VA or USDA-RHS fixed rate loan; variable rate loans are not permitted (cannot be part of a tax-exempt bond program or a veterans' tax-exempt bond program).
- Term of the loan will be either 15 years or 30 years.

### *Refinancings*

- An MCC may be reissued under certain circumstances to the holder of an MCC issued under this program if the underlying mortgage is refinanced.
- The refinanced loan amount cannot exceed the outstanding balance of the original mortgage loan as of the date of the refinancing.



EXHIBIT A

TDHCA My FIRST Texas Home / My CHOICE Texas Home / Texas Mortgage Credit Certificate Program (MCC)

Combined Income and Purchase Price Limits Table

(Including Income Limit Adjustments for High Housing Cost Areas)

My FIRST Texas Home and Texas MCC considers the income of all person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse).

My CHOICE Texas Home considers the standard lender income calculation (1003/credit qualifying income).

See Rate Notice and Available Options for current rates and eligibility requirements - <https://www.tdhca.state.tx.us/homeownership/fthb/docs/Rate-Notice.pdf>

Effective May 18, 2020

Area of State	Counties in Area	NON-TARGETED AREAS			* TARGETED AREAS		
		100% AMFI 1 or 2 Persons	115% AMFI 3 or more Persons	1-UNIT** Non-Targeted Area Purchase Price Limit	Govt Loan and Stand-Alone MCC		1 UNIT ** Targeted Area Purchase Price Limit
					120% AMFI 1 or 2 Persons	140% AMFI 3 or more Persons	
Balance of State	All other counties not mentioned below	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Amarillo, HMFA	Armstrong, Carson, Potter, Randall	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Andrews County	Andrews	\$84,200	\$96,830	\$294,600	No Targeted Census Tracts in County		
Austin County, HMFA	Austin	\$81,800	\$94,070	\$294,600	No Targeted Census Tracts in County		
Austin-Round Rock, MSA	Bastrop, Caldwell, Hays*, Travis* & Williamson	\$97,600	\$112,240	\$359,460	\$117,120	\$136,640	\$439,340
Blanco County	Blanco	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Borden County	Borden	\$88,400	\$101,660	\$294,600	No Targeted Census Tracts in County		
Brazoria County, HMFA	Brazoria	\$101,600	\$116,840	\$294,600	No Targeted Census Tracts in County		
Cooke County	Cooke	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Crane County	Crane	\$79,900	\$91,885	\$294,600	No Targeted Census Tracts in County		
Dallas, HMFA	Collin*, Dallas*, Denton*, Ellis*, Hunt*, Kaufman* & Rockwall	\$86,200	\$99,130	\$359,460	\$103,440	\$120,680	\$439,340
Fort Worth - Arlington, HMFA	Johnson*, Parker & Tarrant*	\$85,363	\$98,168	\$359,460	\$102,436	\$119,508	\$439,340
Gillespie County	Gillespie	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Glasscock County	Glasscock	\$97,600	\$112,240	\$294,600	No Targeted Census Tracts in County		
Hartley County	Hartley	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Hemphill County	Hemphill	\$77,000	\$88,550	\$294,600	No Targeted Census Tracts in County		
Hood County, HMFA	Hood	\$76,700	\$88,205	\$294,600	No Targeted Census Tracts in County		
Houston-The Woodlands-Sugar Land, HMFA	Chambers, Fort Bend*, Galveston, Harris*, Liberty, Montgomery* & Waller	\$78,800	\$90,620	\$294,600	\$94,560	\$110,320	\$360,067
Jackson County	Jackson	\$75,300	\$86,595	\$294,600	No Targeted Census Tracts in County		
Kendall County, HMFA	Kendall	\$100,800	\$115,920	\$349,247	No Targeted Census Tracts in County		
King County	King	\$86,900	\$99,935	\$294,600	No Targeted Census Tracts in County		
Lipscomb County	Lipscomb	\$77,000	\$88,550	\$294,600	No Targeted Census Tracts in County		
Loving County	Loving	\$88,100	\$101,315	\$294,600	No Targeted Census Tracts in County		
Martin County, HMFA	Martin	\$74,500	\$85,675	\$303,293	No Targeted Census Tracts in County		
Medina County, HMFA	Medina	\$83,875	\$96,456	\$349,247	No Targeted Census Tracts in County		
Midland, HMFA	Midland*	\$90,700	\$104,305	\$303,293	\$108,840	\$126,980	\$370,692
Odessa MSA	Ector*	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Oldham County, HMFA	Oldham	\$75,600	\$86,940	\$294,600	No Targeted Census Tracts in County		
Pecos County	Pecos	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Reagan County	Reagan	\$79,700	\$91,655	\$294,600	No Targeted Census Tracts in County		
Roberts County	Roberts	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
San Antonio-New Braunfels, MSA	Atascosa*, Bandera, Bexar*, Comal, Guadalupe* & Wilson	\$83,875	\$96,456	\$349,247	\$100,650	\$117,425	\$426,858
Schleicher County	Schleicher	\$76,600	\$88,090	\$294,600	No Targeted Census Tracts in County		
Sherman-Denison, MSA	Grayson	\$74,500	\$85,675	\$294,600	\$89,400	\$104,300	\$360,067
Somervell County, HMFA	Somervell	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Stonewall County	Stonewall	\$74,500	\$85,675	\$294,600	No Targeted Census Tracts in County		
Ward County	Ward	\$74,700	\$85,905	\$294,600	No Targeted Census Tracts in County		
Wise County, HMFA	Wise	\$86,763	\$99,778	\$359,460	No Targeted Census Tracts in County		

\* Property must be located in a qualified targeted census tract to use the Targeted Area Limits.

"AMEI" - Area Median Family Income; "MSA" - Metropolitan Statistical Area; "HMFA" - HUD Metro FMR Area

Down Payment Assistance Available to ALL Income Categories - \*Targeted Areas are areas of severe economic distress.

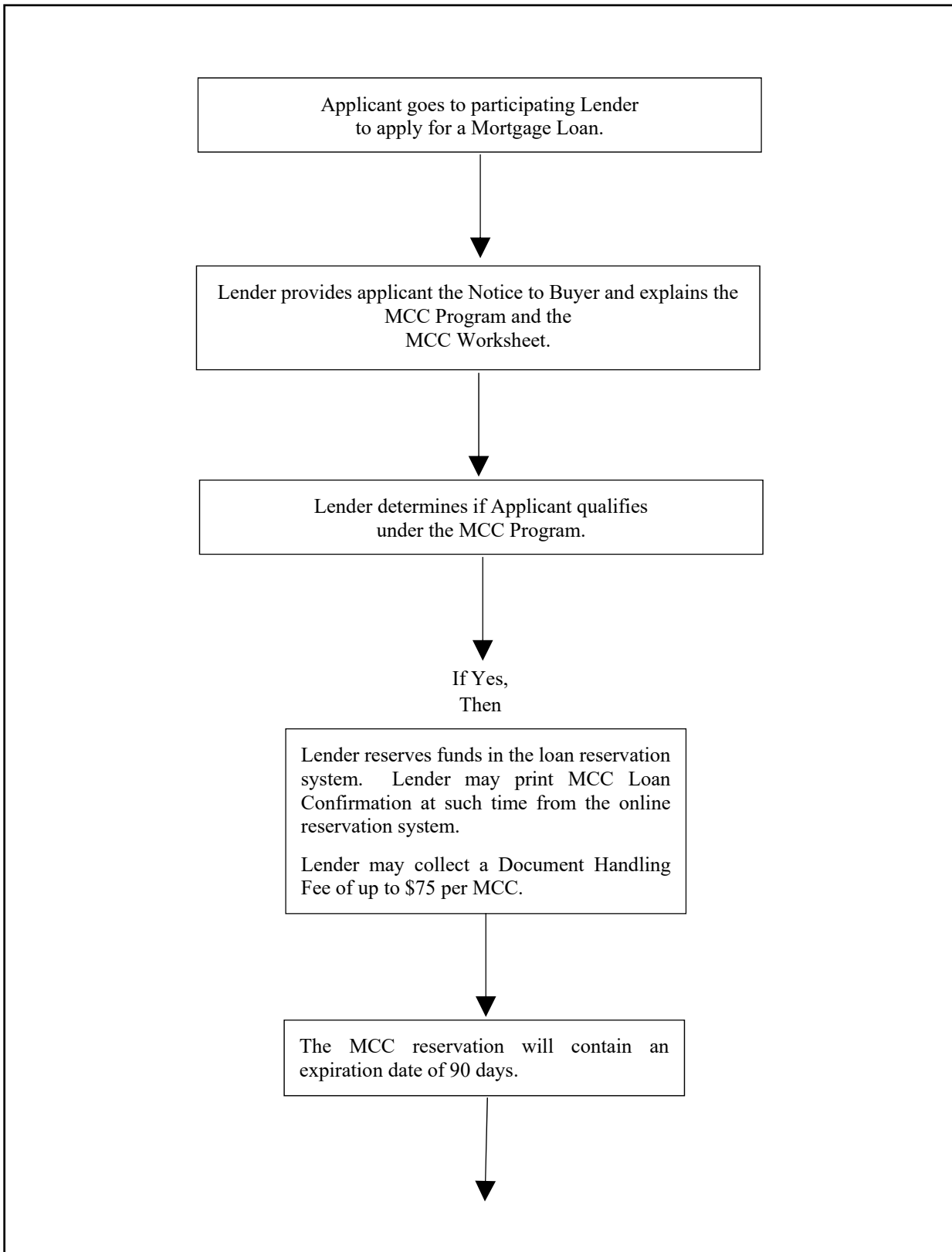
Fannie Mae Limits for counties not shown above - See Page 2

\*\* 2 UNIT Purchase Price Limits can be found at: <http://www.tdhca.state.tx.us/homeownership/fthb/docs/2-Unit-PurchasePriceLimits.pdf>

For additional information please visit our website at [www.MyFirstTexasHome.com](http://www.MyFirstTexasHome.com)

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM**

**MCC ISSUANCE PROCEDURES**



Lender proceeds with normal underwriting procedures. Once the loan is approved and the underwriter confirms the applicant is eligible for the MCC Program, the underwriter completes the online underwriter certification.

Lender closes the Mortgage Loan and provides the applicant with a copy of the MCC Loan Confirmation and submits the Compliance File to the Department or its designee within 30 days following the closing date of the Mortgage Loan. Compliance File:

- (1) Compliance File Checklist;
- (2) Applicant Affidavit, Affidavit of Seller and Certificate of Lender;
- (3) HUD-1 settlement statement;
- (4) Notice of Potential Recapture Tax on Sale of Home;
- (5) MCC Issuance Fee, generated and auto-populated by online reservation system (check or money order or electronic wire);
- (6) Certificate of completion of an approved pre-purchase homebuyer education course;
- (7) Copy of the qualified veteran's discharge papers, if applicable;
- (8) Copy of federal Tax Transcript (obtained by IRS Form 4506-T) for preceding calendar year, if required;
- (9) Copy of real estate purchase contract, if required;
- (10) Copy of final executed loan application (1003), if required; and
- (11) Copy of warranty deed, if required.

Department or its designee reviews the Compliance File for compliance with the MCC Program and issues the MCC. The MCC is mailed to the Mortgagor by regular mail with a copy emailed to the Lender.

If the documentation is incomplete or incorrect, the Compliance File must be resubmitted — Please refer to the Program Manual.

Lender must also file the IRS Form 8329 annually for all loans originated during the calendar year where the Mortgagor obtained an MCC and for reissued MCCs. The Department will provide information to the Lender to complete IRS Form 8329. The Department will provide IRS Form 8329 to a non-participating lender who originates a refinanced mortgage loan for which a reissued MCC is issued.

1k

**BOARD ACTION REQUEST**  
**BOND FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action on Resolution No. 21-006 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds and containing other provisions relating to the subject

**RECOMMENDED ACTION**

Adopt attached resolution.

**BACKGROUND**

An allocation of private activity bond authority, also known as volume cap, is required for the issuance of tax-exempt, single family mortgage revenue bonds and for the issuance of mortgage credit certificates (MCCs). Staff is requesting authorization to submit one or more applications for a maximum reservation of \$800 million of volume cap to be used for MCC Program 96. Under certain circumstances, issuers can carry forward, for future use, volume cap received but not used by December 31 of that calendar year. Staff expects that MCC Program 96 will use volume cap received in 2019 and carried forward for this purpose.

## RESOLUTION NO. 21-006

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; 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 \$800,000,000 with respect to qualified mortgage 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 \$800,000,000 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 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 1.3 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 of the Department, the Director of Administration of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds 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, and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act, 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 8th day of October, 2020.



11

**BOARD ACTION REQUEST**

**SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family General Set-Aside Notice of Funding Availability and publication of the NOFA in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, the Board of the Texas Department of Housing and Community Affairs (TDHCA or the Department) has previously authorized the submission of 2020 Consolidated Plan One-Year Action Plan (OYAP) which identified funding percentages and amounts for each of its HOME Investment Partnerships Program (HOME) single family activities;

**WHEREAS**, the U.S. Department of Housing and Urban Development's (HUD) has approved the OYAP and is releasing the State of Texas 2020 allocation of funds to TDHCA for the HOME Program; and

**WHEREAS**, in compliance with the OYAP the Department now wishes to release a Notice of Funding Availability (NOFA) for HOME Program single family general set-aside activities in the amount of \$19,108,348;

**NOW, therefore, it is hereby**

**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 post on the Department's website and to publish a notification in the *Texas Register*, a 2021 HOME Single Family General Set-Aside NOFA for funding in the amount of approximately \$19,108,348, to be released into the Reservation System, and to make any technical corrections or perform such other acts as may be necessary to effectuate the foregoing.

**BACKGROUND**

HUD's State of Texas 2020 allocation to TDHCA for the HOME Program is approximately \$49,056,607 and the grant agreement was received on August 13, 2020. TDHCA has programmed these funds for various uses in accordance with the HUD-approved 2020 Consolidated Plan One-Year Action Plan (OYAP). Staff is proposing to release a HOME Single Family General Set-Aside NOFA that includes \$11,465,009 in funds for Homeowner Rehabilitation Assistance (HRA), \$5,732,504 in funds for Tenant-Based Rental Assistance (TBRA), and \$1,910,835 in funds for Homebuyer Assistance with New Construction (HANC). A total of

\$19,108,348 of the 2019 HOME allocation will be made available to single family HOME Program Reservation System Administrators for these general set-aside activities.

These set-aside funds are subject to the Regional Allocation Formula, and will be set-aside by region, subregion, and activity for a period of time as detailed in the NOFA. Any funds not reserved by June 21, 2021, at or before 5:00 p.m. Austin local time, may be reprogrammed in a manner that is consistent with the OYAP.

The availability and use of these funds are subject to state and federal regulations including, but not limited to Texas Administrative Code in Title 10 Part 1, Chapter 1 Administration, Chapter 2, Enforcement, Chapter 20, Single Family Umbrella Rule, Chapter 21, Minimum Energy Efficiency Requirements for Single Family Construction Activities, and Chapter 23, the Single Family HOME Program, as amended (HOME Program Rule), and the federal regulation governing the HOME Program at 24 CFR Part 92, as amended (HOME Final Rule).

The 2021 HOME Single Family Programs General Set-Aside Reservation System NOFA was developed in accordance with the Single Family Umbrella and HOME Program Rules, and the HOME Final Rule. Administrators will access the funds available under this NOFA either through existing reservation agreements or by applying for a reservation system participation agreement. Applications for reservation system participation agreements are accepted on an ongoing basis. Approval for participation in the Reservation System is not a guarantee of funding availability.



**HOME Investment Partnerships Program (“HOME”)  
CFDA# 14.239**

**2021 HOME Investment Partnerships Program Single Family General Set-Aside Notice of Funding  
Availability**

**1) Summary.**

- a) The Texas Department of Housing and Community Affairs (TDHCA or the Department) announces a NOFA of approximately \$19,108,348 in HOME funds for single family housing programs under the general set-aside utilizing a reservation system. These funds will be made available to HOME Reservation System Participants after a Reservation System Participation (“RSP”) Agreement has been ratified.
- b) The availability and use of these funds are subject to the HOME rules including, but not limited to the following Texas Administrative Code (TAC) rules in effect at the time of application review or contract execution (as applicable): Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 21, the Minimum Energy Efficiency Requirements for Single Family Construction Activities; Chapter 23, the Single Family HOME Program, (State HOME Rules); and Tex. Gov’t Code §2306. Other federal and state regulations include but are not limited to: 24 CFR Part 58 for environmental requirements, 2 CFR Part 200 for Uniform Administrative Requirements (including the amendments effective August 13, 2020), 24 CFR §135.38 for Section 3 requirements, 24 CFR Part 5, Subpart A for fair housing, (Federal HOME Rules), and for units of government, the Uniform Grant Management Standards (UGMS) as outlined in Chapter 783 in the Texas Local Government Code. Applicants must familiarize themselves with all of the applicable state and federal rules that govern the HOME Program.
- c) Capitalized terms in this NOFA have the meanings defined herein, or as defined in State HOME Rules or the Federal HOME Rules.
- d) If changes to the RSP are required during the RSP term due to required changes in Federal or State law, the Department may initiate an amendment process to ensure compliance.

- 2) Source of Funds.** Funds totaling \$19,108,348 are made available for single family activities through the Department’s 2020 annual HOME allocation from the U.S. Department of Housing and Urban

Development (HUD). The Department, in its sole discretion, may also release unallocated HOME funds, deobligated funds, Program Income, and funds reallocated from undersubscribed set-asides, as allowable and available, under this NOFA. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

**3) Eligible Activity Types.** The following activity types are eligible uses of Set-Aside HOME funds under this NOFA:

- a) **Homeowner Rehabilitation Assistance (HRA).** HRA provides funds for the reconstruction or new construction of a single family residence owned and occupied by eligible low-income Households. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter C, Homeowner Rehabilitation Assistance Program, §§23.30 - 23.32.
- b) **Tenant-Based Rental Assistance (TBRA).** TBRA provides rental subsidies to eligible low-income Households. Assistance may include rental, security, and utility deposits. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter F, Tenant-Based Rental Assistance Program, §§23.60 - 23.62.
- c) **Homebuyer Assistance with New Construction (HANC).** HANC provides funds for mortgage financing to low-income homebuyers for acquisition and/or new construction of site-built housing, as well as acquisition and/or placement of a new Manufactured Housing Unit (MHU) to be occupied by the homebuyer. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter H, Homebuyer Assistance with New Construction Program, §§23.80 - 23.82.

**4) Limitation on Funds.**

- a) Funds may not be used in a Participating Jurisdiction (PJ).
- b) Funding under this NOFA may be made available through the Reservation System to HOME Administrators with active RSP Agreements. Applications to request an RSP Agreement are accepted on an on-going basis. Applicants requesting an RSP Agreement must submit a completed application, required documentation, and associated application materials as detailed in the Application Submission Procedures Manual (ASPM).
- c) Each applicant that is granted HOME funds may also be eligible to receive funding for Administrative costs. Funds for Administrative costs cannot exceed 4% of the total project funds committed under the Reservation System, except for TBRA, which may allow up to 8% for administrative costs.

**5) Regional Allocation Formula.** In accordance with Tex. Gov't Code §2306.111(d), these funds are subject to the Regional Allocation Formula (RAF). Refer to Table 1: Regional Allocation for Homeowner Rehabilitation Assistance (HRA); Table 2: Regional Allocation for Tenant-Based Rental Assistance (TBRA); and Table 3: Regional Allocation for Homebuyer Assistance with New Construction (HANC), which will also be published on the Department's website at

<b>Table 1: Regional Allocation for Homeowner Rehabilitation Assistance (HRA)</b>			
<b>Region</b>	<b>Urban Subregion</b>	<b>Rural Subregion</b>	<b>Total Available in Region</b>
<b>1</b>	\$ 115,681	\$ 522,581	\$ 638,262
<b>2</b>	\$ 106,620	\$ 424,518	\$ 531,138
<b>3</b>	\$ 1,691,289	\$ 287,164	\$ 1,978,453
<b>4</b>	\$ 413,931	\$ 673,405	\$ 1,087,336
<b>5</b>	\$ 191,791	\$ 500,788	\$ 692,579
<b>6</b>	\$ 376,801	\$ 253,426	\$ 630,227
<b>7</b>	\$ 886,849	\$ 177,304	\$ 1,064,153
<b>8</b>	\$ 397,639	\$ 387,196	\$ 784,835
<b>9</b>	\$ 298,089	\$ 271,144	\$ 569,233
<b>10</b>	\$ 246,950	\$ 408,387	\$ 655,337
<b>11</b>	\$ 299,758	\$ 496,714	\$ 796,472
<b>12</b>	\$ 215,722	\$ 443,822	\$ 659,544
<b>13</b>	\$ 231,468	\$ 1,145,972	\$ 1,377,440
<b>Total</b>	<b>\$ 5,472,588</b>	<b>\$ 5,992,421</b>	<b>\$ 11,465,009</b>

<b>Table 2: Regional Allocation for Tenant-Based Rental Assistance (TBRA)</b>			
<b>Region</b>	<b>Urban Subregion</b>	<b>Rural Subregion</b>	<b>Total Available in Region</b>
<b>1</b>	\$ 57,840	\$ 261,290	\$ 319,130
<b>2</b>	\$ 53,310	\$ 212,259	\$ 265,569
<b>3</b>	\$ 845,644	\$ 143,582	\$ 989,226
<b>4</b>	\$ 206,965	\$ 336,703	\$ 543,668
<b>5</b>	\$ 95,896	\$ 250,394	\$ 346,290
<b>6</b>	\$ 188,401	\$ 126,713	\$ 315,114
<b>7</b>	\$ 443,425	\$ 88,652	\$ 532,077
<b>8</b>	\$ 198,819	\$ 193,598	\$ 392,417
<b>9</b>	\$ 149,045	\$ 135,572	\$ 284,617
<b>10</b>	\$ 123,475	\$ 204,193	\$ 327,668
<b>11</b>	\$ 149,879	\$ 248,357	\$ 398,236
<b>12</b>	\$ 107,861	\$ 221,911	\$ 329,772
<b>13</b>	\$ 115,734	\$ 572,986	\$ 688,720
<b>Total</b>	<b>\$ 2,736,294</b>	<b>\$ 2,996,210</b>	<b>\$ 5,732,504</b>

<b>Region</b>	<b>Urban Subregion</b>	<b>Rural Subregion</b>	<b>Total Available in Region</b>
<b>1</b>	\$ 19,280	\$ 87,097	\$ 106,377
<b>2</b>	\$ 17,770	\$ 70,753	\$ 88,523
<b>3</b>	\$ 281,881	\$ 47,861	\$ 329,742
<b>4</b>	\$ 68,988	\$ 112,234	\$ 181,223
<b>5</b>	\$ 31,965	\$ 83,465	\$ 115,430
<b>6</b>	\$ 62,800	\$ 42,238	\$ 105,038
<b>7</b>	\$ 147,808	\$ 29,551	\$ 177,359
<b>8</b>	\$ 66,273	\$ 64,533	\$ 130,806
<b>9</b>	\$ 49,681	\$ 45,191	\$ 94,872
<b>10</b>	\$ 41,158	\$ 68,065	\$ 109,223
<b>11</b>	\$ 49,960	\$ 82,786	\$ 132,745
<b>12</b>	\$ 35,954	\$ 73,970	\$ 109,924
<b>13</b>	\$ 38,578	\$ 190,995	\$ 229,573
<b>Total</b>	<b>\$ 912,096</b>	<b>\$ 998,739</b>	<b>\$ 1,910,835</b>

**6) Allocation of Funds.**

- a) Approximately \$19,108,348 in funds are reserved for general set-aside activities through the HOME Reservation System in accordance with section 4 of this NOFA and subject to the RAF.
- b) Funds will be available under each activity by Uniform State Service Region by sub-region (Rural and Urban) beginning on **Tuesday, December 8, 2020, at the time specified for each activity as described below, until Monday, January 11, 2021 at 5:00 p.m. Austin local time.**
  - i) Funds will be made available for HRA beginning at 10:00 a.m. Austin local time
  - ii) Funds will be made available for TBRA beginning at 10:30 a.m. Austin local time
  - iii) Funds will be made available for HANC beginning at 11:00 a.m. Austin local time
- c) Remaining funds available within each subregion will be combined and made available by region and activity beginning on **Tuesday, January 12, 2021, at the time specified for each activity as described below, until Monday, February 15, 2021, at 5:00 p.m. Austin local time.**
  - i) Funds will be made available for HRA beginning at 10:00 a.m. Austin local time
  - ii) Funds will be made available for TBRA beginning at 10:30 a.m. Austin local time
  - iii) Funds will be made available for HANC beginning at 11:00 a.m. Austin local time
- d) Remaining funds available within each region will be combined and made available by activity, in any Uniform State Service Region, beginning on **Tuesday, February 16, 2021, at the time specified for each activity as described below, until Monday, April 19, 2021, at 5:00 p.m. Austin local time.**
  - i) Funds will be made available for HRA beginning at 10:00 a.m. Austin local time
  - ii) Funds will be made available for TBRA beginning at 10:30 a.m. Austin local time

iii) Funds will be made available for HANC beginning at 11:00 a.m. Austin local time

- e) On **Tuesday, April 20, 2021, at 10:00 a.m. Austin local time**, any funds which have not been requested under 6(c) of this NOFA will be made available in the Reservation System for any General Set-Aside Activity in any Uniform State Service Region. Funds not reserved on or before **Monday, June 21, 2021, at 5:00 p.m.** may be reprogrammed for use to other HOME activities.
- f) Except as limited in this NOFA or by statute, the Department may reprogram funds at any time to the Reservation System, or to administer directly.
- g) An alternative timeline and method of releasing funds may be implemented, at the Department's sole discretion. Subsequent changes to the timeline or method of release will be published on the Department's website. However, failure to do so will not invalidate reservations that are otherwise made in accordance with this NOFA.
- h) Updated balances for the Reservation System may be accessed online at [www.tdhca.state.tx.us/home-division/home-reservation-summary.htm](http://www.tdhca.state.tx.us/home-division/home-reservation-summary.htm). Reservations of funds may be submitted at any time during the term of a RSP Agreement, as long as funds are available in the Reservation System. Participation in the Reservation System is not a guarantee of funding availability.

## **7) Eligible and Ineligible Applicants.**

- a) Eligible Applicants include Units of General Local Government, Nonprofit Organizations, Public Housing Authorities, Local Mental Health Authorities, and Councils of Government.
- b) Applicants are required to familiarize themselves with the Department's certification and debarment policies prior to application submission.

## **8) Application Submission.**

- a) The Department will accept applications for the Reservation System on an ongoing basis. **Applications for the Reservation System are to be submitted as an upload to the Department's FTP server in the format requirements detailed in the RSP ASPM.**
- b) Applicants must submit a completed Application, required documentation, and associated application materials, as described in this NOFA and as detailed in the RSP ASPM. All scanned copies must be scanned in accordance with the guidance provided in the RSP ASPM.
- c) All Application materials including manuals, this NOFA, program guidelines, and applicable HOME rules are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on Application forms published online at the above reference site provided by the Department which cannot be altered or modified, and must be in final form before they are submitted to the Department.



- d) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$30 per Application. Payment must be in the form of a check, cashier's check or money order. **Do not send cash..**
- e) Pursuant to Tex. Gov't Code §2306.147(b), the Department will waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must request a waiver of the grant application fee in a board resolution authorizing the submittal of the application to the Department, and must include with the application proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.
- f) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations, and contact the HOME and Homelessness Programs Division for guidance and assistance.

#### **9) Application Selection Process**

- a) Administrative deficiencies noted during the review of an Application shall be subject to the administrative deficiency process outlined in 10 TAC §23.24.
- b) All Applicants will be subject to a Previous Participation Review by the Department as outlined in 10 TAC Chapter 1, Subchapter C.
- c) Audit Requirements. All Applicants are subject to the requirements of 10 TAC §1.403, concerning Single Audits.
- d) Pursuant to Tex. Gov't Code §2306.1112, the Executive Award and Review Advisory Committee will make recommendations to the Board regarding funding and allocation decisions.

#### **10) Dispute Resolution/Appeal.**

- a) The Department encourages the use of alternative dispute resolution in accordance with Tex. Gov't Code §2306.082, and as described more fully in 10 TAC §1.17.
- b) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

For questions regarding this NOFA, please contact Raul Salazar, HOME Production Coordinator for the Single Family and Homeless Programs Division, at (512) 475-2975 or via email at [HOME@tdhca.state.tx.us](mailto:HOME@tdhca.state.tx.us).

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**BOARD ACTION REQUEST**

**SINGLE FAMILY AND HOMELESS PROGRAMS DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family Persons with Disabilities Set-Aside Notice of Funding Availability and publication of the NOFA in the *Texas Register*.

**RECOMMENDED ACTION**

**WHEREAS**, the Board of the Texas Department of Housing and Community Affairs (the Department) has previously authorized the Department's submission of the 2020 Consolidated Plan One-Year Action Plan (OYAP) to the U.S. Department of Housing and Urban Development (HUD) which identified funding percentages and amounts for each of its HOME Investment Partnerships Program (HOME) Single Family activities;

**WHEREAS**, HUD has approved the OYAP and is releasing the State of Texas 2020 allocation of funds to TDHCA for the HOME Program;

**WHEREAS**, the OYAP identified and set-aside a percentage that equates to approximately \$1,767,127 for HOME Program single family activities for Persons with Disabilities (PWD);

**WHEREAS**, TDHCA is experiencing continued demand for funding for HOME Program single family activities under the Reservation System; and

**WHEREAS**, the Department now wishes to release a Notice of Funding Availability (NOFA) for HOME Program single family activities in the full amount of the PWD to be set-aside into the Reservation System, and out of the \$1,767,127, \$883,563 will be for Homeowner Rehabilitation Assistance (HRA) and \$883,564 for Tenant-Based Rental Assistance (TBRA);

**NOW, therefore, it is hereby**

**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 post on the Department's website and to publish a notification in the *Texas Register*, a 2021 HOME Single Family Persons with Disabilities Set-Aside NOFA for funding in the amount of approximately \$1,767,127, to be released into the Reservation System, and to make any technical corrections or perform such other acts as may be necessary to effectuate the foregoing.

**BACKGROUND**

The U. S. Department of Housing and Urban Development's HUD State of Texas 2020 allocation to TDHCA for the HOME Program is approximately \$49,056,607 and the grant agreement was

received on August 13, 2020. TDHCA has programmed the funds for various uses in accordance with the HUD-approved 2020 Consolidated Plan One-Year Action Plan (OYAP). Staff is proposing to release a HOME Single Family Programs Reservation System NOFA that includes \$1,767,127 of the 2020 HOME allocation for the PWD set-aside. The PWD funds will be made available to single family HOME Program Reservation System Administrators for Homeowner Rehabilitation Assistance and Tenant-Based Rental Assistance activities. Approval for participation in the Reservation System is not a guarantee of funding availability.

Of \$1,767,127, \$883,563 will be for Homeowner Rehabilitation Assistance (HRA) and \$883,564 for Tenant-Based Rental Assistance (TBRA). These PWD set-aside funds are not subject to the Regional Allocation Formula, but are available statewide on a first come first served basis.

The availability and use of these funds are subject to state and federal regulations including, but not limited to Texas Administrative Code in Title 10 Part 1, Chapter 20, Single Family Umbrella Rule, and Chapter 23, the Single Family HOME Program, as amended (HOME Program Rule), and the federal regulation governing the HOME Program at 24 CFR Part 92, as amended (HOME Final Rule).

The 2021 HOME Single Family Persons with Disabilities Set-Aside NOFA was developed in accordance with the Single Family Umbrella and HOME Program Rules. Administrators will access the funds available under this NOFA either through existing agreements or by for a Reservation System Participation Agreement. Applications to participate in the Reservation System are accepted on an on-going basis.



**HOME Investment Partnerships Program (HOME)  
CFDA# 14.239**

**2021 HOME Investment Partnerships Program Single Family Persons with Disabilities  
Set-Aside Notice of Funding Availability**

**1. Summary.**

- a. The Texas Department of Housing and Community Affairs (the Department) announces a NOFA of approximately \$1,767,127 in HOME funds for single-family housing programs under the Persons with Disabilities (PWD) set-aside under a Reservation System. These funds will be made available to HOME Reservation System Participants with a current Reservation System Participation (RSP) Agreement.
  - b. The availability and use of these funds are subject to the HOME rules including, but not limited to the following Texas Administrative Code (TAC) rules in effect at the time of contract execution: Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 21, the Minimum Energy Efficiency Requirements for Single Family Construction Activities; Chapter 23, the Single Family HOME Program (State HOME Rules), and Tex. Gov't Code Chapter 2306. Other federal and state regulations include but are not limited to: 24 CFR Part 58 for environmental requirements, 2 CFR Part 200 for Uniform Administrative Requirements (including the amendments effective August 13, 2020), 24 CFR §135.38 for Section 3 requirements, 24 CFR Part 5, Subpart A for fair housing, (Federal HOME Rules), and for units of government, the Uniform Grant Management Standards (UGMS) as outlined in Chapter 783 in the Texas Local Government Code. Applicants must familiarize themselves with all of the applicable state and federal rules that govern the HOME Program.
  - c. Capitalized terms in this NOFA have the meanings defined herein or as defined in State HOME Rules and the Federal HOME Rules.
  - d. If changes to the RSP are required during the RSP term due to required changes in Federal or State law, the Department may initiate an amendment process to ensure compliance.
- 2. Source of Funds.** Funds totaling \$1,767,127 are made available for single-family activities through the Department's 2020 annual HOME allocation from the U.S. Department of Housing and Urban Development (HUD). In accordance with Tex. Gov't Code §2306.111(d), these set-asides satisfy a legislatively mandated set-aside, and therefore are not subject to the Regional Allocation Formula. The Department, in its sole discretion, may also release unallocated HOME funds, deobligated funds, Program Income, and funds reallocated from undersubscribed set-asides, as allowable and available, under this NOFA. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

**3. Eligible Activities.** The following activity types are eligible uses of HOME funds awarded under this NOFA:

- a. **Homeowner Rehabilitation Assistance (HRA).** HRA provides funds for the rehabilitation, reconstruction, or new construction of a single-family residence owned and occupied by eligible low-income Households. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter C, Homeowner Rehabilitation Assistance Program, §§23.30 - 23.32.
- b. **Tenant-Based Rental Assistance (TBRA).** TBRA provides rental subsidies to eligible low-income Households. Assistance may include rental, security, and utility deposits. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter F, Tenant-Based Rental Assistance Program, §§23.60 - 23.62.

**4. Prohibited Activities.** Prohibited activities include those prohibited in 24 CFR §92.214 and in the State HOME Rules.

**5. Allocation of Funds**

- a. Approximately \$1,767,127 in funds is available through the Reservation System for single-family HRA and TBRA activities under the Persons with Disabilities (PWD) set-aside beginning **Tuesday, October 27, 2020**. The funds will be set aside in the manner described until **December 1, 2020**, after which any remaining funds in any of the set asides described below may be reprogrammed in a manner that is consistent with the 2020 One-Year Action Plan (OYAP) approved by HUD.
- b. The balances that are available in the Reservation System from any prior year funds for PWD set-aside activities will be incorporated into the PWD Set-Aside for TBRA under this NOFA and combined with the funds specified in this NOFA to assist eligible Households. Funds may be reserved for individual households for the following activities:
  - i. **HRA.** Approximately \$883,563 in set-aside funding will be available **beginning Tuesday, October 27, 2020, at 10:00 a.m. Austin local time** for HRA activities until **Monday, November 30, 2020, at 5 p.m. Austin local time**.
  - ii. **TBRA.** Approximately \$883,564 in set-aside funding will be available **beginning Tuesday, October 27, 2020, at 10:30 a.m. Austin local time** for HRA activities until **Monday, November 30, 2020, at 5:00 p.m. Austin local time**.
- c. On **Tuesday, December 1, 2020, at 10:00 a.m. Austin local time**, any funds which have not been requested under 5(b) of this NOFA will be made available in the Reservation System for any PWD Set-Aside Activity in any Uniform State Service Region. Funds not reserved at or before 5:00 p.m. on **Tuesday, March 2, 2021**, may be reprogrammed for use to other HOME activities.
- d. Except as limited in this NOFA or by statute, the Department may reprogram funds at any time to the Reservation System, or to administer directly.
- e. An alternative timeline and method of releasing funds may be implemented at the Department's sole discretion. Subsequent changes to the timeline or method of release will

be published on the Department's website. However, failure to do so will not invalidate reservations that are otherwise made in accordance with this NOFA.

- f. Updated balances for the Reservation System may be accessed online at [www.tdhca.state.tx.us/home-division/home-reservation-summary.htm](http://www.tdhca.state.tx.us/home-division/home-reservation-summary.htm). Reservations of funds may be submitted at any time during the term of a RSP Agreement, as long as funds are available in the Reservation System. Participation in the Reservation System is not a guarantee of funding availability.

## **6. Application Selection Process.**

- a. Funding under this NOFA will be made available through the Reservation System to HOME Administrators with active RSP Agreements. Applications to request a RSP Agreement are accepted on an on-going basis. Applicants requesting a RSP Agreement must submit a completed application, required documentation, and associated application materials as detailed in the Application Submission Procedures Manual (ASPM).
- b. All Application materials including manuals, program guidelines, and applicable HOME rules, are available on the Department's website at <http://www.tdhca.state.tx.us/homedivision/applications.htm>.
- c. Applications for an RSP Agreement will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department.
- d. Reservations of funds may be submitted at any time during the term of a RSP Agreement, as long as funds are available in the Reservation System. Updated balances for the Reservation System may be accessed online at [www.tdhca.state.tx.us/home-division/home-reservation-summary.htm](http://www.tdhca.state.tx.us/home-division/home-reservation-summary.htm).
- e. Administrative deficiencies noted during the review of an RSP Application shall be subject to the administrative deficiency process outlined in 10 TAC §23.24.
- f. An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7
- g. All Applicants will be subject to a Previous Participation Review by the Department as outlined in 10 TAC Chapter 1, Subchapter C

## **7. Audit Requirements.** All Applicants are subject to the requirements of 10 TAC §1.403 concerning Single Audits.

## **8. Eligible and Ineligible Applicants**

- a. Eligible Applicants include Units of General Local Government, nonprofit organizations, Public Housing Authorities, Local Mental Health Authorities, and Councils of Government.
- b. Applicants are required to familiarize themselves with the Department's certification and debarment policies prior to application submission.

## **9. Application Submission.**

- a. The Department will accept applications for the Reservation System on an on-going basis. Applications for the Reservation System are to be submitted as an upload to the Department's FTP server in the format requirements detailed in the RSP ASPM.
- b. Applicants must submit a completed Application, required documentation, and associated application materials, as described in this NOFA and as detailed in the RSP ASPM. All scanned copies must be scanned in accordance with the guidance provided in the RSP ASPM.
- c. All Application materials including manuals, this NOFA, program guidelines, and applicable HOME rules are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on Application forms published online at the above reference site provided by the Department which cannot be altered or modified, and must be in final form before they are submitted to the Department.
- d. Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$30 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash.
- e. Pursuant to Tex. Gov't Code §2306.147(b), the Department will waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must request a waiver of the grant application fee in a board resolution authorizing the submittal of the application to the Department, and must include with the application proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.
- f. This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations, and contact the HOME and Homelessness Programs Division for guidance and assistance.

#### **10. Dispute Resolution/Appeal.**

- a. The Department encourages the use of alternative dispute resolution in accordance with Tex. Gov't Code §2306.082, and as described more fully in 10 TAC §1.17.
- b. An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

For questions regarding this NOFA, please contact Raul Salazar, HOME Production Coordinator for the Single Family and Homeless Programs Division, at (512) 475-2975 or via email at [HOME@tdhca.state.tx.us](mailto:HOME@tdhca.state.tx.us).



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**BOARD ACTION REQUEST**

**HOME AND HOMELESSNESS PROGRAMS DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action to authorize the issuance of the 2021 HOME Investment Partnerships Program Single Family Contract for Deed Set-Aside Notice of Funding Availability and publication of the NOFA in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, the Board of the Texas Department of Housing and Community Affairs (TDHCA or the Department) has previously authorized the submission of 2020 Consolidated Plan One-Year Action Plan (OYAP) which identified funding percentages and amounts for each of its HOME Investment Partnerships Program (HOME) Single Family activities;

**WHEREAS**, the U.S. Department of Housing and Urban Development's (HUD) has approved the OYAP and is releasing the State of Texas 2020 allocation of funds to TDHCA for the HOME Program;

**WHEREAS**, the OYAP identified and set-aside an amount that equates to \$1,000,000 of HOME Single Family Contract for Deed activities;

**WHEREAS**, TDHCA is experiencing continued demand for funding for HOME Program single family activities under the Reservation System, and

**WHEREAS**, the Department now wishes to release a Notice of Funding Availability (NOFA) for HOME Program single family activities in the full amount of \$1,000,000 for the Contract for Deed (CFD) set-aside;

**NOW, therefore, it is hereby**

**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 post on the Department's website and to publish a notification in the *Texas Register*, a 2021 HOME Single Family Contract for Deed Set-Aside Notice of Funding Availability for funding in the amount of approximately \$1,000,000, to be released into the Reservation System, and to make any technical corrections or perform such other acts as may be necessary to effectuate the foregoing.

**BACKGROUND**

The U. S. Department of Housing and Urban Development's HUD State of Texas 2020 allocation to TDHCA for the HOME Program is approximately \$49,056,607 and the grant agreement was

received on August 13, 2020. TDHCA has programmed the funds for various uses in accordance with the HUD-approved 2020 Consolidated Plan One-Year Action Plan (OYAP). Staff is proposing to release a HOME Single Family Programs Reservation System NOFA that includes \$1,000,000 of the 2020 HOME allocation for the CFD set-aside. The CFD funds will be made available to single family HOME Program Reservation System Administrators. Approval for participation in the Reservation System is not a guarantee of funding availability.

These CFD set-aside funds are not subject to the Regional Allocation Formula, and are available in designated colonia areas of the state on a first come first served basis. The availability and use of these funds are subject to state and federal regulations including, but not limited to Texas Administrative Code in Title 10 Part 1, Chapter 20, Single Family Umbrella Rule, and Chapter 23, the Single Family HOME Program, as amended (HOME Program Rule), and the federal regulation governing the HOME Program at 24 CFR Part 92, as amended (HOME Final Rule).

The 2021 HOME Single Family Single Family Contract for Deed Set-Aside Notice of Funding Availability was developed in accordance with the Single Family Umbrella and HOME Program Rules. Administrators will access the funds available under this NOFA either through existing agreements, or by applying under an open application cycle.



**HOME Investment Partnerships Program (HOME)  
CFDA# 14.239**

**2021 HOME Investment Partnerships Program Single Family Contract for Deed Set-Aside  
Notice of Funding Availability**

**1. Summary.**

- a. The Texas Department of Housing and Community Affairs (the Department) announces a NOFA of approximately \$1,000,000 in HOME funds for single family housing programs under the Contract for Deed (CFD) set-aside under a Reservation System. These funds will be made available to HOME Reservation System Participants with a current Reservation System Participation (RSP) Agreement.
- b. The availability and use of these funds are subject to the HOME rules including, but not limited to the following Texas Administrative Code (TAC) rules in effect at the time of contract execution, Title 10, Part 1, Chapter 1, Administration; Chapter 2, Enforcement; Chapter 20, the Single Family Programs Umbrella Rule; Chapter 21, the Minimum Energy Efficiency Requirements for Single Family Construction Activities; Chapter 23, the Single Family HOME Program, (State HOME Rules); and Tex. Gov't Code Chapter 2306. Other federal and state regulations include but are not limited to, 24 CFR Part 58 for environmental requirements, 2 CFR Part 200 for Uniform Administrative Requirements (including the amendments effective August 13, 2020), 24 CFR §135.38 for Section 3 requirements, 24 CFR Part 5, Subpart A for fair housing, (Federal HOME Rules), and for units of government, the Uniform Grant Management Standards (UGMS) as outlined in Chapter 783 in the Texas Local Government Code. Applicants must familiarize themselves with all of the applicable state and federal rules that govern the HOME Program.
- c. Capitalized terms in this NOFA have the meanings defined herein or as defined in State HOME Rules and the Federal HOME Rules.
- d. If changes to the RSP are required during the RSP term due to required changes in Federal or State law, the Department may initiate an amendment process to ensure compliance.

- 2. Source of Funds.** Funds totaling \$1,000,000 are made available for single-family activities through the Department's 2020 annual HOME allocation from the U.S. Department of Housing and Urban Development (HUD). In accordance with Tex. Gov't Code §2306.111(d), these set-

asides satisfy a legislatively mandated set-aside and therefore are not subject to the Regional Allocation Formula. The Department, in its sole discretion, may also release unallocated HOME funds, deobligated funds, Program Income, and funds reallocated from undersubscribed set-asides, as allowable and available, under this NOFA. The Department, in its sole discretion, also reserves the right to cancel or modify the amount available in this NOFA.

- 3. Contract for Deed (CFD) Activity.** CFD provides funds for the acquisition or refinance, in combination New Construction, of single family housing occupied by the purchaser as shown on an executory contract for conveyance. Specific program guidelines can be found at 10 TAC Chapter 23, Single Family HOME Program, Subchapter E, Contract for Deed Program, §§23.50 - 23.52.
- 4. Prohibited Activities.** Prohibited activities include those at 24 CFR §92.214 and in the State HOME Rules. Funds will not be eligible for use in a Participating Jurisdiction.
- 5. Allocation of Funds.** Approximately \$1,000,000 in funds is available through the Reservation System beginning **Tuesday, October 27, 2020, at 9:30 a.m. Austin local time**. The funds will be set-aside in the manner described below until **Thursday, July 1, 2021, at 8:00 a.m. Austin local time**, after which any remaining funds in any of the set asides described below may be reprogrammed in a manner that is consistent with the 2020 One-Year Action Plan (OYAP) approved by HUD.
  - a. Beginning **Monday, March 1, 2021, at 10:00 a.m. Austin local time**, funds may be reserved for eligible activities where the activity is located in a colonia as defined by Tex. Gov't Code, Chapter 2306, and where the household income does not exceed 60% of the Area Median Family Income (AMFI) as defined by HUD.
  - b. Beginning **Thursday, July 1, 2021, at 8:00 a.m. Austin local time**, funds may be reserved for eligible activities in any area of the state, excluding Participating Jurisdictions, where the household income does not exceed 80% of the AMFI as defined by HUD.
  - c. Except as limited in this NOFA or by statute, the Department may reprogram funds at any time to the Reservation System, or to administer directly.
  - d. An alternative timeline and method of releasing funds may be implemented, at the Department's sole discretion. Subsequent changes to the timeline or method of release will be published on the Department's website. However, failure to do so will not invalidate reservations that are otherwise made in accordance with this NOFA.
  - e. Updated balances for the Reservation System may be accessed online at [www.tdhca.state.tx.us/home-division/home-reservation-summary.htm](http://www.tdhca.state.tx.us/home-division/home-reservation-summary.htm). Reservations of funds may be submitted at any time during the term of a RSP Agreement, as long as funds are available in the Reservation System. Participation in the Reservation System is not a guarantee of funding availability.
- 6. Application Selection Process.**
  - a. Funding under this NOFA will be made available through the Reservation System to HOME Administrators with active RSP Agreements. Applications to request a RSP Agreement are

accepted on an on-going basis. Applicants requesting a RSP Agreement must submit a completed application, required documentation, and associated application materials as detailed in the Application Submission Procedures Manual (ASPM).

- b. All Application materials including manuals, program guidelines, and applicable HOME rules, are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>. Applications for an RSP Agreement will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, cannot be altered or modified, and must be in final form before submitting them to the Department.
- c. Reservations of funds may be submitted at any time during the term of a RSP Agreement, as long as funds are available in the Reservation System. Updated balances for the Reservation System may be accessed online at [www.tdhca.state.tx.us/home-division/home-reservation-summary.htm](http://www.tdhca.state.tx.us/home-division/home-reservation-summary.htm).
- d. Administrative deficiencies noted during the review of an RSP Application shall be subject to the administrative deficiency process outlined in 10 TAC §23.24(c).
- e. All Applicants will be subject to a Previous Participation Review by the Department as outlined in 10 TAC Chapter 1, Subchapter C.

**7. Audit Requirements.** All Applicants are subject to the requirements of 10 TAC §1.403, concerning Single Audits.

**8. Eligible and Ineligible Applicants.**

- a. Eligible Applicants include Units of General Local Government, nonprofit organizations, Public Housing Authorities, Local Mental Health Authorities, and Councils of Government.
- b. Applicants are required to familiarize themselves with the Department's certification and debarment policies prior to application submission.

**9. Application Submission.**

- a. The Department will accept applications for the Reservation System on an on-going basis. **Applications for the Reservation System are to be submitted as an upload to the Department's FTP server in the format requirements detailed in the RSP ASPM.**
- b. Applicants must submit a completed Application, required documentation, and associated application materials, as described in this NOFA and as detailed in the RSP ASPM. All scanned copies must be scanned in accordance with the guidance provided in the RSP ASPM.
- c. All Application materials including manuals, this NOFA, program guidelines, and applicable HOME rules are available on the Department's website at <http://www.tdhca.state.tx.us/home-division/applications.htm>. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on Application forms published online at the above reference site provided by the Department which cannot be altered or modified, and must be in final form before they are submitted to the Department.

- d. Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$30 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash.
- e. Pursuant to Tex. Gov't Code §2306.147(b), the Department will waive Application fees for private nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must request a waiver of the grant application fee in a board resolution authorizing the submittal of the application to the Department, and must include with the application proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.
- f. This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations, and contact the HOME and Homelessness Programs Division for guidance and assistance.

**10. Dispute Resolution/Appeal.**

- a. The Department encourages the use of alternative dispute resolution in accordance with Tex. Gov't Code §2306.082, and as described more fully in 10 TAC §1.17.
- b. An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

For questions regarding this NOFA, please contact Raul Salazar, HOME Production Coordinator for the Single Family and Homeless Programs Division, at (512) 475-2975 or via email at [HOME@tdhca.state.tx.us](mailto:HOME@tdhca.state.tx.us).

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BOARD ACTION REQUEST

PROGRAMS DIVISION

OCTOBER 8, 2020

Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 1, §1.21, Action by Department if Outstanding Balances Exist; an order adopting new 10 TAC Chapter 1, §1.21, Action by Department if Outstanding Balances Exist; and directing their publication for adoption in the Texas Register

RECOMMENDED ACTION

WHEREAS, the current rule relating to action that may be taken by the Department if outstanding balances are owed to the Department, at 10 TAC §1.21, requires re-review;

WHEREAS, staff has determined that the rule is in need of revisions, and such revision is being proposed through the repeal of the current rule and a simultaneous new rule to be proposed in its place;

WHEREAS, staff recommends to the Board that there is a continuing need for this rule to exist, which is to ensure the Department is taking steps to ensure repayment of outstanding funds prior to taking further actions for the person owing the funds; and

WHEREAS, this proposed rulemaking was published in the Texas Register on July 31, 2020, for public comment, no comment was received, and staff is now presenting this item to the Board for final adoption;

NOW, therefore, it is hereby

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 adopted actions herein in the form presented to this meeting, to be published in the Texas Register for adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any requested revisions to the preambles.

BACKGROUND

10 TAC §1.21, Actions Action by Department if Outstanding Balances Exist, has been identified by staff as needing several minor revisions. The current rule was adopted in December 2016, and staff has recognized the need to make changes to the rule. Changes relate primarily to making it clearer that the awards of new funds are included in the actions that the Board will not take without repayment of funds, or a person being in a current repayment plan, and to delete repetitive language regarding Contract Amendments. The proposed rule was approved by the Board in July 2020 to be released for public comment. Public comment was accepted from July 31, 2020, through August 31, 2020. No comment was received. This rule is being adopted with no changes from the proposed version.

Attachment 1: Preamble, including required analysis, for adoption of repeal of §1.21, Action by Department if Outstanding Balances Exist

The Texas Department of Housing and Community Affairs (the Department) adopts the repeal of 10 TAC §1.21, Action by Department if Outstanding Balances Exist. The purpose of the repeal is to clarify the applicability of this rule.

Tex. Gov't Code §2001.0045(b) does not apply to the 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 has determined that, for the first five years the repeal would be in effect:

1. The repeal does not create or eliminate a government program but relates to changes to an existing activity: previous participation reviews.
2. The repeal 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 repeal does not require additional future legislative appropriations.
4. The repeal will 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 repeal will not expand, limit, or repeal an existing regulation.
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 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 has evaluated the 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 changed sections would be an updated and more germane rule. 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 COMMENT. The public comment period was held from July 31, 2020, to August 31, 2020. No comment was received. The Department is adopting this rule with no changes to the proposed version published in the July 31, 2020 Texas Register.

STATUTORY AUTHORITY. The repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repealed sections affect no other code, article, or statute.

§1.21, Action by Department if Outstanding Balances Exist

Attachment 2: Preamble, including required analysis, for adoption of new §1.21, Action by Department if Outstanding Balances Exist

The Texas Department of Housing and Community Affairs (the Department) adopts new 10 TAC of §1.21, Action by Department if Outstanding Balances Exist. The purpose of the new section is to make minor clarifications to the handling of requests to the Department when outstanding balances are due. The new rule clarifies that this rule is applicable to cases of applications for awards, and makes other minor modifications.

Tex. Gov't Code §2001.0045(b) does not apply to the 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 has determined that, for the first five years the new section would be in effect:

1. The new section does not create or eliminate a government program but relates to changes to an existing activity, previous participation reviews.
2. The new section 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 section does not require additional future legislative appropriations.
4. The new section 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 section is not creating a new regulation, except that they are replaced sections being repealed simultaneously to provide for revisions.
6. The new section will not expand, limit, or repeal an existing regulation.
7. The new section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The new section 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 has evaluated the new section and determined that it 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 new section 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 new section as to their possible effects on local economies and has determined that for the first five years the new section 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 new section is in effect, the public benefit anticipated as a result of the new section would be an updated rule. There will not be economic costs to individuals required to comply with the new sections.

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 rule does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENT. The public comment period was held from July 31, 2020, to August 31, 2020. No comment was received. The Department is adopting this rule with no changes to the proposed version published in the July 31, 2020 Texas Register.

STATUTORY AUTHORITY. The new section is made 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.

## §1.21, Action by Department if Outstanding Balances Exist

(a) Purpose. The purpose of this section is to inform Persons or entities requesting awards of new funds or resources, Form(s) 8609, application amendments, LURA amendments, new Contracts (with the exception of a Household Commitment Contract), Contract amendments, or loan modifications that, with the exceptions noted by this rule, if fees or loan payments (principal or interest) are past due, or Disallowed Costs have not been repaid, to the Department, the request may be denied, delayed, or the Subrecipient/Administrator/Developer/Owner's Contract(s) terminated.

(b) Definitions.

(1) Capitalized words used herein have the meaning assigned in the specific Chapters and Rules of this Part that govern the program associated with the request, or assigned by federal or state law.

(2) Disallowed Costs: Expenses claimed by a Subrecipient/Administrator/Developer/Owner, paid by the Department, and subsequently determined by the Department to be ineligible and subject to repayment.

(c) Except in the case of interim construction loans, if Disallowed Costs, fees, or loan payments are past due the Department will not: issue Form(s) 8609; amend applications or LURAs; or modify loan documents.

(d) Except in the case of Contracts for CSBG non-discretionary funds, the Department will not make awards of new funds or resources, enter into new Contracts, or amend Contracts when Disallowed Costs, fees, or loan payments remain unpaid, unless the entity has entered into, and is complying with, an agreed-upon repayment plan that is approved by the Department's Executive Director or Enforcement Committee.

(e) Once the Department notifies a Person or entity that they are responsible for the payment of Disallowed Costs, required fee or payment that is past due, if no corrective action is taken within seven days of notification, the Executive Director may deny the requested action for failure to comply with this rule.

(f) Exception for a Work Out Development. If fees (not including application or amendment fees) or payments affiliated with a work out Development are past due, then the past due amounts affiliated with a work out Development may be excepted from this rule, so long as the work out is actively underway by Department staff. In which case, in the Department's sole discretion, LURA or any other kinds of amendments may be considered for the subject Development or Contract.

(g) In accordance with Subchapter C of this Chapter (relating to Previous Participation Reviews), if a Person or entity applies for funding or an award from the Department, any fees, Disallowed Costs, or payment of principal or interest to the Department that is past due beyond any grace period provided for in the applicable loan documents and any past due fees (not just those related to the subject of the request) will be reported to the EARAC.

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**BOARD ACTION REQUEST**  
**SECTION 811 PROGRAM**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding an adjustment to contract number #332-21-5201, TRACS Processing Services with Blueprint Housing Solutions

**RECOMMENDED ACTION**

**WHEREAS**, the Texas Department of Housing and Community Affairs (the Department) operates the Section 811 Project Rental Assistance (PRA) Program and is therefore responsible for providing project-based rental assistance to Eligible Multifamily Properties;

**WHEREAS**, the Department renewed its voucher processing contract with Blueprint Housing Solutions, effective September 1, 2020, expiring August 31, 2021;

**WHEREAS**, the original contract solicitation was estimated at \$13,000 per renewal;

**WHEREAS**, the Fiscal Year 2021 Operating Budget approved by the Governing Board of the Department reflected a more accurate and updated estimate for the contract renewal in the amount of \$30,000 based on an increase in the number of households to be served; and

**WHEREAS**, Tex. Gov't Code §2155.088(b)(2) requires the governing body of a state agency meet to consider a material change to a contract, including increasing the total consideration to be paid under a contract by at least 10%;

**NOW, therefore, it is hereby**

**RESOLVED**, that the contract consideration for contract number #332-21-5201, TRACS Processing Services with Blueprint Housing Solutions, be increased to \$30,000 as approved in the Department's 2021 Operating Budget.

**BACKGROUND**

The Department contracts with Eligible Multifamily Properties to set aside units for households assisted by the Section 811 Project Rental Assistance Program. Participating properties receive a monthly voucher payment from the Department based on a calculation of rental assistance needed for each participating household. Each month, properties transmit their household data to request their monthly payment. The Department's procured vendor, Blueprint Housing Solutions (Blueprint), is responsible for



reviewing the household data, identifying errors, and verifying the amount of rental assistance needed for each participating eligible household.

The original solicited contract amount at the time Blueprint was awarded the contract did not anticipate the program's rapid growth or an additional award of funds from the US Department of Housing and Urban Development. However, by the time staff developed the Fiscal Year 2021 budget, the cost of renewal with Blueprint was able to be more accurately estimated based on the most recent household data available and projected move-ins through the fiscal year.

Authorization is requested to increase the allowable amount for contract renewal by \$17,000 to align the contract's consideration amount with the Department's Fiscal Year 2021 budget.

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**BOARD ACTION REQUEST**

**SECTION 811 PROGRAM**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action authorizing the Department to implement occupancy preferences in the Section 811 Project Rental Assistance Program.

**RECOMMENDED ACTION**

**WHEREAS**, the Texas Department of Housing and Community Affairs (TDHCA or the Department) currently operates a Section 811 Project Rental Assistance (PRA) Program through a formal collaborative partnership with the Texas Health and Human Services Commission (HHSC) and the Texas Department of Family and Protective Services (DFPS);

**WHEREAS**, this partnership is established through an Inter-Agency Partnership Agreement that defines the target populations and describes the method in which HHSC and DFPS identify qualified members of the target population through local referral agents;

**WHEREAS**, the Target populations of the 811 PRA Program were identified during the inception of the program with significant public comment and advocacy input to ensure the program would serve those populations most in need of such assistance;

**WHEREAS**, the Target populations include: 1) persons with disabilities exiting nursing facilities, 2) persons with disabilities exiting in Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition (ICF/IIDs), 3) persons with serious mental illnesses, and 4) youth or young adults with disabilities aging out of foster care;

**WHEREAS**, disparities in participation have emerged among the four Target Populations, due to the types of referrals received by the program, with the vast majority of assistance being provided to persons with serious mental illness;

**WHEREAS**, TDHCA, HHSC, and DFPS have attempted to address such disparities in participation through targeted technical assistance and marketing, however, local referral agents cite long wait times and complexities of relocation as primary barriers to serving the three underserved populations through the Section 811 PRA Program; and

**WHEREAS**, this partnership remains committed to serving the originally identified target populations in the facilitation and delivery of supportive housing and believes that this can be accomplished through the implementation of occupancy preferences for the three underserved target populations;

**NOW, therefore, it is hereby**

**RESOLVED**, the Department, in cooperation with its partners, will adopt occupancy preferences for underserved members of the Target Population and effectuate all

necessary program changes to implement such preferences in accordance with HUD regulations, fair housing requirements, and civil rights requirements.

### **BACKGROUND**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) operates a Section 811 PRA Program as project-based rental assistance for housing units integrated within multifamily properties that are set-aside for extremely low-income persons with disabilities who are eligible for community-based long-term care services and supports.

The program serves four HUD-approved target populations: Persons with Disabilities Exiting Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs), Persons with Disabilities Exiting Nursing Facilities, Persons with Serious Mental Illness, and Youth or Young Adults with Disabilities Exiting Foster Care.

The Section 811 PRA Affirmative Marketing Plan commits that TDHCA and service agency partners will continually analyze each target population’s level of participation in the program and determine whether their rates of participation are reflective of their overall presence in the Target Population. If this review process reveals a significant disparity, the plan commits that TDHCA and the service providers for the target populations will “collaborate to develop more tailored outreach activities specifically designed to reach those least likely to apply.”

The plan already identifies Persons with Intellectual or Developmental Disabilities as one of the demographics least likely to apply (confirmed by current participation rates) and outlines marketing to this demographic. A current review of program participation identifies that Persons with Serious Mental Illness are almost exclusively the population being served, while Persons with Disabilities Exiting Nursing Facilities, Youth with Disabilities Exiting Foster Care, and Persons with Disabilities Exiting ICF/IIDs are underserved.

<b>Target Population</b>	<b>Number of Households Served*</b>	<b>Percentage of Total Households Served</b>
Persons with Disabilities Exiting Nursing Facilities	30	6%
Youth with Disabilities Exiting Foster Care	11	2%
Persons with Disabilities Exiting ICF/IIDs	0	0%
Persons with Serious Mental Illness	476	92%
<b>Total</b>	<b>517</b>	<b>100%</b>

*\*As of September 25, 2020*

Since 2016, the program has housed 517 applicants, and has over 2,200 applicants on waiting lists. As applications to the program are received, they are placed on property waiting lists on a first-come first-served basis, in accordance with the Program Selection Plan. Multiple waitlists at properties have been closed due to excessive wait times. An excessive wait time is generally considered to be over one year.

TDHCA, HHSC, and DFPS have attempted to address disparities in participation through targeted technical assistance and marketing. Representatives of the service providers for the three underserved target populations cite long wait times as the primary barrier to serving these populations through

Section 811. These types of relocations often require a longer time to transfer services for these populations. In addition, it is important to have Youth with Disabilities Exiting Foster Care in permanent housing, as they approach an age where many will transition out of services or transition into a different service platform.

Therefore, staff recommends the implementation of a preference policy for up to five years, identifying the three underserved target populations as able to receive a preference in accordance with HUD regulations, fair housing requirements, and civil rights requirements. Staff will notify HUD of the Department's intention at least 30 days before implementing this preference.

The preference policy will:

- Give preference to the three underserved Target Populations: persons with disabilities exiting nursing facilities, persons with disabilities exiting Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Condition (ICF/IIDs), and youth or young adults with disabilities aging out of foster care;
- Not apply retroactively, meaning that persons on waiting lists currently will not have the preference populations access units ahead of them; but that those with a preference will only have preference status ahead of applications received on or after the effective date of the preference; and
- Be applicable to participating properties in the program whose waitlists are currently open, and to properties in the program when they open their waitlist.

Approximately six months before the expiration of the preference period, the Department along with its state-agency partners will examine the tenant makeup of the 811 PRA portfolio along with the waitlist. This examination will determine whether the continuation of this preference policy is needed for some or all of the three Target Populations that are currently underserved.

1r

**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion and possible action on the programming of Housing Choice Voucher Program Administrative funds available to Texas through the Coronavirus Aid, Relief, and Economic Security Act and authorization to proceed with said programmed activities

**RECOMMENDED ACTION**

**WHEREAS**, on March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law which provides relief for individuals and businesses negatively impacted by COVID-19;

**WHEREAS**, on May 8, 2020, the Department was notified was notified by the US Department of Housing and Urban Development (HUD) that in its role as a Public Housing Authority (PHA) it would receive an allocation of \$117,268 in Housing Choice Voucher Program (HCVP) Administrative Fee Funding under the CARES Act for uses eligible as outlined in PIH Notice 2020-08;

**WHEREAS**, on August 10, 2020, the Department was notified by HUD that it would receive a second round of HCVP Administrative Fee Funding in the amount of \$140,871;

**WHEREAS**, on September 3, 2020, the Board approved staff's recommendation to use the first allocation of administrative funds for two activities; and

**WHEREAS**, staff will program the second allocation of funds, as well as any funds from the first allocation that may be unspent, as provided in this action item and will seek any HUD waivers if needed;

**NOW, therefore, it is hereby**

**RESOLVED** that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed, for and on behalf of this Board to execute, deliver, and cause to be performed such amendments, documents, and other writings such as anticipated guidance and implementation of the HCVP Administrative funds received from HUD and to make decisions as they or any of them may deem necessary or advisable to effectuate the foregoing.

**BACKGROUND**

In response to COVID-19, on March 27, 2020, President Trump signed the CARES Act into law which included \$1.25 billion in HCVP supplemental funding to states for relief of low-income individuals economically impacted by COVID-19. HUD released the first \$380 million by formula for the

administrative fee portion of the allocation and the Department received \$117,268. HUD subsequently released a second allocation and the Department received \$140,871. These funds are specifically not authorized to allow for the issuance of more vouchers, but solely for other allowable specified purposes. Because these activities are not already included in the Department's PHA Administrative Plan, staff is required to obtain Board approval of these activities.

Staff recommends using these funds for five activities. The five activities will include:

- **Personal Protective Equipment (PPE).** HUD has previously allowed PHAs to delay their physical unit inspections. However, that delay period is ending and staff will soon be again performing Housing Quality Standards inspections. With additional safety precautions and strict social-distancing measures in place, the PPE will be used by Section 8 staff to protect themselves, landlords, and clients. (e.g., Face-shields, mask, gloves, and shoe covers.)
- **Tablets.** Staff would utilize these tablets to conduct Housing Quality Standards unit inspections. This would enable inspection results to be in real time, thereby reducing the paper-related costs such as rekeying, copying, distributing, and storing paper inspection documentation. Tablets are a more affordable and easier to use option than purchasing laptops.
- **Damage Claims.** A landlord and tenant agree in writing on a security deposit that does not exceed one month's rent. If a unit is damaged beyond normal wear and tear, the landlord would be asked to complete a form with a written statement indicating that the cost to repair the damage would exceed the value of the security deposit. Upon receiving the written notice, the PHA would inspect the damage within 5-7 days. The landlord must itemize each damaged item and the cost to repair it and notify the tenant of the charges within 10 days after moving out of the apartment. The tenant has 10 days to refute the charges in writing. If the tenant does not respond to the charges, the PHA will pay the landlord for damages incurred in excess of the security deposit but not exceeding \$500. Any tenant rejections of the charges are referred to the Section 8 Program Manager for a final decision.
- **Security Deposits.** The Department will pay the security deposit on a unit for Housing Choice Voucher families impacted by COVID-19, to the landlord, in a one-time lump sum of \$350 issued to the landlord upon lease signing of our client. This will allow the landlord the ability to hold the unit for a family who may be challenged due to the pandemic. If the security deposit paid on behalf of the family is later refunded by the landlord, such payment must be made to the Department at the time the family moves out if it is determined that there is less than the full amount of the security deposit participant caused damages, beyond normal wear and tear.
- **Retention payments.** Costs to retain existing owner participation in the HCV Program is vital to the program. A retention payment incentive would be offered to landlords in association with those new and existing Department PHA clients who have been issued a voucher and not been able yet to find a unit who are offered a voucher before the funds expire, and those clients who were in the process of trying to relocate but have been unable to find a new unit in the area they are seeking. The retention payment incentive will be a one-time lump sum of \$500 issued to the landlord upon lease signing of our client.



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## TDHCA Outreach Activities, September-October

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
Webinar	Average Income Webinar	Sept. 2	N/A	Compliance
Virtual Training	Income Determination Training	Sept. 10	N/A	Compliance
Virtual Roundtable	Virtual Roundtable on Staff Draft of Enforcement Rule	Sept. 11	N/A	Compliance
Virtual Training	Housing Tax Credit Training	Sept. 17	N/A	Compliance
Virtual Training	Multifamily Direct Loan Training	Sept. 24	N/A	Compliance

### Internet Postings of Note

*The list of new or noteworthy postings to the Department's website.*

#### Amy Young Barrier Removal

- Posted updated information related to 2021 Fiscal Year NOFA

#### Asset Management

- Posted updated Post Award Activities Manual (as of September 2020)
- Posted presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application (#16373, Avondale Farms Seniors; #20273, La Grange Springs)
- Posted presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement (#98005, Falcon Pointe Apartments; #98050, Las Villas de Leon; #98067, Asbury Place Apartments; #99177, Park at Clear Creek; #00003, The Villas of Greenville; #00027, Rosemont at Arlington Park; #01029, The Landing; #01094, South Cooperstown Apartments; #01099, Cooperstown Apartments; #01101, Timber Ridge Apartments; #02051, Pueblo Montana; #02053, Castner Palms; #04226, Arbor Cove; #11149, Silver Glen Apartments; #13071, Windy Ridge Apartments; #16043, SilverLeaf at Panhandle Seniors; #16057, Silverleaf at Mason)

#### Communications:

- Posted updated information related to COVID-19 to Resources page
- Added Texas Hurricane Center link to Disaster Resources page

#### Community Affairs

- Posted updated Blower Door and Duct Blaster Data Sheet (effective September 2020)
- Posted 2020 CSBG CARES Act Supplemental State Plan
- Posted updated US Citizenship Documentation Matrix (as of September 2020)

- Posted updated COVID-19 Frequently Asked Questions (as of August 24)

### **Compliance**

- Posted updated Utility Allowance Questionnaire
- Posted updated Uniform Previous Participation Form for Single Family and Community Affairs and Instructions
- Added CDC eviction moratorium information to Help for Texans page
- Added YouTube recording and presentation slides of Average Income Webinar
- Added Staff Draft of Enforcement Rules with corresponding documents to TDHCA Rules and Regulations page
- Posted Average Income Testing Tool
- Posted updated instructions for Uniform Previous Participation Form for Multifamily and Ownership Transfers

### **Fair Housing**

- Posted updated TDHCA-approved Fair Housing Trainers list (as of Sept. 16)

### **Financial**

- Posted FY 2020/2021 LAR
- Posted Legislative Appropriations Request FY2022-23

### **HOME and Homeless:**

- Posted updated 2020 ESG Annual Final Scoring Log (as of September 2020)

### **Housing Resource Center**

- Posted updated Community Development Block Grant CARES Act, Housing Choice Voucher CARES Act, and Mainstream Voucher Program CARES Act funding totals
- Posted updated information related to COVID-19 to Resources page
- Posted updated information related to CDC Temporary Halt in Residential Evictions to Prevent Further Spread of COVID-19
- Posted 2019 Housing Sponsor Report

### **Internal Audit**

- Posted 2020 Internal Audit of the Housing Choice Voucher Section 8 Program
- Posted 2020 Internal Audit of the Physical Inspections Section

### **Migrant Labor Housing**

- Posted updated New Application for a New License to Operate a Migrant Labor Housing Facility and updated Application to Renew or Change a License to Operate a Migrant Labor Housing Facility

### **Multifamily:**

- Moved 2019 9% HTC cycle information to Multifamily Archive page
- Added 2021 4% HTC Individually Imaged Bond Applications
- Posted updated 2020 4% HTC Bond Status Log (as of Sept. 23)
- Posted third party reports under 2020 4% HTC cycle
- Posted updated HTC Property Inventory list (as of Sept. 3)

### **Notice of Funding Availability**

- Amended 2020-1 Multifamily Direct Loan Annual NOFA

### **Public Comment**

- Public comment period open for 2021 QAP Staff Draft Chapter 12 Bonds
- Public comment period open for 2021 QAP Staff Draft Chapter 13 MFDL
- Public comment period open for QAP Staff Draft

- Public comment period open for 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds §1.406 Fidelity Bond Requirement, §1.407 Inventory Report, and §1.408 Travel
- Public comment period open for 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, Certain Subsections
- Public comment period open for HOME Proposed Rules For Public Comment Posting

### **Section 8 Housing Program**

- Posted updated HUD waivers chart

### **Section 811 PRA Program**

- Posted updated Property Options forms

### **Frequently Used Acronyms**

AMFI	Area Median Family Income	LURA	Land Use Restriction Agreement
AYBR	Amy Young Barrier Removal Program	MF	Multifamily
CEAP	Comprehensive Energy Assistance Program	MFTH	My First Texas Home Program
CFD	Contract for Deed Program	MRB	Mortgage Revenue Bond Program
CFDC	Contract for Deed Conversion Assistance Grants	NHTF	National Housing Trust Fund
CHDO	Community Housing Development Organization	NOFA	Notice of Funding Availability
CMTS	Compliance Monitoring and Tracking System	NSP	Neighborhood Stabilization Program
CSBG	Community Services Block Grant Program	OIG	Office of Inspector General
ESG	Emergency Solutions Grants Program	QAP	Qualified Allocation Plan
EHF	Ending Homelessness Fund	QCP	Quantifiable Community Participation
FAQ	Frequently Asked Questions	REA	Real Estate Analysis
HBA	Homebuyer Assistance Program	RFA	Request for Applications
HHSCC	Housing and Health Services Coordination Council	RFO	Request for Offer
HHSP	Homeless Housing and Services Program	RFP	Request for Proposals
HRA	Homeowner Rehabilitation Assistance Program	RFQ	Request for Qualifications
HRC	Housing Resource Center	ROFR	Right of First Refusal
HTC	Housing Tax Credit	SLIHP	State of Texas Low Income Housing Plan
HTF	Housing Trust Fund	TA	Technical Assistance
HUD	U.S. Department of Housing and Urban Development	TBRA	Tenant Based Rental Assistance Program
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

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Update on TDHCA Programs in Response to COVID-19 and CARES Act  
As of September 30, 2020

This report provides an update on the programs TDHCA has targeted to assist with Texas' response to COVID-19 through reprogramming of existing funds and through the administration of CARES Act funds.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR	NA: Reservation Agreements	3-6 months of rental assistance made available through existing or new HOME subrecipients.  Geography: Available where subrecipients apply. Income Eligibility: Households at or below 80% AMFI based on current circumstances.	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020. The HUD waivers expire December 31, unless extended.	21 contracted administrators representing 117 counties. 1 administrator in the review and approval process. Recently notified by HUD that arrears is also allowable so administrators are being notified.	No added TDHCA staffing.  No added admin funds.	238	Up to \$11,290,076 \$1,648,931* 14.60% \$305,055 18.50%	606 (households) activities submitted. Includes total served.  * Amount Reserved
Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds	<ul style="list-style-type: none"> <li>Board approval March 2020.</li> <li>Recipients contracts effective: 3/26/20</li> <li>Expenditure Deadline: 8/31/20</li> </ul>	Uses the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19.  Geography: Available statewide (excluding CWCCP and CSI <sup>1</sup> ) Income Eligibility: 200% poverty (normally is 125%)	None	Program completed 8/31/20. Final close out reporting not yet available.	No added TDHCA staffing.  No added admin funds.	5,325 persons	\$1,477,993 1,477,993 100% \$1,194,174 80.8%	38 CAA subs

<sup>1</sup> CWCCP and CSI were omitted from this specific type of award because they have outstanding balances owed to the Department. The counties these two entities cover include: Anderson, Cameron, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, Van Zandt, and Willacy. It should be noted those counties will receive CSBG services under the CSBG CARES funds.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
Recaptured 2018/2019 HHSP	<ul style="list-style-type: none"> <li>Board approval March 2020.</li> <li>Spend by 8/31/20 for 2018 HHSP funds, and extensions on some 2019 HHSP funds through 12/31/20.</li> </ul>	<p>To allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness.</p> <p>Geography: Available 9 largest metro areas. Income Eligibility: Generally 30% AMFI if applicable</p>	Approval from Comptroller granted.	<p>9 of the 9 contracts have been executed by subs.</p> <p>100% of \$88,547 in 2018 funds expended, and 46% of 2019 HHSP funds expended.</p>	<p>No added TDHCA staffing.</p> <p>No added admin funds.</p>	333	<p>\$239,884</p> <p>\$239,884 100%</p> <p>\$158,036 66</p>	9 subs
CSBG CARES	<ul style="list-style-type: none"> <li>Board approved April 2020.</li> <li>On 9/3/20 Board programmed 7% in reserve for an eviction diversion pilot.</li> <li>Expend by 8/31/22</li> <li>45 day closeout</li> </ul>	<p>90% to CAAs using regular formula for households affected by COVID-19; 2% (\$949,120) to Texas Homeless Network<sup>2</sup>; 7% for an eviction diversion pilot program; and 1% for state admin.</p> <p>Geography: Available statewide Income Eligibility: 200% of poverty (normally is 125%)</p>	The <a href="#">flexibilities allowed by USHHS</a> have been accepted.	The CSBG CARES Plan was submitted on 9/18/20. 40 out of 40 contracts have been executed.	<p>1 Art. IX FTE for CSBG reporting (Offer Pending)</p> <p>1% admin (\$474,560)</p>	19,661 persons	<p>\$48,102,282</p> <p>\$43,292,056 90%</p> <p>\$6,920,560 15.9%</p>	40 CAA subs
LIHEAP CARES	<ul style="list-style-type: none"> <li>Board approved April 2020</li> <li>By 11/30/20 need to decide on the 9% reserve</li> <li>Expend by 8/30/21</li> <li>45 day closeout</li> </ul>	<p>90% to CEAP subs using regular formula for households affected by COVID-19; 9% to be held in reserve for future emergency use or for subs; and 1% for state admin.</p> <p>Geography: Available statewide Income Eligibility: 150% of poverty</p>	The <a href="#">flexibilities allowed by USHHS</a> have been accepted. Told HHS no WAP w/ CARES. Sent waiver request 5/13/20 to HHS about performance measures for billing history. As of 9/28, no response. No 10% Carry Forward applies.	37 out of 37 contracts have been executed.	<p>1 Art. IX FTE for CEAP TA/capacity (Filled)</p> <p>1% admin (\$892,670)</p>	14,148 persons	<p>\$94,023,896</p> <p>\$84,621,506 90%</p> <p>\$6,737,669.13 7.9%</p>	37 CAA subs. No subs declined funds.

<sup>2</sup> The award to THN is to: 1) address homelessness and at-risk of homelessness in the Balance of State Continuum of Care and to provide capacity building assistance to subrecipients of Emergency Solutions Grant CARES Act and 2020 and 2021 Emergency Solutions Grant funds as a result of COVID-19.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
CDBG CARES – Phases I, II and III	<p>Board approved general use of the funds for CDBG Phase I in April 2020</p> <p>80% of funds must be expended within 3 years of the grant agreement date; remaining 20% by 6 years from the grant agreement date.</p> <p>90-day closeout</p>	<p>Recommended Usage in Plan Amendment: rental assistance including an eviction diversion program, FEMA match for food distribution activities; broadband planning, and assistance for providers of persons with disability.</p> <p>Geography: \$40,000,886 to be allocated to Units of General Local Government in non-entitlement areas. All remaining rental assistance funds to be regionally allocated to cover the state.</p> <p>Income Eligibility: For households at or below 80% of AMI for rental assistance.</p>	<p>Federal Register guidance was released by HUD on August 10, 2020. Action item for the Plan Amendment reflecting use of these funds is presented on the agenda for this Board meeting.</p>	<p>If approved on the separate agenda item, the Plan Amendment will be posted for a 5 day public comment period and after consideration of comments, submitted to HUD for acceptance.</p>	<p>CDBG Director position filled. 6 positions posted.</p> <p>All FTES are Art. IX</p> <p>Up to 7% admin and TA budget (\$9,918,464)</p>	0	<p>First allocation: \$40,000,886 Second Allocation: \$63,546,200 Third Allocation: \$38,299,172</p> <p>Total: \$141,846,258</p> <p>\$0 0%</p> <p>\$0 0%</p>	<p>All CDBG CARES funds nationally have now been allocated. Office of the Governor designated TDHCA as the state agency recipient for all CDBG CARES on June 15, 2020.</p>
ESG CARES – Phase I	<ul style="list-style-type: none"> <li>Board approved programming plan on April 2020, and conditional awards on July 23, 2020.</li> <li>Expend by 9/30/22</li> <li>90 day closeout</li> </ul>	<p>Four streams:</p> <ul style="list-style-type: none"> <li>Existing subs were offered 100% to 200% of current contract amount (~\$12.5M)</li> <li>ESG Coordinators decided via local process for their CoC, and awards made in three areas without ESG Coordinators by offering funds to CoC awardees (~\$17.2M)</li> <li>Legal/HMIS (\$1.9M)</li> </ul> <p>Geography: Locations of all funded grantees Income Eligibility: 50% AMI for homeless prevention.</p>	<ul style="list-style-type: none"> <li>HUD mega-waivers accepted.</li> <li>ESG Guidance issued by HUD on 9/1/20. An updated waiver request to HUD was submitted on August 31, 2020. One-Year Plan/Con Plan amendment to HUD on May 8.</li> <li>Signed HUD grant agreement sent to HUD 5/15/20.</li> <li>Funds live in HUD system 5/22/20.</li> </ul>	<ul style="list-style-type: none"> <li>48 out of 49 contracts out for existing ESG subs</li> <li>32 new subs awarded and approved by EARAC</li> <li>11 new subs conditionally awarded pending EARAC.</li> <li>3 legal service providers awarded.</li> </ul>	<p>3 Art. IX FTE (for all phases of ESG as well) 2 hired; 1 in process</p> <p>5% admin (\$1,662,734)</p>	6,620 persons	<p>\$33,254,679</p> <p>\$32,254,679 97%</p> <p>\$1,243,326 4%</p>	<p>This is the first \$1B of national ESG.</p> <p>HMIS/Coordination funds totaling \$365,826 will go to the 8 ESG Coordinators.</p>



Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
ESG CARES – Phase II	Federal award amounts announced 6/9/2020.	Recommended Usage in Plan Amendment: limits activities primarily to rental assistance through Homelessness Prevention and Rapid Rehousing.	ESG Guidance issued by HUD on 9/1/20. Action item for the Plan Amendment reflecting use of these funds is presented on the agenda for this Board meeting.	If approved on the separate agenda item, the Plan Amendment will be posted for a 5 day public comment period and after consideration of comments, submitted to HUD for acceptance..	FTEs noted under ESG CARES Phase I will be utilized for both phases.	0	\$64,537,937 \$0 0% \$0 0%	This is the state's share of the second (final) allocation of \$2.96 billion.
Housing Choice Voucher Program Admin	HUD has clarified that expenditure must occur by 12/31/20. (PIH 2020-08)  1 <sup>st</sup> Award: \$117,268 2 <sup>nd</sup> Award: \$140,871 (8/10/2020)	<ul style="list-style-type: none"> <li>Software upgrades with Housing Pro to allow more efficient remote interface.</li> <li>Landlord incentive payments.</li> <li>Possible damage assistance, PPE expenses, tablets</li> </ul>	Action item for the use of these funds is presented on the agenda for this Board meeting. Received HUD interpretation that using funds for software upgrades are acceptable.	Purchases of Housing Pro upgrades complete. Training underway. Materials for landlord incentives completed.	No added TDHCA staffing.	0	\$258,139 \$38,012* 32.4% \$0 0%	\$380M nationally  *\$11,260 obligated for the system purchase. \$35,000 offered to 30 households for landlord incentives.
Housing Choice Voucher Program MVP	12 months of assistance, start date begins whenever we designate with HUD.  Orig. Alloc: \$105,034 Supp. Alloc.: \$5,268	15 additional MVP vouchers consistent with our award of MVP, which for us is for the Project Access List.  A quarterly supplemental allocation from HUD in the amount of \$5,268 was received on 8/10/2020 to support the 15 vouchers.	None needed.	Received award from HUD. Issued the 15 vouchers on 5/22/20.	No added TDHCA staffing.  No added admin funds.	2 families leased*	\$110,302 \$0 0% \$0 0%	*\$1,275 obligated to Mainstream families. There are 13 households searching for units

Note that Section 811 was initially reflected on this report. However, the funds in CARES have been clarified by HUD to be for traditional 811 Project Rental Assistance Contracts, not 811 PRA programs.

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**BOARD ACTION REQUEST**

**PROGRAMS DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion and possible action on a substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan; approval of programming for ESG CARES II and CDBG CARES funding; and authority to make awards to identified non-competitive subrecipients

**RECOMMENDED ACTION**

**WHEREAS**, on March 27, 2020, the President of the United States signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law which provides relief for individuals and businesses negatively impacted by COVID-19;

**WHEREAS**, Title XII of the CARES Act provides supplemental formula funding of at least \$1.5 billion to states to carry out activities under the Emergency Solutions Grants (ESG CARES) and Community Development Block Grant (CDBG CARES) among other programs to prevent, prepare for, and respond to COVID-19;

**WHEREAS**, the Department received \$33,254,679 in ESG CARES I, which has been allocated to homelessness providers;

**WHEREAS**, a second tranche of ESG CARES Act funds in the amount of \$64,537,937 and three allocations in CDBG CARES Act funds totaling \$141,846,258 are now available to assist households in recovering from the pandemic;

**WHEREAS**, the U.S. Department of Housing and Urban Development (HUD) requires the submission of a One-Year Action Plan in accordance with 24 CFR §91.320;

**WHEREAS**, the final 2019 State of Texas Consolidated Plan: One-Year Action Plan (Plan), which reports on the intended use of funds received by the State of Texas from HUD for Program Year (PY) 2019, beginning on February 1, 2019, and ending on August 31, 2020, was approved for submission to HUD at the Board meeting of May 23, 2019, and the Plan was submitted to HUD on June 7, 2019;

**WHEREAS**, as directed by HUD as a prerequisite for receiving a grant agreement from HUD for CARES Act funds, staff has developed a substantial amendment to this Plan, in accordance with waivers from HUD, to allow for an expedited citizen participation process to add the necessary changes required to receive and administer ESG CARES II and CDBG CARES funding designated to the State through the CARES Act;

**WHEREAS**, a substantial amendment to the 2019 Plan is required to reflect the administration and distribution of this allocation of ESG CARES II and CDBG CARES funds, and the approval of this action item serves as authority for the Executive Director to draft

such amendments reflecting the direction of the Governor of the State of Texas, to host a public comment period, and submit the final amendments to HUD without returning to the Board, but reporting to the Board on any revisions implemented; and

**WHEREAS**, for activities in the plan that recommend non-competitive awards of funds to subrecipients, staff is seeking authority with this item to also proceed with the execution of contracts with such subrecipients, conditioned on an acceptable recommendation or a recommendation with conditions by the Executive Award Review and Advisory Committee (EARAC) being confirmed prior to execution, and subsequent report of such contracts to the Board;

**NOW, therefore, it is hereby**

**RESOLVED** that the Executive Director and his designees and each of them be and they hereby are authorized, empowered and directed, for and on behalf of this Board to execute, deliver, and cause to be performed such amendments, documents, and other writings such as anticipated guidance and implementation of ESG CARES II and CDBG CARES funding received from HUD and to make decisions as they or any of them may deem necessary or advisable to effectuate the foregoing;

**FURTHER RESOLVED**, that the Executive Director and his designees each of them be and they hereby are, authorized, empowered, and directed, for and on behalf of this Board, to issue awards of funds and contracts for non-competitive activities, subject to a positive recommendation from EARAC and subject to any EARAC conditions, consistent with the policy noted herein; and

**FURTHER RESOLVED**, that should the Executive Director or the Governor of the State of Texas determine to alter the programming of these funds prior to submission of the plan amendment to HUD in response to public comment, staff will make such directed amendments prior to submission; and may also make such technical and non-substantive amendments as HUD may require.

### **BACKGROUND**

The COVID-19 pandemic has had a massive impact on families' capacity to pay their rent and on their food stability. These considerations are compounded for those experiencing homelessness, at risk of homelessness, and persons with disabilities. Texas' rental housing market, already stressed from increasing demand for affordable housing in its major urban centers has only seen an increased cost-burden during the pandemic. The most recent Census Bureau statistics, from mid-July 2020, indicate that 23% of Texas households who were renting – 1.5 million households – missed their last month's rent payment, while 39% of renters or 2.5 million households had slight or no confidence that they could pay the next month's rent. The challenges of paying rent are also impacting the owners of rental properties who must continue to pay mortgages, property taxes and maintenance costs for their rental properties despite the income from rents being reduced.

**Proposed Programming of Funds**

TDHCA is proposing a significant commitment from both the Emergency Solutions Grants second allocation of CARES Act funding (ESG CARES II) and the Community Development Block Grant CARES Act funding (CDBG CARES) for rental assistance. Through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Texas Department of Housing and Community Affairs (TDHCA) currently has available \$64,537,937 in ESG CARES II funds and \$141,846,258 in CDBG CARES funds. These two funds have different requirements relating to rental assistance and will be able to help households in different ways as described in detail in the following attachments. A summary of the proposed programmatic description for ESG CARES II is found in Attachment C and a summary of the proposed programmatic description for CDBG CARES may be found in Attachment D. CDBG CARES funds are also recommended for the network of food banks across the state of Texas and for provider relief assistance for persons with disabilities.

The proposed uses for ESG CARES II and CDBG CARES are reflected in the tables below:

<b>ESG2 II CARES Program Activity</b>	<b>Recommended Allocation</b>
Rental Assistance and Housing Stabilization Prioritization	\$61,031,041
ESG CARES and HMIS coordination	\$280,000
TDHCA Administration (up to 5%)	\$3,226,896
<b>TOTAL SECOND ALLOCATION FROM HUD</b>	<b>64,537,937</b>

<b>CDBG CARES Program Activity</b>	<b>Recommended Allocation</b>
Urgent Need Rental Assistance <i>(\$40,000,886 to be allocated competitively to non-entitlement cities and counties and \$61,698,131 to address rental assistance needs elsewhere in the state.)</i>	\$105,917,020
Food Bank Distribution	\$21,000,000
Provider Relief Assistance - Persons with Disabilities	\$5,000,000
TDHCA Administration (up to 7%) <i>(including up to \$500,000 in broadband planning)</i>	\$9,929,238
<b>TOTAL FIRST, SECOND AND THIRD ALLOCATIONS FROM HUD</b>	<b>\$ 141,846,258</b>

**Plan Amendment for Programming of Funds**

The TDHCA has prepared a substantial amendment to the 2019 State of Texas Consolidated Plan: One-Year Action Plan (Plan) as directed by HUD’s guidance for usage of ESG II and CDBG CARES Act funds. A substantial amendment to the Department’s Plan with HUD is required to reflect how the funds received in these allocations will be distributed. In the interest of urgency for these funds, the Board is granting authority to the Executive Director to proceed with the steps needed to gather public comment, make any associated revisions to the plan as may be needed without further Board authority – and to release such amendments. Staff is also requesting that the Executive Director have the authority, with a positive recommendation or a recommendation with conditions from EARAC to make awards to non-competitive subrecipient contracts and enter into a memorandum of understanding, Inter-agency Agreement or contract with the Texas Department of Emergency Management so that funds are not delayed. It should be noted that in the plan amendments the terminology required by HUD is “ESG-CV” and “CDBG-CV”.

A public comment period for the proposed amendments will begin on Monday, October 12, and close on Friday, October 16, 2020, at 5:00 p.m. Austin local time. Prior to the comment period announcement will be made where notice of these proposed amendments to the Plan, the official five-day public comment period and virtual public hearing will be released via TDHCA listserv and forwarded to other online distribution lists as applicable.

A virtual public hearing to accept public comment will be held at 6:00 p.m. on Wednesday, October 14, 2020, via GoToWebinar. Those interested in attending this virtual public hearing may register at:

Registration link: <https://attendee.gotowebinar.com/register/5838253221728762384>

GoToWebinar Dial in number: +1 (415) 655-0052, Access Code: 192-535-239

The public comment period, and proposed substantial amendments will be announced on the TDHCA's Public Comment Center webpage at <https://www.tdhca.state.tx.us/public-comment.htm>. All materials will also be posted on the Department's Housing Resource Center webpage at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>, and notice of this action will be released via TDHCA listserv and forwarded to other online distribution lists as applicable. TDHCA will submit the substantial amendment of the Plan to HUD through the Integrated Disbursement and Information System (IDIS), along with any waivers that may still be needed based upon the activity types selected.

The proposed substantial amendments and detailed programmatic descriptions can be found in the following four attachments:

**Attachment A**

ESG CARES II, Proposed Substantial Amendment to the 2019 OYAP

**Attachment B**

CDBG CARES, Proposed Substantial Amendment to the 2019 OYAP

**Attachment C**

ESG CARES II, Proposed Programmatic Description

**Attachment D**

CDBG CARES, Proposed Programmatic Description



## Texas Department of Housing and Community Affairs

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### Attachment A: ESG Amendments to the 2019 State of Texas Consolidated Plan One Year

#### Action Plan

October 2020

The amendment reflects only those sections within which changes have been made. All other sections remain unchanged.

#### PR-05 Lead & Responsible Agencies - 91.300(b)

##### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator		Texas Department of Agriculture
HOPWA Administrator		Texas Department of State Health Services
HOME Administrator	TEXAS	Texas Department of Housing and Community Affairs
HTF Administrator	TEXAS	Texas Department of Housing and Community Affairs
ESG and ESG-CV Administrator	TEXAS	Texas Department of Housing and Community Affairs
CDBG-CV Administrator	TEXAS	Texas Department of Housing and Community Affairs

Table 1 – Responsible Agencies

## Narrative

TDHCA administers the ESG, ESG-CV, NHTF, CDBG-CV (Phase I) and the HOME Programs; TDA administers the CDBG Program; and DSHS administers the HOPWA Program. All of these programs, known collectively as CPD Programs, are covered in the 2019 OYAP. TDHCA coordinates development of the OYAP among itself, TDA, and DSHS.

### Key Organizational Events

In 1991, the 72nd Texas Legislature created TDHCA. TDHCA's enabling legislation combined programs from the Texas Housing Agency, the Texas Department of Community Affairs, and the Community Development Block Grant Program from the Texas Department of Commerce. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA.

At that time the CDBG Program was transferred from TDHCA to the newly-created Office of Rural Community Affairs, later called the Texas Department of Rural Affairs, and was then subsequently moved to TDA. As of October 1, 2011, the program is administered by TDA. Through an interagency agreement with TDA, TDHCA administers 2.5% of the CDBG funds which are designated for the Colonia Self Help Centers (SHCs) along the Texas-Mexico border.

DSHS, which administers HOPWA, is an agency of Texas Health and Human Services (HHS). In 2015, HHS began a reorganization to produce a more efficient, effective, and responsive system. In September of 2016, the first phase of that effort became operational, and a second phase occurred September 1, 2017. The goals of the transformation were to create a system that is easier to navigate for people who need information, benefits, or services; aligns with the HHS mission, business, and statutory responsibilities; breaks down operational silos to create greater program integration; creates clear lines of accountability within the organization; and develops clearly defined and objective performance metrics for all areas of the organization. Foremost as it relates to HOPWA, DSHS contract oversight and support functions have transferred to HHS. For more information about the HHSC transformation, visit <https://hhs.texas.gov/about-hhs/hhs-transformation>.

On March 12, 2016, TDHCA was designated by Governor Abbott as the state agency responsible for the administration of funds provided through the NHTF.

TDHCA, TDA, and DSHS administer their assigned CPD programs and services through a network of organizations across Texas and do not typically fund assistance to individuals directly. Depending on the program, organizations include units of local government, councils of governments, nonprofit organizations, for-profit organizations, Administrative Agencies (AA), Public Housing Authorities (PHAs), and Community Housing Development Organizations (CHDOs).



**SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)**

Anticipated Resources (only added row shown)Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing						<p>TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities.</p> <p>HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately \$140,000 per year, provides funds to counties and municipalities to combat homelessness.</p>
		Financial Assistance	33,254,679	0	0	33,254,679	33,254,679	
		Overnight shelter						
		Rapid re-housing (rental assistance)	97,792,616			97,792,616	97,792,616	
		Rental Assistance Services						
		Transitional housing						

**Table 2 - Expected Resources – Priority Table**

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State is committed to reaching out to and engaging with the public in order to develop programmatic activities that are responsive to the various affordable housing needs of Texans. The State also solicits and receives input from governmental bodies, nonprofits, and community and faith-based groups. More information on the citizen participation, consultation, and public comment are included in the Consultation and Participation sections of the Plan.

The 2015-2019 Consolidated Plan (as adopted) substantial amendments, the OYAP, and the Consolidated Plan Annual Performance and Evaluation Report (CAPER) are available to the public online at <http://www.tdhca.state.tx.us> and materials are accessible to persons with disabilities, upon request.

The State recognizes that public participation and consultation are ongoing processes. During the development of the 2015-2019 Consolidated Plan, comprehensive outreach was conducted to gather input. This outreach continues through the development of each Annual Action Plan within the 5-year consolidated planning process. Following the release of HUD's Final Rule to Affirmatively Further Fair Housing (AFFH), the State updated the Citizen Participation Plan and Language Access Plan; those updated plans are now being used as the State develops an updated Analysis of Impediments to Fair Housing Choice (AI).

For the ESG-CV Phase I funding the State requested a waiver of the citizen participation process. However, TDHCA held a series of online consultation opportunities with COCs, current ESG Subrecipients, and other stakeholders to gather input on ESG-CV program design. While the substantial amendment was not formally released for public comment, the activities [for the ESG-CV allocation 1 in the amendment](#) were posted for the public to review and orally described at a TDHCA Board Meeting on April 23, 2020, with an opportunity for public comment. [The additional activities proposed in this amendment will be posted for a five-day public comment period.](#) ~~There was no public comment.~~

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Introduction

CPD funding is governed by this Consolidated Plan, but the State also works to collaborate, coordinate, and layer non-CPD funding sources in order to reach more Texans and more efficiently use available funds. Programs listed in the anticipated resources narrative sections below could be used to leverage CPD funds.

These include:

4% Housing Tax Credit (HTC)/Private Activity Bond (PAB) Program, 9% HTC Program, Multifamily Direct Loan Program, Homeless and Housing Services Program (HHSP), State Ending Homelessness Fund (EH Fund), State Housing Trust Fund Program, Texas Mortgage Credit Certificate (TX MCC) Program, First time homebuyer loan programs, including the My First Texas Home Program, Neighborhood Stabilization Program - Program Income (NSP PI), Section 8 Housing Choice Voucher (HCV) Program, Section 811 Project Rental Assistance (Section 811 PRA) Program and Tax Credit Assistance Program Repayment Funds (TCAP RF).

The expected future funding amounts of the above programs, to the extent known, are in the planning documents governing those programs. These documents can be found online at <http://www.tdhca.state.tx.us/>. The anticipated resources below are focused on CPD Programs.

TDHCA participates in numerous committees, workgroups, and councils which help inform TDHCA of other potential resources to address affordable housing needs. Relationships with other federal and state agencies and local governments are extremely valuable, helping Texas agencies to coordinate housing and services to serve all Texans efficiently and effectively. TDHCA's committee involvement promotes identification and pursuit of federal funding opportunities. TDHCA actively seeks engagement and input from community advocates, funding recipients, potential applicants for funding, and others to obtain input regarding the development of effective policies, programs and rules. Changes to funding plans are made periodically based on feedback received through these avenues.

TDHCA is the lead agency for the following workgroups:

C-RAC: C-RAC is a committee of colonia residents appointed by the TDHCA Governing Board. It advises TDHCA regarding the needs of colonia residents and the types of programs and activities which should be undertaken by the Colonia SHCs. The Colonia SHCs funds are provided to seven pre-determined

counties.

Disability Advisory Workgroup (DAW): The DAW augments TDHCA's formal public comment process, affording staff the opportunity to interact more informally and in greater detail with various stakeholders and to get feedback on designing more successful programs, with a specific focus on gaining insight on issues impacting persons with disabilities.

Housing and Health Services Coordination Council (HHSCC): HHSCC is established by Tex. Gov't Code §2306.1091. Its duties include promoting coordination of efforts to offer Service-Enriched Housing and focusing on other cross-agency efforts.

Texas Interagency Council for the Homeless (TICH): The TICH was statutorily created in 1989 to coordinate the State's homeless resources and services. The TICH consists of representatives from nine state agencies. TDHCA, as the primary source for state homelessness funding, provides administrative and planning support to the TICH.

The descriptions of the collaborations for DSHS and TDA are in the Discussion question of this section below.

As noted in AP-05 the HUD Program Year (PY) used by the state of Texas' Community Planning and Development Programs (CPD) will be changing from a February – January cycle to a September – August cycle. The purpose of this change is to align with State Fiscal year reporting, and the recent timeframe of the Congressional Appropriations process. To accomplish this change, Texas lengthened its PY 2019 by even months, running from February 1, 2019, through August 31, 2020.

Anticipated Resources (only added row shown)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG CV – Other	Public-federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	33,254,679 <u>97,792,616</u>	0	0	33,254,679 <u>97,792,616</u>	33,254,679 <u>97,792,616</u>	<p>TDHCA's ESG funds are awarded via contract to Subrecipient agencies that provide emergency shelter, homelessness prevention, rapid rehousing, and Homeless Management Information Systems (HMIS) activities.</p> <p>HHSP is Texas state general revenue funding for the largest cities to provide flexibility to undertake activities that complement ESG activities. Note that not all ESG direct recipients in Texas are HHSP grantees. Use of funds also includes Administration. The EH Fund, projected to accrue approximately \$140,000 per year, provides funds to counties and municipalities to combat homelessness.</p>

Table 3 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

**HOME**

HOME multifamily development is often used to leverage with the HTC Program, which authorizes 9% low-income housing tax credits of \$2.70 per capita for each state, and 4% HTC in amounts linked to the usage of the state's cap for issuance of tax exempt PABs to finance affordable housing development. In Texas, this equates to approximately \$76,700,000 in 9% tax credits available to be awarded annually. These credits may be claimed each year for ten years and represents potential tax credit value on the magnitude of \$767,000,000. The credits are syndicated to limited partner investors to yield cash for use in eligible development activities. Currently typical syndication rates range between 88% and 92%. TDHCA's Qualified Allocation Plan (QAP) identifies the criteria used for selection of eligible developments to provide housing for low-income tenants. HOME provides increased leverage, allowing property owners to utilize fewer tax credits and less private debt and local funding, thus providing more efficient use of resources. Other leveraging sources may include United States Department of Agriculture (USDA) operating subsidies and loans, and conventional and FHA-insured loans. Match requirements for the HOME Multifamily Direct Loan Program will in part be met through Rules that establish awardees' minimum amount of match as 5% of the award amount. In addition to match provided as part of the developer's obligation, TCAP RF may be utilized as HOME match, and THDCA calculates to below market interest rates on eligible loans provided to the HOME development which is included in the match funds reported in the CAPER. TDHCA requires Subrecipients and state recipients to provide match of up to 15% of the project hard costs for some single family activities.

**ESG**

To meet the ESG match requirement, TDHCA includes the provision of evidence of proposed match as part of the ESG application process. TDHCA awards additional points to applicants that commit to provide match in excess of the requirements. Subrecipients that also administer HHSP funds or funds from the EH Fund may utilize those funds as match for ESG if they are otherwise eligible to be counted as match.

**HOPWA**

Texas HOPWA does not have program income but leverages funds whenever possible. Project Sponsors leverage available funds from Ryan White and State Services grants, private funding sources, foundations, and local assistance to help clients. AAs do not receive administrative funds from DSHS, so those costs are leveraged from other funding sources. Texas is not required to match the HOPWA formula award.

**ESG-CV**

ESG CV funds do not include a match requirement, but the funds are anticipated to be leveraged with funds from HHSP and the EH fund.

Due to IDIS character limits, CDBG and NHTF Leveraging is described in the question below.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information *(only revised row shown)*

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Goals	2015	2019	Homeless	State of Texas	Emergency shelter and transitional housing Homelessness Prevention Rapid Re-housing	ESG: \$9,127,824  ESG-CV: <del>\$33,254,679</del> <u>\$97,792,616</u>	Tenant-based rental assistance / Rapid Rehousing: <del>4,173</del> <u>5,835</u> Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 50,593 Beds Homelessness Prevention: <del>13,998</del> <u>33,932</u> Persons Assisted

Table 4 – Goals Summary

**Goal Descriptions** *(only revised row shown)*

<b>1</b>	<b>Goal Name</b>	Homeless Goals
	<b>Goal Description</b>	<p>Funds will be utilized to provide Administration, HMIS services, emergency shelter, rapid re-housing, homeless prevention and street outreach to eligible persons who are experiencing homelessness or at-risk of homelessness, as defined by the applicable program rule or act. Actual funding amounts will be determined based on applications for funding received, which are prioritized in part by the recommendation provided by the applicable CoC. The estimates for the funding amount per activity type and number of persons served are extrapolated from data collected over the prior three years, <a href="#">and reflect that the ESG CV funding is awarded specifically for Rapid Rehousing and Homeless Prevention which increases the amount of funding for those activities.</a> Regardless of the CoC recommendations, TDHCA limits the amount of funding available for street outreach and emergency shelter to not more than 60% of the total ESG funding available for the regular allocation of 2019 ESG funds, but the ESG-CV funds are not limited by this cap and it will not be applied to this funding source. Likewise, funds for administration and HMIS are limited within the TDHCA allocation to ensure that the applicable regulatory or statutory caps for these expenditures are not exceeded.</p>



## AP-35 Projects – (Optional)

### Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantee’s Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Although not typically required, Texas is amending the Action Plan to include the ~~entire~~ initial allocation of ESG-CV funding. This does require that the ESG funds programmed in this plan are included in the AP-35 as separate ESG projects as outlined in this section.

*TDHCA will receive \$9,127,824 in ESG under the 2019 allocation, outlined as ESG19 Texas. TDHCA has been allocated an additional \$~~33,254,679~~97,792,616 in 2020 ESG funds under the CARES Act, outlined as ESG20 Texas for the purposes of this plan, and the use of these funds is further described below.*

#	Project Name
1	ESG20 Texas

**Table 5 – Project Information**

### Goal Outcome Indicator Info by allocation:

Goal	Goal Outcome Indicator	ESG20 Texas
1	Tenant-based rental assistance / Rapid Rehousing	<del>3,255</del> 4,917
1	Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added	39,461
1	Homelessness Prevention	<del>10,918</del> 14,797
	Total Persons Assisted	<del>53,634</del> 73,373

### Description

TDHCA has programmed ~~will use total~~ ESG-CV allocations 1 & 2 to fund the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:

1. Rapid re-housing
2. Street outreach
3. Emergency shelter (including temporary emergency shelter)
4. Homelessness prevention
5. Homeless Management Information System (HMIS)

- [6. Administrative expenses](#)
- [7. Additional activities allowed by HUD policy, guidance and approved waivers.](#)

[TDHCA is programming all of ESG-CV allocation 2 to fund only the following activities as needed by the State of Texas to prevent, prepare, and respond to COVID-19:](#)

- [1. Rapid re-housing](#)
- [2. Homelessness prevention](#)
- [3. Homeless Management Information System \(HMIS\)](#)
- [4. Administrative expenses](#)

[In order to be responsive to the needs of the State of Texas in preparing, preventing, and responding to coronavirus and its impact on people at risk of and experiencing homelessness, TDHCA will routinely reevaluate our funding decisions throughout the period of performance. Consistent with the terms of all contracts, TDHCA intends to reprogram ESG-CV funding between selected activities or to include additional ESG-CV activities if/when necessary, based on infection control needs and response efforts related to preventing, preparing, and responding to COVID-19.](#)

[TDHCA has requested waivers to the following provisions from HUD:](#)

[Medium-Term Rental Assistance, Utility Payments, Service Costs \(24 CFR §576.105\(a\)\(5\), \(b\)\(2\), and \(c\), and 24 CFR §576.106\(a\)\)](#)

[Recordkeeping for Housing Standards \(24 CFR §576.500\(j\)\)](#)

[Local Government Approval for Emergency Shelter Activities \(24 CFR §576.202\(a\)\)](#)

[ESG Projects Must Utilize Centralized or Coordinated Assessment Established by the CoC \(24 CFR §576.400\(d\)\)](#)

[ESG Projects Must Utilize the HMIS or Comparable Database \(24 CFR §576.400\(f\)\)](#)

[While TDHCA had previously requested waivers to allow for the direct administration of ESG-CV funds, and this authority was granted though CPD Notice 20-08, the State does not plan on direct administering the program, but instead plans on subawarding ESG-CV funds to eligible entity types \(Unit of Local Government, Private Nonprofit, and Public Housing Authority\), ~~including those entities identified in the ESGCV Notice~~, through a letter of interest or a competition; however, the State may administer rapid rehousing and homeless prevention directly if adequate geographic dispersion of assistance through rapid rehousing/homeless prevention is not obtained through partnership with subrecipients. In this event, the plan will be amended to include written standards implemented by TDHCA.](#)

Currently, TDHCA plans on funding the activities identified above; however, TDHCA may reprogram funding to newly allowed activities included in CPD Notice 20-08 if the need evidences itself and ESG-CV funding in other activity types is not being timely expended.

ESG does not have funding allocation priorities for special needs populations. ~~The ESG20 Texas project outlined in the Action Plan includes funds allocated to TDHCA through the first allocation under the CARES Act. A portion of the funds will be utilized by TDHCA for administration, and the remainder will be distributed to entities providing street outreach, emergency shelter, rapid rehousing, and homeless prevention to eligible households, in addition to funding eligible HMIS activities. Funds may be set aside for the provision of legal services allowable under the ESG regulations, as the need for legal services to obtain or maintain housing is anticipated to exceed regularly occurring expenses due to the pandemic. TDHCA will contract these funds to private nonprofit organizations, cities, and counties in the State of Texas to provide the services necessary to help persons who are experiencing or at risk of homelessness quickly regain stability in permanent housing, with particular emphasis of mitigating the impacts of COVID-19.~~ A portion of the funding is allocated to each CoC based on an allocation formula that includes population and other data as described in the State ESG rules. Award authority for all ESG funds remains with TDHCA's Board, and TDHCA contracts directly with all subrecipients regardless of method of application. TDHCA retains the right to adjust awards in relation to the amount of funding received. Threshold requirements for receipt of an award include current status of required single audits and submission of an audit certification form; information necessary to conduct a previous participation review, and documentation sufficient to determine that the subrecipient has adequate capacity to administer the ESG funds. ~~TDHCA has elected to subgrant the first allocation of ESG20 funds through a process that is not competitive, but builds on existing networks and organizational capacity. ESG20 funds may be used for six program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, HMIS or HMIS-comparable database, and administrative activities. In order to expedite response, a portion of the ESG20 funds will be allocated to existing subrecipients of ESG19, and a portion will be made available to each CoC region based a regional allocation formula. A CoC lead agency may elect to select the subrecipients of ESG20 funding based on the needs and priorities of the CoC in responding to COVID-19, and TDHCA will review their selections and, if the entity is an eligible subrecipient, contract directly with the selected entity. ESG20 funds that are not distributed in either of these manners may be selected by TDHCA to provide one or more of the six eligible components, and TDHCA may either subgrant or procure providers as it deems necessary to facilitate a rapid response. The expected outcome is that funds will be awarded to organizations that have the administrative and performance capacity to provide the services needed in their communities, with a broad distribution of funding to reach as many areas of the state with quality services as possible. The expected outcome of TDHCA's plan to allow local selection is that the same will be accomplished, but with CoC-wide planning rather than with only State planning. As with the ESG19 project, eligible applicant organizations are Units of General Purpose Local Government, including cities, counties and metropolitan cities; urban counties that receive ESG funds directly from HUD; and a consolidation of units of general purpose local governments, like a Council of Governments. Other instrumentalities of a city or county, like a Local Mental Health Authority, may be eligible and should seek guidance determine~~

~~if they may apply. Governmental organizations such as Public Housing Authorities (PHAs) and housing finance agencies are not eligible.~~ Actions to meeting underserved needs are found in Action Plan Section 85.

CDBG-DR allocation priorities can be found in the CDBG-DR Action Plans at:

<http://recovery.texas.gov/action-plans/index.html>

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

#### HOME/NHTF Addresses Geographic Areas for Assistance

TDHCA does not provide priorities for allocation of investment geographically to areas of minority concentration; however, the geographic distribution of HOME/NHTF funds to minority populations is analyzed annually. TDHCA is statutorily required by the Texas Government Code to provide a comprehensive statement of its activities through the State of Texas Low Income Housing Plan and Annual Report. Part of this document describes the ethnic and racial composition of families and individuals receiving assistance from each housing program.

HOME/NHTF funds used for multifamily development are typically paired with tax-exempt bond and/or HTC. TDHCA rules that govern the HTC Program include incentives for developments utilizing the competitive 9% HTC in high opportunity areas, which are defined as high-income and low-poverty areas, and are not typically minority-concentrated except in majority-minority areas of the state. It also provides competitive incentive to develop in colonias or economically distressed areas. Developments using tax-exempt bond financing and 4% HTCs are more frequently located in qualified census tracts due to federal guidelines that cause these to be more financially viable.

#### ESG Addresses Geographic Areas for Assistance

Assistance provided by ESG funds will be directed statewide, according to the 11 HUD-designated CoC regions. TDHCA does not provide priorities for allocating investment geographically to areas of minority concentration as described in 24 CFR §91.320(f).

#### HOPWA Addresses Geographic Areas for Assistance

The Texas HOPWA funding allocations are geographically distributed according to the 26 HIV HSDAs. Allocations are based on several factors, including past performance of Project Sponsors and unmet need, with the majority of Texas HOPWA clients (90% in 2017) classified as extremely low and very low income. Allocations generally mirror the Ryan White Program allocation formula, which takes into account population of PLWH, HIV incidence, number of PLWH accessing Ryan White services, percent of PLWH eligible for Medicaid, and other considerations. The allocations are then adjusted based on unmet need, prior performance and expenditures, geographic-specific data provided by Project Sponsors, and any other relevant factors. Many of these individuals reside in areas of minority concentration and a disproportionate number of PLWH are racial and ethnic minorities, so the program allocates funding to

meet the needs of PLWH in Texas.

#### CDBG Addresses Geographic Areas for Assistance

TDA does not provide priorities for allocation of funds geographically to areas of minority concentration as described in Section 91.320(f). CDBG funds are allocated across the state in three ways.

1. The CD Fund assigns a percentage of the annual allocation to each of the 24 Regional COGs, ensuring that each region of the state receives a portion of the funds.

2. The Colonia Fund directs funding to communities within 150 miles of the Texas-Mexico border. All remaining funds are distributed through state-wide competitions without geographic priorities.

3. Colonia SHCs are established along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, Maverick, Val Verde, and El Paso counties. The Colonia SHC Program serves approximately 35 colonias in seven border counties, which are comprised of primarily Hispanic households and have concentrations of very low-income households.

NHTF Geographic Priorities description is added to Discussion section text below.

#### Geographic Distribution

Target Area	Percentage of Funds
State of Texas	100

Table 6 - Geographic Distribution

#### Rationale for the priorities for allocating investments geographically

##### HOME Addresses Geographic Investments

HOME funds are allocated geographically using a regional allocation formula (RAF), as described in Strategic Plan Section 10. This process directs funds to areas of the State that demonstrate high need. At least 95% of TDHCA-administered HOME funds are used in areas that are not Participating Jurisdictions (PJs) per statute. This results in more HOME funds in smaller communities than in larger Metropolitan Statistical Areas (MSAs) that receive HOME funds directly from HUD. The current RAF is online at <http://www.tdhca.state.tx.us/housing-center/pubs-plans.htm>.

##### ESG Addresses Geographic Investments

ESG allocates the majority of ESG and ESG-CV funds to each CoC region based on an allocation formula. This formula includes factors such as homeless population, people living in poverty, cost

burden of renters, point in time counts and ESG funds available from federal and state sources.

#### HOPWA Addresses Geographic Investments

At the end of 2016, there were 86,669 people living with HIV in Texas. The number of Texans living with HIV increases each year and in order to meet the needs of low-income PLWH in Texas, many of whom live in areas of minority concentration, the HOPWA funding allocations are geographically distributed across the State and are allocated based on several factors, including unmet need.

Six cities in Texas have a population of over 500,000 (Austin, Dallas, Fort Worth, El Paso, Houston, and San Antonio) in MSAs funded directly from HUD for HOPWA. The Texas HOPWA program can operate in any area of the State, but mostly serves counties not covered under the MSAs' jurisdictions, with some overlap of counties between the State and the MSAs. As a result, Texas HOPWA covers all of the rural areas of the State, where many low-income HOPWA clients reside, and funding prioritization is based on areas with greater unmet need for PLWH.

#### CDBG Addresses Geographic Investments

Texas CDBG Funds for projects under the CD Fund are allocated by formula to 24 regions based on the methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs (21.71% of annual allocation), along with a state formula based on poverty and unemployment (40% of annual allocation). 12.5% of the annual allocation is allocated to projects under the Colonia Fund categories, which must be expended within 150 miles of the Texas-Mexico border.

For the Colonia SHCs, state legislative mandate designates five centers along the Texas-Mexico border in Cameron/Willacy, Hidalgo, Starr, Webb, and El Paso counties to address the long history of poverty and lack of institutional resources. In 2001, TDHCA added two additional Colonia SHCs in Maverick and Val Verde counties. These seven counties collectively have approximately 40,180 colonia residents who may qualify to access center services.

NHTF Geographic Investments description is added to Discussion section text below.

### **Discussion**

Many of the Target Areas available in the Integrated Disbursement and Information System (IDIS), HUD's electronic system in which this Plan has been entered, were too detailed for use at the macro-level; therefore, the State entered the "State of Texas" as a Target Area in Strategic Plan Section 10. Within Texas, each program relies on a formula to distribute funds geographically.

#### NHTF Geographic Priorities

The Texas NHTF will distribute NHTF funds through a competitive NOFA process. The funds will initially

be available geographically, based on the proportion of Extremely Low Income Renter households to the total population of Renter Households in each of thirteen State Service Regions. A minimum will be calculated for each region as a ratio of the available allocation divided by thirteen, and available competitively within each region prior to collapse into a statewide competition.

#### NHTF Addresses Geographic Investments

NHTF funds are allocated geographically using a Regional Allocation Formula, as described in Strategic Plan Section 10. Acknowledging that all regions of the State have a need to create housing for ELI households, the formula provides opportunity for access to NHTF. This process directs funds to areas of the State that demonstrate high need.





## Texas Department of Housing and Community Affairs

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### Attachment B: Summary of CDBG-CV Amendments to the 2019 State of Texas Consolidated Plan One Year Action Plan

October 2020

The Governor of the State of Texas has designated the Texas Department of Housing and Community Affairs (TDHCA) to receive all allocations of CDBG-CV funds under the CARES Act. It's three allocations are \$40,000,886, \$63,546,200 and \$38,299,172 respectively for a total of \$141,846,258.

As required by the CDBG-CV notice, TDHCA will allocate \$40,000,886 (the amount of its first allocation) to non-entitlement units of general local government (UGLG). Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

All CDBG-CV allocations will be used for the following activities to prevent, prepare for, or respond to the coronavirus. Depending on the ease of implementation of these activities and the demand at the time the services are provided, TDHCA may redirect funds from one activity to another, without submitting an additional substantial amendment, to expedite the delivery of assistance in these urgent times for up to 25% of the budgeted activities. However, the \$40,000,886 in Urgent Need Rental Assistance allocated competitively to non-entitlement cities and counties will remain with non-entitlement cities and counties but may be relocated among awardees if the funds are not timely expended.

#### Uses for CDBG-CV Funds

CDBG-CV Program Activity	Recommended Allocation
1. Urgent Need Rental Assistance <i>A. \$40,000,886 to be allocated competitively to non-entitlement cities and counties</i> <i>B. \$65,916,134 to address rental assistance needs elsewhere in the state including:</i> <ul style="list-style-type: none"> <li>• <i>Approximately \$40 million allocated directed to entitlement cities and counties already operating COVID rental assistance programs</i></li> <li>• <i>A commitment of at least 10% of all RA (\$10.1 million) for eviction diversion</i></li> </ul>	\$105,917,020
2. Food Bank Distribution Assistance	\$21,000,000
3. Provider Relief Assistance - Persons with Disabilities	\$5,000,000
TDHCA Administration and Technical Assistance (up to 7%)	\$9,929,238
<b>Total first, second and third allocations from HUD</b>	<b>\$141,846,258</b>

## 1. **Rental Assistance - \$105.9M**

The COVID-19 pandemic has had a massive impact on families' abilities to work for pay, and their capacity to pay their rent. Unpaid rents also affect landlords who must continue to pay mortgages, property taxes and maintenance costs for their rental properties in spite of their income from rents being reduced. The need for assistance has far outpaced the availability of local rental assistance funds. TDHCA is thus proposing making a \$105.9 million commitment from CDBG CARES funds for rental assistance.

As required by CDBG-CV rules, the emergency rental assistance will be made directly to the landlord or property owner, on behalf of the individual or families in need of assistance, and not directly to an individual or family in the form of a direct income payment. Funds dedicated to this activity will assist households for no more than six months of rental assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.

Funds dedicated to rental assistance will be programmed in the following ways: All funds will be allocated regionally to ensure broad geographic distribution in the state.

- **Rental Assistance in Rural and Small Metro Areas:** As required by HUD, TDHCA will allocate at least \$40,000,886 (the amount of its first allocation) to non-entitlement units of general local government through a competitive notice of funding availability and made available regionally. Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000. There are approximately 1,000 rural and small cities and counties in Texas. The Department will provide specific program design guidelines, facilitating the program administration for non-entitlement awardees that do not have an existing rental assistance program. Based on the length of conducting a competitive application, we estimate the assistance will be available in communities approximately 6 months from the time this Plan is accepted by HUD.
- **Rapid Deployment in Entitlement Communities with Existing Rental Assistance Programs.** Approximately \$40 million will be directly committed to those entitlement communities already having COVID rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs. It is anticipated that cities and counties will be able to use their existing program design and intake forms subject to approval from the Department. The documents executed by households and landlords will need to be those prepared by the Department, or meeting Department approval. It is estimated these funds will be available in communities within 2 months from the time the Plan is accepted by HUD. If only a limited number of entitlement communities with existing COVID rental programs are willing to accept a rental assistance contract, the \$40 million earmarked for this purpose may be reduced and transferred into the competitive balance of state coverage.
- **Balance of State Coverage.** The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the

following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region. It is the intent of TDHCA that an eligible household anywhere in the state will be able to apply for funds. To minimize the risk of duplication of benefits, properties in an area covered by a contracted non-entitlement or entitlement awardee will be assisted through that respective program, and will therefore not be eligible to be assisted through the regional or statewide activity.

- **Eviction Diversion:** To keep Texans in their homes who have fallen behind on their rent because of the impact of COVID-19 and whose landlords have initiated eviction proceedings, all Subrecipients will be required to also serve as the Eviction Diversion rental assistance provider for one or more designated Justices of the Peace as specified by TDHCA and the Office of Court Administration. Ten percent of their contract amount will be set aside for this activity until a specified time and then may be reallocated by the Department into other contracts for this activity or be allowed to be used for other rental assistance payments by, in the Department's sole discretion. Rental assistance will be in the form of lump sum payments to landlords in exchange for allowing tenants to remain in their homes. The Supreme Court of Texas is intending to remove or seal the initiated eviction from the household's record to mitigate the secondary effects on the tenant's ability to rent housing in the future.

**2. Food Bank Distribution Assistance – \$21M**

Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.

**3. Assistance for Persons with Disabilities – \$5M**

Given that persons with disabilities (PWD) are disproportionately low income and may be particularly vulnerable to both the physical and economic effects of COVID-19, TDHCA is proposing to use \$5 million specifically for those providers and facilities that assist persons with disabilities. It is estimated that the state will enter agreements, non-competitively, with an existing network of subrecipients to assist local providers in accessing funds. We anticipate funds will be made available to providers in communities approximately 4 months from the time the Plan is accepted by HUD.

**4. TDHCA Administration – \$9.9M**

TDHCA may use up to the 5 percent (\$7,092,313) allowed for general administration and up two percent (\$2,836,925) for technical assistance. From within those pools, up to approximately \$500,000 may be used to pursue expanded broadband planning efforts in the state focusing on the needs of households at 80% or below AMI.

**2015-2019 State of Texas Consolidated Plan  
 SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)**

**Anticipated Resources** (only added row shown)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan: \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-CV	public - federal	Admin and Planning Urgent Need Public Services Rental Assistance Financial Assistance	\$141,846,258	\$0	\$0	\$141,846,258	\$0	CDBG-CV funding will be allocated to the following activities to address the pandemic:  1) Rental assistance 2) Food bank distribution assistance 3) Relief to providers of persons with disabilities 4) State Administration

State of Texas 2019 One-Year Action Plan

AP-15 Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of Con Plan: \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG-CV	public - federal	Admin and Planning  Urgent Need  Public Services  Rental Assistance  Financial Assistance	\$141,846,258	\$0	\$0	\$141,846,258	\$141,846,258	CDBG-CV funding will be allocated to the following activities to address the pandemic:  1) Rental assistance 2) Food bank distribution assistance 3) Relief to providers of persons with disabilities 4) State Administration

## AP-20 Annual Goals and Objectives

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
26	CDBG-CV Rental Assistance for Rural and Small Metro Areas	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$40,000,886	Tenant-based rental assistance/Rapid Rehousing: 9,462 Households
27	CDBG-CV Rental Assistance for Entitlement Communities with Existing COVID Rental Assistance Programs	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$40,000,000	Tenant-based rental assistance/Rapid Rehousing: 6,596 Households Assisted
28	CDBG-CV Rental Assistance for Balance of State Coverage	2019	2019	Affordable Housing Non-Homeless Special Needs	State of Texas	Rental Assistance TBRA	CDBG-CV: \$25,916,131	Tenant-based rental assistance/Rapid Rehousing: 5,036 Households Assisted
29	CDBG-CV Food bank distribution assistance	2019	2019	Non-Housing Community Development	State of Texas	Public Services	CDBG-CV: \$21,000,000	Public Service activities other than Low/moderate income housing benefit: 0 Persons Assisted*
30	CDBG-CV Relief to Providers of Persons with Disabilities	2019	2019	Non-Housing Community Development Non-Homeless Special Needs	State of Texas	Public Services	CDBG-CV: \$5,000,000	Public Service activities other than Low/moderate income housing benefit: 0 Persons Assisted*
31	CDBG-CV Administration	2019	2019	Administration/ Technical Assistance	State of Texas	Rental Assistance TBRA Admin and Planning Public Service	CDBG-CV: \$9,929,238	Other: 0 Other

\* Please note that in SP-45 and AP-20 below, the Goal Outcome Indicator for both programs reflects 0 persons being assisted at this time. The HUD system requires that a numeral be entered here, yet at this time an estimate is not available. Therefore, the field is defaulted to 0.

## Goals Summary

26	<b>Goal Name</b>	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	<b>Goal Description</b>	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental assistance funds using a regional allocation to ensure broad geographic distribution in the state.
27	<b>Goal Name</b>	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	<b>Goal Description</b>	Fund will be directly committed to those entitlement communities already having existing COVID rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current program infrastructure.
28	<b>Goal Name</b>	CDBG-CV Rental Assistance for Balance of State Coverage
	<b>Goal Description</b>	The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region.
29	<b>Goal Name</b>	CDBG-CV Food Bank Distribution Assistance
	<b>Goal Description</b>	Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.
30	<b>Goal Name</b>	Relief to Providers of Persons with Disabilities
	<b>Goal Description</b>	Funds will support relief assistance to providers of persons with disabilities, such as group homes, covering the costs of activities like: salaries, sheltering residents outside of group homes when quarantining, Personal Protective Equipment (PPP) and if determined eligible by HUD, the cost of holding beds for tenants who area temporarily relocated because of COVID-19.
31	<b>Goal Name</b>	CDBG-CV Administration
	<b>Goal Description</b>	CDBG-CV General Administrative costs including Technical Assistance. Up to \$500,000 of these funds will also be used to support broadband planning.

## AP-30 Methods of Distribution

### Distribution Methods

Table 1 - Distribution Methods by State Program

26	<b>State Program Name:</b>	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	<b>Funding Sources:</b>	CDBG-CV: \$40,000,886
	<b>Describe the state program addressed by the Method of Distribution.</b>	Funds will be made available competitively and regionally to all Texas non-entitlement units of general local government (UGLGs) to apply as Subrecipients with funds limited to use for rental assistance. Funds not applied for within a region will be made available to non-entitlement applications from other regions. Subrecipients who apply can elect service areas of its jurisdiction (one city, one county) and enter into a contract for a given amount of funds.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>A Notice of Funding Availability will contain a description of all criteria used to select applicants for funding, including the relative weight of each criterion.</p> <p>Priority will be given to non-entitlement UGLGs who have an existing rental assistance activity in place that can readily utilize the funds and applicants that: 1) agree to access their CRF funds to be used as rental assistance, if not expended by that time, or 2) have already accessed their Coronavirus Relief Fund (CRF) allocation.</p> <p>The Department will provide specific program design guidelines, facilitating the program administration for non-entitlement awardees that do not have an existing rental assistance program.</p>
	<b>Describe how resources will be allocated among funding categories.</b>	<p>Funds dedicated to this activity will assist households for <u>no more than six months</u> of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of also working with clients directly, however all payments must be made to landlords directly.</p>
	<b>Describe threshold factors and grant size limits.</b>	A grant limit per contract and threshold factors for subrecipients will be identified in the Notice of Funding Availability. Program participants must evidence or certify that they have been economically impacted by the pandemic and assistance is limited to no more than 6 consecutive months of rental assistance per household.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>Based on the following calculations, we estimate serving 6,311 households</p> <ul style="list-style-type: none"> <li>• Average Fair Market Rent (FMR) for non-entitlement counties in Texas= \$919</li> <li>• Estimated average months of assistance = 6 months</li> <li>• Total Cost for 4 months at Avg. FRM = \$5,514</li> <li>• Allocation of \$40,000,886 (minus 13% Subrecipient admin) = Estimated funds available for rental assistance or \$34,800,770</li> <li>• Estimated # of Households to be served: 6,311</li> </ul>



27	<b>State Program Name:</b>	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	<b>Funding Sources:</b>	CDBG-CV: \$40,000,000
	<b>Describe the state program addressed by the Method of Distribution.</b>	Approximately \$40 million will be committed through non-competitive direct awards to those entitlement communities already having rental assistance programs responsive to the pandemic. The program is voluntary and cities and counties will have an opportunity to accept or decline the funds.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	There are 74 CDBG entitlement communities in the State of Texas. The Department will offer rental assistance grants to those entitlement cities and counties already operating COVID-19 rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	<b>Describe how resources will be allocated among funding categories.</b>	<p>Funds dedicated to this activity will assist households for no more than six months of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of working with clients directly or via landlords, however all payments must be made to landlords directly.</p>
	<b>Describe threshold factors and grant size limits.</b>	The amount of funds each entitlement will receive will be determined by dividing the \$40M in this category among the entitlements with COVID-19 rental assistance programs that accept funds by using an allocation formula similar to the one HUD used to distribute its CDBG-CV 2 funds. Factors considered in the allocation formula for each entitlement include the number of low-income elderly, unemployment cases, children in poverty and rate of COVID-19 cases.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>Based on the following calculations, we estimate serving 4,397 households</p> <ul style="list-style-type: none"> <li>• Average Fair Market Rent (FMR) for entitlement counties in Texas= \$1,319</li> <li>• Estimated average months of assistance = 6 months</li> <li>• Total Cost for 4 months at Avg. FRM = \$7,914</li> <li>• Allocation of \$40,000,000 minus 13% Subrecipient admin = Estimated funds available for rental assistance or \$34,800,000</li> <li>• Estimated # of Households to be served: 4,397</li> </ul>

28	<b>State Program Name:</b>	CDBG-CV Rental Assistance for Balance of State Coverage
	<b>Funding Sources:</b>	CDBG-CV: \$25,916,131
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be made available through a competitive application process to fund one or more of the following:</p> <ol style="list-style-type: none"> <li>1. Entitlement communities within that region not already having a rental program in operation,</li> <li>2. A regional organization to provide rental assistance to the balance of the area within that region, and/or</li> </ol> <p>If no organizations applies to serve a given area, the state may provide assistance to the balance of the area within that region.</p> <p>It is the intent of TDHCA that an eligible household anywhere in the state will be able to apply for funds. Properties in an area covered by a contracted non-entitlement or entitlement awardee will be assisted through that respective program, and will therefore not be eligible to be assisted through the regional or statewide activity.</p>
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Priority will be given to subrecipients that can readily utilize the funds and establish a program within a short amount of time given the contracts will be for a one-year period. Other criteria will be further explained in the Notice of Funding Availability.
<b>Describe how resources will be allocated among funding categories.</b>	<p>Funds dedicated to this activity will assist households for <u>no more than six months</u> of rental and assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.</p> <p>The households needing assistance would be identified by Subrecipients reaching out to properties and/or tenants. Subrecipients will accept applications from landlords and will have the option of also working with clients directly or via landlords, however all payments must be made to landlords directly.</p>	
<b>Describe threshold factors and grant size limits.</b>	Households must be able to evidence or certify that they have been economically impacted by the pandemic. No threshold or grant size limits will apply on a per household or per property basis, beyond that assistance is limited to no more than 6 months of rental assistance per household.	
<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>Based on the following calculations, we estimate serving 3,358 households</p> <ul style="list-style-type: none"> <li>• Average Fair Market Rent (FMR) for all counties in Texas= \$1,119</li> <li>• Estimated average months of assistance = 6 months</li> </ul>	

		<ul style="list-style-type: none"> <li>• Total Cost for 6 months at Avg. FRM = \$6,714</li> <li>• Allocation of \$25,916,131 minus 13% Subrecipient admin) = Estimated funds available for rental assistance \$22,547,034</li> </ul> <p>Estimated # of Households to be served: 3,358</p>
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29	<b>State Program Name:</b>	CDBG-CV Food Bank Distribution Assistance
	<b>Funding Sources:</b>	CDBG-CV: \$21,000,000
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.</p> <p>This activity will be accomplished through the execution of an Interagency Agreement between TDHCA and TDEM. Upon execution, funds can be paid. <i>It is estimated that funds can be distributed to TDEM within approximately 3 months from the time the Plan is accepted by HUD</i></p>
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	Not applicable.
	<b>Describe how resources will be allocated among funding categories.</b>	Not applicable.
	<b>Describe threshold factors and grant size limits.</b>	Not applicable.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Match for eligible CDBG food expenses already incurred by the State.

30	<b>State Program Name:</b>	CDBG-CV Assistance for Group Home Providers of Persons with Disabilities
	<b>Funding Sources:</b>	CDBG-CV: \$5,000,000
	<b>Describe the state program addressed by the Method of Distribution.</b>	These funds will be made available to housing providers of assistance to persons with disabilities (to be defined in subsequent documents but intended to include group homes) to allow those entities to receive reimbursement

		for a series of eligible COVID-related expenses (not having been paid or is available to be paid for by another pandemic-specific funding source).
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	TDHCA intends to allow eligible providers to include both nonprofit and for profit entities. However, for-profit entities may be more limited in the assistance they can receive which may be determined, in part, by their ownership structure and access to other resources.
	<b>Describe how resources will be allocated among funding categories.</b>	This activity will cover the cost of salaries/wages for employees hired or retained specifically to provide COVID related assistance; hotel or room costs for expenses incurred in keeping PWD clients quarantined; costs of purchasing Personal Protection Equipment (PPE) for staff and PWD clients; and costs of holding beds for clients who are temporarily relocated because of COVID but cannot be made available to a new client if determined allowable by HUD.
	<b>Describe threshold factors and grant size limits.</b>	A maximum amount of assistance by category type and per provider will be implemented.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	Providers assisted (unknown number at this time).

## AP-35 Projects – (Optional)

### Introduction:

Per the IDIS Desk Guide, Project-level detail is not required for a state grantees Annual Action Plan. Once a state grantee has allocated funding via its Method of Distribution, the state grantee will use the Projects sub-menu in IDIS Online to add its projects for the program year. However, in order for accomplishments to associate to the goals listed in the plan, projects must be entered in the Action Plan template. Although not typically required, Texas is amending the Action Plan to include the initial allocation of ESG-CV funding, HOPWA-CV, and CDBG-CV. This does require that the ESG, HOPWA, and CDBG funds programmed in this plan are included in the AP-35 as separate ESG, HOPWA, and CDBG projects as outlined in this section.

TDHCA will receive \$9,127,824 in ESG, DSHS will receive \$4,422,464 under the 2019 HOPWA allocation. TDHCA has been allocated an additional \$97,792,616 in 2020 ESG-CV funds, and \$141,846,258 in CDBG-CV funds and DSHS has been allocated an additional \$724,936 under the CARES Act, outlined as ESG20 Texas, CV- and CV-COVID-19 respectively for the purposes of this plan, and the use of these funds is further described below.

#	Project Name
26	CDBG-CV Rental Assistance for Rural and Small Metro Areas
27	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
28	CDBG-CV Rental Assistance for Balance of State Coverage
29	CDBG-CV Food Bank Distribution Assistance
30	CDBG-CV Relief Assistance for Providers of Persons with Disabilities

**Table 2 – Project Information**

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

Reasons for allocation priorities and other obstacles to addressing underserved needs can be found in the description of ESG20 and CDBG-CV projects above. Actions to meeting underserved needs are found in Action Plan Section 85.

**AP-38 Project Summary**  
**Project Summary Information**

<b>26</b>	<b>Project Name</b>	CDBG-CV Rental Assistance for Rural and Small Metro Areas
	<b>Target Area</b>	State of Texas
	<b>Goals Supported</b>	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental/utility assistance.
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	CDBG-CV: \$40,000,886
	<b>Description</b>	Funds will be awarded competitively to units of general local governments (UGLGs) in the state of Texas for rental assistance funds.
	<b>Target Date</b>	9/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	6,311 Households
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Rental Assistance
<b>27</b>	<b>Project Name</b>	CDBG-CV Rental Assistance for Entitlement Communities with Existing Rental Assistance Programs
	<b>Target Area</b>	State of Texas
	<b>Goals Supported</b>	Fund will be directly committed to those entitlement communities already having rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	CDBG-CV: \$40,000,000
	<b>Description</b>	Fund will be directly committed to those entitlement communities already having rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs.
	<b>Target Date</b>	9/30/2022

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	4,397 Households
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Rental Assistance
28	<b>Project Name</b>	CDBG-CV Rental Assistance for Balance of State Coverage
	<b>Target Area</b>	State of Texas
	<b>Goals Supported</b>	Rental Assistance
	<b>Needs Addressed</b>	Rental Assistance
	<b>Funding</b>	CDBG-CV: \$25,916,131
	<b>Description</b>	The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if needed the state may provide assistance to the balance of the area within that region.
	<b>Target Date</b>	9/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	3,358 households served
	<b>Location Description</b>	Not applicable
	<b>Planned Activities</b>	Rental Assistance
29	<b>Project Name</b>	CV- Food Bank Distribution Assistance
	<b>Target Area</b>	State of Texas
	<b>Goals Supported</b>	CDBG-CV Feeding Texans Pandemic Response Program
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG-CV: \$21,000,000

	<b>Description</b>	<p>Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.</p> <p>This activity will be accomplished through the execution of an Interagency Agreement between TDHCA and TDEM. Upon execution, funds can be paid. It is estimated that funds can be distributed to TDEM within approximately 3 months from the time the Plan is accepted by HUD.</p>
	<b>Target Date</b>	9/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Not applicable
	<b>Location Description</b>	Not applicable
	<b>Planned Activities</b>	FEMA match for Food distribution
<b>30</b>	<b>Project Name</b>	CDBG-CV Relief to Providers of Persons with Disabilities
	<b>Target Area</b>	State of Texas
	<b>Goals Supported</b>	Providers assisted
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG-CV: \$5,000,000
	<b>Description</b>	These funds will be made available to housing providers of assistance to persons with disabilities (to be defined in subsequent documents but intended to include group homes) to allow those entities to receive reimbursement for a series of eligible COVID-related expenses (not having been paid or is available to be paid for by another pandemic-specific funding source).
	<b>Target Date</b>	9/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Unknown at this this time



	<b>Location Description</b>	Not applicable
	<b>Planned Activities</b>	Relief to Providers of Persons with Disabilities

## Attachment C: ESG CARES II Programmatic Description

The Emergency Solutions Grants (ESG) Program is a U.S. Department of Housing and Urban Development (HUD) funded program designed to assist people experiencing homelessness or at-risk of homelessness to regain stability in permanent housing quickly after experiencing a housing crisis and/or homelessness. To address COVID-19, HUD allocated ~\$33.2 million to Texas Department of Housing and Community Affairs (TDHCA) as part of the first allocation of Emergency Solutions Grant Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in March of 2020. Those have been allocated in accordance with the programming plan approved at the April 23, 2020 Board meeting.

On June 9, 2020, HUD released the second allocation of ESG CARES Act funding allocating \$64,537,937 to TDHCA. HUD may recapture funding if 80% of the ESG CARES funds are not spent by March 31, 2022. ESG CARES Act funding may be available until September 30, 2022.

### Background

ESG CARES funds are subject to a series of flexibilities, waivers, and restrictions, as outlined by the ESG CARES Act, HUD waivers accepted by the Department effective April 5, 2020, and the HUD CPD notice 20-08 “Waivers and Alternative Requirements for the Emergency Solutions Grants ESG Program under the CARES Act” released on September 1, 2020. There are many differences between ESG annual funds and ESG CARES, and some highlights are that ESG CARES funds are not subject to the match requirement; offer up to 5% in administrative costs for ESG Subrecipients; and not restricted to Fair Market Rent requirements (the rent reasonableness requirement has not been waived).

Also through the HUD CPD Notice 20-08, a new type of assistance called landlord incentives is allowed. Landlord incentives will be permitted for an ESG CARES II award as part of rental assistance under homeless prevention and rapid rehousing. HUD has stated that “the costs of landlord incentives will increase the number of housing units available to people experiencing homelessness or at risk of homelessness, especially in tight rental markets and obtaining and maintaining housing is critical to preventing the spread of coronavirus and helping mitigate the economic impact of the crisis.” Landlord incentives are limited to three times the rent charged for each unit. Eligible landlord incentive costs include:

1. Signing bonuses equal to up to 2 months of rent;
2. Security deposits equal to up to 3 months of rent;
3. Paying the cost to repair damages incurred by the program participant not covered by the security deposit or that are incurred while the program participant is still residing in the unit; and,
4. Paying the costs of extra cleaning or maintenance of a program participant’s unit or appliances.

Persons receiving assistance would need to meet the definition of homeless or at-risk of homelessness ([24 CFR §576.2](#)) to receive rapid rehousing or homeless prevention. For ESG CARES, the homelessness prevention income limit has been raised from 30% Area Median Income (AMI) to 50% AMI.

HUD is also requiring ESG CARES Subrecipients to coordinate to a greater extent with Continuum of Care (CoC) providers by involving CoCs in quarterly ESG CARES reporting. A CoC is a group composed of representatives of local governments and service providers organized to plan for and provide a system of outreach, emergency shelter, and housing strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area. There are 11 CoC regions in Texas, as illustrated in Appendix A. Within each CoC is a Homeless Management Information System (HMIS) lead agency and a CoC lead agency. ESG providers are required to use HMIS or an HMIS comparable database per 24 CFR §576.500(n). The HMIS lead



agency has been required by HUD to submit quarterly reporting for ESG CARES<sup>1</sup>, which is a new requirement for ESG funds.

**Programming Plan for ESG CARES II Allocation**

The Department has prioritized two ESG activities for ESG CARES second allocation: rapid re-housing and homelessness prevention. Under ESG CARES second allocation, rental assistance can be provided for up to 12 months, with an additional six months’ worth of rental arrears and late fees in a one-time payment, as applicable. Another funding category that is closely related to rental assistance under ESG is called housing relocation and stabilization services, which can include rental application fees, security deposits, last month’s rent, utility deposits, utility payments, moving costs, and landlord incentives. Both rental assistance and housing relocation and stabilization services are covered under the broad categories of rapid re-housing and homelessness prevention.

To support the additional coordination and reporting requirements for ESG CARES, the programming plan also includes funds for HMIS lead agencies and CoC lead agencies.

The second round of ESG CARES funds to TDHCA is recommended to be allocated as follows, with up to a 25% variation among categories as deemed necessary by the Executive Director or designee.

**ESTIMATED ALLOCATION OF THE FIRST ALLOCATION OF ESG CARES FUNDS**

<b>Activity</b>	<b>Funds</b>
Rental Assistance and Housing Stabilization Prioritization (includes 5% Administrative Funds for Subrecipients)	\$61,031,041
ESG CARES and HMIS coordination	\$280,000
Administration for TDHCA (5%)	\$3,226,896
Total funds	\$64,537,937

**Rental Assistance and Housing Stabilization Prioritization**

Approximately \$61,031,041 is proposed to be awarded for rapid re-housing and homelessness prevention through two recommendation methods:

1. CoC Lead Agencies will run a local competition for ESG CARES on behalf of the Department; and/or
2. the Department will reach out to CoC awardees to offer a direct award of funds.

The Department intends to use an approximation of the allocation formula in 10 TAC §7.33(b) to determine the allocation of funds to each CoC region, and an illustrative amount is reflected in Appendix B.

A local competition is a competition for ESG funding administered by an ESG Coordinator on behalf of the Department for a CoC region. For ESG CARES first allocation, TDHCA used local competitions to accept recommendations for funding from CoC lead agencies that were also ESG Coordinators. Staff proposes to work with CoC Lead Agencies to administer local competitions for the ESG CARES second allocation funding. Recommendations by ESG Coordinators will be reviewed by TDHCA, and are also subject to approval by EARAC, and subject to EARAC conditions.

If no ESG Coordinator is available in a CoC region, TDHCA will reach out to eligible organizations that were awarded CoC funding per the most recent CoC HUD competition. Methods of distributing funds to CoC awardees in areas in which there is no ESG Coordinator will be published on the Department’s website after October 30, 2020, when the amounts for each CoC region are finalized. If there are no CoC awardees in the region that wish

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<sup>1</sup> The HMIS comparable database lead agency will not report for domestic violence or legal service providers; the domestic violence or legal service providers will report into Sage themselves.

to accept ESG CARES funding, the funds will be held for not less than 30 calendar days, dependent on the number of CoC awardees in the region, while TDHCA reaches out to other organizations within the CoC region that may be able to accept the ESG CARES Act funds.

Any organization recommended by the ESG Coordinator or any CoC area awardee offered ESG CARES funding must be an eligible applicant as identified in 10 TAC §7.35(a), i.e. a Unit of Local Government or a Private Nonprofit Organization, or as allowed in HUD CPD Notice 20-08, a Public Housing Authority. Recommended awardees must also be registered for a Unique Entity Identifier Number (formerly a Data Universal Numbers System - DUNS number) and in the System for Award Management (SAM). The SAM is the primary registrant database for the U.S. Federal Government.

ESG Coordinators should make award recommendations for the full funding amount allocated in their region, and must have a ranked list of organizations to be recommended to be funded in priority order, with backup organizations identified, as available. ESG Coordinators may not make a recommendation for an entity that has not completed the Department's Previous Participation form. The ESG CARES second allocation minimum award amount is \$500,000, except when there is less than \$500,000 available in the region through the award recommendation process. When there is less than \$500,000 available in the region, the minimum award amount will be all the remaining funds in the region.

ESG Coordinators will be required to develop and use scoring criteria that includes, but is not limited to, the following:

1. Past expenditure rates of CoC, ESG or other grant funding;
2. The organization's demonstrable history and familiarity with operating the type of activity for which it will receive funding (e.g., rapid rehousing, homelessness prevention, rental assistance provision);
3. The organization's experience serving the population experiencing homelessness and at severest risk of complications from coronavirus (e.g., individuals experiencing homelessness over age 50, persons with disabilities);
4. Previous performance of the organization in providing housing, shelter, or services to individuals and families experiencing or at risk of homelessness (e.g., the length of time individuals and families remain homeless before they are housed, overall reduction in the number of homeless individuals and families, success at reducing the number of individuals and families who become homeless, etc.);
5. The organization's plan to use landlord incentives, as allowed in HUD CPD Notice 20-08; and
6. The organization's plan to collaborate with landlords that shows staff members identified to conduct outreach to and negotiation with owners as outlined in 24 CFR §576.105(b).

ESG Subrecipients recommended for an award will be contacted by TDHCA for a full application packet. If ESG CARES recommended awardees do not respond within 21 calendar days from the date of the first request with complete and accurate documentation, TDHCA may deny ESG CARES funding and move to the next ESG CARES recommended awardee in the ranked order provided by the CoC lead agency.

### **ESG CARES and HMIS Coordination**

TDHCA anticipates subgranting ESG CARES funding to CoC and HMIS Lead Agencies to coordinate the ESG CARES second allocation award recommendations, assist with ESG CARES quarterly reporting required by HUD into the federal Sage reporting system, and facilitate the Department's Monthly Performance Report (MPR) entry.

CoC lead agencies may be offered funds, to be negotiated, to coordinate award recommendations of ESG CARES second allocation funds, as described under Rental Assistance and Housing Stability Prioritization section above. In order to administer a local competition and be an ESG Coordinator, the CoC lead agency was required to also provide an ESG activity as a Subrecipient, to be in compliance with 24 CFR §576.202(a). If a CoC lead agency does not wish to provide an ESG activity from the ESG CARES second allocation, funds from ESG CARES first allocation

may be used to add to the existing ESG Coordinator contract still active under ESG CARES first allocation so that the CoC lead agency can act as an ESG Coordinator.

In addition, HUD has required quarterly reporting by HMIS Lead Agencies on ESG CARES through its Sage system on behalf of TDHCA. As a result of HUD's new reporting requirement, TDHCA is anticipating that additional technical assistance may be needed for MPR entry.

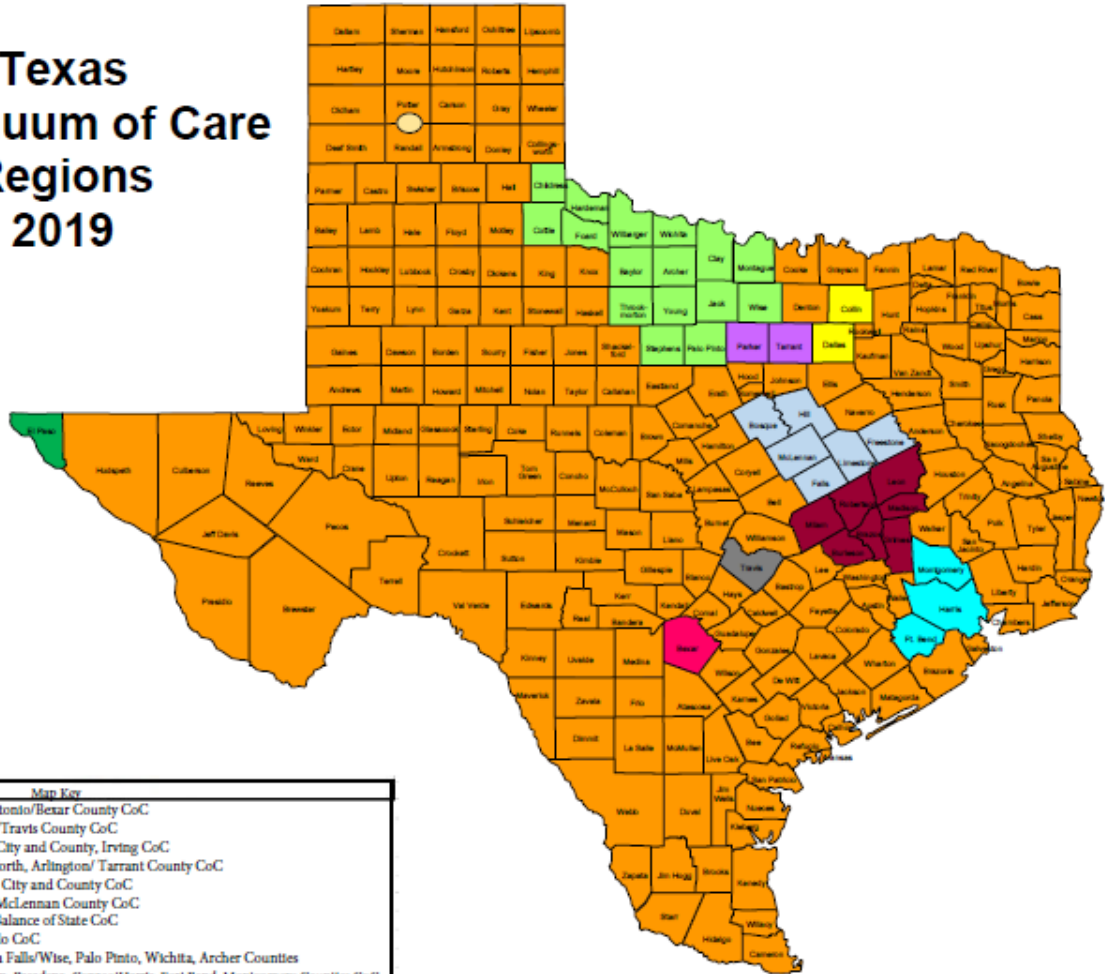
It is estimated that approximately \$280,000 will be awarded to subrecipients for these activities.

**Administration for TDHCA**

Up to 10% of the ESG CARES grant is authorized to be utilized for administration expenses. Half of that amount will be offered for administrative costs incurred by Subrecipients and is reflected within the activity level line item in the funding allocation table. Up to 5% of the funds is set aside for Department administrative expenses and includes the possible utilization of Article IX Full Time Equivalent positions.

Appendix A – Continuum of Care Regions

# Texas Continuum of Care Regions 2019



Appendix B – Approximate ESG CARES Act Funding by CoC Region

The following is a table that shows estimated ESG CARES Act funding allocated by CoC regions for award through the CoC Lead Agencies or based on CoC funds. The amount is estimated and subject to change.

<b>Continuum of Care (CoC) No.</b>	<b>CoC Name</b>	<b>Estimated ESG CARES Amounts by CoC from Second Allocation</b>
TX-500	San Antonio/ Bexar County	\$ 3,820,446
TX-503	Austin/Travis County	\$ 2,817,088
TX-600	Dallas City & County/ Irving	\$ 7,633,278
TX-601	Fort Worth/Arlington/Tarrant County	\$ 3,537,894
TX-603	El Paso City & County	\$ 1,922,812
TX-604	Waco/McLennan County	\$ 1,111,085
TX-607	Texas Balance of State	\$ 27,593,278
TX-611	Amarillo	\$ 1,365,899
TX-624	Wichita Falls/Wise, Palo Pinto, Wichita, Archer counties	\$ 926,116
TX-700	City of Houston/Fort Bend, Harris, and Montgomery counties	\$ 9,050,642
TX-701	Bryan/College Station/Brazos Valley	\$ 1,252,503
<b>TOTAL</b>		<b>\$ 61,031,041</b>

## Attachment D: CDBG CARES Programmatic Description

The Governor of the State of Texas has designated the Texas Department of Housing and Community Affairs (TDHCA) to receive all allocations of the Community Development Block Grant (CDBG) Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. Its three allocations are \$40,000,886, \$63,546,200 and \$38,299,172 respectively for a total of \$141,846,258. Should the Governor of the State of Texas determine to alter the programming of these funds prior to submission of the plan amendment to HUD, staff will make such directed amendments prior to submission.

On August 10, 2020, the U.S. Department of Housing (HUD) issued new guidance to govern CDBG CARES funds. Based on such guidance, we are recommending the following uses. As required by the notice, TDHCA must allocate at least \$40,000,886 (the amount of its first allocation) to non-entitlement units of general government. Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

TDHCA may redirect funds from one activity to another, without submitting an additional substantial amendment, to expedite the delivery of assistance in these urgent times for up to 25% of the budgeted activities, to be transferred to different activity categories. However, the \$40,000,886 in Urgent Need Rental Assistance allocated competitively to non-entitlement cities and counties will remain with non-entitlement cities and counties but may be reallocated to other awardees, if the funds are not timely expended.

### Uses for CDBG CARES Funds

Program Activity	Recommended Allocation
1. Urgent Need Rental Assistance  <i>A. \$40,000,886 to be allocated competitively to non-entitlement cities and counties</i>  <i>B. \$65,916,134 to address rental assistance needs elsewhere in the state including:</i> <ul style="list-style-type: none"> <li>• <i>Approximately \$40 million allocated directed to entitlement cities and counties already operating COVID rental assistance programs</i></li> <li>• <i>A commitment of at least 10% of all rental assistance (\$10.5 million) for eviction diversion</i></li> <li>• <i>The remainder of the funds to cover areas unserved by all other rental assistance funds.</i></li> </ul>	\$105,917,020
2. Food Bank Distribution Assistance	\$21,000,000
3. Provider Relief Assistance - Persons with Disabilities	\$5,000,000
4. TDHCA Administration (up to 7%) including up to \$500,000 for broadband planning	\$9,929,238
<b>TOTAL CDBG-CV ALLOCATIONS</b>	<b>\$141,846,258</b>





### **1. Urgent Need Rental Assistance:**

The COVID-19 pandemic has had a massive impact on families' abilities to work for pay, and their capacity to pay their rent. Unpaid rents also affect landlords who must continue to pay mortgages, property taxes and maintenance costs for their rental properties in spite of their income from rents being reduced. The need for assistance has far outpaced the availability of local rental assistance funds. TDHCA is thus proposing making a \$105.9 million commitment from CDBG CARES funds for rental assistance. All funds will be allocated regionally to ensure broad geographic distribution in the state. As required by CDBG-CV rules, the emergency rental assistance will be made directly to the landlord or property owner, on behalf of the individual or families in need of assistance, and not directly to an individual or family in the form of a direct income payment. Funds dedicated to rental assistance will be programmed in the following ways.

- **Rental Assistance in Rural and Small Metro Areas:** As required by HUD, TDHCA will allocate at least \$40,000,886 (the amount of its first allocation) to non-entitlement units of general local government through a competitive notice of funding availability and made available regionally. Non-entitlement units are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000. There are approximately 1,000 rural and small cities and counties in Texas. The Department will provide specific program design guidelines, facilitating the program administration for non-entitlement awardees that do not have an existing rental assistance program. Based on the length of conducting a competitive application, we estimate the assistance will be available in communities approximately 6 months from the time this Plan is accepted by HUD.
- **Rapid Deployment in Entitlement Communities with Existing Rental Assistance Programs.** Approximately \$40 million will be directly committed to those entitlement communities already having COVID rental assistance programs. This will allow those larger cities and counties to quickly channel funds through their current programs. It is anticipated that cities and counties will be able to use their existing program design and intake forms, subject to approval from TDHCA. The documents executed by households and landlords will need to be those prepared by the Department, or meeting Department approval. It is estimated these funds will be available in communities within 2 months from the time the Plan is accepted by HUD. If only a limited number of entitlement communities with existing COVID rental programs are willing to accept a rental assistance contract, up to \$40 million earmarked for that purpose may be reduced and transferred into the competitive balance of state coverage.
- **Balance of State Coverage.** The funds within each region not allocated for non-entitlement awardees and not committed directly to entitlement communities with existing rental assistance programs – approximately \$25.9 million - will be used to fund one or more of the following: 1) entitlement communities within that region not already having a rental program in operation, 2) a regional organization to provide rental assistance to the balance of the area within that region, and/or 3) if

needed the state may provide assistance to the balance of the area within that region. It is the intent of TDHCA that an eligible household anywhere in the state will be able to apply for funds. To minimize the risk of duplication of benefits, properties in an area covered by a contracted non-entitlement or entitlement awardee will be assisted through that respective program, and will therefore not be eligible to be assisted through the regional or statewide activity.

**Eviction Diversion:** To keep Texans in their homes who have fallen behind on their rent because of the impact of COVID-19 and whose landlords have initiated eviction proceedings, all Subrecipients will be required to also serve as the Eviction Diversion rental assistance provider for one or more designated Justices of the Peace as specified by TDHCA and the Office of Court Administration. Ten percent of their contract amount will be set aside for this activity for a specified time and then may be reallocated by the Department into other Subrecipient contracts for this activity or be allowed to be used for rental assistance payments going forward by this Subrecipient, in the Department's sole discretion. Rental assistance will be in the form of lump sum payments for rental arrears to landlords in exchange for allowing tenants to remain in their homes and rental assistance payments going forward. The Supreme Court of Texas is intending to remove or seal the initiated eviction from the household's record to mitigate the secondary effects on the tenant's ability to rent housing in the future.

#### Significant Design Elements

- **Temporary Assistance.** Funds dedicated to this activity will assist households for no more than six months of rental assistance, including arrears. The assistance will allow payments for up to 5 months of arrears and at least one month of forward payment of the full amount of the contracted rent up to the Department established limit.
- **Income Level.** Households must be at or below 80% AMI and have been economically affected by the pandemic.
- **Regional Distribution.** All funds will be allocated regionally to ensure broad geographic distribution in the state.
- **Award Amounts and Contract Terms:** A minimum award size will be identified in the NOFA, and maximum award amounts will be identified which may vary based on the geographic area covered by the applicant. The contract term will be for 12 months.
- **Rent Reasonableness:** A subrecipient with an existing rental assistance program may utilize their own standard for determining rent reasonableness if found acceptable by the Department. All other subrecipients, and the Department, will apply a standard for which the amount of rent to be reimbursed may not be greater than 120% of the Small Area Fair Market Rent (or FMR if SAFMR rents do not exist).
- **Priority for Readiness to Assist and Leveraging.** For the funds made available through a competitive NOFA, greatest priority will be given to those Subrecipients that: 1) agree to access their Coronavirus Relief Funds (CRF) funds to be used as rental assistance, or 2) have already requested their CRF allocation.
- **Landlord Forgiveness of Late Fees.** The program will not cover late fees, court fees, or other penalties; landlords wishing to participate in the program must forgive all late fees that have been incurred by the



household up through the time that the payments are made.

- **Payments Directly to Landlords.** Subrecipients or the state will have the option of working with clients directly or via landlords, however payments must all be made to landlords directly. Landlord must acknowledge that household will not be evicted for non-payment of rent for the period of payments covered.

## 2. Food Bank Distribution Assistance

Funds dedicated to this activity will serve as state match for FEMA eligible activities related to food bank distribution. The Texas Department of Emergency Management (TDEM) has expended approximately \$133 million in food distribution activities to address food and nutrition needs statewide in response to the pandemic, of which the state was required to cover 25% (approximately \$33 million). These CDBG funds will cover approximately \$21 million of that match requirement, based upon a review of the CDBG eligibility of the incurred costs.

This activity will be accomplished through the execution of an Memorandum of Understanding, Interagency Agreement, or Contract between TDHCA and TDEM. Upon execution, funds can be paid. *It is estimated that funds can be distributed to TDEM within approximately 3 months from the time the Plan is accepted by HUD.*

## 3. Assistance for Persons with Disabilities

Given that persons with disabilities (PWD) are disproportionately low income and may be particularly vulnerable to both the physical and economic effects of COVID-19, TDHCA is proposing to use \$5 million specifically for those providers and facilities that assist persons with disabilities. It is estimated that the state will enter agreements, non-competitively, with an existing network of subrecipients to assist local providers in accessing funds. We anticipate funds will be made available to providers in communities approximately 4 months from the time the Plan is accepted by HUD.

### Significant Design Elements

- **Eligible Recipients.** Funds to be made available for providers of assistance to persons with disabilities (PWD) who have been economically impacted by the pandemic. Eligible providers will be defined in subsequent documents but is intended to include group homes. Providers can include both nonprofit and for-profit entities, however, for-profit entities may be more limited in the assistance they can receive which may be determined, in part, by their ownership structure and access to other resources. TDHCA is not authorized to limit assistance to one sub-category of PWD; all assistance discussed in this category of funding is eligible for any individual with a Disability as defined in 10 TAC Chapter 1, Subchapter B, §1.202.
- **Eligible Costs.** Providers may receive reimbursement for a series of eligible COVID-related expenses (not having been paid nor to be paid by another pandemic-specific funding source) including:
  - **Salaries/Wages.** For employees hired or retained specifically to provide COVID related assistance. Group homes and other providers have seen increased demand for staff time and increased levels of staffing to handle the more specialized needs around quarantining those with a COVID-19 diagnosis within a group home.
  - **Costs for Sheltering Outside the Group Home.** This activity would cover costs (such as hotels) for expenses incurred in quarantining residents with a COVID-19 diagnosis and currently living in group homes lacking sufficient space to quarantine.

- Personal Protective Equipment (PPE). Group homes have had increased costs for PPE for staff and PWD clients.
  - Costs of holding beds. To cover costs associated with clients who are temporarily relocated because of COVID, and for which the provider is not receiving income for that bed from another source, but is also not able to make the bed available to a new client. *NOTE: TDHCA has not yet established that this is an eligible use of funds with HUD. If HUD authorizes, a certain set of criteria will be established relating to setting a reimbursable cost for the bed, a providers policy for holding a bed aside, whether there is a tenant-paid portion, etc.*
- **Subrecipients.** TDHCA will contract with an existing network of subrecipients that currently serve as community centers working with providers.
  - **Caps:** Caps per provider will be established. Caps per provider per eligible expense category will be established.
  - **Limitations:** Eligible expenses must still meet the documentation requirements in 2 CFR Part 200, which may not have been followed by all group home providers.

#### **TDHCA Administration – \$9.9M**

TDHCA may use up to the 5 percent (\$7,092,313) allowed for general administration and up two percent (\$2,836,925) for technical assistance. From within those pools, up to approximately \$500,000 may be used to pursue expanded broadband planning efforts in the state focusing on the needs of households at 80% or below AMI. Note that the Consolidated Plan and OYAP have specific sections labeled and numbered by HUD that require certain information be provided. Reflected below are the labels of the required fields with the additional language that serves as the amendment.

4

**BOARD ACTION REQUEST**

**HOME AND HOMELESS PROGRAMS DIVISION**

**OCTOBER 8, 2020**

Presentation, discussion, and possible action on Program Year 2020 Emergency Solutions Grants Program Awards

**RECOMMENDED ACTION**

**WHEREAS**, the Department received an allocation of \$9,643,857 for the Emergency Solutions Grants Program (ESG) for Fiscal Year 2020 from the U.S. Department of Housing and Urban Development (HUD) on August 13, 2020, of which \$9,209,884 was made available to subrecipients throughout the state via various funding mechanisms;

**WHEREAS**, HUD regulations require the Department to award ESG funds within 60 days of receipt of the award letter from HUD;

**WHEREAS**, ESG funds totaling \$2,170,223, were allocated to Continuum of Care (CoC) regions TX-500 San Antonio and TX-700 Houston/Harris, Montgomery, Fort Bend Counties, and these funds were subject to Local Competitions for ESG funds administered in accordance with 10 TAC §7.34 and for which TDHCA is now in receipt of the recommendations generated from these Local Competitions;

**WHEREAS**, Applicants recommended to the Department through a Local Competition may be awarded funding pursuant to 10 TAC §7.38(a);

**WHEREAS**, the Board previously authorized release of the 2020 Emergency Solutions Grants Notice of Funding Availability (ESG NOFA) for CoC regions not subject to Local Competition in the amount of \$7,039,661 on May 21, 2020;

**WHEREAS**, the Department received 106 Applications in response to the NOFA, with requests totaling \$10,402,796;

**WHEREAS**, the Applications received under the NOFA have been reviewed and ranked in accordance with the requirements of 10 TAC §7.38(c); and

**WHEREAS**, all Applicants have been recommended for approval by the Executive Award Review Advisory Committee (EARAC);

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director, his designees, and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to

effectuate awards totaling \$2,170,223 for ESG funding recommended under the Local Competitions in CoC regions TX-500 San Antonio and TX-700 Houston/Harris, Montgomery, Fort Bend Counties, as detailed in Attachment B; and

**FURTHER RESOLVED**, that the Executive Director, his designees, and each of them be and they hereby are authorized, empowered, and directed, for and on behalf of the Department, to take any and all such actions as they or any of them may deem necessary or advisable to effectuate awards totaling \$7,039,661 for ESG funding recommended under the ESG NOFA as detailed in Attachment C, as recommended by EARAC.

### **BACKGROUND**

The ESG Program is a HUD-funded program designed to assist people experiencing homelessness or at-risk of homelessness to regain stability in permanent housing quickly after experiencing a housing crisis and/or homelessness. The program components under ESG include street outreach, emergency shelter, rapid re-housing, homelessness prevention, Homeless Management Information System (HMIS), and administration. Rapid re-housing and homelessness prevention may be used for housing relocation and stabilization services and short-term and medium-term rental assistance.

Funds allocated to the State of Texas for ESG are allocated based on the factors outlined in 10 TAC §7.33 by TDHCA to CoC regions, which are local planning bodies that coordinate housing and services funding for homeless families and individuals. Within Texas there are 11 geographically limited CoC regions. The largest of these regions is the Balance of State, which includes 215 counties. The amount of the allocation to reach region is outlined in Attachment A.

In order to facilitate better local coordination and collaboration through the CoCs, TDHCA allows CoCs to contract with the Department to administer a Local Competition for the funding amount allocated to their CoC. TDHCA issued a request for proposals for CoCs that wished to elect to perform a Local Competition, and ultimately contracted with two CoCs. The CoCs were responsible for Application development, Application review and evaluation, and recommendation of awards to the Department. The South Alamo Regional Alliance for the Homeless administered the Local Competition in TX-500 San Antonio/Bexar County CoC, and the Coalition for the Homeless of Houston/Harris County administered the Local Competition in TX-700 Houston/Harris, Montgomery, Fort Bend Counties.

Concurrently with the Local Competitions, on May 21, 2020, the Board approved release of a NOFA notifying prospective Applicants of availability of ESG funds for PY 2020 for the funds allocated to CoC regions where the CoC did not elect to administer a Local Competition.

The NOFA closed on June 26, 2020. Applicants were assigned a random number as a tie-breaker for use in case of a tied score, per 10 TAC §7.38(e). Applicants were ranked by score and then by tie-breaker number, with the high numbers ranking higher than lower numbers. The final scores were determined after a staff review, which when necessary and requested by staff allowed the opportunity for Applicants to provide clarification, correction, or non-material missing information. This information was requested to resolve inconsistencies in the original Application or to assist staff in evaluating the Application, per 10 TAC §7.37(b).

After completion of the scoring and ranking process, award recommendations were determined in accordance with the process outlined in 10 TAC §7.38 through three levels of funding. Level one of funding is for the highest ranked Applicants within each CoC region, until the funding is exhausted or until there is an offer of a partial award. Level two pools the unused funds from the first level of funding and offers these pooled funds to the highest ranked Applicants in regions that were not fully funded. Level three pools unused funds from level two of funding and offers the pooled funds to the highest ranked Applications statewide.

The total amounts available by CoC region, and the total requests received are listed in Attachment A. There is a requirement per 24 Code of Federal Regulations (CFR) §576.100(b)(1) that no more than 60% of the state's ESG allocation may be used for street outreach and emergency shelter. As a result, in some cases, higher scoring Applicants with emergency shelter or street outreach Applications were not funded to ensure that the state would not exceed this cap.

All Applications were recommended for award through both the Local Competitions and the NOFA have been reviewed for previous participation and were approved for recommendation by EARAC on September 28, 2020, and October 1, 2020. Three Applications were approved subject to conditions:

- Application 432070000101 for United States Veterans Initiative was approved conditioned upon submission of a Single Audit Certification Form and submission of a compliant Single Audit, if applicable by October 21, 2020.
- Application 2060401 for Salvation Army of Waco was approved conditioned upon corrections of all outstanding issues of noncompliance and submission of evidence of correction on or before November 11, 2020. This condition was met on September 30, 2020.
- Application 2060720 for Randy Sams' Outreach Shelter was approved conditioned upon submission of the following within 30 days of the execution of a contract:
  - Updated written policies and procedures defining Randy Sam's Outreach Shelter process to collect and clearly document required Match costs or resources;
  - Updated written policies and procedures defining Randy Sam's Outreach Shelter process to determine Match value including volunteer services hourly rate and basis for determination;
  - Confirmation of scheduled technical procurement training and assistance; and
  - Updated procurement policies and procedures that comply with program requirements and 2 CFR §200.318.

The results of the Local Competitions, including funding recommendations, are included for approval as Attachment B. The results of the Department's NOFA, including funding recommendations, are included for approval as Attachment C.



**Attachment A – Allocation Amounts and Requests by CoC Regions**

<b>CoC #</b>	<b>CoC Name</b>	<b>2020 Allocation Amount</b>	<b>ES/SO Cap</b>	<b>Total Requests for Funds</b>	<b>Amount Over/Under Subscribed</b>
TX-500	San Antonio/ Bexar County	\$712,703	\$427,622	\$1,026,889	-\$314,186
TX-503	Austin/Travis County	\$579,039	\$347,423	\$498,367	\$80,672
TX-600	Dallas City & County/Irving	\$1,296,412	\$777,847	\$2,671,280	-\$1,374,868
TX-601	Fort Worth/Arlington/Tarrant County	\$604,750	\$362,850	\$772,880	-\$168,130
TX-603	El Paso City & County	\$265,058	\$159,035	\$277,711	-\$12,653
TX-604	Waco/McLennan County	\$143,048	\$85,829	\$143,048	\$0
TX-607	Texas Balance of State	\$3,643,643	\$2,186,186	\$5,640,308	-\$1,996,665
TX-611	Amarillo	\$178,947	\$107,368	\$259,447	-\$80,500
TX-624	Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties	\$139,755	\$83,853	\$139,755	\$0
TX-700	Houston, Pasadena, Conroe/Harris, Ft. Bend, Montgomery Counties	\$1,457,520	\$874,512	\$2,586,823	-\$1,129,303
TX-701	Bryan/College Station/Brazos Valley	\$189,009	\$113,405	\$0	\$189,009
<b>Total</b>		<b>\$9,209,884</b>	<b>\$5,525,930</b>	<b>\$14,016,508</b>	<b>-\$4,806,624</b>

**Attachment B – ESG Award Recommendations from the Local Competitions**

**TX-500, San Antonio**

<b>Application Number</b>	<b>Applicant</b>	<b>Type</b>	<b>Requested amount</b>	<b>Amount Recommended</b>
2050001-E	Family Violence Prevention Services	Emergency Shelter	\$116,165	\$116,165
2050001-R	Family Violence Prevention Services	Rapid Re-housing	\$86,760	\$86,760
2050002-O	Haven for Hope	Street Outreach	\$72,924	\$57,091
2050002-E	Haven for Hope	Emergency Shelter	\$66,950	\$52,415
2050003-O	San Antonio Metropolitan Ministries	Street Outreach	\$51,500	\$51,500
2050003-R	San Antonio Metropolitan Ministries	Rapid Re-housing	\$89,682	\$89,682
2050003-H	San Antonio Metropolitan Ministries	Homelessness Prevention	\$158,818	\$100,000
2050004-H	Society of St. Vincent de Paul	Homelessness Prevention	\$84,090	\$84,090
2050005-H	Salvation Army San Antonio	Homelessness Prevention	\$300,000	\$75,000
		<b>Total</b>	<b>\$1,026,889</b>	<b>\$712,703</b>

TX-700, Houston/Harris, Montgomery and Fort Bend Counties

<b>Application Number</b>	<b>Applicant</b>	<b>Type</b>	<b>Award Amount</b>
2070001-H	Alliance of Community Assistance Ministries	Homeless Prevention	\$155,500
2070002-E	Bay Area Turning Point	Emergency Shelter	\$94,800
2070002-H	Bay Area Turning Point	Homeless Prevention	\$51,500
2070002-R	Bay Area Turning Point	RRH	\$121,365
2070003-E	Bridge Over Troubled Water	Emergency Shelter	\$69,012
2070004-E	Covenant House	Emergency Shelter	\$126,100
2070005-R	Houston Area Women's Center	RRH	\$229,034
2070005-E	Houston Area Women's Center	Emergency Shelter	\$77,507
2070006-O	HTX Hope Haven	Street Outreach	\$67,609
2070007-E	Magnificat House	Emergency Shelter	\$76,114
2070008-O	SEARCH Homeless	Street Outreach	\$123,847
2070009-E	The Salvation Army - Houston	Emergency Shelter	\$265,132
		<b>Total</b>	<b>\$1,457,520</b>

Total funding requests received equal \$2,586,823.

**Attachment C – ESG Award Recommendations from the TDHCA NOFA**

**First Level of Funding**

**TX-503 Austin/Travis County**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2050301-R	SAFE Alliance	Rapid Re-Housing	56	56	71	\$60,123	\$60,123
2050301-E	SAFE Alliance	Emergency Shelter	56	56	1	\$93,246	\$93,246
2050302-E	Youth and Family Alliance, dba LifeWorks	Emergency Shelter	55	55	34	\$209,589	\$209,589
2050302-R	Youth and Family Alliance, dba LifeWorks	Rapid Re-Housing	48	48	59	\$135,409	\$135,409
		<b>Total</b>				<b>\$498,367</b>	<b>\$498,367</b>

In TX-503, \$80,672 remained in region after the First Level of Funding, and no eligible applicants remain. This amount will be pooled into the Second Level of Funding.

**TX-600 Dallas City & County/Irving**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060001-E	Bridge Steps	Emergency Shelter	55	55	87	\$345,000	\$345,000
2060008-H	The Family Place	Homeless Prevention	56	55	79	\$81,533	\$81,533
2060008-R	The Family Place	Rapid Re-Housing	56	55	65	\$117,018	\$117,018
2060007-E	Shelter Ministries of Dallas, dba Austin Street Center	Emergency Shelter	56	55	19	\$164,800	\$164,800
2060008-E	The Family Place	Emergency Shelter	55	54	77	\$83,737	\$83,737
2060004-E	Family Gateway	Emergency Shelter	55	54	35	\$128,658	\$128,658
2060002-E	City House	Emergency Shelter	60	53	93	\$43,793	\$43,793
2060003-O	City Square*	Street Outreach	53	53	84	\$245,243	\$11,859

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060009-H	The Salvation Army - Carr P. Collins Dallas	Homeless Prevention	52	50	85	\$77,250	\$77,250
2060004-R	Family Gateway	Rapid Re-Housing	50	49	44	\$170,829	\$170,829
2060009-E	The Salvation Army - Carr P. Collins Dallas**	Emergency Shelter	51	49	23	\$128,750	\$0
2060002-O	City House**	Street Outreach	55	48	52	\$5,650	\$0
2060007-R	Shelter Ministries of Dallas, dba Austin Street Center***	Rapid Re-Housing	49	48	7	\$140,877	\$71,935
2060006-R	Shared Housing Center	Rapid Re-Housing	53	47	80	\$159,650	\$0
2060002-R	City House	Rapid Re-Housing	54	47	8	\$41,200	\$0
2060006-E	Shared Housing Center	Emergency Shelter	52	46	94	\$82,400	\$0
2060012-H	Under 1 Roof	Homeless Prevention	41	41	46	\$95,100	\$0
2060005-O	Metro Relief	Street Outreach	40	40	41	\$165,851	\$0
2060010-H	First Presbyterian Church of Dallas, Texas dba The Stewpot	Homeless Prevention	35	35	28	\$203,341	\$0
2060010-O	First Presbyterian Church of Dallas, Texas dba The Stewpot	Street Outreach	31	31	76	\$133,100	\$0
2060011-O	The Well Community	Street Outreach	39	27	22	\$57,500	\$0
			Total			<b>\$2,671,280</b>	<b>\$1,296,412</b>

\*Offered partial award due to SO/ES cap. Partial award was accepted.

\*\*No funding in SO/ES cap available.

\*\*\*Offered and accepted partial award.

In TX-600, no funds remain in region after the First Level of Funding. Since the region used all available resources allocated, the region will not participate in the Second Level of funding.

**TX-601 Fort Worth/Arlington/Tarrant**

<b>Application Number</b>	<b>Applicant Name</b>	<b>Type</b>	<b>Self Score</b>	<b>Final Score</b>	<b>Tie Breaker</b>	<b>Requested Amount</b>	<b>Amount Recommended</b>
2060104-R	The Salvation Army - Fort Worth	Rapid Re-Housing	62	60	67	\$77,022	\$77,022
2060104-E	The Salvation Army - Fort Worth	Emergency Shelter	61	59	105	\$174,070	\$174,070
2060104-H	The Salvation Army - Fort Worth	Homeless Prevention	61	59	43	\$48,410	\$48,410
2060102-E	SafeHaven of Tarrant County	Emergency Shelter	59	57	50	\$100,000	\$100,000
2060102-R	SafeHaven of Tarrant County	Rapid Re-Housing	59	57	42	\$80,000	\$80,000
2060102-H	SafeHaven of Tarrant County	Homeless Prevention	59	57	39	\$20,000	\$20,000
2060101-E	Center for Transforming Lives <sup>+</sup>	Emergency Shelter	52	51	48	\$93,378	\$0
2060103-O	Tarrant County Hands of Hope	Street Outreach	49	46	78	\$180,000	\$0
			<b>Total</b>			<b>\$772,880</b>	<b>\$499,502</b>

<sup>+</sup> Offered partial award due to SO/ES cap, and declined.

In TX-601, \$105,248 remain in region after the First Level of Funding. The funds will be pulled and the region is eligible to participate in the Second level of funding.

**TX-603 El Paso City & County**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060301-E	El Paso Center for Children	Emergency Shelter	56	56	5	\$29,037	\$29,037
2060302-E	El Paso Human Services <sup>+</sup>	Emergency Shelter	54	54	83	\$159,034	\$0
2060301-R	El Paso Center for Children	Rapid Re-Housing	49	45	24	\$89,640	\$89,640
			Total			<b>\$277,711</b>	<b>\$118,677</b>

<sup>+</sup> Offered partial award due to SO/ES cap, and declined.

In TX-603, \$146,381 remain in region after the First Level of Funding. The funds will be pulled and the region is eligible to participate in the Second Level of funding.

**TX-604 Waco/McLennan County**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060401-H	The Salvation Army Waco	Homeless Prevention	43	43	99	\$34,675	\$34,675
2060401-R	The Salvation Army Waco	Rapid Re-Housing	43	43	69	\$45,939	\$45,939
2060401-E	The Salvation Army Waco	Emergency Shelter	38	38	37	\$62,434	\$62,434
			Total			<b>\$143,048</b>	<b>\$143,048</b>

In TX-604, no funds remain in region after the First Level of Funding. Since the region used all available resources allocated, the region will not participate in the Second Level of funding.

**TX-607 Balance of State**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060704-H	Bay Area Turning Point	Homeless Prevention	72	70	90	\$25,650	\$25,650
2060704-R	Bay Area Turning Point	Rapid Re-Housing	72	70	57	\$25,650	\$25,650
2060715-E	La Posada Providencia	Emergency Shelter	62	62	27	\$158,562	\$158,562
2060716-H	Loaves and Fishes of the Rio Grande Valley	Homeless Prevention	64	62	17	\$107,000	\$107,000

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060716-R	Loaves and Fishes of the Rio Grande Valley	Rapid Re-Housing	64	62	10	\$57,500	\$57,500
2060724-E	The Salvation Army - Corpus Christi	Emergency Shelter	61	61	56	\$115,000	\$115,000
2060716-E	Loaves and Fishes of the Rio Grande Valley	Emergency Shelter	64	60	106	\$82,800	\$82,800
2060713-E	Family Crisis Center	Emergency Shelter	60	60	103	\$92,000	\$92,000
2060713-R	Family Crisis Center	Rapid Re-Housing	60	60	101	\$92,575	\$92,575
2060702-R	Advocacy Outreach	Rapid Re-Housing	60	60	63	\$67,340	\$67,340
2060702-E	Advocacy Outreach	Emergency Shelter	60	60	54	\$23,783	\$23,783
2060724-R	The Salvation Army - Corpus Christi	Rapid Re-Housing	62	60	16	\$45,450	\$45,450
2060724-H	The Salvation Army - Corpus Christi	Homeless Prevention	61	59	32	\$50,050	\$50,050
2060716-O	Loaves and Fishes of the Rio Grande Valley	Street Outreach	61	59	26	\$57,500	\$57,500
2060724-O	The Salvation Army - Corpus Christi	Street Outreach	57	57	68	\$16,950	\$16,950
2060702-H	Advocacy Outreach	Homeless Prevention	56	56	95	\$67,340	\$67,340
2060718-E	Mid-Coast Family Services	Emergency Shelter	59	56	47	\$101,110	\$101,110
2060720-E	Randy Sam's Outreach Shelter	Emergency Shelter	60	55	96	\$149,500	\$149,500
2060718-R	Mid-Coast Family Services	Rapid Re-Housing	56	55	72	\$143,750	\$143,750
2060726-R	The Salvation Army - Temple	Rapid Re-Housing	55	55	11	\$90,375	\$90,375
2060718-O	Mid-Coast Family Services	Street Outreach	57	54	98	\$13,800	\$13,800
2060726-E	The Salvation Army - Temple	Emergency Shelter	55	54	31	\$149,290	\$149,290
2060726-H	The Salvation Army - Temple	Homeless Prevention	53	53	40	\$60,335	\$60,335



Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060714-E	Friendship of Women, Inc.	Emergency Shelter	53	53	21	\$118,771	\$118,771
2060725-R	The Salvation Army - Denton	Rapid Re-Housing	52	52	18	\$92,248	\$92,248
2060712-R	Families in Crisis	Rapid Re-Housing	52	52	12	\$51,500	\$51,500
2060705-H	Brown County Home Solutions	Homeless Prevention	51	51	102	\$34,500	\$34,500
2060712-E	Families in Crisis	Emergency Shelter	51	51	36	\$133,900	\$133,900
2060718-H	Mid-Coast Family Services	Homeless Prevention	52	51	15	\$86,250	\$86,250
2060712-H	Families in Crisis	Homeless Prevention	51	51	4	\$51,500	\$51,500
2060707-R	Christian Community Action	Rapid Re-Housing	52	50	70	\$117,300	\$117,300
2060711-E	Denton County Friends of the Family	Emergency Shelter	53	49	88	\$161,710	\$161,710
2060707-H	Christian Community Action	Homeless Prevention	51	49	74	\$151,700	\$151,700
2060705-O	Brown County Home Solutions	Street Outreach	49	49	73	\$14,202	\$14,202
2060725-E	The Salvation Army - Denton	Emergency Shelter	49	49	51	\$149,443	\$149,443
2060722-E	Shelter Agencies for Families in East Texas	Emergency Shelter	60	49	30	\$37,659	\$37,659
2060725-H	The Salvation Army - Denton	Homeless Prevention	48	48	97	\$58,092	\$58,092
2060721-E	Resource Center of Galveston County	Emergency Shelter	48	48	81	\$168,500	\$168,500
2060703-H	Ark-Tex COG	Homeless Prevention	48	48	55	\$138,212	\$138,212
2060705-E	Brown County Home Solutions	Emergency Shelter	48	48	38	\$34,500	\$34,500
2060722-H	Shelter Agencies for Families in East Texas	Homeless Prevention	54	47	86	\$34,415	\$34,415

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060710-E	Corpus Christi Hope House	Emergency Shelter	47	47	3	\$50,000	\$50,000
2060711-R	Denton County Friends of the Family	Rapid Re-Housing	45	45	82	\$83,945	\$83,945
2060709-H	Community Action Committee of Victoria**	Homeless Prevention	45	45	66	\$300,000	\$0
2060717-R	Making Dreams Real	Rapid Re-Housing	49	45	60	\$189,750	\$0
2060711-H	Denton County Friends of the Family	Homeless Prevention	45	45	29	\$63,345	\$0
2060727-E	The Warrior's Refuge, a project of Castle Cares Community Ministries	Emergency Shelter	46	44	104	\$300,000	\$0
2060722-R	Shelter Agencies for Families in East Texas	Rapid Re-Housing	57	44	91	\$72,427	\$0
2060723-E	The Children's Center	Emergency Shelter	44	44	89	\$330,984	\$0
2060728-R	Women's Center of East Texas	Rapid Re-Housing	46	44	75	\$126,064	\$0
2060728-E	Women's Center of East Texas	Emergency Shelter	50	44	14	\$65,064	\$0
2060701-E	Abilene Hope Haven	Emergency Shelter	44	43	64	\$63,726	\$0
2060708-H	Combined Community Action	Homeless Prevention	44	43	61	\$28,750	\$0
2060708-R	Combined Community Action	Rapid Re-Housing	44	43	53	\$28,750	\$0
2060703-R	Ark-Tex COG	Rapid Re-Housing	43	43	20	\$138,212	\$0
2060721-R	Resource Center of Galveston County	Rapid Re-Housing	39	39	92	\$39,500	\$0
2060706-H	Catholic Charities of the Rio Grande Valley	Homeless Prevention	41	39	62	\$155,544	\$0
2060701-R	Abilene Hope Haven	Rapid Re-Housing	40	39	58	\$20,945	\$0

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2060721-H	Resource Center of Galveston County	Homeless Prevention	39	39	49	\$74,000	\$0
2060701-O	Abilene Hope Haven	Street Outreach	42	39	25	\$10,645	\$0
2060701-H	Abilene Hope Haven	Homeless Prevention	41	39	2	\$20,945	\$0
2060719-H	New Hope Center of Paris	Homeless Prevention	31	31	6	\$50,000	\$0
			Total			<b>\$5,640,308</b>	<b>\$3,561,657</b>

\*\* Offered partial award and declined.

In TX-607, \$81,986 remain in region after the First Level of Funding. The funds will be pulled and the region is eligible to participate in the Second Level of funding.

#### TX-611 Amarillo

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2061101-R	City of Amarillo	Rapid Re-Housing	56	53	45	\$71,579	\$71,579
2061101-O	City of Amarillo	Street Outreach	46	43	9	\$107,368	\$107,368
2061102-E	Tyler Street Resource Center	Emergency Shelter	47	17	13	\$80,500	\$0
			Total			<b>\$259,447</b>	<b>\$178,947</b>

In TX-611, no funds remain in region after the First Level of Funding. Since the region used all available resources allocated, the region will not participate in the Second Level of funding.

**TX-624 Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
2062401-H	NorTex Regional Planning Commission	Homeless Prevention	54	51	33	\$48,915	\$48,915
2062401-R	NorTex Regional Planning Commission	Rapid Re-Housing	47	44	100	\$90,840	\$90,840
			Total			<b>\$139,755</b>	<b>\$139,755</b>

In TX-624, no funds remain in region after the First Level of Funding. Since the region used all available resources allocated, the region will not participate in the Second Level of funding.

**TX-701 Bryan/College Station/Brazos Valley**

Application Number	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Amount	Amount Recommended
			Total			<b>\$0</b>	<b>\$0</b>

In TX-701, \$189,009 remain in region after the First Level of Funding, and no eligible applicants remain. This amount will be pooled into the Second Level of Funding.

**Level 1 Competition Summary**

CoC #	CoC Region	Total Amount Available	Total SO/ES Cap	Amount Awarded	Total Amount Remaining	ES/SO Cap Remaining	% Under-funded
TX-503	Austin/Travis County°	\$579,039	\$347,423	\$498,367	\$80,672	\$44,588	14%
TX-600	Dallas City & County/Irving	\$1,296,412	\$777,847	\$1,296,412	\$0	\$0	0%
TX-601	Fort Worth/Arlington/Tarrant County	\$604,750	\$362,850	\$499,502	\$105,248	\$88,780	17%
TX-603	El Paso City & County	\$265,058	\$159,035	\$118,677	\$146,381	\$129,998	55%
TX-604	Waco/McLennan County	\$143,048	\$85,829	\$143,048	\$0	\$23,395	0%
TX-607	Texas Balance of State	\$3,643,643	\$2,186,186	\$3,561,657	\$81,986	\$357,206	2%
TX-611	Amarillo	\$178,947	\$107,368	\$178,947	\$0	\$0	0%
TX-624	Wichita Falls/Wise, Palo Pinto, Wichita, Archer Counties	\$139,755	\$83,853	\$139,755	\$0	\$83,853	0%
TX-701	Bryan/College Station/Brazos Valley°	\$189,009	\$113,405	\$0	\$189,009	\$113,405	100%
	<b>Total</b>	<b>\$7,039,661</b>	<b>\$4,223,797</b>	<b>\$6,436,365</b>	<b>\$603,296</b>	<b>\$841,225</b>	

°No unfunded applications in this region.

Total available from undersubscribed regions: \$603,296

**Level Two Funding**

**Undersubscribed regions**

Application Number	CoC region	Applicant Name	Type	Self Score	Final Score	Tie Breaker	Requested Funding for Level Two in Undersubscribed Regions	Funding Recommendation	Percent Region is Underfunded after Award
2060302-E	El Paso City & County	El Paso Human Services	Emergency Shelter	54	54	83	\$159,034	\$159,034	0%
2060101-E	Fort Worth/ Arlington /Tarrant County	Center for Transforming Lives	Emergency Shelter	52	51	48	\$93,378	\$93,378	2%
2060709-H	Texas Balance of State	Community Action Committee of Victoria	Homeless Prevention	45	45	66	\$300,000	\$300,000	0%
2060103-O	Fort Worth/ Arlington /Tarrant County	Tarrant County Hands of Hope***	Street Outreach	49	46	78	\$180,000	\$50,884	0%

\*\*\*Offered and accepted partial award.

5

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Avondale Farms Seniors (HTC #16373)

**RECOMMENDED ACTION**

**WHEREAS**, Avondale Farms Seniors (the Development) received a 9% Housing Tax Credit (HTC) award in 2016 to construct 121 multifamily units in Haslet, Tarrant County;

**WHEREAS**, Avondale Farms Seniors, LP (the Development Owner or Owner) requests approval for a material amendment to the Application for a 40.3% reduction Common Area, from 6,431 to 3,839 square feet, a reduction of 2,592 square feet;

**WHEREAS**, Board approval is required for a reduction of three percent or more in the common areas directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D);

**WHEREAS**, the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(a) for the material amendment to the Application;

**WHEREAS**, the Owner has also identified modifications to the site design plan represented at Application that are considered Notification Items under 10 TAC §10.405(a)(2)(B) and (D); and

**WHEREAS**, the requested change does 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 for Avondale Farms Seniors is approved as presented to this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

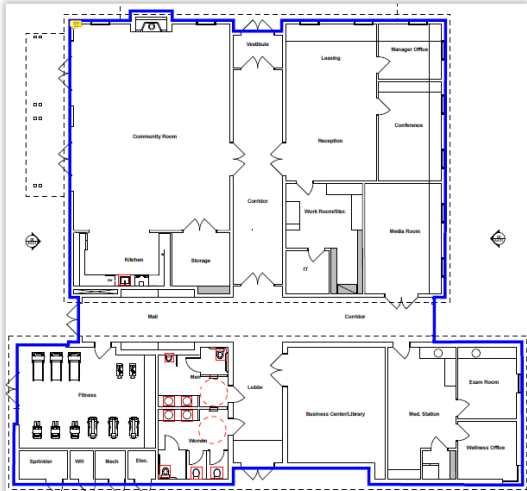
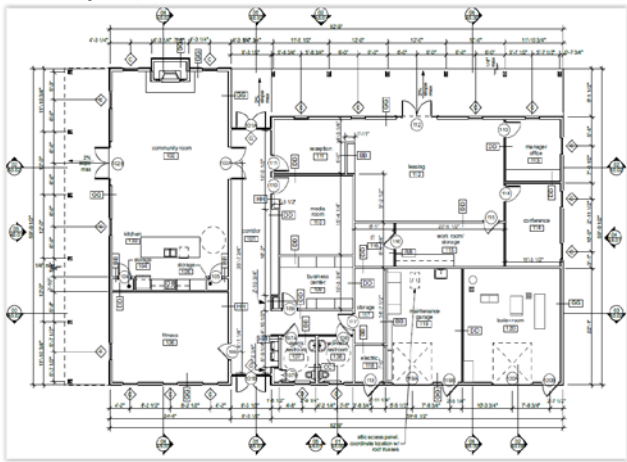


## BACKGROUND

Avondale Farms Seniors received a 9% HTC award in 2016 for the new construction of 121 multifamily units, of which 109 are HTC units, in Haslet, Tarrant County. Construction of the Development is complete, and the cost certification documentation is under review by the Department. In a letter dated June 25, 2020, Samuel R. Hagerty, the Owner’s representative, requested approval for a material amendment to the Application. The request is for approval of the 40.3% reduction to the community building from 6,431 square feet at application to 3,839 square feet as-built, a reduction of 2,592 square feet. It should be noted that at application underwriting, the Common Area was reported as 7,166 square feet, which represents 6,431 square feet for the community building and 735 square feet for a maintenance/boiler room. The final architectural drawings identify 948 square feet for the maintenance/boiler area and 117 square feet for the mail area, in addition to the 3,839 square feet for the community building. If the additional spaces are included, the reduction to the common area square footage would be 31.57%, which is still significantly over the three percent threshold requiring board approval. The Owner stated that the reduction to the Common Area was due to a drastic value-engineering process to bring costs in line with available sources. The Owner also stated that the reduction was not foreseeable at Application, and the Owner believes the reduction to the community building was warranted and in line with market demand for a senior affordable housing community.

The information provided with the amendment request revealed other changes in the final as-built site design plan that are deemed Notification Items under 10 TAC §10.405(a)(2)(A) and (D). Specifically, the pool and site irrigation were eliminated as part of the value-engineering process, and the Health Screening Room was removed from the community building. However, the cost certification indicates a sufficient number of Common Amenities present on the property to meet the points required for the Development.

The following table identifies the changes to the Common Area:

<b>Material Alterations as defined in Tex. Gov’t Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)</b>	
<b>Application</b>	<b>Amendment</b>
<p><b>Common Area: 6,431 square feet</b></p> 	<p><b>Common Area: 3,839 square feet (a reduction of 40.3% or 2,592 sq. ft.)</b></p> 

The 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. The Development Owner has complied with the amendment requirements under 10 TAC §10.405(a). The final recommended tax credit amount will be determined upon finalization of the cost certification review.

Staff recommends approval of the amendment request as presented herein.

June 25, 2020

**VIA E-MAIL TRANSMISSION**

Ms. Lee Ann Chance  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78711-3941

Re: Reduction in Common Area Material Amendment Request – Avondale Farms  
Seniors (the "**Development**")  
TDHCA No. 16373

Dear Lee Ann:

We represent the Applicant<sup>1</sup>. This letter constitutes a material amendment request under Section 10.405(a)(4)(D) of the Department's Asset Management Rules, in order to allow the Owner to proceed with completion of the Development.

In its Application, the Applicant represented that the community building area was 6,431 square feet. During the value-engineering phase, the community building area was revised to 3,839 square feet. Attached as Exhibit A is the As-Built drawings reflecting the reduced community building.

The reduction in common area occurred as part of drastic value-engineering process to bring costs in line with available sources. Specifically, the value-engineering included the elimination of the proposed pool and site irrigation. Further, the Applicant believes the reduction in community building square footage was warranted and in line with market demand for a senior affordable housing community. Because the reduction in community building area would not have changed the award of the Application in the competitive process and was not reasonably foreseeable by the Applicant at the time the Application was submitted, the Applicant

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<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings given them in the 2016 QAP.

respectfully requests staff recommendation in support of this request to be considered at the next available TDHCA Board meeting.

In accordance with Section 10.405(a)(1) of the Department's Asset Management Rules, the Applicant is delivering a fee in the amount of \$2,500 under separate cover.

We appreciate your consideration of this request and are happy to provide additional information as needed.

Sincerely,

A handwritten signature in blue ink that reads "Samuel R. Hagerty". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Samuel R. Hagerty

cc: Simon Fraser  
Cynthia Bast

**PROJECT DATA SHEET**

**Project Name: Avondale Farms Seniors**

**121 Units**

**Location: Fort Worth, TX**

**December 19, 2016**

LIVING AREA UNIT (S.F.) CALCULATIONS											TOTAL LIVING AREA (S.F.) CALCULATIONS						
UNIT TYPE	UNIT MIX DESCRIPTION	NET AREA		BALCONY / PATIOS	BALCONY STORAGE	DIRECT ACCESS GARAGES	GROSS AREA		NO. OF UNITS	APT MIX	TOTAL NET		BALCONY / PATIOS	BALCONY STORAGE	DIRECT ACCESS GARAGES	TOTAL GROSS	
		HUD (1)	MARKET (3)				HUD (2)	MARKET (4)			HUD (1)	MARKET (3)				HUD (2)	MARKET (4)
1A	1BR/1BATH	647	706	0	0	0	706	706	11	9%	7,117	7,766	0	0	0	7,766	7,766
1B	1BR/1BATH	676	736	0	0	0	736	736	23	19%	15,548	16,928	0	0	0	16,928	16,928
1B-HC	1BR/1BATH	676	736	0	0	0	736	736	7	6%	4,732	5,152	0	0	0	5,152	5,152
1C	1BR/1BATH	701	762	0	0	0	762	762	18	15%	12,618	13,716	0	0	0	13,716	13,716
1D	1BR/1BATH	736	792	0	0	0	792	792	8	7%	5,888	6,336	0	0	0	6,336	6,336
2A	2BR/2BATH	900	970	0	0	0	970	970	14	12%	12,600	13,580	0	0	0	13,580	13,580
2A-HC	2BR/2BATH	900	970	0	0	0	970	970	2	2%	1,800	1,940	0	0	0	1,940	1,940
2B	2BR/2BATH	928	1,000	0	0	0	1,000	1,000	16	13%	14,848	16,000	0	0	0	16,000	16,000
2C	2BR/2BATH	954	1,021	0	0	0	1,021	1,021	11	9%	10,494	11,231	0	0	0	11,231	11,231
2C-HC	2BR/2BATH	954	1,021	0	0	0	1,021	1,021	3	2%	2,862	3,063	0	0	0	3,063	3,063
2D	2BR/2BATH	982	1,056	0	0	0	1,056	1,056	8	7%	7,856	8,448	0	0	0	8,448	8,448
											<b>96,363</b>	<b>104,160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,160</b>	<b>104,160</b>

BUILDING ANALYSIS							
UNIT TYPE	BUILDING TYPES				NO. OF UNITS		
	NUMBER OF STORY	I	II	III		IV	
	QUANTITY PER BUILDING TYPE	1	2	1		1	
1A	1BR/1BATH	0	2	7	0	9	
1B	1BR/1BATH	6	5	1	6	18	
1B-HC	1BR/1BATH	2	1	1	2	6	
1C	1BR/1BATH	7	0	4	7	18	
1D	1BR/1BATH	4	0	0	4	8	
2A	2BR/2BATH	7	0	0	7	14	
2A-HC	2BR/2BATH	1	0	0	1	2	
2B	2BR/2BATH	4	4	0	4	12	
2C	2BR/2BATH	0	3	5	0	8	
2C-HC	2BR/2BATH	0	1	1	0	2	
2D	2BR/2BATH	0	4	0	0	4	
<b>TOTAL UNITS</b>		<b>31</b>	<b>40</b>	<b>19</b>	<b>31</b>	<b>121</b>	
<b>BUILDING TYPES</b>		<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>TOTAL</b>	
<b>QUANTITY PER BUILDING TYPE</b>		<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>	
<b>HUD GROSS SF TOTALS @ BUILDING</b>		<b>26,150</b>	<b>18,136</b>	<b>15,588</b>	<b>26,150</b>		
<b>HUD GROSS SF TOTALS FOR BUILDINGS</b>		<b>26,150</b>	<b>36,272</b>	<b>15,588</b>	<b>26,150</b>	<b>104,160</b>	

OTHER BUILDINGS	NUMBER	S.F./each	TOTAL SF
LEASING & OTHER			3,839
MAINTENANCE/BOILER			948
MAIL			117
<b>SUBTOTALS</b>			<b>109,064</b>
<b>OTHER SPACES</b>	<b>NUMBER</b>	<b>S.F./each</b>	<b>TOTAL SF</b>
ATTACHED GARAGES	14	352	5,046
STAIRS	10	66	660
FIRE SPRINKLER CLOSET	5	46	232
BREEZEWAY AREA	10	2,402	24,023
LAUNDRY/TRASH/MISC.	29	93	2,684
STORAGE UNITS	34	66	2,253
<b>TOTAL AREA OF BUILDINGS</b>			<b>143,962</b>

EXTERIOR SPACES	NUMBER	S.F./each	TOTAL SF
SWIMMING POOL AND DECK			3,812

HUD S.F. ANALYSIS TOTALS	
<b>NET LIVING AREA :</b>	<b>96,363</b>
<b>GROSS LIVING AREA:</b>	<b>104,160</b>
<b>GROSS AREA (plus Recreation/Leasing Bldg)</b>	<b>107,999</b>
<b>GROSS AREA (plus Accessory Spaces and Garage/Storage)</b>	<b>143,962</b>

HUD GROSS FLOOR AREA (ref HUD 2264 - Page2 Section C33) (See Note 5)	
GROSS LIVING AREA:	104,160
BREEZEWAY AREA	24,023
ATTACHED GARAGES	5,046
STORAGE UNITS	2,253
<b>Total HUD Gross Floor Area</b>	<b>135,482</b>

EXTERIOR FINISH MATERIALS	Percent of Brick	0%	0%	0%	0%	0%
<b>NOTE: Indicate percentages of each siding material used</b>	Percent of Stone	0%	0%	0%	0%	0%
	Percent of Stucco	0%	0%	0%	0%	0%
<b>NOTE: ALL siding must be a masonry product</b>	Percent of Fiber Cement Siding	100%	100%	100%	100%	100%
	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

SITE ANALYSIS	
<b>ACTUAL:</b>	
Gross Land Area:	6.746 ACRES
Total Apartment Units:	121 Units
Actual Density:	17.94 UNITS per ACRE
Elevators:	5 Elevators
<b>REQUIRED:</b>	
ZONING:	Fort Worth PD 828

PARKING ANALYSIS (Please see NOTES for HC Parking Requirements)			
<b>REQUIRED PARKING:</b>		192	
<b>ACTUAL SPACES:</b>	STANDARD	ACCESSIBLE	TOTAL
SURFACE	151	10	161
VISITOR PARKING	16	1	17
DIRECT ACCESS GARAGES	0	0	0
ATTACHED GARAGES	12	2	14
DETACHED GARAGES	0	0	0
CARPORTS	0	0	0
<b>Total</b>	<b>179</b>	<b>13</b>	<b>192</b>

**HUD/Market Apartment Unit Definitions / Net & Gross SF Area Calculations / Apartments ONLY**

- (1) **HUD NET AREA:** Defined as "Paint-to-Paint". It is the living area of a unit measured to the inside face of perimeter drywall.
- (2) **HUD GROSS AREA:** Defined by adding thickness (width) of unit perimeter stud walls, includes thickness of corridor walls and includes the area measured to the centerline of any party wall. HUD gross sf also includes the area of a direct access garage if provided for the unit
- (3) **MARKET NET AREA:** ref. BOMA/IREM, ANSI-Z765 Unit Area (S.F). Defined by adding thickness (width) of unit perimeter stud walls, includes thickness of corridor walls and includes the area measured to the centerline of any party walls
- (4) **MARKET GROSS AREA:** Add area of attached balconies and exterior storage closets to Market Net area calculations.
- (5) **HUD GROSS FLOOR AREA:** The sum of the areas of headroom height within the exterior walls, measured to the exterior faces of the walls or to the center line of walls separating attached buildings.  
**NOTE: Built-in garages, commercial area, basement and all other areas within the exterior walls are to be included.**  
Items excluded: recessed, extended or continuous balconies, attached or detached carports accessory buildings, patios, porches, or terraces and all other areas outside the exterior walls accessory buildings, patios, porches, or terraces and all other areas outside the exterior walls



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Owner  
Avondale Farms Seniors, LP  
Architect  
DSGN Associates, Inc.  
Civil Engineer  
Teague Nail & Perkins  
Structural Engineer  
Douglas Structure  
MEP Engineer  
PHA Consulting Engineers, Inc.  
Landscape Architect  
Caye Cook & Associates



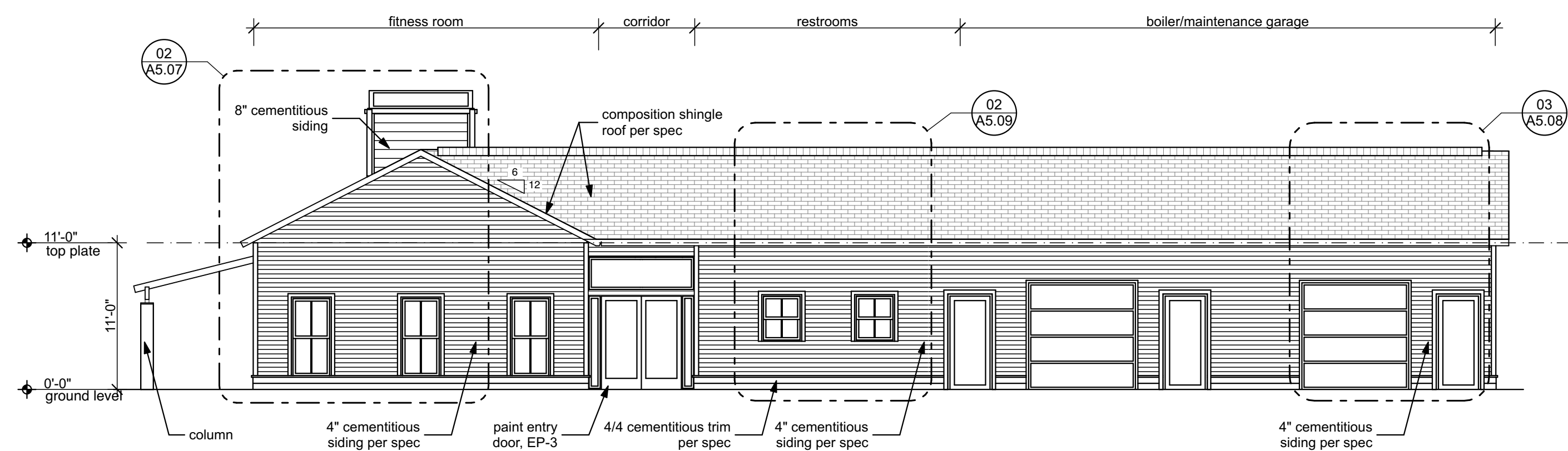
Issued under the authority of  
Robert L. Meckfessel, FAIA.

Avondale Farms Seniors  
Fort Worth, Texas  
1551.00

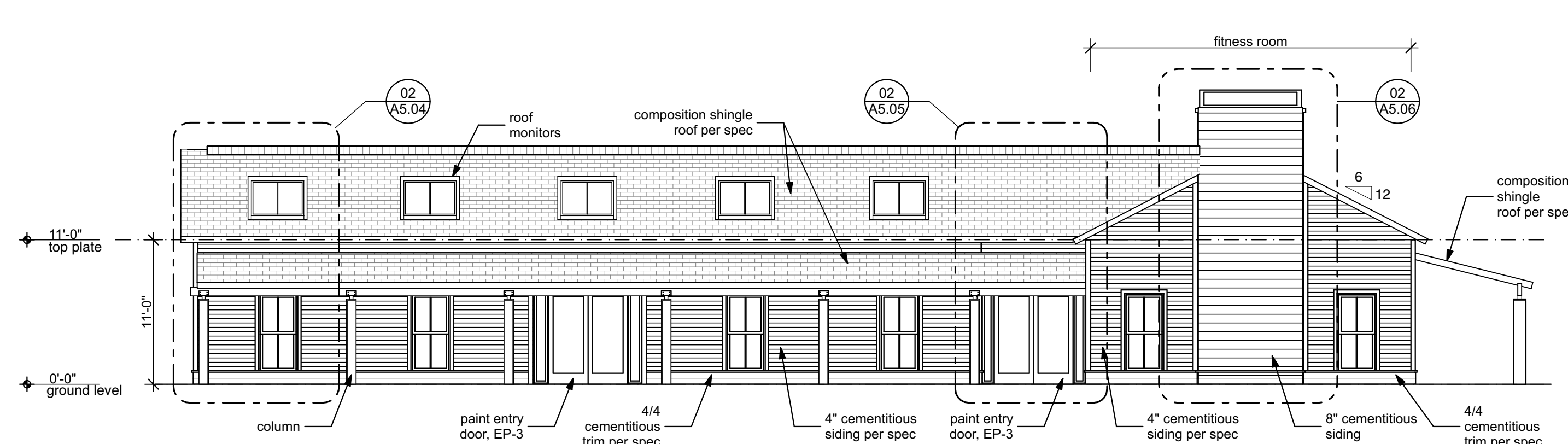
18 Dec 2016 Permit Set  
10 Mar 2017 Response to City Comments  
19 Jul 2017 2015 Code Upgrades  
09 Aug 2017 VE Updates / Civil Engineering  
25 Aug 2017 VE Updates / Issue For Construction

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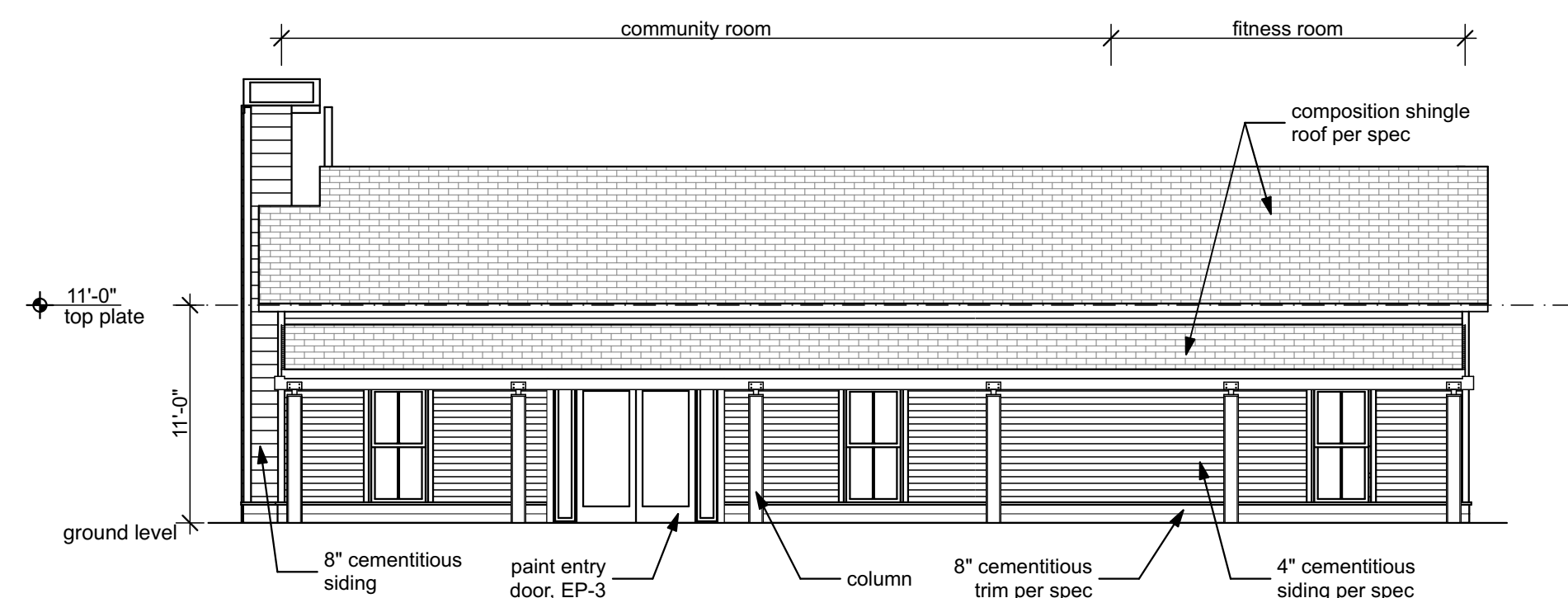




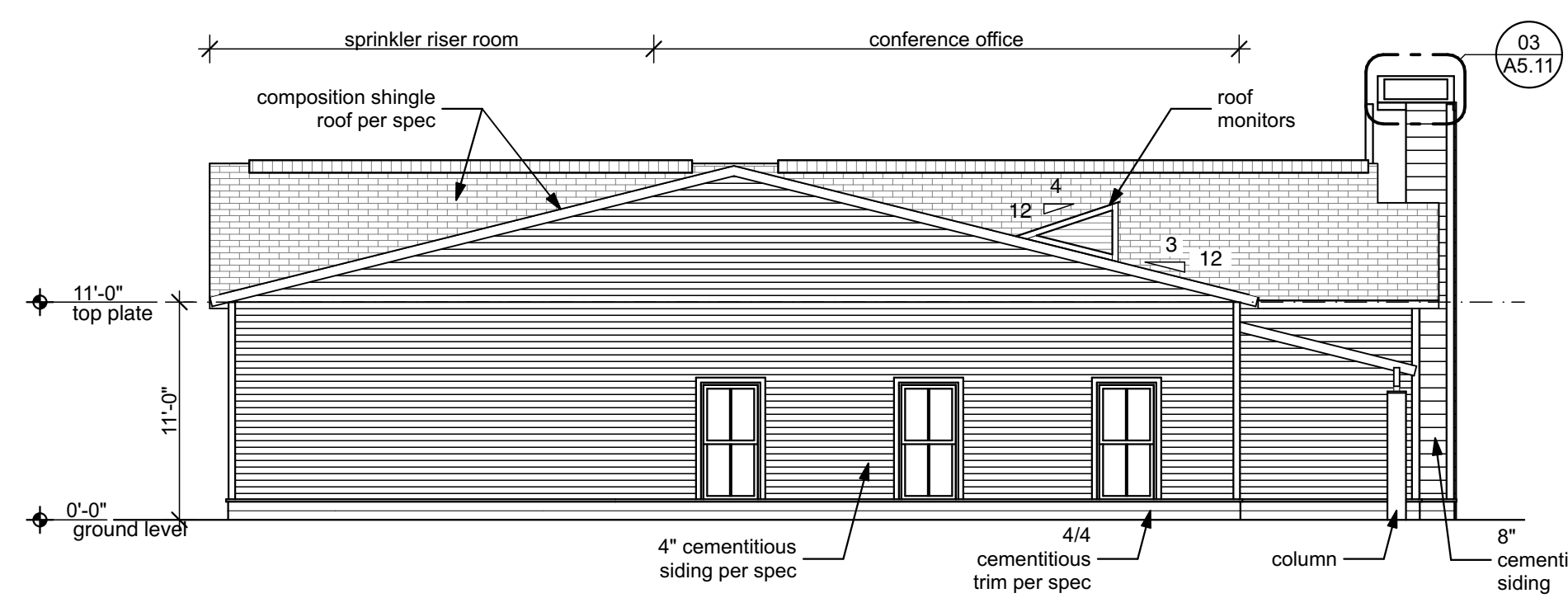
06 South Elevation  
SCALE: 1/8" = 1'-0"



02 North Elevation  
SCALE: 1/8" = 1'-0"



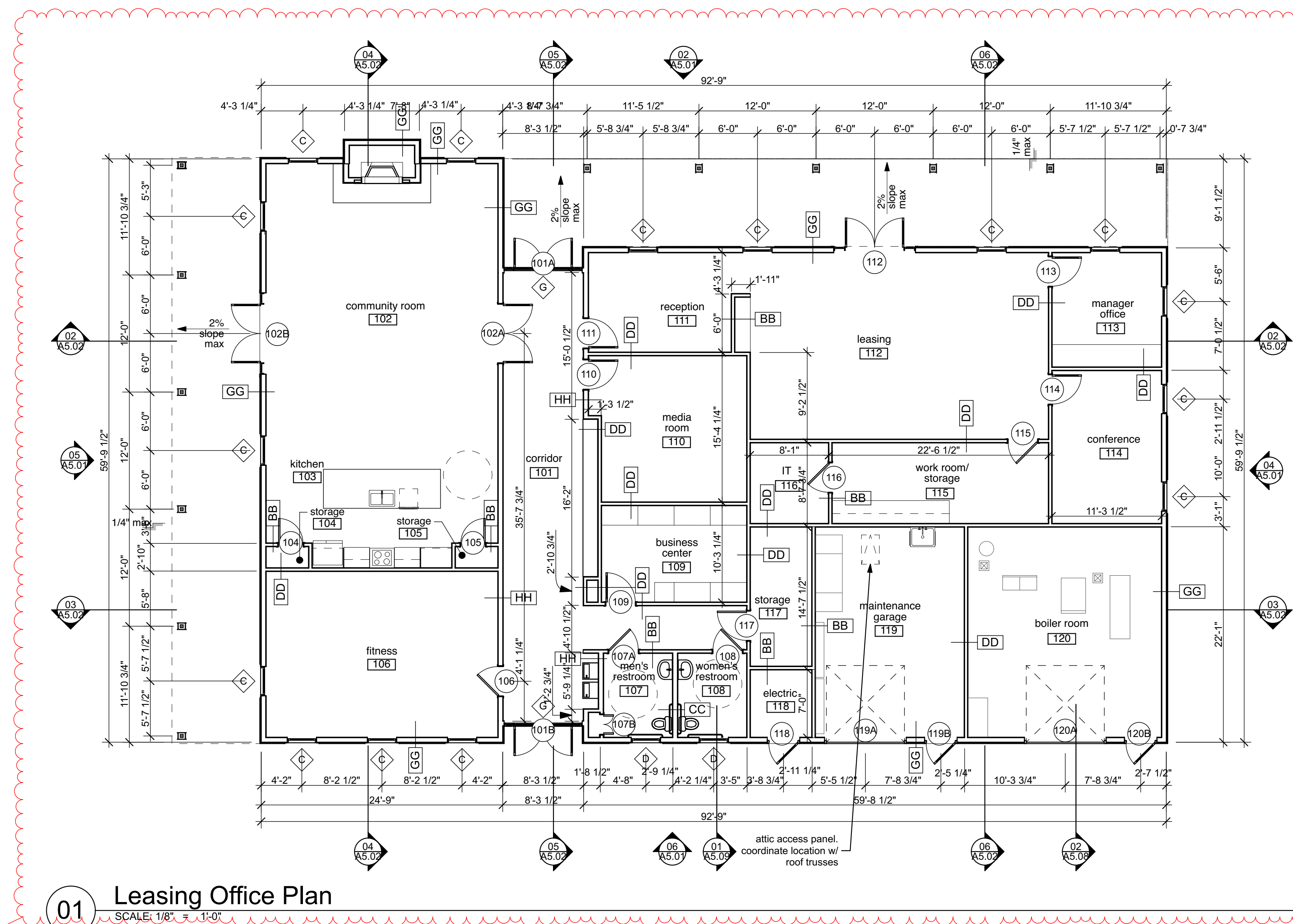
05 West Elevation  
SCALE: 1/8" = 1'-0"



04 East Elevation  
SCALE: 1/8" = 1'-0"

Door Key	Finish Tag Key	Finish Plan Legend
		P painted gyp. board CPT carpet CT ceramic tile CS concrete stain R rubber flooring VCT vinyl composite tile B base trim
	<b>Room Tag Key</b> ENTRY ← room name XX ← room number	▼ 00 A0.00 interior elevation mark
<p>note: reference 06/A5.12 for finish schedule</p> <p>Coordinate exterior elevations and window sizes as called out in plans. Notify architect of any discrepancies.</p>		

03 Reference Key Plan  
SCALE: 1/4" = 1'-0"



01 Leasing Office Plan  
SCALE: 1/8" = 1'-0"



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Owner  
Avondale Farms Seniors, LP  
Architect  
DSGN Associates, Inc.  
Civil Engineer  
Teague Nail & Perkins  
Structural Engineer  
Douglas Structure  
MEP Engineer  
PHA Consulting Engineers, Inc.  
Landscape Architect  
Caye Cook & Associates



Issued under the authority of  
Robert L. Meckfessel, FAIA.

Avondale Farms Seniors  
Fort Worth, Texas  
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18 Dec 2016 Permit Set  
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25 Aug 2017 VE Updates / Issue For Construction  
06 Sept 2017 Issue for Construction / Revisions  
15 Nov 2017 Leasing Office / Design Updates

Leasing Office Plan  
& Elevations

A5.01

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**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion and possible action regarding eligibility under 10 TAC §11.101(a)(3)(B)(ii) related to Neighborhood Risk Factors for W. Leo Daniels (#20482) in Houston

**RECOMMENDED ACTION**

**WHEREAS**, a 4% Housing Tax Credit application for W. Leo Daniels was submitted to the Department on June 5, 2020;

**WHEREAS**, the applicant disclosed the presence of three Neighborhood Risk Factors under 10 TAC §11.101(a)(3)(B)(ii) of the Qualified Allocation Plan (QAP) relating to the poverty rate of the census tract that exceeds the threshold of 40%, the presence of blight within 1,000 feet of the development site, and the crime rate of the subject census tract and adjacent census tract both have a Part I violent crime rate that is greater than the threshold in the QAP of 18 per 1,000 persons (annually) as reported on Neighborhood Scout;

**WHEREAS**, the poverty rate for the census tract containing the development is 45.6% and is considered mitigated based on a resolution from the governing body which is considered sufficient mitigation pursuant to the rule;

**WHEREAS**, the applicant disclosed the presence of blight in the neighborhood that upon further review are structures that are not abandoned as stated in the rule, but are either occupied residential or commercial properties that are for sale or pending redevelopment and considered sufficiently mitigated;

**WHEREAS**, the applicant submitted the Neighborhood Risk Factors report that included information allowed under the QAP to serve as mitigation relating to the crime rate;

**WHEREAS**, the local police beat data submitted did not yield a crime rate below the threshold allowed in the rule, nor did such information demonstrate a downward trend in crime that would be below the threshold in the rule by the time the rehabilitation for W. Leo Daniels is complete; and

**WHEREAS**, staff is unable to provide an affirmative recommendation under 10 TAC §11.101(a)(3)(E) that the application for W. Leo Daniels be found eligible despite the presence of Part I violent crime rates in the subject and adjacent census tract that exceeds the threshold allowed in the QAP;

**NOW, therefore, it is hereby,**

**RESOLVED**, that the W. Leo Daniels application is ineligible based on the aforementioned factors relating to the crime Neighborhood Risk Factor, as further noted herein.



## **BACKGROUND**

W. Leo Daniels is an existing development located at 8826 Harrell Street, on the north side of Houston serving a senior population. The application proposes the rehabilitation of 100 units, all of which will be rent and income restricted for households ranging between 30% of Area Median Family Income (AMFI) and 60% of AMFI. The development was built in 1979 and all of the units are covered by a Section 8 Housing Assistance Payment contract. The applicant disclosed the presence of three neighborhood risk factors: poverty, blight and crime. As further discussed herein, staff believes the information provided by the applicant supports a conclusion of eligibility regarding poverty and blight and these risk factors are not the subject of today's Board determination but are mentioned regardless.

**Poverty:** The poverty rate for the census tract is 45.6%. The QAP requires mitigation be submitted in the form of a resolution from the governing body that acknowledges the high poverty rate and authorizes the Development to move forward. Such resolution was provided from the City of Houston and the poverty risk factor was considered by staff to be mitigated.

**Blight:** The applicant disclosed that in proximity to W. Leo Daniels are structures that could be considered blight and disclosed the presence of these structures out of an abundance of caution. Information provided by the applicant indicated that these structures are not abandoned as stated in the rule, but are either occupied residential or commercial properties that are for sale or pending redevelopment. Staff believes this risk factor is sufficiently mitigated.

**Crime:** W. Leo Daniels is located in a census tract (48201220700) with a Part I violent crime rate of 22 per 1,000 persons (annually) and adjacent to a census tract (48201220800) with a Part I violent crime rate of 36.49 per 1,000 persons according to Neighborhood Scout.

The Neighborhood Risk Factor report included mitigation based on local police beat data. The police beat (7C30) includes the subject census tract (2207.00), the adjacent tract (2208.00), as well as portions of four surrounding census tracts. As allowed by the QAP, the applicant extrapolated the population of the census tracts that include the police beat, factored in the instances of Part I violent crimes occurring in these tracts and such data produced the following results:

	<b>2018</b>	<b>2019</b>
Instances of Violent Crimes	283	346
Violent Crime Rate	29.77	36.40

*(Includes entire police beat)*

The QAP also allows mitigation to be submitted that is based solely on the population in the census tract containing the development and instances of violent crimes in the police beat within that census tract. In response to a request from staff, the applicant subsequently provided revised data for both the subject tract (2207.00) and adjacent tract (2208.00). Staff also suggested (as the rule allows) for data to be provided to-date for the 2020 calendar year. Such data produced the following results:

	2018	2019	2020 (Jan-July)	2020 (Annualized) <sup>1</sup>
Instances of Violent Crimes – Subject Tract	64	74	48	82.3
Violent Crime Rate – Subject Tract	19.11	22.10	14.33	24.57
Instances of Violent Crimes – Adjacent Tract	55	94	55	94.3
Violent Crime Rate – Adjacent Tract	30.10	51.45	30.10	51.61

*(Includes police beat data in subject and adjacent tracts only)*

In addition to the data provided, the application also included a letter dated June 4, 2020, from C.T. Hatcher, Commander of the Northeast Division with the Houston Police Department (HPD) which includes the 7C30 police beat. According to the HPD website, the Northeast Division also includes 5 other police beat areas. The letter speaks to efforts underway and a comprehensive action plan used to address crime in the greater Northeast Division. Moreover, the letter states that strategies are adjusted and the impact of the action plan is continuously evaluated so they can be effective in their efforts to reduce crime. An updated letter was submitted dated September 16, 2020, from Commander J.B. Dale who states that upon an evaluation of the crime statistics surrounding the W. Leo Daniels development, they have observed a slight decrease in crime in the past 90 days, with no specific details provided. In an effort to aide staff’s review of this type of information, the QAP states that information provided by the “most appropriate official” should describe the results of efforts underway. Moreover, the written statement should also speak to whether there is a reasonable expectation that based on the efforts underway, crime data supports a favorable downward trend in crime rates. Given the crime data provided by the applicant, staff does not believe such reasonable expectation has been demonstrated.

Other information provided by the applicant included a map of both census tracts for each year with the instances of violent crimes plotted. Relative to the location of the development, there are clusters of crimes located along the thoroughfare that borders the two census tracts, Jensen Drive, along with clusters of crimes occurring in the southern most portion of both census tracts. News articles were also provided that referenced increases in crime across the country, specifically noting Houston, in the midst of COVID-19. None of these articles specifically address the area surrounding W. Leo Daniels and if in fact the increase in crime is attributable to COVID-19, it does not explain the increase from 2018 to 2019.

Since adding to the QAP that the benchmark threshold will be based on the crime rate as reported on NeighborhoodScout, staff has repeatedly heard that such data is not accurate and not reflective of what is actually happening in a given location. As a result, the QAP allows for current data to be provided from

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<sup>1</sup> This information was provided by the applicant and therefore mentioned in this write-up; however, the QAP does not address the concept of annualizing a crime rate for purposes of arriving at a conclusion of eligibility.

the appropriate municipality with jurisdiction that could tell a different story of the instances of Part I violent crimes actually occurring in the neighborhood. In the case of the subject and adjacent census tracts, the data provided by the applicant seems to be in-line with what was reported by NeighborhoodScout and does not indicate a downward trend that allows staff to recommend eligibility.

The QAP also allows developments involving rehabilitation to provide additional information relative to security measures to be implemented in an effort to mitigate the crime rate; however, staff does not believe the rule allows for that information to be used as the sole determining factor to support a conclusion of eligibility. There are aspects of W. Leo Daniels that distinguish it from prior development sites brought before the Board with respect to crime. Specifically, it is an 8-story, elevator-served building that requires key-card access and the applicant has represented that no one will have access to the office and residential areas without key-card access. Moreover, information provided by the applicant indicated that there is a security service currently provided by the management company and the applicant intends to continue this service. However, it is important to note that such mitigation as explained in the QAP is intended to address situations where the instances of crime are occurring at or near the development itself. Based on the maps with crimes plotted that was provided by the applicant, this does not seem to be the case.

Pursuant to 10 TAC §11.101(a)(3)(B), *“in order to be considered an eligible site despite the presence of this neighborhood risk factor, the applicant must demonstrate actions being taken that would lead staff to conclude that there is a high probability and reasonable expectation the risk factor will be sufficiently mitigated or significantly improved prior to placement in service and that the risk factor demonstrates a positive trend and continued improvement.”* Staff does not believe, based on the mitigation provided, there is a basis for a recommendation of eligibility that is noted under 10 TAC §11.101(a)(3)(E), primarily that there is a *“determination that the risk factor(s) that has been disclosed are not of such a nature or severity that should render the Development Site ineligible based on the assessment and mitigation provided...”* While the application proposes rehabilitation, the QAP is clear that preservation of existing units alone does not provide a basis by which a development site can be considered eligible despite neighborhood risk factors.

Included herein is information provided by the applicant that would serve as the basis for the Board’s review regarding eligibility (Exhibit A). Letters of support are included from U.S. Representative Sylvia R. Garcia (a letter is also submitted in her former capacity of State Senator), U.S. Representative Sheila Jackson Lee (does not represent the district containing the development), Former U.S. Representative Gene Green, State Senator Carol Alvarado, State Representative Armando L. Walle, and the Sunbeam Curry Civic Club.

# Exhibit A

**W. Leo Daniels Towers I, LP**

9 Greenway Plaza, Suite 1250  
Houston, TX 77046  
P: 713.963.8660 F: 713.963.8164

---

September 28, 2020

Texas Department of Housing and Community Affairs  
Attn: Governing Board  
221 E. 11<sup>th</sup> Street  
Austin, TX 78701

Re: Request for Finding of Eligibility Related to Crime – TDHCA #20482 W. Leo Daniels Towers

Dear TDHCA Board Members,

W. Leo Daniels Towers (the development) is a proposed rehabilitation of an existing affordable housing development for elderly persons in Houston. The development is located in a census tract (48201220700) with violent crime above 18/1,000 persons according to NeighborhoodScout.com. The adjacent census tract to the southeast (48201220800) also has violent crime above 18/1,000 persons according to NeighborhoodScout.com. As required by the 2020 Qualified Allocation Plan (QAP), a Neighborhood Risk Factors Report was submitted with the original application submission.

Between the original application submission and responses to requests for information from TDHCA staff, the applicant has provided:

1. Houston Police Department (HPD) violent crime statistics for the Police Beat 7C30 for 2018, 2019 and 2020 year to date through July 2020.
2. Houston Police Department (HPD) violent crime statistics for only the two census tracts that required disclosure for 2018, 2019 and 2020 year to date through July 2020.
3. Houston Police Department Letter describing measures being taken to reduce violent crime. An updated HPD letter dated September 16, 2020 states that HPD has seen a decrease in violent crime in the past 90 days (attached as Exhibit A). This statement provides a more recent analysis of violent crime than the publicly available crime data, which is only available through July 2020.
4. Evidence of existing Section 8 rental assistance at the proposed rehabilitation development.
5. Evidence of private and public investment and community improvement projects in the area to achieve revitalization.
6. Evidence of a significant \$10M funding commitment from the City of Houston.
7. Evidence of significant public and elected official support for the development, including support letters from US Congresswoman Sheila Jackson Lee, US Congresswoman and Former State Senator Sylvia Garcia, Former US Congressman Gene Green, State Senator Carol Alvarado, State Representative Armando Walle, and the Sunbeam Curry Civic Club (attached as Exhibit B).

While an analysis of violent crime data for Police Beat 7C30 and the two census tracts requiring disclosure show increases in crime from 2018 to July 2020, it is important to note the following:

1. The crime data and maps show that there has not historically been a crime problem at the subject development and there is a contracted security company to ensure that continues.
2. Crime Statistics for Subject and Adjacent Census Tracts – The subject census tract has a lower crime rate than the police beat overall, and a significantly lower crime rate than the adjacent census tract.
3. Crime Maps for 2018, 2019, and 2020 – Crime maps show that violent crimes are concentrated away from the development site on the major thoroughfares of Tidwell Road (south side of road is in subject census tract), Jensen Drive (boundary of subject and adjacent census tracts), Berry

Road, and Crosstimbers Street (southern portion of census tracts). Violent crimes are generally concentrated at convenience stores and businesses.

4. HPD has stated that they have seen a decrease in crime surrounding the development in the period from mid-July to mid-September 2020.
5. The Greater Northside Management District has a Safety Patrol Program. The program includes regular safety patrol using Texas certified officers seven days a week with four shifts. The program also includes mini workshops on crime prevention to area business owners.

The applicant respectfully requests a finding of eligibility for W. Leo Daniels Towers. Preservation of existing, occupied affordable housing at W. Leo Daniels Towers is critical to the affordable housing options within the City of Houston. The proposed rehabilitation of W. Leo Daniels Towers will increase the quality of that existing housing stock and improve this existing community asset. Significant measures being undertaken by the City of Houston and its partners will result in the continued improvement of this neighborhood for the benefit of current and future residents of the Development. The Houston Police Department is employing a number of measures to reduce violent crime in the area, and the redevelopment of W. Leo Daniels Towers has broad community and elected official support. The City of Houston is in strong support of this proposed rehabilitation (as evidenced by their \$10M award to the development). For these reasons we believe the development site should be found eligible for an award of housing tax credits.

Please feel free to contact me at [apps@itexgrp.com](mailto:apps@itexgrp.com) or (832) 941-5343 with any questions. I look forward to the opportunity to provide testimony at the October TDHCA board meeting related to W. Leo Daniels Towers.

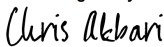
Sincerely,

W. Leo Daniels Towers I, LP

By: W. Leo Daniels Towers I GP, LLC, its General Partner

By: ITEX Advisors, LLC, its Manager

By: The ITEX Group Management, LLC, its Manager

DocuSigned by:  
  
CA72646D23AF4DF...  
Christopher A. Akbari, Manager



## Exhibit B - Houston Police Dept. Letter

# CITY OF HOUSTON

## Houston Police Department

Sylvester Turner, Mayor

1200 Travis Houston, Texas 77002-6000 713/308-1600

CITY COUNCIL MEMBERS: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Steve Le Greg Travis Karla Cisneros Robert Gallegos  
Mike Laster Larry V. Green Mike Knox David W. Robinson Michael Kubosh Amanda K. Edwards Jack Christie CITY CONTROLLER: Chris B. Brown

June 4, 2020

**Art Acevedo**  
Chief of Police



Texas Department of Housing and Community Affairs  
Attn: Bobby Wilkinson, Executive Director  
221 East 11th Street  
Austin, Texas 78701

Re: Crime Mitigation Efforts – Police Beat 7C30, Area Surrounding Proposed W Leo Daniels Development

Dear Mr. Wilkinson:

The Northeast Division has composed a comprehensive plan of action to address violent crime within our area, which is inclusive of 7C30's beat. The approach utilizes divisional, combined with departmental, resources to address various crime types. Our domestic violence initiatives specifically include on-site Victim Services Advocates housed at the Northeast Division. Additionally, the Northeast Division participates in a patrol initiative focused on responding to domestic violence calls for service during peak days and times when these crimes are most likely to occur. These programs are specifically tailored to disrupt the "Cycle of Violence" by providing immediate follow-up care and exposure to viable alternatives and resources to keep victims' and their families safe. The division also has in-house investigators who focus on violent and property crimes to include: Robberies, Burglaries, Thefts and Assaults. These investigators prioritize cases with high-solvability factors and partner with Victim Services Advocates and concerned investigative divisions. Their goal is to assist in quickly resolving cases with known suspects and/or repeat offenders and preventing these suspects from continuing to victimize community members.

In addition to these resources, Northeast Division's Differential Response Team (DRT), Crime Suppression Team (CST), and Patrol have customized crime deterrent strategies to address violent crime during duty hours. Northeast Division also develops Fall, Spring, and Holiday initiatives to increase manpower during various times of the year when crime data indicate patterns of increased violent crime and victimization. These programs allow divisional units the flexibility to direct their efforts according to identified crime trends in specific areas.

As a target hardening strategy, Northeast DRT inspects and ensures compliance with city ordinances at convenience stores which are known to be impacted by violent crimes occurring near



## Exhibit B - Houston Police Dept. Letter

their businesses. Compliance checks are completed to ensure convenience stores are implementing strategies to deter crime and technologically equipped to capture incidents to further investigations. Also, Northeast DRT bolsters the safety of the community by surveying businesses, apartment complexes, and residences, as well as providing recommendations for adequate lighting and landscaping as a deterrent. Northeast DRT works proactively with the youth through our Teens and Police Services and Explorer programs to build relationships and mentor at-risk youth. These programs provide youth with positive role models, decision-making strategies, and strategic goal setting to maximize life-long personal success and positive contributions to the community. Northeast CST contributes to the reduction in violent crimes by consistently monitoring areas prevalent for criminal activity through surveillance and conducting thorough follow-up investigations to reduce serial crimes in the area. Patrol visibility has increased, along with more citizen contacts, to deter potential suspects and ensure the community has a safe environment to prosper.

The Northeast Division continuously evaluates our impact related to our crime deterrence strategies and adjust our initiatives to increase our effectiveness in the community as needed.



C. T. Hatcher, Commander  
Northeast Division

cth:az





# CITY OF HOUSTON

Houston Police Department

Sylvester Turner, Mayor

1200 Travis Houston, Texas 77002-6000 713/308-1600

CITY COUNCIL MEMBERS: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Steve Le Greg Travis Karla Cisneros Robert Gallegos  
Mike Laster Larry V. Green Mike Knox David W. Robinson Michael Kubosh Amanda K. Edwards Jack Christie CITY CONTROLLER: Chris B. Brown

September 16, 2020

Bobby Wilkinson, Executive Director, TDHCA  
221 East 11th Street  
Austin, Texas 78701

Art Acevedo  
Chief of Police



Dear Mr. Wilkinson:

The Northeast Division has composed a comprehensive plan of action to address violent crime within our area, which is inclusive of 7C30's beat. The approach utilizes divisional, combined with departmental, resources to address various crime types. Our domestic violence initiatives specifically include on-site Victim Services Advocates housed at the Northeast Division. Additionally, the Northeast Division participates in a patrol initiative focused on responding to domestic violence calls for service during peak days and times when these crimes are most likely to occur. These programs are specifically tailored to disrupt the "Cycle of Violence" by providing immediate follow-up care and exposure to viable alternatives and resources to keep victims' and their families safe. The division also has in-house investigators who focus on violent and property crimes to include: Robberies, Burglaries, Thefts and Assaults. These investigators prioritize cases with high-solvability factors and partner with Victim Services Advocates and concerned investigative divisions to assist in quickly resolving cases with known suspects and/or repeat offenders and preventing these suspects from continuing to victimize other citizens in the community.

In addition to these resources, Northeast Division's Differential Response Team (DRT), Crime Suppression Team (CST), and Patrol have customized crime deterrent strategies to address violent crime during duty hours. Northeast Division also develops Fall, Spring, and Holiday initiatives to increase manpower during various times of the year when crime data indicate patterns of increased violent crime and victimization. These programs allow divisional units the flexibility to direct their efforts according to identified crime trends in specific areas.

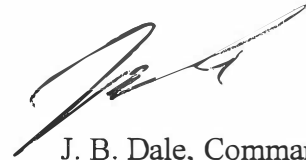
As a target hardening strategy, Northeast DRT inspects and ensures compliance with city ordinances at convenience stores which are known to be impacted by violent crimes occurring near their businesses. Compliance checks are completed to ensure convenience stores are implementing strategies to deter crime and technologically equipped to capture incidents to further investigations. Also, Northeast DRT bolsters the safety of the community by surveying businesses, apartment complexes, and residences, as well as providing recommendations for adequate lighting and landscaping as a deterrent. Northeast DRT works proactively with the youth through our Teens and Police Services and Explorer programs to build relationships and mentor at-risk youth. This program provides youth with positive role models, decision-making strategies, and strategic goal



## Exhibit A - Houston Police Department Letter

setting to maximize life-long personal success and positive contribution to the community. Northeast CST contributes to the reduction in violent crimes by consistently monitoring areas prevalent for criminal activity through surveillance and conducting thorough follow-up investigations to reduce serial crimes in the area. Patrol visibility has increased, along with more citizen contacts, to deter potential suspects and ensure the community has a safe environment to prosper.

The Northeast Division continuously evaluates our impact related to our crime deterrence strategies and adjust our initiatives to increase our effectiveness in the community. In further evaluation of crime statistics surrounding 8826 Harrell, we have observed a slight decrease in crime in the past 90 days.



J. B. Dale, Commander  
Northeast Division

jbd:az

# Exhibit B – Elected Official and Community Support Letters

SHEILA JACKSON LEE  
18<sup>TH</sup> DISTRICT, TEXAS  
COMMITTEES:

JUDICIARY  
SUBCOMMITTEES:  
Ranking Member  
Crime, Terrorism, Homeland Security and  
Investigations  
Immigration and Border Security

HOMELAND SECURITY  
SUBCOMMITTEES:  
Cybersecurity, Infrastructure Protection, and Security  
Technologies

Counterterrorism and Intelligence

BUDGET COMMITTEE

Congress of the United States  
House of Representatives  
Washington, DC 20515

STEERING AND POLICY COMMITTEE

HELSINKI COMMISSION MEMBER

VICE CHAIR  
CONGRESSIONAL PROGRESSIVE  
CAUCUS

SENIOR WHIP  
DEMOCRATIC CAUCUS

FOUNDER AND CO-CHAIR  
CONGRESSIONAL CHILDREN'S  
CAUCUS

April 5, 2019

Tom McCasland

Director

City of Houston Housing and Community Development Department

2100 Travis Street, 9<sup>th</sup> Floor

Houston, Texas 77002

I am writing in support of the applications for request for funding submitted to the City of Houston's Housing & Community Development Department (HCDD) for the W. Leo Daniels Towers I and W. Leo Daniels Towers II projects. This funding request is for Disaster Recovery (DR-17) Multifamily Program Round I.

W. Leo Daniels Towers, located at 8826 Harrell Street, is an existing 8 story 100-unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russel, and other community leaders, have led the planning efforts on construction of a new 136-unit senior development located at 8920 Jensen Drive, Houston TX 77093, just across the street from the existing W. Leo Daniels Towers. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure.

The new tower unit mix will be comprised of 66 efficiency units, 58 one bedrooms, and 12 two bedrooms. Amenities in the development will include locked access doors monitored by courtesy patrol, beauty salon, a community room, fitness center, business center and pool. Unit features will include granite counter tops, pendant and track lighting, wood cabinets, resilient flooring, washer/dryer connections, and energy star rated appliances.

The original W. Leo Daniels Tower will then undergo a substantial rehabilitation that will involve demolition of the interior units down to the studs and installing new electrical, heating

## Exhibit B – Elected Official and Community Support Letters

and cooling system, plumbing, insulation, and sheetrock. Interiors of each unit will be upgraded with wood cabinets, resilient flooring, granite countertops, tile work, new fixtures, new doors and hardware, blinds, mirrors, and new appliances. Office and amenity space will be upgraded in addition to roof replacement, pavement repairs, and new landscaping. The new rehabbed development will be comprised of 60 efficiencies and 40 one-bedroom units and serve as elderly senior housing and 20-25% homeless veteran's supportive housing.

While I have worked closely with the Jensen Eastex community for a number of years, I have seen the community leaders in this area of Northeast Houston come together to expand opportunities for revitalization and improvement of the quality of life for residents. They have accomplished many successful initiatives by collaborating with community partners to offer a wide array of programs and services to promote healthy, safe and vibrant neighborhoods.

Please give your most serious consideration to two applications for funding requests for the W. Leo Daniels Towers I & II projects. If you have any questions, please feel free to contact my District Director, Tara Dennis, at (713) 655-0050.

Respectfully,



Sheila Jackson Lee  
Member of Congress



# Exhibit B – Elected Official and Community Support Letters

SYLVIA R. GARCIA  
29TH DISTRICT OF TEXAS



CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

April 11, 2019

Mr. Tom McCasland, Director  
City of Houston Housing and  
Community Development Department  
2100 Travis Street, 9th Floor  
Houston, Texas 77002

Dear Mr. McCasland:

I am writing to express my support for the application requests for funding for the W. Leo Daniels Towers I Rehabilitation and the New Construction of the W. Leo Daniels Towers II projects for funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

The current W. Leo Daniels Towers facility has been in service since construction in 1979. Its 8-story 100-unit housing development for the elderly and physically disabled is comprised of 100% Section 8 units. Over the course of forty years, the W. Leo Daniels Towers site has undergone some major transformations and is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136-unit senior development located at 8920 Jensen Drive Houston, TX 77093, just across the street from the existing W. Leo Daniels Towers. The new development will be located on approximately 4.5 acres and will move the existing 100-units and add an additional 36-units into a new 6-story midrise structure.

As you are aware, the Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members of the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships, job training, volunteer opportunities, and greater accessibility to health care, social services, and housing. These two proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area: the Elderly and Homeless Veterans. The developments are right in line with efforts well underway, and for these reasons I am in full support of the two applications for funding.

Thank you for your consideration. Please do not hesitate to reach out to me at 832-325-3150 should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Sylvia R. Garcia". The signature is written in a cursive, flowing style.

Sylvia R. Garcia  
Member of Congress

## Exhibit B – Elected Official and Community Support Letters



**SYLVIA R. GARCIA**

STATE SENATOR

DISTRICT 6

The Honorable Sylvester Turner  
Mayor  
City of Houston  
PO Box 1562  
Houston, Texas 77251-1562

Dear Mayor Turner,

I am writing to encourage you to support the revitalization effort taking place in the Jensen Eastex Community, specifically the application request for funding that was recently submitted to the City of Houston's Housing & Community Development Department (HCDD) for the construction of W. Leo Daniels Tower II.

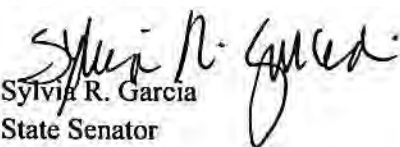
Community leaders in the Jensen Eastex community have worked extremely hard over the years to expand opportunities and improve the quality of life for residents. They have done this by collaborating with community partners to offer a wide array of revitalization programs and services intended to promote healthy and vibrant neighborhoods.

Stakeholders in Jensen Eastex are also working hard to serve one of our most vulnerable populations; our seniors. The Greater Jerusalem CDC lead by Pastor Joe F. Russell has submitted a proposal to construct a new Senior Citizen Housing Facility to replace the current W. Leo Daniels Tower site located at 8826 Harrell Street, which went into service in 1981 and is in dire need of rehabilitation.

As you know, in order to qualify for HCDD funding for this project, Jensen Eastex must be recognized as a Concerted Revitalization Area (CRA) and Complete Communities. I can attest to the efforts already underway by community leaders to make Jensen Eastex a complete community, but they will need your help to attain the official designation.

Thank you for your consideration. Please do not hesitate to reach out to me at 713.453.5100 or at [Sylvia.Garcia@Senate.Texas.gov](mailto:Sylvia.Garcia@Senate.Texas.gov) should you have any questions.

Sincerely,

  
Sylvia R. Garcia  
State Senator

DISTRICT OFFICE  
8799 NORTH LOOP EAST FWY., SUITE 240  
HOUSTON, TEXAS 77029  
(713) 453-5100

CAPITOL OFFICE  
P.O. BOX 12068  
AUSTIN, TEXAS 78711  
(512) 463-0106 • FAX: (512) 463-0346

ELIAS RAMIREZ STATE OFFICE BUILDING  
5425 POLK ST., SUITE 125  
HOUSTON, TEXAS 77023  
(713) 923-7575

[sylvia.garcia@senate.texas.gov](mailto:sylvia.garcia@senate.texas.gov)



- 2335 RAYBURN  
WASHINGTON, DC 20515  
(202) 225-1688
- 256 N. SAM HOUSTON PKWY. EAST  
SUITE 29  
HOUSTON, TEXAS 77060  
(281) 999-5879
- 11811 I-10 EAST  
SUITE 430  
HOUSTON, TEXAS 77029  
(713) 330-0761  
  
WWW.HOUSE.GOV/GREEN

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4329**

April 11, 2018

The Honorable Sylvester Turner  
Mayor  
City of Houston  
PO Box 1562  
Houston, Texas 77251-1562

Dear Mayor Turner:

We are writing to you in support of the application request for funding that was recently submitted to the City of Houston's Housing & Community Development Department (HCDD) for the construction of W. Leo Daniels Tower II. Subsequent to submission of their application, the W. Leo Daniels Tower II developers have been notified that the proposed project does not meet eligibility criteria as the property is located in an area that is above the 25% poverty level threshold outlined by HCDD. The determination notice further stated that "poverty level greater than 25% is permissible in recognized Concerted Revitalization Areas (CRA) and Complete Communities".

As you are aware, the Jensen Eastex community created a great collaboration with community partners offering a wide array of revitalization programs and services intended to promote healthy and vibrant neighborhoods. Successes of this six year partnership have yielded ongoing community clean-ups, scholarships for students, job training and volunteer opportunities for residents and greater accessibility to area health care, housing and social services.

Also beginning in January 2017, the Greater Jerusalem CDC lead by Pastor Joe F. Russell began meeting with local entities to discuss plans for community improvement efforts and construction of a new Senior Citizen Housing Facility to replace the current W. Leo Daniels Tower site located at 8826 Harrell Street. The current Tower is 100% Section 8 assisted through the HUD Section 202 Program for the Elderly/Handicapped. The property went into service in 1981 and is in dire need of substantial rehabilitation.

Initially, the CDC met with your office; along with our office and Tom McCasland, Director, Houston Community Planning & Development; Commissioner Rodney Ellis, State Senator Sylvia Garcia, State Representative Armando Walle, City Councilmember Karla Cisneros, Edward Pringle, Director, Houston HUD Office and Charles P. Miller, Branch Chief, HUD Fort Worth Regional Office and the Development Team for the CDC.



## Exhibit B – Elected Official and Community Support Letters

The plan is to build a new facility on property owned by the CDC utilizing 4% Housing Tax Credits, City of Houston HOME Funds, conventional debt, and deferred development fees. The new building will be located at 8920 Jensen Drive, Houston TX 77093 on approximately 4.5 acres directly across from the existing facility. The 6 Story Mid Rise structure will be elevator served with surface parking and green space. The unit mix will be comprised of 66 1BR/1BTH Efficiency Units, 58 1BR/1BTH Units, and 12 2BR/2 BTH Units of which 100 Units are Project Based Section 8, and 36 Units Housing Tax Credit Restrictions. Amenities in the development will include locked access doors monitored by courtesy patrol, beauty salon, a community room, fitness center, business center and pool. Unit features will include granite counter tops, pendant and track lighting, wood cabinets, wood style flooring, washer/dryer connections, and energy rated appliances. The projected development costs are approximately \$26,160,000.

The 100 Units of Project Based Section 8 will be transferred from the current W. Leo Daniel Tower which will be the second phase of the plan to materialize concerning the old tower for either substantial rehabilitation or new construction for Homeless Veterans Housing. With the potential of a new grocery store being put in place next door to Greater Jerusalem Baptist Church and the new construction of this facility along with the upgrading of the old W. Leo Daniel Towers will greatly enhance the community relative to revitalization.

Any help you could provide with W. Leo Daniels Tower II's deficiency notice and the process of designating the Jensen/Eastex area as a CRA and Complete Community would be greatly appreciated. Please do not hesitate to call our district office at 281-999-5879 should you have any questions. Thank you for your continued assistance and courtesy.

Sincerely,



Gene Green  
Member of Congress

GG:yh



# Exhibit B – Elected Official and Community Support Letters



**CAROL ALVARADO**

STATE SENATOR  
DISTRICT 6

April 11, 2019

To Whom It May Concern:

I am writing to express my support for the application request for funding for the W. Leo Daniels Towers I rehabilitation, and the new construction of W. Leo Daniels Towers II; both requesting funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

W. Leo Daniels Towers, located at 8826 Harrell Street is an existing 8 story 100 unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136 unit senior development located at 8920 Jensen Drive Houston TX 77093, just across the street from the existing W Leo Daniels Tower. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure. The new building will be elevator served with surface parking, green space and upgraded amenities for the residents.

As you are aware, the Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members of the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships, job training, volunteer opportunities, and greater accessibility to health care, social services and housing. These two proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area, the elderly and homeless veterans. The developments are right in line with efforts well underway and for these reasons I am in full support of the two applications for funding.

Sincerely,

A handwritten signature in black ink that reads "Carol Alvarado".

Carol Alvarado  
State Senator, District 6

DISTRICT OFFICE  
8799 NORTH LOOP EAST FWY  
SUITE 240  
HOUSTON, TEXAS 77029  
(713) 453-5100

[carol.alvarado@senate.texas.gov](mailto:carol.alvarado@senate.texas.gov)

CAPITOL OFFICE  
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AUSTIN, TEXAS 78711  
(512) 463-0106  
FAX: (512) 463-0346

## Exhibit B – Elected Official and Community Support Letters

April 8, 2019

Tim McCasland  
City of Houston Housing and Community  
Development Department  
2100 Travis Street, 9th Floor  
Houston, Texas 77002

Dear Mr. McCasland,

I write to express my support for the application funding request for the W. Leo Daniels Towers I rehabilitation and the new construction of W. Leo Daniels Towers II. The funding is provided under the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

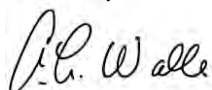
W. Leo Daniels Towers, located at 8826 Harrell Street, is a housing development for the elderly comprised of 100% Section 8 units in House District 140. Unfortunately, the development, constructed in 1979, is in dire need of rehabilitation. As a result, the housing team is proposing substantial rehabilitation of the original existing structure. The renovation will be composed of 100 units, 20 % of which will be supportive housing for the homeless and veteran population, and the remaining for elderly residents. It will be comprised of 60 efficiencies and 40 one bedroom units.

Leading the new development plans of W. Leo Daniels Towers II are a group of community members such as the Greater Jerusalem CDC, Pastor Joe F. Russell, Eastex Jensen Super Neighborhood # 46 and other community leaders. The new development will be located at 8920 Jensen Drive near the existing W. Leo Daniel Towers. It will consist of 136 units on a 6 story midrise structure. The new building will offer upgraded amenities and large green space for the residents to enjoy.

The Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members in the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships for area high schools and job training in partnership with community colleges. We have also worked tirelessly to address the lack of affordable healthcare in the community by securing funding to establish the first area healthcare facility-- UT Physicians. The clinic currently serves to provide greater accessible healthcare in the community.

The proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area. For these reasons, I am in full support of the two applications for funding. Thank you for your consideration and if I can be of any further assistance please do not hesitate to call me at (713) 694-8620 or email at Armando.Walle@house.texas.gov.

Sincerely,



Armando L. Walle  
State Representative, House District 140

## Exhibit B – Elected Official and Community Support Letters



*April 9, 2019*

**To:** The City of Houston Housing and Community Development Department

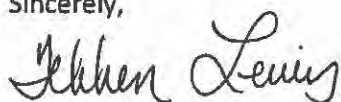
We are writing in support of the application requests for funding for the W. Leo Daniels Towers I rehabilitation, and the new construction of W. Leo Daniels Towers II; both projects have a request for funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

As you are aware, the W. Leo Daniels Towers, located at 8826 Harrell Street is an existing 8 story 100 unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136 unit senior development located at 8920 Jensen Drive Houston TX 77093, just across the street from the existing W Leo Daniels Tower. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure. The new building will be elevator served with surface parking, green space and upgraded amenities for the residents.

The Sunbeam Curry Civic Club is a civic organization within the City of Houston serving the Jensen Eastex Community. We work in collaboration with community partners to assure unity, safety and improvements for our neighborhoods. The efforts of the W. Leo Daniels Towers I and II projects are key initiatives that help improve our neighborhood, while serving the needs of our Senior Citizens and Veterans.

Thank you for your consideration and courtesy. If you have any questions, please do not hesitate to call me at

Sincerely,



Tebben Lewis, president

Sunbeam Curry Civic Club

# HPD Data

# Crime Statistics Summary

W. Leo Daniels Towers

Houston Police Department Data

Subject and Adjacent Census Tracts

## Violent Crime Analysis

### Violent Crimes - Census Tract 48201220700 (Subject)

	2020 (Jan-July)	2020 Annualized	2019	2018
Homicide	0	0.0	0	2
Rape	0	0.0	3	5
Armed Robbery	11	18.9	21	21
Aggravated Assault	37	63.4	50	36
<b>Total</b>	<b>48</b>	<b>82.3</b>	<b>74.0</b>	<b>64.0</b>

### Violent Crimes - Census Tract 48201220800 (Adjacent)

	2020 (Jan-July)	2020 Annualized	2019	2018
Homicide	1	1.7	0	1
Rape	2	3.4	2	2
Armed Robbery	17	29.1	24	16
Aggravated Assault	35	60.0	68	36
<b>Total</b>	<b>55</b>	<b>94.3</b>	<b>94.0</b>	<b>55.0</b>

### Violent Crime Per 1,000 Persons

	Population	2020 (Jan-July) Crime Rate	2020 Annualized Crime Rate	2019 Crime Rate	2018 Crime Rate
Census Tract 48201220700 (Subject)	3,349	14.33	24.57	22.10	19.11
Census Tract 48201220800 (Adjacent)	1,827	30.10	51.61	51.45	30.10



# Exhibit G

## Crime Statistics Summary

W. Leo Daniels Towers

Houston Police Department Beat 7C30

### Census Tract and Police Beat Population Analysis

Population of All Census Tracts Completely or Partially within Police Beat 7C30 Boundaries		
Census Tract Number	Population per 2018 5-Year ACS	Notes
48201220700	3,349	
48201220900	954	
48201230500	2,112	Approx 50% of population in police beat
48201220800	1,827	
48201221100	2,165	Approx 55% of population in police beat
48201221000	2,052	Approx 55% of population in police beat
<b>Total Population</b>	<b>12,459</b>	

Adjusted Population Figure Used for Analysis		
Census Tract Number	Adjusted Population per 2018 5-Year ACS	Notes
48201220700	3,349	
48201220900	954	
48201230500	1,056	50% of population of census tract
48201220800	1,827	
48201221100	1,191	55% of population of census tract
48201221000	1,129	55% of population of census tract
<b>Population in Beat 7C30</b>	<b>9,505</b>	

### Violent Crime Analysis - Police Beat 7C30

#### Violent Crimes

	2019	2018
Homicide	1	3
Rape	15	17
Armed Robbery	104	89
Aggravated Assault	226	174
<b>Total</b>	<b>346</b>	<b>283</b>

#### Violent Crime Per 1,000 Persons

	Population	2019 Crime Rate	2018 Crime Rate
Population of All Census Tracts Completely or Partially within Police Beat 7C30 Boundaries	12,459	27.77	22.71
Adjusted Population Figure Used for Analysis	9,505	36.40	29.77

# Maps

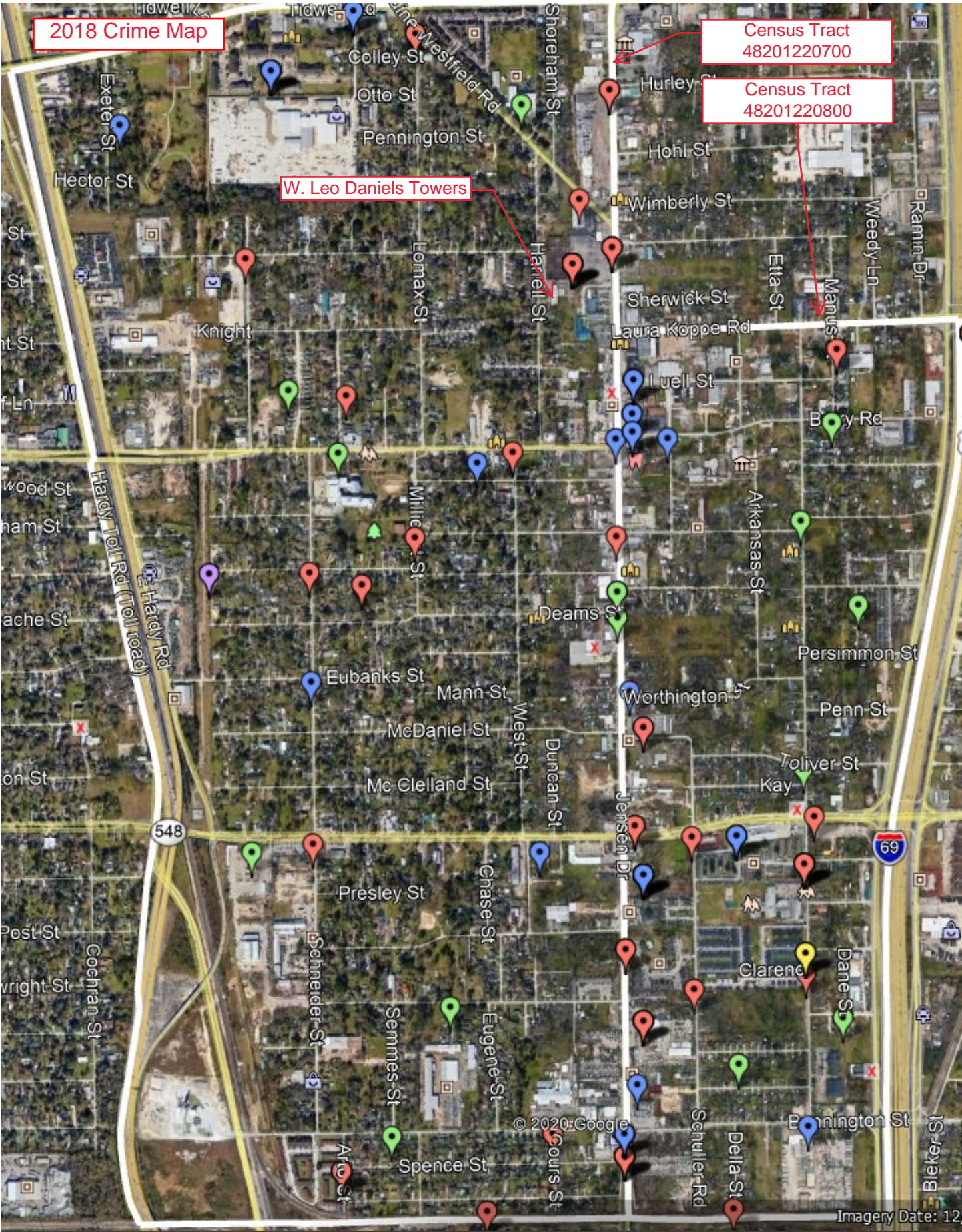


2018 Crime Map

Census Tract  
48201220700

Census Tract  
48201220800

W. Leo Daniels Towers



Imagery Date: 12

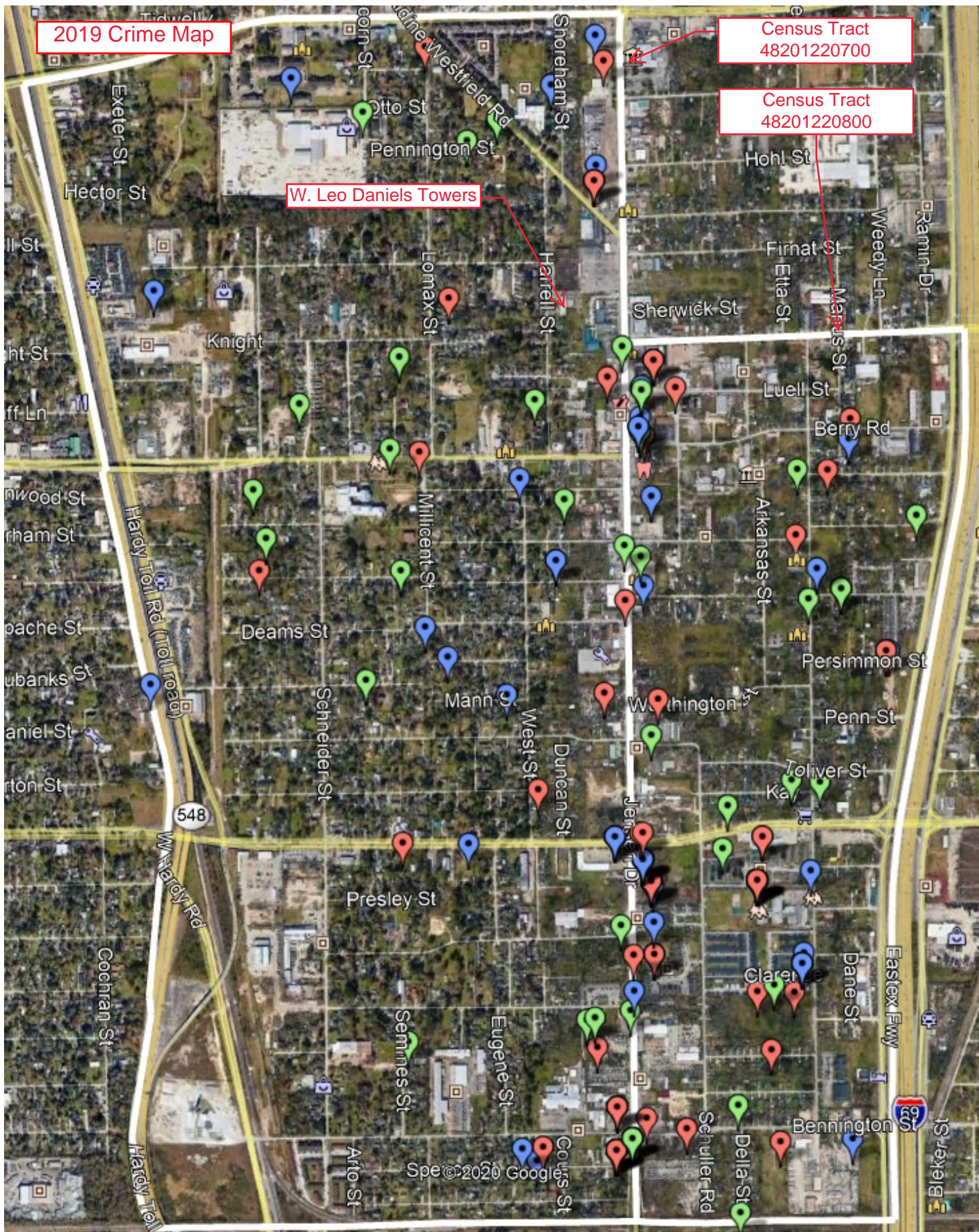


2019 Crime Map

Census Tract  
48201220700

Census Tract  
48201220800

W. Leo Daniels Towers





2020 Crime Map

Census Tract  
48201220700

Census Tract  
48201220800

W. Leo Daniels Towers





# News Articles

CORONAVIRUS

# It's not just burglaries that went up in Houston during 'stay home' order, chief says

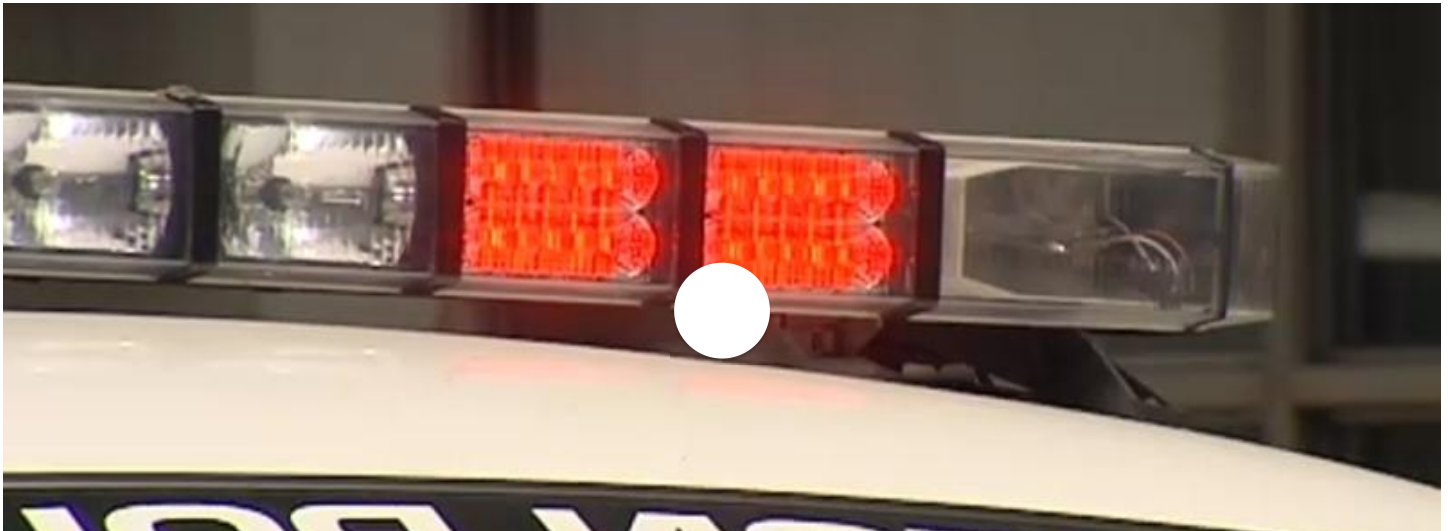
Thursday, April 2, 2020

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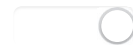
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More Info



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MORE VIDEOS

With the coronavirus crisis as the backdrop of the releases, Chief Art Acevedo brought up a rise in burglaries over the last two weeks.

Your Financial Future Sta

Get Your Score

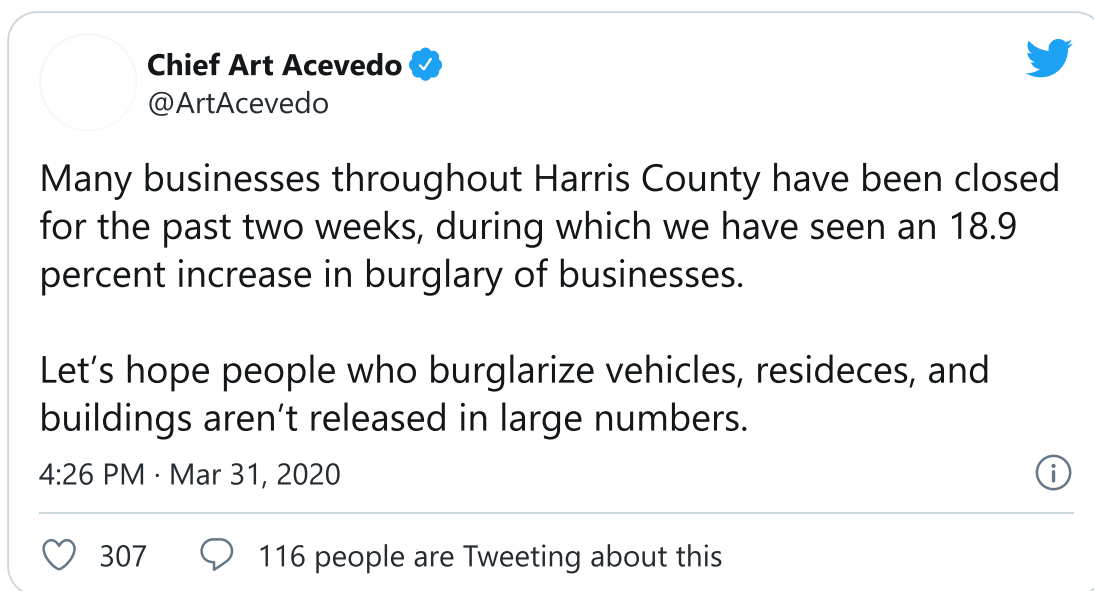
offered a glimpse into how the city has trended in te strict social distancing guidelines.

Aside from burglaries rising by close to 20 percent, the chief said aggravated assaults similarly increased by 19.3 percent. Additionally, given the broad, statewide order to stay at home, domestic violence incidents have jumped by six percent.

In terms of homicides, the chief observed that rate had gone down over the last couple of weeks. The same was said about robberies as well.

**SEE ALSO: [HPD chief says burglaries at businesses in Houston are up nearly 20 percent](#)**

A raw count of those rates was not immediately available.



A screenshot of a tweet from Chief Art Acevedo (@ArtAcevedo) on March 31, 2020. The tweet text reads: "Many businesses throughout Harris County have been closed for the past two weeks, during which we have seen an 18.9 percent increase in burglary of businesses. Let's hope people who burglarize vehicles, residences, and buildings aren't released in large numbers." The tweet has 307 likes and 116 retweets. The user's profile picture is a grey circle, and their name is followed by a blue verification checkmark. The Twitter logo is in the top right corner of the tweet box. At the bottom left, there is a heart icon for likes and a speech bubble icon for retweets. At the bottom right, there is an information icon (i in a circle).

In the hours after Harris County Judge Lina Hidalgo confirmed the intention to release certain inmates from a "ticking time bomb" situation, Acevedo, whose police department is the largest user of the jail, revealed he had not discussed the plan with county leadership.

"While I can't speak to a plan I have not seen or been consulted on, my position on release is well documented on my Twitter feed and in previous interviews. "Let's hope people who burglarize vehicles, residences, and buildings aren't released in large numbers."



to the Harris County Sheriff's Office.

Between March 13 and May 5 of this year, there were 57 homicides in Houston, according to the Houston Police Department.

"April was particularly hard," Houston Police Department detective Sgt. Matthew Brady told ABC13. "The uptick was rapid. We had 37 murders (in April). That's over one a day."

HPD also noted a rise in drug-related homicides, with an increase of 49 percent in 2020. The department said the stay-at-home orders may have slowed some normal routines of criminal activity, causing a disruption that has turned violent.

"The same vehicles, buses, and trains that move people, move drugs. All that's coming to a slow down. So out in the streets, there's a low product on drugs. When supply is low and demand is high, territory becomes more competitive," Houston Police Department Executive Assistant Chief Troy Finner told ABC13. "You have less drugs out there so people who do it for a living ... if I can say that I'm going to sell these drugs to somebody, but I'm going to take the drugs and the money, it becomes violent because I haven't seen too many drug dealers that walk around without a gun."

## Dallas

In March, Dallas Police Crime reported that aggravated assault not connected to family violence is up more than 38 percent. Business burglary is up by nearly 15 percent. Residential burglary is up 10 percent.

This is continuing a trend of increasingly violent outbreaks of crime in Dallas in 2019.

Violent crime – particularly murders – in Dallas is continuing to rise after it spiked to the highest level in nearly 10 years last year. In January, Dallas police reported 18 murders in just in one month. These homicides have been primarily concentrated in tough neighborhoods – Oak Cliff, Pleasant Grove and Southeast Dallas, which includes Valentine Street in the Bonton neighborhood, where 1-year-old Rory Norman was shot and killed at home in January.

Dallas city officials, including police chief U. Reneé Hall, have been working to engage citizens in town hall meetings and conversations to figure out what’s going on in their neighborhoods to lessen violent crime. Hall, during “listening tours” across Dallas neighborhoods, has called the violence in Pleasant Grove and other neighborhoods “unacceptable.” But other officials have said the city is “not going in the right direction.”

### **Austin and San Antonio**

Austin and San Antonio have seen slight decreases in overall crime so far in 2020. But they haven’t been immune to the effects of the stay-home orders either.

The cancelation of SXSW in Austin contributed greatly to the city experiencing a lower level of overall crime so far this year. But students being out of school for so long and longer days at home – with some children of essential workers less supervised – have opened the city up to an increase in car thefts, aggravated assaults and burglaries, and other violent crimes.

Austin Police Association President Ken Casaday explained to KVUE in Austin that kids have been “left to their own devices.”



“I think the typical statistics every year show that a lot of the auto thefts are committed by juveniles. And I think you are seeing the result of not having kids, especially the probably 14 to 18-year-old kids, not in school. And you’re seeing more burglaries, you’re seeing more auto theft and crimes like that,” he told [KVUE](#).

### Staying Safe

Dr. Mitchel Roth — a criminologist, author, and professor in the Department of Criminal Justice and Criminology at Sam Houston State University — has spent his career studying the history of crime. Roth has written extensively on the history of crime, organized crime, and Texas police departments and prison institutions.

He said to accurately assess the safety of a community, it’s essential to look at the big picture over several decades.

“A steady rise or steady decline in crime isn’t sustainable for a big city. It has to eventually go up again or back down, or even out,” Roth said. “You should also remember that crime demographics — especially violent crimes — are also dependent on the neighborhood. Some neighborhoods who experience higher levels of poverty or differences in socioeconomics may be more affected by violent crimes. History is the key to understanding crime. Detecting why something is happening has to go beyond the numbers.”

For a city like San Antonio, which has experienced a [drop in total number of violent crimes and murders over the last three years](#), Roth said access to research, databases, technology, and communication within a police department are hugely beneficial, especially in preventing the spread of serial homicides or organized crime.

“When police officers are able to talk to each other about cases they are working on, or they are able to focus and specialize in specific lines of crime, that helps to eliminate linkage blindness, where similar or connected crimes remain unsolved because of a lack of communication or shared databases,” Roth said.

Texans who are staying home may be worried their communities aren’t safe, but they should keep rising crime rates in perspective.

Finner [said many of the homicide cases in Houston were between people who knew each other](#), even in drug-related cases. Still, he warned Houstonians — and all Texans — to be alert and stay away from involvement in “dangerous behavior.”

“The last thing you want to do is have your family members going through a death when it’s just — it’s so totally senseless,” Finner said. “Don’t hang out with the wrong people at the wrong time, and don’t engage in selling drugs and other risky behavior where you are increasing your chances of becoming a victim of homicide and then your family can’t even properly bury you right now because of COVID-19.”

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**Meredith Mohr**

Meredith is a writer, editor, storyteller, and "girl-in-the-city." She's created content for thought leaders for publications like Forbes, The Texas Tribune, and The Houston Chronicle.

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CORONAVIRUS

# Murders in Houston spike 50% during pandemic, police chief says

Friday, May 22, 2020

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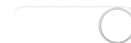
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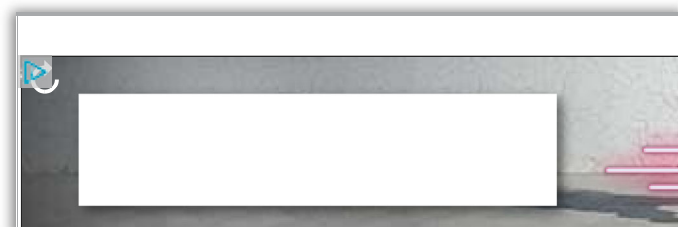
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MORE VIDEOS



Department Chief Art Acevedo.

The chief said there's a 50 percent increase in homicides from this time last year.

He also added that the city of Houston is seeing nearly one murder per day this year.

Acevedo said it's a combination of issues that are all related to the COVID-19 pandemic.

Domestic violence, mental health issues and drug violence are the main sources of the problem, according to Acevedo.

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With the Stay Home - Stay Safe orders in place, many households are struggling with domestic issues. Acevedo said the crisis behind closed doors has escalated.

On Wednesday, a 24-year-old pregnant woman was shot and killed by her ex-boyfriend. Her unborn child was also killed.

**RELATED: Suspect kills himself after killing pregnant woman, wounding 3 others**

HPD told ABC13 they have responded to 131 murders in 2020, which is nearly a 50 percent increase from the 88 murders around this time last year.

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"A big driver of that is really the drug trade. The drug trafficking activity where a lot of these deaths have been people shooting other people over drugs," Acevedo said.

He said they are now working with federal partners like the FBI and ATF to catch suspects and send them to the federal system faster.

"We're hopeful that they're taking on more cases. We know that criminals are more in fear of the federal system, not just here, but across the country, than they are of the state system,"

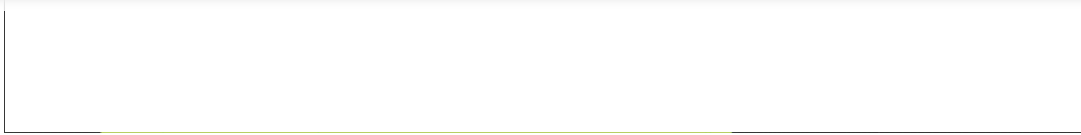
Acevedo is also asking the public to step up as a force multiplier, and if you see something, say something.

*Follow Shelley Childers on [Facebook](#) and [Twitter](#).*

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# During coronavirus pandemic, crime drops in many U.S. cities, but not all

by Tom Jackman, Washington Post, Updated: May 19, 2020



JACQUELYN MARTIN / AP



## Editor's Note

More about the coronavirus is changing quickly. The latest information can be found at

## Pennsylvania 2020

Interested in how Pennsylvania is shaping the 2020 election? Sign up to receive our newsletter every Wednesday.





With fewer people on the streets, and more in their homes, some big U.S. cities saw significant decreases in crime during the pandemic, according to statistics from 30 large and midsize cities and counties gathered by the Police Executive Research Forum. Some saw spikes in violent crime and auto theft, however, and police said closed businesses were more frequently targeted for burglaries.

The Washington-based think tank compared crime statistics from March 16 to April 12, the outset of the coronavirus shutdown, with the same period in 2019. Of the 30 jurisdictions, 18 saw decreases in violent crime — murder, rape, robbery and aggravated assault — as the pandemic hit the United States, which included a 33% drop in San Francisco, a 25% drop in New York City and a nearly 25% decline in Los Angeles.

## CORONAVIRUS COVERAGE

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**COVID-19 GUIDE**

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Washington and Baltimore both saw an 8% decrease in violent crime. But 12 cities saw increases, which included a 21% jump in Denver and a nearly 12% increase in Houston. Austin and Nashville were among the cities that saw smaller rises in violent crime.

Homicide numbers were mixed — deaths increased in nine cities, decreased in nine cities, and 12 reported no change. Slayings in Los Angeles dropped from 31 during that period in 2019 to 16 in 2020, but homicides in Nashville during that period rose from four to 14. Homicides in Baltimore rose from 20 in those weeks last year to 23 this year. In Washington, they went down, from 11 to 10.

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Chuck Wexler, the executive director of the research forum, said he and a number of police chiefs he had spoken to think “the pandemic has not dramatically altered traditional patterns of gang warfare, drug-related violence, and individuals using guns to settle personal disputes. These serious, deeply entrenched problems continue to drive much of the violence in our communities.”

## INQUIRER MORNING NEWSLETTER

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## Pennsylvania 2020



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Another side effect of the pandemic — people not driving their cars nearly as much — may have contributed to some spikes in auto theft. Auto thefts increased in 16 of the 30 jurisdictions, including a 59% rise in Austin and a nearly 26% rise in Salt Lake City. Auto thefts in Baltimore dropped nearly 35%, and the District saw a 2.5% drop.

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Police have been less busy during the pandemic, the statistics show. Twenty-nine of the 30 jurisdictions reported declines in calls for service. Only Prince George's County, Maryland, with a 3.4% rise, showed an increase, and Chicago saw a 25% drop in calls. Washington and Baltimore saw approximately 20% fewer calls for service.

Arrests plummeted, too, as police joined the effort to incarcerate fewer people during the outbreak. Only 22 jurisdictions provided arrest data for the month, but 18 were down for Part I crime; for lesser Part II crimes, arrests were down in all reporting jurisdictions. Boston police arrested 66% fewer people for serious crimes, while authorities in Miami and Chicago arrested 61% fewer people and 53% fewer people, respectively. Washington saw 44% fewer Part I arrests, and Baltimore had 36.5% fewer Part I arrests.

» ***READ MORE: [New details emerge in shooting death of Delco musician whose body was found in Mount Moriah crypt](#)***

Wexler said police officials wonder whether the drop in arrests, as well as a pullback on community policing because of social distancing, will eventually lead to more crime. Traffic enforcement has been scaled back dramatically, Wexler said. In New York City and the state of California, police have expressed frustration about repeat offenders being released back to their communities, where they could possibly swiftly reoffend.

Police are also on alert for increases in crimes related to the pandemic's effect on unemployment, family financial troubles and domestic violence. "That doesn't mean that the factory workers or retail clerks who lose their jobs today will become the burglars or bank robbers of tomorrow," Wexler said. "But the desperation that comes with this level of economic hardship could impact domestic violence, child abuse and other types of crime."

Posted: May 19, 2020 - 8:08 AM

**[Tom Jackman, Washington Post](#)**

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## Pennsylvania 2020



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Aggravated assaults increased in 13 of the 30 jurisdictions, with increases of at least 25% in Washington, Denver, Houston and Volusia County, Florida.

» **READ MORE: [A Philly cop who had the coronavirus and was on a ventilator for 20 days shares his story of hope](#)**

As always with crime statistics, it is worth noting that these are only one month's worth of numbers, and the number of crimes, particularly homicides, can randomly fluctuate and are best assessed over longer periods to detect true trends. But the first month of the pandemic created unprecedented changes in American society, and it will be interesting to see whether some of the dramatic crime shifts in that month continue during the stay-at-home period and beyond.

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Property crimes, for example — burglary, larceny and auto theft — declined dramatically, with 25 of the 30 jurisdictions reporting drops in the March-April period this year. Baltimore saw a 43% decrease, Washington a 36% decrease and San Francisco a 46% decrease. Larcenies dropped in 28 of the 30 jurisdictions, the forum's data show.

#### QUICK FACTS

## What you should know about coronavirus

Updated: September 9, 2020 — 9:26 AM

### How many cases have there been?

There have been about 27.61 million confirmed cases and 893,300 deaths globally. In the United States, there have been about 6.33 million confirmed cases and 189,700 deaths.

### What are the symptoms?

Like other respiratory infections, symptoms of coronavirus can include fever, cough, and difficulty breathing. Here is an [in-depth description](#).

**READ MORE** ▾

It figured that residential burglaries would plummet, as more people were staying home during the day. But Wexler said police chiefs report that business burglaries are surging as thieves target shuttered establishments and fewer cleaning crews are working in office buildings at night. He said commercial burglaries drove the overall burglary rate up nearly 44% in Seattle, 41% in Denver and 17.5% in New York City. Total burglaries fell 23% in Washington and 36.5% in Baltimore.

## Pennsylvania 2020



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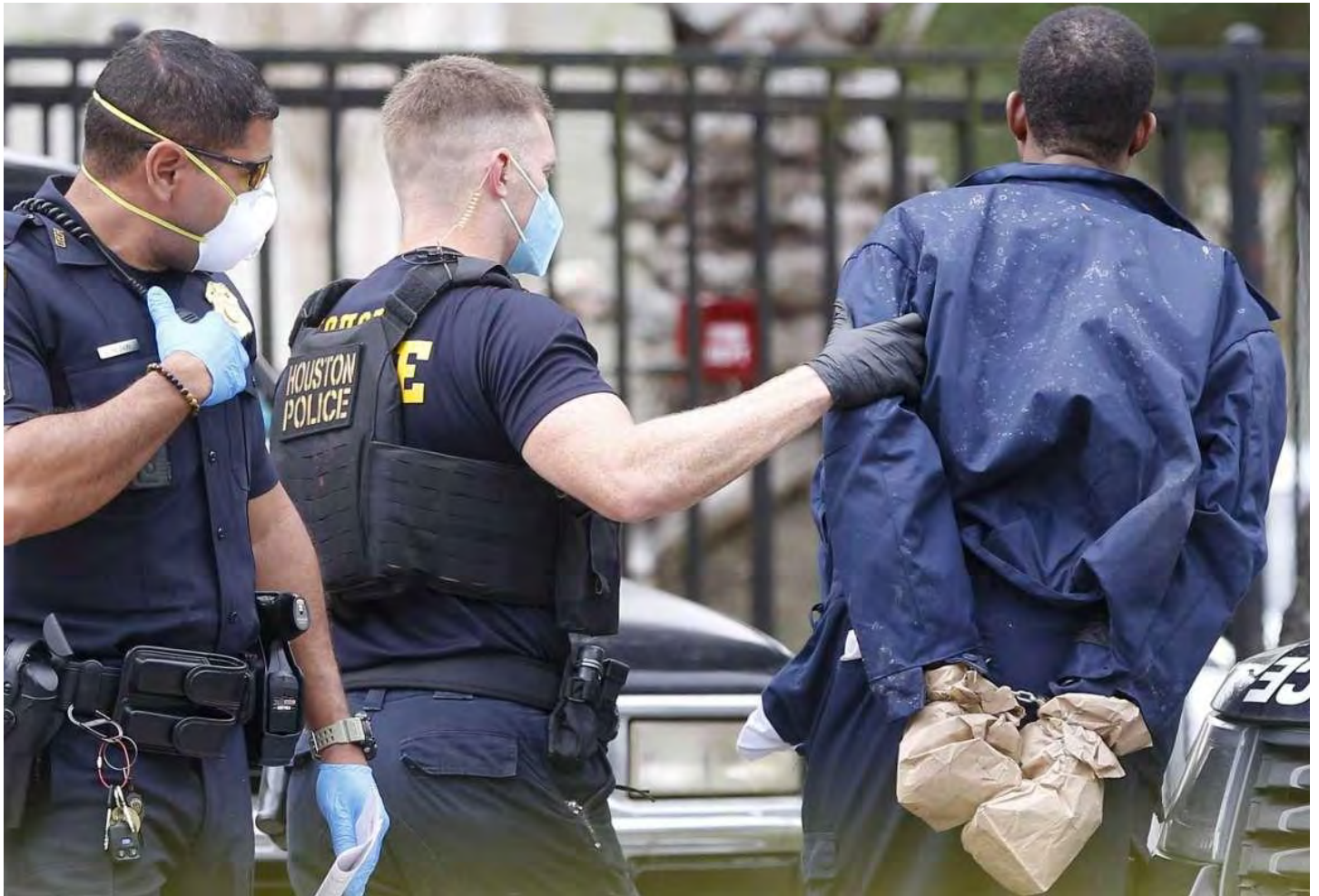


**LOCAL // CRIME**

# Violent crime keeps rising in Houston. Could COVID be the reason why?

**Nicole Hensley**

Aug. 19, 2020 | Updated: Aug. 19, 2020 5:38 p.m.



Police take into custody a suspect of a shooting at Concord at Little York apartment complex in Houston on Monday, April 6, 2020.

Photo: Elizabeth Conley, Houston Chronicle / Staff photographer

*Stay safe and informed: Get critical coronavirus news delivered to your inbox with our breaking news alerts. [Sign up here.](#)*

Violent crime has gone up in Houston over the months that the coronavirus pandemic has churned through the city.

Murders, aggravated assaults, robberies and sexual assaults make up the violent crime category, which as a whole increased 6 percent in the first six months of 2020 over the same period in 2019 in Houston.

Murders increased 7 percent over the same period in 2019, Houston Police Department crime records show. There were 133 in first six months of 2019 and 143 in first six months of 2020.

## Coronavirus Pandemic



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LOCAL

BY J.R. GONZALES, GWENDOLYN WU

**Houston coronavirus updates: More are returning to the office**



BUSINE

BY REBEC

**Restaurants pinch times**

Aggravated assaults jumped 21 percent overall from the first half of 2019, but after hitting high levels by May the assaults dropped dramatically in June. Robberies and sexual assaults were down.

The Houston statistics differ from those of other large cities in the U.S., which have seen sharp rises in murders but declines in other crimes. A study of 25 large cities – not including Houston – by the New York Times found that violent crime was down 2 percent over 2019 in those other cities but that murder was up 16 percent in relation to last year.



Houston, with a more modest rise in murders, as well as the overall rise in all violent crimes, seems to be an outlier.

Changes in local crime rates were not surprising to a law enforcement expert who said the pandemic has upended daily life for people in recent months. "Routines have been disrupted. It does not surprise me to see some disruption in crime trends," said Phillip Lyons, dean of Sam Houston State University's College of Criminal Justice.

Lyons said he had expected the pandemic to drive up aggravated assaults due to domestic violence from more families staying home. More of the crimes, he suspects, involve intimate relationships, rather than clashes with strangers.



A resident reacts to the scene as police respond to a shooting at Concord at Little York apartment complex in Houston on Monday, April 6, 2020.

Photo: Elizabeth Conley, Houston Chronicle / Staff photographer

"As those new cases go up, stress goes up," Lyons said. "Lockdowns increase. People spend more time in confined spaces with family members, almost certainly people they know very well."

Experts had also predicted that reports of sexual assault would decrease, as people were isolated and not going to work, school or out with friends who might notice signs of violence.

Police said a scarcity of drugs — due to a disruption in trafficking routes from the pandemic — might have sparked some narcotics-related violent crimes and contributed to the rise in murders. There was a spike in May, including three killings in an hour-long rampage in the Almeda area. Joshua Kelsey has been charged in the killings. Police said he gunned down Louis Hodges following what investigators believe was a heroin buy. Kelsey tracked down two more people — Michael Miller and Juan Garcia — both of whom he knew.

Michael Miller's roommate told police she heard a knock at their door and then gunshots. She found Miller on the floor of their living room and a man leaving the home. Police initially said the killings were drug-related, although court documents suggest a personal vendetta was a factor.

Relatives of Miller have disputed that their 61-year-old brother, a retired plasterer and avid wood carver, was involved in Kelsey's criminal activity.

"He was going blind," Miller's brother-in-law, David Jones, said. "I'm not even sure if he knew who shot him."

According to court documents, Kelsey once lived on Miller's property but was evicted.

"Kelsey blamed them for him being 'homeless,'" documents state.

"We did a memorial service here," said Miller's sister, Elizabeth Jones. "Small number of people. We didn't really want to get too many involved."

## **Ups and downs throughout pandemic**

A week-by-week look at crime records reveal that some facets of violent crime — which HPD categorizes as aggravated assault, robbery, sexual assault and murder — shifted amid unprecedented unemployment and as worried Texans hunkered at home to avoid contracting or spreading the virus, according to a Houston Chronicle analysis of January to June data. Records for July and August were not yet available because HPD does not share crime data until the end of the following month.

Reports of robberies and sexual assaults began decreasing in March, when the first COVID-19 case was reported in Texas and when sweeping stay-at-home orders were issued, to levels that were predominantly lower than the year prior.

Aggravated assaults had several ups and downs before reaching below-normal levels in June.

There were small spikes in murders in January, April and May.

"Spikes in murder, violent crime, we believe COVID is part of it," Houston police Chief Art Acevedo said. "The economy is part of it."

During the period in May when statistics show that violent crime as a whole in Houston was at its highest point of 2020, Lyons said, "They're out and about they're drinking at bars. They're experiencing road rage. And then, lo and behold, we have an increase in COVID-19 cases a week later."

Spikes in those crimes waned when the number of COVID-19 cases and hospitalizations surged in June: Violent crime plunged about 44 percent between the weeks of May 24 and June 21.

Despite the pandemic and the rise in the 2020 numbers, violent crime in Houston is on pace to be similar to levels seen over the past six years, with an average 1,036 incidents per 100,000 people. University of Pennsylvania professor David Abrams, who conducted a nation-wide study of crime during the pandemic, said that the small rise in Houston murders was "statistical noise and not a meaningful trend."

### **'Too soon to know what it means'**

The Houston Police Department does not distinguish whether a violent crime involves domestic violence in its crime data, but violent crimes reported at homes and apartments are up 4 percent compared to last year.

While the overall increase in violent crime is deserving of attention, Lyons continued, he warned that "it's too soon to know what it means."





Houston police officers wearing face masks while responding to a double shooting at an apartment complex on the 5600 block of Royal Palms Street Tuesday, April 14, 2020, in Houston.

Photo: Yi-Chin Lee, Houston Chronicle / Staff photographer

"I think it does raise questions on the veracity of these assumptions on the need for more police, as a disproportionate amount of these offenses are occurring inside households," Lyons said. "That's not an area where the police have a great access to deter crime."

Lyons had, however, expected murders to be higher, he said. There were just 18 more murders in the first half of 2020 than in the first half of 2019.

Since the end of June, police have tallied up at least 77 more murders, putting the city well ahead of last year's numbers for that period. However, police spokesman John Cannon cautioned, those numbers are unofficial and could include deaths that are not ultimately categorized as homicides.

*Stephanie Lamm, Jay R. Jordan and Erin Douglas contributed to this report.*

# Neighborhood Risk Factor Report



**Neighborhood Risk Factors Report Packet**  
**(Submit prior to Pre-application or Application, or behind Tab 2 of the Application)**

The purpose of the packet is to formalize the process in which Neighborhood Risk Factors (NRF) are disclosed and the NRF Report is submitted pursuant to 10 TAC §11.101(a)(3) of the Qualified Allocation Plan (QAP). The packet may be submitted at pre-application (if applicable per 10 TAC §11.8(b)(1)(I) relating to Pre-Application Requirements) or at Application. If TDHCA is the Bond Issuer and a determination of NRF is requested as part of the Inducement Resolution process, the packet may be submitted as described by 10 TAC §12.4(b) and (e) of the Multifamily Housing Revenue Bond Rule. Applicants who wish to submit a request for pre-determination prior to pre-application or Application are advised to review 10 TAC §11.1(k) for additional guidance. Termination due to an Applicant's own non-disclosure is not appealable as such appeal is in direct conflict with certifications made in the Application and within the control of the Applicant.

Pursuant to 10 TAC §11.8(b), related to Pre-application Participation, the competitive HTC pre-application must identify NRFs related to crime and schools.

**Pre-application Disclosure:** Pre-application # \_\_\_\_\_ Development Name \_\_\_\_\_

**Application Disclosure:** Application # 20482 Development Name W Leo Daniels Towers

**The Development Site includes the following Neighborhood Risk Factor(s) (Check all that apply):**

Development Site is located in a census tract has poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13). If poverty is the only Neighborhood Risk Factor, attach a copy of the resolution described in 10 TAC 11.101(a)(3)(D)(i) and no further information is necessary.

Development Site is located in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons annually as reported on <https://www.neighborhoodscout.com/>.

Development Site is located within 1,000 ft. (measured from nearest boundary of the Site to the nearest boundary of blighted structure) of multiple vacant structures that have fallen into such significant disrepair, overgrowth, and/or vandalism that they would commonly be regarded as blighted or abandoned.

Development Site is located within the attendance zone of an elementary school, a middle school, or a high school<sup>1</sup> that has:

<sup>1</sup> Elderly Developments, Developments encumbered by a TDHCA LURA on the first day of the application or pre-application acceptance period (if applicable), and Supportive Housing SRO Developments or Supportive Housing Developments where all Units are Efficiency Units are not required to provide mitigation for this subparagraph.



- a 2019 TEA Accountability Rating of D and a 2018 Improvement Required Rating; or
- a 2019 TEA Accountability Rating of F and a 2018 Met Standard Rating by the Texas Education Agency.
- a 2019 TEA Accountability Rating of F or D and does not have a TEA Accountability rating for 2018.
- does not have a TEA Accountability rating for 2019 and has a 2018 Improvement Required Rating.

**Neighborhood Risk Factors Report:**

Information is being submitted for the items listed below, or such other mitigation as the Applicant determines appropriate to support a staff determination that the proposed Development Site should be found eligible, as such information might be considered to pertain to the Neighborhood Risk Factor(s) disclosed, pursuant to 10 TAC §11.101(a)(3)(C) of the QAP. Such information is included behind this page.

- Determination regarding neighborhood boundaries;
- Assessment of general land use in the neighborhood;
- Assessment concerning any of the features of the Neighborhood Risk Factors present in the neighborhood, regardless of whether they are within the specified distances referenced in 10 TAC §11.101(a)(2);
- Assessment of the number of existing affordable rental units in the Primary Market Area (PMA), including comment on concentration based on the size of the PMA;
- Assessment of the percentage of households residing in the census tract that have household incomes equal to or greater than the median household income for the MSA or county where the Development site is located;
- Assessment of the number of market rate multifamily units in the neighborhood and their current rents and levels of occupancy;
- A copy of the TEA Accountability Rating Report for each of the schools in the attendance zone containing the Development that achieved a D rating in 2019 and a 2018 Improvement Required rating or a 2019 TEA Accountability Rating of F and a 2018 Met Standard Rating, along with a discussion of performance indicators and what progress has been made over the prior year. Submit the campus improvement plan in effect **only if** there is an update to the plan that shows progress made under the plan. If no update is available, provide information from a school official that speaks to progress made under the plan as indicated in 10 TAC §11.101(a)(3)(D)(iv);

The Department requests that this information also be submitted in instances where a school in the attendance zone containing the Development achieved a 2019 TEA Accountability Rating of F or D and does not have a TEA Accountability rating for 2018, and in instances where a school in the attendance zone containing the Development does not have a TEA Accountability rating for 2019 and has a 2018 Improvement Required Rating; and

Additional information, if requested by the Department.

**Provide any comments or additional information in the box below, if applicable.**

**Mitigation of the Neighborhood Risk Factor (s):**

I have provided information regarding mitigation of the above-mentioned Neighborhood Risk Factors, as applicable, behind this page, along with a summary narrative describing how the information presented meets the requirements of 10 TAC §11.101(a)(3)(D) of the QAP, or;

**Provide any comments or additional information in the box below, if applicable.**

See attached report.

**Department Contacts:**

9% HTC Applications: [Sharon.Gamble@TDHCA.state.tx.us](mailto:Sharon.Gamble@TDHCA.state.tx.us) (9% Program Administrator)

4% HTC and Tax-Exempt Bond Applications: [Teresa.Morales@TDHCA.state.tx.us](mailto:Teresa.Morales@TDHCA.state.tx.us) (Director of Multifamily Bonds)

Direct Loan Only Applications: [Andrew.Sinnott@TDHCA.state.tx.us](mailto:Andrew.Sinnott@TDHCA.state.tx.us) (Multifamily Loan Programs Manager)

**How to Submit the NRF Report Packet:**

If the NRF Packet was not submitted to the contact person indicated above prior to Pre-application or Application submission, **the Packet must be included behind Tab 2** when the full Application is uploaded to the Serv-U Account that has been set-up for the pre-application or Application. Notify the appropriate contact person of the upload (refer to the Multifamily Programs Procedures Manual posted at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm> for an explanation of the process to set-up a Serv-U Account if needed).

**Neighborhood Risk Factors Report  
and  
Request for Determination for Site Eligibility  
for  
20482 – W Leo Daniels Towers**

### Summary

The Applicant has performed a thorough review of the neighborhood containing the W. Leo Daniels Towers development site in order to determine whether any of the neighborhood risks listed in 10 TAC §11.101(a)(3) are present. Based upon this review, the Applicant has determined that the following issues necessitate the submission of this Neighborhood Risk Factor (NRF) Report:

- The development site is located in a census tract with a poverty rate of 45.6% according to the 2020 Site Demographics Characteristics Report, which exceeds the 40% threshold identified in 10 TAC §11.101(a)(3)(B)(i).
- The development site is located in census tract 48201220700. According to neighborhoodscout.com, this census tract has a crime rate of 22 violent crimes per 1,000 persons which exceeds the violent crime rate threshold of 18 per 1,000 persons reflected in 10 TAC §11.101(a)(3)(B)(ii). Due to the development site being located within 500 feet of 2 other census tracts (48201220900, 48201220800), the applicant has reviewed the rate of violent crimes and found that 48201220800 has a crime rate of 36.49 violent crimes per 1,000 persons which is above the threshold of 18 per 1,000 persons.
- A limited number of structures located within 1,000 feet of the development site may initially be regarded as “blighted or abandoned” as described in 10 TAC §11.101(a)(3)(B)(iii). However, the applicant researched each property and was able to determine that they are either occupied residential or commercial properties for sale or pending redevelopment. Therefore, the applicant believes that disclosure for blight is not necessary as the developments are not abandoned, but has included this item out of an abundance of caution. Should staff require additional information, the applicant will provide it upon request.

This complete report has been compiled in accordance with the rules and requirements of 10 TAC §11.101(a)(3) and includes documentation that mitigates each of the above cited risks as required by 10 TAC §11.101(a)(3)(C). In particular, the following summarizes the documentation submitted as evidence of mitigation:

- A resolution from the Houston City Council concerning the poverty rate which meets the requirements in 10 TAC §11.101(a)(3)(D)(i) (Exhibit A).
- A letter from the Deputy Chief of the Houston Police Department (Exhibit B) evidencing crime reduction efforts.
- Documentation of significant investment in the neighborhood (Exhibits H and I).
- Documentation of broad community and elected official support for the redevelopment of W. Leo Daniels Towers (Exhibit K).

The Applicant respectfully requests that staff provide a determination that the development site is eligible based on the documentation provided herein to meet the mitigation necessary under 10 TAC §11.101(a)(3)(D). The Applicant believes the documentation is sufficient for a determination of eligibility. However, should TDHCA disagree the Applicant requests that a determination of eligibility by provided in accordance with 10 TAC §11.101(a)(3)(E):

- (i) **preservation of existing occupied affordable housing units to ensure they are safe and suitable** or the new construction of high quality affordable housing units that are

subject to federal rent or income restrictions; and (emphasis added to applicable language)

(ii) determination that the risk factor(s) that has been disclosed are not of such a nature or severity that should render the Development Site ineligible based on the assessment and mitigation provided under subparagraphs (C) and (D) of this paragraph;

W. Leo Daniels Towers, located at 8826 Harrell Street in Houston, is an existing 8 story 100-unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. The rehabilitation will involve demolition of the interior units down to the studs and installing new electrical, heating and cooling system, plumbing, insulation, and sheetrock. Interiors of each unit will be upgraded with wood cabinets, resilient flooring, granite countertops, tile work, new fixtures, new doors and hardware, blinds, mirrors, and new appliances. Office and amenity space will be upgraded in addition to roof replacement, pavement repairs, and new landscaping.

W. Leo Daniels Towers will provide a significant benefit for residents, the greater Eastex/Jensen area, and the City of Houston, collectively. The rehabilitation will not only help in the continued revitalization in the area by bringing a substantial investment to an asset in disrepair, but will also establish quality housing where it is much needed.

Upon completion, residents will benefit from safe, quality housing within their income range. Located 10 minutes from downtown, this location will provide residents the benefit of a short commute by public or private transportation to several job opportunities in the City. Also, the location will offer ease of access to major thoroughfares, including Interstate 45, Interstate 610, and Interstate 69. Residents will be able to reap these benefits and will allow them to get to and from their destination easily. The seniors will be able to remain in a community in which they have grown accustomed to close friends, family, and familiar surroundings. Residents will have the opportunity to partake in Church programs offered by the Greater Jerusalem Baptist Church, which is located just adjacent to this project. Along with Church programs, this project will also offer supportive services to its residents, such as hot meals, a bus service, and health screenings, all of which will aid in improving the day to day activities of the seniors. Furthermore, the City of Houston faces an affordable housing shortage. There is continued demand for affordable housing, but the supply is running very low. W. Leo Daniels Towers I, LP will tackle this issue by preserving this existing housing stock and providing quality affordable housing in an area that is in dire need of revitalization. The finished product will take into account the unique character and future plans of the neighborhood. Overall, the impact of the new development far exceeds its physical rehabilitation and should produce a lasting social, psychological, economic, and goodwill effect going forward for the community as a whole.

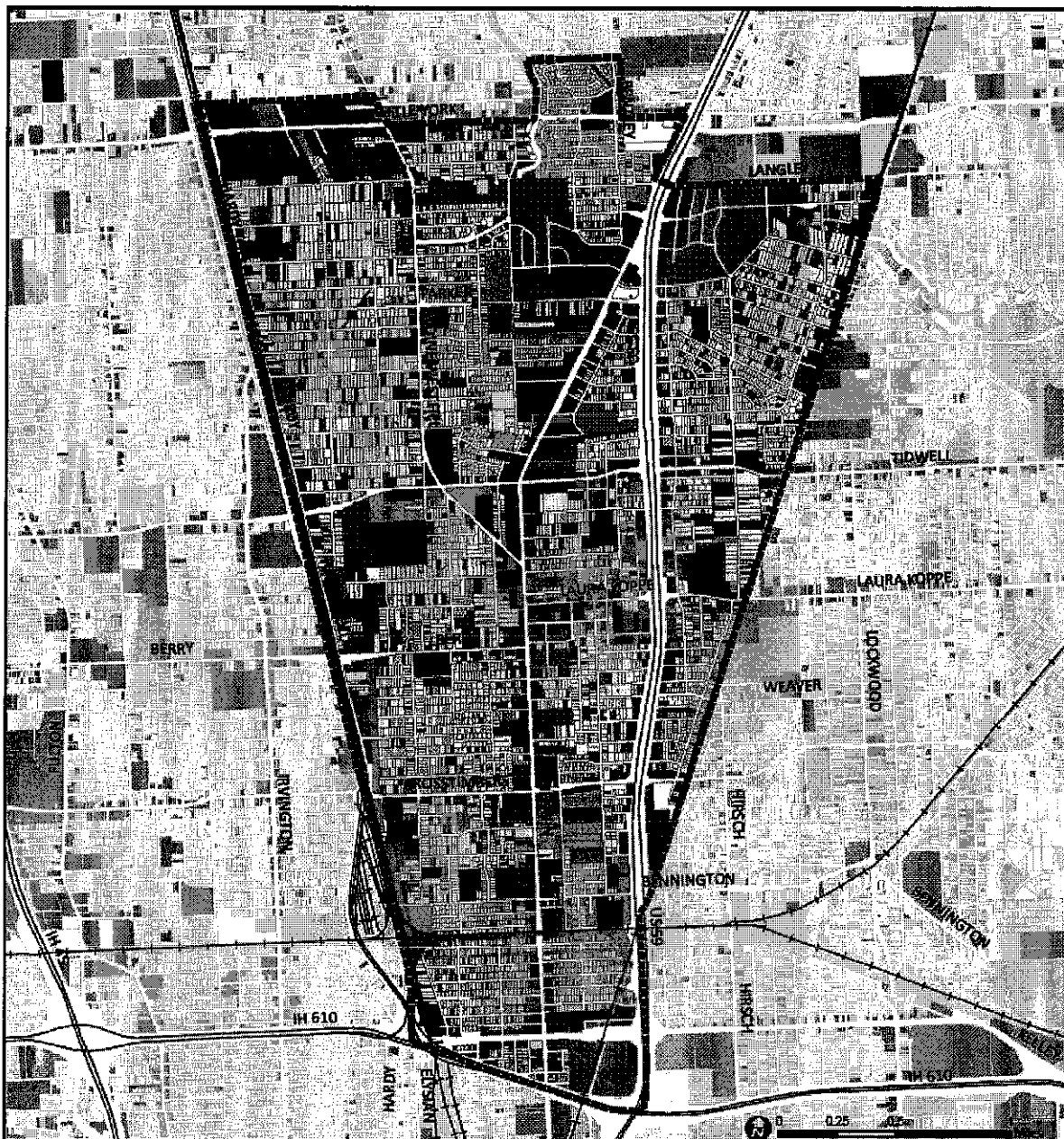
The applicant encourages TDHCA to find the development site eligible based on the positive efforts and changes occurring in the neighborhood surrounding the Development, strong City of Houston and elected official support for the development, and the fact that the Development proposes the rehabilitation of an existing federally subsidized affordable housing development.

Below is a discussion of each required report element and documentation to mitigate the above cited risk factors.

**Neighborhood Boundaries**

The development site is located at 8826 Harrell Street, Houston, Texas 77093. The site is located in Super Neighborhood 46, Eastex/Jensen Area. The neighborhood, reflected in the map below, is generally bound by Little York to the north, Hardy Toll to the west, IH Loop 610 to the south, and Hirsch Rd to the east. The total area is approximately 4,919 acres or 7.69 square miles. This area contains all of the subject census tract 48201220700. Attached as **Exhibit C** is a map that outlines the boundaries of the Eastex/Jensen Area as well as the general land use.

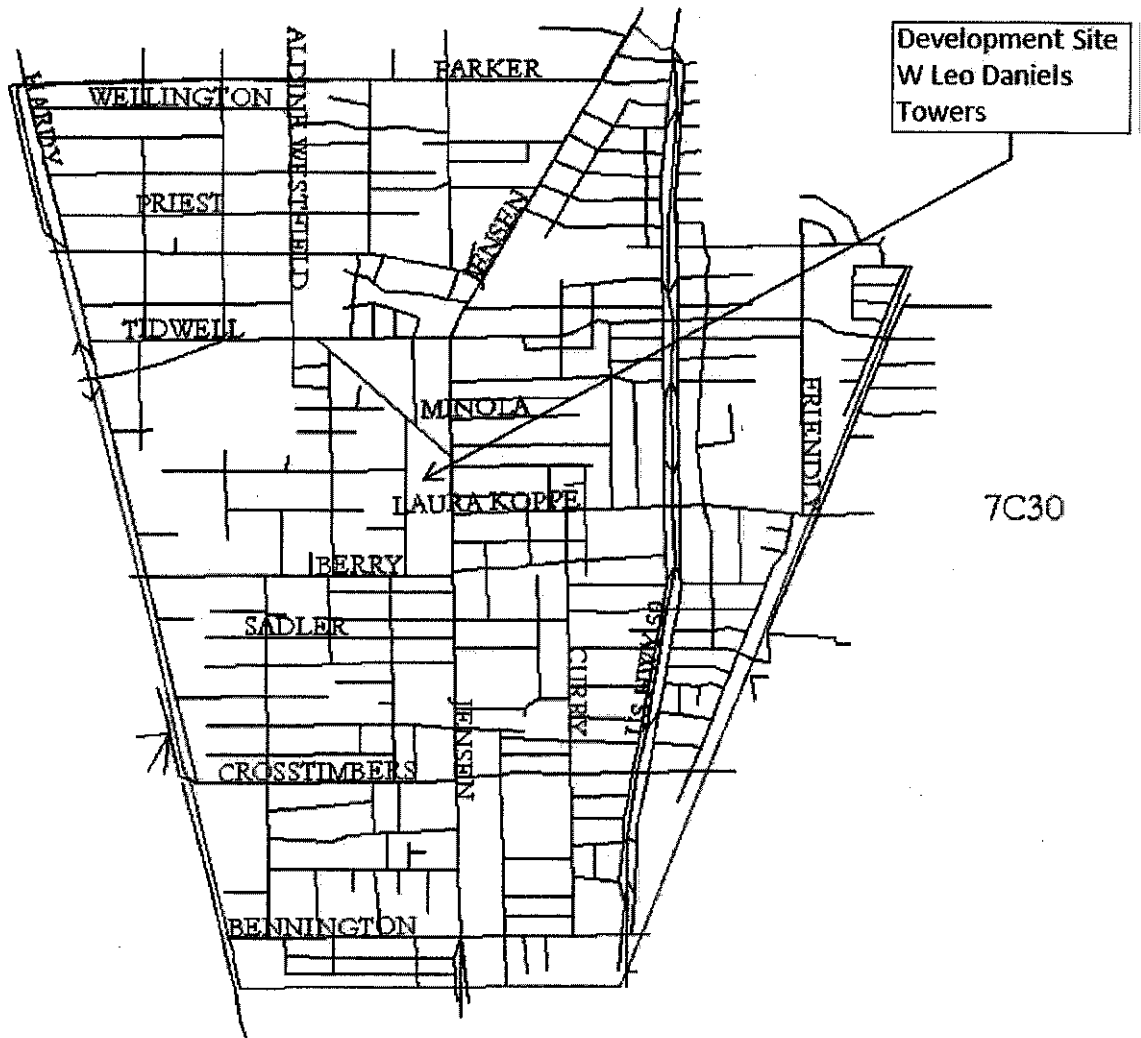
Super Neighborhood 46, Eastex/Jensen Area



## Neighborhood Risk Factors Report – 20482 W. Leo Daniels Towers

The Eastex/Jensen neighborhood boundaries include several Police Beats; however, the development site and the vast majority of the neighborhood is within Police Beat 7C30. This police beat is generally bound by Bennington St (South), W Hardy Rd. (West), Parker Rd. (North), and Hirsch Rd./RR Tracks (East).

Police Beat 7C30



### General Land Use and Residential Uses

Eastex/Jensen Area consists of multiple land uses including single family residential, multifamily, commercial, industrial, public and institutional, parks and open space, and transportation. Single family is spread throughout the entire super neighborhood. Commercial development is spread sporadically throughout the neighborhood with a high concentration along Jensen Dr., which is a north/south corridor. The largest land use in Eastex/Jensen Area is single family residential.



**Undesirable Site Features located in Neighborhood Area**

The applicant has conducted a thorough review of the neighborhood to identify any of the undesirable site features listed in §11.101(a)(2) of the QAP. Based upon this review, no undesirable site features were identified.

**Existing Affordable Rental Housing and Primary Market Area**

The primary market area (PMA) for W. Leo Daniels Towers consists of the following 23 contiguous census tracts comprising a total of 22.1 square miles:

CENSUS TRACTS					
48201220100	48201220600	48201221100	48201222000	48201230500	xxx
48201220200	48201220700	48201221200	48201230100	48201230600	xxx
48201220300	48201220800	48201221300	48201230200	48201230700	xxx
48201220400	48201220900	48201221400	48201230300	xxx	xxx
48201220500	48201221000	48201221500	48201230400	xxx	xxx

The market study identifies 17 Housing Tax Credit developments within the PMA. Of these, 15 are restricted for the general population and 2 are restricted for elderly households. Of the 15 general population developments only one is considered comparable to W. Leo Daniels Towers: Redwood Heights. See market study for additional information.

The two HTC developments restricted for elderly households include the following:

TDHCA #	Name	Year of Award	Address	City	Zip Code	Total Units	HTC Units	Target Population
03423	Primrose Skyline Apartments	2003	5105 Airline Drive	Houston	77002	280	280	Elderly
08251	Home Towne on Wayside	2008	SWC Wayside & Ley Rd	Houston	77028	128	123	Elderly

Home Towne on Wayside is located approximately 3.6 miles southeast of the subject development and outside the neighborhood boundaries (Super Neighborhood 46, Eastex/Jensen Area and Police Beat 7C30). Primrose Skyline Apartments is located approximately 2.4 miles west of the subject development and is also outside the neighborhood boundaries.

**Median income assessment and comparison**

The Applicant has provided the following to satisfy the requirement to perform “an assessment of the percentage of households residing in the census tract that have household incomes equal to or greater than the median household income for the MSA or county where the Development Site is located.”

The development site is located in census tract 48201220700, a 4<sup>th</sup> Quartile tract with 45.6% poverty.

The median household income for Harris County is \$60,146 (2018 5-year ACS). The median household income for census tract 48201220700, containing the site, is \$26,939, less than half of the county median income.

According to 2018 5-year ACS data, 76.9% of households in the census tract have median household incomes below \$50,000, 10.7% of households have median incomes between \$50,000 and \$74,999, and 12.5% of households have median incomes in excess of \$75,000. To fine tune this data, we interpolated the percentage of households within the \$50,000 and \$74,999 range that are below or above the county median household income of \$60,146. This analysis estimates that 81% of households in the census tract have a household median income below the county median income and 19% of households in the census tract have a median household income above the county median income.

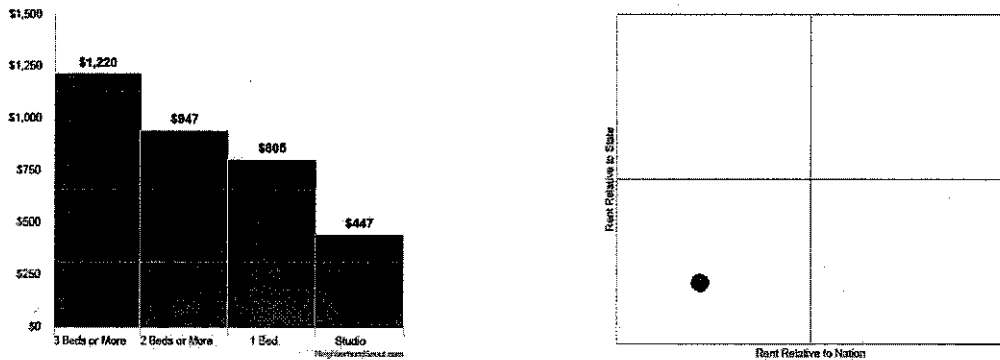
**Market Rate Rental Housing**

The primary market area and a complete assessment of market rental and occupancy rates is provided in the market study submitted under separate cover. However, neighborhoodscout.com provides the following information concerning market rents for the census tract containing the development site.

**AVERAGE MARKET RENT**



**MEDIAN MONTHLY RENT BY NUMBER OF BEDROOMS**



**TEA Accountability Rating Report**

W Leo Daniels development site resides in Houston ISD and is zoned to Berry Elementary School, Henry Middle School and Houston MSTC High School. It should be noted that the subject development will be age restricted for elderly households and pursuant to 10 TAC §11.101(a)(3)(B)(iv) exempts elderly

developments from providing mitigation. However, due to the QAP's silence concerning whether the TEA ratings documentation is required with the NRF Report, the Applicant has provided the TEA ratings information as Exhibit D.

### **Mitigation of Neighborhood Risk Factors**

Below is an explanation of the mitigation that Applicant has compiled for each of the risk factors identified in the Summary of this report. Each form of mitigation is "relevant to the risk factor presented" and conforms to the examples of acceptable mitigation explicitly provided for in 10 TAC §11.101(a)(3)(D).

#### **Poverty Rate**

The development site is located in census tract 48201220700, which has a poverty rate of 45.6% according to the 2020 Site Demographics Characteristics Report. This exceeds the 40% threshold identified in 10 TAC §11.101(a)(3)(B)(i). The Applicant has provided a resolution from the Houston City Council concerning the poverty rate which meets the requirements in 10 TAC §11.101(a)(3)(D)(i) (Exhibit A). The resolution states, "That the City Council hereby (i) confirms that it supports the Project and the submittal of the Application related thereto, (ii) acknowledges that the proposed Project is located within a census tract that has a poverty rate above 40% for individuals; (iii) votes specifically to allow the rehabilitation of the Project to move forward; and (iv) authorizes an allocation of Housing Tax Credits to the Project." This is the only form of acceptable mitigation explicitly identified for this risk factor in the rules and the applicant has provided it.

#### **Crime Rate**

The development site is located in census tract 48201220700. According to neighborhoodscout.com, this census tract has a crime rate of 22 violent crimes per 1,000 persons which exceeds the violent crime rate threshold of 18 per 1,000 persons reflected in 10 TAC §11.101(a)(3)(B)(ii). Due to the development site being located within 500 feet of 2 other census tracts (48201220900, 48201220800), the applicant has reviewed the rate of violent crime rates and found 48201220800 has a crime rate of 36.49 violent crimes per 1,000 persons which is above the threshold of 18 per 1,000 persons. These neighborhoodscout.com reports are attached hereto as Exhibits E (subject tract) and F (adjacent tract).

In order to mitigate the violent crime rate for census tract 48439103601, the Applicant has provided a letter from the Commander of the Houston Police Department's Northeast Division (Exhibit B). The letter outlines a variety of initiatives and strategies being utilized to reduce various types of violent crime in the area surrounding the development site.

Additionally, the applicant evaluated the boundaries of Police Beat 7C30 compared to census tract boundaries in order to calculate a crime rate per 1,000 persons. There are six census tracts contained in the police beat, with three of those census tracts being partially contained in the police beat. The applicant estimated the percent of the population of the three census tracts partially contained in the police beat

in order to derive a population number for police beat 7C30. See Exhibit G for a summary of the applicant's crime rate analysis based on Houston Police Department statistics.

While the applicant does not dispute the results of the neighborhoodscout.com reports related to crime in excess of 18 / 1,000 persons, it is clear that the Houston Police Department (HPD) is employing a number of strategies aimed at reducing violent crime. Also, it is important to note that the development itself does not have crime issues and the applicant will continue to maintain a security staff and secured access to the development. Additionally, there are a number of community improvement and revitalization efforts in the area as further detailed in the "Mitigation Based on Community Improvement and Revitalization, and Community Support" section below. Furthermore, the development has strong support from the City of Houston, elected officials and community stakeholders as further documented below.

#### Blighted or Abandoned Structures

A handful of properties located within 1,000 feet of the development site may initially be regarded as "blighted or abandoned" as described in 10 TAC §11.101(a)(3)(B)(iii). However, the applicant researched each property and was able to determine that they are either occupied residential or commercial properties for sale or pending redevelopment. Therefore, the applicant believes that disclosure for blight is not necessary as the developments are not abandoned. Should staff require additional information, the applicant will provide it upon request.

#### Mitigation Based on Community Improvement and Revitalization, and Community Support

The applicant encourages TDHCA to find the development site eligible based on the positive efforts and changes occurring in the neighborhood surrounding the Development, and the fact that the Development proposes the rehabilitation of an existing federally subsidized affordable housing development. Furthermore, the development has broad support from community stakeholders and elected officials. Finally, the City of Houston has voted to support the development both via a resolution of no objection and more compellingly through their award of \$10M in Disaster Recovery dollars to the development.

There has been an effort by private investors to add more construction near the development. Currently under construction is a 300-unit apartment complex dubbed The Exchange. It is estimated to finish construction on 02/01/2021. Other proposed apartment complexes are also in the works. Such projects include the 200-unit Conti Street Station, 80-unit Fulton Lofts, 220-unit Smart Living Main, and 384-unit Prose Hardy Yards. Additionally, there is a proposed redevelopment of the Food Town adjacent to the development on Jensen Drive in its predevelopment stages. This effort is being led by Waterman Steele Real Estate Advisors. Please refer to the attached Presentation document (Exhibit H). This has been widely shared and accepted by the community in a number of meetings including those in which the W. Leo Daniels project was discussed. Besides this, there is a Fuel Depot Gas Station with a Mini Market opening at 7803 Jensen, as well as a new Valero at Eastex Freeway located at Laura Koppe.

Aside from the private investment in the area, the Greater Northside Management District, whose boundaries encompass W. Leo Daniels Tower, was created in 2006. The Management District was established to promote economic activity and improve opportunities in the District by accessing

commercial property and directing those tax funds into specific projects. The district is in its second 10-Year Service Plan in which it has established and implemented projects and programs to promote safety, attract business, enhance the district image, attract investment, and improve infrastructure and amenities. The service plan is Attached as Exhibit I. The District currently provides the following programs that have had much success:

- Safety Patrol Program— Regular safety patrol using Texas certified officers has been established 7 days a week with 4 shifts. The program also includes mini workshops on crime prevention to area business owners.
- Graffiti Abatement- The district has implemented an effective graffiti abatement which involves crews that use color matching, power washing, or chemicals to abate graffiti. Since 2006 the crews have abated over 7560 sites
- Right of Way Maintenance/ Litter Abatement- The litter abatement program includes mowing, site cleanup and trash removal, cleanup of dumping sites, shopping cart return, tire recycling and ditch cleanup. The program covers 420 miles of street twice a month along the major corridors within the district

Further, the Jensen Eastex Community has created a great collaboration with community partners, offering a wide array of revitalization programs and services intended to promote healthy and vibrant neighborhoods. Successes of this six-year partnership have yielded ongoing community clean-ups, scholarships for students, job training, volunteer opportunities for residents and greater accessibility to area health care, housing, and social services. Also, beginning in January 2017, the Greater Jerusalem CDC lead by Pastor Joe F. Russell began meeting with local entities to discuss plans for community improvement efforts, such as the aforementioned redevelopment of the Food Town and the current rehabilitation of W. Leo Daniels Tower.

The City of Houston is aware that the development site is in a census tract with greater than 40% poverty. However, there are a number of efforts and initiatives underway to reduce the poverty and crime in the area. Recently, the City introduced the Jensen Jubilee Revitalization Initiative (see Exhibit I). The purpose of the Jensen Jubilee project is to promote sustainable revitalization through residential, commercial, and economic development, historic preservation, and the empowerment of nearby neighborhoods. There has been a lot of great activity lately surrounding this community Revitalization Project in the northeast Jensen Eastex area. Some of the successes of the Jensen Jubilee collaborative include partnerships with residents, schools, churches, businesses, and public officials; providing scholarships to area high school students; hosting town hall and specialized meetings; organizing community clean-ups; and the opening of UT Physicians Community Health and Wellness Center Jensen. Additionally, the Northeast Division of the Houston Police Department has composed a comprehensive plan of action to address violent crime within the area. Please refer to the letter from the Police Department (Exhibit B).

Finally, the development has broad support from community stakeholders and elected officials. The applicant received a number of support letters (Exhibit K) in conjunction with its request for City of Houston Disaster Recovery funds, which were awarded in the amount of \$10M. Support letters received:

- US Congresswoman Sheila Jackson Lee
- US Congresswoman and Former State Senator Sylvia Garcia
- Former US Congressman Gene Green

- State Senator Carol Alvarado
- State Representative Armando Walle
- Sunbeam Curry Civic Club

### Summary

Preservation of existing, occupied affordable housing at W. Leo Daniels Towers is critical to the affordable housing options within the City of Houston. The proposed rehabilitation of W. Leo Daniels Towers will increase the quality of that existing housing stock and improve this existing community asset. Significant measures being undertaken by the City of Houston and its partners will result in the continued improvement of this neighborhood for the benefit of current and future residents of the Development. The Houston Police Department is employing a number of measures to reduce violent crime in the area, and the redevelopment of W. Leo Daniels Towers has broad community and elected official support. The City of Houston is in strong support of this proposed rehabilitation (as evidenced by their \$10M award to the development), and the applicant respectfully requests that TDHCA find the development site eligible related to all Neighborhood Risk Factors.

### Exhibits

- Exhibit A – Resolution concerning poverty rate
- Exhibit B – Letter from the Houston Police Department
- Exhibit C – Boundaries of the Eastex/Jensen Area and the general land use
- Exhibit D – TEA School Ratings
- Exhibit E – neighborhoodscout.com report for the subject census tract
- Exhibit F – neighborhoodscout.com report for the adjacent census tract
- Exhibit G – Crime Rate Analysis for Police Beat 7C30
- Exhibit H – Food Town Development Presentation Materials
- Exhibit I – Greater Northside Management District Service Plan
- Exhibit J – Jensen Jubilee Revitalization Initiative
- Exhibit K – Elected Official and Community Support Letters

# Exhibit A - Poverty Resolution

City of Houston, Texas, Resolution No. 2020-

20

**A RESOLUTION ALLOWING REHABILITATION OF W. LEO DANIELS TOWERS, AN AFFORDABLE RENTAL HOUSING PROPERTY FOR THE ELDERLY LOCATED NEAR 8826 HARRELL STREET IN THE CITY OF HOUSTON, TEXAS AND WITHIN A CENSUS TRACT THAT HAS A POVERTY RATE ABOVE 40% FOR INDIVIDUALS AND AUTHORIZING THE ALLOCATION OF 2020 TAX CREDITS TO SUCH DEVELOPMENT; AND MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT.**

\* \* \*

**WHEREAS**, the City Council (the "City Council") of the City of Houston (the "City") finds that W. Leo Daniels Towers I, LP (the "Applicant") has proposed rehabilitation of an affordable rental housing property for the elderly named W. Leo Daniels Towers (the "Project"), located near 8826 Harrell Street, in the City of Houston, Texas; and

**WHEREAS**, the City Council finds that the Applicant has advised that it intends to submit an application (the "Application") to the Texas Department of Housing and Community Affairs for 2020 Housing Tax Credits or Private Activity Bonds for the Project; and

**WHEREAS**, the City Council finds and, as provided in 10 Texas Administrative Code § 11.101(a)(3), acknowledges that the Project proposed for rehabilitation is located within a census tract that has a poverty rate above 40% for individuals; and

**WHEREAS**, the City Council, as the governing body of the City, acknowledges the high poverty rate and supports the Project and the submittal of the Application and the allocation of 2020 Tax Credits related thereto; **NOW, THEREFORE,**

## **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:**

**Section 1.** That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

**Section 2.** That the City Council hereby (i) confirms that it supports the Project and the submittal of the Application related thereto, (ii) acknowledges that the proposed Project is located within a census tract that has a poverty rate above 40% for individuals; (iii) votes specifically to allow the rehabilitation of the Project to move forward; and (iv) authorizes an allocation of Housing Tax Credits to the Project.

**Section 3.** That this Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five days after its passage and adoption, it shall take effect in

# Exhibit A - Poverty Resolution

accordance with Article VI, Section 6, Houston City Charter.

**PASSED AND ADOPTED** this 8th day of April, 2020.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is APR 14 2020.

Art J. Horvath  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Dept. Rene F. Bell)  
\_\_\_\_\_  
Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)

AYE	NO	
✓		<b>MAYOR TURNER</b>
....	....	<b>COUNCIL MEMBERS</b>
✓		PECK
✓		DAVIS
✓		KAMIN
✓		EVANS-SHABAZZ
✓		MARTIN
✓		THOMAS
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		POLLARD
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
	<b>ABSENT</b>	PLUMMER
✓		ALCORN
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: **APR 14 2020**





## Exhibit B - Houston Police Dept. Letter

# CITY OF HOUSTON

**Houston Police Department**

Sylvester Turner, Mayor

1200 Travis Houston, Texas 77002-6000 713/308-1600

CITY COUNCIL MEMBERS: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Steve Le Greg Travis Karla Cisneros Robert Gallegos  
Mike Laster Larry V. Green Mike Knox David W. Robinson Michael Kubosh Amanda K. Edwards Jack Christie CITY CONTROLLER: Chris B. Brown

June 4, 2020

Art Acevedo  
Chief of Police



Texas Department of Housing and Community Affairs  
Attn: Bobby Wilkinson, Executive Director  
221 East 11th Street  
Austin, Texas 78701

Re: Crime Mitigation Efforts – Police Beat 7C30, Area Surrounding Proposed W Leo Daniels Development

Dear Mr. Wilkinson:

The Northeast Division has composed a comprehensive plan of action to address violent crime within our area, which is inclusive of 7C30's beat. The approach utilizes divisional, combined with departmental, resources to address various crime types. Our domestic violence initiatives specifically include on-site Victim Services Advocates housed at the Northeast Division. Additionally, the Northeast Division participates in a patrol initiative focused on responding to domestic violence calls for service during peak days and times when these crimes are most likely to occur. These programs are specifically tailored to disrupt the "Cycle of Violence" by providing immediate follow-up care and exposure to viable alternatives and resources to keep victims' and their families safe. The division also has in-house investigators who focus on violent and property crimes to include: Robberies, Burglaries, Thefts and Assaults. These investigators prioritize cases with high-solvability factors and partner with Victim Services Advocates and concerned investigative divisions. Their goal is to assist in quickly resolving cases with known suspects and/or repeat offenders and preventing these suspects from continuing to victimize community members.

In addition to these resources, Northeast Division's Differential Response Team (DRT), Crime Suppression Team (CST), and Patrol have customized crime deterrent strategies to address violent crime during duty hours. Northeast Division also develops Fall, Spring, and Holiday initiatives to increase manpower during various times of the year when crime data indicate patterns of increased violent crime and victimization. These programs allow divisional units the flexibility to direct their efforts according to identified crime trends in specific areas.

As a target hardening strategy, Northeast DRT inspects and ensures compliance with city ordinances at convenience stores which are known to be impacted by violent crimes occurring near



## Exhibit B - Houston Police Dept. Letter

their businesses. Compliance checks are completed to ensure convenience stores are implementing strategies to deter crime and technologically equipped to capture incidents to further investigations. Also, Northeast DRT bolsters the safety of the community by surveying businesses, apartment complexes, and residences, as well as providing recommendations for adequate lighting and landscaping as a deterrent. Northeast DRT works proactively with the youth through our Teens and Police Services and Explorer programs to build relationships and mentor at-risk youth. These programs provide youth with positive role models, decision-making strategies, and strategic goal setting to maximize life-long personal success and positive contributions to the community. Northeast CST contributes to the reduction in violent crimes by consistently monitoring areas prevalent for criminal activity through surveillance and conducting thorough follow-up investigations to reduce serial crimes in the area. Patrol visibility has increased, along with more citizen contacts, to deter potential suspects and ensure the community has a safe environment to prosper.

The Northeast Division continuously evaluates our impact related to our crime deterrence strategies and adjust our initiatives to increase our effectiveness in the community as needed.

  
C.T. Hatcher, Commander  
Northeast Division

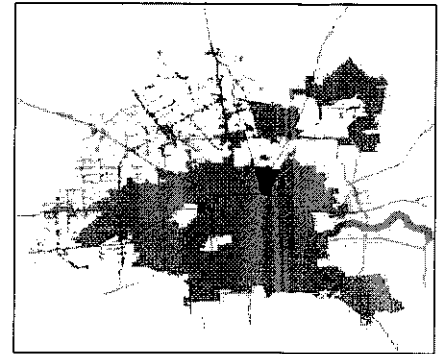
cth:az

# Exhibit C – Boundaries of the Eastex/Jensen Area

NO. 46

EASTEX JENSEN AREA

# SUPER Neighborhood RESOURCE ASSESSMENT



	Super Neighborhood		Houston	
	2000	2015	2000	2015
<b>Pop. characteristics</b>				
Total population	28,196	25,724	1,953,631	2,217,706
Persons per sq. mile	3,667	3,347	3,166	3,314
<b>Age of Population</b>				
Under 5 years	10%	8%	8%	8%
5- 17 years	24%	21%	19%	17%
18- 64 years	58%	61%	64%	65%
65 and over	8%	9%	9%	10%
<b>Ethnicity</b>				
Non Hispanic Whites	10%	6%	31%	26%
Non Hispanic Blacks	22%	20%	25%	22%
Hispanics	67%	74%	37%	44%
Non Hispanic Asians	1%	0%	6%	7%
Non Hispanic Others	0%	0%	1%	1%
<b>Income</b>				
Under \$25,000	49%	42%	33%	27%
\$25,001 to \$50,000	32%	31%	31%	25%
\$50,001 to \$100,000	15%	22%	24%	26%
Over \$100,001	4%	6%	12%	22%
<b>Median Household Income</b>	\$25,236	\$32,923	\$36,616	\$46,187
<b>Educational Status</b>				
No Diploma	61%	50%	30%	23%
High School Diploma	24%	28%	20%	23%
Some College	12%	17%	23%	24%
Bachelor's or Higher	3%	4%	27%	31%
<b>Housing and Households</b>				
Total housing units	8,548	9,022	782,378	909,336
Occupied	91%	81%	92%	88%
Vacant	9%	19%	8%	12%
Total households	7,818	7,310	717,945	799,714
Family households	6,072	5,370	457,549	491,778
Median Housing Value	\$38,260	\$74,547	\$79,300	\$131,700

## Description

Eastex/Jensen Area is a part of northeast Houston outside the North Loop on both sides of the important Eastex Freeway and Jensen Drive corridors. The many neighborhoods found here are made up of modest frame homes set in pine forests. Subdivisions include Hunton Place, Croyden Gardens and Epsom Downs, which was the site of a horse race track in the 1930s. Jensen was once the primary highway to east Texas but was replaced by the Eastex Freeway. The area is split between Houston, Aldine and North Forest school districts.

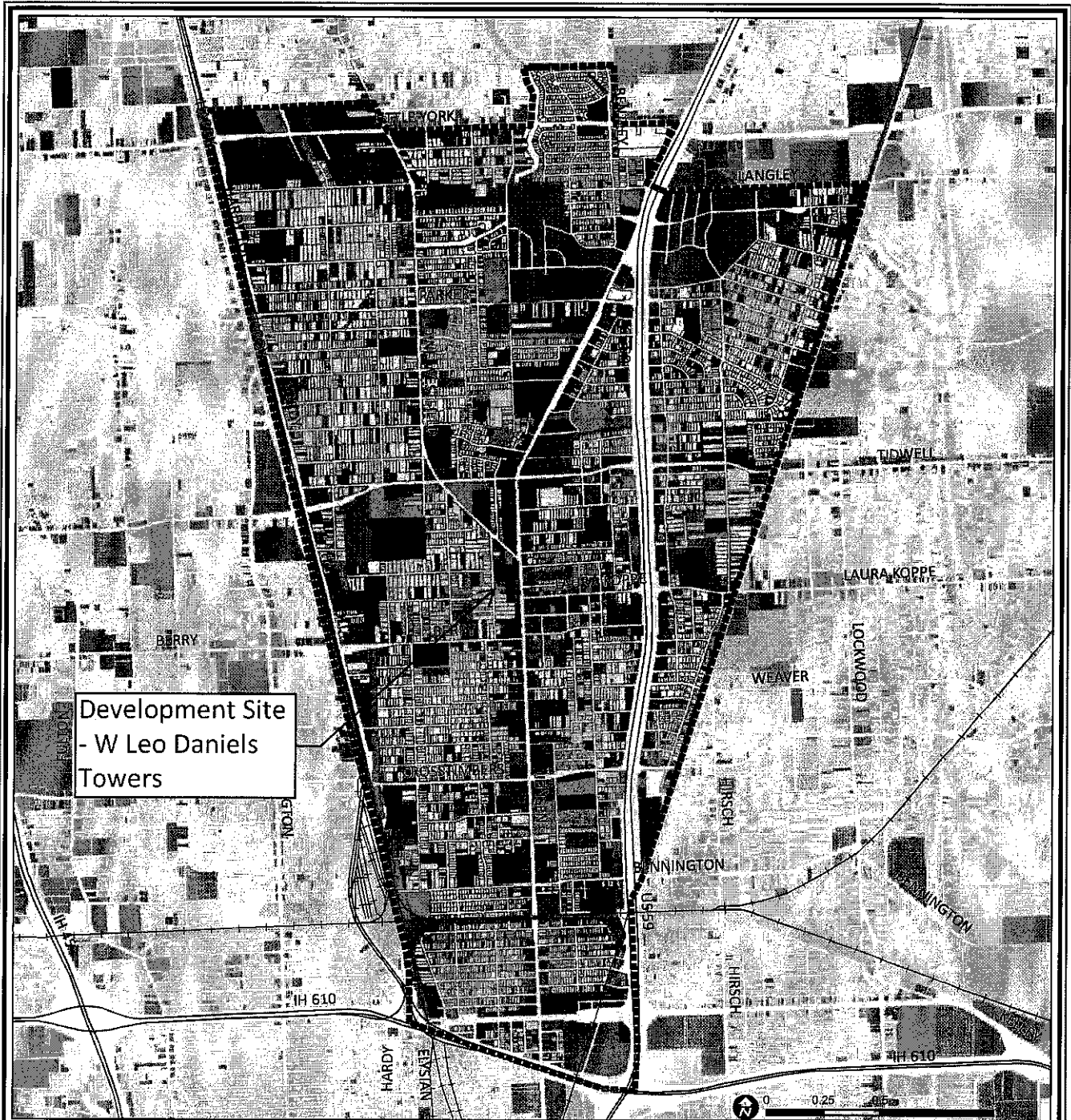
## Highlights

- ✓ Houston City Council Districts H & B
- ✓ Houston Independent School District
- ✓ Aldine Independent School District
- ✓ North Forest Independent School District
- ✓ 7 Police beats (includes bordering beats)
- ✓ 4,919 acres (7.69 sq. miles)



**PLANNING &  
DEVELOPMENT  
DEPARTMENT**

# Exhibit C – Boundaries of the Eastex/Jensen Area



## Eastex - Jensen: Land Use

Freeway	Commercial	Parks and Open Space
Rail Road	Office	Undeveloped
Super Neighborhood Boundary	Industrial	Agricultural Production
Single-family Residential	Public and Institutional	Open Water
Multi-family Residential	Transportation and Utilities	Unknown

Source: City of Houston GIS Database,  
Harris County Appraisal District

Date: November 15, 2017

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.



**PLANNING &  
DEVELOPMENT  
DEPARTMENT**

# Exhibit D – TEA School Ratings



[Accountability Data](#)   [Performance](#)   [Participation](#)   [Attendance and Graduation](#)   [Postsecondary Readiness](#)   [Profile](#)  
[KG Readiness](#)   [Postsecondary Outcomes](#)   [Finance Data](#)   [Search](#)

## Texas Education Agency 2019 Accountability Ratings Overall Summary BERRY EL (101912109) - HOUSTON ISD

### Accountability Rating Summary

	Component Score	Scaled Score	Rating
<b>Overall</b>		82	B
<b>Student Achievement</b>		72	C
<u>STAAR Performance</u>	44	72	
<u>College, Career and Military Readiness Graduation Rate</u>			
<b>School Progress</b>		82	B
<u>Academic Growth</u>	74	79	C
<u>Relative Performance (Eco Dis: 99.6%)</u>	44	82	B
<u>Closing the Gaps</u>	86	81	B

### Identification of Schools for Improvement

This campus is identified for additional targeted support.

### Distinction Designations

ELA/Reading	Not Earned
Mathematics	Not Earned
Science	Not Earned
Social Studies	Not Eligible
Comparative Academic Growth	Not Earned
Postsecondary Readiness	Not Earned
Comparative Closing the Gaps	Not Earned

# Exhibit D – TEA School Ratings



[Accountability Data](#)  
 [Performance](#)  
 [Participation](#)  
 [Attendance and Graduation](#)  
 [Postsecondary Readiness](#)  
[Profile](#)  
[KG Readiness](#)  
[Postsecondary Outcomes](#)  
[Finance Data](#)  
[Search](#)

## Texas Education Agency 2018 Accountability Ratings Overall Summary BERRY EL (101912109) - HOUSTON ISD

	Component Score	Scaled Score	Rating
Overall		76	Met Standard
Student Achievement		69	Met Standard
STAAR Performance	40	69	
College, Career and Military Readiness			
Graduation Rate			
School Progress		75	Met Standard
Academic Growth	72	75	Met Standard
Relative Performance (Eco Dis: 86.8%)	40	75	Met Standard
Closing the Gaps	78	78	Met Standard

### Distinction Designations

ELA/Reading	Not Earned
Mathematics	Not Earned
Science	Not Earned
Social Studies	Not Eligible
Comparative Academic Growth	Not Earned
Postsecondary Readiness	Not Earned
Comparative Closing the Gaps	Not Earned



[Accountability Data](#)  
 [Performance](#)  
 [Participation](#)  
 [Attendance and Graduation](#)  
 [Postsecondary Readiness](#)  
 [Profile](#)  
[KG Readiness](#)  
 [Postsecondary Outcomes](#)  
 [Finance Data](#)  
 [Search](#)

**Texas Education Agency**  
**2019 Accountability Ratings Overall Summary**  
**HENRY MIDDLE (101912052) - HOUSTON ISD**

**Accountability Rating Summary**

	Component Score	Scaled Score	Rating
<b>Overall</b>		60	D
<b>Student Achievement</b>		57	F
<u>STAAR Performance</u>	29	57	
<u>College, Career and Military Readiness</u>			
<u>Graduation Rate</u>			
<b>School Progress</b>		63	D
<u>Academic Growth</u>	63	63	D
<u>Relative Performance (Eco Dis: 93.5%)</u>	29	63	D
<u>Closing the Gaps</u>	8	53	F

**Identification of Schools for Improvement**

This campus is identified for targeted support and improvement.

**Distinction Designations**

ELA/Reading	Not Earned
Mathematics	Not Earned
Science	Not Earned
Social Studies	Not Earned
Comparative Academic Growth	Not Earned
Postsecondary Readiness	Not Earned
Comparative Closing the Gaps	Not Earned

# Exhibit D – TEA School Ratings



[Accountability Data](#)  
 [Performance](#)  
 [Participation](#)  
 [Attendance and Graduation](#)  
 [Postsecondary Readiness](#)  
 [Profile](#)  
[KG Readiness](#)  
 [Postsecondary Outcomes](#)  
 [Finance Data](#)  
 [Search](#)

## Texas Education Agency 2018 Accountability Ratings Overall Summary HENRY MIDDLE (101912052) - HOUSTON ISD

	Component Score	Scaled Score	Rating
Overall		58	Not Rated: Harvey Provision
Student Achievement		52	Improvement Required
STAAR Performance	24	52	
College, Career and Military Readiness			
Graduation Rate			
School Progress		60	Met Standard
Academic Growth	62	60	Met Standard
Relative Performance (Eco Dis: 80.4%)	24	54	Improvement Required
Closing the Gaps	8	53	Improvement Required

**Notes:**

- This campus was directly affected by Hurricane Harvey and did not receive an overall rating.

### Distinction Designations

ELA/Reading	Not Eligible
Mathematics	Not Eligible
Science	Not Eligible
Social Studies	Not Eligible
Comparative Academic Growth	Not Eligible
Postsecondary Readiness	Not Eligible
Comparative Closing the Gaps	Not Eligible





[Accountability Data](#)  
 [Performance](#)  
 [Participation](#)  
 [Attendance and Graduation](#)  
 [Postsecondary Readiness](#)  
 [Profile](#)  
[KG Readiness](#)  
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 [Search](#)

**Texas Education Agency**  
**2019 Accountability Ratings Overall Summary**  
**HOUSTON MATH SCIENCE AND TECHNOLOG (101912310) - HOUSTON ISD**

**Accountability Rating Summary**

	<b>Component Score</b>	<b>Scaled Score</b>	<b>Rating</b>
<b>Overall</b>		76	C
<b>Student Achievement</b>		70	C
<u>STAAR Performance</u>	29	55	
<u>College, Career and Military Readiness</u>	58	88	
<u>Graduation Rate</u>	90.3	65	
<b>School Progress</b>		79	C
<u>Academic Growth</u>	50	56	F
<u>Relative Performance (Eco Dis: 95.6%)</u>	44	79	C
<u>Closing the Gaps</u>	30	70	C

**Identification of Schools for Improvement**

This campus is identified for targeted support and improvement.

**Distinction Designations**

ELA/Reading	Not Earned
Mathematics	Not Earned
Science	Not Earned
Social Studies	Not Earned
Comparative Academic Growth	Not Earned
Postsecondary Readiness	Not Earned
Comparative Closing the Gaps	Not Earned

# Exhibit D – TEA School Ratings

2018 Accountability: Overall



[Accountability Data](#)  
 [Performance](#)  
 [Participation](#)  
 [Attendance and Graduation](#)  
 [Postsecondary Readiness](#)  
[Profile](#)  
[KG Readiness](#)  
[Postsecondary Outcomes](#)  
[Finance Data](#)  
[Search](#)

**Texas Education Agency**  
**2018 Accountability Ratings Overall Summary**  
**HOUSTON MATH SCIENCE AND TECHNOLOG (101912310) - HOUSTON ISD**

	Component Score	Scaled Score	Rating
Overall		72	Met Standard
Student Achievement		67	Met Standard
STAAR Performance	27	53	
College, Career and Military Readiness	49	81	
Graduation Rate	89.9	65	
School Progress		72	Met Standard
Academic Growth	51	57	Improvement Required
Relative Performance (Eco Dis: 83.1%)	38	72	Met Standard
Closing the Gaps	33	71	Met Standard

### Distinction Designations

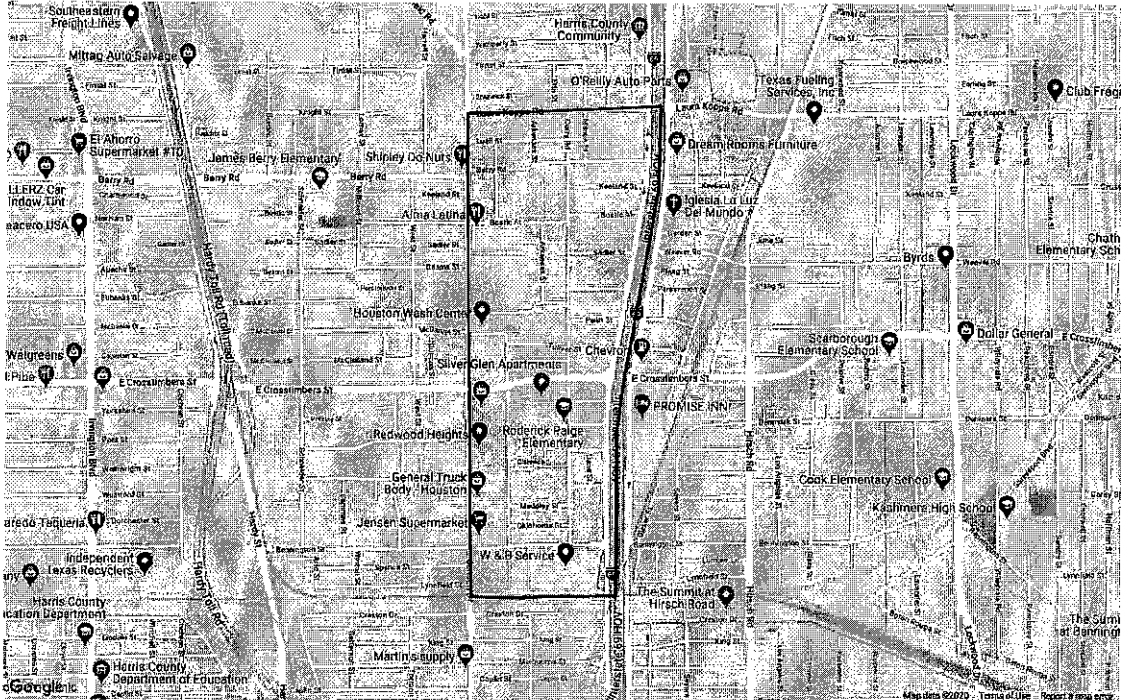
ELA/Reading	Not Earned
Mathematics	Not Earned
Science	Not Earned
Social Studies	Not Earned
Comparative Academic Growth	Not Earned
Postsecondary Readiness	Not Earned
Comparative Closing the Gaps	Not Earned

# Exhibit E – neighborhoodscout.com Report - Subject Census Tract



Houston, TX (Curry Rd / Laura Koppe Rd)

Report date: Monday, April 27, 2020

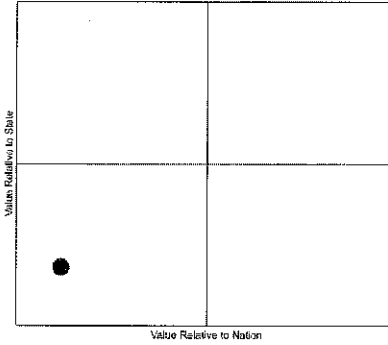
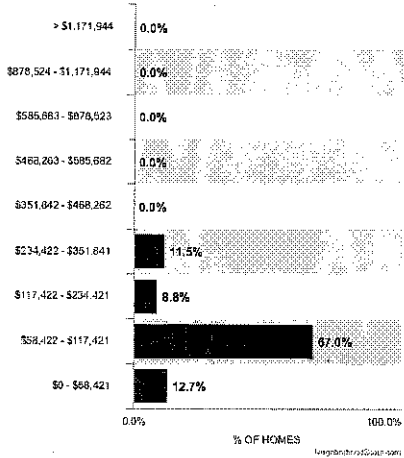


HOUSTON, TX (CURRY RD / LAURA KOPPE RD) REAL ESTATE

AVERAGE HOME VALUES



NEIGHBORHOOD HOME PRICES

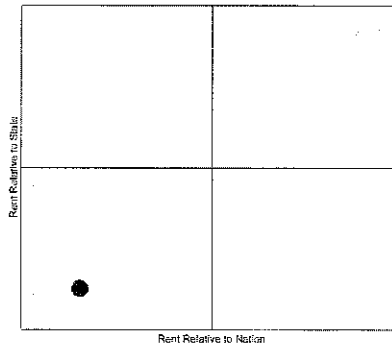
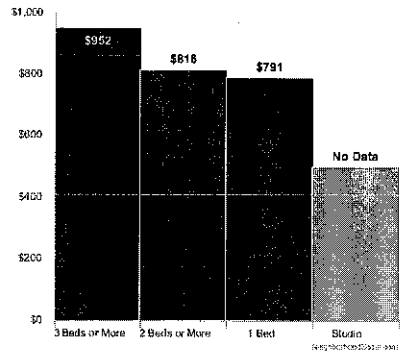


**YEARS OF AVERAGE RENT NEEDED TO BUY AVERAGE HOME IN THIS NEIGHBORHOOD**  
 8 YEARS AND 0 MONTHS

AVERAGE MARKET RENT



MEDIAN MONTHLY RENT BY NUMBER OF BEDROOMS





SETTING



COASTAL



LAKEFRONT



FARMS

NEIGHBORHOOD LOOK AND FEEL



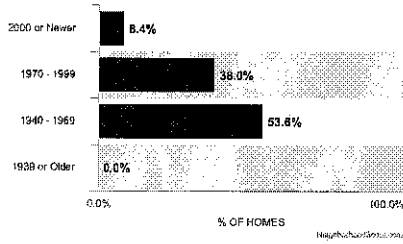
**URBAN**  
**4,736**  
**PEOPLE/SQ. MILE**



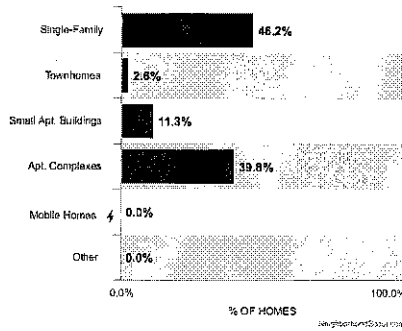
Population Density

HOUSING MARKET DETAILS

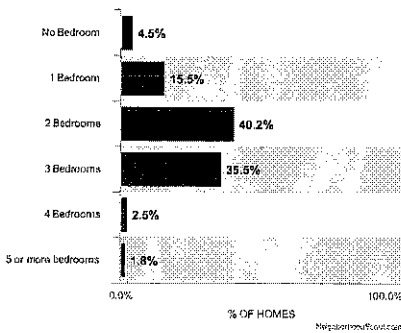
AGE OF HOMES



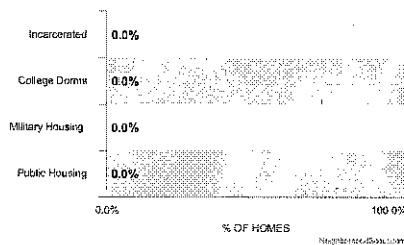
TYPES OF HOMES



HOME SIZE



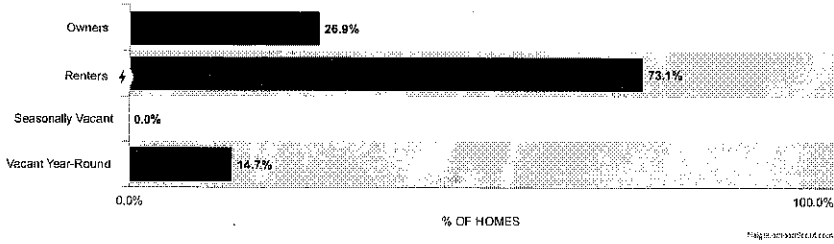
SPECIAL PURPOSE HOUSING





## HOMEOWNERSHIP

### HOMEOWNERSHIP RATE



HOUSTON, TX (CURRY RD / LAURA KOPPE RD) DEMOGRAPHICS

136 Vital Statistics. 2 Condition Alerts found.

LIFESTYLE

41.0%	Young Single Professionals	Poor
12.1%	First Time Homebuyers	Poor
6.4%	College Student Friendly	Poor
2.5%	Family Friendly	Poor
2.6%	Retirement Dream Areas	Poor
2.5%	Luxury Communities	Poor
0.0%	Vacation Home Locations	Poor

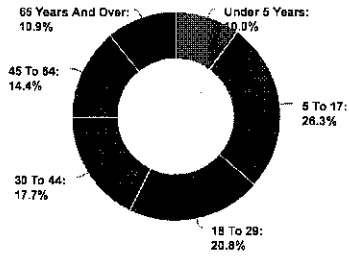
SPECIAL CHARACTER

50.7%	Walkable	Poor
40.5%	Hip Trendy	Poor
13.4%	Quiet	Poor
1.5%	Urban Sophisticates	Poor
0.0%	Nautical	Poor

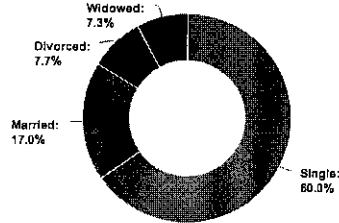


### AGE / MARITAL STATUS

#### AGE



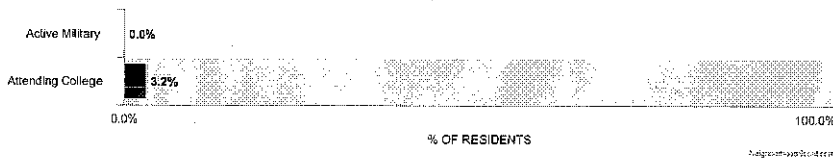
#### MARITAL STATUS



#### GENDER RATIO

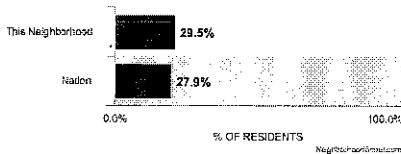


#### MILITARY & COLLEGE STATUS

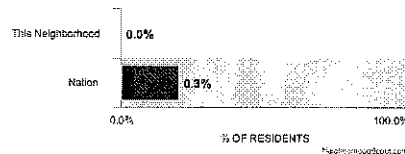


#### HOUSEHOLD TYPES

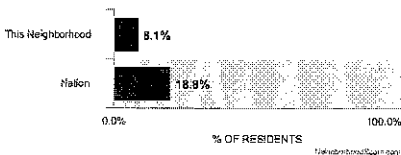
##### ONE PERSON HOUSEHOLDS



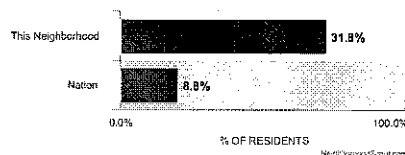
##### SAME SEX PARTNERS



##### MARRIED COUPLE WITH CHILD



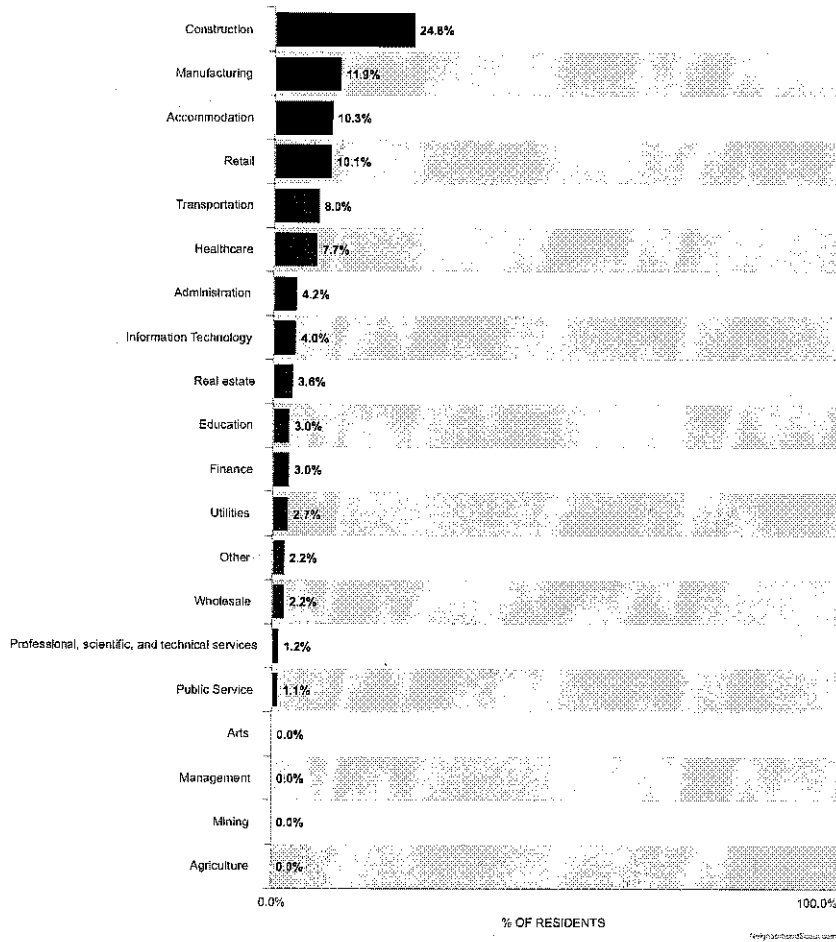
##### SINGLE PARENT WITH CHILD





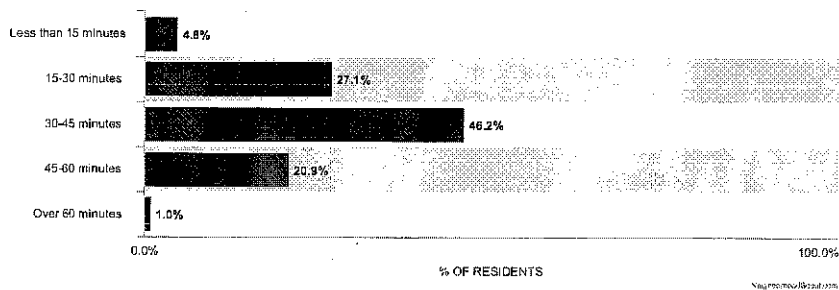


### EMPLOYMENT INDUSTRIES



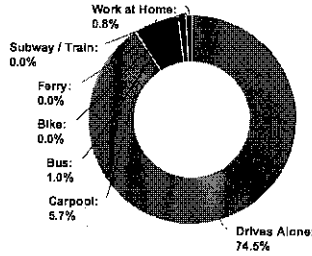
### COMMUTE TO WORK

#### AVERAGE ONE-WAY COMMUTE TIME

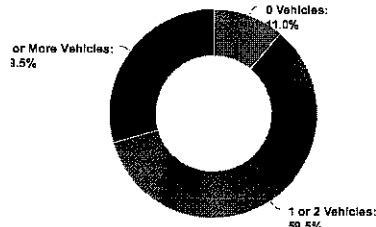




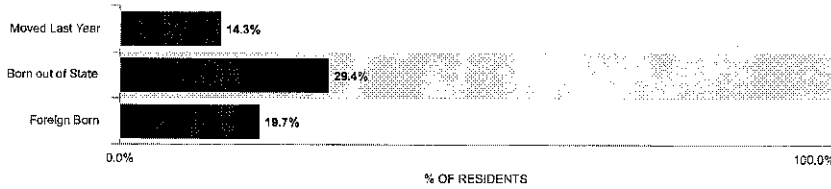
### MEANS OF TRANSPORT



### VEHICLES PER HOUSEHOLD



### MIGRATION & MOBILITY



### RACE & ETHNIC DIVERSITY

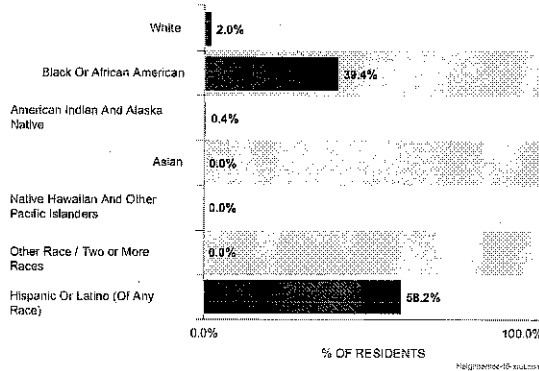
#### DIVERSITY INDEX

54

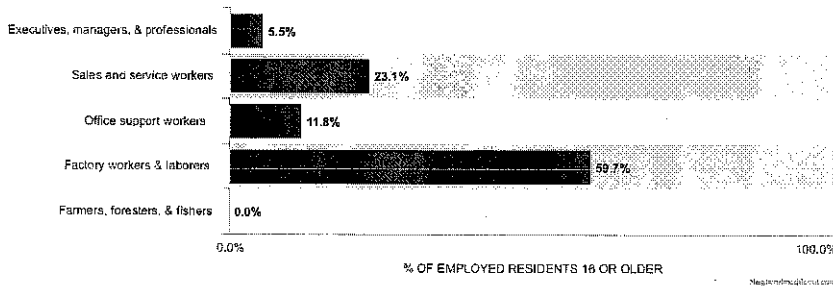
(100 is the most diverse)

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More diverse than 54% of U.S. neighborhoods.



### OCCUPATIONS



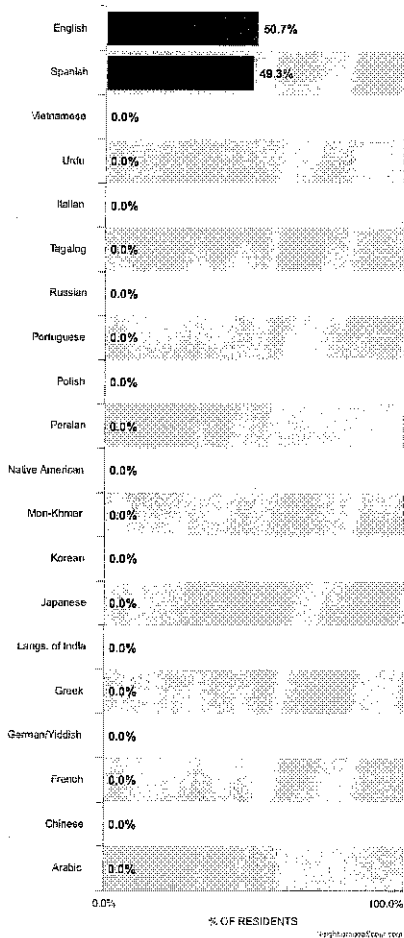


## ANCESTRIES & LANGUAGES SPOKEN

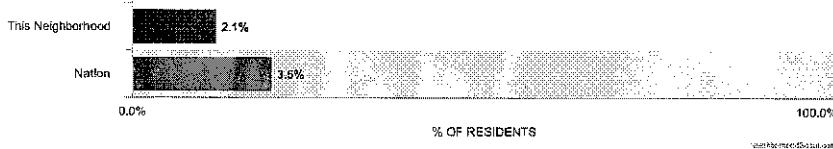
### ANCESTRY (TOP 20)



### LANGUAGES SPOKEN (TOP 20)



### UNEMPLOYMENT RATE



### AVERAGE INCOME

### PER CAPITA INCOME



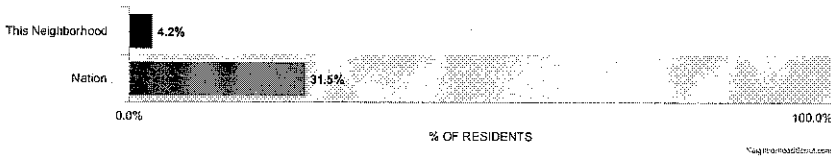


MEDIAN HOUSEHOLD INCOME

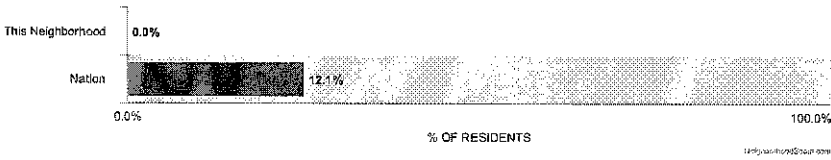


EDUCATION

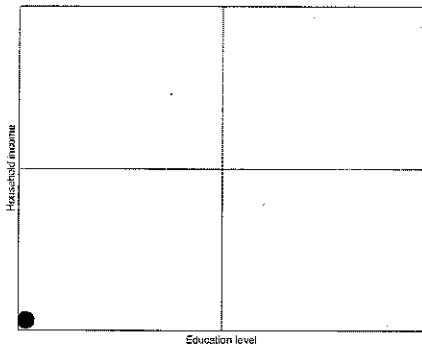
PERCENT WITH COLLEGE DEGREE



PERCENT WITH ADVANCE DEGREE



INCOME AND EDUCATION



HOUSTON, TX (CURRY RD / LAURA KOPPE RD) CRIME

67 Vital Statistics. 7 Condition Alerts found.

NEIGHBORHOOD CRIME DATA

**TOTAL CRIME INDEX**

0

(100 is safest) ⓘ

Safer than 0% of U.S. neighborhoods.

**NEIGHBORHOOD ANNUAL CRIMES**

	VIOLENT	PROPERTY	TOTAL
Number of Crimes	120	308	428
Crime Rate (per 1,000 residents)	36.49	93.65	130.13

NEIGHBORHOOD VIOLENT CRIME

**VIOLENT CRIME INDEX**

0

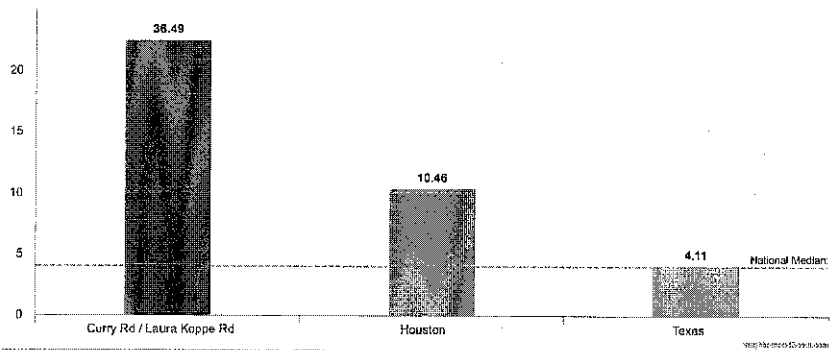
(100 is safest) ⓘ

Safer than 0% of U.S. neighborhoods.

**VIOLENT CRIME INDEX BY TYPE**

MURDER INDEX	RAPE INDEX	ROBBERY INDEX	ASSAULT INDEX
3	11	0	0
100 is safest	100 is safest	100 is safest	100 is safest

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



**MY CHANCES OF BECOMING A VICTIM OF A VIOLENT CRIME**

1 IN 27 ⓘ

in Curry Rd / Laura Koppe Rd



**1 IN 96**  
in Houston

**1 IN 243**  
in Texas

### HOUSTON VIOLENT CRIMES

POPULATION: 2,325,502

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	276	1,324	8,818	13,912
Rate per 1,000	0.12	0.57	3.79	5.98

### UNITED STATES VIOLENT CRIMES

POPULATION: 327,167,434

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	16,214	139,380	282,061	807,410
Rate per 1,000	0.05	0.43	0.86	2.47

### NEIGHBORHOOD PROPERTY CRIME

**PROPERTY CRIME INDEX**

**1**

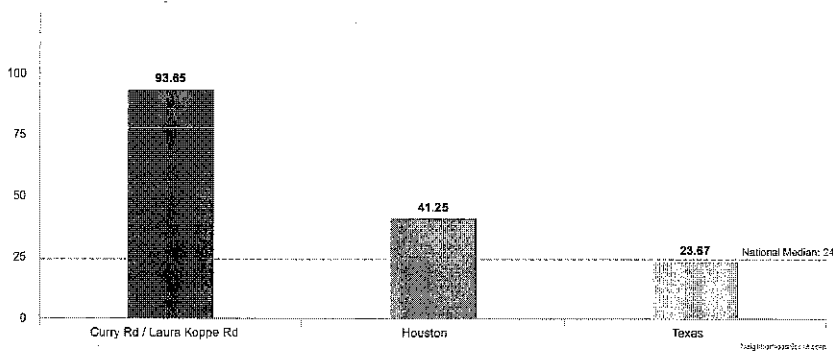
(100 is safest) ⚡

---

Safer than 1% of U.S. neighborhoods.

PROPERTY CRIME INDEX BY TYPE		
BURGLARY INDEX	THEFT INDEX	MOTOR VEHICLE THEFT
1 <small>100 is safest</small>	2 <small>100 is safest</small>	0 <small>100 is safest</small> ⚡

### PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)





**MY CHANCES OF BECOMING A VICTIM OF A PROPERTY CRIME**

**1 IN 11**  
 in Curry Rd / Laura Koppe Rd

**1 IN 24**  
 in Houston

**1 IN 42**  
 in Texas

**HOUSTON PROPERTY CRIMES**

POPULATION: 2,325,502

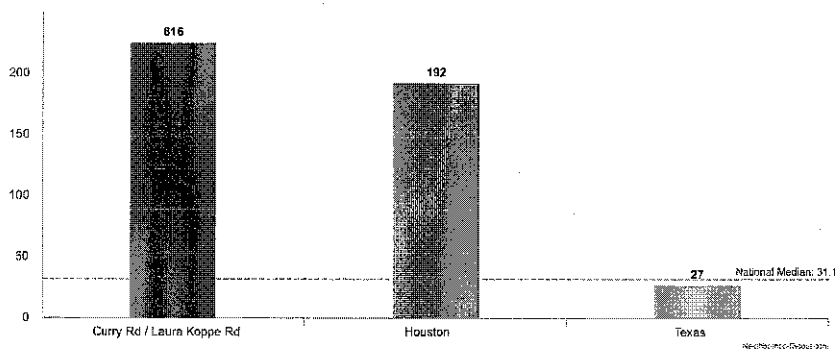
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	16,503	67,378	12,045
Rate per 1,000	7.10	28.97	5.18

**UNITED STATES PROPERTY CRIMES**

POPULATION: 327,167,434

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	1,230,149	5,217,055	748,841
Rate per 1,000	3.76	15.95	2.29

**CRIME PER SQUARE MILE**



HOUSTON, TX (CURRY RD / LAURA KOPPE RD) SCHOOLS

SCHOOL RATING INFORMATION

**SCHOOL QUALITY**

8

(100 is best)

Better than 8% of U.S. schools.

**NEIGHBORHOOD SCHOOL QUALITY RATING**

Rates the quality of all K-12 public schools that serve this neighborhood. ⓘ

SCHOOLS THAT SERVE THIS NEIGHBORHOOD

SCHOOL DETAILS	GRADES	QUALITY RATING COMPARED TO TX*	QUALITY RATING COMPARED TO NATION*
<u>Berry Elementary School</u>			
2310 Berry Rd Houston, TX 77093	PK-05	5	5
<u>Henry Middle School</u>			
10702 E Hardy Houston, TX 77093	06-08	1	1
<u>Kashmere H S School</u>			
6900 Wileyvale St Houston, TX 77028	09-12	2	1
<u>Key Middle School</u>			
4000 Kelley St Houston, TX 77026	06-08	1	1
<u>Northside H S School</u>			
1101 Quitman Houston, TX 77009	09-12	3	2
<u>Roderick R Paige Elementary School</u>			
7501 Curry Rd Houston, TX 77093	PK-05	1	1

\* 10 is highest

NEIGHBORHOOD EDUCATIONAL ENVIRONMENT

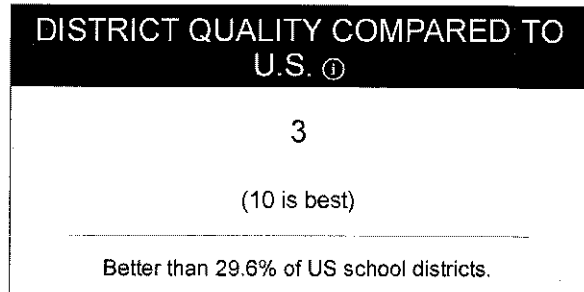
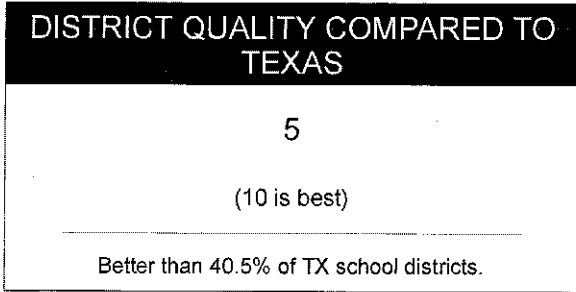
Adults In Neighborhood With College Degree Or Higher	4.2%
Children In The Neighborhood Living In Poverty ⓘ	80.0%



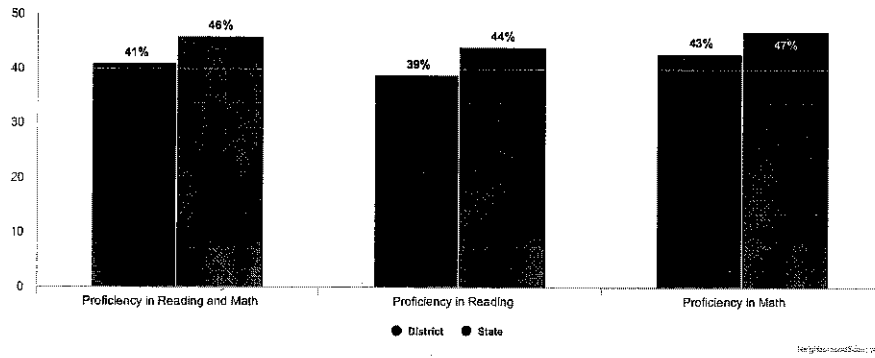
THIS NEIGHBORHOOD IS SERVED BY 1 DISTRICT:

HOUSTON ISD

<b>216,106</b> Students Enrolled in This District	<b>284</b> Schools in District	<b>19</b> Students Per Classroom
--	-----------------------------------	-------------------------------------



Public School Test Scores (No Child Left Behind)



School District Enrollment By Group

ETHNIC/RACIAL GROUPS	THIS DISTRICT	THIS STATE
White (non-hispanic)	8.8%	28.9%
Black	24.2%	12.9%
Hispanic	62.7%	53.3%
Asian Or Pacific Islander	3.9%	4.3%
American Indian Or Native Of Alaska	0.3%	0.5%

ECONOMIC GROUPS	THIS DISTRICT	THIS STATE
ECONOMICALLY DISADVANTAGED	77.0%	58.6%
FREE LUNCH ELIGIBLE	70.8%	52.7%
REDUCED LUNCH ELIGIBLE	6.1%	6.0%



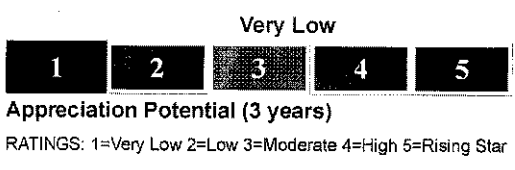
Educational Expenditures

FOR THIS DISTRICT	PER STUDENT	TOTAL	% OF TOTAL
Instructional Expenditures	\$5,290	\$1,140,666,830	41.7%
Support Expenditures			
Student	\$365	\$78,703,855	2.9%
Staff	\$477	\$102,854,079	3.8%
General Administration	\$80	\$17,250,160	0.6%
School Administration	\$641	\$138,216,907	5.1%
Operation	\$698	\$150,507,646	5.5%
Transportation	\$229	\$49,378,583	1.8%
Other	\$1,315	\$283,549,505	10.4%
Total Support	\$3,805	\$820,460,735	30.0%
Non-instructional Expenditures	\$3,594	\$774,963,438	28.3%
Total Expenditures	\$12,689	\$2,736,091,003	100.0%

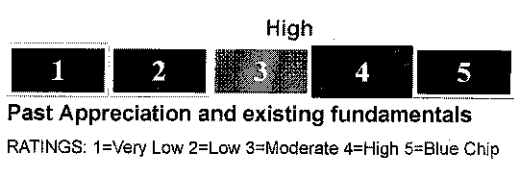
HOUSTON, TX (CURRY RD / LAURA KOPPE RD) TRENDS AND FORECAST

SCOUT VISION® SUMMARY

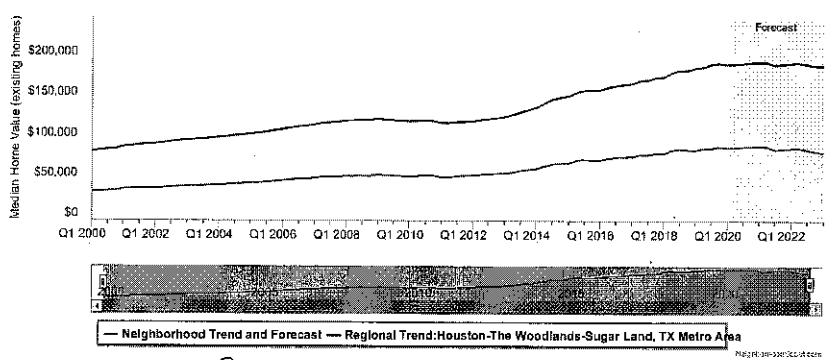
RISING STAR INDEX ①



BLUE CHIP INDEX ①



SCOUT VISION Neighborhood Home Value Trend and Forecast ①



SCOUT VISION® HOME VALUE TRENDS AND FORECAST

TIME PERIOD	TOTAL APPRECIATION	AVG. ANNUAL RATE	COMPARED TO METRO*	COMPARED TO AMERICA*
3 Year Forecast: 2020 Q1 - 2023 Q1	-7.74% ↓	-2.65% ↓	2	1
Latest Quarter: 2019 Q3 - 2019 Q4	2.00% ↑	8.25% ↑	1	9
Last 12 Months: 2018 Q4 - 2019 Q4	4.04% ↑	4.04% ↑	1	5
Last 2 Years: 2017 Q4 - 2019 Q4	9.66% ↑	4.72% ↑	7	5
Last 5 Years: 2014 Q4 - 2019 Q4	29.69% ↑	5.34% ↑	6	6
Last 10 Years: 2009 Q4 - 2019 Q4	65.77% ↑	5.18% ↑	8	9
Since 2000: 2000 Q1 - 2019 Q4	150.98% ↑	4.90% ↑	9	9

\* 10 is highest

### KEY PRICE DRIVERS AT THIS LOCATION

#### Pros

Factors likely to drive home values upward over the next few years or indicators of upward trends already underway.

- ➕ Access to High Paying Jobs

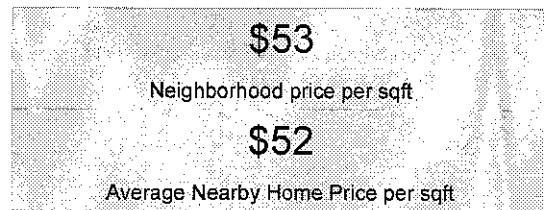
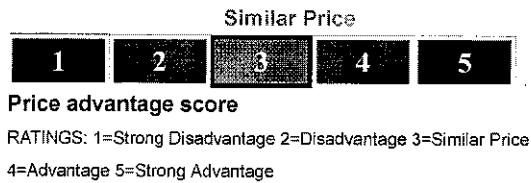
#### Cons

Impediments to home value appreciation over the next few years or indicators of negative trends already underway.

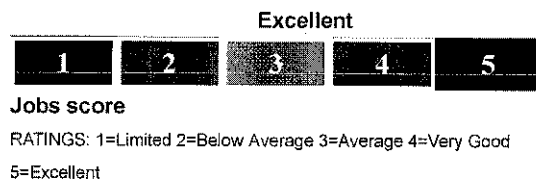
- ➖ Crime
- ➖ Regional Housing Market Outlook
- ➖ School Performance
- ➖ Vacancies
- ➖ Educated Population Trend
- ➖ Real Estate Values Nearby

### SCOUT VISION® PROXIMITY INDEX

#### PRICE ADVANTAGE OVER SURROUNDING NEIGHBORHOODS ①



#### ACCESS TO HIGH PAYING JOBS ①



#### JOBS WITHIN AN HOUR

WITHIN	HIGH-PAYING* JOBS
5 minutes	1266
10 minutes	13144
15 minutes	199677
20 minutes	486425
30 minutes	887653

\*Annual salary of \$75,000 or more

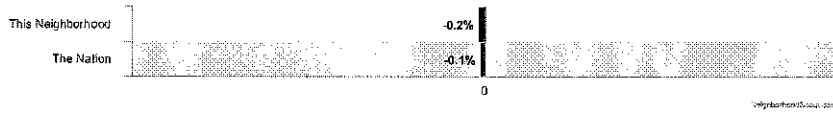


WITHIN	HIGH-PAYING* JOBS
45 minutes	1286378
60 minutes	1377972

\*Annual salary of \$75,000 or more

### SCOUT VISION® REAL ESTATE TRENDS AND FORECAST

#### AVG. ANNUAL HOMEOWNERSHIP TREND Over last 5 years



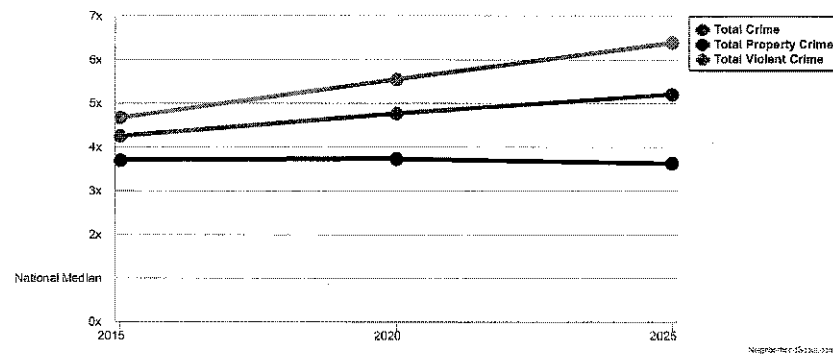
#### AVG. ANNUAL RENT PRICE TREND Over last 5 years



#### AVG. ANNUAL VACANCY TRENDS Over last 5 years

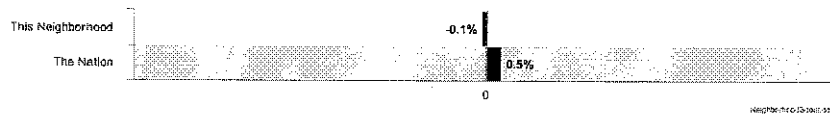


### SCOUT VISION® CRIME TRENDS AND FORECAST



### SCOUT VISION® EDUCATION TRENDS AND FORECAST

AVG. ANNUAL CHANGE IN COLLEGE GRADUATES Over last 5 years



AVG. ANNUAL CHANGE IN K-12 SCHOOL PERFORMANCE Over last 5 years



### SCOUT VISION® ECONOMIC TRENDS AND FORECAST

AVG ANNUAL CHANGE IN PER CAPITA INCOME Over last 5 years



AVG ANNUAL CHANGE IN HOUSEHOLD INCOME Over last 5 years ⓘ



AVG ANNUAL CHANGE IN UNEMPLOYMENT RATE Over last 5 years



### SCOUT VISION® DEMOGRAPHIC TRENDS

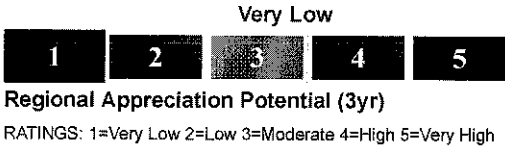
DISTANCE FROM LOCATION	POPULATION 5 YEARS AGO	CURRENT POPULATION	PERCENT CHANGE
Half Mile	2,681	2,901	8.19% ↑
1 Mile	11,615	11,336	-2.27% ↓
3 Miles	98,668	95,308	-3.40% ↓
5 Miles	287,070	282,364	-1.64% ↓
10 Miles	968,976	999,262	3.13% ↑
15 Miles	2,091,335	2,204,319	5.40% ↑
25 Miles	4,485,564	4,794,560	7.37% ↑
50 Miles	6,142,730	6,801,637	ⓘ 10.73% ↑



SCOUT VISION® REGIONAL HOUSING MARKET ANALYSIS

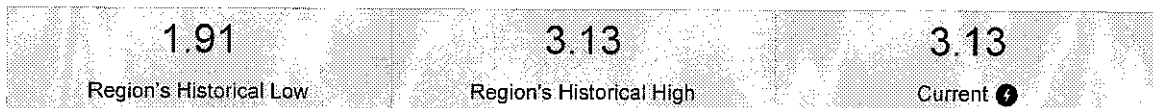
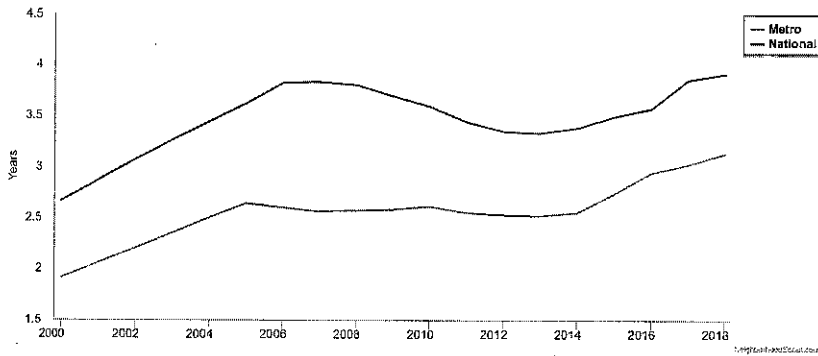
HOUSTON-THE WOODLANDS-  
 SUGAR LAND, TX METRO AREA  
 REGIONAL INVESTMENT POTENTIAL

①



HOUSING AFFORDABILITY TRENDS: HOUSTON-THE WOODLANDS-SUGAR  
 LAND, TX METRO AREA ①

Years of average household income needed to buy average home





REGIONAL 1 AND 2 YEAR GROWTH TRENDS ⓘ

REGIONAL TREND	LAST 2 YEARS	COMPARED TO NATION*	LAST 1 YEAR	COMPARED TO NATION*
Population Growth	2.72% ↑	9 ⚡	1.33% ↑	9 ⚡
Job Growth	4.93% ↑	8	2.12% ↑	7
Income Trend (Wages)	9.18% ↑	7	5.35% ↑	8
Unemployment Trend	-0.82% ↓	8	-0.33% ↓	7
Stock Performance of Region's Industries	-3.01% ↓	1 ⚡	-23.32% ↓	1 ⚡
Housing Added	3.19% ↑	10 ⚡	1.54% ↑	9 ⚡
Vacancy Trend	1.92% ↑	1 ⚡	0.04% ↑	5

\* 10 is highest

**Disclaimer**

Forecasts of potential occurrences or non-occurrences of future conditions and events are inherently uncertain. Actual results may differ materially from what is predicted in any information provided by location inc. Nothing contained in or generated by a Location Inc. Product or services is, or should be relied upon as, a promise or representation as to the future performance or prediction of real estate values. No representation is made as to the accuracy of any forecast, estimate, or projection. Location Inc. Makes no express or implied warranty and all information and content is provided "As is" without any warranties of any kind. Location inc. Expressly disclaims any warranty of accuracy or predictability, and any warranty of merchantability and fitness for a particular purpose. Location Inc. Further disclaims any liability for damages, loss, or injury arising out of the use this site and the data. All risks associated with using the site and the data are borne by the user at user's sole cost and expense. By using the site you agree to our Terms of Use.





## ABOUT HOUSTON, TX (CURRY RD / LAURA KOPPE RD)

### Real Estate Prices and Overview

Curry Rd / Laura Koppe Rd median real estate price is \$91,445, which is less expensive than 82.0% of Texas neighborhoods and 88.1% of all U.S. neighborhoods.

The average rental price in Curry Rd / Laura Koppe Rd is currently \$868, based on NeighborhoodScout's exclusive analysis. Rents here are currently lower in price than 87.5% of Texas neighborhoods.

Curry Rd / Laura Koppe Rd is an urban neighborhood (based on population density) located in Houston, Texas.

Curry Rd / Laura Koppe Rd real estate is primarily made up of small (studio to two bedroom) to medium sized (three or four bedroom) single-family homes and apartment complexes/high-rise apartments. Most of the residential real estate is renter occupied. Many of the residences in the Curry Rd / Laura Koppe Rd neighborhood are older, well-established, built between 1940 and 1969. A number of residences were also built between 1970 and 1999.

Curry Rd / Laura Koppe Rd has a 14.7% vacancy rate, which is well above average compared to other U.S. neighborhoods (higher than 73.9% of American neighborhoods). Most vacant housing here is vacant year round. This could either signal that there is a weak demand for real estate in the neighborhood or that large amount of new housing has been built and not yet occupied. Either way, if you live here, you may find many of the homes or apartments are empty.

### Notable & Unique Neighborhood Characteristics

When you see a neighborhood for the first time, the most important thing is often the way it looks, like its homes and its setting. Some places look the same, but they only reveal their true character after living in them for a while because they contain a unique mix of occupational or cultural groups. This neighborhood is very unique in some important ways, according to NeighborhoodScout's exclusive exploration and analysis.

#### Notable & Unique: Occupations

NeighborhoodScout's exclusive research identifies the Curry Rd / Laura Koppe Rd neighborhood as having one of the highest concentrations of people employed in manufacturing or as laborers of any neighborhood in America. In fact, despite the loss of manufacturing jobs nationally, this neighborhood has 59.7% of its working residents employed in such fields, which is a higher proportion than 99.9% of American neighborhoods.

#### Notable & Unique: People

The Curry Rd / Laura Koppe Rd neighborhood stands out for having an average per capita income lower than 96.7% of the neighborhoods in the United States. Also of note, 80.0% of the children in this area live in poverty; an extraordinarily high percentage compared to other neighborhoods in the nation. In a nation where approximately one in four children grows up in poverty, this neighborhood stands out for the depth of the problem manifested here.

In addition, whether by choice, divorce, or unplanned pregnancy, single moms may have the toughest job in the book. NeighborhoodScout's exclusive analysis reveals that the Curry Rd / Laura Koppe Rd neighborhood has more single mother households than 99.2% of the neighborhoods in the U.S. Often high concentrations of single mother homes can



be a strong indicator of family and social issues such as poverty, high rates of school dropouts, crime, and other societal problems.

Also, the Curry Rd / Laura Koppe Rd neighborhood is unique for having just 4.2% of adults here having earned a bachelor's degree. This is a lower rate of college graduates than NeighborhoodScout found in 97.6% of America's neighborhoods.

#### Notable & Unique: Diversity

Did you know that the Curry Rd / Laura Koppe Rd neighborhood has more Mexican and African ancestry people living in it than nearly any neighborhood in America? It's true! In fact, 57.0% of this neighborhood's residents have Mexican ancestry and 7.0% have African ancestry.

### The Neighbors

#### The Neighbors: Income

There are two complementary measures for understanding the income of a neighborhood's residents: the average and the extremes. While a neighborhood may be relatively wealthy overall, it is equally important to understand the rate of people - particularly children - who are living at or below the federal poverty line, which is extremely low income. Some neighborhoods with a lower average income may actually have a lower childhood poverty rate than another with a higher average income, and this helps us understand the conditions and character of a neighborhood.

The neighbors in the Curry Rd / Laura Koppe Rd neighborhood in Houston are low income, making it among the lowest income neighborhoods in America. NeighborhoodScout's research shows that this neighborhood has an income lower than 96.7% of U.S. neighborhoods. With 80.0% of the children here below the federal poverty line, this neighborhood has a higher rate of childhood poverty than 99.5% of U.S. neighborhoods.

#### The Neighbors: Occupations

A neighborhood is far different if it is dominated by enlisted military personnel rather than people who earn their living by farming. It is also different if most of the neighbors are clerical support or managers. What is wonderful is the sheer diversity of neighborhoods, allowing you to find the type that fits your lifestyle and aspirations.

In the Curry Rd / Laura Koppe Rd neighborhood, 59.7% of the working population is employed in manufacturing and laborer occupations. The second most important occupational group in this neighborhood is sales and service jobs, from major sales accounts, to working in fast food restaurants, with 23.1% of the residents employed. Other residents here are employed in clerical, assistant, and tech support occupations (11.8%), and 5.5% in executive, management, and professional occupations.

### The Neighbors: Languages

The most common language spoken in the Curry Rd / Laura Koppe Rd neighborhood is English, spoken by 50.7% of households. Some people also speak Spanish (49.3%).



## The Neighbors: Ethnicity / Ancestry

Boston's Beacon Hill blue-blood streets, Brooklyn's Orthodox Jewish enclaves, Los Angeles' Persian neighborhoods. Each has its own culture derived primarily from the ancestries and culture of the residents who call these neighborhoods home. Likewise, each neighborhood in America has its own culture – some more unique than others – based on lifestyle, occupations, the types of households – and importantly – on the ethnicities and ancestries of the people who live in the neighborhood. Understanding where people came from, who their grandparents or great-grandparents were, can help you understand how a neighborhood is today.

In the Curry Rd / Laura Koppe Rd neighborhood in Houston, TX, residents most commonly identify their ethnicity or ancestry as Mexican (57.0%). There are also a number of people of Sub-Saharan African ancestry (7.0%), and residents who report African roots (7.0%). In addition, 19.7% of the residents of this neighborhood were born in another country.

## Getting to Work

How you get to work – car, bus, train or other means – and how much of your day it takes to do so is a large quality of life and financial issue. Especially with gasoline prices rising and expected to continue doing so, the length and means of one's commute can be a financial burden. Some neighborhoods are physically located so that many residents have to drive in their own car, others are set up so many walk to work, or can take a train, bus, or bike. The greatest number of commuters in Curry Rd / Laura Koppe Rd neighborhood spend between 30 and 45 minutes commuting one-way to work (46.2% of working residents), which is at or a bit above the average length of a commute across all U.S. neighborhoods.

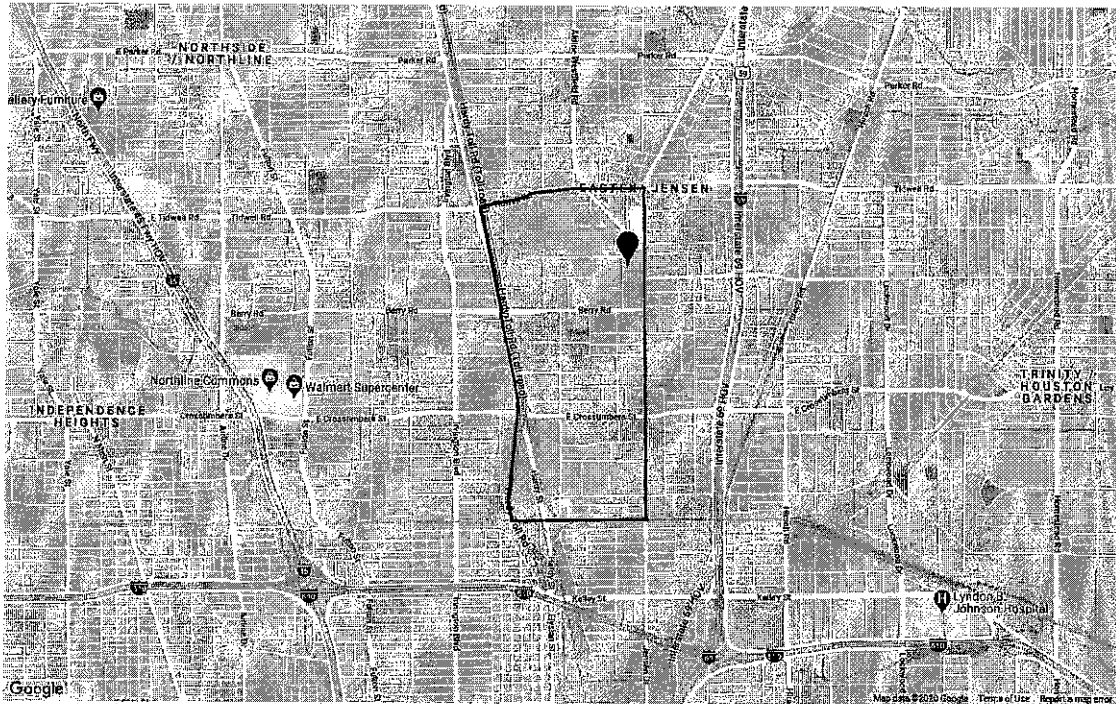
Here most residents (74.5%) drive alone in a private automobile to get to work. In addition, quite a number also carpool with coworkers, friends, or neighbors to get to work (5.7%). In a neighborhood like this, as in most of the nation, many residents find owning a car useful for getting to work.

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020



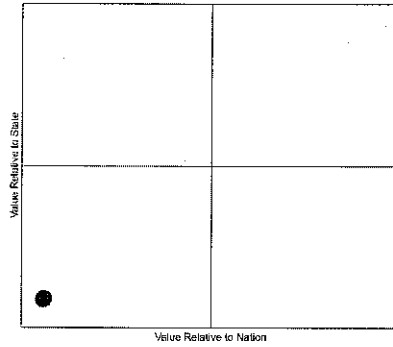
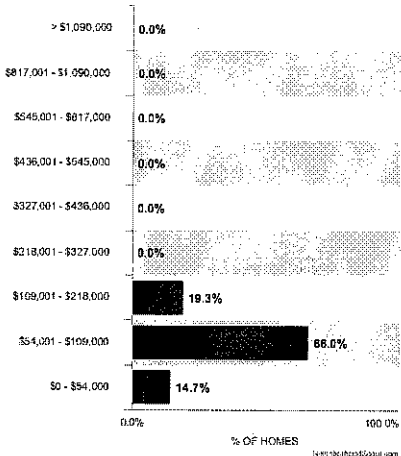
— Neighborhood Boundary    - - - - - Micro-Neighborhood Boundary

THE 8826 HARRELL ST NEIGHBORHOOD REAL ESTATE

AVERAGE HOME VALUES

<b>MEDIAN HOME VALUE:</b>	<b>MEDIAN REAL ESTATE TAXES:</b>
<b>\$72,035</b>	<b>\$1,361 (1.9% effective rate)</b>

NEIGHBORHOOD HOME PRICES

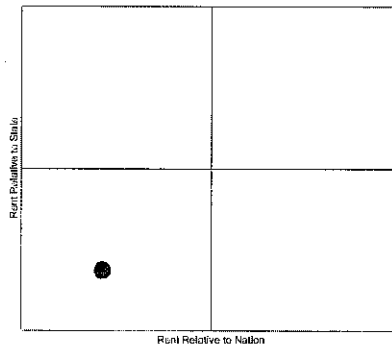
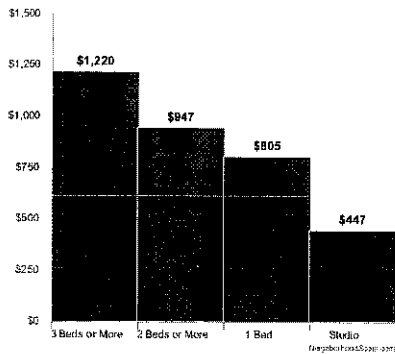


**YEARS OF AVERAGE RENT NEEDED TO BUY AVERAGE HOME IN THIS NEIGHBORHOOD**  
**6 YEARS AND 4 MONTHS**

AVERAGE MARKET RENT

<b>AVERAGE MARKET RENT:</b>	<b>GROSS RENTAL YIELD:</b>
<b>\$925 / per month</b>	<b>17.01</b>

MEDIAN MONTHLY RENT BY NUMBER OF BEDROOMS



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

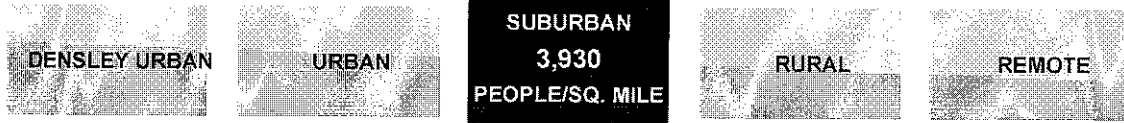
## SETTING

COASTAL

LAKEFRONT

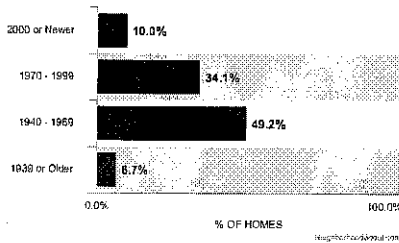
FARMS

## NEIGHBORHOOD LOOK AND FEEL

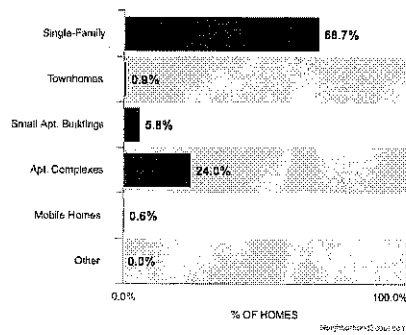


## HOUSING MARKET DETAILS

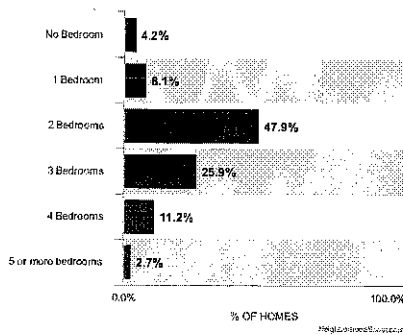
### AGE OF HOMES



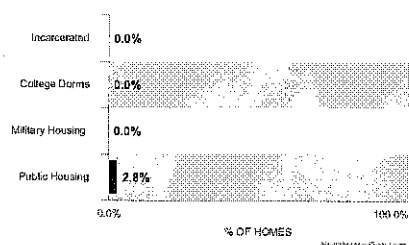
### TYPES OF HOMES



### HOME SIZE



### SPECIAL PURPOSE HOUSING



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract

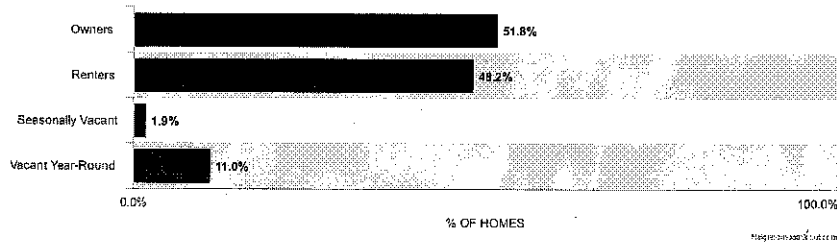


8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## HOMEOWNERSHIP

### HOMEOWNERSHIP RATE



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## THE 8826 HARRELL ST NEIGHBORHOOD DEMOGRAPHICS

136 Vital Statistics. 2 Condition Alerts found.

### LIFESTYLE

43.7%	College Student Friendly	Poor
23.6%	Young Single Professionals	Poor
23.6%	First Time Homebuyers	Poor
23.5%	Family Friendly	Poor
6.4%	Retirement Dream Areas	Poor
3.5%	Luxury Communities	Poor
0.0%	Vacation Home Locations	Poor

### SPECIAL CHARACTER

69.8%	Walkable	Fair
19.1%	Hip Trendy	Poor
12.6%	Quiet	Poor
3.5%	Urban Sophisticates	Poor
0.0%	Nautical	Poor



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract

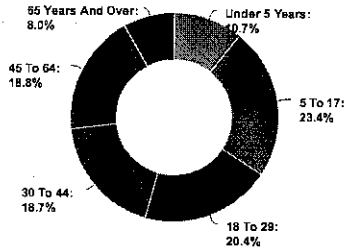


8826 Harrell St, Houston, TX 77093

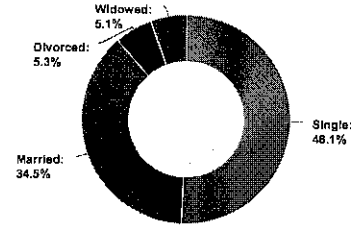
Report date Monday, April 27, 2020

## AGE / MARITAL STATUS

### AGE



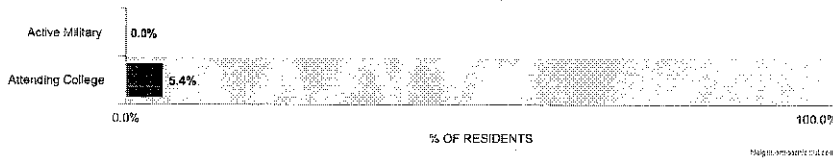
### MARITAL STATUS



## GENDER RATIO

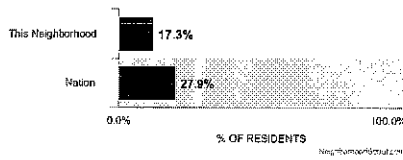


## MILITARY & COLLEGE STATUS

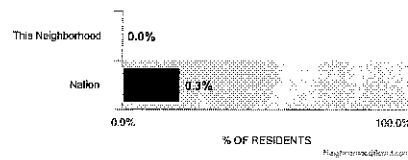


## HOUSEHOLD TYPES

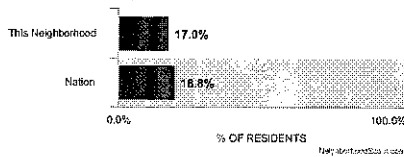
### ONE PERSON HOUSEHOLDS



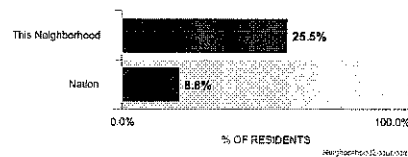
### SAME SEX PARTNERS



### MARRIED COUPLE WITH CHILD



### SINGLE PARENT WITH CHILD



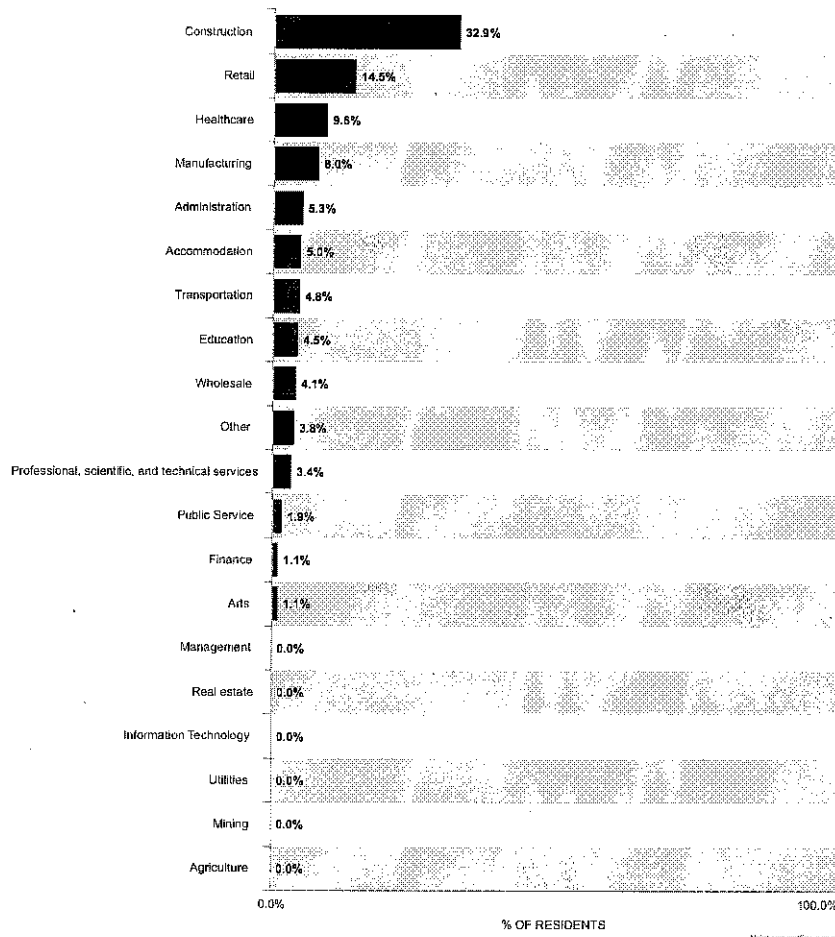
# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

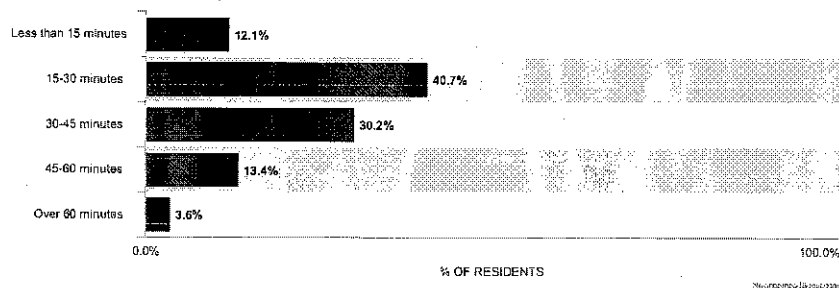
Report date Monday, April 27, 2020

## EMPLOYMENT INDUSTRIES



## COMMUTE TO WORK

### AVERAGE ONE-WAY COMMUTE TIME



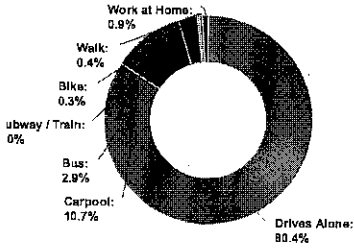
# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



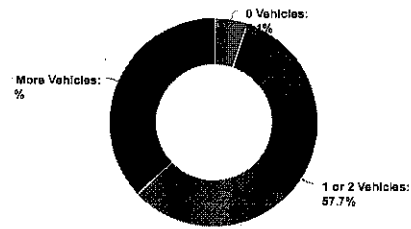
8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

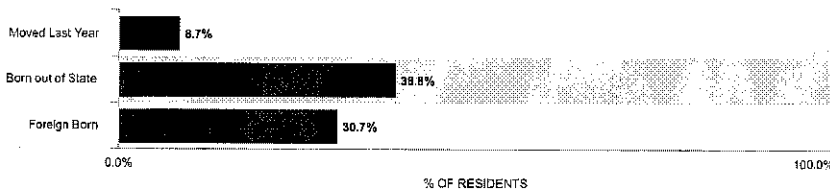
## MEANS OF TRANSPORT



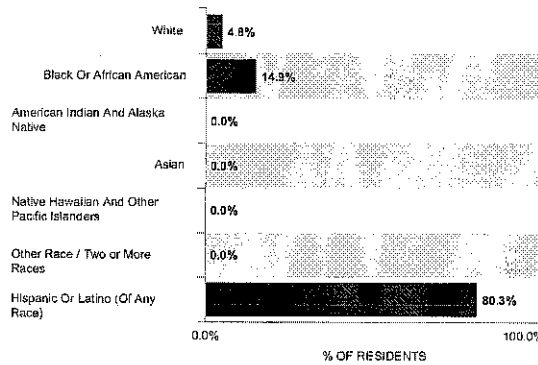
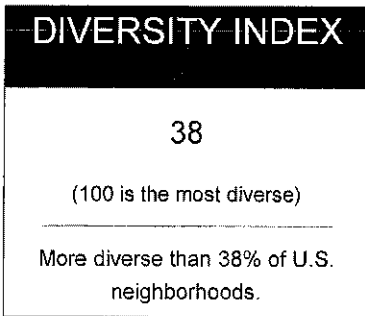
## VEHICLES PER HOUSEHOLD



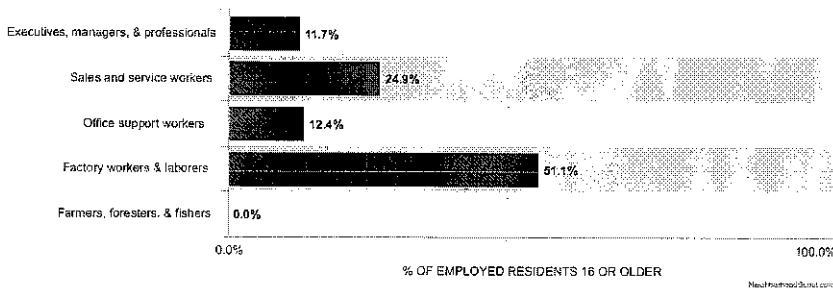
## MIGRATION & MOBILITY



## RACE & ETHNIC DIVERSITY



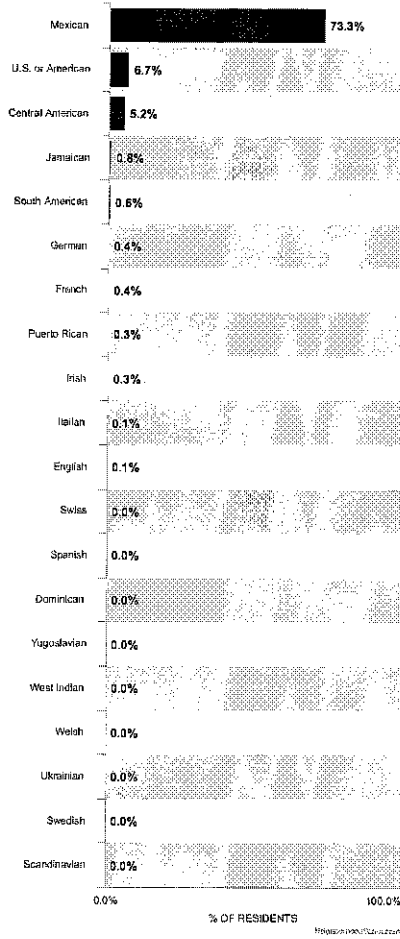
## OCCUPATIONS



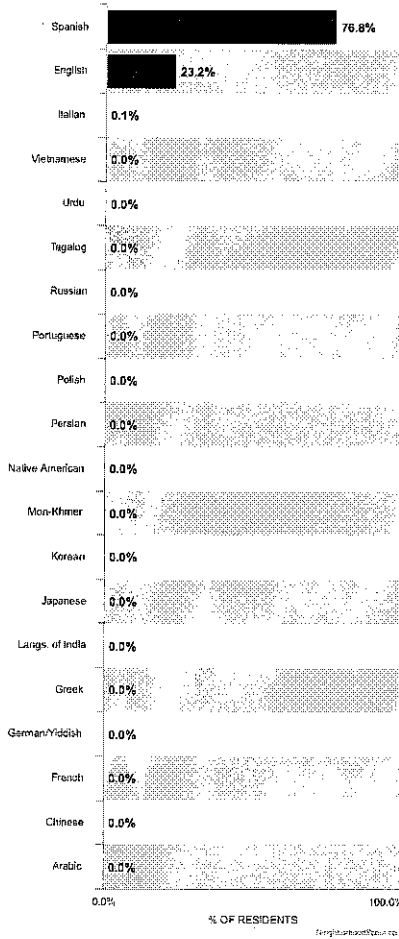


ANCESTRIES & LANGUAGES SPOKEN

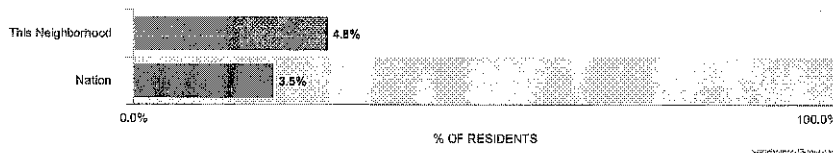
ANCESTRY (TOP 20)



LANGUAGES SPOKEN (TOP 20)



UNEMPLOYMENT RATE



AVERAGE INCOME

PER CAPITA INCOME



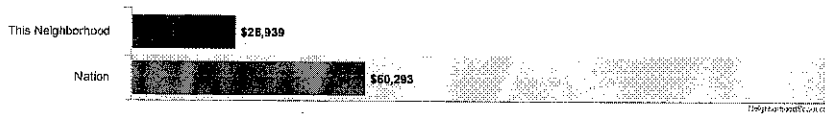
# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

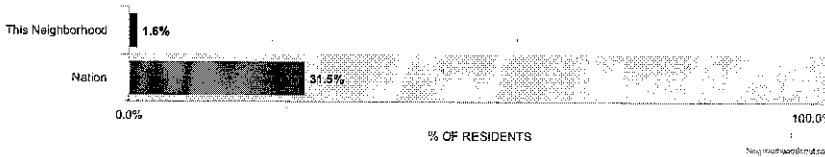
Report date Monday, April 27, 2020

## MEDIAN HOUSEHOLD INCOME

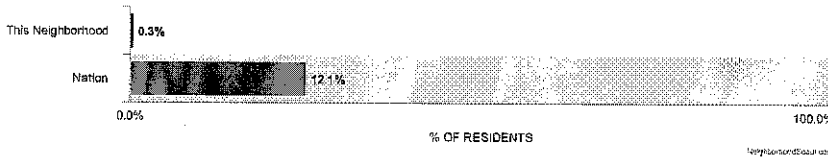


## EDUCATION

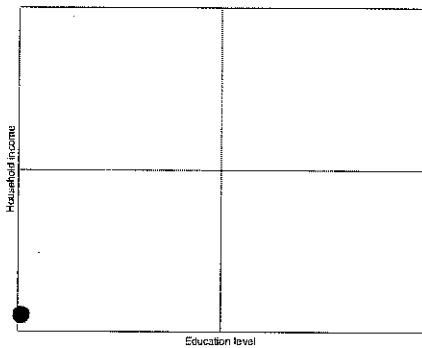
### PERCENT WITH COLLEGE DEGREE



### PERCENT WITH ADVANCE DEGREE



## INCOME AND EDUCATION



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## THE 8826 HARRELL ST NEIGHBORHOOD CRIME

67 Vital Statistics. 7 Condition Alerts found.

### NEIGHBORHOOD CRIME DATA

**TOTAL CRIME INDEX**

**3**

(100 is safest) ⓘ

---

Safer than 3% of U.S. neighborhoods.

**NEIGHBORHOOD ANNUAL CRIMES**

	VIOLENT	PROPERTY	TOTAL
Number of Crimes	139	395	534
Crime Rate (per 1,000 residents)	22.00	62.53	84.53

### NEIGHBORHOOD VIOLENT CRIME

**VIOLENT CRIME INDEX**

**1**

(100 is safest) ⓘ

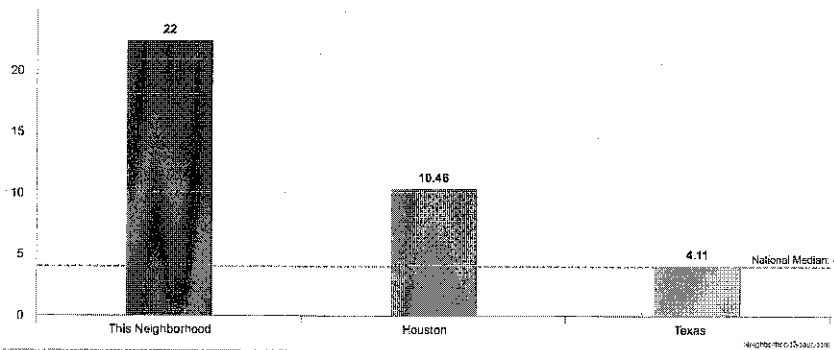
---

Safer than 1% of U.S. neighborhoods.

**VIOLENT CRIME INDEX BY TYPE**

MURDER INDEX	RAPE INDEX	ROBBERY INDEX	ASSAULT INDEX
<b>7</b> <small>100 is safest</small>	<b>13</b> <small>100 is safest</small>	<b>1</b> <small>100 is safest</small>	<b>2</b> <small>100 is safest</small>

### VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



**MY CHANCES OF BECOMING A VICTIM OF A VIOLENT CRIME**

**1 IN 45 ⓘ**

in this Neighborhood

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

**1 IN 96**  
in Houston

**1 IN 243**  
in Texas

## HOUSTON VIOLENT CRIMES

POPULATION: 2,325,502

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	276	1,324	8,818	13,912
Rate per 1,000	0.12	0.57	3.79	5.98

## UNITED STATES VIOLENT CRIMES

POPULATION: 327,167,434

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	16,214	139,380	282,081	807,410
Rate per 1,000	0.05	0.43	0.86	2.47

## NEIGHBORHOOD PROPERTY CRIME

**PROPERTY CRIME INDEX**

**4**

(100 is safest) ⓘ

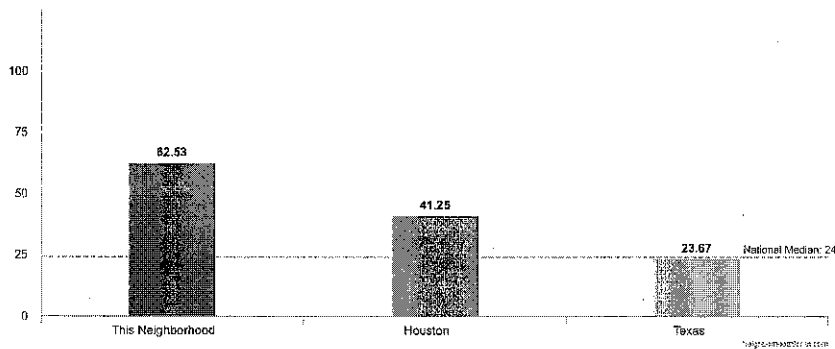
---

Safer than 4% of U.S. neighborhoods.

**PROPERTY CRIME INDEX BY TYPE**

BURGLARY INDEX	THEFT INDEX	MOTOR VEHICLE THEFT
<b>4</b> <small>100 is safest</small>	<b>6</b> <small>100 is safest</small>	<b>0</b> <small>100 is safest ⓘ</small>

## PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## MY CHANCES OF BECOMING A VICTIM OF A PROPERTY CRIME

**1 IN 16**  
in this Neighborhood

**1 IN 24**  
in Houston

**1 IN 42**  
in Texas

### HOUSTON PROPERTY CRIMES

POPULATION: 2,325,502

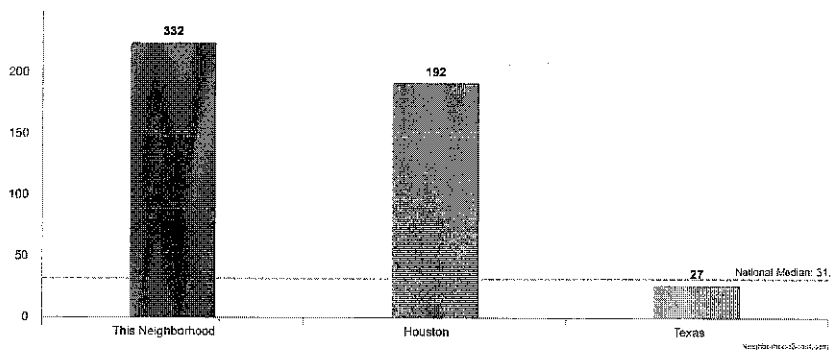
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	16,503	67,378	12,045
Rate per 1,000	7.10	28.97	5.18

### UNITED STATES PROPERTY CRIMES

POPULATION: 327,167,434

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	1,230,149	5,217,055	748,841
Rate per 1,000	3.76	15.95	2.29

### CRIME PER SQUARE MILE







THE 8826 HARRELL ST NEIGHBORHOOD SCHOOLS

SCHOOL RATING INFORMATION

SCHOOL QUALITY	ADDRESS SCHOOL QUALITY RATING
<p><b>35</b></p> <p>(100 is best)</p> <hr/> <p>Better than 35% of U.S. schools.</p>	<p>Address-Specific School Quality Rating. Rates the quality of the K-12 public schools that serve this address. ⓘ</p>

SCHOOLS IN THIS ADDRESS

SCHOOL DETAILS	GRADES	QUALITY RATING COMPARED TO TX*	QUALITY RATING COMPARED TO NATION*
<u>Barry Elementary School</u>			
2310 Berry Rd Houston, TX 77093	PK-05	5	5
<u>Henry Middle School</u>			
10702 E Hardy Houston, TX 77093	06-08	1	1
<u>Houston Academy For International Studies School</u>			
1810 Stuart Houston, TX 77004	09-12	10	10
<u>Houston Math Science And Technology Center School</u>			
9400 Irvington Houston, TX 77076	09-12	2	1

\* 10 is highest

NEIGHBORHOOD EDUCATIONAL ENVIRONMENT

Adults In Neighborhood With College Degree Or Higher	1.6%
Children In The Neighborhood Living In Poverty ⓘ	62.1%

THIS NEIGHBORHOOD IS SERVED BY 1 DISTRICT:

HOUSTON ISD

<b>216,106</b>	<b>284</b>	<b>19 ⓘ</b>
Students Enrolled in This District	Schools in District	Students Per Classroom

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

**DISTRICT QUALITY COMPARED TO TEXAS**

**5**

(10 is best)

Better than 40.5% of TX school districts.

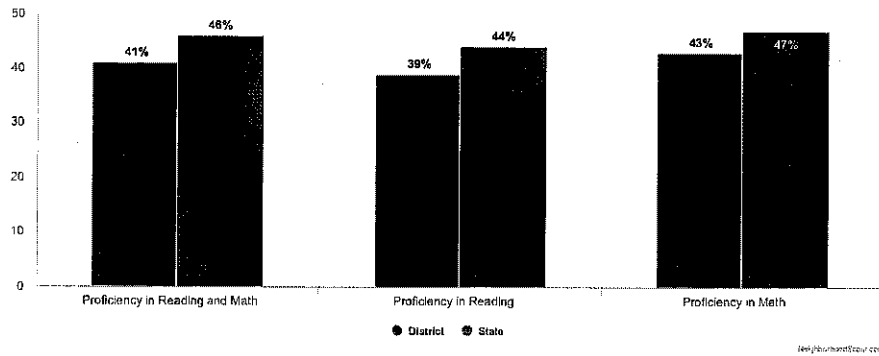
**DISTRICT QUALITY COMPARED TO U.S. ①**

**3**

(10 is best)

Better than 29.6% of US school districts.

## Public School Test Scores (No Child Left Behind)



## School District Enrollment By Group

ETHNIC/RACIAL GROUPS	THIS DISTRICT	THIS STATE
White (non-hispanic)	8.8%	28.9%
Black	24.2%	12.9%
Hispanic	62.7%	53.3%
Asian Or Pacific Islander	3.9%	4.3%
American Indian Or Native Of Alaska	0.3%	0.5%

ECONOMIC GROUPS	THIS DISTRICT	THIS STATE
ECONOMICALLY DISADVANTAGED	77.0%	58.6%
FREE LUNCH ELIGIBLE	70.8%	52.7%
REDUCED LUNCH ELIGIBLE	6.1%	6.0%

## Educational Expenditures

FOR THIS DISTRICT	PER STUDENT	TOTAL	% OF TOTAL
Instructional Expenditures	\$5,290	\$1,140,666,830	41.7%
Support Expenditures			
Student	\$365	\$78,703,855	2.9%
Staff	\$477	\$102,854,079	3.8%

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

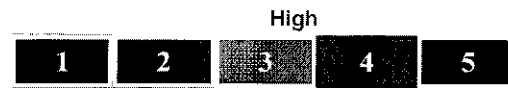
FOR THIS DISTRICT	PER STUDENT	TOTAL	% OF TOTAL
General Administration	\$80	\$17,250,160	0.6%
School Administration	\$641	\$138,216,907	5.1%
Operation	\$698	\$150,507,646	5.5%
Transportation	\$229	\$49,378,583	1.8%
Other	\$1,315	\$283,549,505	10.4%
<b>Total Support</b>	<b>\$3,805</b>	<b>\$820,460,735</b>	<b>30.0%</b>
Non-instructional Expenditures	\$3,594	\$774,963,438	28.3%
<b>Total Expenditures</b>	<b>\$12,689</b>	<b>\$2,736,091,003</b>	<b>100.0%</b>

THE 8826 HARRELL ST TRENDS AND FORECAST

SCOUT VISION® SUMMARY

RISING STAR INDEX ①

BLUE CHIP INDEX ①



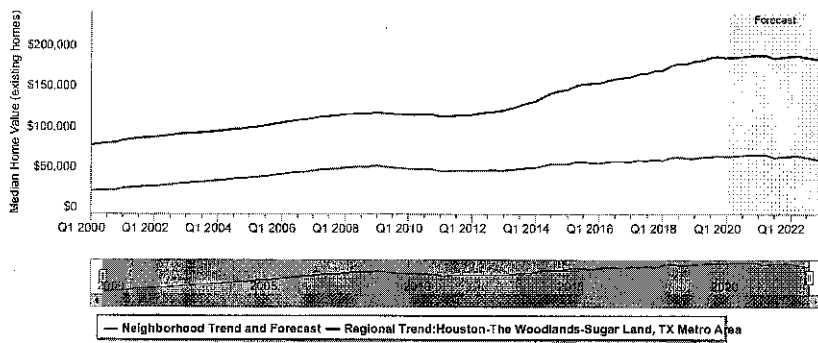
Appreciation Potential (3 years)

Past Appreciation and existing fundamentals

RATINGS: 1=Very Low 2=Low 3=Moderate 4=High 5=Rising Star

RATINGS: 1=Very Low 2=Low 3=Moderate 4=High 5=Blue Chip

SCOUT VISION Neighborhood Home Value Trend and Forecast ①



SCOUT VISION® HOME VALUE TRENDS AND FORECAST

TIME PERIOD	TOTAL APPRECIATION	AVG. ANNUAL RATE	COMPARED TO METRO*	COMPARED TO AMERICA*
3 Year Forecast: 2020 Q1 - 2023 Q1	-7.16% ↓	-2.45% ↓	2	1
Latest Quarter: 2019 Q3 - 2019 Q4	2.00% ↑	8.25% ↑	10	10
Last 12 Months: 2018 Q4 - 2019 Q4	4.04% ↑	4.04% ↑	10	5
Last 2 Years: 2017 Q4 - 2019 Q4	7.29% ↑	3.58% ↑	3	3
Last 5 Years: 2014 Q4 - 2019 Q4	17.35% ↑	3.25% ↑	2	3
Last 10 Years: 2009 Q4 - 2019 Q4	26.42% ↑	2.37% ↑	1	5
Since 2000: 2000 Q1 - 2019 Q4	144.68% ↑	4.76% ↑	9	10

\* 10 is highest

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## KEY PRICE DRIVERS AT THIS LOCATION

### Pros

Factors likely to drive home values upward over the next few years or indicators of upward trends already underway.

- ⊕ Educated Population Trend
- ⊕ Access to High Paying Jobs

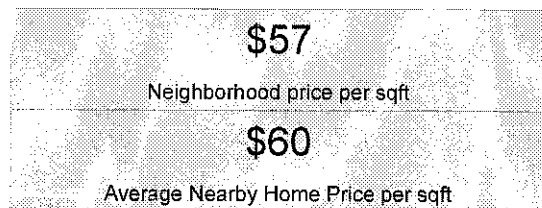
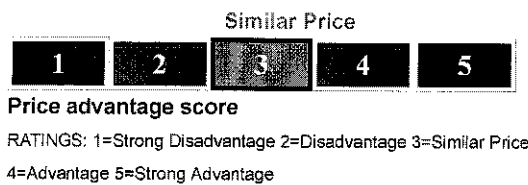
### Cons

Impediments to home value appreciation over the next few years or indicators of negative trends already underway.

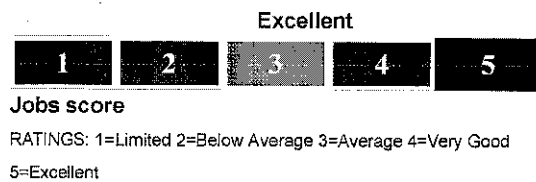
- ⊖ Crime
- ⊖ Regional Housing Market Outlook
- ⊖ Vacancies
- ⊖ Income Trend

## SCOUT VISION® PROXIMITY INDEX

### PRICE ADVANTAGE OVER SURROUNDING NEIGHBORHOODS ①



### ACCESS TO HIGH PAYING JOBS ①



### JOBS WITHIN AN HOUR

WITHIN	HIGH-PAYING* JOBS
5 minutes	880
10 minutes	7562
15 minutes	162331
20 minutes	316731
30 minutes	783188
45 minutes	1259009
60 minutes	1371292

\*Annual salary of \$75,000 or more

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



8826 Harrell St, Houston, TX 77093

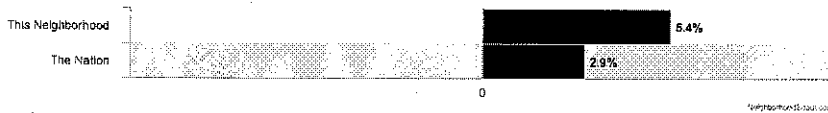
Report date Monday, April 27, 2020

## SCOUT VISION® REAL ESTATE TRENDS AND FORECAST

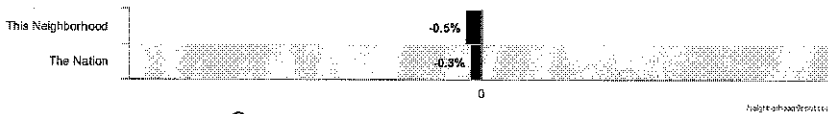
### AVG. ANNUAL HOMEOWNERSHIP TREND Over last 5 years



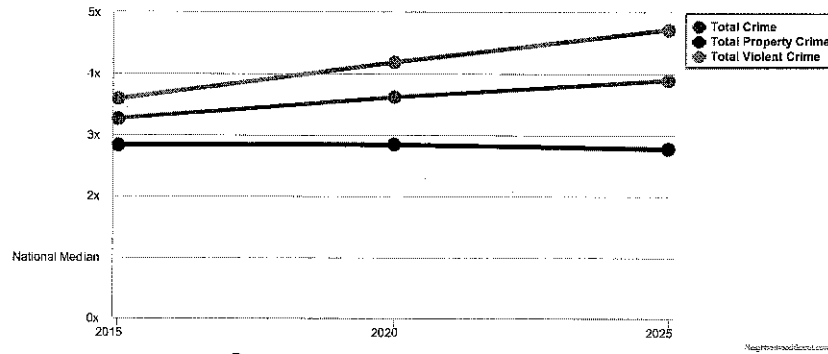
### AVG. ANNUAL RENT PRICE TREND Over last 5 years



### AVG. ANNUAL VACANCY TRENDS Over last 5 years

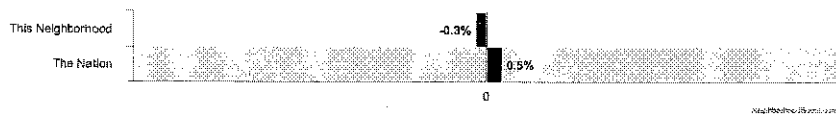


## SCOUT VISION® CRIME TRENDS AND FORECAST

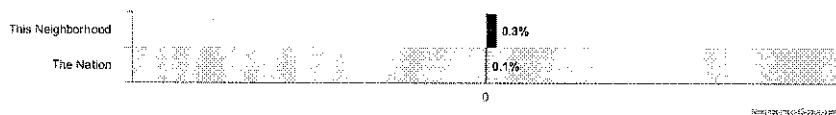


## SCOUT VISION® EDUCATION TRENDS AND FORECAST

### AVG. ANNUAL CHANGE IN COLLEGE GRADUATES Over last 5 years



### AVG. ANNUAL CHANGE IN K-12 SCHOOL PERFORMANCE Over last 5 years



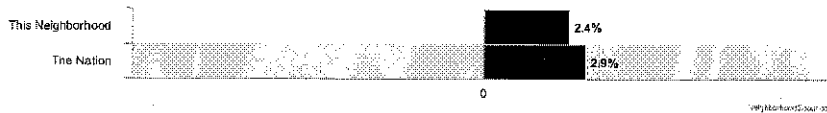


SCOUT VISION® ECONOMIC TRENDS AND FORECAST

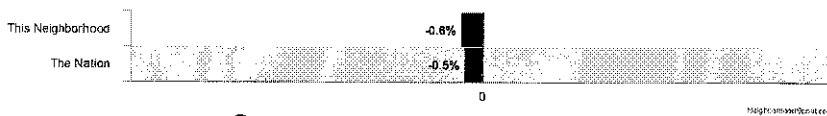
AVG ANNUAL CHANGE IN PER CAPITA INCOME Over last 5 years



AVG ANNUAL CHANGE IN HOUSEHOLD INCOME Over last 5 years



AVG ANNUAL CHANGE IN UNEMPLOYMENT RATE Over last 5 years



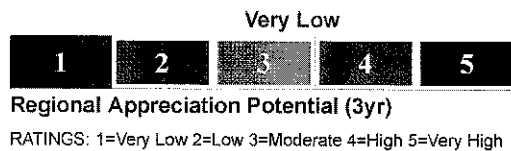
SCOUT VISION® DEMOGRAPHIC TRENDS

DISTANCE FROM LOCATION	POPULATION 5 YEARS AGO	CURRENT POPULATION	PERCENT CHANGE
Half Mile	3,240	3,354	3.54% ↑
1 Mile	10,805	11,213	3.78% ↑
3 Miles	103,903	101,744	-2.08% ↓
5 Miles	290,071	285,968	-1.41% ↓
10 Miles	931,205	969,395	4.10% ↑
15 Miles	2,087,085	2,198,765	5.35% ↑
25 Miles	4,483,789	4,835,120	7.62% ↑
50 Miles	6,144,801	6,803,198	10.71% ↑

SCOUT VISION® REGIONAL HOUSING MARKET ANALYSIS

HOUSTON-THE WOODLANDS-  
SUGAR LAND, TX METRO AREA  
REGIONAL INVESTMENT POTENTIAL

①



# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract

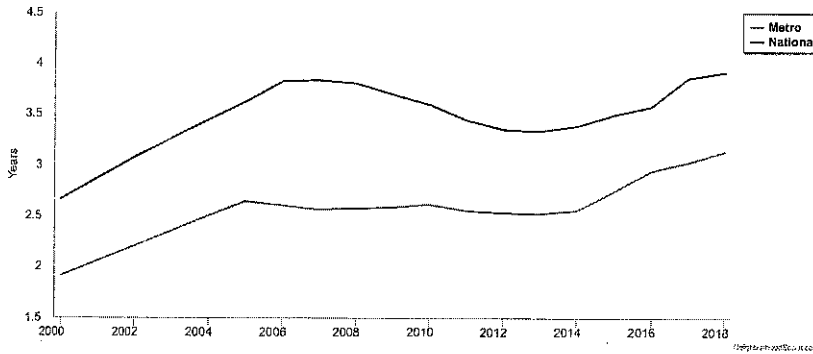


8826 Harrell St, Houston, TX 77093

Report date Monday, April 27, 2020

## HOUSING AFFORDABILITY TRENDS: HOUSTON-THE WOODLANDS-SUGAR LAND, TX METRO AREA ①

Years of average household income needed to buy average home



## REGIONAL 1 AND 2 YEAR GROWTH TRENDS ①

REGIONAL TREND	LAST 2 YEARS	COMPARED TO NATION*	LAST 1 YEAR	COMPARED TO NATION*
Population Growth	2.72% ↑	9 ⚡	1.33% ↑	9 ⚡
Job Growth	4.93% ↑	8	2.12% ↑	7
Income Trend (Wages)	9.18% ↑	7	5.35% ↑	8
Unemployment Trend	-0.82% ↓	8	-0.33% ↓	7
Stock Performance of Region's Industries	-3.01% ↓	1 ⚡	-23.32% ↓	1 ⚡
Housing Added	3.19% ↑	10 ⚡	1.54% ↑	9 ⚡
Vacancy Trend	1.92% ↑	1 ⚡	0.04% ↑	5

\* 10 is highest

### Disclaimer

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## ABOUT THE 8826 HARRELL ST NEIGHBORHOOD

### Real Estate Prices and Overview

This neighborhood's median real estate price is \$72,035, which is less expensive than 91.3% of Texas neighborhoods and 94.0% of all U.S. neighborhoods.

The average rental price in this neighborhood is currently \$925, based on NeighborhoodScout's exclusive analysis. Rents here are currently lower in price than 81.5% of Texas neighborhoods.

This is a suburban neighborhood (based on population density) located in Houston, Texas.

This neighborhood's real estate is primarily made up of small (studio to two bedroom) to medium sized (three or four bedroom) single-family homes and apartment complexes/high-rise apartments. Most of the residential real estate is occupied by a mixture of owners and renters. Many of the residences in this neighborhood are older, well-established, built between 1940 and 1969. A number of residences were also built between 1970 and 1999.

This neighborhood has a 12.8% vacancy rate, which is well above average compared to other U.S. neighborhoods (higher than 67.7% of American neighborhoods). Most vacant housing here is vacant year round. This could either signal that there is a weak demand for real estate in the neighborhood or that large amount of new housing has been built and not yet occupied. Either way, if you live here, you may find many of the homes or apartments are empty.

### Notable & Unique Neighborhood Characteristics

When you see a neighborhood for the first time, the most important thing is often the way it looks, like its homes and its setting. Some places look the same, but they only reveal their true character after living in them for a while because they contain a unique mix of occupational or cultural groups. This neighborhood is very unique in some important ways, according to NeighborhoodScout's exclusive exploration and analysis.

#### Notable & Unique: Occupations

More people work in manufacturing and as laborers here in the Jensen Dr / E Crosstimbers St neighborhood than in 99.4% of the neighborhoods in America. Despite the loss of manufacturing jobs across the nation, this neighborhood remains a place where, compared to other parts of the country, you will find many laborers and manufacturers.

#### Notable & Unique: People

The Jensen Dr / E Crosstimbers St neighborhood is unique for having just 1.6% of adults here having earned a bachelor's degree. This is a lower rate of college graduates than NeighborhoodScout found in 98.8% of America's neighborhoods.

In addition, of note, 62.1% of the children in this area live in poverty; an extraordinarily high percentage compared to other neighborhoods in the nation. In a nation where approximately one in four children grows up in poverty, this neighborhood stands out for the depth of the problem manifested here.

Also, single parenting is hard. But you don't have to tell the Jensen Dr / E Crosstimbers St neighborhood about it; they already know. 19.8% of this neighborhood's households are run by single mothers, which is a higher concentration than NeighborhoodScout found in 97.0% of American neighborhoods. Further NeighborhoodScout research showed strong statistical correlations among high rates of children living in single parent households, and neighborhood crime,

particularly violent crime, neighborhood poverty, and, importantly, the percentage of low weight births and rates of infant mortality.

## Notable & Unique: Diversity

Did you know that the Jensen Dr / E Crosstimbers St neighborhood has more Mexican ancestry people living in it than nearly any neighborhood in America? It's true! In fact, 73.3% of this neighborhood's residents have Mexican ancestry.

Jensen Dr / E Crosstimbers St is also pretty special linguistically. Significantly, 76.8% of its residents five years old and above primarily speak Spanish at home. This is a higher percentage than 98.3% of all U.S. neighborhoods.

## The Neighbors

### The Neighbors: Income

There are two complementary measures for understanding the income of a neighborhood's residents: the average and the extremes. While a neighborhood may be relatively wealthy overall, it is equally important to understand the rate of people - particularly children - who are living at or below the federal poverty line, which is extremely low income. Some neighborhoods with a lower average income may actually have a lower childhood poverty rate than another with a higher average income, and this helps us understand the conditions and character of a neighborhood.

The neighbors in the Jensen Dr / E Crosstimbers St neighborhood in Houston are low income, making it among the lowest income neighborhoods in America. NeighborhoodScout's research shows that this neighborhood has an income lower than 94.6% of U.S. neighborhoods. With 62.1% of the children here below the federal poverty line, this neighborhood has a higher rate of childhood poverty than 97.0% of U.S. neighborhoods.

### The Neighbors: Occupations

The old saying "you are what you eat" is true. But it is also true that you are what you do for a living. The types of occupations your neighbors have shape their character, and together as a group, their collective occupations shape the culture of a place.

In the Jensen Dr / E Crosstimbers St neighborhood, 51.1% of the working population is employed in manufacturing and laborer occupations. The second most important occupational group in this neighborhood is sales and service jobs, from major sales accounts, to working in fast food restaurants, with 24.9% of the residents employed. Other residents here are employed in clerical, assistant, and tech support occupations (12.4%), and 11.7% in executive, management, and professional occupations.

### The Neighbors: Languages

The most common language spoken in the Jensen Dr / E Crosstimbers St neighborhood is Spanish, spoken by 76.8% of households. Some people also speak English (23.2%).

### The Neighbors: Ethnicity / Ancestry

Culture is shared learned behavior. We learn it from our parents, their parents, our houses of worship, and much of our culture – our learned behavior – comes from our ancestors. That is why ancestry and ethnicity can be so interesting and important to understand: places with concentrations of people of one or more ancestries often express those shared

# Exhibit F – neighborhoodscout.com Report - Adjacent Census Tract



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learned behaviors and this gives each neighborhood its own culture. Even different neighborhoods in the same city can have drastically different cultures.

In the Jensen Dr / E Crosstimbers St neighborhood in Houston, TX, residents most commonly identify their ethnicity or ancestry as Mexican (73.3%). In addition, 30.7% of the residents of this neighborhood were born in another country.

## Getting to Work

Even if your neighborhood is walkable, you may still have to drive to your place of work. Some neighborhoods are located where many can get to work in just a few minutes, while others are located such that most residents have a long and arduous commute. The greatest number of commuters in Jensen Dr / E Crosstimbers St neighborhood spend between 15 and 30 minutes commuting one-way to work (40.7% of working residents), which is shorter than the time spent commuting to work for most Americans.

Here most residents (80.4%) drive alone in a private automobile to get to work. In addition, quite a number also carpool with coworkers, friends, or neighbors to get to work (10.7%). In a neighborhood like this, as in most of the nation, many residents find owning a car useful for getting to work.

# Exhibit G

## Crime Statistics Summary

W. Leo Daniels Towers

Houston Police Department Beat 7C30

### Census Tract and Police Beat Population Analysis

Population of All Census Tracts Completely or Partially within Police Beat 7C30 Boundaries			
Census Tract Number	Population per 2018 5-Year ACS	Notes	
48201220700	3,349		
48201220900	954		
48201230500	2,112	Approx 50% of population in police beat	
48201220800	1,827		
48201221100	2,165	Approx 55% of population in police beat	
48201221000	2,052	Approx 55% of population in police beat	
<b>Total Population</b>	<b>12,459</b>		

Adjusted Population Figure Used for Analysis			
Census Tract Number	Adjusted Population per 2018 5-Year ACS	Notes	
48201220700	3,349		
48201220900	954		
48201230500	1,056	50% of population of census tract	
48201220800	1,827		
48201221100	1,191	55% of population of census tract	
48201221000	1,129	55% of population of census tract	
<b>Population in Beat 7C30</b>	<b>9,505</b>		

### Violent Crime Analysis - Police Beat 7C30

#### Violent Crimes


	2019	2018
Homicide	1	3
Rape	15	17
Armed Robbery	104	89
Aggravated Assault	226	174
<b>Total</b>	<b>346</b>	<b>283</b>

#### Violent Crime Per 1,000 Persons

	2019 Population	2019 Crime Rate	2018 Crime Rate
Population of All Census Tracts Completely or Partially within Police Beat 7C30 Boundaries	12,459	27.77	22.71
Adjusted Population Figure Used for Analysis	9,505	36.40	29.77



# JENSEN DR & ALDINE WESTFIELD HOUSTON, TEXAS

**WATERMAN**  **STEELE**  
REAL ESTATE ADVISORS

**RENDERING**  
PROJECT 1902600 DATE: 07/22/2019  
5800 N. Eldridge, Suite 200 | Houston, Texas 77248 | 713.785.5844  
a Flakkear Design Group LLC, 2017

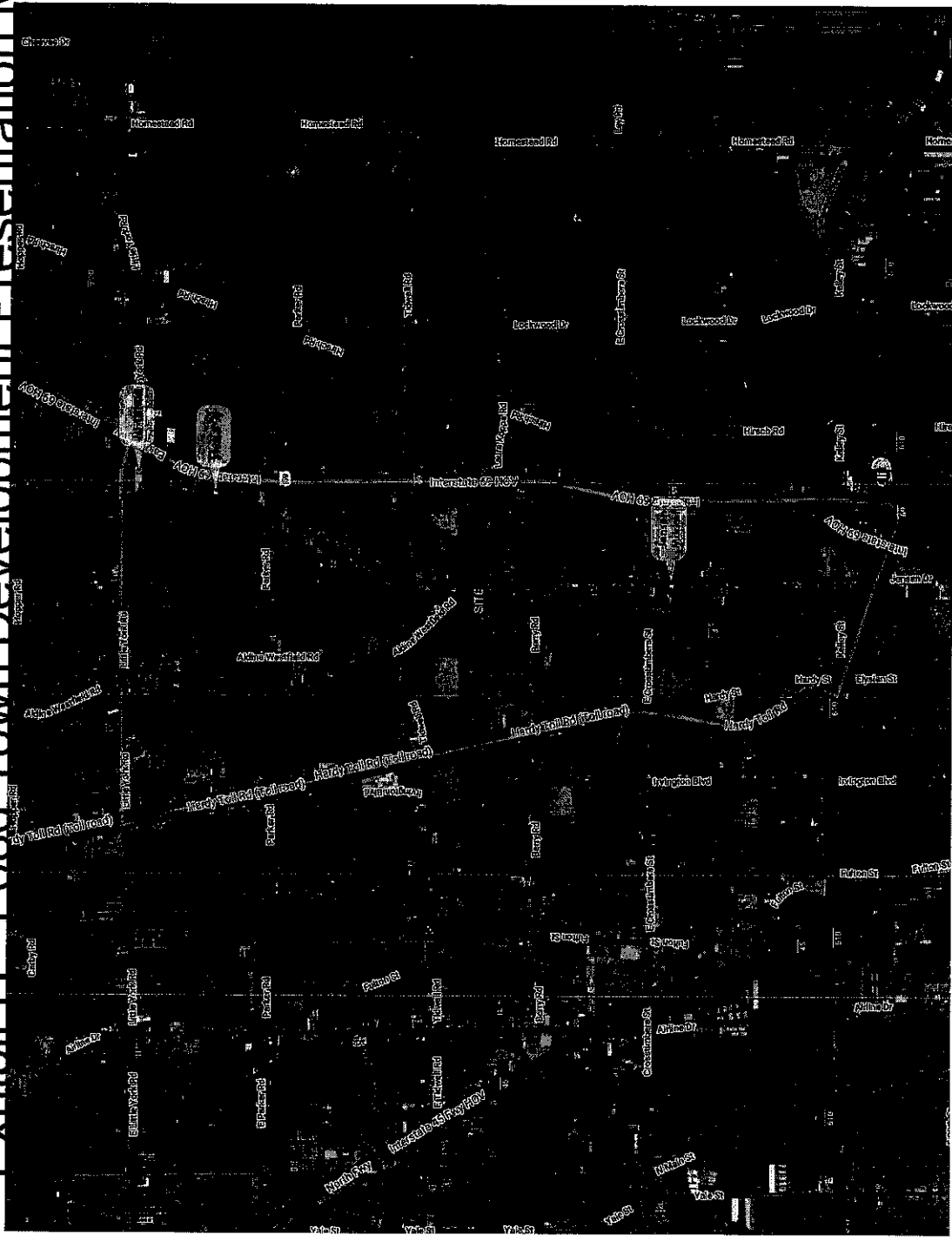
# Exhibit H - Food Town Development Presentation Materials

**FoodTown**  
Eastex/Jensen  
9001 Jensen  
Trade Area

**HOUSTON, TEXAS**

May 2019

Est. 2019 Population: 23,544



**big**  
BIG DESIGN GROUP  
10111 GULF  
HOUSTON, TX 77036  
713.785.3644  
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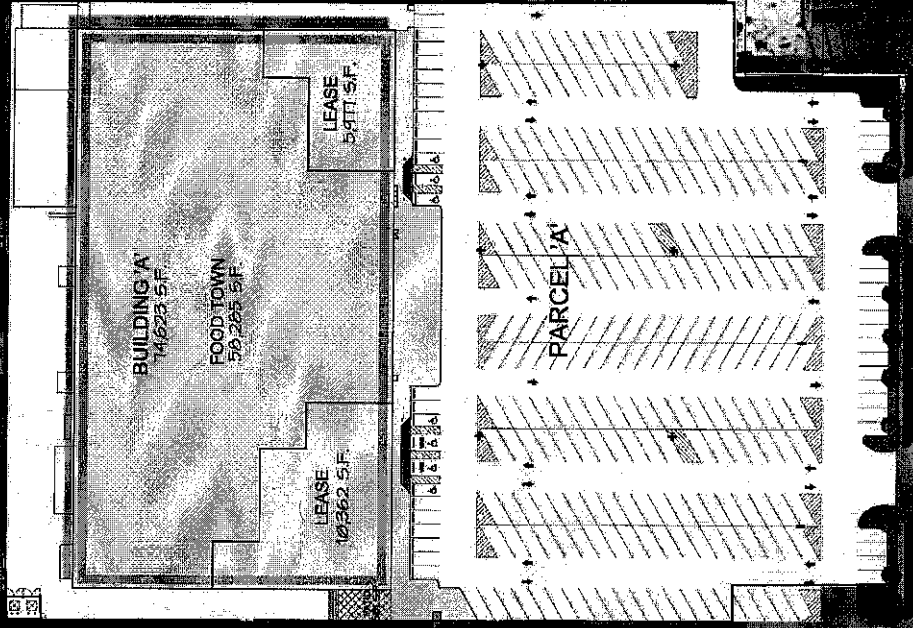
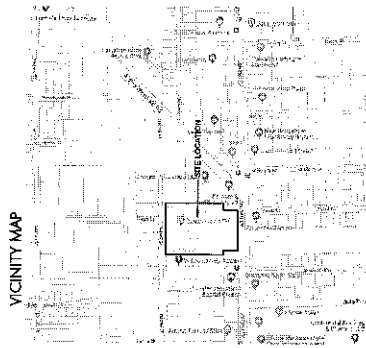
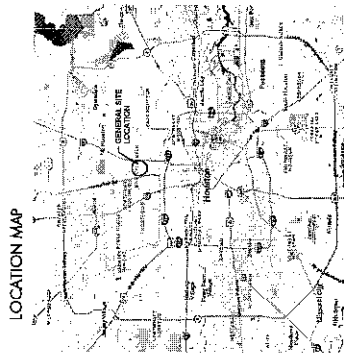
**WATERMAN & STEBBE**  
REAL ESTATE ADVISORS

COVER SHEET

Project Use for:  
Initial Approval  
Construction  
PROJECT: 1902600 DATE: 07/15/2019  
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G1

Exhibit H - Food Town Development Presentation Materials



JENSEN DRIVE

**WATERMAN STEELE**  
REAL ESTATE ADVISORS

**JENSEN DR & ALDINE WESTFIELD**  
HOUSTON, TEXAS

COLORED SITE PLAN

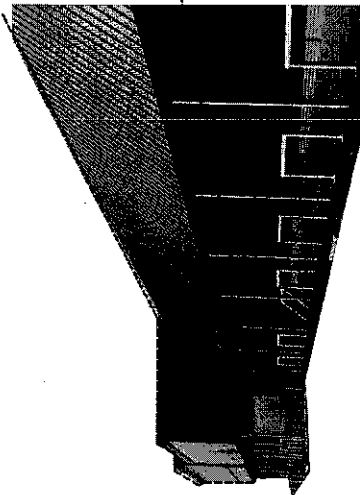
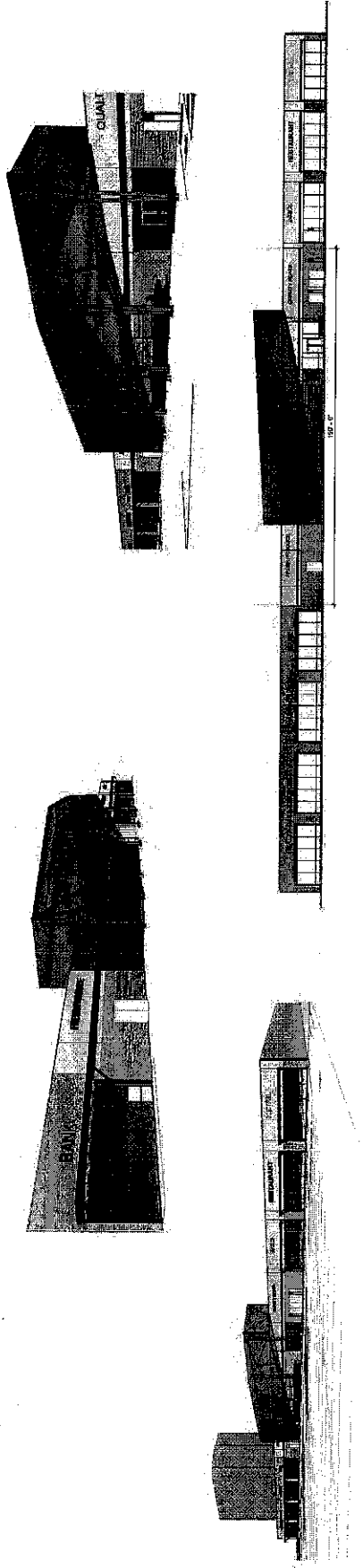
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 1" = 100' SCALE  
 1" = 100' SCALE  
 1" = 100' SCALE



Board of Directors



Exhibit H - Food Town Development Presentation Materials



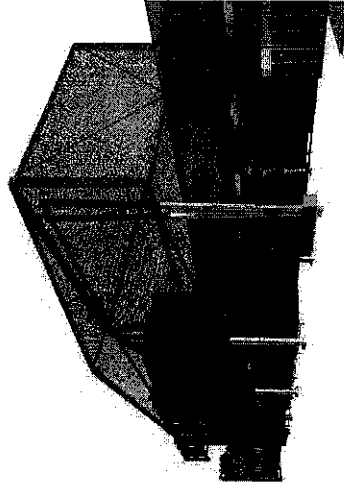
1. REMOVE CANOPIES OF EXISTING BUILDING



2. ENGAGE NEW GEOMETRY INTO BUILDING SHELL



3. ADD VIBRANT COLORS



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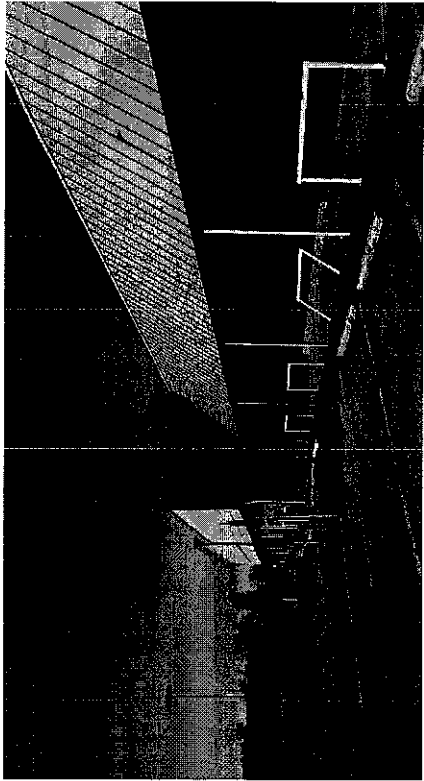
PROCESS

By the way, the  
Project is available for  
PROJECT: 1902600 DATE: 07/22/2019  
6802, Heidelberg, Suite 200 | Dallas, Texas 77201 | 213.785.9644  
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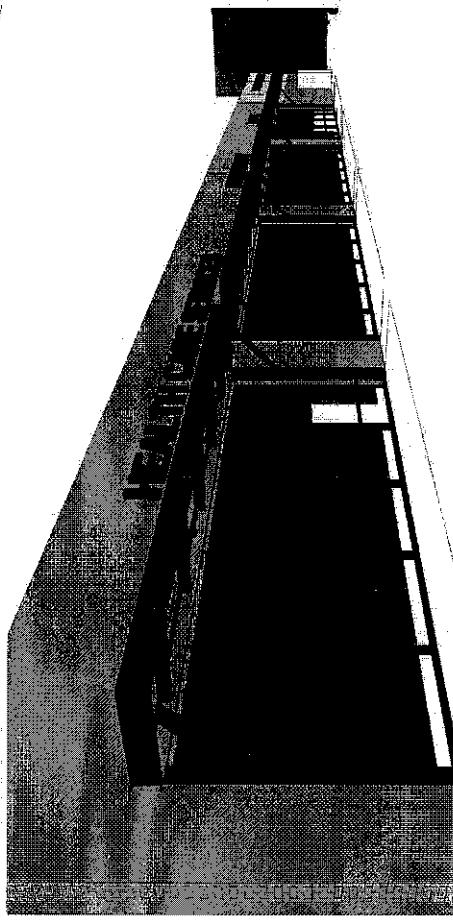
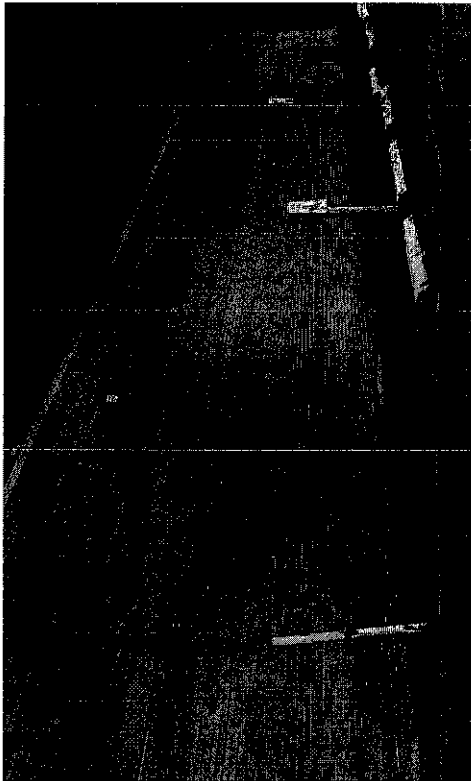
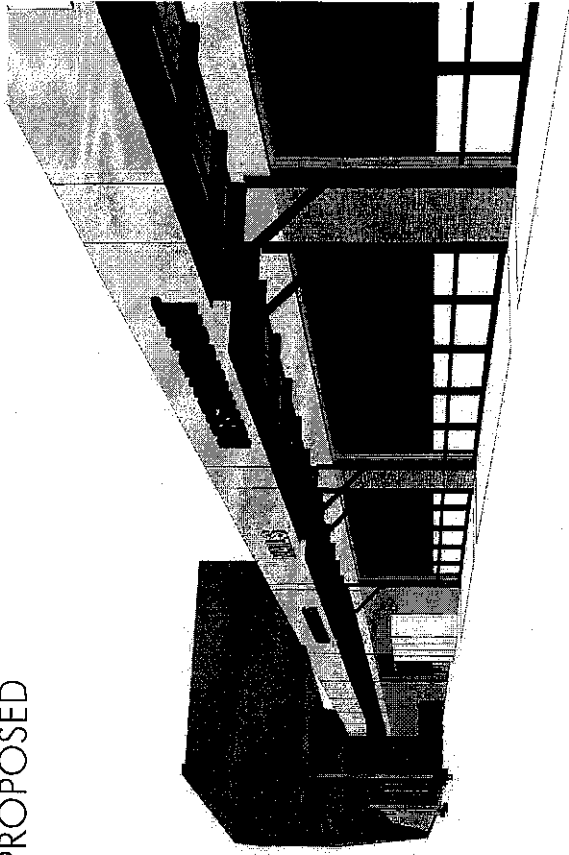



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EXISTING



PROPOSED



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HOUSTON, TEXAS

**EXISTING VS PROPOSED**

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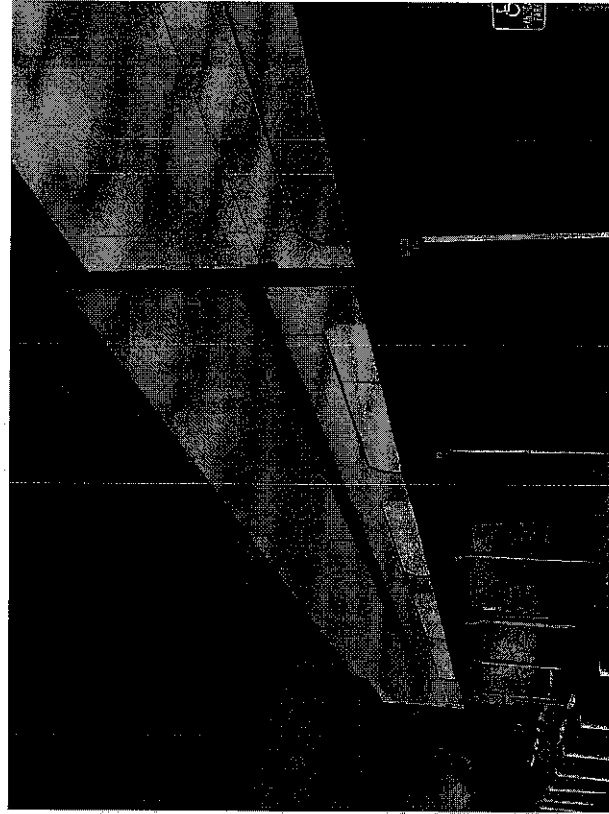
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EXISTING



PROPOSED

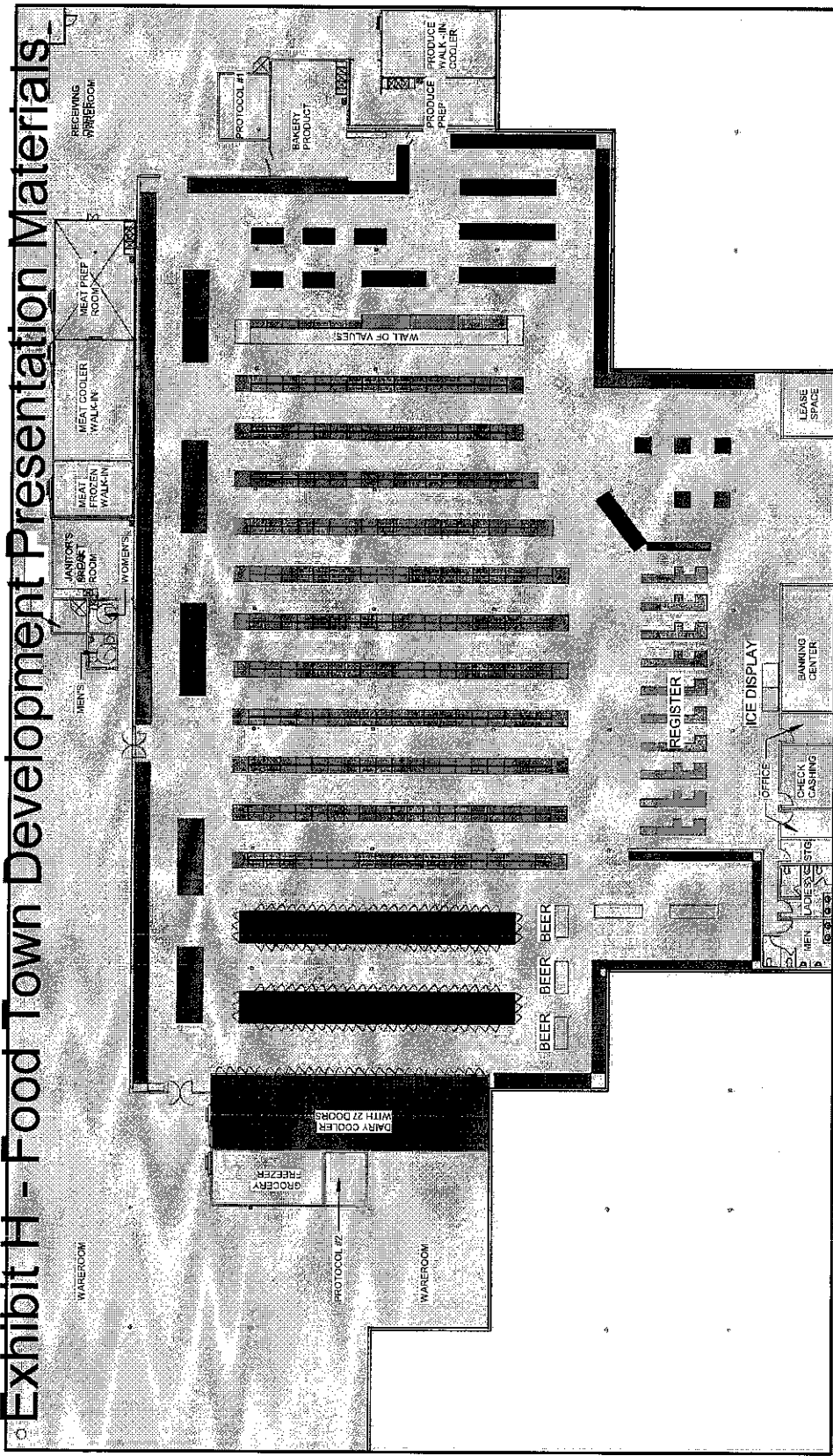


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- SEASONAL
- TEMPORARY
- SALAD / JUICE
- BULK PRODUCE
- DRY PRODUCE
- BAKERY
- PACKAGE MEAT
- FRESH / FROZE MEAT & SEAFOOD
- LINEAR FEAT OF GROCERY SHELL
- DAIRY
- 108 DOOR FROZEN FOOD
- DRINKS

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**bdg**  
BIG BOX  
FIXTURE  
PLANNING  
BOXES ONLY LTD

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6802 Shepherd Dr, Suite 200 | Dallas, Texas 75231 | 713.785.3644  
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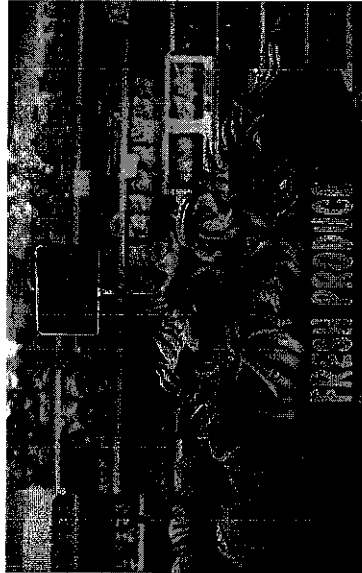
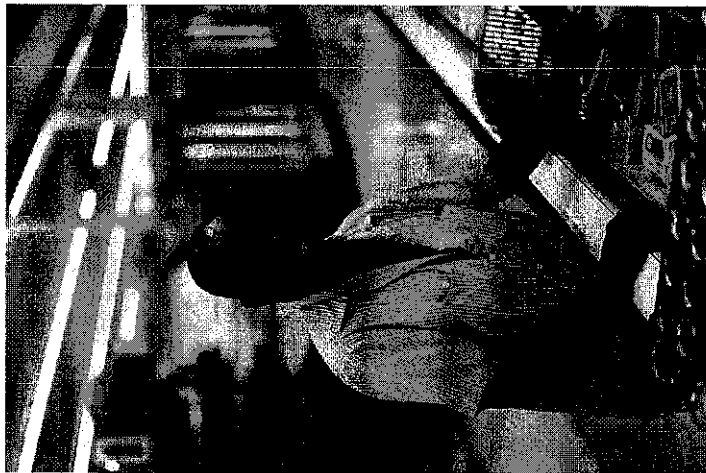
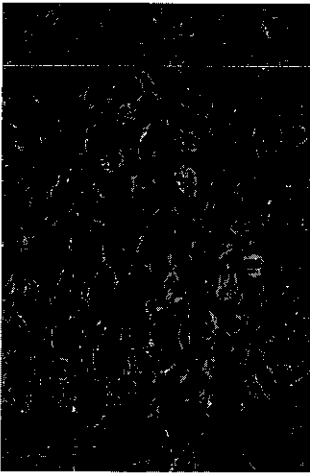
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REAL ESTATE ADVISORS

FIXTURE PLAN

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**JENSEN DR & ALDINE WESTFIELD**  
HOUSTON, TX

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COVER SHEET

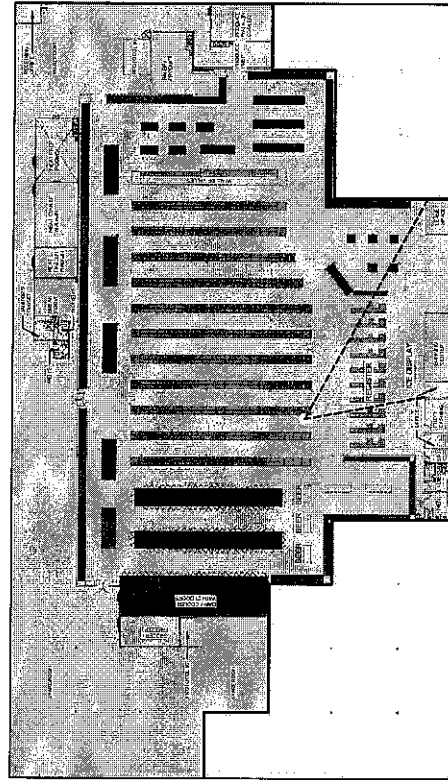
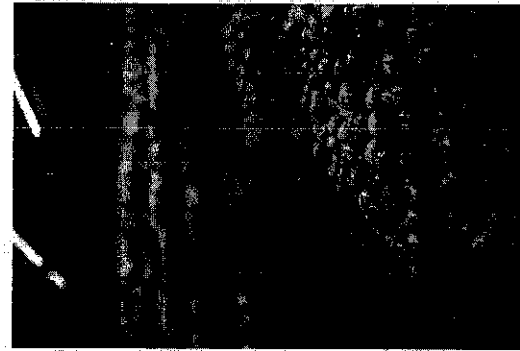
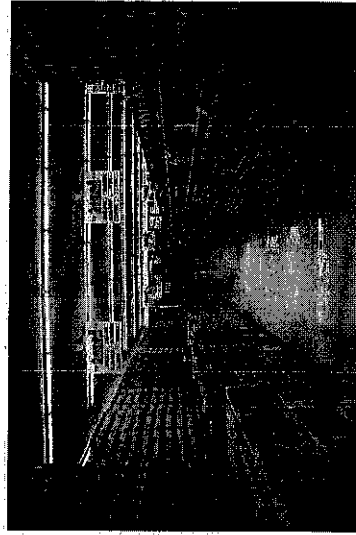
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permittal

PROJECT: 1902600 DATE: 07/15/2019  
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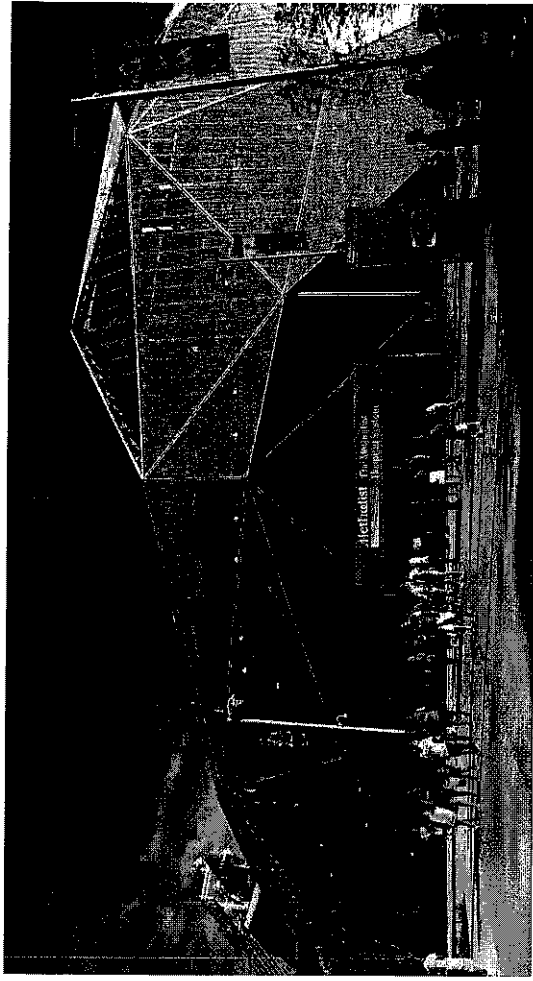
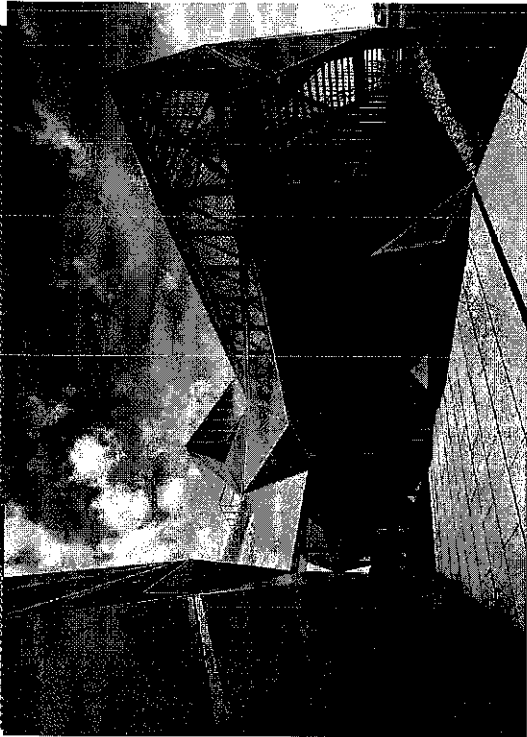
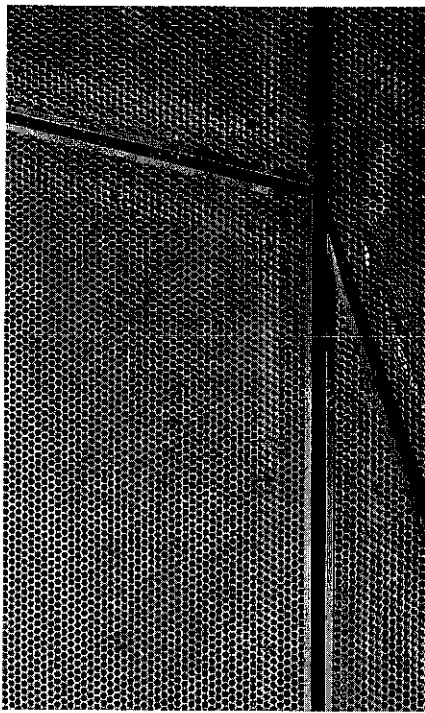
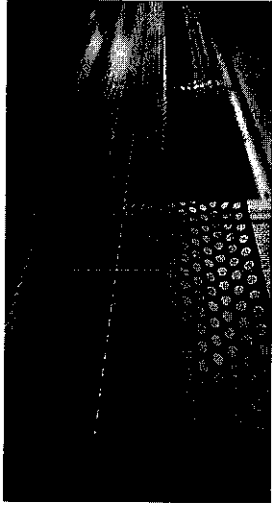
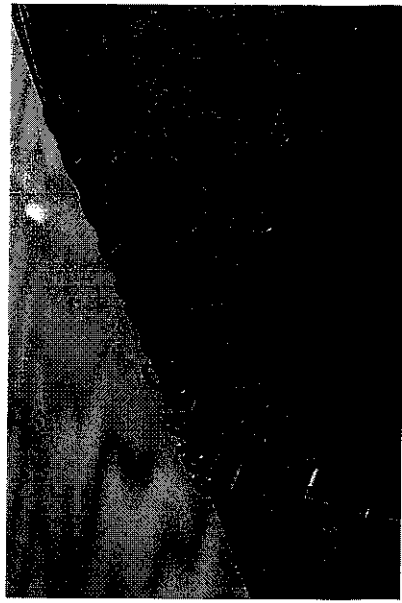
- BULK PRODUCE
- BAKERY
- MEAT & POULTRY
- FRESH FROZEN MEAT & SEAFOOD
- LIQUOR
- CONCRETE SHELL
- DRY
- 1/2 DOOR / FROZEN FOOD
- WIND


**WATERMAN**  **STEELE**  
REAL ESTATE ADVISORS

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**HOUSTON, TEXAS**

Interior by  **bdg**  
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**MATERIAL AND BUILDING  
PRECEDENTS**

**G10**

For more information,  
visit our website at  
[www.bdg.com](http://www.bdg.com)

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# Exhibit I - GNMD Service Plan



**GREATER NORTHSIDE MANAGEMENT DISTRICT**

**TEN-YEAR SERVICE PLAN  
FOR  
ANTICIPATED CALENDAR YEARS 2011-2020**

Prepared by the Greater Northside Management District  
6219 Irvington Blvd, Suite B  
Houston, Texas 77022  
713-229-0900  
<http://www.greaternorthside.org>



# Exhibit I - GNMD Service Plan

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# Exhibit I - GNMD Service Plan

## GREATER NORTHSIDE MANAGEMENT DISTRICT SERVICE PLAN

### PREFACE

This document is a Ten-Year Plan (anticipated to run from 2011-2020) that sets forth the management district's vision and mission statement, goals to be achieved, services to be rendered and improvements to be made in support of the outlined goals for the benefit of the commercial property owners within the boundaries of the Greater Northside Management District. The plan also outlines estimated costs and a proposal for funding the plan that will serve the 25 square miles that comprise the District. This document succeeds the original Five-Year Plan (2005-2010) adopted by the Board of Directors on January 11, 2006.

### INTRODUCTION AND BACKGROUND

The Greater Northside Management District ("District") was created by the 77th Texas Legislature pursuant to H.B. 3634 in 2001. The City of Houston ("City") gave its formal consent to the creation of the District subsequent to its passage by the Legislature. Under its first Service Plan (the "First Service Plan"), the District assessed commercial property owners to provide services and improvements to the District and to encourage economic development. Below is an overview of the accomplishments of the District during the implementation of its First Service Plan.

### OVERVIEW OF ACCOMPLISHMENTS UNDER THE FIRST SERVICE PLAN

Pursuant to goals enumerated in the First Service Plan, the District accomplished the following:

#### **1. Neighborhood-Friendly Development**

- Implemented an ongoing and effective graffiti abatement program
  - Abated more than 7,560 sites from 2006 to April 2010
- Coordinated with Houston Police Department to address vagrancy, burglaries, misdemeanors, and other criminal activity

#### **2. Health and Safety**

- Implemented an ongoing security patrol program
  - Made more than 59,500 business contacts since program inception
- Implemented a pilot safety program to educate business owners about safety precautions
- Coordinated with the Houston Police Department on safety programs such as the Keep Houston Safe Program

#### **3. Quality of Life**

- Implemented an ongoing and effective litter abatement program in the public right-of-way in commercial areas, including:
  - Mowing, edging, weeding and trimming;
  - General site cleanup and trash removal;
  - Removal/Clean-up of illegal dumping sites;
  - Removal and returning shopping carts, or recycling of tires and other materials;
  - Debris removal in ditches; and
  - Clean-up of areas where transients left debris
- Coordinated with the City's Public Works Department to clean up storm debris in the

# Exhibit I - GNMD Service Plan

- District after Hurricane Ike
- Established a Code Enforcement Committee to report and address code violations

## 4. Effective Relationships

- Coordinated with the City to ensure that the District receives its fair share of City services and improvements
- Worked with Metro to educate business owners regarding the new light rail and its anticipated impact on District businesses
- Work with the Harris County Toll Road Authority to increase mobility in the District by extending the Hardy Toll Road

## 5. Marketing and Promotion

- Developed the District website: <http://www.greaternorthside.org>
- Developed a District brand with logos and taglines
- Established a District Newsletter

## 6. District Creation and Administration

- Created the District and obtained City consent to its creation
- Hired staff and consultants needed to operate the District and implement its programs
- Established District bank accounts, investment accounts, books and files
- Audited the District's financial reports
- Monitored and complied with all laws applicable to the District

### GREATER NORTHSIDE MANAGEMENT DISTRICT MISSION STATEMENT:

In order to enhance the District and increase economic activity for the business property owners, the District will work to establish and implement projects and programs to:

- a. Promote public safety in the District and create a safe environment in both perception and reality;
- b. Attract more business and additional investment to the District;
- c. Enhance the image of the District;
- d. Seek additional public and private funds to invest in the District;
- e. Improve infrastructure and amenities in the District; and
- f. Administer the District efficiently and effectively.

### TEN YEAR SERVICE AND IMPROVEMENT PLAN

This Service and Improvement Plan (the "Service Plan") was developed by the Board of Directors of the District who represent a variety of property owners and businesses in the District. Under this Service Plan, the District will levy an assessment on non-exempt property (commercial property) to implement this Service Plan. The major components of the new Ten-Year District Service Plan are as follows:

1. Security & Public Safety;
2. Visual & Area Image;
3. Marketing & Enhancing the Perception of the Area;
4. Planning & Infrastructure; and
5. District Operation & Administration.

# Exhibit I - GNMD Service Plan

The following plan will outline the nature of the services to be provided by the District working in conjunction with commercial property owners, service providers, and the public sector to achieve the goals of the District. Programs will be selected and implemented by the Board of Directors considering available funds, the changing needs of the District, and all other factors the Board considers relevant. Each section provides detailed descriptions of the Goals, Objectives and potential types of Programs and the estimated costs of each segment of the Plan. The District will undertake certain projects and programs with widespread benefits that are beyond the ability of individual property owners to provide.

## **1. Security & Public Safety**

### **Goals:**

To assure that the District is a safe and secure place for property owners, tenants, residents and visitors to live, work, shop and play. The Board wants to create a safe and clean environment both in perception and reality for all those who work, live, play and shop in the Northside area as well as to deter and reduce crime within the District by making the best use of public and private resources, thereby encouraging commercial activity and creating a thriving economic area.

### **Objectives:**

- The District wants to increase, improve and supplement the level of safety currently provided by the City and Harris County (the "County") in order to reduce, contain and/or prevent crime in the District.
- The District would like to address gang-related graffiti and make other improvements in the appearance of the District so create a safe, health and clean image of the District in both perception and reality.
- The District desires to work in coordination with other entities, programs, activities or efforts to provide a comprehensive public safety program.
- The District desires to work in coordination with the City, the County and other entities to reduce graffiti, vandalism, debris, and other unattractive enterprises.
- The District will conduct information based public relations and public awareness campaigns to promote safety within the District.

### **Potential Types of Programs and Projects:**

- Continue the District's Safety Patrol Program so long as it is effective, including monitoring of the adequacy of the patrol schedule and officer strength and working to address "hot spots" of criminal activity.
- Make Safety Preventive Presentations for employers and employees.
- Coordinate with the Houston Police Department and other entities such as the Constable(s) on safety and deterrence programs such as Keep Houston Safe.
- Provide promotional material to promote safety for businesses and the community (such as signs and pamphlets and crime prevention, anti-gang and drug awareness materials).
- Establish a District Law Enforcement Coordination Team to develop projects and programs that further the public safety of the District.
- Monitor the development of crime deterrence technology and programs in other areas and update the District's programs as needed to provide security services that are effective and cost-efficient.
- Seek out new technology to fight and deter crime.

**Estimated annual cost is \$379,371.00 and the total estimated ten year cost is \$3,793,710.00.**

# Exhibit I - GNMD Service Plan

## 2. Visual & Area Image

### Goal:

To improve the District's image, appearance and amenities.

### Objectives:

- The District plans to work with agencies, governmental entities, and the community to improve the District's appearance and infrastructure.
- The District would like to make improvements in the appearance of the District so as to better its image as a safe, healthy and clean area of the City and to promote that clean and safe image to attract new development and redevelopment and to improve property values in the District.
- The District desires to facilitate, initiate and support public, nonprofit and private initiatives that will provide or supplement the maintenance and /or improvement of property within the District.
- The District would like to maximize the level of services provided to the District by governmental entities.
- The District desires to install, or coordinate with other entities to install amenities and improvements in public areas.

### Potential Types of Programs and Projects:

- Continue our Graffiti Abatement Program and implement related deterrence programs by working with public, private, and nonprofit entities.
- Continue the Right-of-Way Maintenance and Litter Abatement Program and extend such program by coordinating and assisting efforts to maintain and improve public and private property through cooperative agreements, cleanup programs, property owner associations and other community programs and projects.
- Coordinate with the City and other entities that will create programs to reduce litter and encourage property owners to maintain the right of way in front of their property.
- Develop and implement master plans for landscaping, District identity, green spaces, and trails and integrate these plans into existing regional, county, and city planning.
- Work closely with all governmental entities to maximize the addition of amenities.
- Coordinate with regional, County and agencies on plans for bikeways and amenities for pedestrians and cyclists.
- Develop public arts programs to enhance the District.
- Coordinate with METRO on adopting bus shelters within the boundaries of the District.
- Continue coordination with Near Northside Go Neighborhood on area identification signs and expand into other communities within the District.

**Estimated annual cost is \$326,681.00 and the total estimated ten year cost is 3,266,810.00.**

## 3. Marketing & Enhancing Perception of Area

### Goals:

To develop, support and promote economic growth by creating and reinforcing the positive aspects of the District. The goal is to make the District a clean, green neighborhood with adequate parks, amenities and resources so as to attract new development and redevelopment, to satisfy the needs of those who work and live in the District, and to maintain and improve property values.

### Objective:

- The District would like to enhance public relations with both businesses and residents regarding the District's services and the accomplishments of the District.

# Exhibit I - GNMD Service Plan

- The District plans to cooperate and coordinate with the governmental entities, non-profits, and community improve parks, to develop green space, to install street landscaping and hike and bike trails, and to maintain the overall District.
- The District plans to develop and implement collaborative agreements and projects with area chambers of commerce, the Greater Houston Convention and Visitors Bureau, and others.
- The District anticipates working with appropriate entities to support public and fine arts programs in the District.
- The District desires to implement programs to improve the quality of life in the District based on clearly defined needs to promote the Northside as a unique place to live, work, play and shop.
- The District plans to collaborate with area businesses, organizations, and residents to implement different strategies and programs that serve to further the positive image of the District.

## ***Programs:***

- Coordinate the District's website and continue to update and use technology to keep it current.
- Develop and implement a public relations campaign to communicate the wonderful highlights of the District.
- Develop promotional material and implement a program to ensure all constituents are receiving information about the District and its services and improvements.
- Develop a sense of community and promote commerce within the District with area programs, festivals, and events.
- Coordinate and promote the area as a "must see" destination through media and promotional material.
- Promote the unique history of the different communities in the District through a speaker's bureau and through promotional materials.
- Conduct information-based public relations and public awareness campaigns to promote the Northside as a unique area to live, work, play and shop.

***Estimated annual cost is \$73,767.00 and the total estimated ten year cost is \$737,670.00.***

## **4. Planning & Infrastructure**

### ***Goal:***

To work to promote transit-orientated development and projects that promote the image and prosperity of the area and assist with achieving the service plan while developing relationships with other governmental entities, Chambers of Commerce, non-profit organizations, and other entities to advocate for resources and promote the area.

### ***Objective:***

- The District plans to coordinate with the City, the County, other governmental entities and nongovernmental agencies to increase efforts to improve mobility in the District.
- The District anticipates collaborating with appropriate public and private sector entities to improve sidewalks, drainage, and overall amenities impacting business.
- The District will coordinate with governmental entities, and other agencies to promote, create, and implement activities and efforts that will increase the use of public transportation in the District, thus creating better access and mobility.
- The District would like to coordinate with governmental entities and others to increase the resources brought to the Northside area, both public and private that promote mixed use developments of differing densities.
- The District would like to become principal voice advocating for the Northside area so the District will have a voice in projects, plans, and programs for this area.

# Exhibit I - GNMD Service Plan

- The District would like to work on a master plan for infrastructure projects aimed at attracting development and redevelopment, which plan might include streets, lighting, parks, hike and bike trails, green space, tree planting, landscaping, signage, streetscaping and maintenance of the District.
- The District would like to encourage transit oriented development.
- The District anticipates working with existing public, private and nonprofit entities to insure that the District is included in their long and short term planning efforts for the area.
- The District desires to install, or coordinate with other entities to install, new public infrastructure and improvements to public infrastructure.

## ***Potential Types of Programs and Projects:***

- Work with chambers of commerce to promote the area and use their resources to bring development to the area.
- Assist in implementation of chambers of commerce in areas of the District that do not have one.
- Develop relationships and regular communication with the City, the County and other governmental entities in order to keep up to date on projects planned by other entities for this area and to enhance existing projects.
- Develop projects for this area with Urban Land Institute (the "ULI") and coordinate efforts with area business and governmental entities.
- Work to develop and implement design strategies suggested by the ULI for Airline Drive.
- Advocate by ensuring information is available to our constituents.
- Develop and implement master plans for transportation and area circulation, and warehouse/industrial areas, and integrate these plans into existing regional, county, and city planning.
- Pursue grants, such as a Livable Center Study, to provide an infrastructure plan for the District.
- Continue to work on the current Livable Center Study in coordination with Houston-Galveston Area Council and the City to develop and implement a vision for near northside area surrounding the Light Rail Transit.
- Work closely with all governmental entities to maximize the rehabilitation of area infrastructure.
- Coordinate with regional, County and agencies on capital improvement plans and development standards.

***Estimated annual cost is \$94,843.00 and the total estimated ten year cost is \$948,430.00.***

## **5. District Operation & Administration**

### ***Goals:***

To administer the District in an effective, efficient way as to ensure that all programs and projects are enhancing the area and are implemented in the cost effective manner for commercial property owners in the District.

### ***Objectives:***

- The District aims to respond successfully on a daily basis to the needs of the District's constituents while initiating plans for long-term stability and growth.
- The District will ensure maintenance and updating of the District assessment roll and property owner data base so as to have accurate and timely billing and collection of assessments.
- The District will work to ensure that all legal requirements are met in the operation of the District.
- The District will maximize resources in an efficient manner to accomplish the goals set forth in the Service Plan.

# Exhibit I - GNMD Service Plan

- The District plans to provide oversight and management that is responsive to the needs of area commercial property owners.
- The District will actively and fairly seek participation from all sectors of the property owners who make up the District so as to provide substantial and ongoing opportunities for the input of landowners within the District.
- The District will look for additional funding mechanisms for District services and improvements.
- The District will seek volunteer participation in the programs of the District from all sectors of property owners within the District.
- The District will maintain an open dialogue with other management districts that leads to productive partnerships and collaborations and that encourages a higher level of service to our constituents.
- The District desires to administer District programs in ways that will serve as an example for other areas to follow.

## ***Potential Types of Programs and Projects:***

- Develop District staff members to their full potential through technical training, challenging assignments and adequate rewards for good performance.
- Accurately reflect the costs of providing services in each program area through a carefully monitored cost allocation system.
- Provide annual financial audits that protect the financial integrity of the District and help ensure the most efficient use of monetary resources.
- Insure compliance with the Open Records Act and the Open Meetings Act of the State of Texas.
- Follow purchase procedures in accordance with the applicable law.
- Maintain adequate insurance protection for the District.
- Develop proactive responses to potential legal issues.
- Maintain an efficient level of office technology to ensure the full utilization of all available resources.
- Monitor and evaluate administrative systems and procedures to maximize the cost efficiency of the District.
- Manage district personnel, consultants and finances to implement District programs in an effective and cost-efficient manner

***Estimated annual cost is \$179,148.00 and the total estimated ten year cost is \$1,791,480.00.***

## **PROPOSED ASSESSMENT, REVENUE AND EXPENDITURES**

Under the Service Plan, the District will assess non-exempt commercial property to provide funding for the projects listed within the major areas of service. The assessment for the first year of the Service Plan will be \$0.10 for each \$100 of value for property subject to assessment applied to the latest certified values provided by the Harris County Appraisal District ("HCAD"). In subsequent years, the District will assess property based on the next year's certified HCAD value. The Board may not increase the rate of assessment above \$0.12 unless it notifies assessment payers and holds a public hearing. In any event, the rate may not be increased more than 5% above the previous year's rate without holding a public hearing. The Board may call such a hearing without the need for further petitions. Our approach will be to provide services and improvements on a pay-as-you-go basis with assessments made to fund projects in the following year.

## **More Detailed Information on the Service Plan**

**Property Subject to Assessment.** The property subject to assessment will be the land and improvements



# Exhibit I - GNMD Service Plan

(real property only) of the commercial property owners within the District. The District will exempt from assessment all property exempt by law as the law may change from time to time. At the time of the preparation of the Service Plan, the following property is exempt from assessment: (1) single-family detached residential, duplexes, triplexes, quadraplexes, condominiums, and multiunit residential properties; (2) property owned by municipalities, counties, other political subdivisions, and entities exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; (3) recreational property or scenic use property that meets the requirements of Section 375.163, Texas Local Government Code and (4) the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service.

**Yearly Budgets and Assessment Rates.** The District proposes to have the Board of Directors evaluate annually the need for and advisability of the services authorized under the Service Plan to determine the specific projects within the Service Plan that will be undertaken the following year. The Board will then set and approve a budget for the following year consistent with the yearly plan and set the assessment rate for such year, taking into consideration the value of the property subject to assessment and the revenue that the assessment rate will produce.

As the Service Plan is ten years in length, it is probable that the service needs in each of the major categories will change, particularly as District objectives are met. Therefore, the Service Plan allows the Board of Directors the flexibility to apply the assessment revenue to the major categories of services as the Board deems appropriate.

**Cap on Yearly Assessment Rate Increases.** After the first year of the Service Plan, the District may set a different assessment rate; however, under no circumstances could the assessment rate be increased by more than 5% over the previous year's assessment rate or the Board must hold a public hearing before any such increase.

**Cap on the Amount of Individual Assessments.** In addition to the cap on the assessment rate, there will be cap on the total dollar amount of assessment charged to each account (the "**Maximum Individual Assessment**"). Beginning the second year that a property is assessed, and each year thereafter, the District cannot levy on an account a total dollar assessment that exceeds 110% of the previous year's assessment, unless the District holds a public hearing of which the property owner is notified to add such value to its assessment roll.

**Basis for Assessment.** In each year on the Service Plan, the assessment will be based on the latest HCAD certified taxable value for each property. This means that an individual property owner's assessment may vary each year. The former service plan used the 2005 HCAD value of each property as the basis for the assessments for all five years of the initial service plan. The basis was changed due to suggestions that current values are a more equitable basis for assessment.

**Supplements to the Assessment Roll.** The District may add to its Assessment Roll any property annexed into the District, any value added due to land development or redevelopment, any new construction and increases in value that exceed the Maximum Individual Assessment at the latest certified value set by HCAD by using the following procedure. The Board will prepare a supplemental assessment roll on which such property will be listed, give notice and hold a public hearing or obtain waivers from property owners, and levy assessments against such property for the specific benefits to be received by the services and improvements to be provided by the District. Each year after such property is added to the roll, the Maximum Individual Assessment will be recalculated based on the amount assessed for the previous year.

**Collections and Penalties.** Assessments would become due and payable, become delinquent, and incur

# Exhibit I - GNMD Service Plan

penalties and interest in accordance with the Texas Tax Code. Assessments will also be subject to the recapture provisions, which apply to change in use of agricultural land in accordance with the Texas Tax Code.

## **ESTIMATED COSTS OF THE SERVICES TO BE PROVIDED**

The following chart shows the annual estimated costs for each of the years of the Service Plan.

Security & Public Safety	\$379,371.00	\$3,793,710.00
Visual & Area Image	\$326,681.00	\$3,266,810.00
Marketing & Enhancing the Perception of the Area	\$73,767.00	\$737,670.00
Planning & Infrastructure	\$94,843.00	\$948,430.00
District Operations & Administration	\$179,148.00	\$1,791,480.00
<b>ESTIMATED ANNUAL TOTAL</b>	<b>\$1,053,810.00</b>	<b>\$10,538,100.00</b>

## CONCLUSION

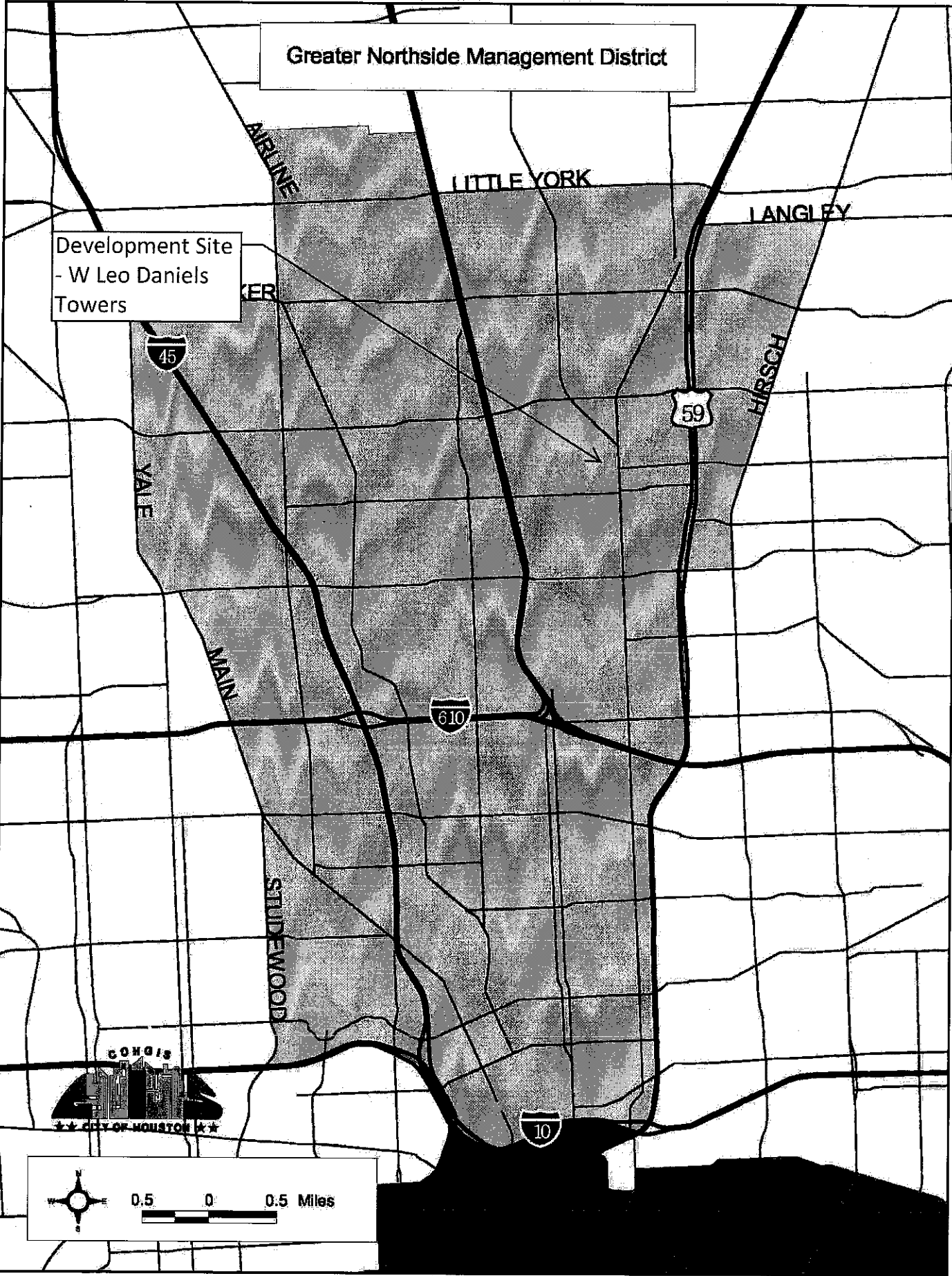
The successful delivery of the proposed services is anticipated to add value to all properties within the District. Property owners will be able to collectively leverage greater resources, resulting in increased levels of service and an enhanced public awareness and image for the District. An improved District benefits property owners directly and also the Houston metropolitan region at large.

To implement this Service Plan, the petition must be signed by fifty (50) owners of property within the District boundaries. A public hearing will be held, after which the District's Board of Directors will approve the plan and authorize the levy of an assessment.

If you have any questions or wish to set up a personal visit with a Board member, please call the District's Executive Director, Ms. Rebecca Reyna-Tamez at 713-229-0900.

Boundary Map (Attached)

# Exhibit I - GNMD Service Plan





# NORTHEAST NEWS

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## Community working to revitalize Eastex Jensen Area

OCTOBER 16, 2018

## Exhibit J - Jensen Jubilee Revitalization Initiative



Last year's parade floats travelled down Jensen Blvd.

### Parade Marshals Mattress Mack & Jerry Davis

When communities struggle, whatever the cause, a unique opportunity exists to bring people together and focus on working for the benefit of the community. The Houston Northeast CDC and Jensen Jubilee Committee are committed to seizing this opportunity to help to rebuild a resilient community in the Eastex/Jensen area. On Saturday, October 20, 2018, the organizations will host their 5th Annual Jensen Jubilee Parade & Festival.

## Exhibit J - Jensen Jubilee Revitalization Initiative

Community working to revitalize East Texas Area Northeast News  
Jim “Mattress Mack” McIngvale, and City Council Member Jerry Davis (District B), will serve as Grand Marshalls for the parade starting at 10:00 am proceeding from 2800 Trout Street to 9001 Jensen Drive, where the Community Festival will take place immediately following the parade.

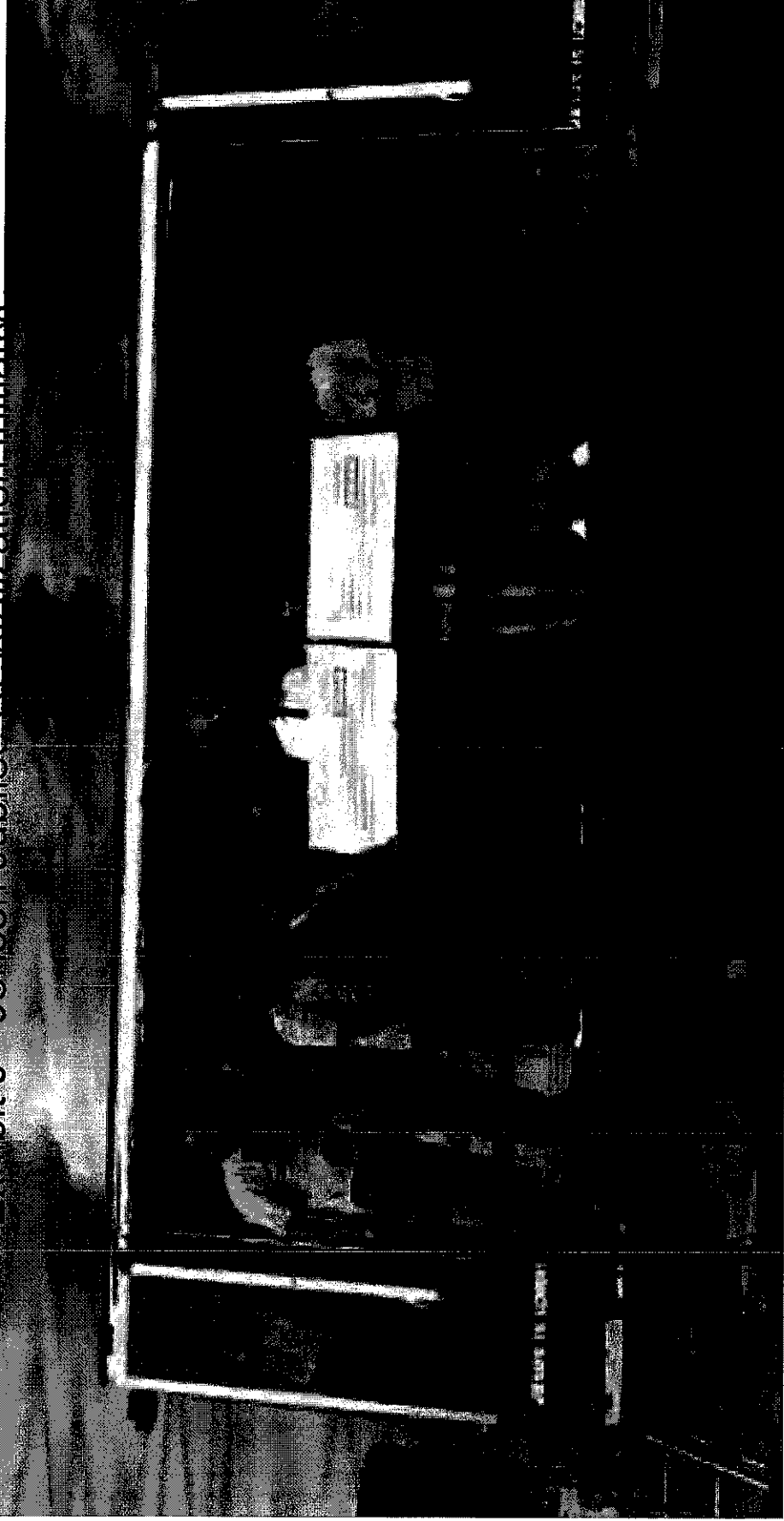
The purpose of the Jensen Jubilee project, which launched from strategic planning meetings to clean-up the area, is to promote sustainable revitalization through residential, commercial and economic development, historic preservation and the empowerment of our neighborhoods.

Some of the successes of the Jensen Jubilee collaborative include partnerships with residents, schools, churches, businesses, and public officials; providing scholarships to area high school students; hosting town hall and specialized meetings; organizing community clean-ups; and the opening of UT Physicians Community Health and Wellness Center Jensen. This shows that together with great partnerships and hard work, we are able to not just revitalize our community but also to rebuild it, says Pastor David Smith, president of the Houston Northeast CDC. The very fact that there is a coming together within the community is a huge step forward. The Houston Northeast CDC & The Jensen Jubilee Committee is grateful to all the partners who provide their time, expertise, and the perspective necessary to maintain the momentum and relevance in the community.

The Parade & Festival serve as the premium fundraiser to be able to offer the community services provided through the Jensen Jubilee collaborative.

Festivities will begin with the Jensen Jubilee Parade on Oct. 20th, of which the community is invited to come and enjoy at 10:00am.

After the parade, the Festival will kick off with music, kid’s zone and participation of over 30 service providers and vendors.



Introduction of King & Queen at last year's Jensen Jubilee.

The Houston Northeast CDC & The Jensen Jubilee Committee looks forward to connecting the Eastex/ Jensen residents to organizations like The Houston Food Bank who will have a mobile food pantry on site. The Houston Fire Department, the Harris County Sheriff's Office, Mi Tienda, UT Physicians and many others will participate in the 2018 Jensen Jubilee Parade and Festival and will share information and resources with the residents.

There will also be food vendors from King Coney's All Beef Coney Island & Carrot Vegan Hot Dogs, Nachos, Chips and drinks, to EaDeaux's Cocina's tacos, nachos, gumbo, po'boys, boudin and crawfish etouffee! Not only that, for your

# Exhibit J - Jensen Jubilee Revitalization Initiative

Community working to revitalize East Texas Northeast News

sweet tooth, A&K Cake Shop will be selling delicious pastries. If you haven't tried any of these businesses, come out and see what you've been missing.

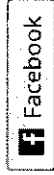
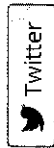


Bring your kids out to the Kids Zone. We think about all of our residents. Let them burn some energy in the bounce house, or ride the trackless train. There will also be face painting and a photo booth to engage our younger residents.

While you enjoy the food, kid's zone, and connect to others, you can enjoy the Patrick Henry Mariachi Band, Sam Houston JROTC, Lucas King, Dance the Dream Studio, Grace & Mercy Mime & Dance Ministry, Michael Berry aka Mike B & Yes Prep Dancers!

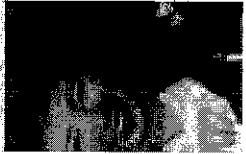
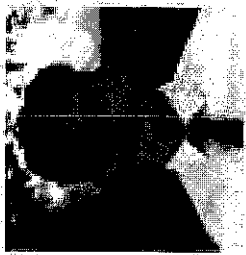
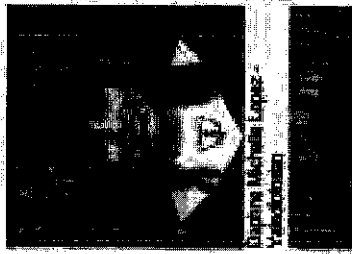
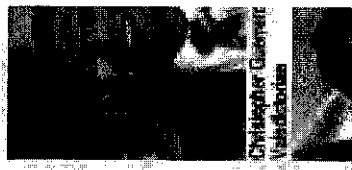
Bring your entire family out to the Parade and Festival. The event is free and open to the public.

For information, please call (713) 697-0933.

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# Exhibit K – Elected Official and Community Support Letters

SHEILA JACKSON LEE  
18<sup>TH</sup> DISTRICT, TEXAS  
COMMITTEES:

JUDICIARY  
SUBCOMMITTEES:  
Ranking Member  
Crime, Terrorism, Homeland Security and  
Investigations  
Immigration and Border Security

HOMELAND SECURITY  
SUBCOMMITTEES:  
Cybersecurity, Infrastructure Protection, and Security  
Technologies

Counterterrorism and Intelligence

BUDGET COMMITTEE

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515

STEERING AND POLICY COMMITTEE

HELSINKI COMMISSION MEMBER

VICE CHAIR  
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CAUCUS

SENIOR WHIP  
DEMOCRATIC CAUCUS

FOUNDER AND CO-CHAIR  
CONGRESSIONAL CHILDREN'S  
CAUCUS

April 5, 2019

Tom McCasland  
Director  
City of Houston Housing and Community Development Department  
2100 Travis Street, 9<sup>th</sup> Floor  
Houston, Texas 77002

I am writing in support of the applications for request for funding submitted to the City of Houston's Housing & Community Development Department (HCDD) for the W. Leo Daniels Towers I and W. Leo Daniels Towers II projects. This funding request is for Disaster Recovery (DR-17) Multifamily Program Round I.

W. Leo Daniels Towers, located at 8826 Harrell Street, is an existing 8 story 100-unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russel, and other community leaders, have led the planning efforts on construction of a new 136-unit senior development located at 8920 Jensen Drive, Houston TX 77093, just across the street from the existing W. Leo Daniels Towers. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure.

The new tower unit mix will be comprised of 66 efficiency units, 58 one bedrooms, and 12 two bedrooms. Amenities in the development will include locked access doors monitored by courtesy patrol, beauty salon, a community room, fitness center, business center and pool. Unit features will include granite counter tops, pendant and track lighting, wood cabinets, resilient flooring, washer/dryer connections, and energy star rated appliances.

The original W. Leo Daniels Tower will then undergo a substantial rehabilitation that will involve demolition of the interior units down to the studs and installing new electrical, heating

WASHINGTON OFFICE:  
2187 Rayburn Office Building  
Washington, DC 20515  
(202) 225-3816

DISTRICT OFFICE:  
1919 Smith Street, Suite 1180  
Houston, TX 77002  
(713) 655-0050

HEIGHTS OFFICE:  
420 West 19th Street  
Houston, TX 77008  
(713) 861-4070

FIFTH WARD OFFICE:  
4300 Lyons Ave., Suite 200  
Houston, TX 77020  
(713) 227-7740

## Exhibit K – Elected Official and Community Support Letters

and cooling system, plumbing, insulation, and sheetrock. Interiors of each unit will be upgraded with wood cabinets, resilient flooring, granite countertops, tile work, new fixtures, new doors and hardware, blinds, mirrors, and new appliances. Office and amenity space will be upgraded in addition to roof replacement, pavement repairs, and new landscaping. The new rehabbed development will be comprised of 60 efficiencies and 40 one-bedroom units and serve as elderly senior housing and 20-25% homeless veteran's supportive housing.

While I have worked closely with the Jensen Eastex community for a number of years, I have seen the community leaders in this area of Northeast Houston come together to expand opportunities for revitalization and improvement of the quality of life for residents. They have accomplished many successful initiatives by collaborating with community partners to offer a wide array of programs and services to promote healthy, safe and vibrant neighborhoods.

Please give your most serious consideration to two applications for funding requests for the W. Leo Daniels Towers I & II projects. If you have any questions, please feel free to contact my District Director, Tara Dennis, at (713) 655-0050.

Respectfully,



Sheila Jackson Lee  
Member of Congress

WASHINGTON OFFICE:  
2187 Rayburn Office Building  
Washington, DC 20515  
(202) 225-3816

DISTRICT OFFICE:  
1919 Smith Street, Suite 1180  
Houston, TX 77002  
(713) 655-0050

HEIGHTS OFFICE:  
420 West 19th Street  
Houston, TX 77008  
(713) 861-4070

FIFTH WARD OFFICE:  
4300 Lyons Ave., Suite 200  
Houston, TX 77020  
(713) 227-7740

SYLVIA R. GARCIA  
29TH DISTRICT OF TEXAS

# Exhibit K – Elected Official and Community Support Letters



CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

April 11, 2019

Mr. Tom McCasland, Director  
City of Houston Housing and  
Community Development Department  
2100 Travis Street, 9th Floor  
Houston, Texas 77002

Dear Mr. McCasland:

I am writing to express my support for the application requests for funding for the W. Leo Daniels Towers I Rehabilitation and the New Construction of the W. Leo Daniels Towers II projects for funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

The current W. Leo Daniels Towers facility has been in service since construction in 1979. Its 8-story 100-unit housing development for the elderly and physically disabled is comprised of 100% Section 8 units. Over the course of forty years, the W. Leo Daniels Towers site has undergone some major transformations and is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136-unit senior development located at 8920 Jensen Drive Houston, TX 77093, just across the street from the existing W. Leo Daniels Towers. The new development will be located on approximately 4.5 acres and will move the existing 100-units and add an additional 36-units into a new 6-story midrise structure.

As you are aware, the Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members of the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships, job training, volunteer opportunities, and greater accessibility to health care, social services, and housing. These two proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area: the Elderly and Homeless Veterans. The developments are right in line with efforts well underway, and for these reasons I am in full support of the two applications for funding.

Thank you for your consideration. Please do not hesitate to reach out to me at 832-325-3150 should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Sylvia R. Garcia".

Sylvia R. Garcia  
Member of Congress

Exhibit K – Elected Official and Community Support Letters



**SYLVIA R. GARCIA**

STATE SENATOR  
DISTRICT 6

The Honorable Sylvester Turner  
Mayor  
City of Houston  
PO Box 1562  
Houston, Texas 77251-1562

Dear Mayor Turner,

I am writing to encourage you to support the revitalization effort taking place in the Jensen Eastex Community, specifically the application request for funding that was recently submitted to the City of Houston's Housing & Community Development Department (HCDD) for the construction of W. Leo Daniels Tower II.

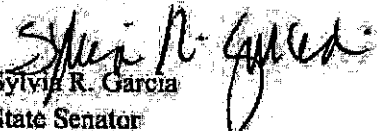
Community leaders in the Jensen Eastex community have worked extremely hard over the years to expand opportunities and improve the quality of life for residents. They have done this by collaborating with community partners to offer a wide array of revitalization programs and services intended to promote healthy and vibrant neighborhoods.

Stakeholders in Jensen Eastex are also working hard to serve one of our most vulnerable populations; our seniors. The Greater Jerusalem CDC lead by Pastor Joe F. Russell has submitted a proposal to construct a new Senior Citizen Housing Facility to replace the current W. Leo Daniels Tower site located at 8826 Harrell Street, which went into service in 1981 and is in dire need of rehabilitation.

As you know, in order to qualify for HCDD funding for this project, Jensen Eastex must be recognized as a Concerted Revitalization Area (CRA) and Complete Communities. I can attest to the efforts already underway by community leaders to make Jensen Eastex a complete community, but they will need your help to attain the official designation.

Thank you for your consideration. Please do not hesitate to reach out to me at 713.453.5100 or at [Sylvia.Garcia@Senate.Texas.gov](mailto:Sylvia.Garcia@Senate.Texas.gov) should you have any questions.

Sincerely,

  
Sylvia R. Garcia  
State Senator

DISTRICT OFFICE  
8792 NORTH LOOP EAST FWY., SUITE 240  
HOUSTON, TEXAS 77029  
(713) 453-5100

CAPITOL OFFICE  
P.O. Box 12068  
AUSTIN, TEXAS 78711  
(512) 463-0106 • Fax: (512) 463-0346

ELIAS RAMIREZ STATE OFFICE BUILDING  
5425 POLK ST., SUITE 125  
HOUSTON, TEXAS 77023  
(713) 923-7575

[sylvia.garcia@senate.texas.gov](mailto:sylvia.garcia@senate.texas.gov)

COMMITTEE ON ENERGY AND COMMERCE  
• SUBCOMMITTEE ON ENERGY AND AIR QUALITY  
• SUBCOMMITTEE ON HEALTH  
• SUBCOMMITTEE ON ENVIRONMENT AND HAZARDOUS MATERIALS  
• SUBCOMMITTEE ON COMMERCE, TRADE AND CONSUMER PROTECTION  
**COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT**  
**DEMOCRATIC SENIOR WHIP**

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-4329**

- 2335 RAYBURN  
WASHINGTON, DC 20615  
(202) 225-1688
- 256 N. SAM HOUSTON PKWY. EAST  
SUITE 29  
HOUSTON, TEXAS 77060  
(281) 999-5879
- 11811 I-10 EAST  
SUITE 430  
HOUSTON, TEXAS 77029  
(713) 330-0761  
[WWW.HOUSE.GOV/GREEN](http://WWW.HOUSE.GOV/GREEN)

April 11, 2018

The Honorable Sylvester Turner  
Mayor  
City of Houston  
PO Box 1562  
Houston, Texas 77251-1562

Dear Mayor Turner:

We are writing to you in support of the application request for funding that was recently submitted to the City of Houston's Housing & Community Development Department (HCDD) for the construction of W. Leo Daniels Tower II. Subsequent to submission of their application, the W. Leo Daniels Tower II developers have been notified that the proposed project does not meet eligibility criteria as the property is located in an area that is above the 25% poverty level threshold outlined by HCDD. The determination notice further stated that "poverty level greater than 25% is permissible in recognized Concerted Revitalization Areas (CRA) and Complete Communities".

As you are aware, the Jensen Eastex community created a great collaboration with community partners offering a wide array of revitalization programs and services intended to promote healthy and vibrant neighborhoods. Successes of this six year partnership have yielded ongoing community clean-ups, scholarships for students, job training and volunteer opportunities for residents and greater accessibility to area health care, housing and social services.

Also beginning in January 2017, the Greater Jerusalem CDC lead by Pastor Joe F. Russell began meeting with local entities to discuss plans for community improvement efforts and construction of a new Senior Citizen Housing Facility to replace the current W. Leo Daniels Tower site located at 8826 Harrell Street. The current Tower is 100% Section 8 assisted through the HUD Section 202 Program for the Elderly/Handicapped. The property went into service in 1981 and is in dire need of substantial rehabilitation.

Initially, the CDC met with your office; along with our office and Tom McCasland, Director, Houston Community Planning & Development; Commissioner Rodney Ellis, State Senator Sylvia Garcia, State Representative Armando Walle, City Councilmember Karla Cisneros, Edward Pringle, Director, Houston HUD Office and Charles P. Miller, Branch Chief, HUD Fort Worth Regional Office and the Development Team for the CDC.



The plan is to build a new facility on property owned by the CDC utilizing 4% Housing Tax Credits, City of Houston HOME Funds, conventional debt, and deferred development fees. The new building will be located at 8920 Jensen Drive, Houston TX 77093 on approximately 4.5 acres directly across from the existing facility. The 6 Story Mid Rise structure will be elevator served with surface parking and green space. The unit mix will be comprised of 66 1BR/1BTH Efficiency Units, 58 1BR/1BTH Units, and 12 2BR/2 BTH Units of which 100 Units are Project Based Section 8, and 36 Units Housing Tax Credit Restrictions. Amenities in the development will include locked access doors monitored by courtesy patrol, beauty salon, a community room, fitness center, business center and pool. Unit features will include granite counter tops, pendant and track lighting, wood cabinets, wood style flooring, washer/dryer connections, and energy rated appliances. The projected development costs are approximately \$26,160,000.

The 100 Units of Project Based Section 8 will be transferred from the current W. Leo Daniel Tower which will be the second phase of the plan to materialize concerning the old tower for either substantial rehabilitation or new construction for Homeless Veterans Housing. With the potential of a new grocery store being put in place next door to Greater Jerusalem Baptist Church and the new construction of this facility along with the upgrading of the old W. Leo Daniel Towers will greatly enhance the community relative to revitalization.

Any help you could provide with W. Leo Daniels Tower II's deficiency notice and the process of designating the Jensen/Eastex area as a CRA and Complete Community would be greatly appreciated. Please do not hesitate to call our district office at 281-999-5879 should you have any questions. Thank you for your continued assistance and courtesy.

Sincerely,



Gene Green  
Member of Congress

GG:yh

# Exhibit K – Elected Official and Community Support Letters



**CAROL ALVARADO**

STATE SENATOR

DISTRICT 6

April 11, 2019

To Whom It May Concern:

I am writing to express my support for the application request for funding for the W. Leo Daniels Towers I rehabilitation, and the new construction of W. Leo Daniels Towers II; both requesting funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

W. Leo Daniels Towers, located at 8826 Harrell Street is an existing 8 story 100 unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136 unit senior development located at 8920 Jensen Drive Houston TX 77093, just across the street from the existing W Leo Daniels Tower. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure. The new building will be elevator served with surface parking, green space and upgraded amenities for the residents.

As you are aware, the Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members of the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships, job training, volunteer opportunities, and greater accessibility to health care, social services and housing. These two proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area, the elderly and homeless veterans. The developments are right in line with efforts well underway and for these reasons I am in full support of the two applications for funding.

Sincerely,

A handwritten signature in black ink that reads "Carol Alvarado".

Carol Alvarado  
State Senator, District 6

DISTRICT OFFICE  
8799 NORTH LOOP EAST FWY.  
SUITE 240  
HOUSTON, TEXAS 77029  
(713) 453-5100

carol.alvarado@senate.texas.gov

CAPITOL OFFICE  
P.O. Box 12068  
AUSTIN, TEXAS 78711  
(512) 463-0106  
FAX: (512) 463-0346

# Exhibit K – Elected Official and Community Support Letters



**ARMANDO L. WALLE**

STATE REPRESENTATIVE

HOUSE DISTRICT 140

April 8, 2019

Tim McCasland  
City of Houston Housing and Community  
Development Department  
2100 Travis Street, 9th Floor  
Houston, Texas 77002

Dear Mr. McCasland,

I write to express my support for the application funding request for the W. Leo Daniels Towers I rehabilitation and the new construction of W. Leo Daniels Towers II. The funding is provided under the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

W. Leo Daniels Towers, located at 8826 Harrell Street, is a housing development for the elderly comprised of 100% Section 8 units in House District 140. Unfortunately, the development, constructed in 1979, is in dire need of rehabilitation. As a result, the housing team is proposing substantial rehabilitation of the original existing structure. The renovation will be composed of 100 units, 20 % of which will be supportive housing for the homeless and veteran population, and the remaining for elderly residents. It will be comprised of 60 efficiencies and 40 one bedroom units.

Leading the new development plans of W. Leo Daniels Towers II are a group of community members such as the Greater Jerusalem CDC, Pastor Joe F. Russell, Eastex Jensen Super Neighborhood # 46 and other community leaders. The new development will be located at 8920 Jensen Drive near the existing W. Leo Daniel Towers. It will consist of 136 units on a 6 story midrise structure. The new building will offer upgraded amenities and large green space for the residents to enjoy.

The Jensen Eastex community has worked tirelessly over the last 6 years to offer revitalization programs and services intended to enrich the lives of members in the community. There has been a significant effort to promote a healthy and vibrant neighborhood through community clean-ups, student scholarships for area high schools and job training in partnership with community colleges. We have also worked tirelessly to address the lack of affordable healthcare in the community by securing funding to establish the first area healthcare facility-- UT Physicians. The clinic currently serves to provide greater accessible healthcare in the community.

The proposed developments have garnered the full support of the community and aim to serve some of the most vulnerable populations in our area. For these reasons, I am in full support of the two applications for funding. Thank you for your consideration and if I can be of any further assistance please do not hesitate to call me at (713) 694-8620 or email at [Armando.Walle@house.texas.gov](mailto:Armando.Walle@house.texas.gov).

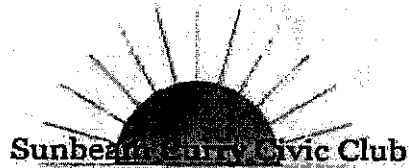
Sincerely,

A handwritten signature in black ink that reads "Armando L. Walle".

Armando L. Walle  
State Representative, House District 140



## Exhibit K – Elected Official and Community Support Letters



April 9, 2019

To: The City of Houston Housing and Community Development Department

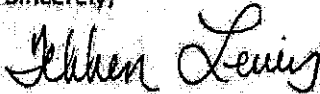
We are writing in support of the application requests for funding for the W. Leo Daniels Towers I rehabilitation, and the new construction of W. Leo Daniels Towers II; both projects have a request for funding through the Housing and Community Development Department's (HCDD) RFP for Disaster Recovery (DR-17) Multifamily Program Round I.

As you are aware, the W. Leo Daniels Towers, located at 8826 Harrell Street is an existing 8 story 100 unit housing development for the elderly, which was constructed in 1979 and is comprised of 100% Section 8 units. The existing tower is in dire need of rehabilitation. W. Leo Daniels Towers II, LP, in coordination with Greater Jerusalem CDC, Pastor Joe F. Russell, and other community leaders, have led the planning efforts on construction of a new 136 unit senior development located at 8920 Jensen Drive Houston TX 77093, just across the street from the existing W Leo Daniels Tower. The new development will be located on approximately 4.5 acres and will move the existing 100 units and add an additional 36 into a new 6 story midrise structure. The new building will be elevator served with surface parking, green space and upgraded amenities for the residents.

The Sunbeam Curry Civic Club is a civic organization within the City of Houston serving the Jensen Eastex Community. We work in collaboration with community partners to assure unity, safety and improvements for our neighborhoods. The efforts of the W. Leo Daniels Towers I and II projects are key initiatives that help improve our neighborhood, while serving the needs of our Senior Citizens and Veterans.

Thank you for your consideration and courtesy. If you have any questions, please do not hesitate to call me at

Sincerely,



Tebben Lewis, president

Sunbeam Curry Civic Club

6b

**BOARD ACTION ITEM**  
**MULTIFAMILY FINANCE DIVISION**  
**OCTOBER 8, 2020**

Presentation, discussion, and possible action on a timely filed appeal of HTC Application 20344, Merritt Sunset under the Department's Multifamily Program Rules

**RECOMMENDED ACTION**

**WHEREAS**, the appeal relates to Competitive Housing Tax Credit (HTC) application 20344 Merritt Sunset, which was submitted to the Department by the Full Application Delivery Date;

**WHEREAS**, staff determined that the Application did not provide mitigating documentation required under 10 TAC §11.101(a)(3)(D)(iv) for Henderson Elementary School, for which an Administrative Deficiency was issued;

**WHEREAS**, the Application was found ineligible because the Applicant has been unable to provide documentation that existed prior to the submission of the Application to meet threshold requirements, subject to the Applicant's ability to appeal;

**WHEREAS**, the Applicant timely filed an appeal; and

**WHEREAS**, the Director denied the appeal;

**NOW, therefore, it is hereby**

**RESOLVED**, that the appeal for 20344 Merritt Sunset is hereby denied.

**BACKGROUND**

HTC Application 20344 Merritt Sunset proposes the New Construction of 149 Units for the general population in Midland. The Development would provide 109 restricted Units and 40 market rate Units. The Development is in the attendance zone of Henderson Elementary School, which had a 2019 rating of F, and a 2018 rating of Met Standard.

10 TAC Tex. Gov't Code 11.101(a)(3)(D)(iv) requires:

"evidence of mitigation for each of the schools in the attendance zone that has a 2019 TEA Accountability Rating of D and 2018 Improvement Required Rating or a 2019 TEA Accountability Rating of F and a 2018 Met Standard Rating may include satisfying the requirements of subclauses (I) - (III) of this clause."

Subclause (I) provides a detailed explanation, stating:

“(I) Documentation from a person authorized to speak on behalf of the school district with oversight of the school in question that indicates the specific plans in place and current progress towards meeting the goals and performance objectives identified in the Campus Improvement Plan and in restoring the school(s) to an acceptable rating status. The documentation should include actual data from progress already made under such plan(s) to date demonstrating favorable trends and should speak to the authorized persons assessment that the plan(s) and the data supports a reasonable conclusion that the school(s) will have an acceptable rating by the time the proposed Development places into service. The letter may, to the extent applicable, identify the efforts that have been undertaken to increase student performance, decrease mobility rate, benchmarks for re-evaluation, increased parental involvement, plans for school expansion, plans to implement early childhood education, and long- term trends that would point toward their achieving an A, B, or C Rating by the time the Development is placed in service. The letter from such education professional should also speak to why they believe the staff tasked with carrying out the plan will be successful at making progress towards acceptable student performance considering that prior Campus Improvement Plans were unable to do so. Such assessment could include whether the team involved has employed similar strategies at prior schools and were successful.

Staff review indicated that the Application did not include mitigating documentation required under 10 TAC 11.101(a)(3)(D)(iv) for Henderson Elementary School. An Administrative Deficiency was issued, to which the Applicant timely replied on August 20, 2020.

Staff found that the information submitted in response to the Administrative Deficiency did not meet the requirements of 10 TAC §11.201(7)(A) related to the Deficiency Process, which requires that information provided in a response exist prior to submission of the Application, and the Application was found to be ineligible.

The appeal letter dated September 16, 2020, includes a complete 2018-2019 Campus Improvement Plan, with an explanation that it is dated September 16, 2020, because that is the day it was printed. It also includes an unsigned letter from Dr. Nancy Ruiz-Parker, Executive Director of Elementary Education for Midland Independent School District, dated September 14, 2020.

In accordance with 10 TAC §11.201(7)(A) related to the Deficiency Process, staff determined the letter from Dr. Parker-Ruiz cannot be accepted because it is dated after the Full Application Delivery Date of February 28, 2020. Further, the 2018-2019 Campus Improvement Plan alone does not meet the requirements of 10 TAC §11.101(a)(3)(C)(vii) or 10 TAC §11.101(a)(3)(D)(iv), as it is not accompanied by a discussion of performance indicators and progress made, or letter from an authorized person dated prior to the Full Application Delivery Date. Accordingly, the Director denied the appeal.

Because the Applicant has not provided definitive evidence that the mitigating documentation provided in response existed prior to submission of the Application, staff recommends denial of the appeal.

# 20344 Merritt Sunset Appeal Documents



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

Greg Abbott  
GOVERNOR

**BOARD MEMBERS**  
Leslie Bingham, *Vice Chair*  
Paul A. Braden, Member  
Sharon Thomason, Member  
Leo Vasquez, Member

September 9, 2020

*Writer's direct dial: 512/475-1676*  
*Email: [marni.holloway@tdhca.state.tx.us](mailto:marni.holloway@tdhca.state.tx.us)*

Colby Denison  
DDC Merritt Sunset, Ltd.  
1608 West 34<sup>th</sup> Street  
Austin, TX 78703

RE: STATUS OF APPLICATION - 2020 COMPETITIVE HOUSING TAX CREDIT APPLICATION 20344, MERRITT SUNSET,  
MIDLAND

Dear Mr. Denison:

The Texas Department of Housing and Community Affairs ("the Department") is in receipt of the application submission indicated above. 10 TAC §11.201(7)(A) related to the Deficiency Process requires that information provided in a response exist prior to submission of the Application.

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information, there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. It is the responsibility of a person who receives a deficiency to address the matter in a timely manner so that staff has the ability to review the response by the close of business on the date by which resolution must be complete and the deficiency fully resolved. Merely submitting materials prior to that time places the responsibility on the responding party that if the materials do not fully resolve the matter there may be adverse consequences such as point deductions or termination. Extensions relating to Administrative Deficiency deadlines may only be extended up to five days if documentation needed to resolve the item is needed from a Third Party or the documentation involves Third Party signatures needed on certifications in the Application. *A Deficiency response may not contain documentation that did not exist prior to submission of the pre-application or Full Application, as applicable. (emphasis added)*



The Deficiency response received on August 20, 2020 summarizes information from the 2018-2019 and 2019-2020 Campus Improvement Plans for Henderson Elementary School. The 2019-2020 Plan submitted is dated August 17, 2020, well after the Full Application Delivery Date. While there undoubtedly was a 2019-2020 Plan in existence on February 28, 2020, the document submitted in response to the deficiency did not exist prior to submission of the full Application.

A quote from Elana Ladd, Chief Communications Officer at Midland ISD, describes a new principal of Henderson Elementary School, Julie Barraza. An article in the *Midland Reporter Telegraph* dated May 18, 2020, announces the appointment of Ms. Barraza to the job. <https://www.mrt.com/news/education/article/MFHS-principal-to-assume-principal-post-at-LHS-15279354.php> Given this information, the statement by Ms. Ladd could not have happened prior to submission of the full Application.

The letter provided in response to the deficiency concludes that the two Plans indicate progress toward meeting the stated goals, even though neither include entries in the Summative column that support this conclusion. In fact, the 2018-2019 Plan includes only the first set of data, so that a conclusion cannot be made regarding its success. The letter further concludes that because initial goals increased from 2018-2019 to 2019-2020, the 2018-2019 goals must have been met, without evidence to support that assumption.

Because the incomplete 2018-2019 Henderson Elementary Campus Improvement Plan is the only information that can be considered as mitigation for the school's rating, staff finds that Application 20344, Merritt Sunset is ineligible because a conclusion cannot be made that the school will have an A, B, or C, rating by the time the Development is placed in service.

An appeal process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §11.902 of the 2020 QAP. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2020 QAP for full instructions on the appeals process.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at [marni.holloway@tdhca.state.tx.us](mailto:marni.holloway@tdhca.state.tx.us).

Sincerely,

Marni Holloway  
Director, Multifamily Finance





600 Congress, Suite 2200  
Austin, TX 78701  
Telephone: 512-305-4700  
Fax: 512-305-4800  
www.lockelord.com

Cynthia L. Bast  
Direct Telephone: 512-305-4707  
Direct Fax: 512-391-4707  
cbast@lockelord.com

September 16, 2020

**Via Email**

Mr. Bobby Wilkinson  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701

Re: Appeal – Merritt Sunset (Midland)  
TDHCA No. 20344

Dear Bobby:

We represent DDC Merritt Sunset, Ltd. (the “**Applicant**”), which has applied for 2020 Housing Tax Credits<sup>1</sup> for the Development referenced above. The Applicant appeals a finding by TDHCA staff that the Application should be ineligible for an award of Housing Tax Credits because of the rating of Henderson Elementary School.

**Background Information**

The Applicant disclosed that Henderson Elementary (grades PK-6) had a TEA rating of Met Standard for 2016, 2017, and 2018. In 2019, when TEA changed its rating methodology, the school’s rating dropped to an F. All other schools zoned to the Development Site have acceptable ratings.

The Applicant submitted the Neighborhood Risk Factors Report and disclosed the rating issue, providing a copy of the Campus Improvement Plan for 2018-2019. This copy of the report showed only the progress through December 2018 and not the remaining progress through June 2019. This resulted in an Administrative Deficiency from the staff, to which the Applicant responded on August 20, 2020. The response to the Administrative Deficiency is attached as Exhibit A (the “**Deficiency Response**”).

Based upon the Deficiency Response, staff determined that there is insufficient evidence to conclude that Henderson Elementary should be able to achieve an A, B, or C rating the next

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<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings given them in the 2020 QAP.

time the students are tested. Staff’s determination was based, in part, on a perception that some of the information provided in the Deficiency Response was not available prior to the Full Application Delivery Date. In truth, the information was available before the Full Application Delivery Date, and we have that confirmation.

It is important to note that the Midland Independent School District has faced tremendous challenges, even prior to the current pandemic. One of the greatest challenges is a shortage of personnel, due to the rapid growth, competition in the employment sector, and lack of affordable housing. The Midland ISD education improvement strategy, called Project Midland, states:

Changing demographics, a dynamic economy and explosive growth, a weakened educator pipeline, and other challenges likely all contribute to the difficulty of the schools growing and evolving as quickly as the population has.

The Permian Basin is experiencing a shortage of teachers due to several factors, including, but not limited to, housing affordability, the abundance of high paying jobs outside of the education sector, and the isolated location of West Texas.

<https://prioritymidland.com/priorities/education/>

Recent job postings support that Midland ISD has a deficiency of human resources. Making a comparison of the ISDs for Midland versus Round Rock, two similarly sized cities, the Applicant found the following<sup>2</sup>:

<u>Job Classification</u>	<u>Number of Vacancies – Midland</u>	<u>Number of Vacancies – Round Rock</u>
Certified Teacher	75	25
Professional	14	5
Administrative	5	1
Substitute Teacher	1	3
Support Staff	74	48

The Applicant has been in regular contact with the Midland ISD but has honestly struggled to receive the information that is important for TDHCA’s analysis. In support of this Application, the Midland ISD has provided the letter attached as Exhibit B.

### **Evidence of Improvement**

In the Deficiency Response, we provided a copy of the 2018-19 Campus Improvement Plan for Henderson. It was the only plan that we could get from Midland ISD at the time, despite asking for a complete report. In the Summative Evaluation, the columns for performance were completed for December 2018, but they were not completed for February, April, and June 2019.

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<sup>2</sup> Source: Midland ISD and Round Rock ISD websites.

The Applicant reached out to Midland ISD once again, and was finally able to obtain the complete version of the 2018-19 Campus Improvement Plan. It is attached as Exhibit C. Note that it was approved on November 6, 2018 but bears a date of September 16, 2020 in the lower right corner. The latter is the date the Plan was printed, not the date the Plan was effective. The Plan includes data up to June 2019 that was available prior to the Application Delivery Date. The ISD apologized for its error in providing incomplete information:

From: Elana Ladd <elana.ladd@midlandisd.net>  
Date: September 14, 2020 at 3:55:13 PM MDT  
To: Colby Denison <colby@denisondevelopment.com>  
Cc: Julie Barraza <julie.barraza@midlandisd.net>, Tommy Craddick <tommy@craddick.com>, Nancy Parker <nancy.parker@midlandisd.net>, Sidney Pounds <sidney.pounds@midlandisd.net>  
Subject: Re: Improvement Plan

Please let us know if this meets what you are looking for. Sorry for the confusion on our part.

Most importantly, the Plan shows true improvement in meeting the various goals. **In the 2018-19 Campus Improvement Plan, 45 of 52 goals were 100% achieved between December 2018 and June 2019.**

In the Deficiency Response, we also provided a copy of the 2019-20 Campus Improvement Plan for Henderson. This Plan bore a date of August 17, 2020 in the lower right corner, but this is the date the Plan was printed. The Plan includes data for November 2019 and January 2020, which was available prior to the Application Delivery Date. Again, the data shows improvement. **In the 2019-20 Campus Improvement Plan, 40 of 45 goals showed improvement from November 2019 to January 2020, with 1 of the goals being 100% achieved.**

As noted in the Deficiency Response, the starting points and ending points for certain goals in the 2019-20 Plan were higher than the starting points and ending points for similar goals in the 2018-19 Plan. We asserted that the positive change in the starting and ending points for the goals in the 2019-20 Plan was evidence that goals in the 2018-19 Plan had been met. Department Staff responded that there was no evidence to support that conclusion. Now, with the availability of a complete copy of the 2018-19 Plan, you can see that our assertion has merit. Taking data from these two Plans, data that was available prior to the Application Delivery Date, shows Henderson Elementary making forward progress. This reinforces the statement made by Midland ISD, submitted with our Deficiency Response, that the change in rating for Henderson Elementary, from consistently Met Standard, to an F when a new ratings methodology was adopted, does not accurately reflect the nature of the school.

In conclusion, the Applicant worked with the Midland ISD to obtain as much information as possible relevant to the Department's analysis. While the ISD was delayed in providing some of this information, it clearly existed prior to the Application Delivery Date and it clearly shows positive trends. While no one has a crystal ball for the ongoing effects of COVID-19 on the educational system, the Applicant believes there was sufficient evidence prior to the date of its

Application that Henderson Elementary is making positive progress toward the goal of rectifying the F rating from 2019 and improving the quality of education for all students.

### **Other Mitigating Factors**

The Applicant has been working with the City of Midland for the past several years to address the tremendous need for affordable housing attributable to changes in the energy industry. Mr. Denison has testified to the unique nature of this area at prior Board meetings. The City has an admitted affordable housing crisis, with a recent population boom. Midland ISD also has a resource crisis. It attempted to address the problem by passing a large bond issuance to pay for new schools, but the measure failed by 26 votes.<sup>3</sup> That is why Midland ISD has established its Priority Midland initiative for educational improvement by 2025.

Henderson Elementary's population includes nearly 80% students of color, 55% students who are economically disadvantaged, and 10% students with special needs. The connection between educational success and a stable housing environment are well-documented. The Applicant firmly believes that this school and the community in general can benefit from affordable housing that will provide students with a healthy home environment. But it will go beyond providing a place to live. It will provide a place to thrive by providing an after-school learning center that will offer at a minimum 15 hours weekly of organized, on-site educational services. These services will be coordinated by an experienced provider, tailored to the needs of the students. The services will be provided at least until Henderson Elementary receives an A, B, or C rating from the Texas Education Agency. The services will include, at a minimum: homework assistance, tutoring, test preparation, assessment of skill deficiencies, and provision of assistance in remediation of those deficiencies, and research and writing skills, all with a consistent weekly schedule. The Developer is already providing similar services at another Housing Tax Credit Development, even though the services were not committed to in the Application and are not required by the LURA. The Development has the physical and financial capacity to provide these services, without any changes to the Application. The community building has been designed with sufficient space and equipment, and the costs for the services can be taken out of the property management fees, which would otherwise go to an Affiliate of the Development Owner. If the Department needs additional information about the Applicant's capacity and experience providing these services, it will be readily provided.

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<sup>3</sup> <https://www.texastribune.org/2020/01/17/lost-midland-ballot-box-flips-569-million-school-bond-election/>

**Conclusion**

For all the reasons described above, we respectfully ask you, as Executive Director, to approve this appeal. Thank you, and please let us know if the Department requires additional information.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia L. Bast".

Cynthia L. Bast

cc: Denison Development  
Crossroads Housing Development Corporation

**Exhibit A**

**Administrative Deficiency Response**



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Cynthia L. Bast  
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August 20, 2020

**Via Email**

Ms. Marni Holloway  
Mr. Ben Sheppard  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701

Re: Administrative Deficiency – Merritt Sunset (Midland)  
TDHCA No. 20344

Dear Marni and Ben:

We represent DDC Merritt Sunset, Ltd. (the “**Applicant**”), which has applied for 2020 Housing Tax Credits<sup>1</sup> for the Development referenced above. The purpose of this letter is to respond to an Administrative Deficiency with regard to a neighborhood risk factor. The Administrative Deficiency notice requested the following:

Tab 2, Neighborhood Risk Factors Report: The submitted report indicates that information required by 10 TAC §11.101(a)(3)(D)(iv) is included, but the application does not include documentation regarding an improvement plan, any data related to progress made under that plan, any communication from an educational professional from the school district, or any evidence of any agreements between the Applicant and the district. The explanation regarding school capacity is not sufficient. Provide the documentation required by the rule

---

<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings given them in the 2020 QAP.

The Applicant disclosed that Henderson Elementary (grades PK-6) had a TEA rating of Met Standard for 2018 and a rating of F for 2019. All other schools zoned to the Development Site have acceptable ratings. While all schools are experiencing tremendous challenges right now and testing has been suspended, there was sufficient evidence prior to the commencement of the pandemic and prior to the filing of the Application to give comfort that Henderson Elementary should be on track to have an acceptable rating by the time this Development is placed into service.

Henderson Elementary's **2018-2019 Campus Improvement Plan** (attached) identified three goals:

Goal 1: The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019.

Goal 2: The percentage of students in grades 3-8 who meet standard on both reading and math STARR will increase to 70% by the end of the 2018-2019 school year.

Goal 3: Henderson staff will promote regular attendance to attain a 97.37% Daily Average Attendance for the 2018-2019 school year which is a 2% increase over the 17-18 school year of 95.73%.

This report shows that most of the performance objectives toward the three goals have made "considerable" progress.

Henderson Elementary's **2019-2020 Campus Improvement Plan** (attached) identified three goals:

Goal 1: The percentage of students grade K-2 who are reading on or above grade level both Istation and F&P will increase from 70% to 75% by end of the 19-20 school year.

Goal 2: 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math STAAR by the end of the 19-20 school year.

Goal 3: 100% of Midland I.S.D. Instructional Expectation for 2019-2020 will be met.

This report gives important indications of progress:

- Goal 1 for 2019-2020 was similar to Goal 1 for 2018-2019 with the important exception that the starting point and ending point were higher. While the 2018-2019 plan wanted to increase the reading performance from something below 69% to 69%, the 2019-2020 plan wanted to increase the reading performance from 70% to 75%. This shows that the school made progress toward this goal and was able to start the 2019-2020 school year at a higher level. The report also shows that, through March 2020 when the pandemic started affecting academic instruction, the school had met approximately 80% of its performance objectives for Goal 1.



- Performance related to Goal 2 is similar. Goal 2 started at 70% in 2018-2019 and increased to 75% in 2019-2020. This also shows that the school made progress in 2018-2019 and was able to start its 2019-2020 school year with a higher goal. The 2019-2020 report also shows consistent progress on the performance objectives through 2019-2020.
- Goal 3 for 2019-2020 is broader than Goal 3 for 2018-2019. The attendance objective comprising Goal 3 for 2018-2019 was not met in 2019-2020 and was one of the performance objectives for the broader Goal 3 in 2019-2020. The report shows that the attendance performance objective to reach 97.25% attendance had been 80% achieved by March. Other performance objectives for Goal 3 in 2019-2020 show positive progress and, in some instances, full achievement.

The Applicant believes that all of this data shows positive trends that are geared toward improvements in test scores. When the Applicant inquired with the Midland school district about the drop off in scores from the 2018-2019 school year (Met Standard) to the 2019-2020 school year (F), Elana Ladd, the Chief Communications Officer, responded with what we have all heard repeatedly:

*In the school year 2018-2019, the Texas Education Agency implemented a new Accountability System that calculated ratings using completely new metrics. Comparing the two systems [2018 ratings to 2019 ratings] from one year to the next without context shows that school ratings are dropping. This is a problematic comparison as the method for calculation is vastly different.*

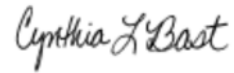
*Henderson is under new academic leadership this year both on campus at the district level with a new Principal and a new Chief Academic Officer. Both individuals will be looking for opportunities to increase student growth and achievement.*

Julie Barraza is the new principal of Henderson Elementary for the 2020-2021 school year. Ms. Barraza is a veteran of the Midland school district and most recently served as assistant principal for Bush Elementary, which had a Met Standard rating in 2018 and a B rating in 2019.

While no one can know the ongoing effects of COVID-19 on the educational system, the Applicant believes there was sufficient evidence prior to the date of its Application that Henderson Elementary is making positive progress toward the goal of rectifying the F rating from 2019 and improving the quality of education for all students.

If you have any questions or require any additional information, please contact me or the Applicant.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia L. Bast".

Cynthia L. Bast

cc: Denison Development  
Crossroads Housing Development Corporation

**Midland Independent School District**  
**Henderson Elementary**  
**2018-2019 Campus Improvement Plan**



# **Mission Statement**

Through effort and determination, every child will learn being prepared for college and career upon graduation.

# **Vision**

The staff at Henderson believes that inside every child is a hidden strength, an unknown ability, a hero waiting to be discovered.

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# Comprehensive Needs Assessment

## Demographics

### Demographics Summary

- We have 411 students enrolled.
- Ethnicity breakdown includes 298 Hispanic students (73%), 85 White students (21%), 16 African Americans (4%), 8 multi-race students (2%), and 4 Asian (1%).
- Our population includes 197 economically disadvantaged students (48%), 3 LEP students (1%), and 42 Special Education students (10%).
- Our attendance rate for the 17-18 school year was 95.37%.

# Perceptions

## Perceptions Summary

- Culture: Our goal is to create a culture for optimal learning. We encourage a growth mindset and a No Excuses Philosophy.
- Values: Collaborative, Positive self-image, Accountability focused.
- Beliefs: Every child will have a solid foundation that will prepare them for college and/or career.

## Perceptions Strengths

- Growth Mindset
- Positive
- Collaborative Culture

# Comprehensive Needs Assessment Data Documentation

The following data were used to verify the comprehensive needs assessment analysis:

## Improvement Planning Data

- District goals
- Campus goals
- Current and/or prior year(s) campus and/or district improvement plans
- Campus and/or district planning and decision making committee(s) meeting data
- State and federal planning requirements

## Accountability Data

- Texas Academic Performance Report (TAPR) data
- Domain 1 - Student Achievement
- Domain 2 - Student Progress
- Domain 3 - Closing the Gaps
- System Safeguards and Texas Accountability Intervention System (TAIS) data
- Critical Success Factor(s) data
- Accountability Distinction Designations
- Federal Report Card Data
- PBMAS data

## Student Data: Assessments

- State and federally required assessment information (e.g. curriculum, eligibility, format, standards, accommodations, TEA information)
- State of Texas Assessments of Academic Readiness (STAAR) current and longitudinal results, including all versions
- STAAR Released Test Questions
- STAAR EL Progress Measure data
- Texas English Language Proficiency Assessment System (TELPAS) results
- Student Success Initiative (SSI) data for Grades 5 and 8
- Local diagnostic reading assessment data
- SSI: Istation Indicators of Progress (ISIP) accelerated reading assessment data for Grades 3-5 (TEA approved statewide license)
- Local diagnostic math assessment data
- SSI: Think Through Math assessment data for Grades 3-8 and Algebra I (TEA approved statewide license)
- Local benchmark or common assessments data
- Student failure and/or retention rates
- Running Records results
- Observation Survey results



- Istation Indicators of Progress (ISIP) reading assessment data for Grades PK-2
- Prekindergarten Self-Assessment Tool

### **Student Data: Student Groups**

- Race and ethnicity data, including number of students, academic achievement, discipline, attendance, and rates of progress for each group
- Special Programs data, including number of students, academic achievement, discipline, attendance, and rates of progress for each student group
- Economically Disadvantaged / Non-economically disadvantaged performance, progress, and participation data,
- Male / Female performance, progress, and participation data
- Special education population, including performance, discipline, progress, and participation data
- Migrant population, including performance, progress, discipline, attendance, and mobility
- At-Risk population, including performance, progress, discipline, attendance, and mobility
- EL or LEP data, including academic achievement, progress, support and accommodation needs, race, ethnicity, gender, etc.
- Section 504 data
- Homeless data
- Response to Intervention (RtI) student achievement data
- Dyslexia Data
- Response to Intervention (RtI) student achievement data

### **Student Data: Behavior and Other Indicators**

- Attendance data
- Mobility rate, including longitudinal data
- Discipline records
- Student surveys and/or other feedback
- Student surveys and/or other feedback
- School safety data

### **Employee Data**

- Professional learning communities (PLC) data
- Staff surveys and/or other feedback
- State certified and high quality staff data
- Teacher/Student Ratio
- Campus leadership data
- Campus department and/or faculty meeting discussions and data
- Professional development needs assessment data
- Evaluation(s) of professional development implementation and impact
- T-TESS

### **Parent/Community Data**

- Parent surveys and/or other feedback
- Parent Involvement Rate

### **Support Systems and Other Data**

- Organizational structure data
- Processes and procedures for teaching and learning, including program implementation
- Budgets/entitlements and expenditures data
- Study of best practices
- Action research results



# Goals










## Goal 1: The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 1:** The percentage of students in grade K-2 who are reading on or above grade level on Istation will increase from 60% to 69% by end of the 18-19 school year.

**Evaluation Data Source(s) 1:** Istation, F & P, SRI, Campus-based CFAs (Common Formative Assessments), District Checkpoints

### Summative Evaluation 1:

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7  1) All K-2 teachers will attend district and campus-based professional development, such as Lead4Ward, CIA (Curriculum, Instruction, and Assessment) sessions, and PLC (Professional Learning Communities) sessions to monitor student progress.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 5000.00							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7  2) K-2 teachers will create CFAs (Common Formative Assessments) and analyze student data for the establishment of individual and guided small groups in order to address and increase the effectiveness of Tier-I instruction.	2.4, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				

<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>3) K-2 students will receive diagnostic instruction based on individual student expectation needs, lessons focused on DOK (Depth of Knowledge) levels to ensure academic success and provide a minimum of one years growth in order to increase student progress and performance in reading.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 5000.00							
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 7</p> <p>4) K-2 teachers will analyze and dis-aggregate student data to address students' individual strengths and weaknesses in order to better address individual student areas of concern.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>5) K-2 teachers will participate in Vertical Alignment meetings to enhance student performance between grades and content areas.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							



**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .










**Performance Objective 2:** The percentage of students in grades K-2 who are reading on or above grade level on Fountas & Pinnell (F&P) will increase from 49% to 78% by the end of the 18-19 school year.

**Evaluation Data Source(s) 2:** Istation, Fountas & Pinnell (F&P), SRI, Campus-based CFAs (Common Formative Assessments, District Checkpoints

Progress Monitoring through RTI, Assessments, SpED Referrals, Teacher Observations

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) Provide guided reading strategies in Kindergarten through 2nd grade to increase the student reading proficiency levels.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 3000.00							
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>2) Kinder - 2nd Collaborative Teams will develop an effective system to quickly and strategically identify students performing below reading level and devise an accommodation plan with monitoring components to move students to higher reading levels.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				

<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7</p> <p>3) All Kinder - 2nd grade students will receive individualized intervention, diagnostic instruction, and enrichment opportunities.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 1500.00							
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 4 CSF 7</p> <p>4) Kinder -2nd grade students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 4 CSF 6 CSF 7</p> <p>5) Kinder - 2nd grade students will receive consistent phonics and fluency instruction monitored through F&amp;P and Istation.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							









**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 3:** The percentage of Pre-K students producing 40 letter sounds on a district checkpoint will increase from an expected performance of 65% to 80% by the end of the 18-19 school year.

**Evaluation Data Source(s) 3:** E.O.Y. Pre-K Assessment data, informal walk-through data, Istation reports

**Summative Evaluation 3:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) Pre-K and Kindergarten teachers will provide gross and fine motor skills building opportunities (pencil holding, manipulating small objects), as well as continued communication with parents to aid in using proper language</p>	2.4, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>2) The PreK-K Collaborative Team will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.</p>	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				

<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7</p> <p>3) All Pre-K students will receive specialized intervention and practice to aid students in becoming more successful with a focus on Tier II and Tier III students.</p>	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 4 CSF 7</p> <p>4) Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.</p>	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
<p>  = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue </p>							











**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 4:** 81% of K-1 students will be at or above the benchmark on the Texas Early Mathematics Inventory or Imagine Math by the end of the 18-19 school year.

**Evaluation Data Source(s) 4:** T.E.M.I., IFV data, district assessments, CFAs, and Imagine Math reports.

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7  1) Kinder - 2nd Math Collaborative Teams will develop an effective system to identify teaching standards, create common formative assessments, analyze data, and develop plans for reteaching and enrichment.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	80% of the students will score at or above level on the end of year T.E.M.I.				
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7  2) Kinder - 2nd grade students will receive high quality instruction using guided math strategies.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	80% of the students will score at or above level on the end of year T.E.M.I.				
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							










# Goal 2: The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 1:** The percentage of students in grades 3-6 on track to meet passing standard on both reading and math district checkpoints will increase from 68% to 70% by the end of the 18-19 school year.

**Evaluation Data Source(s) 1:** STAAR data, Istation, F &P, SRI, Campus-based Common Formative Assessments, District Checkpoints

**Summative Evaluation 1:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7 1) 3-6 grade teachers will attend district and campus-based professional development, such as Lead4Ward, PLC (Professional Learning Communities) and CIA (Curriculum, Instruction, and Assessment) sessions to dis-aggregate and monitor student progress.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 5000.00						
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7 2) Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of all students.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				



<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 3) All students will receive diagnostic instruction based on individual student expectation needs, lessons focused on individual student expectation needs, lessons focused on DOK (depth of knowledge) levels to ensure academic success and provide a minimum of one year's growth in order to increase student progress and performance.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 5000.00						
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 7 4) 3rd - 6th grade teachers will analyze and disaggregate student data to address individual strengths and weaknesses in order to drive instruction. Teachers will also provide intervention and after school tutorials, as needed.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 6000.00						
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 5) Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 6000.00						
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							








**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 2:** The percentage of economically disadvantaged students in grades 3-6 on track to meet passing standard on both reading and math district checkpoints will increase from 58% to 63% by the end of the 18-19 school year.

**Evaluation Data Source(s) 2:** Campus-based Common Formative Assessment, RTI, District Checkpoints, and Teacher Observations

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) 3-6 PLC grade level teams will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>2) 3rd-6th grade students not performing on or above grade level will be referred to the RTI team in order to discuss and determine the best interventions for the students.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, grade level teachers, and RTI Team..	63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.				










<p><b>Comprehensive Support Strategy</b></p> <p><b>Targeted Support Strategy</b></p> <p><b>PBMAS</b></p> <p><b>Critical Success Factors</b></p> <p>CSF 1 CSF 2 CSF 4 CSF 7</p> <p>3) Henderson staff and students will be supported in targeted instruction in Math and Reading by focusing on Tier II and Tier III students</p>	<p>2.4, 2.5, 2.6</p>	<p>Principal, Assistant Principal, CEIC, grade level teachers, Region 18 TxCEE..</p>	<p>63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.</p>				
<p>  = Accomplished          = Continue/Modify          = Considerable          = Some Progress          = No Progress          = Discontinue       </p>							

**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 3:** The percentage of students in grade 3-6 on track to meet Masters Grade Level on both reading and math district checkpoints will increase from 11% to 13% by the end of the 18-19 school year.

**Evaluation Data Source(s) 3:** District Checkpoints, CFAs (Common Formative Assessments), Progress monitoring through RTI

**Summative Evaluation 3:**




Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>1) 3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				
<b>Funding Sources:</b> 211 Title 1 - 1500.00							
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 7</p> <p>2) 3rd - 6th grade teachers will analyze and disaggregate student data to address individual strengths.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>3) 3rd - 6th grade teachers will participate in Vertical Team meetings to enhance student performance between grades and content.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							

**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 4:** The percentage of students in grades 3-6 who score on or above grade level in both Istation and Imagine Math will increase from 65% to 70% by the end of the 18-19 school year.

**Evaluation Data Source(s) 4:** Istation, Imagine Math

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>1) Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 6 CSF 7</p> <p>2) Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis of student data.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>3) Henderson Special Education students will receive both intervention and enrichment lessons/activities based on the analysis of student data.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				



= Accomplished



= Continue/Modify



= Considerable



= Some Progress



= No Progress



= Discontinue







# Goal 3: 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 1:** Henderson staff will promote regular attendance to attain a 97.37% Daily Average Attendance for the 2018-2019 school year which is a 2% increase over the 17-18 school year of 95.37%.

**Evaluation Data Source(s) 1:** Daily Attendance records, principal reports, and RaaWee

## Summative Evaluation 1:

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>1) Henderson will address chronic student absences and tardies as outlined in the Henderson Attendance Plan by providing incentives to encourage students to increase daily average attendance to 97.37%.</p>	3.1	Teachers, Counselor, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
<b>Funding Sources:</b> 211 Title 1 - 1000.00							
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>2) Henderson teachers will communicate with parents by informing them of the State Compulsory Attendance Law via phone calls, campus/district web page, call outs, and will send notices when parents/students are in violation.</p>	3.1	Teachers, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>3) Students will be recognized for Perfect Attendance at the end of each grading period.</p>	3.1	Teachers, Office Staff, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
<b>Funding Sources:</b> 199 Local - 1000.00							
<p><b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>4) Students will be recognized for Academic Achievement.</p>	2.4, 2.5, 2.6, 3.1, 3.2	Teachers, Office Staff, Administrators, and Counselor	Daily Average Attendance will increase by 2% for the 18-19 school year.				
<b>Funding Sources:</b> 211 Title 1 - 2000.00							



= Accomplished



= Continue/Modify



= Considerable



= Some Progress



= No Progress












= Discontinue

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 2:** Henderson will improve student fitness in K-12 Physical Education resulting in a 20% increase of the Fitnessgram scores and improve wellness in health by 20%, using Coordinated School Health Program (CSHP).

**Evaluation Data Source(s) 2:** Fitness Gram score analysis

**Summative Evaluation 2:**









Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 1 CSF 3 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) Henderson will ensure moderate to vigorous physical activity is implemented in P.E. as recommended in the Physical Education Curriculum Guides.</p>	2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
<p><b>Funding Sources:</b> 199 Local - 0.00</p>							
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 3 CSF 5 CSF 6</p> <p>2) Henderson will participate in professional development based on state law requirements (SB530 and SB7) which will assist in monitoring and analysis of the Fitnessgram test results.</p>	2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 3 CSF 5 CSF 6</p> <p>3) Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.</p>	2.5, 2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
<p>  = Accomplished              = Continue/Modify              = Considerable              = Some Progress              = No Progress              = Discontinue         </p>							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 3:** Henderson ELL students will increase at least one proficiency level on TELPAS.

**Evaluation Data Source(s) 3:** TELPAS data

**Summative Evaluation 3:**









Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 7</p> <p>1) Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.</p>	2.4, 2.5, 2.6	Teachers and Administrators	ELL students will have an increase of at least one proficiency level on TELPAS during the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 7</p> <p>2) Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.</p>	2.4, 2.5, 2.6	Teachers and Administrators	ELL students will have an increase of at least one proficiency level on TELPAS during the 18-19 school year.				
<p>  = Accomplished              = Continue/Modify              = Considerable              = Some Progress              = No Progress              = Discontinue         </p>							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 4:** 100% of Title-1 funds will be allocated and used according to federal guidelines during the 2018-2019 school year.

**Evaluation Data Source(s) 4:** Title-1 budget review

**Summative Evaluation 4:**








Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7 1) Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.	2.6	Administrators and CEIC	All Title-1 funds will be allocated and used according to federal guidelines during the 18-19 school year.				
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 3 2) All Title-1 funds will directly benefit the students of Henderson Elementary.	2.6	Administrators, CEIC members	All Title-1 funds will be allocated and used according to federal guidelines during the 18-19 school year.				
<b>Funding Sources:</b> 211 Title 1 - 5886.64							
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 5:** Campus administrators, teachers, and counselors will work collaboratively in order to provide a smooth transition to 100% of students from grade level to grade level to maximize student performance.

**Evaluation Data Source(s) 5:** Checkpoint scores, teacher observations, and discipline reports

**Summative Evaluation 5:**





Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 5 CSF 6  1) Sixth grade students and parents will be introduced to junior high curriculum opportunities, ie. visits to junior high campuses, parent orientation nights, counselor visits, and enrollment.	3.1, 3.2	6th grade teachers, Counselor, Administrators	100% of 6th graders will have a smooth transition from Elementary to Jr. High.				
<b>Funding Sources:</b> 199 Local - 0.00							
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							



**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 6:** 100% of students will participate in learning environments that are safe, drug-free, conducive to learning.

**Evaluation Data Source(s) 6:** Discipline reports, nurse referrals, bullying reports

**Summative Evaluation 6:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 6</p> <p>1) Students will be provided with a drug education program, "being safe program," and a character education program.</p>	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 3 CSF 6</p> <p>2) Students will be provided character development education lessons featuring nine desirable character traits. Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.</p>	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 6</p> <p>3) A Texas Behavior Support Initiative (TBSI) Core Team will be established and trained for behavior intervention assistance. Non-Crisis Intervention (NCI) strategies will be implemented as needed.</p>	2.6	Teachers, SpED Teachers, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<p><b>Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 6</p> <p>4) Henderson will implement a Campus Management Plan.</p>	2.6	Campus Management Plan Committee members	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				

<p><b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 5 CSF 6</p> <p>5) All visitors to the campus will be processed through the Raptor System to ensure campus safety and security.</p>	2.6	Teachers, Administrators, and Office Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<p><b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>6) Henderson will implement the CHAMPS program to provide students with consistency and guidance with behavior expectations.,</p>	2.6	Teachers, Administrators, and Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				

 = Accomplished  
  = Continue/Modify  
  = Considerable  
  = Some Progress  
  = No Progress  
  = Discontinue












**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 7:** Henderson Elementary will provide opportunities throughout the 2018-2019 school year for parents and community organizations to enhance the school culture.

**Evaluation Data Source(s) 7:** Calendar of events, newsletters, parent involvement sign-in sheets, campus culture surveys

**Summative Evaluation 7:**



Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 5 CSF 6  1) Henderson will host various parent meetings (Science Night, Math Night, Literacy Night, Student programs) to increase parental involvement.	3.1, 3.2	Teachers, Counselor, and Administrators	Henderson will provide multiple opportunities for parental involvement throughout the 18-19 school year.				
<b>Funding Sources:</b> 211 Title 1 - 1000.00							
<b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 5 CSF 6  2) Tiger Binders and/or student planners will be used for parent-teacher communication and delivery of homework, important student notes, and communication logs for parents and teachers.	3.1, 3.2	Teachers and Administrators	Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.				
<b>Funding Sources:</b> 211 Title 1 - 1047.67							
<b>Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 3 CSF 4 CSF 7  3) Foster Grandparents will be incorporated into classrooms daily to assist K and 1 teachers in developing a well-rounded, students centered learning environment.	2.6	K/1 teachers, Foster grandparents, and Administrators	Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.				
 = Accomplished  = Continue/Modify  = Considerable  = Some Progress  = No Progress  = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 8:** Henderson Elementary will increase overall reading, math, science and writing STAAR meets, approaches and meets performance scores.

**Evaluation Data Source(s) 8:** STAAR; Progress monitoring, eRTI, F & P, iStation.

**Summative Evaluation 8:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7 1) Henderson will purchase Chromebooks to be utilize in the classroom for interventions, Imagine Math, & iStation.	2.4, 2.5, 2.6	Teachers and Administrators	Closing the achievement gap.				
<b>Funding Sources:</b> 211 Title 1 - 12000.00							
							

# Comprehensive Support Strategies

Goal	Objective	Strategy	Description
1	1	1	All K-2 teachers will attend district and campus-based professional development, such as Lead4Ward, CIA (Curriculum, Instruction, and Assessment) sessions, and PLC (Professional Learning Communities) sessions to monitor student progress.
1	1	2	K-2 teachers will create CFAs (Common Formative Assessments) and analyze student data for the establishment of individual and guided small groups in order to address and increase the effectiveness of Tier-I instruction.
1	1	3	K-2 students will receive diagnostic instruction based on individual student expectation needs, lessons focused on DOK (Depth of Knowledge) levels to ensure academic success and provide a minimum of one years growth in order to increase student progress and performance in reading.
1	1	4	K-2 teachers will analyze and dis-aggregate student data to address students' individual strengths and weaknesses in order to better address individual student areas of concern.
1	1	5	K-2 teachers will participate in Vertical Alignment meetings to enhance student performance between grades and content areas.
1	2	1	Provide guided reading strategies in Kindergarten through 2nd grade to increase the student reading proficiency levels.
1	2	2	Kinder - 2nd Collaborative Teams will develop an effective system to quickly and strategically identify students performing below reading level and devise an accommodation plan with monitoring components to move students to higher reading levels.
1	2	3	All Kinder - 2nd grade students will receive individualized intervention, diagnostic instruction, and enrichment opportunities.
1	2	4	Kinder -2nd grade students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	2	5	Kinder - 2nd grade students will receive consistent phonics and fluency instruction monitored through F&P and Istation.
1	3	1	Pre-K and Kindergarten teachers will provide gross and fine motor skills building opportunities (pencil holding, manipulating small objects), as well as continued communication with parents to aid in using proper language
1	3	2	The PreK-K Collaborative Team will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
1	3	3	All Pre-K students will receive specialized intervention and practice to aid students in becoming more successful with a focus on Tier II and Tier III students.
1	3	4	Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	4	1	Kinder - 2nd Math Collaborative Teams will develop an effective system to identify teaching standards, create common formative assessments, analyze data, and develop plans for reteaching and enrichment.

Goal	Objective	Strategy	Description
1	4	2	Kinder - 2nd grade students will receive high quality instruction using guided math strategies.
2	1	1	3-6 grade teachers will attend district and campus-based professional development, such as Lead4Ward, PLC (Professional Learning Communities) and CIA (Curriculum, Instruction, and Assessment) sessions to dis-aggregate and monitor student progress.
2	1	2	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of all students.
2	1	3	All students will receive diagnostic instruction based on individual student expectation needs, lessons focused DOK (depth of knowledge) levels to ensure academic success and provide a minimum of one year's growth in order to increase student progress and performance.
2	1	4	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses in order to drive instruction. Teachers will also provide intervention and after school tutorials, as needed.
2	1	5	Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.
2	2	1	3-6 PLC grade level teams will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
2	2	2	3rd-6th grade students not performing on or above grade level will be referred to the RTI team in order to discuss and determine the best interventions for the students.
2	2	3	Henderson staff and students will be supported in targeted instruction in Math and Reading by focusing on Tier II and Tier III students
2	3	1	3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.
2	3	2	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths.
2	3	3	3rd - 6th grade teachers will participate in Vertical Team meetings to enhance student performance between grades and content.
2	4	1	Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
2	4	2	Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
2	4	3	Henderson Special Education students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
3	1	4	Students will be recognized for Academic Achievement.
3	2	3	Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.

<b>Goal</b>	<b>Objective</b>	<b>Strategy</b>	<b>Description</b>
3	3	1	Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.
3	3	2	Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.
3	4	1	Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.
3	4	2	All Title-1 funds will directly benefit the students of Henderson Elementary.
3	8	1	Henderson will purchase Chromebooks to be utilize in the classroom for interventions, Imagine Math, & iStation.

# Campus Funding Summary

<b>211 Title 1</b>					
Goal	Objective	Strategy	Resources Needed	Account Code	Amount
1	1	1			\$5,000.00
1	1	3			\$5,000.00
1	2	1			\$3,000.00
1	2	3			\$1,500.00
2	1	1			\$5,000.00
2	1	3			\$5,000.00
2	1	4			\$6,000.00
2	3	1			\$1,500.00
3	1	1			\$1,000.00
3	1	4			\$2,000.00
3	4	2			\$5,886.64
3	7	1			\$1,000.00
3	7	2			\$1,047.67
3	8	1			\$12,000.00
<b>Sub-Total</b>					\$54,934.31
<b>199 Local</b>					
Goal	Objective	Strategy	Resources Needed	Account Code	Amount
3	1	3			\$1,000.00
3	2	1			\$0.00
3	5	1			\$0.00
<b>Sub-Total</b>					\$1,000.00
<b>Grand Total</b>					<b>\$55,934.31</b>

**Midland Independent School District**  
**Henderson Elementary**  
**2019-2020 Campus Improvement Plan**

**Accountability Rating: F**

# Mission Statement

Henderson will provide high-quality educational opportunities that will inspire students to make a positive contribution to society.

## Vision

T: Teamwork

I: Integrity

G: Goals

E: Endurance

R: Respect

S: Success

## Value Statement

Focus

Build Capacity

Increase Achievement



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# Comprehensive Needs Assessment

## Demographics

### Demographics Summary

- We have 411 students enrolled.
- Ethnicity breakdown includes 282 Hispanic students (69%), 85 White students (21%), 28 African Americans (7%), 9 multi-race students (2%), and 7 Asian (1.7%).
- Our population includes 227 economically disadvantaged students (55.2%), 3 LEP students (1%), and 50 Special Education students (12.17%).
- Our attendance rate for the 18-19 school year was 95.25%.

# Perceptions

## Perceptions Summary

- Culture: Our goal is to create a culture for optimal learning. We encourage a growth mindset and a No Excuses Philosophy.
- Values: Collaborative, Positive self-image, Accountability focused.
- Beliefs: Every child will have a solid foundation that will prepare them for college and/or career.

## Perceptions Strengths

- Growth Mindset
- Positive
- Collaborative Culture

# Priority Problem Statements

**Problem Statement 1:** In the area of Science, students scored low.

**Root Cause 1:** There is a lack of the implementation of Science Labs and intervention.

**Problem Statement 1 Areas:** Student Achievement

**Problem Statement 2:** In the area of Writing, there is a lack of differentiated instruction based on student progress or needs.

**Root Cause 2:** There is a lack of scaffolding of the writing process and authentic writing opportunities.

**Problem Statement 2 Areas:** Student Achievement

**Problem Statement 3:** Low percentages of students performing at the Meets and Masters categories.

**Root Cause 3:** Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).

**Problem Statement 3 Areas:** Student Achievement

**Problem Statement 4:** Subpopulations are inconsistently represented in the Meets and Masters categories.

**Root Cause 4:** The rigor questioning and activities are aligned with the expected level of performance.

**Problem Statement 4 Areas:** Student Achievement

**Problem Statement 5:** There is a lax in classroom management and behavioral expectations.

**Root Cause 5:** CHAMPS expectations are not consistently reinforced campus-wide.

**Problem Statement 5 Areas:** School Culture and Climate

**Problem Statement 6:** In the area of attendance, additional incentives for student motivation need to be added to increase student attendance.

**Root Cause 6:**

**Problem Statement 6 Areas:** Demographics

**Problem Statement 7:** In the area of attendance, incentives for parental support needs to be implemented to increase student attendance.

**Root Cause 7:**

**Problem Statement 7 Areas:** Demographics

**Problem Statement 8:** In the area of attendance, additional incentives for student motivation need to be added to increase student attendance.

**Root Cause 8:**

**Problem Statement 8 Areas:** Demographics

**Problem Statement 9:** Lower than expected success rate.

**Root Cause 9:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Problem Statement 9 Areas:** Curriculum, Instruction, and Assessment

# Comprehensive Needs Assessment Data Documentation

The following data were used to verify the comprehensive needs assessment analysis:

## Improvement Planning Data

- District goals
- Campus Performance Objectives Summative Review from previous year
- Current and/or prior year(s) campus and/or district improvement plans
- Campus and/or district planning and decision making committee(s) meeting data
- State and federal planning requirements

## Accountability Data

- Texas Academic Performance Report (TAPR) data
- Accountability Distinction Designations
- Federal Report Card Data
- PBMAS data

## Student Data: Assessments

- State and federally required assessment information (e.g. curriculum, eligibility, format, standards, accommodations, TEA information)
- State of Texas Assessments of Academic Readiness (STAAR) current and longitudinal results, including all versions
- STAAR Released Test Questions
- Texas English Language Proficiency Assessment System (TELPAS) results
- Student Success Initiative (SSI) data for Grades 5 and 8
- Local diagnostic reading assessment data
- SSI: Istation Indicators of Progress (ISIP) accelerated reading assessment data for Grades 3-5 (TEA approved statewide license)
- Local diagnostic math assessment data
- SSI: Think Through Math assessment data for Grades 3-8 and Algebra I (TEA approved statewide license)
- Running Records results
- Observation Survey results
- Istation Indicators of Progress (ISIP) reading assessment data for Grades PK-2

## Student Data: Student Groups

- STEM/STEAM data
- Dyslexia Data

## **Student Data: Behavior and Other Indicators**

- Attendance data
- Mobility rate, including longitudinal data
- Discipline records
- Student surveys and/or other feedback

## **Employee Data**

- Professional learning communities (PLC) data
- Staff surveys and/or other feedback
- Teacher/Student Ratio
- Campus leadership data
- Campus department and/or faculty meeting discussions and data
- Professional development needs assessment data
- Evaluation(s) of professional development implementation and impact

## **Parent/Community Data**

- Parent surveys and/or other feedback
- Parent engagement rate

## **Support Systems and Other Data**

- Organizational structure data
- Processes and procedures for teaching and learning, including program implementation
- Budgets/entitlements and expenditures data
- Study of best practices
- Action research results




# Goals

**Goal 1: The percentage of students in grade K-2 who are reading on or above grade level both Istation and F&P will increase from 70% to 75% by end of the 19-20 school year.**

**Performance Objective 1:** 85% of students in grades K-2 will read on or above grade level on Istation and F & P by the end of the 19-20 school year.

**Evaluation Data Source(s) 1:** Istation, F & P, SRI, Campus-based CFAs (Common Formative Assessments), District Checkpoints

**Summative Evaluation 1:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 1: Strong School Leadership and Planning Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) All K-2 teachers will meet regularly to analyze iStation data and plan effective small group instruction using priority skills to provide student support.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	85% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 0.00							



Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Running records will be administered to all K-2 gr students to monitor student reading progress.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, grade level teachers.	Improve student progress by increasing the number of Tier I students.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 0.00							
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) 100% of students will complete the appropriate minutes on iStation.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, grade level teachers.	Students will increase reading skills by completing practices and skill builder lessons on skills they struggle with.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 4) Students will learn the metacognition strategies to improve higher order thinking.	2.4, 2.5, 2.6	Administrators, Reading Interventionist, Grade level teachers	Increase student higher order level thinking.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1							
= Accomplished     = Continue/Modify     = No Progress     = Discontinue							

**Performance Objective 1 Problem Statements:**

**Curriculum, Instruction, and Assessment**

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Goal 1:** The percentage of students in grade K-2 who are reading on or above grade level both Istation and F&P will increase from 70% to 75% by end of the 19-20 school year.

**Performance Objective 2:** 85% of Pre-K students will be able to produce 40 letter sounds on the CLI Engage assessment by the end of the 19-20 school year.

**Evaluation Data Source(s) 2:** E.O.Y. Pre-K Assessment data, informal walk-through data, Istation reports

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 5: Effective Instruction 1) Pre-K teachers will provide small group instruction and guided reading in order for students to learn their sounds, sight words, and read their F & P leveled text.	2.4, 2.6	Teachers, Assistant Principal, Reading Interventionist, and grade level teachers.	Increase the knowledge of sounds and letter recognition in order for them to begin to read.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, and grade level teachers.	Increase student capacity.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1							
= Accomplished                          = Continue/Modify                          = No Progress                          = Discontinue							

**Performance Objective 2 Problem Statements:**

## Curriculum, Instruction, and Assessment

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Goal 2: 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math STAAR by the end of the 19-20 school year.**







**Performance Objective 1:** 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math district checkpoints by the end of the 19-20 school year.

**Evaluation Data Source(s) 1:** STAAR data, Istation, F &P, SRI, Campus-based Common Formative Assessments, District Checkpoints

**Summative Evaluation 1:**

**Targeted or ESF High Priority**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) 3-6 grade teachers will implement guided reading and guided math groups to differentiate instruction.	2.4, 2.5, 2.6	Administrators, Reading Interventionist, and grade level teachers.	Increase number of students who reach their guided reading and lexile level. For math students will increase their conceptual understanding of math skills.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 7800.00							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math in order to differentiate instruction.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase student achievement in reading and math.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Connect high school to career and college Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) All students will learn metacognition skills to improve their higher order thinking and apply it on staar assessments.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase student higher order thinking and apply on staar assessments.				
<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 0.00							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 4) 3rd - 6th grade teachers will analyze and disaggregate student data to address individual strengths and weaknesses in order to provide intervention and enrichment opportunities.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase student progress and performance.				
<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment I <b>Funding Sources:</b> 211 Title 1 - 6800.00, Other - 3000.00							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 5) Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase teacher capacity in instruction.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment I <b>Funding Sources:</b> 211 Title 1 - 23653.76							
= Accomplished                = Continue/Modify                = No Progress                = Discontinue							

**Performance Objective 1 Problem Statements:**

Student Achievement
<b>Problem Statement 1:</b> In the area of Science, students scored low. <b>Root Cause 1:</b> There is a lack of the implementation of Science Labs and intervention.

### Student Achievement

**Problem Statement 2:** In the area of Writing, there is a lack of differentiated instruction based on student progress or needs. **Root Cause 2:** There is a lack of scaffolding of the writing process and authentic writing opportunities.

**Problem Statement 3:** Low percentages of students performing at the Meets and Masters categories. **Root Cause 3:** Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).

**Problem Statement 4:** Subpopulations are inconsistently represented in the Meets and Masters categories. **Root Cause 4:** The rigor questioning and activities are aligned with the expected level of performance.

### Curriculum, Instruction, and Assessment

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.





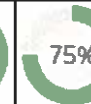
**Goal 2:** 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math STAAR by the end of the 19-20 school year.







**Performance Objective 2:** 70% of economically disadvantaged students in grades 3-6 will be on track to meet passing standard on both reading and math district checkpoints by the end of the 19-20 school year.

**Evaluation Data Source(s) 2:** Campus-based Common Formative Assessment, RTI, District Checkpoints, and Teacher Observations

**Summative Evaluation 2:**

**Targeted or ESF High Priority**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) 3-6 grade teachers will implement guided reading and guided math groups to differentiate instruction.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase number of students who reach their guided reading and lexile level. For math students will increase their conceptual understanding of math skills.	 60%	 70%	 75%	
<b>Problem Statements:</b> Demographics 1 - Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> Grants - 26364.10							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levels</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math in order to differentiate instruction.	2.4, 2.5, 2.6	Principal, Assistant Principal, grade level teachers, and RTI Team..	Increase student achievement in reading and math.				
<b>Problem Statements:</b> Demographics 1 - Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levels</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of economically disadvantaged students. Teachers will meet in PLCs with interventionists and administrators to formulate intervention plans.	2.4, 2.5, 2.6	Principal, Assistant Principal, Interventionist, grade level teachers.	Improve economically disadvantaged student progress and close performance gaps.				
<b>Problem Statements:</b> Demographics 1 - Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 5: Effective Instruction 4) 3rd - 6th grade teachers will analyze and disaggregate student data to address individual strengths and weaknesses in order to provide intervention and enrichment opportunities.	2.4, 2.5, 2.6	Grade level teachers, PLC teams, administrators, and Interventionist.	Increase student higher order thinking and apply on staar assessments.				
<b>Problem Statements:</b> Demographics 1 - Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 5) Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.	2.4, 2.5, 2.6	Administrators, Reading Interventionist, grade level teachers	Increase teacher capacity in instruction.				
<b>Problem Statements:</b> Demographics 1 - Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
= Accomplished      = Continue/Modify      = No Progress      = Discontinue							

**Performance Objective 2 Problem Statements:**

Demographics
<b>Problem Statement 1:</b> In the area of attendance, additional incentives for student motivation need to be added to increase student attendance.

### Student Achievement

**Problem Statement 3:** Low percentages of students performing at the Meets and Masters categories. **Root Cause 3:** Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).

**Problem Statement 4:** Subpopulations are inconsistently represented in the Meets and Masters categories. **Root Cause 4:** The rigor questioning and activities are aligned with the expected level of performance.

### Curriculum, Instruction, and Assessment

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.




**Goal 2:** 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math STAAR by the end of the 19-20 school year.







**Performance Objective 3:** 15% of students in grade 3-6 will be on track to meet Masters Grade Level on both reading and math district checkpoints by the end of the 19-20 school year.

**Evaluation Data Source(s) 3:** District Checkpoints, CFAs (Common Formative Assessments), Progress monitoring through RTI

**Summative Evaluation 3:**

**Targeted or ESF High Priority**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) 3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Student achievement to maintain Masters Level.	 60%	 65%	 70%	
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 2000.00							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) 3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses, as well as plan individualized support during small group instruction for intervention.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	Increase student achievement to meet Masters Level.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) 3rd - 6th grade PLC vertical teams will meet regularly to analyze individual student student data on CFAs and student evidence of learning at different grade levels to enhance essential standards to share best practices.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers.	Increase student achievement to meet Masters Level.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Recruit, support, retain teachers and principals Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 2: Effective, Well-Supported Teachers Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 4) Hire a Math Specialist to provide individual support to students on track to meet Meets and Masters level.	2.4, 2.5, 2.6	Principal and Assistant Principal	Increase student achievement to meet Masters Level.				
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> Grants - 41760.90							
= Accomplished     = Continue/Modify     = No Progress     = Discontinue							

**Performance Objective 3 Problem Statements:**

Student Achievement
<b>Problem Statement 3:</b> Low percentages of students performing at the Meets and Masters categories. <b>Root Cause 3:</b> Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).
<b>Problem Statement 4:</b> Subpopulations are inconsistently represented in the Meets and Masters categories. <b>Root Cause 4:</b> The rigor questioning and activities are aligned with the expected level of performance.
Curriculum, Instruction, and Assessment
<b>Problem Statement 1:</b> Lower than expected success rate. <b>Root Cause 1:</b> Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Goal 2:** 75% of students in grades 3-6 will be on track to meet passing standard on both reading and math STAAR by the end of the 19-20 school year.

**Performance Objective 4:** 70% of students in grades 3-6 will score on or above grade level in both Istation and Imagine Math by the end of the 19-20 school year.








**Evaluation Data Source(s) 4:** Istation, Imagine Math

**Summative Evaluation 4:**

**Targeted or ESF High Priority**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers	Increase of student achievement on iStation and Imagine Math.				
				<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1			
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis iStation and Imagine Math data.	2.4, 2.5, 2.6	Principal, Assistant Principal, and grade level teachers	Increase of student achievement on iStation and Imagine Math.				
				<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1			



Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Build a foundation of reading and math Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) Henderson Special Education students will receive both intervention and enrichment lessons/activities based on iStation and Imagine Math data.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	Increase special education student achievement on iStation and Imagine Math.	 65%	 75%	 75%	
<b>Problem Statements:</b> Student Achievement 3, 4 - Curriculum, Instruction, and Assessment 1							
 = Accomplished  = Continue/Modify  = No Progress  = Discontinue							

**Performance Objective 4 Problem Statements:**

<b>Student Achievement</b>
<b>Problem Statement 3:</b> Low percentages of students performing at the Meets and Masters categories. <b>Root Cause 3:</b> Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).
<b>Problem Statement 4:</b> Subpopulations are inconsistently represented in the Meets and Masters categories. <b>Root Cause 4:</b> The rigor questioning and activities are aligned with the expected level of performance.
<b>Curriculum, Instruction, and Assessment</b>
<b>Problem Statement 1:</b> Lower than expected success rate. <b>Root Cause 1:</b> Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

### Goal 3: 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 1:** Henderson staff will promote regular attendance to attain a 97.25% Daily Average Attendance for the 2019-2020 school year which is a 2% increase over the 18-19 school year of 95.25%.

**Evaluation Data Source(s) 1:** Daily Attendance records, principal reports, and RaaWee

#### Summative Evaluation 1:

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 1) Henderson will address chronic student absences and tardies as outlined in the Henderson Attendance Plan by providing incentives to encourage students to increase daily average attendance to 97.25%.	2.4, 2.5, 2.6, 3.1, 3.2	Teachers, Counselor, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 19-20 school year.				
				<b>Problem Statements:</b> Demographics 1, 2 <b>Funding Sources:</b> 211 Title 1 - 1000.00			
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 2) Henderson staff will communicate the State Compulsory Attendance Law with stakeholders with via phone calls, campus/district web page, call outs, and will send violation notices.	2.4, 2.5, 2.6, 3.1, 3.2	Teachers, Administrators, and Leadership Team	Increase percentage of daily student attendance.				
				<b>Problem Statements:</b> Demographics 1, 2			

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 5: Effective Instruction 3) Students will be recognized for Perfect Attendance at the end of each grading period.	2.4, 2.5, 2.6, 3.1	Teachers, Office Staff, Administrators, and Leadership Team	Increase percentage of daily attendance.				
	<b>Problem Statements:</b> Demographics 1, 2 <b>Funding Sources:</b> 211 Title 1 - 1500.00						
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 4) Students will be recognized for Academic Achievement.	2.4, 2.5, 2.6, 3.1, 3.2	Teachers, Office Staff, Administrators, and Counselor	Daily Average Attendance will increase by 2% for the 18-19 school year.				
	<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 3000.00						
= Accomplished      = Continue/Modify      = No Progress      = Discontinue							

**Performance Objective 1 Problem Statements:**

Demographics	
<b>Problem Statement 1:</b>	In the area of attendance, additional incentives for student motivation need to be added to increase student attendance.
<b>Problem Statement 2:</b>	In the area of attendance, incentives for parental support needs to be implemented to increase student attendance.
Student Achievement	
<b>Problem Statement 1:</b>	In the area of Science, students scored low. <b>Root Cause 1:</b> There is a lack of the implementation of Science Labs and intervention.
<b>Problem Statement 2:</b>	In the area of Writing, there is a lack of differentiated instruction based on student progress or needs. <b>Root Cause 2:</b> There is a lack of scaffolding of the writing process and authentic writing opportunities.
<b>Problem Statement 3:</b>	Low percentages of students performing at the Meets and Masters categories. <b>Root Cause 3:</b> Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).

### Student Achievement

**Problem Statement 4:** Subpopulations are inconsistently represented in the Meets and Masters categories. **Root Cause 4:** The rigor questioning and activities are aligned with the expected level of performance.

### Curriculum, Instruction, and Assessment

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 2:** Henderson will improve student fitness in K-12 Physical Education resulting in a 10% increase of the Fitnessgram scores and improve wellness in health by 10%, using Coordinated School Health Program (CSHP).

**Evaluation Data Source(s) 2:** Fitness Gram score analysis

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 1) Henderson will ensure moderate to vigorous physical activity is implemented in P.E. as recommended in the Physical Education Curriculum Guides.	2.6	P.E. Teacher	10% increase of Fitness Gram scores.				
	<b>Funding Sources:</b> 199 Local - 0.00						
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 2) Henderson will participate in professional development based on state law requirements (SB530 and SB7) which will assist in monitoring and analysis of the Fitnessgram test results.	2.6	P.E. Teacher	10% increase of Fitness Gram scores.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 3) Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.	2.5, 2.6	P.E. Teacher	10% increase of Fitness Gram scores.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 3:** Henderson ELL students will increase at least one proficiency level on TELPAS.

**Evaluation Data Source(s) 3:** TELPAS data

**Summative Evaluation 3:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) Henderson staff will analyze and disaggregate ELL student data to address students' individual strengths and weaknesses.	2.4, 2.5, 2.6	Teachers and Administrators	ELL students will have an increase of at least one proficiency level on TELPAS during the 19-20 school year.				
				<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment 1			
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.	2.4, 2.5, 2.6	Teachers and Administrators	Increase of at least one proficiency level on TELPAS during the 19 - 20 school year.				
				<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment 1			
= Accomplished                          = Continue/Modify                          = No Progress                          = Discontinue							

**Performance Objective 3 Problem Statements:**

### Student Achievement

**Problem Statement 1:** In the area of Science, students scored low. **Root Cause 1:** There is a lack of the implementation of Science Labs and intervention.

**Problem Statement 2:** In the area of Writing, there is a lack of differentiated instruction based on student progress or needs. **Root Cause 2:** There is a lack of scaffolding of the writing process and authentic writing opportunities.

**Problem Statement 3:** Low percentages of students performing at the Meets and Masters categories. **Root Cause 3:** Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).

**Problem Statement 4:** Subpopulations are inconsistently represented in the Meets and Masters categories. **Root Cause 4:** The rigor questioning and activities are aligned with the expected level of performance.

### Curriculum, Instruction, and Assessment

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.



**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 4:** 100% of Title-1 funds will be allocated and used according to federal guidelines during the 2019-2020 school year.

**Evaluation Data Source(s) 4:** Title-1 budget review

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 1: Strong School Leadership and Planning 1) Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.	2.6	Administrators and CEIC Committee	All Title-1 funds will be allocated and used according to federal guidelines during the 19-20 school year.				
<b>Comprehensive Support Strategy</b> <b>Targeted Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 1: Strong School Leadership and Planning 2) All Title-1 funds will directly benefit the students of Henderson Elementary.	2.6	Administrators, CEIC Committee members	All Title-1 funds will be allocated and used according to federal guidelines during the 19-20 school year.				
<b>Funding Sources:</b> 211 Title 1 - 5896.64							
= Accomplished                          = Continue/Modify                          = No Progress                          = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 5:** Campus administrators, teachers, and counselors will work collaboratively in order to provide a smooth transition to 100% of students from grade level to grade level to maximize student performance.

**Evaluation Data Source(s) 5:** Checkpoint scores, teacher observations, and discipline reports

**Summative Evaluation 5:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Connect high school to career and college <b>ESF Levers</b> Lever 3: Positive School Culture Lever 5: Effective Instruction 1) Sixth grade students and parents will be introduced to junior high curriculum opportunities, ie. visits to junior high campuses, parent orientation nights, counselor visits, and enrollment.	3.1, 3.2	6th grade teachers, Counselor, Administrators	100% of 6th graders will have a smooth transition from Elementary to Jr. High.				
<b>Problem Statements:</b> Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 199 Local - 0.00							
= Accomplished                          = Continue/Modify                          = No Progress                          = Discontinue							

**Performance Objective 5 Problem Statements:**

Curriculum, Instruction, and Assessment
<b>Problem Statement 1:</b> Lower than expected success rate. <b>Root Cause 1:</b> Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 6:** 100% of students will participate in learning environments that are safe, drug-free, conducive to learning.

**Evaluation Data Source(s) 6:** Discipline reports, nurse referrals, bullying reports

**Summative Evaluation 6:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Connect high school to career and college Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) Students will be provided with a drug education program, "being safe program," and a character education program.	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Students will be provided character development education lessons featuring nine desirable character traits. Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 1: Strong School Leadership and Planning Lever 3: Positive School Culture 3) A Texas Behavior Support Initiative (TBSI) Core Team will be established and trained for behavior intervention assistance. Non-Crisis Intervention (NCI) strategies will be implemented as needed.	2.6	Teachers, SpED Teachers, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
	<b>Problem Statements:</b> School Culture and Climate 1						
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 4) Henderson will implement a Campus Management Plan.	2.6	Campus Management Plan Committee members	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
	<b>Problem Statements:</b> School Culture and Climate 1						
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 5) All visitors to the campus will be processed through the Raptor System to ensure campus safety and security.	2.6, 3.1, 3.2	Teachers, Administrators, and Office Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
	<b>Problem Statements:</b> School Culture and Climate 1						
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 6) Henderson will implement the CHAMPS program to provide students with consistency and guidance with behavior expectations.	2.6	Teachers, Administrators, and Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
	<b>Problem Statements:</b> School Culture and Climate 1						

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June

**Performance Objective 6 Problem Statements:**

School Culture and Climate
<b>Problem Statement 1:</b> There is a lax in classroom management and behavioral expectations. <b>Root Cause 1:</b> CHAMPS expectations are not consistently reinforced campus-wide.

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 7:** Henderson Elementary will provide opportunities throughout the 2019-2020 school year for parents and community organizations to enhance the school culture.

**Evaluation Data Source(s) 7:** Calendar of events, newsletters, parent involvement sign-in sheets, campus culture surveys

**Summative Evaluation 7:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture 1) Henderson will host various parent meetings (Science Night, Math Night, Literacy Night, Student programs) to increase parental involvement.	3.1, 3.2	Teachers, Counselor, and Administrators	Henderson will provide multiple opportunities for parental involvement throughout the 19-20 school year.				
				<b>Problem Statements:</b> Demographics 2 <b>Funding Sources:</b> 211 Title 1 - 2000.00			
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 2) Tiger Binders and/or student planners will be used for parent-teacher communication and delivery of homework, important student notes, and communication logs for parents and teachers.	3.1, 3.2	Teachers and Administrators	Increase of parent communication.				
				<b>Funding Sources:</b> 211 Title 1 - 1500.00			

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 3: Positive School Culture Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 3) Foster Grandparents will be incorporated into classrooms daily to assist 1st grade teachers in developing a well-rounded, students centered learning environment.	2.6	K/1 teachers, Foster grandparents, and Administrators	Students exhibiting appropriate choices and behavior.				
= Accomplished                = Continue/Modify                = No Progress                = Discontinue							

**Performance Objective 7 Problem Statements:**

Demographics
<b>Problem Statement 2:</b> In the area of attendance, incentives for parental support needs to be implemented to increase student attendance.



**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2019-2020 will be met.

**Performance Objective 8:** Henderson Elementary will increase overall reading, math, science and writing STAAR meets, approaches and meets performance scores.

**Evaluation Data Source(s) 8:** STAAR; Progress monitoring, eRTI, F & P, iStation.

**Summative Evaluation 8:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Nov	Jan	Mar	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>TEA Priorities</b> Improve low-performing schools <b>ESF Levers</b> Lever 4: High-Quality Curriculum Lever 5: Effective Instruction 1) Henderson will purchase Chromebooks to be utilized in the classroom for intervention, Imagine Math, & iStation.	2.4, 2.5, 2.6	Teachers and Administrators	Closing the achievement gap.				
<b>Problem Statements:</b> Student Achievement 1, 2, 3, 4 - Curriculum, Instruction, and Assessment 1 <b>Funding Sources:</b> 211 Title 1 - 15000.00							
= Accomplished                          = Continue/Modify                          = No Progress                          = Discontinue							

**Performance Objective 8 Problem Statements:**

Student Achievement
<b>Problem Statement 1:</b> In the area of Science, students scored low. <b>Root Cause 1:</b> There is a lack of the implementation of Science Labs and intervention.
<b>Problem Statement 2:</b> In the area of Writing, there is a lack of differentiated instruction based on student progress or needs. <b>Root Cause 2:</b> There is a lack of scaffolding of the writing process and authentic writing opportunities.
<b>Problem Statement 3:</b> Low percentages of students performing at the Meets and Masters categories. <b>Root Cause 3:</b> Fixed mindset versus growth mindset and learning progression is not followed (teachers start with procedural instead of building the foundation with conceptual knowledge).
<b>Problem Statement 4:</b> Subpopulations are inconsistently represented in the Meets and Masters categories. <b>Root Cause 4:</b> The rigor questioning and activities are aligned with the expected level of performance.



**Curriculum, Instruction, and Assessment**

**Problem Statement 1:** Lower than expected success rate. **Root Cause 1:** Inconsistency in strong Tier I instruction and timely intervention and ineffective monitoring of Tier II and Tier III students.

# Comprehensive Support Strategies

Goal	Objective	Strategy	Description
1	1	1	All K-2 teachers will meet regularly to analyze iStation data and plan effective small group instruction using priority skills to provide student support.
1	1	2	Running records will be administered to all K-2 gr students to monitor student reading progress.
1	1	3	100% of students will complete the appropriate minutes on iStation.
1	1	4	Students will learn the metacognition strategies to improve higher order thinking.
1	2	1	Pre-K teachers will provide small group instruction and guided reading in order for students to learn their sounds, sight words, and read their F & P leveled text.
1	2	2	Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
2	1	1	3-6 grade teachers will implement guided reading and guided math groups to differentiate instruction.
2	1	2	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math in order to differentiate instruction.
2	1	3	All students will learn metacognition skills to improve their higher order thinking and apply it on staar assessments.
2	1	4	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses in order to provide intervention and enrichment opportunities.
2	1	5	Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.
2	2	1	3-6 grade teachers will implement guided reading and guided math groups to differentiate instruction.
2	2	2	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math in order to differentiate instruction.
2	2	3	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of economically disadvantaged students. Teachers will meet in PLCs with interventionists and administrators to formulate intervention plans.
2	2	4	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses in order to provide intervention and enrichment opportunities.
2	2	5	Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.

Goal	Objective	Strategy	Description
2	3	1	3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.
2	3	2	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses, as well as plan individualized support during small group instruction for intervention.
2	3	3	3rd - 6th grade PLC vertical teams will meet regularly to analyze individual student student data on CFAs and student evidence of learning at different grade levels to enhance essential standards to share best practices.
2	3	4	Hire a Math Specialist to provide individual support to students on track to meet Meets and Masters level.
2	4	1	Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
2	4	2	Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis iStation and Imagine Math data.
2	4	3	Henderson Special Education students will receive both intervention and enrichment lessons/activities based on iStation and Imagine Math data.
3	1	1	Henderson will address chronic student absences and tardies as outlined in the Henderson Attendance Plan by providing incentives to encourage students to increase daily average attendance to 97.25%.
3	1	2	Henderson staff will communicate the State Compulsory Attendance Law with stakeholders with via phone calls, campus/district web page, call outs, and will send violation notices.
3	1	3	Students will be recognized for Perfect Attendance at the end of each grading period.
3	1	4	Students will be recognized for Academic Achievement.
3	2	3	Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.
3	3	1	Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.
3	3	2	Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.
3	4	1	Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.
3	4	2	All Title-1 funds will directly benefit the students of Henderson Elementary.
3	8	1	Henderson will purchase Chromebooks to be utilized in the classroom for intervention, Imagine Math, & iStation.

# Campus Funding Summary

<b>211 Title 1</b>					
Goal	Objective	Strategy	Resources Needed	Account Code	Amount
1	1	1			\$0.00
1	1	2			\$0.00
2	1	1			\$7,800.00
2	1	3			\$0.00
2	1	4			\$6,800.00
2	1	5			\$23,653.76
2	3	1			\$2,000.00
3	1	1			\$1,000.00
3	1	3			\$1,500.00
3	1	4			\$3,000.00
3	4	2			\$5,896.64
3	7	1			\$2,000.00
3	7	2			\$1,500.00
3	8	1			\$15,000.00
<b>Sub-Total</b>					<b>\$70,150.40</b>
<b>199 Local</b>					
Goal	Objective	Strategy	Resources Needed	Account Code	Amount
3	2	1			\$0.00
3	5	1			\$0.00
<b>Sub-Total</b>					<b>\$0.00</b>

<b>Grants</b>					
<b>Goal</b>	<b>Objective</b>	<b>Strategy</b>	<b>Resources Needed</b>	<b>Account Code</b>	<b>Amount</b>
2	2	1	School Improvement Grant		\$26,364.10
2	3	4	School Improvement Grant		\$41,760.90
<b>Sub-Total</b>					\$68,125.00
<b>Other</b>					
<b>Goal</b>	<b>Objective</b>	<b>Strategy</b>	<b>Resources Needed</b>	<b>Account Code</b>	<b>Amount</b>
2	1	4	Tutorial/Extra Duty Pay		\$3,000.00
<b>Sub-Total</b>					\$3,000.00
<b>Grand Total</b>					\$141,275.40

**Exhibit B**

**Letter from Midland ISD**

September 14, 2020

To Whom It May Concern:

- Dr. Nancy Ruiz-Parker was hired from Lubbock ISD in August 2019 to supervise 9 Midland Elementary campuses, one of which was Henderson Elementary. My experience is as follows:
  - Principal for 9 years and transitioned a declining campus into a high performing International Baccalaureate school, National Professional Learning Communities School (PLC) and state distinctions for student achievement.
  - Administration experience elementary and secondary.
  - Training in International Baccalaureate (PYP), PLC, Inquiry Learning, Dual Language, Conceptual Mapping, and Special Education Inclusion.
  - Turned around a failing middle school in Lubbock ISD in 3 years.
  - Developed and launched the first Dual Language and Spanish Immersion program for the district for elementary and secondary.
  - Educational Consultant for transitioning to high performing campuses.
  - Education: B.A. in Education, Masters in Leadership Administration, Masters in Bilingual Education and Doctorate in Leadership Administration.
- Part of the re-entry plan was to analyze the Henderson data in August and begin developing an improvement plan with the campus leadership team.
- One of the directives from senior administrative staff was the following:
  - Campus administration would attend Relay Graduate School for an entire year of leadership training concentrating on the super levers of student culture, observation feedback, and data disaggregation instruction.
  - Campus admin turn around the Relay training to the staff.
  - Develop a yearlong calendar where Executive Director coaches the campus administration and also monitor the Relay training for staff.
  - Develop a Campus Improvement Plan (CIP) that lists the areas of improvement, actions and timelines.
  - Data Dig meetings with campus administration to discuss data and revise instructional action plans throughout the year.
- After low Benchmark student results in December, the discussion began in late January to replace the campus administrator since he had been at the campus for five years and student achievement continued to decrease.
  - February created a criteria for new campus administration. A new holistic interviewing process was also developed for applicants.



Midland Independent School District

## OFFICE OF ELEMENTARY EDUCATION

615 W. Missouri Avenue, Midland, Texas 79701

Office: 432-240-1010 | [www.midlandisd.net](http://www.midlandisd.net)

- Late February discussion with Superintendent to officially remove the campus administrator and begin interviewing for new campus principal began.
- Position was posted in March 2020.
- Executive Director begins screening and interviewed several applicants.
- Julie Barraza was named principal of Henderson Elementary on May 18<sup>th</sup> 2020.

Thank you,

Dr. Nancy Ruiz-Parker

Executive Director of Elementary Education

Midland Independent School District

615 W. Missouri Ave.

Midland Texas, 79701

432-240-1952



**Exhibit C**

**Complete Copy of 2018-2019 Campus Improvement Plan**

**Midland Independent School District**  
**Henderson Elementary**  
**2018-2019 Goals/Performance Objectives/Strategies**

**Board Approval Date:** November 6, 2018

# **Mission Statement**

Through effort and determination, every child will learn being prepared for college and career upon graduation.

## **Vision**

The staff at Henderson believes that inside every child is a hidden strength, an unknown ability, a hero waiting to be discovered.

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# Goals

**Goal 1: The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .**

**Performance Objective 1:** The percentage of students in grade K-2 who are reading on or above grade level on Istation will increase from 60% to 69% by end of the 18-19 school year.

**Evaluation Data Source(s) 1:** Istation, F & P, SRI, Campus-based CFAs (Common Formative Assessments), District Checkpoints

**Summative Evaluation 1:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>1) All K-2 teachers will attend district and campus-based professional development, such as Lead4Ward, CIA (Curriculum, Instruction, and Assessment) sessions, and PLC (Professional Learning Communities) sessions to monitor student progress.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 5000.00							

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b></p> <p><b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7</p> <p>2) K-2 teachers will create CFAs (Common Formative Assessments) and analyze student data for the establishment of individual and guided small groups in order to address and increase the effectiveness of Tier-I instruction.</p>	2.4, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b></p> <p><b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>3) K-2 students will receive diagnostic instruction based on individual student expectation needs, lessons focused on DOK (Depth of Knowledge) levels to ensure academic success and provide a minimum of one years growth in order to increase student progress and performance in reading.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 5000.00							
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b></p> <p><b>Critical Success Factors</b>  CSF 1 CSF 2 CSF 3 CSF 7</p> <p>4) K-2 teachers will analyze and dis-aggregate student data to address students' individual strengths and weaknesses in order to better address individual student areas of concern.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 5) K-2 teachers will participate in Vertical Alignment meetings to enhance student performance between grades and content areas.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, grade level teachers.	78% of the students will be able to read on or above grade level by the end of the school year as tested on F&P and Istation.				
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 2:** The percentage of students in grades K-2 who are reading on or above grade level on Fountas & Pinnell (F&P) will increase from 49% to 78% by the end of the 18-19 school year.

**Evaluation Data Source(s) 2:** Istation, Fountas & Pinnell (F&P), SRI, Campus-based CFAs (Common Formative Assessments, District Checkpoints

Progress Monitoring through RTI, Assessments, SpED Referrals, Teacher Observations

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) Provide guided reading strategies in Kindergarten through 2nd grade to increase the student reading proficiency levels.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
<b>Funding Sources:</b> 211 Title 1 - 3000.00							
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>2) Kinder - 2nd Collaborative Teams will develop an effective system to quickly and strategically identify students performing below reading level and devise an accommodation plan with monitoring components to move students to higher reading levels.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				



Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7 3) All Kinder - 2nd grade students will receive individualized intervention, diagnostic instruction, and enrichment opportunities.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
	<b>Funding Sources:</b> 211 Title 1 - 1500.00						
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7 4) Kinder -2nd grade students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.				
	<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7 5) Kinder - 2nd grade students will receive consistent phonics and fluency instruction monitored through F&P and Istation.	2.4, 2.5, 2.6	Principal, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	80% of the students in will be able to read on or above grade level by the end of the school year on F&P and Istation.			
= Accomplished     = Continue/Modify     = No Progress     = Discontinue							

**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 3:** The percentage of Pre-K students producing 40 letter sounds on a district checkpoint will increase from an expected performance of 65% to 80% by the end of the 18-19 school year.

**Evaluation Data Source(s) 3:** E.O.Y. Pre-K Assessment data, informal walk-through data, Istation reports

**Summative Evaluation 3:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) Pre-K and Kindergarten teachers will provide gross and fine motor skills building opportunities (pencil holding, manipulating small objects), as well as continued communication with parents to aid in using proper language</p>	2.4, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>2) The PreK-K Collaborative Team will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.</p>	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7 3) All Pre-K students will receive specialized intervention and practice to aid students in becoming more successful with a focus on Tier II and Tier III students.	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7 4) Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.	2.4, 2.5, 2.6	Teachers, Assistant Principal, Reading Interventionist, CEIC Members, and grade level teachers.	81% of Pre-K students will be able to produce 40 letter sounds by the end of the 18-19 school year.				
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 1:** The percentage of students in grades K-2 who are reading on or above grade level on multiple measures will increase to 69% by the end of school year 2018-2019 .

**Performance Objective 4:** 81% of K-1 students will be at or above the benchmark on the Texas Early Mathematics Inventory or Imagine Math by the end of the 18-19 school year.

**Evaluation Data Source(s) 4:** T.E.M.I., IFV data, district assessments, CFAs, and Imagine Math reports.

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7  1) Kinder - 2nd Math Collaborative Teams will develop an effective system to identify teaching standards, create common formative assessments, analyze data, and develop plans for reteaching and enrichment.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	80% of the students will score at or above level on the end of year T.E.M.I.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7  2) Kinder - 2nd grade students will receive high quality instruction using guided math strategies.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	80% of the students will score at or above level on the end of year T.E.M.I.				
= Accomplished                = Continue/Modify                = No Progress                = Discontinue							

## Goal 2: The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 1:** The percentage of students in grades 3-6 on track to meet passing standard on both reading and math district checkpoints will increase from 68% to 70% by the end of the 18-19 school year.

**Evaluation Data Source(s) 1:** STAAR data, Istation, F & P, SRI, Campus-based Common Formative Assessments, District Checkpoints

### Summative Evaluation 1:

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7  1) 3-6 grade teachers will attend district and campus-based professional development, such as Lead4Ward, PLC (Professional Learning Communities) and CIA (Curriculum, Instruction, and Assessment) sessions to dis-aggregate and monitor student progress.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 5000.00						
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 6 CSF 7  2) Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of all students.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 3) All students will receive diagnostic instruction based on individual student expectation needs, lessons focused DOK (depth of knowledge) levels to ensure academic success and provide a minimum of one year's growth in order to increase student progress and performance.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 5000.00						
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 7 4) 3rd - 6th grade teachers will analyze and disaggregate student data to address individual strengths and weaknesses in order to drive instruction. Teachers will also provide intervention and after school tutorials, as needed.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	<b>Funding Sources:</b> 211 Title 1 - 6000.00						
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 5) Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	70% of the students in 3rd - 6th grade will pass both reading and math STAAR tests.				
	= Accomplished               = Continue/Modify               = No Progress               = Discontinue						

**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 2:** The percentage of economically disadvantaged students in grades 3-6 on track to meet passing standard on both reading and math district checkpoints will increase from 58% to 63% by the end of the 18-19 school year.

**Evaluation Data Source(s) 2:** Campus-based Common Formative Assessment, RTI, District Checkpoints, and Teacher Observations

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 4 CSF 5 CSF 6 CSF 7</p> <p>1) 3-6 PLC grade level teams will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.				
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>2) 3rd-6th grade students not performing on or above grade level will be referred to the RTI team in order to discuss and determine the best interventions for the students.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, grade level teachers, and RTI Team..	63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 7  3) Henderson staff and students will be supported in targeted instruction in Math and Reading by focusing on Tier II and Tier III students	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC, grade level teachers, Region 18 TxCEE..	63% of economically disadvantaged students will meet passing standards on both reading and math district checkpoints.				

= Accomplished  
 = Continue/Modify  
 = No Progress  
 = Discontinue



**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 3:** The percentage of students in grade 3-6 on track to meet Masters Grade Level on both reading and math district checkpoints will increase from 11% to 13% by the end of the 18-19 school year.

**Evaluation Data Source(s) 3:** District Checkpoints, CFAs (Common Formative Assessments), Progress monitoring through RTI

**Summative Evaluation 3:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>1) 3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				
<b>Funding Sources:</b> 211 Title 1 - 1500.00							
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 7</p> <p>2) 3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 3 CSF 4 CSF 7</p> <p>3) 3rd - 6th grade teachers will participate in Vertical Team meetings to enhance student performance between grades and content.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers.	13% of the students will receive Masters level on the District Checkpoints.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June

**Goal 2:** The percentage of students in grades 3-8 who meet standard on both reading and math STAAR will increase to 70% by the end of the 2018-2019 school year.

**Performance Objective 4:** The percentage of students in grades 3-6 who score on or above grade level in both Istation and Imagine Math will increase from 65% to 70% by the end of the 18-19 school year.

**Evaluation Data Source(s) 4:** Istation, Imagine Math

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 7</p> <p>1) Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				
<p><b>Comprehensive Support Strategy</b>  <b>Additional Targeted Support Strategy</b>  <b>PBMAS</b>  <b>Critical Success Factors</b>            CSF 1 CSF 2 CSF 4 CSF 6 CSF 7</p> <p>2) Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis of student data.</p>	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 7 3) Henderson Special Education students will receive both intervention and enrichment lessons/activities based on the analysis of student data.	2.4, 2.5, 2.6	Principal, Assistant Principal, CEIC Members, and grade level teachers	70% of the students will score on or above grade level Istation and Imagine Math by the end of the 18-19 school year.				

= Accomplished  
 = Continue/Modify  
 = No Progress  
 = Discontinue

### Goal 3: 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 1:** Henderson staff will promote regular attendance to attain a 97.37% Daily Average Attendance for the 2018-2019 school year which is a 2% increase over the 17-18 school year of 95.37%.

**Evaluation Data Source(s) 1:** Daily Attendance records, principal reports, and RaaWee

#### Summative Evaluation 1:

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>1) Henderson will address chronic student absences and tardies as outlined in the Henderson Attendance Plan by providing incentives to encourage students to increase daily average attendance to 97.37%.</p>	3.1	Teachers, Counselor, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
	<b>Funding Sources:</b> 211 Title 1 - 1000.00						
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>2) Henderson teachers will communicate with parents by informing them of the State Compulsory Attendance Law via phone calls, campus/district web page, call outs, and will send notices when parents/students are in violation.</p>	3.1	Teachers, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
	<b>Funding Sources:</b> 199 Local - 1000.00						
<p><b>PBMAS</b> <b>Critical Success Factors</b> CSF 4 CSF 5 CSF 6</p> <p>3) Students will be recognized for Perfect Attendance at the end of each grading period.</p>	3.1	Teachers, Office Staff, Administrators, and Leadership Team	Daily Average Attendance will increase by 2% for the 18-19 school year.				
	<b>Funding Sources:</b> 199 Local - 1000.00						

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 4 CSF 5 CSF 6 CSF 7 4) Students will be recognized for Academic Achievement.	2.4, 2.5, 2.6, 3.1, 3.2	Teachers, Office Staff, Administrators, and Counselor	Daily Average Attendance will increase by 2% for the 18-19 school year.				
<b>Funding Sources:</b> 211 Title 1 - 2000.00							
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 2:** Henderson will improve student fitness in K-12 Physical Education resulting in a 20% increase of the Fitnessgram scores and improve wellness in health by 20%, using Coordinated School Health Program (CSHP).

**Evaluation Data Source(s) 2:** Fitness Gram score analysis

**Summative Evaluation 2:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 3 CSF 4 CSF 5 CSF 6 CSF 7  1) Henderson will ensure moderate to vigorous physical activity is implemented in P.E. as recommended in the Physical Education Curriculum Guides.	2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
	<b>Funding Sources:</b> 199 Local - 0.00						
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 5 CSF 6  2) Henderson will participate in professional development based on state law requirements (SB530 and SB7) which will assist in monitoring and analysis of the Fitnessgram test results.	2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 5 CSF 6  3) Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.	2.5, 2.6	P.E. Teacher	20% increase of Fitness Gram scores in wellness and in health using Coordinated School Health Program..				
= Accomplished     = Continue/Modify     = No Progress     = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 3:** Henderson ELL students will increase at least one proficiency level on TELPAS.

**Evaluation Data Source(s) 3:** TELPAS data

**Summative Evaluation 3:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 7 1) Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.	2.4, 2.5, 2.6	Teachers and Administrators	ELL students will have an increase of at least one proficiency level on TELPAS during the 18-19 school year.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 3 CSF 7 2) Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.	2.4, 2.5, 2.6	Teachers and Administrators	ELL students will have an increase of at least one proficiency level on TELPAS during the 18-19 school year.				
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							



**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 4:** 100% of Title-1 funds will be allocated and used according to federal guidelines during the 2018-2019 school year.

**Evaluation Data Source(s) 4:** Title-1 budget review

**Summative Evaluation 4:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7 1) Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.	2.6	Administrators and CEIC	All Title-1 funds will be allocated and used according to federal guidelines during the 18-19 school year.				
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 3 2) All Title-1 funds will directly benefit the students of Henderson Elementary.	2.6	Administrators, CEIC members	All Title-1 funds will be allocated and used according to federal guidelines during the 18-19 school year.				
		<b>Funding Sources:</b> 211 Title 1 - 5886.64					
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 5:** Campus administrators, teachers, and counselors will work collaboratively in order to provide a smooth transition to 100% of students from grade level to grade level to maximize student performance.

**Evaluation Data Source(s) 5:** Checkpoint scores, teacher observations, and discipline reports

**Summative Evaluation 5:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<p><b>Additional Targeted Support Strategy</b>  <b>Critical Success Factors</b>            CSF 3 CSF 5 CSF 6</p> <p>1) Sixth grade students and parents will be introduced to junior high curriculum opportunities, ie. visits to junior high campuses, parent orientation nights, counselor visits, and enrollment.</p>	3.1, 3.2	6th grade teachers, Counselor, Administrators	100% of 6th graders will have a smooth transition from Elementary to Jr. High.				
<p><b>Funding Sources:</b> 199 Local - 0.00</p>							
<p>  = Accomplished                = Continue/Modify                = No Progress                = Discontinue         </p>							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 6:** 100% of students will participate in learning environments that are safe, drug-free, conducive to learning.

**Evaluation Data Source(s) 6:** Discipline reports, nurse referrals, bullying reports

**Summative Evaluation 6:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 6  1) Students will be provided with a drug education program, "being safe program," and a character education program.	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 6  2) Students will be provided character development education lessons featuring nine desirable character traits. Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.	2.6	Teachers, Counselor, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 6  3) A Texas Behavior Support Initiative (TBSI) Core Team will be established and trained for behavior intervention assistance. Non-Crisis Intervention (NCI) strategies will be implemented as needed.	2.6	Teachers, SpED Teachers, and Administrators	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 6  4) Henderson will implement a Campus Management Plan.	2.6	Campus Management Plan Committee members	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 5 CSF 6  5) All visitors to the campus will be processed through the Raptor System to ensure campus safety and security.	2.6	Teachers, Administrators, and Office Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 4 CSF 5 CSF 6 CSF 7  6) Henderson will implement the CHAMPS program to provide students with consistency and guidance with behavior expectations.,	2.6	Teachers, Administrators, and Staff	100% of students will have a safe, healthy, and drug-free environment conducive to learning.				
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 7:** Henderson Elementary will provide opportunities throughout the 2018-2019 school year for parents and community organizations to enhance the school culture.

**Evaluation Data Source(s) 7:** Calendar of events, newsletters, parent involvement sign-in sheets, campus culture surveys

**Summative Evaluation 7:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 5 CSF 6  1) Henderson will host various parent meetings (Science Night, Math Night, Literacy Night, Student programs) to increase parental involvement.	3.1, 3.2	Teachers, Counselor, and Administrators	Henderson will provide multiple opportunities for parental involvement throughout the 18-19 school year.				
	<b>Funding Sources:</b> 211 Title 1 - 1000.00						
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 3 CSF 5 CSF 6  2) Tiger Binders and/or student planners will be used for parent-teacher communication and delivery of homework, important student notes, and communication logs for parents and teachers.	3.1, 3.2	Teachers and Administrators	Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.				
	<b>Funding Sources:</b> 211 Title 1 - 1047.67						
<b>Additional Targeted Support Strategy</b> <b>Critical Success Factors</b> CSF 1 CSF 3 CSF 4 CSF 7  3) Foster Grandparents will be incorporated into classrooms daily to assist K and 1 teachers in developing a well-rounded, students centered learning environment.	2.6	K/1 teachers, Foster grandparents, and Administrators	Students exhibiting appropriate choices and behavior as defined by character education, will be recognized.				
= Accomplished               = Continue/Modify               = No Progress               = Discontinue							

**Goal 3:** 100% of Midland I.S.D. Instructional Expectations for 2018-2019 will be met.

**Performance Objective 8:** Henderson Elementary will increase overall reading, math, science and writing STAAR meets, approaches and meets performance scores.

**Evaluation Data Source(s) 8:** STAAR; Progress monitoring, eRTI, F & P, iStation.

**Summative Evaluation 8:**

Strategy Description	ELEMENTS	Monitor	Strategy's Expected Result/Impact	Reviews			
				Formative			Summative
				Dec	Feb	Apr	June
<b>Comprehensive Support Strategy</b> <b>Additional Targeted Support Strategy</b> <b>PBMAS</b> <b>Critical Success Factors</b> CSF 1 CSF 2 CSF 4 CSF 6 CSF 7  1) Henderson will purchase Chromebooks to be utilize in the classroom for interventions, Imagine Math, & iStation.	2.4, 2.5, 2.6	Teachers and Administrators	Closing the achievement gap.				
<b>Funding Sources:</b> 211 Title 1 - 12000.00							
= Accomplished                = Continue/Modify                = No Progress                = Discontinue							

# Comprehensive Support Strategies

Goal	Objective	Strategy	Description
1	1	1	All K-2 teachers will attend district and campus-based professional development, such as Lead4Ward, CIA (Curriculum, Instruction, and Assessment) sessions, and PLC (Professional Learning Communities) sessions to monitor student progress.
1	1	2	K-2 teachers will create CFAs (Common Formative Assessments) and analyze student data for the establishment of individual and guided small groups in order to address and increase the effectiveness of Tier-I instruction.
1	1	3	K-2 students will receive diagnostic instruction based on individual student expectation needs, lessons focused on DOK (Depth of Knowledge) levels to ensure academic success and provide a minimum of one years growth in order to increase student progress and performance in reading.
1	1	4	K-2 teachers will analyze and dis-aggregate student data to address students' individual strengths and weaknesses in order to better address individual student areas of concern.
1	1	5	K-2 teachers will participate in Vertical Alignment meetings to enhance student performance between grades and content areas.
1	2	1	Provide guided reading strategies in Kindergarten through 2nd grade to increase the student reading proficiency levels.
1	2	2	Kinder - 2nd Collaborative Teams will develop an effective system to quickly and strategically identify students performing below reading level and devise an accommodation plan with monitoring components to move students to higher reading levels.
1	2	3	All Kinder - 2nd grade students will receive individualized intervention, diagnostic instruction, and enrichment opportunities.
1	2	4	Kinder -2nd grade students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	2	5	Kinder - 2nd grade students will receive consistent phonics and fluency instruction monitored through F&P and Istation.
1	3	1	Pre-K and Kindergarten teachers will provide gross and fine motor skills building opportunities (pencil holding, manipulating small objects), as well as continued communication with parents to aid in using proper language
1	3	2	The PreK-K Collaborative Team will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
1	3	3	All Pre-K students will receive specialized intervention and practice to aid students in becoming more successful with a focus on Tier II and Tier III students.

Goal	Objective	Strategy	Description
1	3	4	Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	4	1	Kinder - 2nd Math Collaborative Teams will develop an effective system to identify teaching standards, create common formative assessments, analyze data, and develop plans for reteaching and enrichment.
1	4	2	Kinder - 2nd grade students will receive high quality instruction using guided math strategies.
2	1	1	3-6 grade teachers will attend district and campus-based professional development, such as Lead4Ward, PLC (Professional Learning Communities) and CIA (Curriculum, Instruction, and Assessment) sessions to dis-aggregate and monitor student progress.
2	1	2	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of all students.
2	1	3	All students will receive diagnostic instruction based on individual student expectation needs, lessons focused DOK (depth of knowledge) levels to ensure academic success and provide a minimum of one year's growth in order to increase student progress and performance.
2	1	4	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses in order to drive instruction. Teachers will also provide intervention and after school tutorials, as needed.
2	1	5	Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.
2	2	1	3-6 PLC grade level teams will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
2	2	2	3rd-6th grade students not performing on or above grade level will be referred to the RTI team in order to discuss and determine the best interventions for the students.
2	2	3	Henderson staff and students will be supported in targeted instruction in Math and Reading by focusing on Tier II and Tier III students
2	3	1	3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.
2	3	2	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths.
2	3	3	3rd - 6th grade teachers will participate in Vertical Team meetings to enhance student performance between grades and content.
2	4	1	Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.



Goal	Objective	Strategy	Description
2	4	2	Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
2	4	3	Henderson Special Education students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
3	1	4	Students will be recognized for Academic Achievement.
3	2	3	Henderson will provide support for students needing assistance in reaching the Healthy Fitness Zone in the Fitnessgram.
3	3	1	Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.
3	3	2	Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.
3	4	1	Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.
3	4	2	All Title-1 funds will directly benefit the students of Henderson Elementary.
3	8	1	Henderson will purchase Chromebooks to be utilize in the classroom for interventions, Imagine Math, & iStation.

# PBMAS Intervention Strategies

Goal	Objective	Strategy	Description
1	1	1	All K-2 teachers will attend district and campus-based professional development, such as Lead4Ward, CIA (Curriculum, Instruction, and Assessment) sessions, and PLC (Professional Learning Communities) sessions to monitor student progress.
1	1	2	K-2 teachers will create CFAs (Common Formative Assessments) and analyze student data for the establishment of individual and guided small groups in order to address and increase the effectiveness of Tier-I instruction.
1	1	3	K-2 students will receive diagnostic instruction based on individual student expectation needs, lessons focused on DOK (Depth of Knowledge) levels to ensure academic success and provide a minimum of one years growth in order to increase student progress and performance in reading.
1	1	4	K-2 teachers will analyze and dis-aggregate student data to address students' individual strengths and weaknesses in order to better address individual student areas of concern.
1	1	5	K-2 teachers will participate in Vertical Alignment meetings to enhance student performance between grades and content areas.
1	2	1	Provide guided reading strategies in Kindergarten through 2nd grade to increase the student reading proficiency levels.
1	2	2	Kinder - 2nd Collaborative Teams will develop an effective system to quickly and strategically identify students performing below reading level and devise an accommodation plan with monitoring components to move students to higher reading levels.
1	2	3	All Kinder - 2nd grade students will receive individualized intervention, diagnostic instruction, and enrichment opportunities.
1	2	4	Kinder -2nd grade students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	2	5	Kinder - 2nd grade students will receive consistent phonics and fluency instruction monitored through F&P and Istation.
1	3	1	Pre-K and Kindergarten teachers will provide gross and fine motor skills building opportunities (pencil holding, manipulating small objects), as well as continued communication with parents to aid in using proper language
1	3	2	The PreK-K Collaborative Team will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
1	3	3	All Pre-K students will receive specialized intervention and practice to aid students in becoming more successful with a focus on Tier II and Tier III students.

Goal	Objective	Strategy	Description
1	3	4	Pre-K students identified as needing additional instructional support will be referred to the RTI team in order to discuss and determine the best interventions for the students.
1	4	1	Kinder - 2nd Math Collaborative Teams will develop an effective system to identify teaching standards, create common formative assessments, analyze data, and develop plans for reteaching and enrichment.
1	4	2	Kinder - 2nd grade students will receive high quality instruction using guided math strategies.
2	1	1	3-6 grade teachers will attend district and campus-based professional development, such as Lead4Ward, PLC (Professional Learning Communities) and CIA (Curriculum, Instruction, and Assessment) sessions to dis-aggregate and monitor student progress.
2	1	2	Teachers will create and analyze CFAs (Common Formative Assessments) in both reading and math for establishing individual and guided groups to ensure the success of all students.
2	1	3	All students will receive diagnostic instruction based on individual student expectation needs, lessons focused DOK (depth of knowledge) levels to ensure academic success and provide a minimum of one year's growth in order to increase student progress and performance.
2	1	4	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths and weaknesses in order to drive instruction. Teachers will also provide intervention and after school tutorials, as needed.
2	1	5	Henderson Staff will participate in Vertical Alignment meetings to enhance student performance between grades and content.
2	2	1	3-6 PLC grade level teams will develop an effective system to quickly and strategically identify students performing below grade level and devise an accommodation plan with monitoring components to move students to higher academic and behavioral success.
2	2	2	3rd-6th grade students not performing on or above grade level will be referred to the RTI team in order to discuss and determine the best interventions for the students.
2	2	3	Henderson staff and students will be supported in targeted instruction in Math and Reading by focusing on Tier II and Tier III students
2	3	1	3-6 students who have reached Masters Grade level will receive enrichment activities to enhance their learning.
2	3	2	3rd - 6th grade teachers will analyze and dis-aggregate student data to address individual strengths.
2	3	3	3rd - 6th grade teachers will participate in Vertical Team meetings to enhance student performance between grades and content.
2	4	1	Henderson Hispanic students will receive both intervention and enrichment lessons/activities based on the analysis of student data.

Goal	Objective	Strategy	Description
2	4	2	Henderson economically disadvantaged students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
2	4	3	Henderson Special Education students will receive both intervention and enrichment lessons/activities based on the analysis of student data.
3	1	1	Henderson will address chronic student absences and tardies as outlined in the Henderson Attendance Plan by providing incentives to encourage students to increase daily average attendance to 97.37%.
3	1	2	Henderson teachers will communicate with parents by informing them of the State Compulsory Attendance Law via phone calls, campus/district web page, call outs, and will send notices when parents/students are in violation.
3	1	3	Students will be recognized for Perfect Attendance at the end of each grading period.
3	3	1	Henderson staff will analyze and dis-aggregate ELL student data to address students' individual strengths and weaknesses.
3	3	2	Henderson teachers will include the ELPS as part of their lesson plans to ensure student success.
3	4	1	Campus Needs Assessment and CIP will be used for the allocation of all funding based on student needs.
3	4	2	All Title-1 funds will directly benefit the students of Henderson Elementary.
3	8	1	Henderson will purchase Chromebooks to be utilize in the classroom for interventions, Imagine Math, & iStation.



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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September 30, 2020

*Writer's direct dial: (512) 475-3296*  
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Cynthia Bast  
Locke Lord  
600 Congress, Suite 2200  
Austin, TX 78701

RE: APPEAL RESPONSE FOR 2020 COMPETITIVE HOUSING TAX CREDIT APPLICATION 20344 MERRITT SUNSET,  
MIDLAND

Dear Ms. Bast:

The Texas Department of Housing and Community Affairs ("the Department") received your appeal dated September 16, 2020, for the application indicated above. Staff review indicated that the Application did not include mitigating documentation required under 10 TAC 11.101(a)(3)(D)(iv) for Henderson Elementary School. An Administrative Deficiency was issued, to which the Applicant timely replied on August 20, 2020.

Staff found that the information submitted in response to the Administrative Deficiency did not meet the requirements of 10 TAC §11.201(7)(A) related to the Deficiency Process which requires that information provided in a response exist prior to submission of the Application, and the Application was found to be ineligible. The response to the Administrative Deficiency provided two Campus Improvement Plans for the school: 2018-2019, and 2019-20. According to the Applicant, the two Plans indicated progress toward meeting the stated goals, even though neither included entries in the Summative column to support this conclusion. In fact, the 2018-2019 Plan included only the first set of data (missing data for February, April and June of 2019). The response further concluded that because initial goals increased from 2018-2019 to 2019-2020, the 2018-2019 goals must have been met, without evidence to support that assumption. Importantly, the 2018-2019 Plan submitted with the response was dated December 19, 2018, and the 2019-2020 Plan is dated August 17, 2020.



The September 16, 2020, appeal letter includes an amended 2018-2019 Campus Improvement Plan, with an explanation that it is now dated September 16, 2020, because that's the day it was printed. It also includes a letter from Dr. Nancy Ruiz-Parker, Executive Director of Elementary Education for Midland Independent School District, dated September 14, 2020, which does not speak to the date of the documents or any conclusions regarding progress that may be drawn from the Campus Improvement Plans.

In accordance with 10 TAC §11.201(7)(A) related to the Deficiency Process, the letter from Dr. Parker-Ruiz cannot be accepted because it is dated after the Full Application Delivery Date of February 28, 2020. That said, it also fails to discuss performance indicators or progress made. Further, the 2018-2019 Campus Improvement Plan alone does not meet the requirements of 10 TAC §11.101(a)(3)(C)(vii) or 10 TAC §11.101(a)(3)(D)(iv)(I), as it is not accompanied by a discussion of performance indicators and progress made, or letter from an authorized person dated prior to the Full Application Delivery Date. Lastly, regarding the dates of the Campus Improvement Plans, though the appeal states that "the information was available before the Full Application Delivery Date, and we have that confirmation," no evidence was presented illustrating that the late-submitted documentation actually existed prior to submission of the application. Accordingly, I am compelled to deny the appeal.

In anticipation of further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs, this item has been placed on the Agenda for the October 8, 2020, meeting. Please review §11.902 of the 2020 QAP for full instruction on the appeals process. Please note that §11.902(f) of the 2020 QAP, 10 TAC §11.101(a)(3)(D), and Tex. Gov't Code §2306.6715(c) limit Board review of an Application on appeal to the original Application and those documents contained within the Application.

If you have any questions or require further information, please contact Alena Morgan, Competitive Tax Credit Program Administrator, at [alena.morgan@tdhca.state.tx.us](mailto:alena.morgan@tdhca.state.tx.us) or by phone at 512-936-7834.

Sincerely,



Bobby Wilkinson  
Executive Director