

**SUPPLEMENTAL BOARD BOOK
OF
February 11, 2021**



Leo Vasquez III, Chair
Leslie Bingham, Vice-Chair
Paul Braden, Member
Sharon Thomason, Member
Ajay Thomas, Member
Brandon Batch, Member

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
9:00 AM
February 11, 2021

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/4744235856122216718>

Dial-in number: +1 (415) 655-0060, access code 621-331-290 (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

Leo Vasquez, 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 summary for December 10, 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

94063 Corona Del Valle El Paso

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

19057 SilverLeaf at Chandler III Chandler
18422 Elysium Grand Austin

MULTIFAMILY FINANCE

- d) Presentation, discussion, and possible action regarding the approval for publication in the Texas Register of the 2021-2 Multifamily Direct Loan Special Purpose Notice of Funding Availability (NOFA): Predevelopment
- e) Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed for Application 20114, 3300 Caroline Street

Marni Holloway
Director of Multifamily Finance

RULES

- f) Presentation, discussion, and possible action on an order adopting an amendment to 10 TAC §1.15, Integrated Housing Rule
- g) Presentation, discussion, and possible action on the adoption of the repeal and new 10 TAC Chapter 2 Enforcement, Subchapter B, Enforcement for Noncompliance with Program Requirements of Chapters 6 and 7, §2.201, Cost Reimbursement, and §2.202, Sanctions and Contract Closeout
- h) Presentation, discussion, and possible action on the adoption of the 2021 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 10 TAC §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their publication in the Texas Register

Brooke Boston
Deputy Director of Programs

Elizabeth Yevich
Director of Housing Resource Center

SINGLE FAMILY & HOMELESS PROGRAMS

- i) Presentation, Discussion, and Possible Action regarding the transfer of Neighborhood Stabilization Program (NSP) land bank properties from Texas State Affordable Housing Corporation

Abigail Versyp
Director of Single Family & Homeless Programs

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

- a) Outreach and Media Report (December 2020 – January 2021)

Michael Lyttle
Director of External Affairs

- b) Report on Activities Related to the Department’s Response to COVID-19 Pandemic
- c) Report on the Department’s 1st Quarter Investment Report in accordance with the Public Funds Investment Act
- d) Report on the Department’s 1st Quarter Investment Report relating to funds held under Bond Trust Indentures
- e) Report on Education and Outreach Activities related to the HUD Fair Housing Initiatives Program Grant

Brooke Boston
Deputy Director
of Programs

Joe Guevara
Director of Financial
Administration

Monica Galuski
Director of Bond Finance

Cate Tracz
Manager of Fair Housing,
Data Management &
Reporting

ACTION ITEMS

ITEM 3: COMPLIANCE

Report on the status of Sandpiper Cove in Galveston

Cody Campbell
Manager of Physical
Inspections

ITEM 4: BOND FINANCE

- a) Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – Bella Vista Apartments) Series 2021, Resolution No. 21-011, and a Determination Notice of Housing Tax Credits
- b) Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – Crystal Falls Crossing) Series 2021, Resolution No. 21-012, and a Determination Notice of Housing Tax Credits
- c) Presentation, discussion, and possible action regarding the Issuance of Multifamily Green Tax-Exempt Bonds (Green M-TEBS – Shiloh Village Apartments) Series 2021, Resolution No. 21-013, and a Determination Notice of Housing Tax Credits
- d) Presentation, discussion, and possible action on Inducement Resolution No. 21-014 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

Teresa Morales
Director of
Multifamily Bonds

21603	Park at Kirkstall	Dallas
21608	Fiji Lofts	Dallas
21609	Throckmorton Villas	McKinney

- e) Presentation, discussion, and possible action on a waiver relating to 10 TAC §11.101(b)(2) of the Qualified Allocation Plan (QAP) concerning Development Size Limitations and Inducement Resolution No. 21-015 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

21611	Reserve at Vineyard Oaks	Fredericksburg
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- f) **Presentation, discussion, and possible action on Inducement Resolution No. 21-016 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority**

21612	Villas at Shriner’s Point	San Angelo
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ITEM 5: MULTIFAMILY FINANCE

- a) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(a)(1) of the Qualified Allocation Plan (QAP) and the issuance of a Determination Notice for 4% Housing Tax Credits for 2100 Memorial in Houston (#21419)

Teresa Morales
Director of
Multifamily Bonds

- b) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.101(a)(1) of the Qualified Allocation Plan (QAP), 10 TAC §11.101(b)(8)(B)(iii) of the QAP and the issuance of a Determination Notice for 4% Housing Tax Credits for The Oleanders at Broadway (#21418)
- c) Presentation, discussion, and possible action regarding the re-issuance of a Determination Notice for 4% Housing Tax Credits for Villas del San Xavier in San Marcos (#21420)

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

20499	Legacy Senior Residences II	Round Rock
20701	City Heights	Austin
20704	Applewood Ranch	San Antonio ETJ
20707	Kallison Ranch	San Antonio ETJ

- e) Presentation, discussion and possible action regarding pre-determination of eligibility under 10 TAC §11.101(a)(2) related to Undesirable Site Features for 21147 (formerly 20318), Cypress Creek Apartment Homes at La Porte

Marni Holloway
Director of
Multifamily Finance

ITEM 6: COMMUNITY AFFAIRS

- a) Presentation, discussion, and possible action on awards for 2021 Community Services Block Grant discretionary funds for education and employment services to Native American and Migrant Seasonal Farmworker populations
- b) Presentation, discussion, and possible action on the reprogramming of Program Year 2020 Community Services Block Grant Administrative and Discretionary funds

Michael De Young
Director of
Community Affairs

ITEM 7: BOARD

Presentation, discussion, and possible action on the election of Governing Board Officers for the upcoming biennium pursuant to Tex. Gov't Code §2306.030

Leo Vasquez
Chair

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):

Leo Vasquez
Chair

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

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

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

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

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

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact 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.

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BOARD REPORT ITEM

COMPLIANCE DIVISION

FEBRUARY 11, 2021

Report on the status of Sandpiper Cove in Galveston

BACKGROUND

Sandpiper Cove, a 192-unit apartment complex in Galveston constructed in 1971, received an award of Housing Tax Credits in 1990 for the acquisition and rehabilitation of the property. The file number for this award is 70129; the development’s affordability period is set to expire on December 31, 2022. All Developments funded by the Department must be decent, safe, sanitary, in good repair, and suitable for occupancy throughout the affordability period, and the Department uses the U.S. Department of Housing and Urban Development’s (HUD) Uniform Physical Condition Standards (UPCS) to determine compliance with property condition standards. The property also has Section 8 Project-Based Rental Assistance (PBRA) for all 192 units, which is administered and overseen by HUD. HUD also conducts UPCS inspections through the Real Estate Assessment Center (REAC).

Conditions at Sandpiper Cove have historically been below standard, with the development averaging a score of 69.68 out of 100 in five full TDHCA inspections conducted since 2010. As a result, the development was placed on an accelerated inspection schedule beginning with the inspection conducted on January 30, 2019, on which the development scored an 81. The next inspection was conducted on October 11, 2019, on which the development scored a 66. In a HUD inspection report issued on May 9, 2019, the property scored a 33c, where the ‘c’ indicates that at least one life threatening health and safety deficiency was noted. Variations in scores can be caused by a number of factors such as the number of units inspected and the specific units randomly chosen. While the inspection of January 30, 2019, resulted in a score of 81, the Department found it prudent to continue with the accelerated monitoring schedule to ensure that conditions had improved at the development, which the proceeding HUD and Department inspections did not evidence. In addition, the owner notified the Department on October 10, 2017, that the development had sustained damage in Hurricane Harvey, which the former management company represented as being repaired.

The next inspection of Sandpiper Cove was originally scheduled for April 2020. Due to the development’s history, the Compliance Division intended to inspect all units which had not been inspected in the previous 12 months, as well as all units that were represented as having been repaired from hurricane damage. While this is beyond the scope of a normal inspection, it would have provided the Department with a comprehensive understanding of the development’s condition, and would have allowed for verification of hurricane-related repairs. Unfortunately, this inspection has not yet been able to occur due to the COVID-19 pandemic. The Department intends to complete this inspection once it is safe to do so.

In January 2021, staff contacted Galveston Code Enforcement, the Galveston Building Division, and the Galveston County Health District to ascertain the jurisdiction of those departments. From these conversations, they do not anticipate performing any inspections or issuing any citations regarding civil, municipal code violations relating to the condition of the property.

In both the January 2019 and October 2019 inspections, multiple units were cited with the deficiency "Mold/Mildew/Water Stains/Water Damage." Under UPCS, this is a deficiency so long as the visible area is at least four square inches; however, the inspection standard does not differentiate between mold and mildew, and inspection staff has neither the required equipment nor the appropriate licensing to assess the exact nature of any growth or stain discovered during an inspection. Correction of the deficiencies identified during both inspections was required, and work orders, invoices, and an updated deficiency report provided by the owner indicates that the deficiencies were corrected. The Department will continue to cite deficiencies in future inspections.

In November 2020, the Physical Inspections section of the Compliance Division began conducting inspections with a limited scope that excludes occupied units and occupied common areas. A limited inspection was conducted at Sandpiper Cove on February 2, 2021, which included 13 vacant units and resulted in a score of 83. The corrective action period for this inspection ends on May 5, 2021, by which the owner must either certify that all cited deficiencies have been corrected or request an extension. While this inspection provides the Department information about the current condition of the exterior of the property and some vacant units, inspection staff will be unable to assess the condition of occupied units for the foreseeable future. The Department encourages residents of Sandpiper Cove to utilize the Complaint Submission System located on the TDHCA website to bring specific issues to the inspection staff's attention.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
Leo Vasquez, *Chair*
Leslie Bingham-Escareño, *Vice Chair*
Paul A. Braden, *Member*
Sharon Thomason, *Member*
Ajay Thomas, *Member*

February 4, 2021

Writer's direct phone # (512) 475-0207
Email: manuel.pena@tdhca.state.tx.us

Frank Sinito
Compass Pointe Apartments Texas, LLC
Cleveland, OH
fsinito@mhmlltd.com

RE: Sandpiper Cove

CMTS ID: 930

Dear Mr. Sinito:

The Texas Department of Housing and Community Affairs has completed a limited review of the Uniform Physical Condition Standards (UPCS) of Sandpiper Cove, performed by Department staff on February 2, 2021. The limited inspection focused on building exteriors, building systems, common areas and, if available, a selection of vacant units.

The inspection resulted in violations of UPCS protocols (referred to in the Department's Rules 10TAC §10.621). A copy of the report is included for your review.

This letter begins the corrective action period. Please supply all requested documentation no later than **May 5, 2021**, the last day of the corrective action period. The attached List of Deficiencies Found has been prepared to explain the Department's findings of noncompliance that require corrective action.

As a result of the UPCS Score of 76 or above, copies of work orders (listing the deficiency, action taken or repairs made to correct the deficiency, date of corrective action, and signature of the person responsible for the correction), invoices (from vendors, etc.), *are not* required at this time. **When all deficiencies are corrected, please update the attached Deficiency Report with the date that each deficiency was corrected and the name of the party responsible for the corrections.** Please supply all requested documentation no later than **May 5, 2021**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. The Department may have the ability to extend the corrective action deadline, but only if there is good cause and a request is received prior to the end of the corrective action period (CAP). If an extension to correct the event(s) of noncompliance is needed, please send an email request prior to **May 5, 2021** to compliance.extensionrequest@tdhca.state.tx.us. The Department is unable to consider requests received after this date.



Upload the corrective action to the Electronic Document Attachment system using the development's Compliance Monitoring and Tracking System (CMTS) account. For instructions on how to use the attachment system, please see *Attaching Documents to CMTS* found on the Department's website. To access, on the home page, select "Support and Services" tab; then select "Compliance." From the submenu, select "Online Reporting."

Failure to submit complete and satisfactory corrections on or before the corrective action deadline will result in a referral to the Department's Enforcement Committee. Please see 10TAC §2.302 for a listing of specific penalty amounts.

Although the development's Compliance period has ended and notice of violations is no longer supplied to the IRS, the Land Use Restriction Agreement (LURA) remains in effect for an additional 15 years (or longer) after expiration of the compliance period. The Department will continue to monitor for compliance with all restrictions in the LURA as described in 10TAC Chapter 10.

Please extend our thanks to your onsite staff for their hospitality extended during the inspection visit. If you have any questions about this report, please contact us toll free in Texas at (800) 643-8204, directly at (512) 475-0207, or email manuel.pena@tdhca.state.tx.us.

Sincerely,

Manuel Pena, Jr.

Digitally signed by Manuel Pena,
Jr.
Date: 2021.02.04 19:26:53 -06'00'

Manuel Pena, Jr.
Sr. Inspection Specialist

Vacant Units inspected: 85, 92, 109, 139, 141, 146, 153, 156, 160, 173, 179, 191,

Texas Department of Housing and Community Affairs
REAC Scoring for Sandpiper Cove - 930
 Galveston, TX

Printed on: February 04, 2021

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Scoring Summary		
Areas	Possible Points	Points Scored
Site	16.6	16.6
Building Exteriors	17.7	11.8
Building Systems	22.8	21.9
Building Common Areas	.0	.0
Units	42.8	32.3
Inspection Total	100	83

Bldg Exterior

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.117	Bldg X	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg A	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg B	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg C	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg D	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg E	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg F	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg G	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg H	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg I	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg J	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg K	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg L	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.242	Bldg M	Walls	Stained/Peeling/Needs Paint	14.9%	2.25	0.25
0.117	Bldg M	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg N	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg O	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg P	Windows	Damaged/Missing Screens	13%	1.25	0.25
2.651	Bldg Q	Roofs	Damaged Soffits/Fascia/Soffit Vents	18.4%	5	1
0.242	Bldg Q	Walls	Stained/Peeling/Needs Paint	14.9%	2.25	0.25
0.117	Bldg Q	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg R	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg S	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg T	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg U	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg V	Windows	Damaged/Missing Screens	13%	1.25	0.25
0.117	Bldg W	Windows	Damaged/Missing Screens	13%	1.25	0.25

Bldg Systems

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.788	Bldg S	Fire Protection	Missing/Damaged/Expired Extinguishers	15.5%	5	1
0.102	Office/Comm/Maint	Emergency Power	Auxiliary Lighting Inoperable	2%	5	1

Texas Department of Housing and Community Affairs
REAC Scoring for Sandpiper Cove - 930
 Galveston, TX

Printed on: February 04, 2021

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Units

Ded. Pts	Building/Unit Name	Inspectable Item	Deficiency	Item Weight	Criticality Level	Severity Level
0.154	Bldg A / 139	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
1.368	Bldg B / 146	Bathroom	Water Closet/Toilet - Damaged/Clogged/Missing	15%	5	1
1.368	Bldg B / 146	Smoke Detector	Missing/Inoperable	0%	5	1
0.821	Bldg B / 146	Bathroom	Shower/Tub - Damaged/Missing	15%	3	1
0.205	Bldg B / 146	Kitchen	Plumbing - Clogged Drains	15%	3	0.25
0.154	Bldg B / 146	Kitchen	Refrigerator-Missing/Damaged/Inoperable	15%	2.25	0.25
0.205	Bldg B / 153	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.154	Bldg B / 153	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.046	Bldg B / 153	Windows	Inoperable/Not Lockable	4.5%	2.25	0.25
0.046	Bldg B / 156	Windows	Inoperable/Not Lockable	4.5%	2.25	0.25
0.616	Bldg D / 85	Kitchen	Refrigerator-Missing/Damaged/Inoperable	15%	2.25	1
0.205	Bldg D / 85	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.154	Bldg D / 85	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.055	Bldg F / 58	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	4%	3	0.25
0.616	Bldg I / 160	Kitchen	Range/Stove - Missing/Damaged/Inoperable	15%	2.25	1
0.085	Bldg I / 160	Bathroom	Cabinets - Damaged/Missing	15%	1.25	0.25
0.246	Bldg L / 109	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.205	Bldg L / 109	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.154	Bldg L / 109	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.616	Bldg M / 92	Kitchen	Range/Stove - Missing/Damaged/Inoperable	15%	2.25	1
0.342	Bldg M / 92	Bathroom	Plumbing - Clogged Drains	15%	5	0.25
0.205	Bldg M / 92	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.154	Bldg M / 92	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.055	Bldg M / 92	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	4%	3	0.25
0.046	Bldg M / 92	Windows	Inoperable/Not Lockable	4.5%	2.25	0.25
0.171	Bldg O / 7	Kitchen	Countertops - Missing/Damaged	15%	1.25	0.5
0.616	Bldg S / Unit 173	Kitchen	Refrigerator-Missing/Damaged/Inoperable	15%	2.25	1
0.154	Bldg T / 179	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.205	Bldg U / 181	Bathroom	Shower/Tub - Damaged/Missing	15%	3	0.25
0.185	Bldg U / 181	Windows	Inoperable/Not Lockable	4.5%	2.25	1
0.164	Bldg U / 181	Walls	Damaged	4%	2.25	1
0.154	Bldg U / 181	Bathroom	Lavatory Sink - Damaged/Missing	15%	2.25	0.25
0.246	Office/Comm/Maint / Common	Doors	Deteriorated/Missing Seals (Entry Only)	4.5%	3	1
0.185	Office/Comm/Maint / Common	Doors	Damaged Hardware/Locks	4.5%	2.25	1
0.164	Office/Comm/Maint / Maintenance	Walls	Damaged	4%	2.25	1

930 SANDPIPER COVE

DEFICIENCY REPORT

Area	Building	Unit	Inspectable Item	Deficiency	Note	Corrected By	Date Corrected
Building Exterior	Bldg X		Windows	Damaged/Missing Screens			
Building Exterior	Bldg A		Windows	Damaged/Missing Screens	3 or more		
Unit	Bldg A	139	Bathroom	Lavatory Sink - Damaged/Missing	Tub and Sink Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Building Exterior	Bldg B		Windows	Damaged/Missing Screens			
Unit	Bldg B	146	Bathroom	Shower/Tub - Damaged/Missing	Faucet Handle Missing. Overflow Hardware Missing >50% Discoloration in Tub		
Unit	Bldg B	146	Bathroom	Water Closet/Toilet - Damaged/Clogged/ Missing	Not Flushing Properly		
Unit	Bldg B	146	Kitchen	Plumbing - Clogged Drains	Sink-Slow Drain		
Unit	Bldg B	146	Kitchen	Refrigerator- Missing/Damaged/ Inoperable			
Unit	Bldg B	146	Smoke Detector	Missing/Inoperable	(RDI)		
Unit	Bldg B	153	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg B	153	Bathroom	Shower/Tub - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg B	153	Windows	Inoperable/Not Lockable	Bedroom Window does not stay open		
Unit	Bldg B	156	Windows	Inoperable/Not Lockable	Window Does not Stay Open-Bdrm 3		
Building Exterior	Bldg C		Windows	Damaged/Missing Screens			
Building Exterior	Bldg D		Windows	Damaged/Missing Screens			

* For Corrected By Column, enter the name of the individual and/or company that performed the correction

930 SANDPIPER COVE

DEFICIENCY REPORT

Area	Building	Unit	Inspectable Item	Deficiency	Note	Corrected By	Date Corrected
Unit	Bldg D	85	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg D	85	Bathroom	Shower/Tub - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg D	85	Kitchen	Refrigerator- Missing/Damaged/ Inoperable	No Refrigerator		
Building Exterior	Bldg E		Windows	Damaged/Missing Screens			
Building Exterior	Bldg F		Windows	Damaged/Missing Screens			
Unit	Bldg F	58	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	Bedroom		
Building Exterior	Bldg G		Windows	Damaged/Missing Screens			
Building Exterior	Bldg H		Windows	Damaged/Missing Screens			
Building Exterior	Bldg I		Windows	Damaged/Missing Screens			
Unit	Bldg I	160	Bathroom	Cabinets - Damaged/Missing	Counter Top Damaged		
Unit	Bldg I	160	Kitchen	Range/Stove - Missing/Damaged/ Inoperable	Range Appears to be Inoperable		
Building Exterior	Bldg J		Windows	Damaged/Missing Screens			
Building Exterior	Bldg K		Windows	Damaged/Missing Screens			
Building Exterior	Bldg L		Windows	Damaged/Missing Screens			
Unit	Bldg L	109	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021

* For Corrected By Column, enter the name of the individual and/or company that performed the correction

930 SANDPIPER COVE

DEFICIENCY REPORT

Area	Building	Unit	Inspectable Item	Deficiency	Note	Corrected By	Date Corrected
Unit	Bldg L	109	Bathroom	Shower/Tub - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg L	109	Doors	Deteriorated/Missing Seals (Entry Only)	Daylight Visible When Closed and Locked		
Building Exterior	Bldg M		Walls	Stained/Peeling/Needs Paint	Peeling Paint on Fascia		
Building Exterior	Bldg M		Windows	Damaged/Missing Screens			
Unit	Bldg M	92	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg M	92	Bathroom	Plumbing - Clogged Drains	Slow Drain - Sink		
Unit	Bldg M	92	Bathroom	Shower/Tub - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg M	92	Floors	Hard Floor Covering Missing/Damaged Flooring/Tiles	Bathroom		
Unit	Bldg M	92	Kitchen	Range/Stove - Missing/Damaged/ Inoperable	Range Appears to be Inoperable		
Unit	Bldg M	92	Windows	Inoperable/Not Lockable	Window Does Not Stay Open		
Building Exterior	Bldg N		Windows	Damaged/Missing Screens			
Building Exterior	Bldg O		Windows	Damaged/Missing Screens			
Unit	Bldg O	7	Kitchen	Countertops - Missing/Damaged	Counter Top Substrate Deteriorated		
Building Exterior	Bldg P		Windows	Damaged/Missing Screens			
Building Exterior	Bldg Q		Roofs	Damaged Soffits/Fascia/Soffit Vents	Damaged Fascia/Soffit		

* For Corrected By Column, enter the name of the individual and/or company that performed the correction

930 SANDPIPER COVE

DEFICIENCY REPORT

Area	Building	Unit	Inspectable Item	Deficiency	Note	Corrected By	Date Corrected
Building Exterior	Bldg Q		Walls	Stained/Peeling/ Needs Paint	Peeling Paint on Fascia		
Building Exterior	Bldg Q		Windows	Damaged/Missing Screens			
Building Exterior	Bldg R		Windows	Damaged/Missing Screens			
Building Exterior	Bldg S		Windows	Damaged/Missing Screens			
Building Systems	Bldg S		Fire Protection	Missing/Damaged/ Expired Extinguishers	By Unit 173		
Unit	Bldg S	173	Kitchen	Refrigerator- Missing/Damaged/ Inoperable	No Refrigerator in Unit		
Building Exterior	Bldg T		Windows	Damaged/Missing Screens			
Unit	Bldg T	179	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)		
Building Exterior	Bldg U		Windows	Damaged/Missing Screens			
Unit	Bldg U	181	Bathroom	Lavatory Sink - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg U	181	Bathroom	Shower/Tub - Damaged/Missing	Stopper Missing (RDI)	Staff During Inspection	2/2/2021
Unit	Bldg U	181	Walls	Damaged	Holes - Bathroom Wall		
Unit	Bldg U	181	Windows	Inoperable/Not Lockable	Bedroom Windows Screwed Shut		
Building Exterior	Bldg V		Windows	Damaged/Missing Screens			
Building Exterior	Bldg W		Windows	Damaged/Missing Screens			
Unit	Office/Comm/ Maint	Common	Doors	Damaged Hardware/Locks	Door does not latch or close properly - 2nd Floor Bath		

* For Corrected By Column, enter the name of the individual and/or company that performed the correction

930 SANDPIPER COVE

DEFICIENCY REPORT

Area	Building	Unit	Inspectable Item	Deficiency	Note	Corrected By	Date Corrected
Unit	Office/Comm/ Maint	Common	Doors	Deteriorated/Missing Seals (Entry Only)	Daylight Visible When Closed and Locked - 1st Floor Exterior Door by Laundry & 2nd Floor Exterior Door		
Unit	Office/Comm/ Maint	Maint	Walls	Damaged	Hole - Missing Vent Register		
Building Systems	Office/Comm/ Maint		Emergency Power	Auxiliary Lighting Inoperable	Exit Signs By Laundry		

* For Corrected By Column, enter the name of the individual and/or company that performed the correction

Texas Department of Housing and Community Affairs

Owner Certification of Corrected Noncompliance

Development Name: Sandpiper Cove CMTS ID: 930

A Uniform Physical Condition Standards (“UPCS”) inspection was performed on February 2, 2021 at the above to assess compliance with the HTC program. The review resulted in a finding of noncompliance under Title 10, Chapter 10, Subchapter F related to Compliance Monitoring, §10.621, Property Condition Standards, and §92.251. Please see attached Deficiency Report that details the deficiencies identified.

Because the inspection resulted in a score that exceeds 75, to correct, submit only the following:

1. Update the Deficiency Report:
 - a. In the column named “Corrected By” enter the name of the person or contractor that completed the work to correct that deficiency. (NOTE: If state or local code requires a licensed professional to complete the work to correct a deficiency [e.g. infestation or fire systems], it is the Owner’s responsibility to be familiar with such codes and to correct deficiencies accordingly. The Department relies on the Owner’s due diligence in these instances.)
 - b. In the column named “Date Corrected” enter the date on which the work to correct that deficiency was completed.
2. Execute this certification to support that the work represented in the Deficiency Report has been performed.

In accordance with 10 TAC §2.401(a)(3), *Providing fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation or omission with regard to any documentation, certification or other representation made to the Department* is grounds for debarment. If it is found that the deficiencies cited in the Deficiency Report were not resolved, the Department will consider the Owner to have materially misrepresented the facts and circumstances related to UPCS Inspection conducted on February 2, 2021 may be recommended for debarment.

I, _____, on behalf of Compass Pointe Apartments Texas, LLC, am a duly authorized representative, who is so authorized by reason of my position as _____ to hereby certify, as true and correct, that the above referenced noncompliance has been corrected in the manner described and I further understand that if it is found that this certification was fraudulently executed, the owner is subject to debarment.

Signature of Authorized Owner Representative

Date



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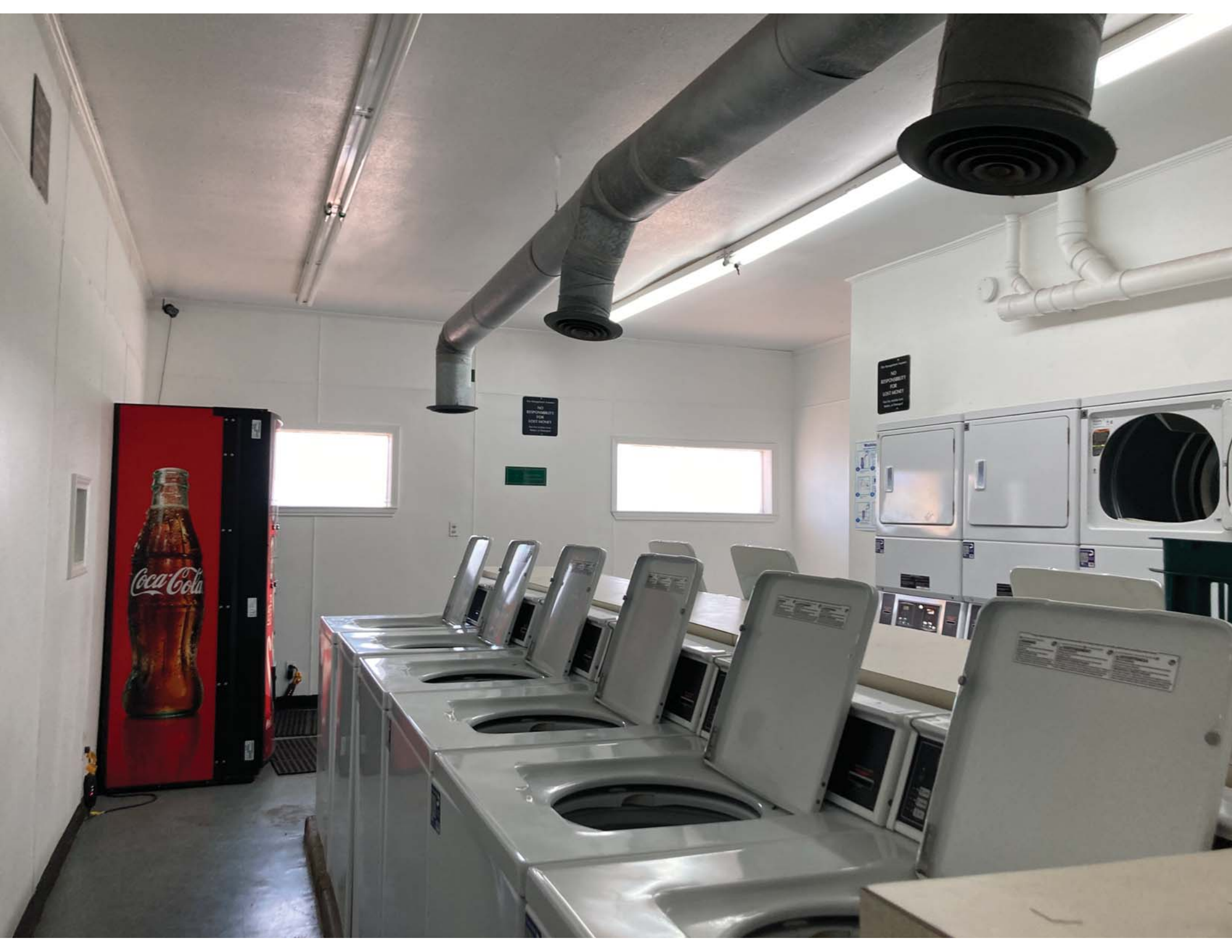
HOUSING OPPORTUNITY





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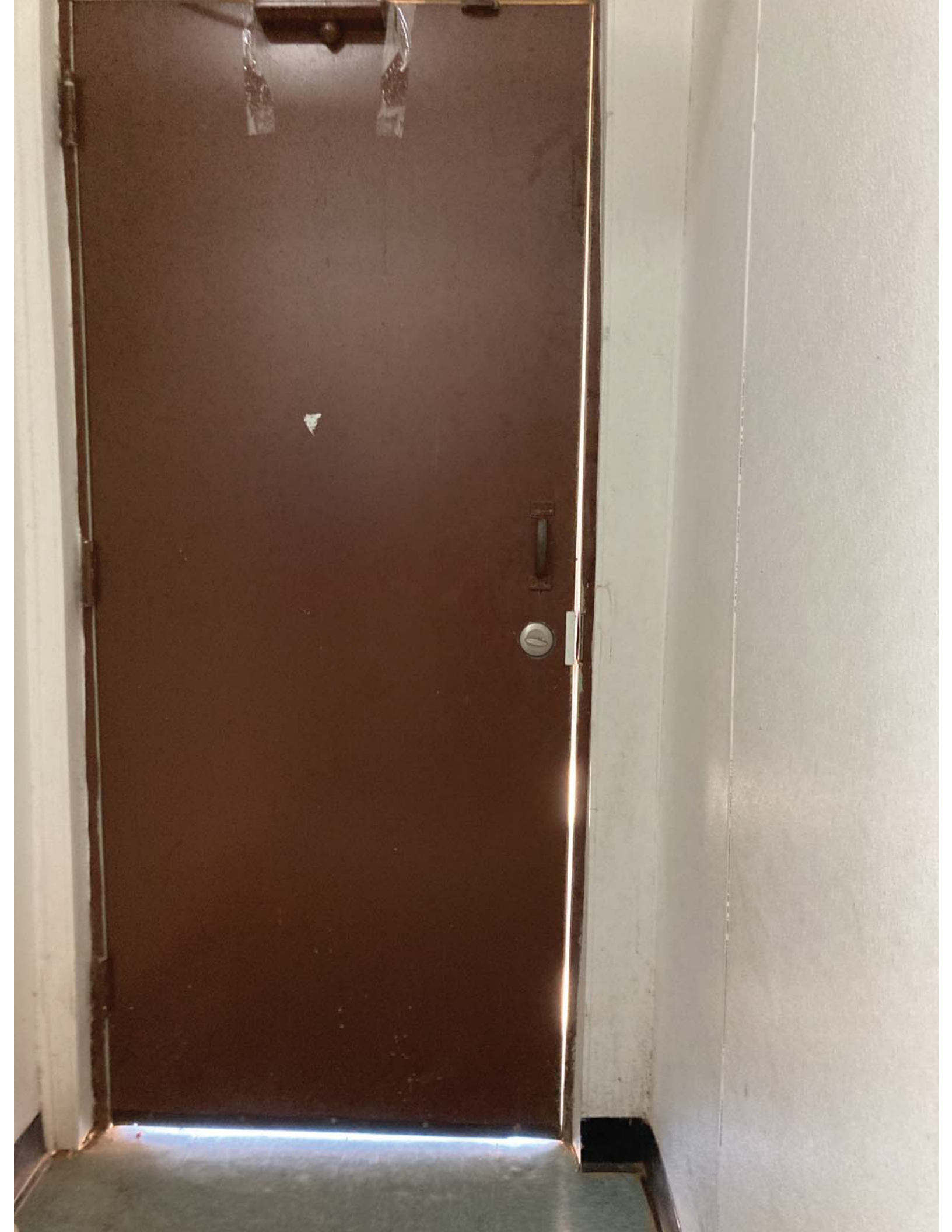
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NO RESPONSIBILITY FOR LOST ITEMS

NO RESPONSIBILITY FOR LOST ITEMS





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EXIT







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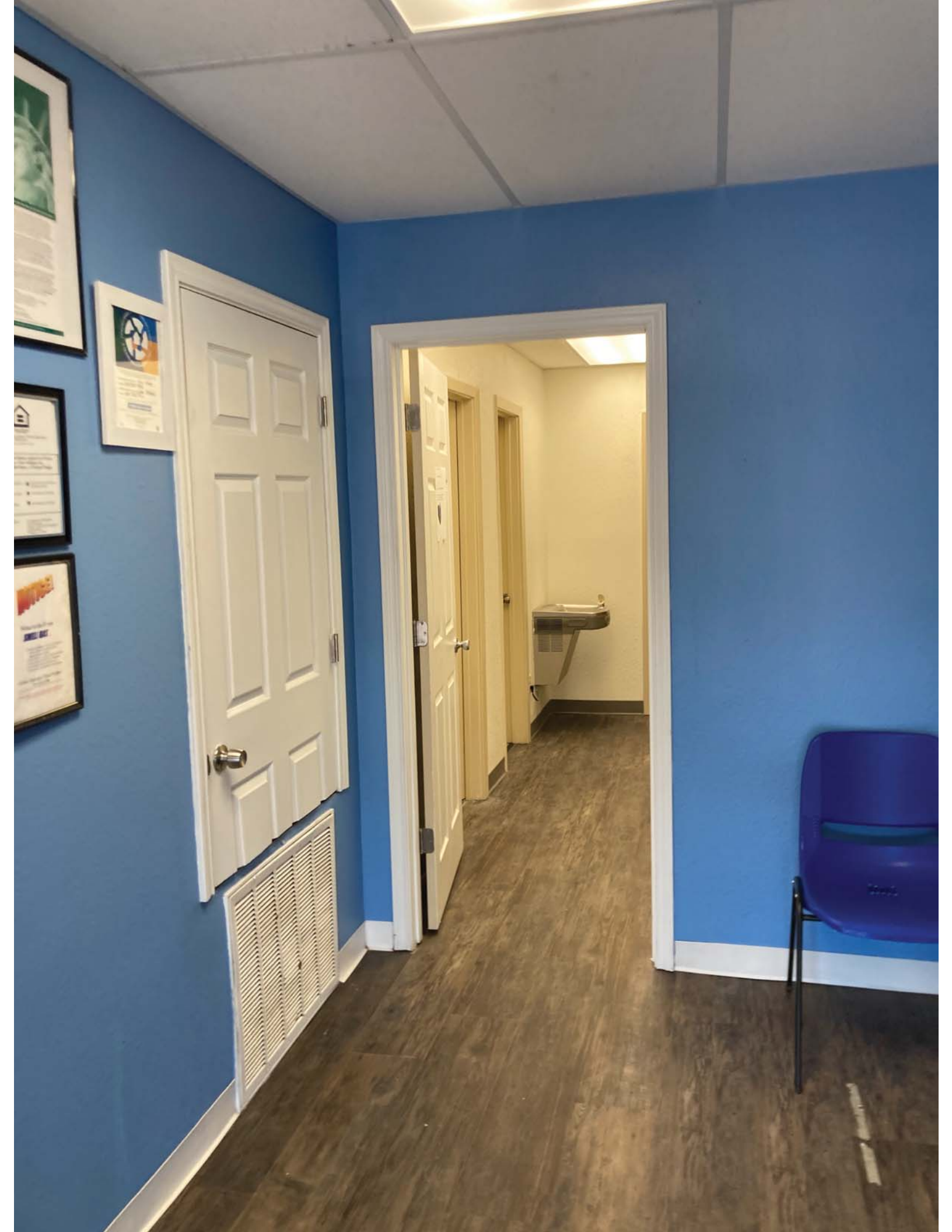



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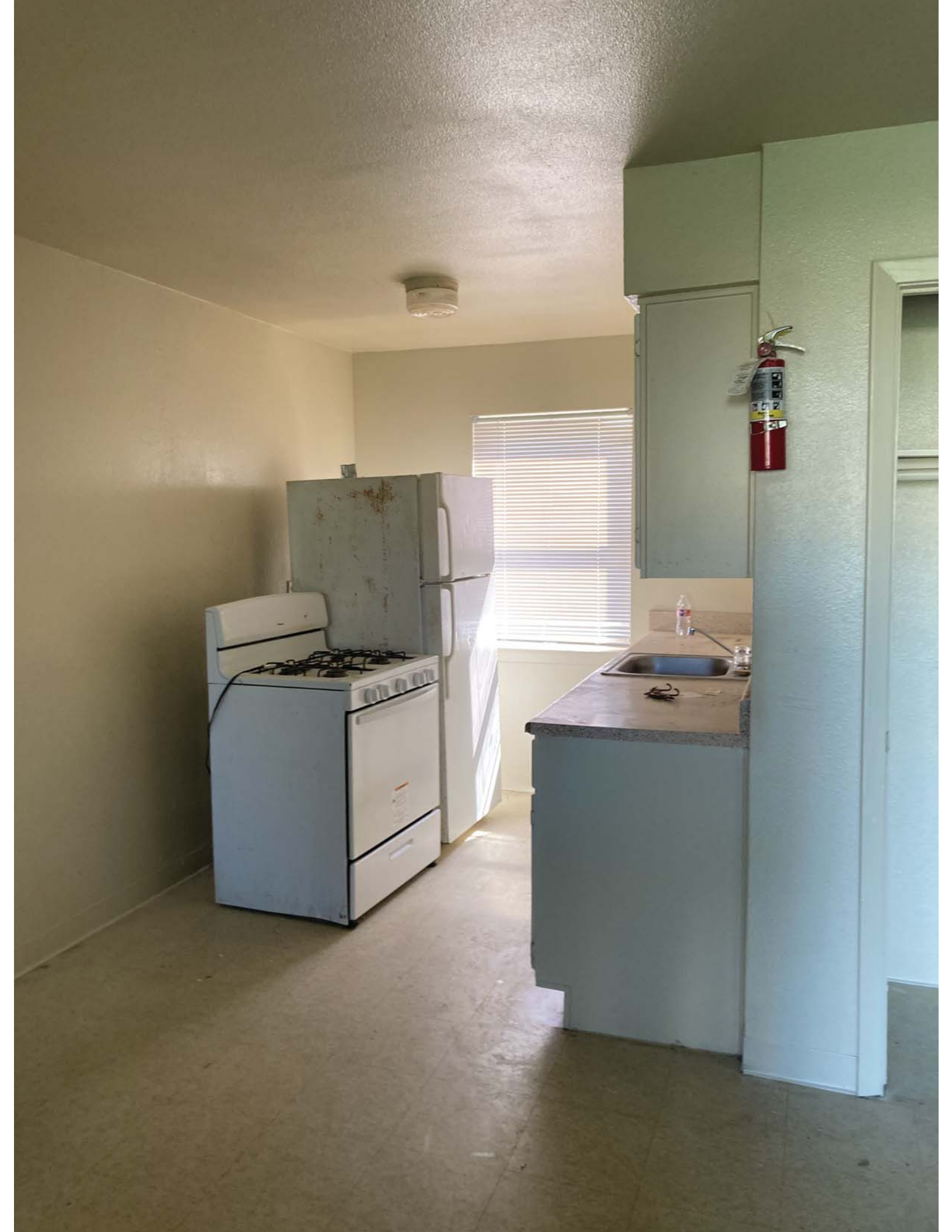
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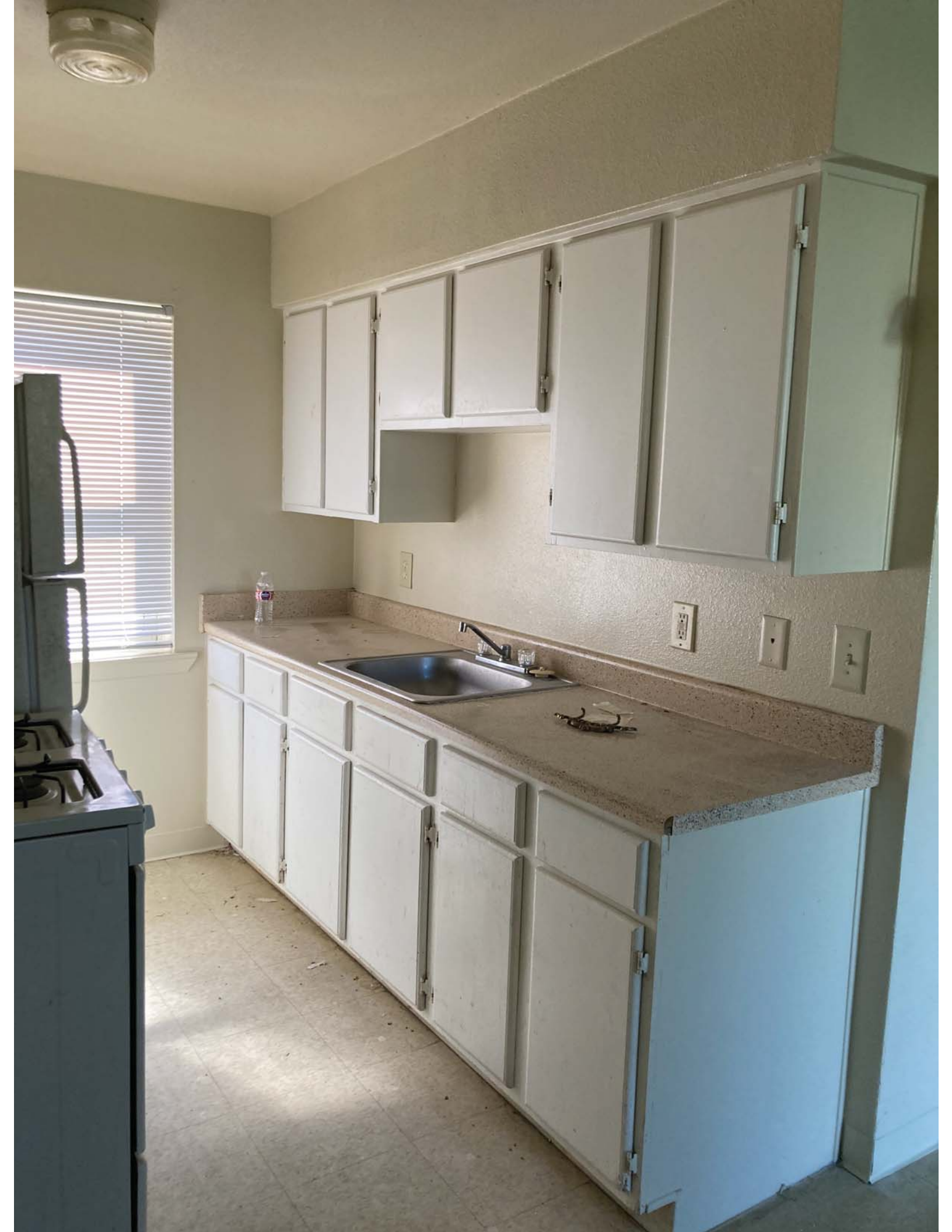






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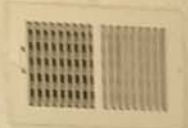
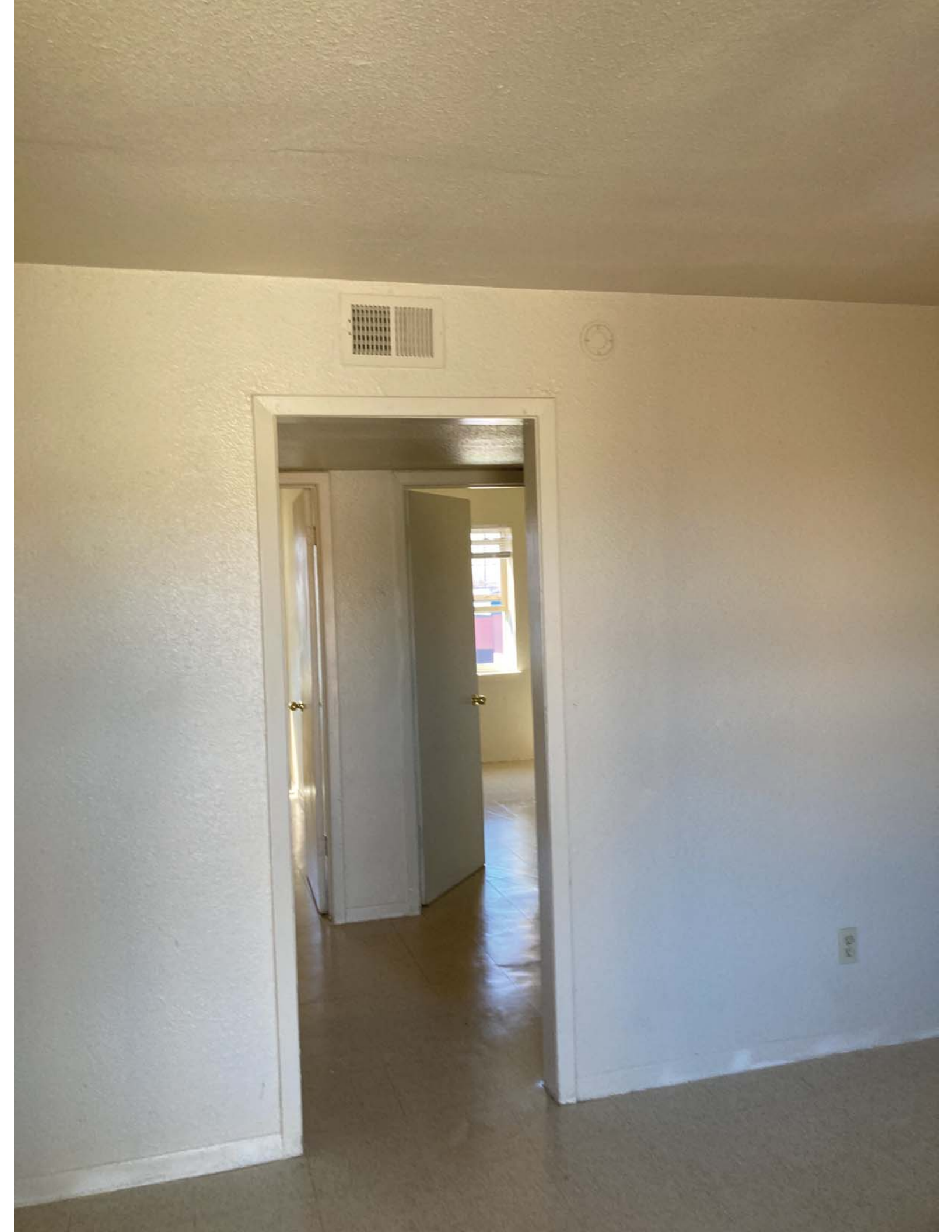






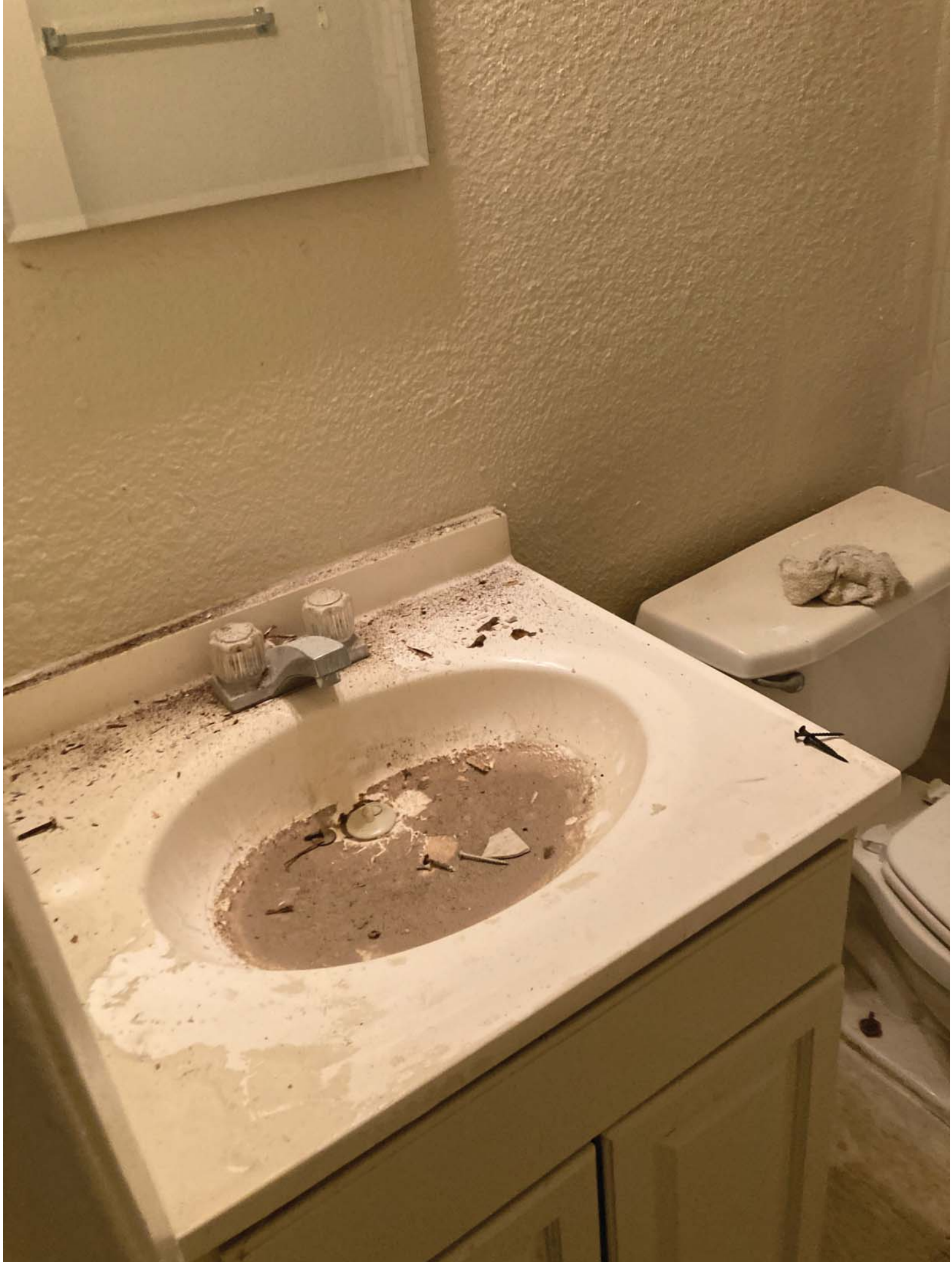
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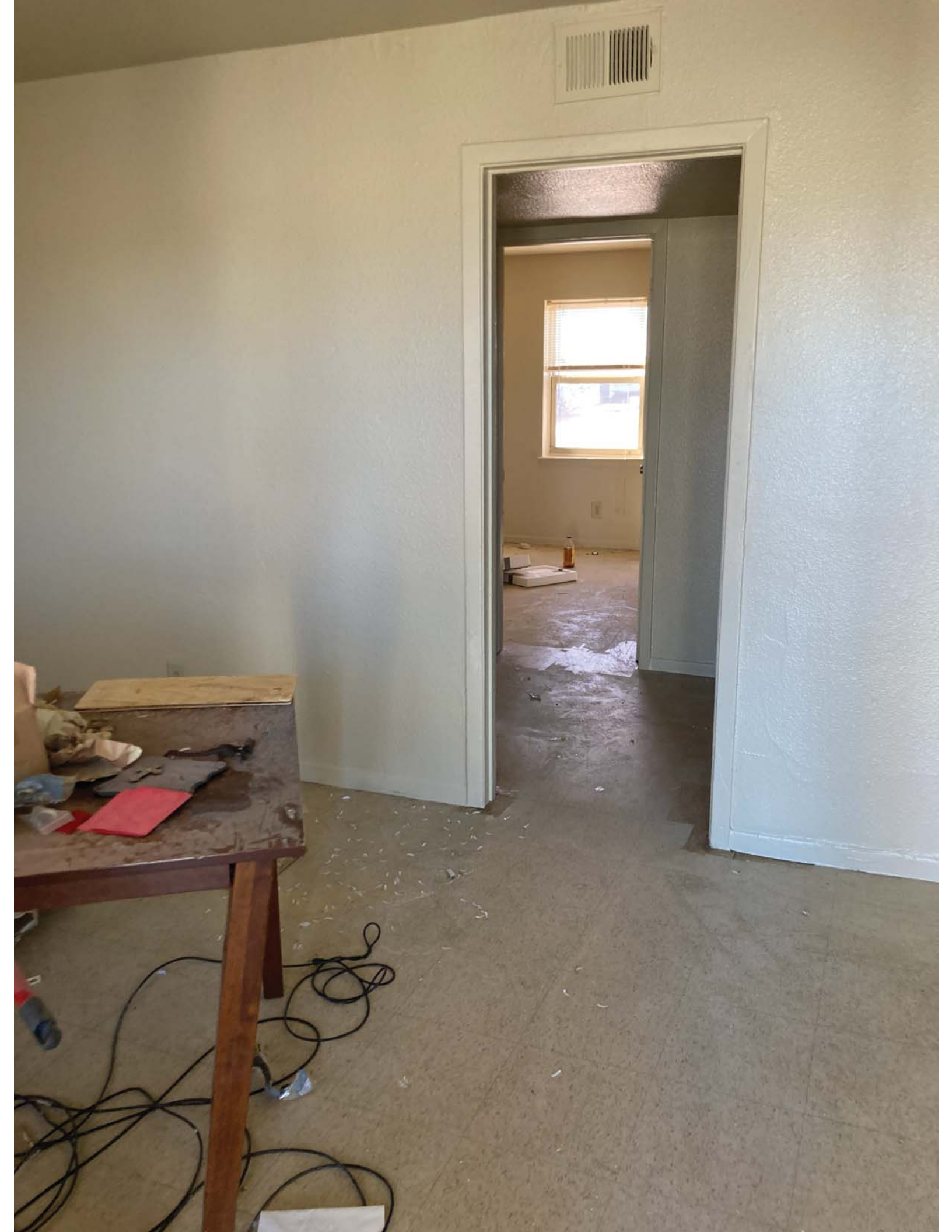






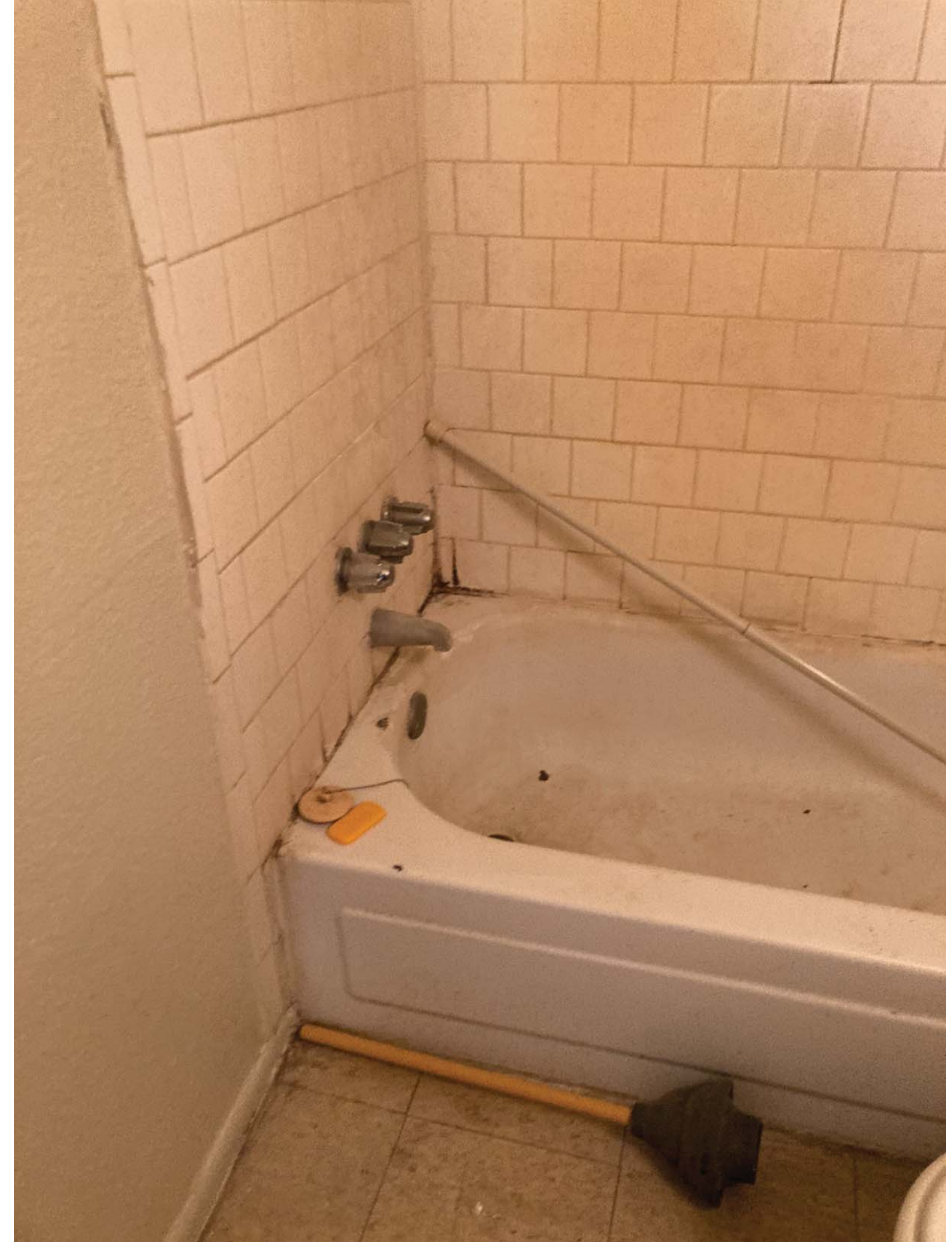




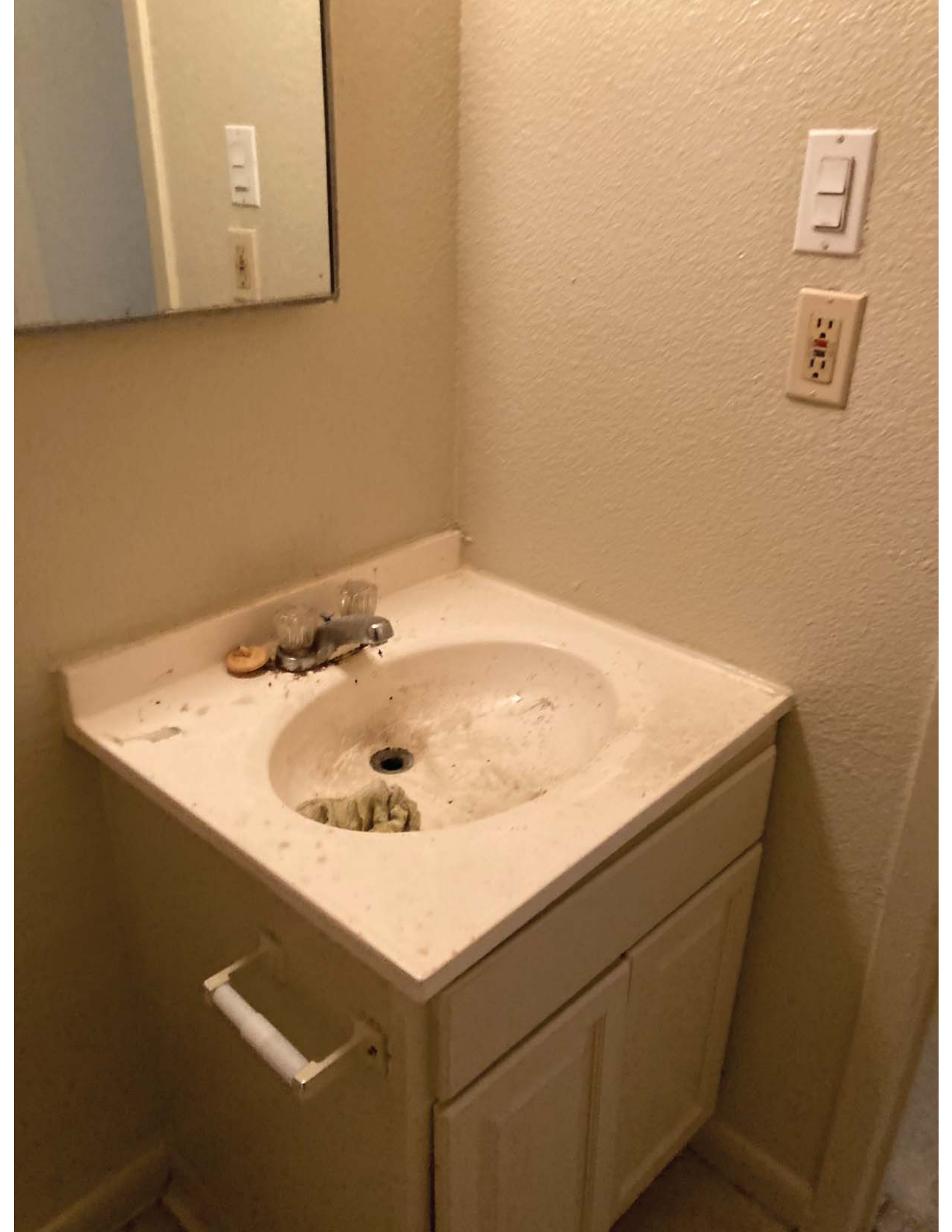






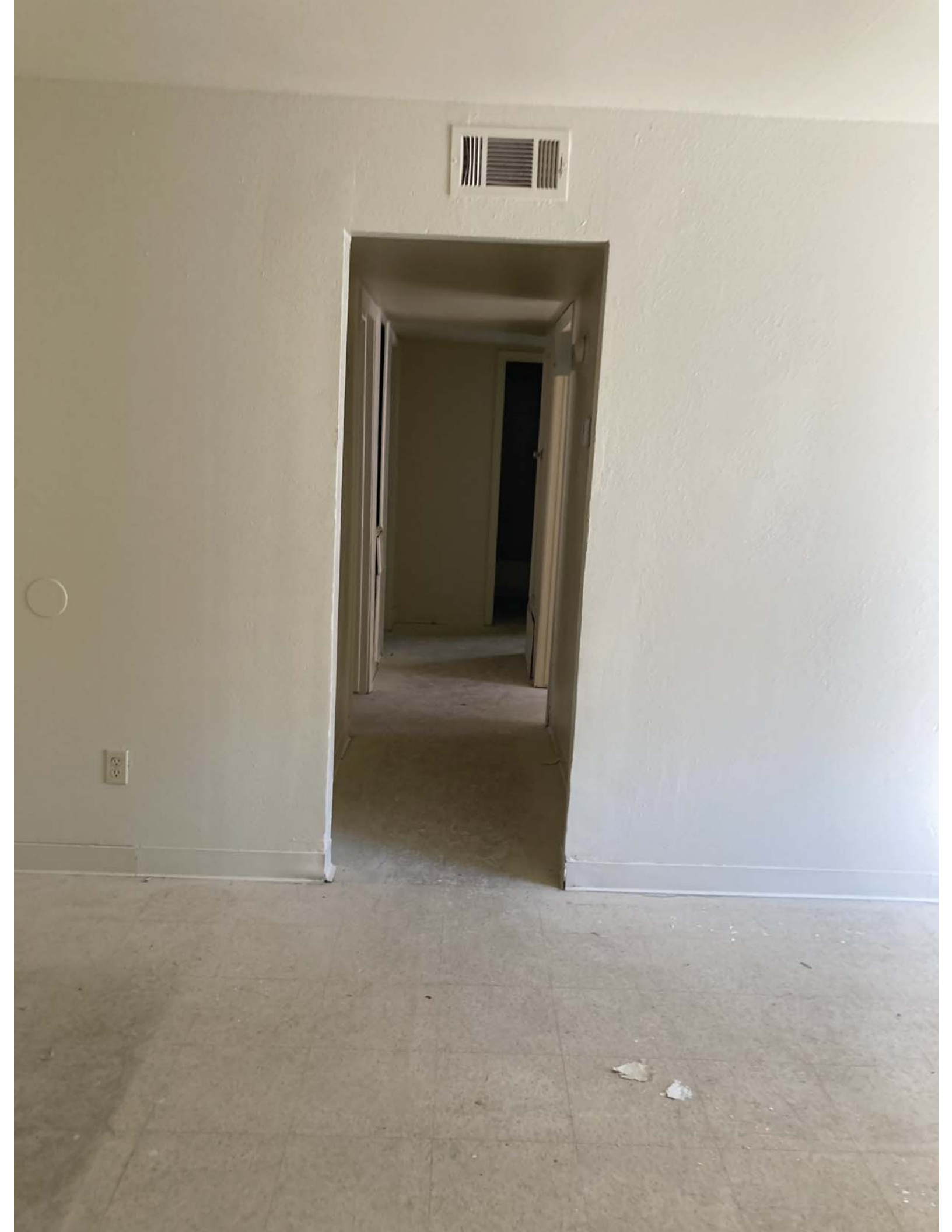


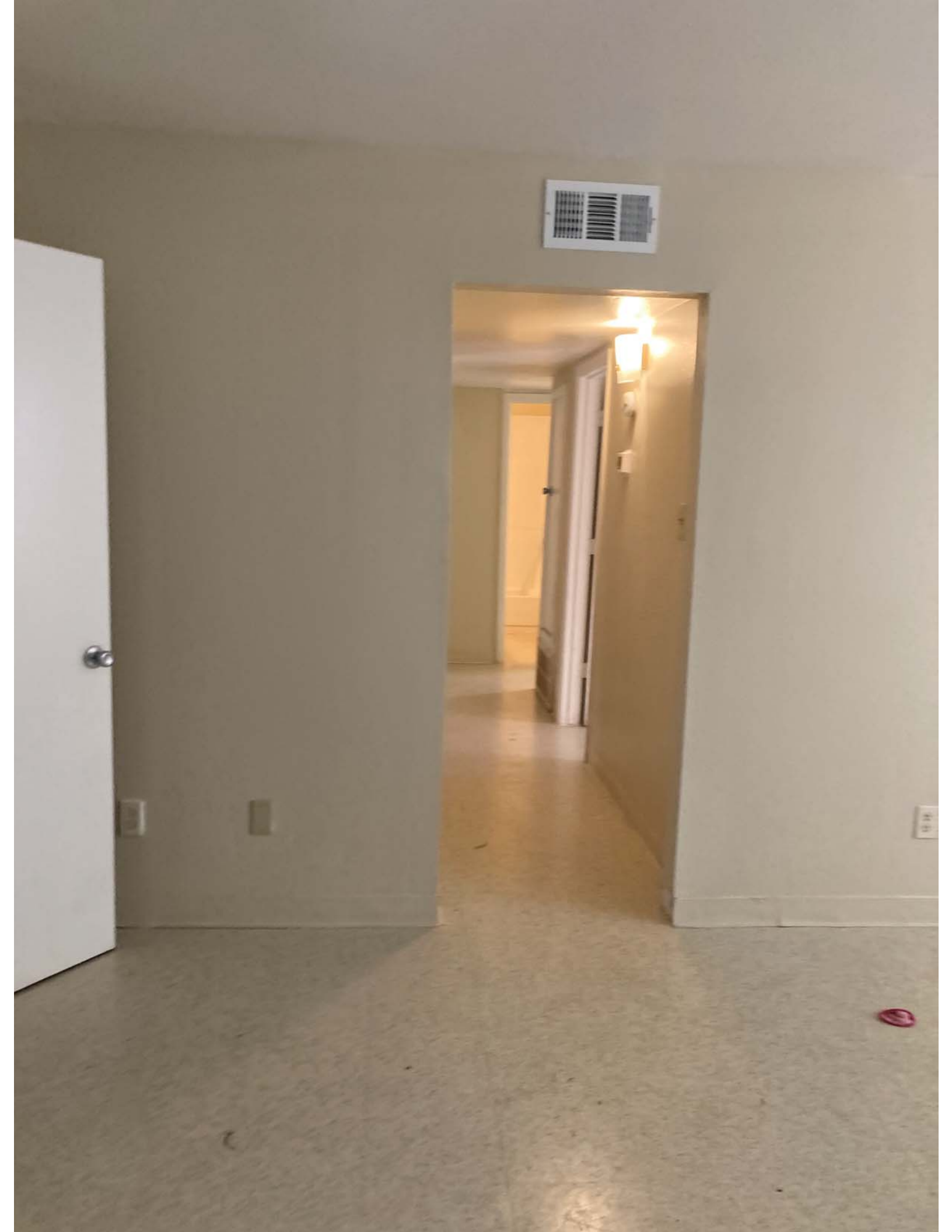


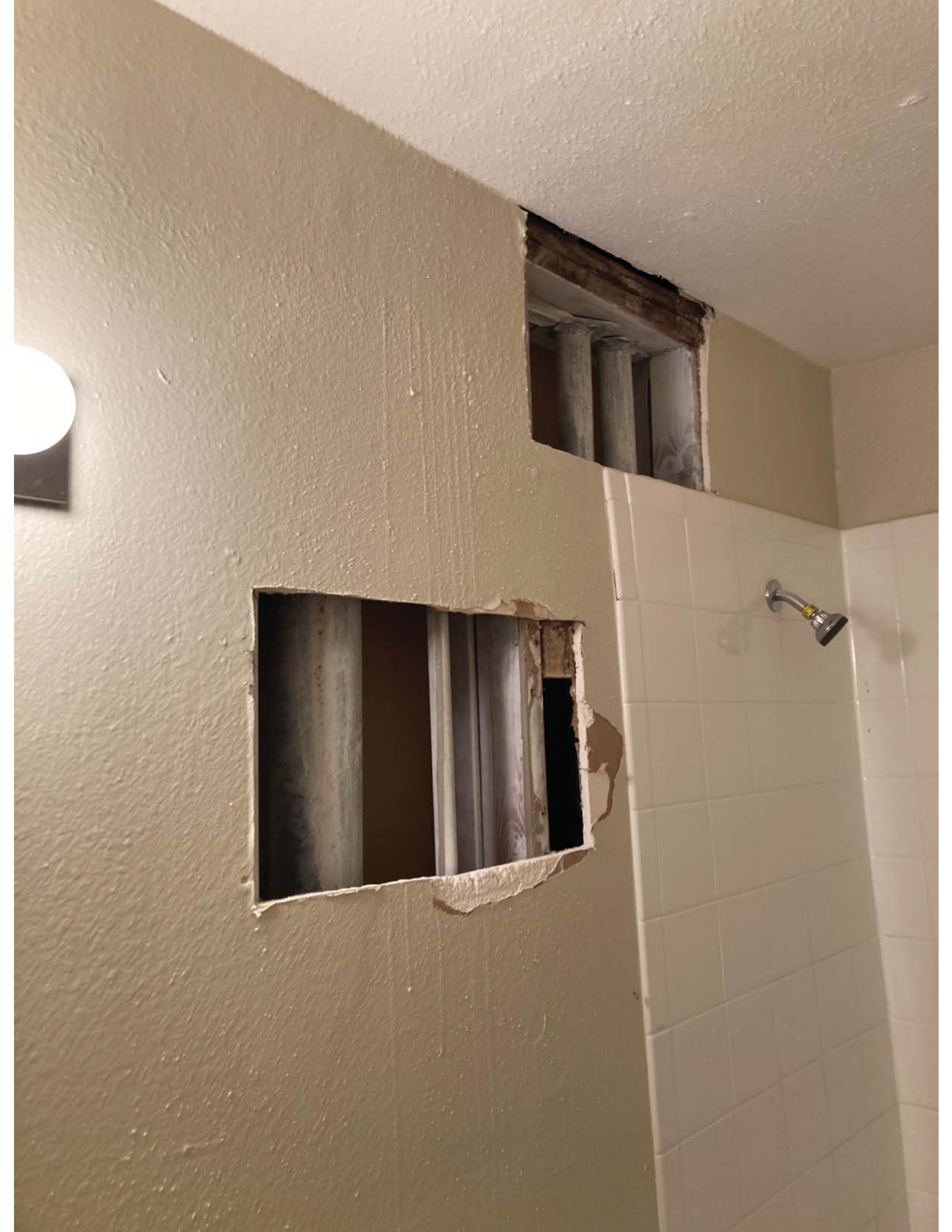






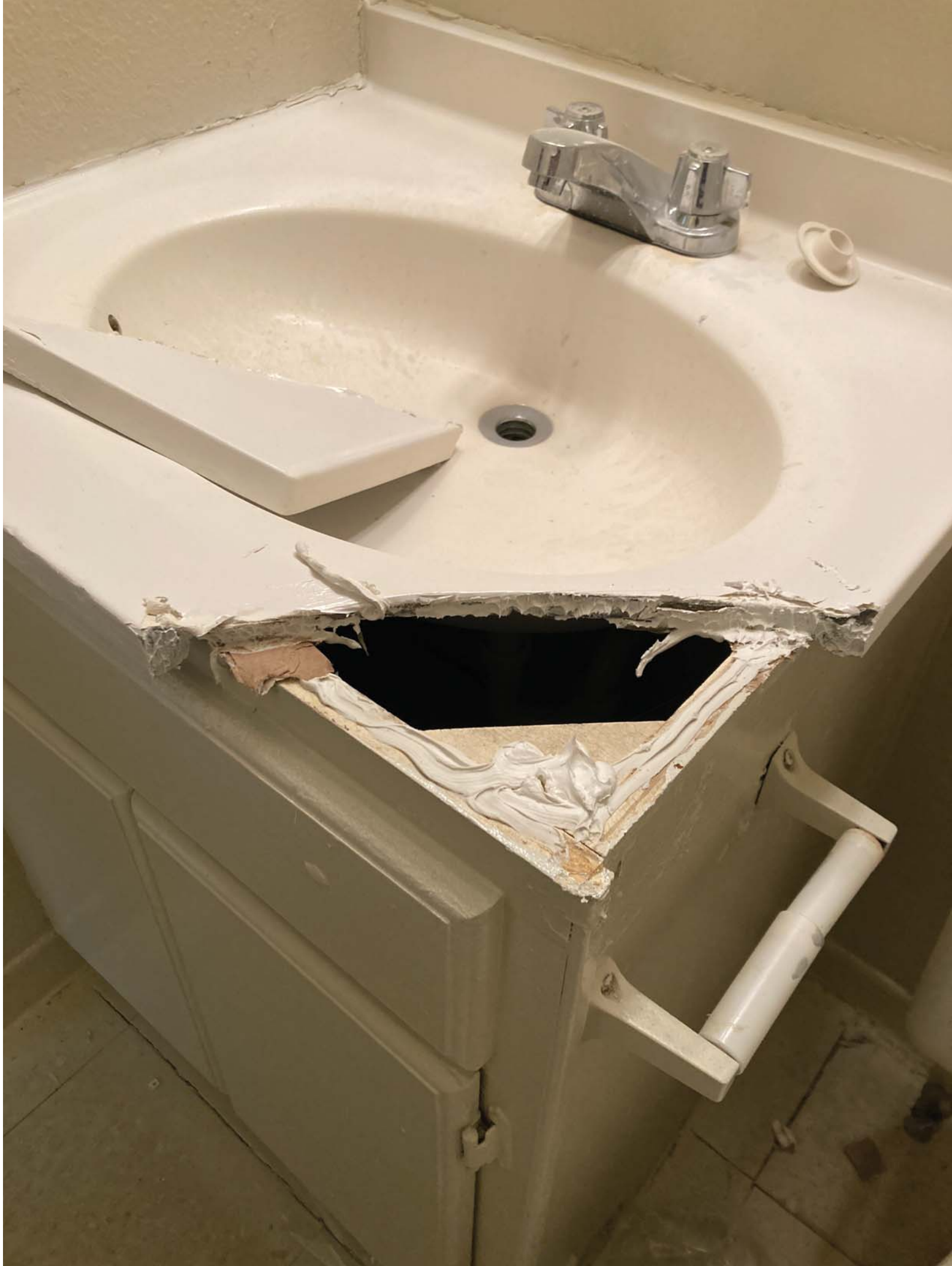
















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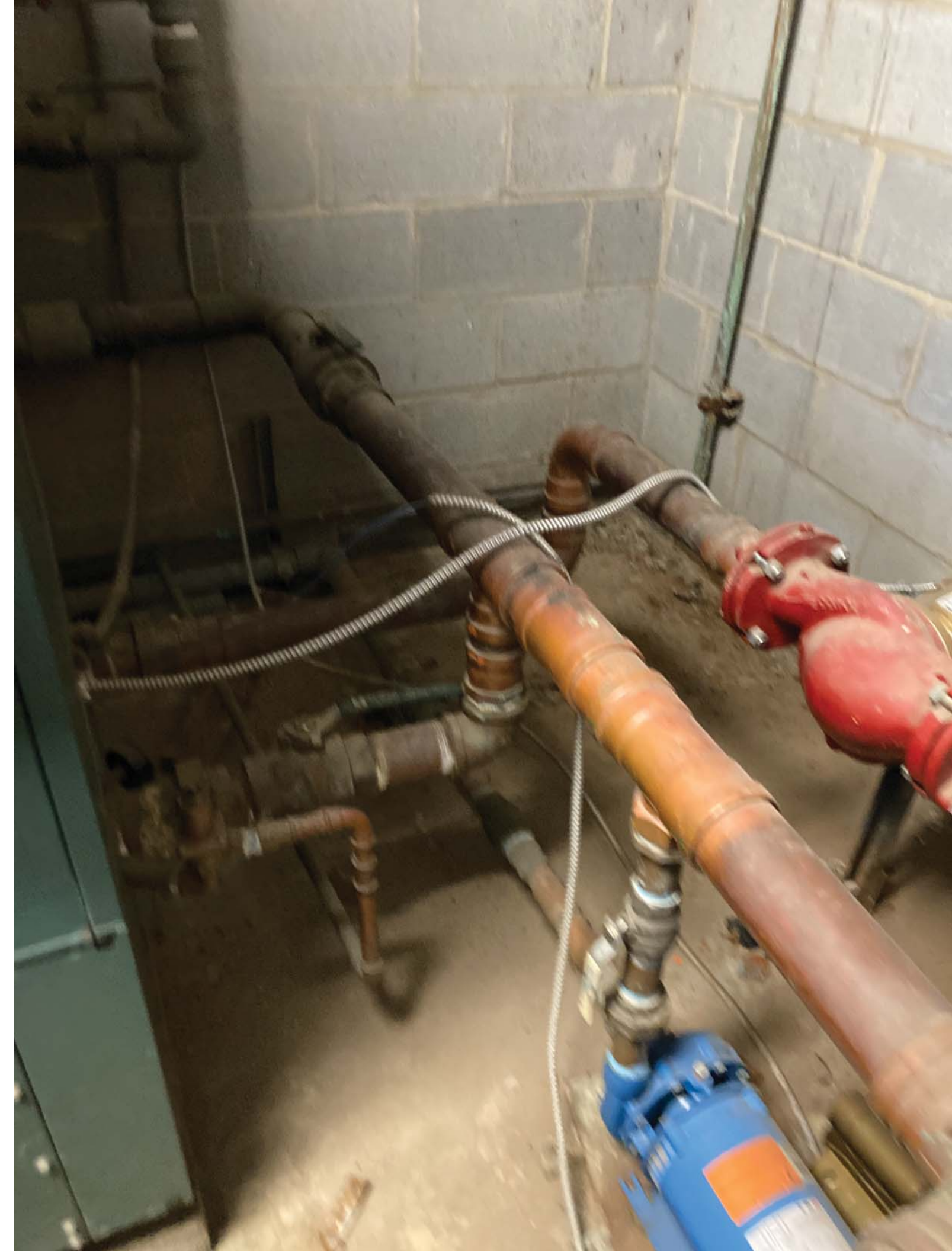




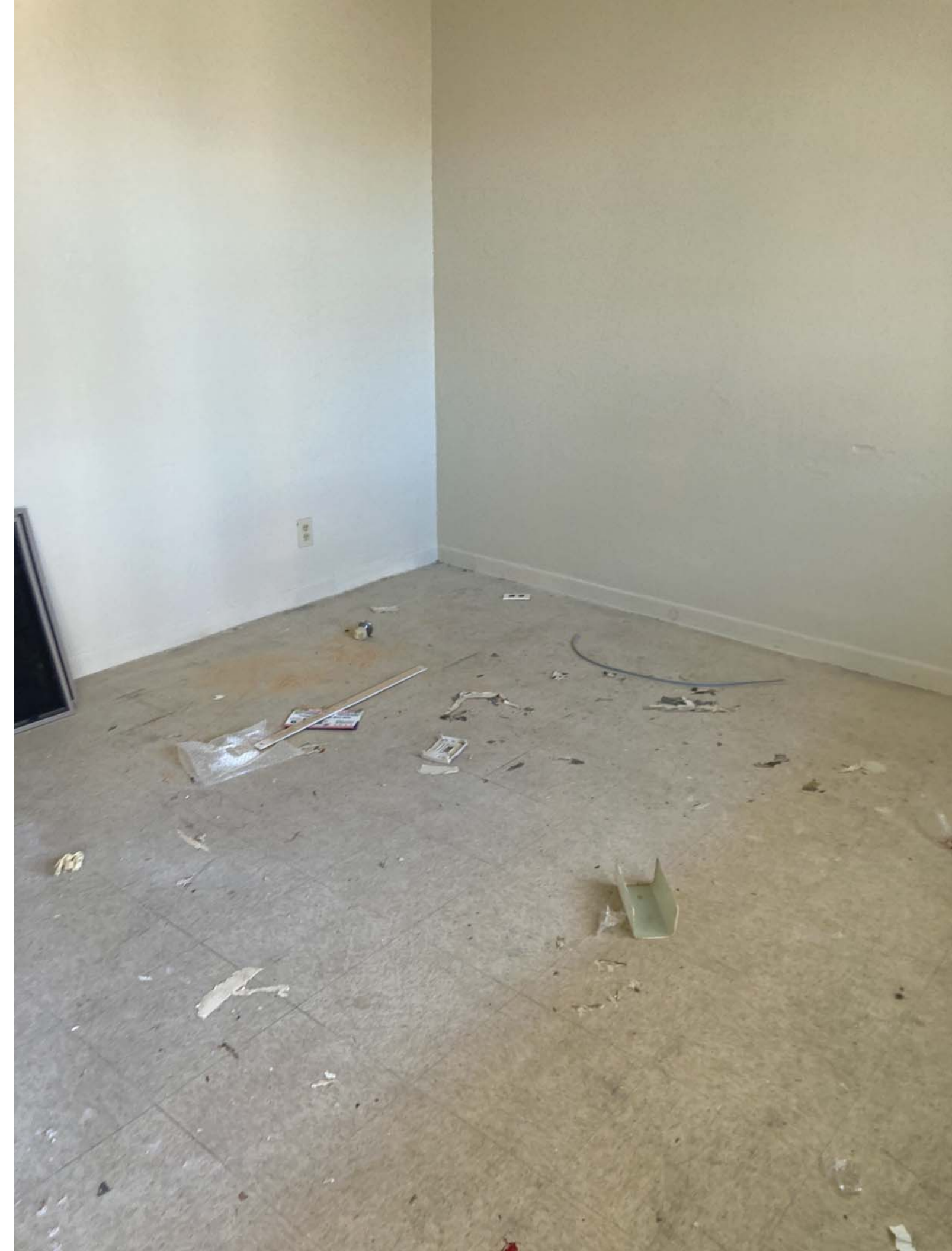










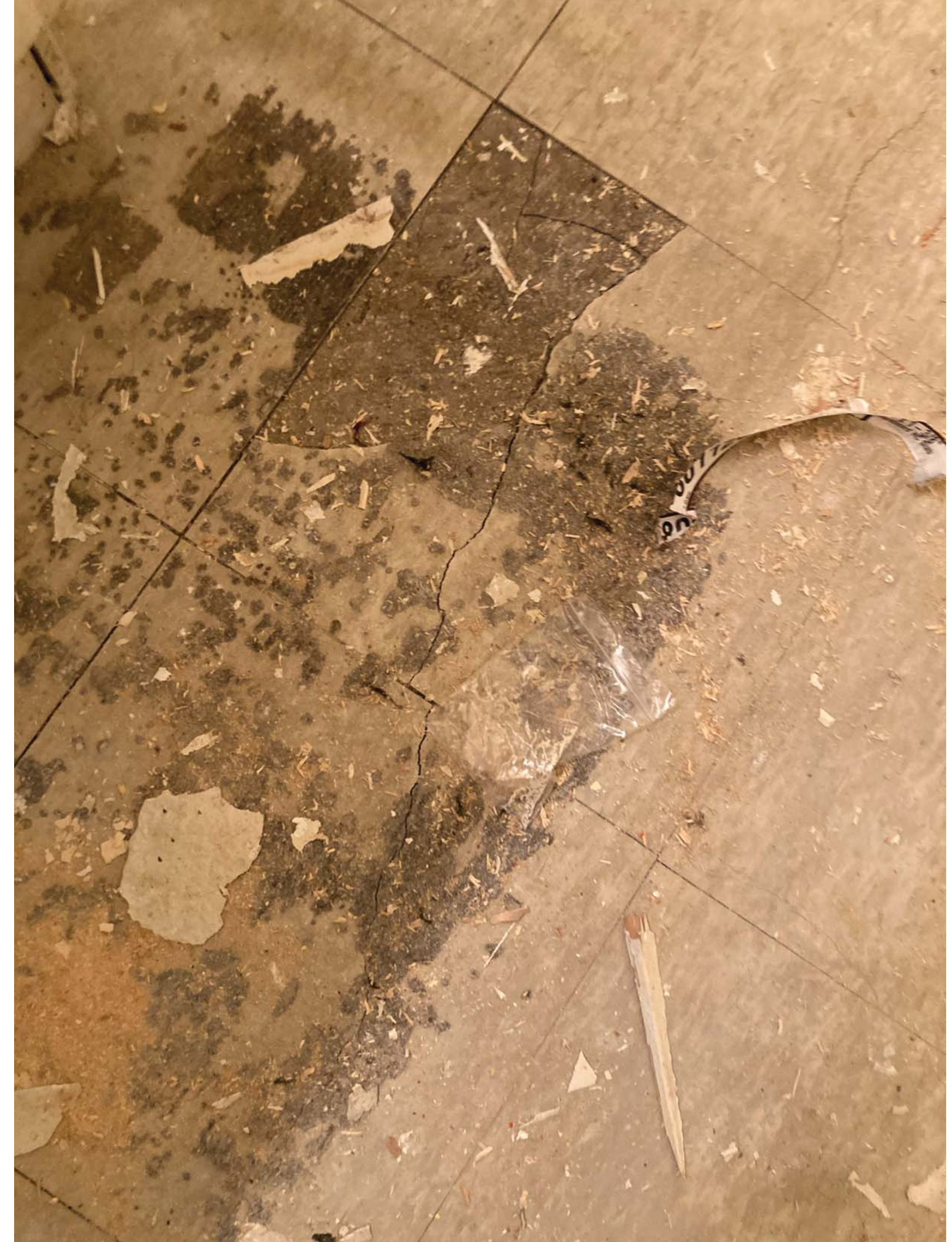








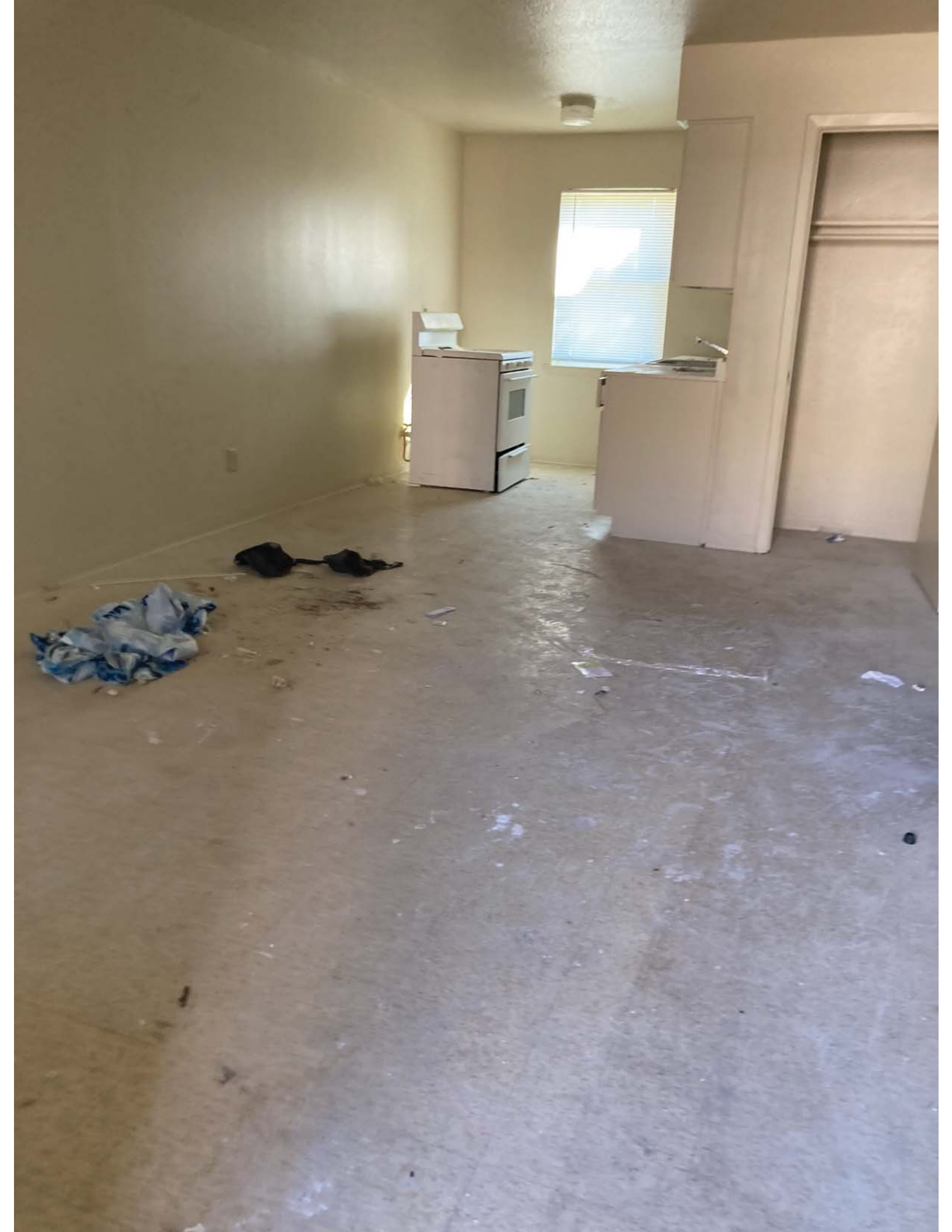






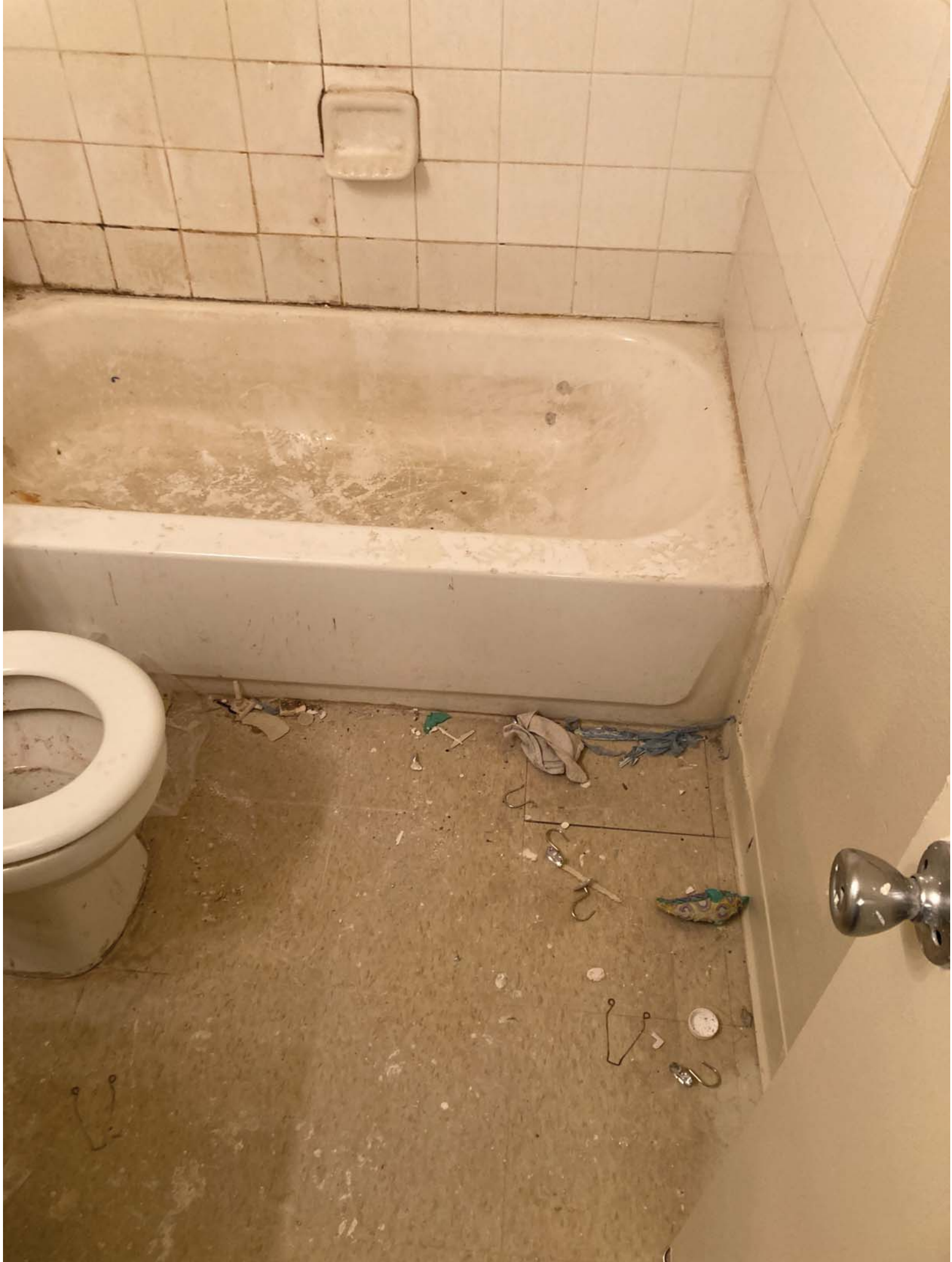




















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The City Of

San Angelo, Texas

72 West College Avenue, San Angelo, Texas 76903

February 1, 2021

Texas Department of Housing & Community Affairs
P.O. BOX 13941
Austin, TX 78711-3941

Dear TDHCA Staff,

The City of San Angelo optimistically supports the development of the proposed Villas at Shriner's Point through the Low Income Housing Tax Credit program which will empathetically boost the revitalization of the neighborhood where the project is to be located.

Fifteen years ago, the City of San Angelo undertook an effort to develop a strategy and plan to revitalize North San Angelo. For many years, this part of San Angelo was neglected and began to deteriorate while other parts of San Angelo quickly grew. The Neighborhood Revitalization Program was implemented with the goal to bring North San Angelo up to speed with the surrounding areas. Today, we are starting to see vast improvements such as increased property value, new construction and reduced crime rates in the area. One element that hasn't shown the necessary improvement is school performance. I believe that this is largely due to the lack of quality affordable housing in the area.

Without a stable living situation, it is hard to expect any child to have consistent attendance and performance at school. High-quality affordable housing can go beyond just a place to live for many students and can be a positive pathway to achieving better school outcomes. Developments such as the Villas at Shriner's Point can help provide a stable environment where students will have access to a place where they can study, learn and succeed academically. Meeting children's basic housing needs is a critical part of the success of the schools in this underserved area and I believe this Development will go a long way in not only improving school performance in the area but also the academic performance of the students living in these apartments.

For questions or additional information, contact the undersigned at robert.salas@cosatx.us or 325-655-0824.

Regards,

A handwritten signature in blue ink, appearing to read "Robert Salas".

Robert Salas, Director
Neighborhood & Family Services Department

5b



1800 W. 6th Street
Austin, TX 78703

February 5, 2021

Mr. Leo Vasquez, Chair
Ms. Leslie Bingham, Vice Chair
Mr. Brandon Batch
Mr. Paul A. Braden
Mr. Ajay Thomas
Ms. Sharon Thomason
TDHCA Governing Board
P.O. BOX 13941
Austin, TX 78711-3941

Sent care of Michael Lyttle at michael.lyttle@tdhca.state.tx.us

RE: Written Comments for Feb. 11 Board Meeting re: Item 5b

Dear Chair Vasquez, Vice Chair Bingham, Mr. Batch, Mr. Braden, Mr. Thomas, and Ms. Thomason:

For 33 years, Texas Housers has been a committed advocate for the rights of low-income Texans to access safe, affordable housing in well-resourced, low-poverty neighborhoods. We thank the Governing Board of the Texas Department of Housing and Community Affairs (TDHCA) for the opportunity to comment on your decision to issue a Determination Notice for 4% Housing Tax Credits for the Galveston Housing Authority's proposed 348-unit development, "The Oleanders at Broadway" (#21418) which would be built on the site of the old Oleander Homes housing project in Galveston, Texas.

We ask you to not award tax credits to this project. Approval of the project would violate the terms of the 2010 Fair Housing Conciliation Agreement between Texas Appleseed, Texas Low Income Housing Information Service (Texas Housers) and TDHCA on behalf of the State of Texas. The agreement requires the Galveston Housing Authority (GHA) and the State to rebuild on a one-for-one basis all of the 569 units of public housing on Galveston Island demolished following Hurricane Ike and to do so in a manner that affirmatively furthers fair housing. The proposal to rebuild Oleander fails on both counts. Not only does it fail to provide for one-for-one replacement of demolished units, it also unlawfully perpetuates GHA's long-standing pattern and practice of concentrating HUD-assisted housing open to families in the racially segregated, high-poverty neighborhoods north of Broadway. To ensure TDHCA's compliance with the Conciliation Agreement, Title VI of the Civil Rights Act of 1964, the Fair Housing Act and other HUD regulations, we urge you to deny the award of tax credits to this project and, to the extent possible, work with all stakeholders to swiftly rebuild remaining public housing units in safe, well-resourced neighborhoods of low poverty.

- 1) The proposal violates Title VI of the Civil Rights Act of 1964 because it purposefully concentrates public housing in a racially segregated, high-poverty neighborhood and has a discriminatory effect on residents of public housing who are predominantly Black or Hispanic.**

Title VI of the Civil Rights Act of 1964 (Title VI) prohibits federal funds from being used in a discriminatory manner. Discrimination under Title VI includes both intentional discrimination and unintentional disparate impact discrimination. Proving intentional discrimination requires showing that the challenged action was “motivated by an intent to discriminate.”¹ Proving ill will is not necessary. Instead, the law allows proving that a decision intentionally discriminates by showing that a number of factors exist including direct or circumstantial evidence such as a history of discrimination or segregation, the events leading up to the decision indicate discrimination, a departure from normal procedures when making the decision, and whether the decision has a disparate racial impact.² All of these factors are present in the circumstances surrounding GHA’s decision to rebuild 174 units of public housing and 87 low-income housing tax credit (LIHTC) units on the old Oleander Homes site.

a) The City of Galveston and GHA have a history of racial segregation and discrimination constituting an unlawful pattern and practice.

The City of Galveston and GHA have throughout their history purposefully constructed and concentrated HUD-funded public and affordable housing north of Broadway Street in an industrial, high poverty, flood-prone, historically Black neighborhood known as the Sixth Ward. In 1943, GHA built its first two public housing developments, Oleander Homes and Palm Terrace, in this area. Two more developments, Magnolia Homes and Cedar Terrace, were constructed in 1953. In 1971, HUD awarded a project-based subsidy to what is now the Sandpiper Cove Apartments in the same area, thereby further concentrating and segregating HUD-funded subsidized housing in this neighborhood (See Figure 1 below).³

In 1996, HUD found that GHA’s practice of concentrating public housing in the high-poverty, racially segregated north side violated Title VI and referred the matter to the United States Department of Justice (DOJ) for prosecution. HUD’s Title IV review found that GHA had “failed to meet its duty to take affirmative measures to remove the effects of siting its large, originally de jure segregated, family public housing projects in neighborhoods that either shared the racial and national origin characteristics of the projects or were uninhabited...” “Once Title VI became effective,” HUD determined, “GHA had, and continues to have, an obligation to take reasonable action to remove or overcome the consequences of its previous segregation.” HUD found that “the failure of GHA and GRACE (GHA’s development subsidiary) to promote the development of public housing opportunities outside minority-concentrated areas and their recent sale of properties outside such areas substantially impairs their ability to provide housing in a manner which is consistent with Title VI and HUD’s implementing regulations. Through its failure to provide family public housing in non-minority areas and its sale of properties located in non-minority areas, GHA ... subjects its tenants to segregation and separate treatment.”

The DOJ took the results of HUD’s Title VI finding to federal court in 1997 where the matter was resolved with a consent decree requiring GHA to develop public housing outside of the area north of Broadway. GHA never adequately complied with this consent decree. As discussed in detail in the next

¹ *Elston v. Talladega County Bd. of Educ.* 97 F.2d 1394, 1406 (11th Cir.), reh’g denied, 7 F.3d 242 (11th Cir. 1993). See also: American Bar Association, *Applying Title VI of the Civil Rights Act of 1964*, November 1, 2016.

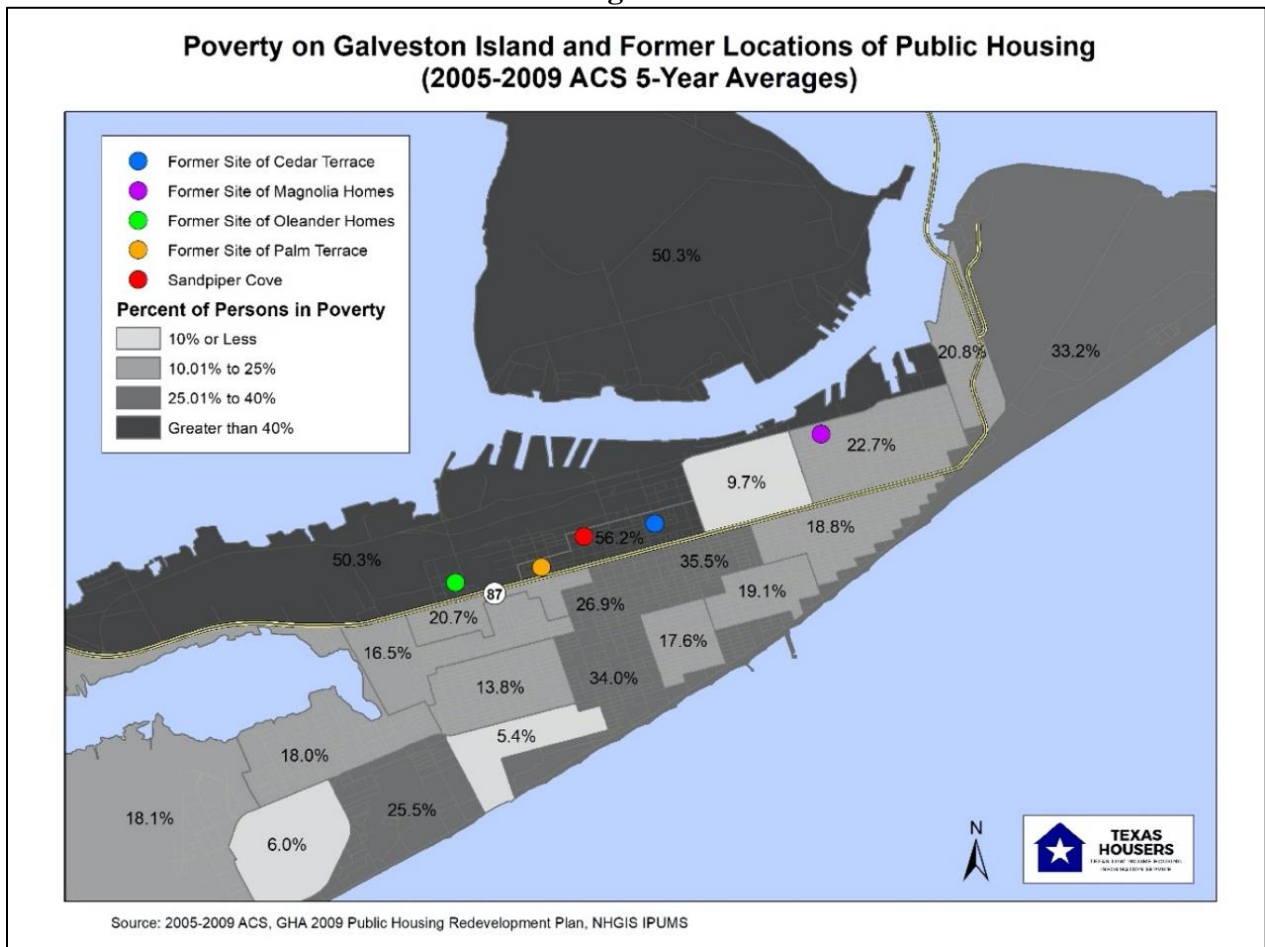
² *Village of Arlington Heights v. Metro. Housing Dev. Corp.*, 429 U.S. 252, 266 (1977)

³ For a detailed history of public housing in Galveston, see: Pls.’ Compl., at *39-40, *Sandpiper Residents Ass’n v. HUD*, S.D. Tex., No. 1:20-cv-01783, June 30, 2020

section, GHA’s discriminatory actions were again the subject of a federal fair housing enforcement action in 2010 which required TDHCA and the State of Texas to ensure that the City of Galveston and GHA would use Hurricane Ike disaster relief dollars to rebuild all 569 units of lost public housing in a manner that affirmatively furthered fair housing. Unfortunately, GHA’s current proposal to rebuild Oleander Homes north of Broadway doubles down its past disobedience. Acting on behalf of the State of Texas, TDHCA must not use federal funding in a manner that will perpetuate segregation and discrimination. Given the legal history of Title VI findings of racial segregation against GHA, TDHCA should not award tax credits to this proposal.

Figure 1 below shows the locations of the now-demolished developments before Hurricane Ike and the poverty levels of surrounding census tracts. This concentration of HUD-subsidized housing denied residents, who were overwhelmingly Black and Hispanic, housing choices outside the racially segregated area of concentrated poverty north of Broadway/State Highway 87 and created and maintained a neighborhood where more than half of the residents lived in poverty.

Figure 1



b) Events leading up to the challenged decision show that the City of Galveston and GHA impeded the redevelopment of public housing outside of the area north of Broadway.

Hurricane Ike hit Galveston in September of 2008 severely damaging all four of Galveston's public housing properties. GHA demolished all four properties, eliminating 569 units of public housing. When the City of Galveston and GHA resisted rebuilding the housing, Texas Housers and Texas Appleseed filed a fair housing complaint with HUD against the State of Texas asserting that the State and the City of Galveston were using CDBG-DR funds in a discriminatory manner in violation of the Fair Housing Act and Title VI of the Civil Rights Act of 1964. In the resulting Fair Housing Conciliation Agreement, the State of Texas committed to "one-for-one replacement or rehabilitation" of all 569 public housing units in a manner that would affirmatively further fair housing by expanding housing choice and ensuring racial and economic integration by deconcentrating their new locations. However, the plan was almost immediately scuttled by extreme and often openly racist public opposition and the subsequent election of anti-public housing city council members.⁴ Candidates and residents opposed to public housing argued that public housing was not needed and not appropriate anywhere in the city limits of Galveston. The successful candidate for mayor even made it a central point in his campaign that he would not honor the Conciliation Agreement.⁵ After the newly elected mayor and council refused to build back public housing, HUD sent formal notice to the city in 2011 that it was violating the terms of the Conciliation Agreement by failing to move forward with rebuilding plans. But Galveston remained defiant. Two years later, GLO ordered the city to rebuild the housing or refund all federal funds it had received in 2013.

The Galveston Housing Authority Board of Commissioners, using vastly inflated project development costs and baseless arguments that there are no other developable sites available to construct housing in Galveston, is pursuing a strategy that seeks to maintain residential racial segregation by preventing the rebuilding of the 569 public housing units as required under the Conciliation Agreement. To date, GHA has only constructed 282 or a little less than half of the units.

Even after a Department of Justice Consent Decree, a HUD-brokered Conciliation agreement, and State pressure from TDHCA and the GLO, GHA and the City have stubbornly refused to rebuild large numbers of units in low-poverty, majority white neighborhoods and made only half-hearted attempts to find replacement sites. The argument included in GLO's public posting stating that rebuilding had to take place on the Oleander site — "...given the limited availability of land on Galveston Island" — is absurd. There is robust development and building ongoing in Galveston as attested by the number of city-issued building permits. The truth is that the barrier to rebuilding on any site other than the proposed Oleander site is dictated by the long-standing and well-documented resistance of the Galveston Housing Authority to build public housing anywhere other than this racially and economically segregated area.

⁴ Kevin Dancy, *Seizing the Opportunity for Equitable and Inclusive Redevelopment: Galveston's Trials After Hurricane Ike Offer Lessons for Other Communities*, Federal Reserve Bank of Dallas, March 2018, at 11. Available at <https://www.dallasfed.org/-/media/Documents/cd/pubs/galveston.pdf>. The opposition of Galveston residents and the officials they elected to the siting of public housing in low-income, whiter neighborhood is well documented. See also: Edgar Walters, *"It's our form of apartheid": How Galveston stalled public housing reconstruction in the 10 years after Ike*, The Texas Tribune, April 16, 2018. Available at <https://www.texastribune.org/2018/04/16/galveston-public-affordable-housing-hurricane-ike/>

⁵ Harvey Rice, *HUD threatens Galveston with loss of funds*, The Houston Chronicle, July 4, 2012. Available at <https://www.chron.com/news/houston-texas/article/HUD-threatens-Galveston-with-loss-of-funds-3682674.php>. See also: Texas Department of Housing and Community Affairs, *State of Texas Plan for Fair Housing Choice: Analysis of Impediments*, October 18, 2021 at 201. Available at <https://www.chron.com/news/houston-texas/article/HUD-threatens-Galveston-with-loss-of-funds-3682674.php>

c) HUD, GLO, and GHA failed to follow normal procedures and rules meant to ensure that the project was compliant with civil rights laws

Existing procedures and rules regarding the permitted location of HUD-subsidized housing were not followed or were informally waived when pursuing the plan to rebuild at the old Oleander Site. Under the proposal, The Oleanders at Broadway (Oleander) will include 348 units – of these 174 will be public housing replacement units, 87 low-income housing tax credit (LIHTC) units, and 87 market rate units. GLO improperly considers LIHTC units to count toward the one-for-one replacement requirement bringing the total number of affordable units to 261 (we address our objection to LIHTC units being equated with public housing units in a later section of this letter). Before constructing public housing, HUD requires that certain rules be followed to ensure that the housing is safe, healthy and decent and complies with civil rights law. These rules can be found under 24 CFR § 905.602(d). TDHCA has similar site and neighborhood standards for LIHTC properties found under 10 TAC §11.101. The proposed development does not comply with the following rules.

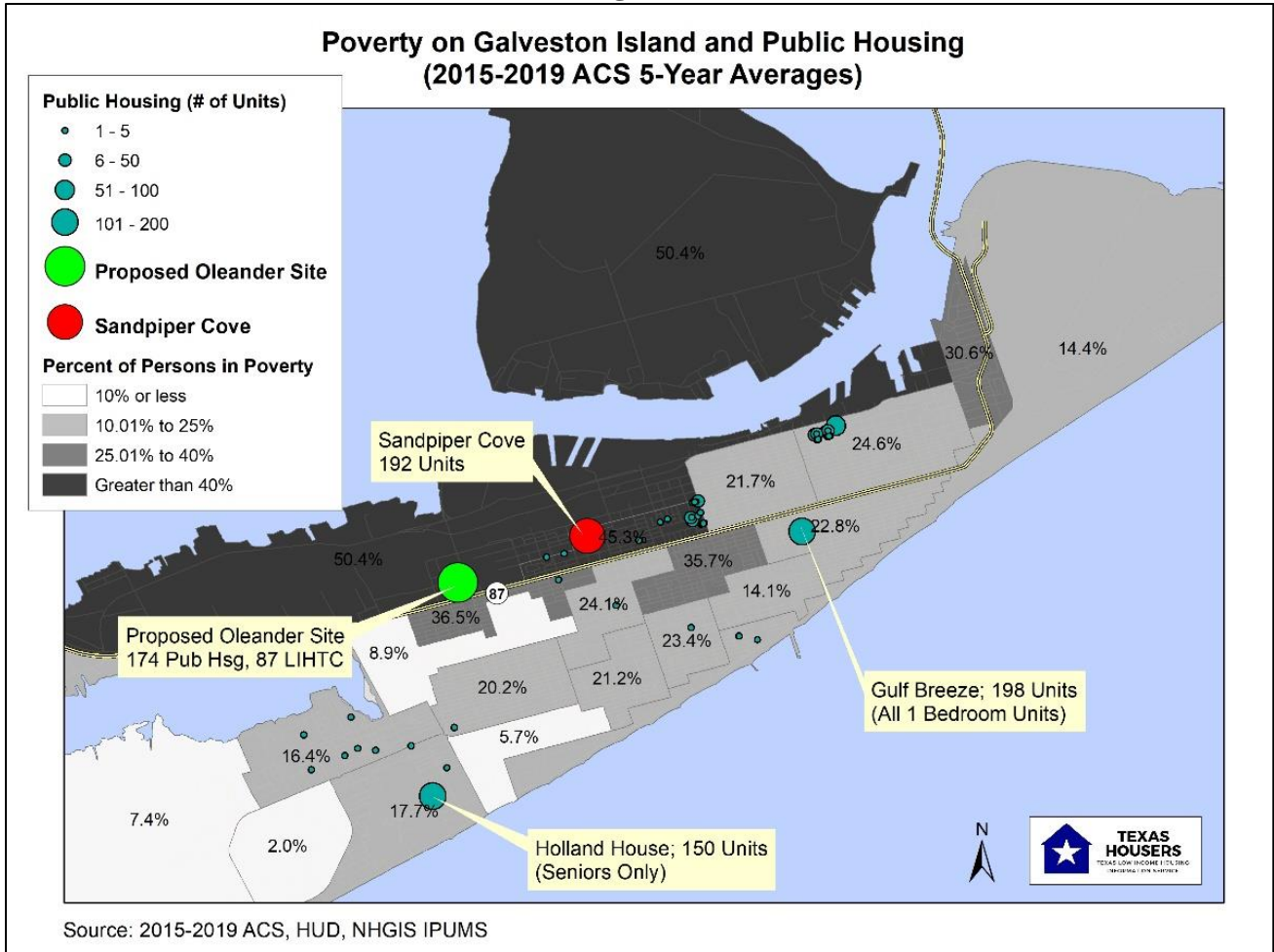
- **905.602(d)(2) requires the site and neighborhood to be “suitable to facilitating and furthering full compliance” with the Fair Housing Act, Title VI and other civil rights regulations.** The site utterly fails in this regard. HUD standards classify the census tract surrounding Oleander as a racially and ethnically concentrated area of concentrated poverty or “RECAP,” meaning that the poverty rate exceeds 40% and its nonwhite population is greater than 50%. Census Tract 7240 has an astonishing poverty rate of 50.4% (well more than double the city average) and a non-white population of 53.4%. Comparatively, the City of Galveston has a poverty rate of 19.9% and a non-white population of 51.5%. As can be seen in Figure 2 below, the proposed site is in one of the highest poverty census tract on Galveston Island and will solidify GHA’s pattern and practice of concentrating the bulk of this family-accessible public housing north of Broadway.

Furthermore, the area surrounding the proposed site contains only a handful of other dwelling units. It is not a residential area but is an industrial and commercial use area separated from residential neighborhoods by state highways. Almost all of the ultimate residential uses in the area, if this project is allowed to be developed on this site, will be this public housing and Low Income Housing Tax Credit project. This will result in an increase of the already astronomical levels of poverty and racial segregation that exist today. Thus, it continues the unlawful pattern HUD uncovered in the 1996 Title VI finding against GHA namely that GHA had “failed to meet its duty to take affirmative measures to remove the effects of siting its large, originally de jure segregated, family public housing projects in neighborhoods that either shared the racial and national origin characteristics of the projects **or were uninhabited...**” [emphasis added].

Figure 2 also shows that, aside from a smattering of scattered site units created to comply with the 1997 DOJ Title VI settlement, almost all the 569 demolished units will be rebuilt north of Broadway, impermissibly restricting housing choice for GHA’s largely African-American tenant population. The property is also less than a mile away from the 192-unit HUD-funded Sandpiper Cove apartments, a derelict, HUD-funded, project-based Section 8 property. If the Oleander project is built, the vast majority of all public housing units

available to families will once again be concentrated north of Broadway, within the racially segregated confines established for public housing during Jim Crow. This is unlawful under the Fair Housing Act and the use of federal funds to accomplish this purpose would be unlawful under Title VI.

Figure 2



- 905.602(d)(3) requires that new construction not be located in “an area of minority concentration.”** As stated above, Census Tract 7240 has a non-white population of 53.4% making it an area of minority concentration and a RECAP. Regulations allow for an exception if there are suitable and affordable housing opportunities for minority families outside of an area of minority concentration. This exception does not apply. As Figure 2 shows, only a portion of the scattered sites rebuilt as part of the 1997 DOJ Title VI settlement are in lower poverty areas south of Broadway. Other public housing developments south of Broadway are only for seniors or individuals who can live in a 1-bedroom unit. There is also an exception to this rule if there is an overriding housing need that cannot be feasibly met in the housing market area; however, this exception does not apply if the reason the need cannot be feasibly met is because of racial discrimination. Because it is well-documented through both the 1996 Title VI findings against GHA and through post Hurricane Ike actions of GHA that racial discrimination and animus against public housing has limited the feasibility of constructing affordable housing, this exception does not apply.

- **905.602(d)(5) allows a PHA to construct public housing units on a demolished public housing development site *only if the replacement units are significantly fewer than the number of units demolished.*** The rules limit reconstruction to 50% of the original units, significantly fewer units if there are residents who desire to return, or 25 units. The original Oleander Homes had 196 units of public housing.⁶ The rebuilt Oleander will have 174 public housing units and 87 LIHTC units which the GHA and GLO are counting as public housing replacement units. This will be 65 more affordable units than was at Oleander Homes before it was demolished. This is a clear statutory violation.
- **905.602(d)(7) requires the site to be free from harmful environmental conditions** such as harmful air pollution and excessive smoke, flooding, and excessive noise and vibration from vehicular traffic. This rule also prohibits a location from being seriously detrimental to family life and states that no undesirable elements shall predominate unless there is a concerted program in progress to remedy the undesirable condition.

The area surrounding the proposed site is inappropriate for residential use. The area has suffered from repeated flooding, has inadequate stormwater infrastructure and is physically and environmentally separated from the non-poverty residential neighborhoods of the city by abandoned warehouses, industrial uses, a homeless shelter, a municipal dog pound, the Galveston County Jail, and a six-lane state highway.

As shown in Figure 3 below, the proposed site is surrounded by several environmental hazards due to its location next to Galveston’s industrial port, subjecting residents to health hazards. The development is within 1000 feet of a large railroad yard serving the port. “EJ Screen,” an environmental justice tool created by the EPA, indicates that Sandpiper Cove residents face increased exposure to particulate matter pollution caused by diesel combustion and exposure to cancer causing chemicals in the air, likely due to close proximity to industrial facilities. According to the EPA, port operations are a major source of air pollution. Mobile sources at ports release pollutants including particulate matter (PM), nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs) and air toxics.”⁷ Sources of pollution include trucks, marine vessels, locomotives, and cargo handling equipment. Residents face increased exposure to particulate matter pollution caused by diesel combustion. According to the EPA, the tract’s “EJ Index” for Diesel PM in the air is 81%, meaning that levels are higher than 81% of all other areas (see Figure 4 below).⁸ Exposure to PM can cause numerous problems including premature death in people with heart and lung disease, non-fatal heart attacks, irregular heartbeat, aggravated asthma, decreased lung

⁶ Galveston Housing Authority, *Amended Redevelopment Plan*, December 14, 2009 at 14. Available at http://www.ghatx.org/Documents/Pages%20from%20Redevelopment_plan_Part%201A.pdf

⁷ Environmental Protection Agency, *Ports Primer: Environmental Impacts*, Updated March 23, 2020. Available at <https://www.epa.gov/community-port-collaboration/ports-primer-71-environmental-impacts#:~:text=Exposure%20to%20air%20pollution%20associated,children%2C%20the%20elderly%2C%20outdoor%20workers>

⁸ Environmental Protection Agency, “EJ Screen,” 2019. Available at <https://ejscreen.epa.gov/mapper/>

function, and increased respiratory symptoms such as irritation of the airways, coughing or difficulty breathing.⁹

The project is also within 1000 feet of a brownfield site. The EPA defines a brownfield as “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”¹⁰

The proposed property is bordered on its west side by a high voltage power line. Under LIHTC siting rules created by TDHCA, high voltage lines within 100ft of a property is an undesirable site feature.¹¹ Studies have shown potential long-term health hazards from proximity to high voltage lines due to heightened exposure to electromagnetic fields. A 2005 study with a control group showed elevated risk of leukemia among children living in homes as far as 600 meters or 1,968 feet from high voltage power lines. Children living within 200 meters or 656 feet of the lines had a 69% increased risk for leukemia, and those living 200 to 600 meters from the lines had a 23% increased risk for leukemia.¹² Another study with a control group observed the effects of residing near high voltage power lines on female fertility. Women living within 1000 meters of the lines carried a significantly higher risk of confirmed diagnosis of unexplained infertility than those women living more than 1000 meters away from the lines.¹³ The presence of this hazard may complicate the award of Tax Credits.

GLO’s notice of intent to proceed with this project acknowledges the significant flooding issue on the Oleander site and the regular ponding of water. These alone are hazardous and undesirable site features that are sufficient reason this site should be rejected. While the proposal suggests the dwelling units will be elevated above the base flood elevation, the residents’ vehicles maintained at the site will be subject to flooding and loss. Residents of the property will also become isolated from emergency services as surrounding streets are inundated with flood waters. This site is thus dangerous and environmentally inappropriate for any residential use.

These serious examples of environmental hazards and undesirable conditions make clear GLO and GHA should not be rebuilding affordable housing at this location. This flagrant disregard for rules meant to protect the health and safety and civil rights of protected classes is another point of proof of intentional discrimination.

⁹ Environmental Protection Agency, *Health and Environmental Effects of Particulate Matter (PM)*, Retrieved on January 13, 2021. Available at <https://www.epa.gov/pm-pollution/health-and-environmental-effects-particulate-matter-pm>

¹⁰ Environmental Protection Agency, *Overview of EPA’s Brownfields Program*, Retrieved on January 29, 2021. Available at <https://www.epa.gov/brownfields/overview-epas-brownfields-program>

¹¹ 10 TAC §11.101(a)(2)

¹² Ray Copes & Prabjit Barn, *Is Living Near Power Lines Bad for Our Health?*, 50(9) Brit. Columbia Medical J. 494 (2008). Available at <https://bcmj.org/bccdc/living-near-power-lines-bad-our-health>.

¹³ Sedigheh Esmailzadeh et al., *Exposure to Electromagnetic Fields of High Voltage Overhead Power Lines and Female Infertility*, 10(1) Int’l J. Occup. Env’tl. Med. 11 (2019). Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6522214/>.

Figure 3

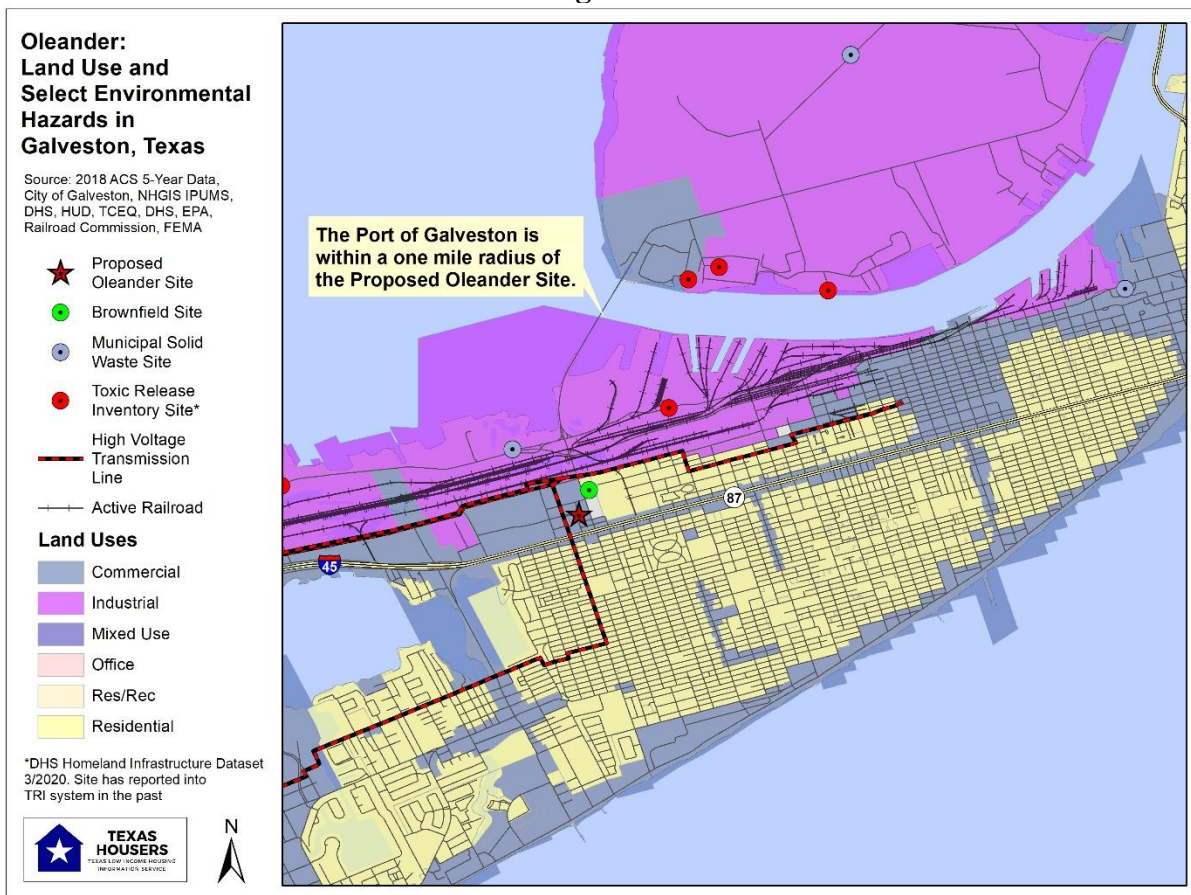
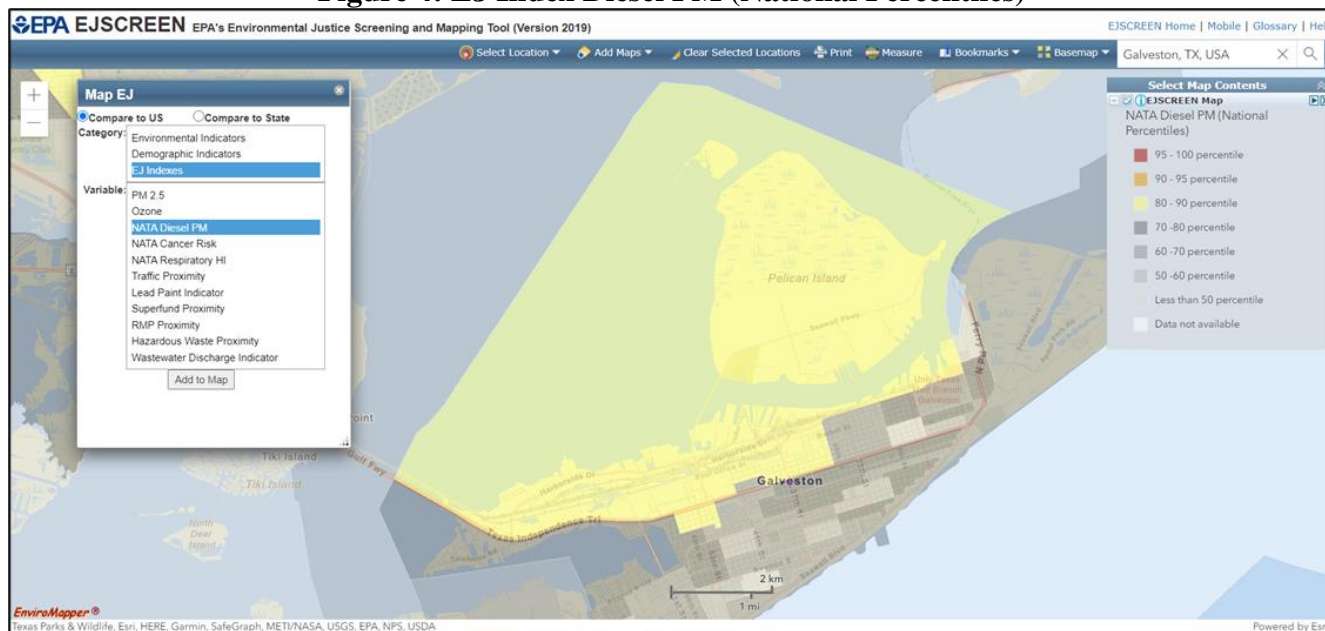


Figure 4: EJ Index Diesel PM (National Percentiles)



d) The decision has a disparate impact on protected classes, specifically Black and Hispanic families who are disproportionately very low- and extremely low-income renters and constitute the overwhelming majority of households on the public housing authority waiting list

GHA's decision to concentrate public housing accessible to families in a hazardous and undesirable site has a disparate impact on Black and Hispanic families who are disproportionately very-low- and extremely low-income renters. Nationwide 20% of Black households and 16% of Hispanic households are extremely low-income renters, while only six percent of white, non-Hispanic households are extremely low-income renters. Thus, most of the families who depend on public housing are Black and Hispanic. GHA's continuing policy of concentrating public housing for families in high-poverty, environmentally impacted neighborhoods north of Broadway disproportionately limits the housing choices of Black and Hispanic renters, trapping them in undesirable areas and curtailing access to well-resourced neighborhoods of opportunity. GHA and GLO have not presented a compelling justification for this decision.

For the aforementioned reasons, the decision to rebuild 174 public housing units and 87 LIHTC units at the old location of Oleander Court violates the requirements of Title VI.

2) The proposal violates the terms of the 2010 Fair Housing Conciliation Agreement

In the 2010 Fair Housing Conciliation Agreement between Texas Housers, Texas Appleseed and the State of Texas, the State committed to ensuring that CDGB-DR funds spent to rebuild public housing on Galveston Island would: 1) replace or rehabilitate on a one-for-one basis all of the 569 public housing units that were lost to Hurricane Ike; and 2) would do so in a manner that would affirmatively further fair housing by expanding housing choice and ensuring racial and economic integration by deconcentrating their new locations consistent with the obligations of Phase 1 of the State of Texas Analysis of Impediments to Fair Housing Choice. The proposal to rebuild Oleander fails to follow each of these provisions.

a) The proposal fails to build back public housing units on a one-for-one basis.

GHA is obligated under the Conciliation Agreement to build back a remaining 287 units of public housing to replace all 569 units on a one-for-one basis, but the current proposal fails to do this. The proposed rebuilding of Oleander will have only 174 public housing units, 113 units shy of what is required to complete the deal. GHA and GLO represent that 87 additional LIHTC units included in the project should count toward the requirement, but this is incorrect. Public housing units and LIHTC units are not equivalent. The rent schedules, tenant rights and protections, waiting list and numerous other aspects of these two housing programs are substantially different and assist families at different income levels. As compared to the LIHTC program, public housing exclusively serves tenants with the lowest incomes, provides stronger tenant legal rights and protections, and public housing units are public assets that remain affordable for longer periods of time.

GHA is also committing almost all of the remaining \$50 million in CDBG-DR funds to this one project, leaving insufficient funds to complete the remaining units that are required to be rebuilt. This plan will not honor the Conciliation Agreement and should be rejected.

b) The proposal fails to affirmatively further fair housing

The Conciliation Agreement obligates the State and GHA to build back the 569 units of public housing in a manner that will affirmatively further the purposes of the Fair Housing Act. GHA's proposal does not meet this requirement. As Part 1 above explains, this proposal will concentrate and trap public housing for families in high-poverty areas north of Broadway, impermissibly limiting their housing choices while making housing unavailable in well-resourced, high-opportunity neighborhoods.

GHA attempts to skirt this requirement by characterizing the proposal as "mixed-income housing, but this is a misrepresentation. The previous developments the Galveston Housing Authority constructed on the former Magnolia Homes and Cedar Terrace public housing sites are mixed income because they specifically ensure an income mix of tenants by requiring that half of the units be occupied as public housing units and half be occupied as full market rate rent units with a requirement that the market rate rent units not be available for lease to families who are low income and rely on HUD Housing Choice Vouchers. All parties, including HUD and Texas Housers agreed on this approach. The true, mixed-income design of these two previously developed properties is the sole valid basis for characterizing these developments as "mixed-income" and forms the basis for these projects meeting the requirements of the conciliation agreement to create racially and economically integrated housing.

What is proposed to be built through The Oleanders at Broadway application is not a mixed-income development. Because acceptance of housing choice vouchers in tax credit units is required by law, it is not possible for the proposed project to reproduce the truly mixed-income development agreed to in the conciliation agreement. Further, because this development is proposed to be built in an isolated and undesirable location, this application will produce a racially and economically segregated housing project in a neighborhood that is already extremely racially and economically segregated.

3) GHA and GLO can and must build back better and build back justly

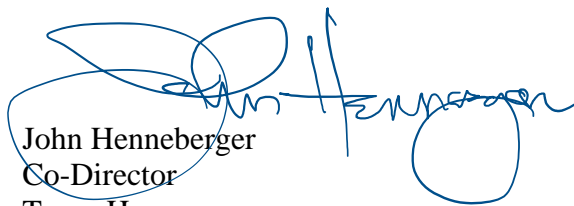
If additional funds are needed to facilitate the rebuilding of public housing, then the City of Galveston and Galveston County currently have available more than \$200 million in Hurricane Harvey CDBG DR-Mitigation funds that can be used for this purpose. The State of Texas General Land Office has additional funds available both in Hurricane Ike funds and in Round 2 of the Hurricane Harvey Mitigation funds as well. The issue is not resources. The issue is the willingness to comply with the conciliation agreement and with the law.

The new presidential Administration is committing the full power of the federal government to ensure equality for all Americans and undoing the results of decades of discriminatory practices. On January 26, 2021, President Biden issued an Executive Order titled, "Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies" instructing the HUD secretary to "...take any necessary steps, as appropriate and consistent with applicable law, to implement the Fair Housing Act's requirements that HUD administer its programs in a manner that affirmatively furthers fair housing and HUD's overall duty to administer the Act (42 U.S.C. 3608 (a)) including by preventing practices with an unjustified discriminatory effect." TDHCA must take this executive order to heart and take action to force GHA to revise the proposal to comply with the law. This means TDHCA must reject the issuance of tax credits to this project.

Texas Housers understands the critical need that Galveston public housing applicants have for affordable housing and we share the concerns of some leaders of Galveston community organizations that this process of rebuilding has taken far too long and must proceed. But the current plan is unacceptable. The harm that ongoing residential racial segregation has imposed on poor families of color by the long-standing discriminatory practices of the Galveston Housing Authority cannot be permitted to continue. The housing that is built today will determine where many future generations of families will have an opportunity to live. We must build back better and we must build back justly.

Thank you for considering our comment.

Sincerely,



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5d

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
FEBRUARY 11, 2021

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

RECOMMENDED ACTION

WHEREAS, four 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;

WHEREAS, one of the applications, Applewood Ranch (#20704) requires a waiver regarding 10 TAC §11.101(b)(1)(A)(ii), relating to any development with any building(s) with four or more stories that does not include an elevator;

WHEREAS, based on the engineer's description of the topography the Department finds that there is good cause for the Board to grant a waiver based on the topography of the site and the split level foundations that require no household to walk more than two flights of stairs to reach their unit; however, the Department is not waiving any accessibility requirements under 10 TAC Chapter 1, Subchapter B or the QAP; and

WHEREAS, EARAC recommends each of the four 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, a waiver of §11.101(b)(1)(A)(ii) for Applewood Ranch (#20704) is hereby granted; and

FURTHER 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 2021 calendar year, the state received approximately \$3.2 billion in Private Activity Bond authority, of which approximately \$847 million is reserved for multifamily housing until August 15th of each year. After such date, there may be more Private Activity Bond volume cap that goes towards multifamily housing.

Individual projects receive a Certification of Reservation (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 Qualified Allocation Plan (QAP) to which the application must adhere. Included in this Board presentation as Exhibit B is a list of the 4% HTC applications staff processed for 2020 and the five applications noted herein are remaining 2020 applications. 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, as well as those that were received but ultimately withdrawn.

Moreover, Exhibit C is a list of 4% HTC applications that have been submitted thus far for 2021, and reflect Reservations received from the 2021 Private Activity Bond ceiling. Also included on this list 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 below in their respective summaries.

20499 Legacy Senior Residences II

The development proposes the new construction of 199 units to serve the elderly population located on the northeast corner of Doris Lane and Red Bud Lane in Round Rock, Williamson County. The income averaging minimum set-aside has been elected, however, the application reflects that all of the 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: \$1,225,538

20701 City Heights

The City Heights development proposes the new construction of 179 units to serve the elderly population located at approximately 4400 Nuckols Crossing in Austin, Travis County. The income averaging minimum set-aside has been elected and the application reflects that 10 units will be rent and income restricted at 30% of AMFI, 110 units will be rent and income restricted at 50% of AMFI, and 59 units will be rent and income restricted at 80% of AMFI. The Austin Housing Finance Corporation is serving as the bond issuer.

Recommended HTC Amount: \$1,748,807

20704 Applewood Ranch

Applewood Ranch is the proposed new construction of 312 units to be located at the southwest corner of U.S. Highway 90 and Loop 1604 in the extraterritorial jurisdiction of 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 Bexar County Housing Finance Corporation is serving as the bond issuer.

Waiver Request: A waiver of one of the general ineligibility criteria is necessary based on the site and design of buildings. Specifically, any development with any building(s) with four or more stories that does not include an elevator is considered ineligible, pursuant to 10 TAC §11.101(b)(1)(A)(ii) of the QAP. According to the applicant, some of the residential buildings are proposed to be constructed as three-stories with basement splits due to the topography of the development site, which is supported by the engineer's topography description in the site feasibility report. The general building design for the project will be substantially built in accordance with the 2015 International Building Code (IBC), which includes definitions of a basement, story, grade plane and story above grade plane. A brief description of the grade plane from the IBC definition is that it is "a reference plane representing the average of finished ground level adjoining the building at exterior walls." The 2015 IBC defines a basement as "a story that is not a story above grade plane." Because the split-levels, or lowest levels of the buildings, do not satisfy the IBC definition of a story above grade plane they would need to be considered basements. Similar to the non-split foundation building types, residents will ascend no more than two flights of stairs to access any unit, with the exception being that a resident living on the basement level will descend one flight of stairs to access their unit. Accessible paths will be provided from the parking lot to the first floor and all accessibility requirements described in 10 TAC Chapter 1, Subchapter B and the QAP will be followed. While staff does not believe that the IBC definitions control the interpretation of the QAP, staff believes that there is good cause to grant the waiver due to the topography of the site and because no household will walk more than two flights of stairs to their unit.

Recommended HTC Amount: \$2,463,768

20707 Kallison Ranch

Kallison Ranch is the proposed new construction of 384 units to be located at 8212 Talley Road in the extraterritorial jurisdiction of 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 Bexar Management and Development Corporation is serving as the bond issuer.

Recommended HTC Amount: \$2,932,004

EXHIBIT A
Previous Participation Results

Application Number	Development Name	Category	PPR Conditions
20499	Legacy Senior Residences II	1	N/A
20701	City Heights	1	N/A
20704	Applewood Ranch	2	N/A
20707	Kallison Ranch	2	N/A

EXHIBIT B



**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
TBD	18456; 19470	Jackie Robinson Apartments	El Paso	12/12/2019	Closed	186	186	\$ 30,000,000	\$ 1,290,195	\$ 1,290,195
20601	19611	Granada Terrace Apartments	Houston	4/23/2020	Closed	156	156	\$ 12,000,000	\$ 882,061	\$ 882,061
20415		Avenue on 34th Apartments	Houston	9/3/2020	Closed	70	56	\$ 12,000,000	\$ 333,845	\$ 333,845
20478		Vera at Odessa	Odessa	9/3/2020	Closed	288	288	\$ 35,000,000	\$ 1,389,149	\$ 1,389,149
20606	19610	Fish Pond at Corpus Christi	Corpus Christi	9/3/2020	Closed	112	111	\$ 10,000,000	\$ 682,849	\$ 682,849
20471		Northwood	Houston ETJ	7/23/2020	Closed	288	288	\$ 40,000,000	\$ 2,378,498	\$ 2,378,498
20411		Kitty Hawk Flats Apartments	San Antonio	9/3/2020	Closed	239	239	\$ 28,000,000	\$ 1,359,994	\$ 1,359,994
20454		South Terrace	Waco	9/3/2020	Closed	250	250	\$ 25,000,000	\$ 1,452,219	\$ 1,445,826
20475		Northview Apartments	San Antonio	9/3/2020	Closed	156	156	\$ 25,000,000	\$ 1,270,215	\$ 1,270,215
20483	02412	Shady Oaks	Fort Worth	9/3/2020	Closed	138	138	\$ 15,000,000	\$ 654,862	\$ 654,862
20480		Bridge at Turtle Creek	Austin	10/8/2020	Closed	307	307	\$ 44,000,000	\$ 2,332,344	\$ 2,332,344
20449	19469	EMLI at Pecan Creek	Aubrey	4/23/2020	Closed	254	254	\$ 30,000,000	\$ 1,484,333	\$ 1,413,138
20613		Riverside Senior	Fort Worth	12/10/2020	Closed	264	264	\$ 40,000,000	\$ 1,913,049	\$ 1,913,049
20400		Palladium West Francis	Midland	5/21/2020	Closed	240	188	\$ 25,000,000	\$ 1,596,885	\$ 1,596,885
20406		Gala at Central Park Apartments	Hurst	6/25/2020	Closed	94	94	\$ 15,000,000	\$ 486,783	\$ 486,783
20474		Canyon Pass	San Antonio	10/8/2020	Closed	264	264	\$ 35,000,000	\$ 2,003,601	\$ 2,003,601

20491		Ridgecrest Terrace	Dallas	12/10/2020	Closed	250	250	\$	40,000,000	\$	1,790,582	\$	1,790,582
20615		The Montage	San Antonio ETJ	1/14/2021	Closed	216	216	\$	35,000,000	\$	1,916,191	\$	1,914,402
20455		Redwood	San Marcos	10/8/2020	Approved	296	296	\$	50,000,000	\$	2,145,888	\$	2,145,888
20476		Grand Station Apartments	Austin	10/8/2020	Approved	216	216	\$	35,000,000	\$	1,380,252	\$	1,347,471
20486		Old Manor Senior	Austin	11/5/2020	Approved	207	207	\$	30,000,000	\$	1,632,397	\$	1,632,397
20463		Trinity Oaks	Sulphur Springs	11/5/2020	Approved	48	48	\$	2,129,000	\$	159,653	\$	155,956
20464		Pine Terrace	Mount Pleasant	12/10/2020	Approved	76	76	\$	3,371,000	\$	193,440	\$	192,962
20488		Wildhorse Flats	Austin	12/10/2020	Approved	310	310	\$	50,000,000	\$	2,786,158	\$	2,781,346
20495		Fawn Ridge Apartments	The Woodlands	12/10/2020	Approved	119	118	\$	16,500,000	\$	733,463	\$	733,463
20494		La Cima	Austin	12/10/2020	Approved	260	260	\$	39,000,000	\$	1,772,256	\$	1,772,256
20498		Gala at Waxahachie	Waxahachie	12/10/2020	Approved	185	185	\$	25,000,000	\$	1,098,763	\$	1,098,763
20496		Marshall Apartments	Austin	12/10/2020	Approved	100	100	\$	16,500,000	\$	556,883	\$	556,883
20620		Oso Bay Apartments	Corpus Christi	1/14/2021	Approved	104	104	\$	14,000,000	\$	869,817	\$	869,817
20703		Cove in Odessa	Odessa	1/14/2021	Approved	200	200	\$	30,000,000	\$	1,605,578	\$	1,598,402
20623	04101	Bella Vista fka Pleasant Hill	Austin	2/11/2021	Approved	100	100	\$	20,000,000	\$	1,095,248	\$	1,092,201
20624	534284	Crystal Falls fka Cedar Ridge	Leander	2/11/2021	Approved	152	152	\$	18,000,000	\$	702,435	\$	702,435
20625	04147	Shiloh Village	Dallas	2/11/2021	Approved	168	168	\$	25,000,000	\$	1,485,284	\$	1,485,284
20701		City Heights	Austin	2/11/2021	Approved	179	179	\$	22,000,000	\$	1,748,807	\$	1,748,807
20707		Kallison Ranch	San Antonio	2/11/2021	Approved	384	384	\$	50,000,000	\$	2,935,991	\$	2,932,004
20499		Legacy Senior Residences	Round Rock	2/11/2021	Approved	199	199	\$	30,000,000	\$	1,240,000	\$	1,225,538
20704		Applewood Apartments	San Antonio	2/11/2021	Approved	317	317	\$	35,000,000	\$	2,463,768	\$	2,463,768
						15,956	15,720		2,002,250,000		104,732,030		104,389,517
20705		Sandpiper Cove	Galveston	3/11/2021	Active	192	192	\$	37,500,000	\$	1,326,832	\$	-
20709		Watson Road	San Antonio	3/11/2021	Active	348	348	\$	38,000,000	\$	2,017,186	\$	-
20708		Copernicus	San Antonio	3/11/2021	Active	318	318	\$	38,000,000	\$	1,832,870	\$	-
						858	858		113,500,000		5,176,888		-
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
20479		The Oaks	Dallas	11/5/2020	Withdrawn	260	243	\$	35,000,000	\$	1,488,978	\$	-
20484		The Lantana	San Marcos	11/5/2020	Withdrawn	216	216	\$	26,000,000	\$	1,750,669	\$	-
20628		Mayhill Road	Denton	9/3/2020	Withdrawn	360	360	\$	30,000,000	\$	2,247,493	\$	-
20629		Residences at Merritt Hill	Rowlett	9/3/2020	Withdrawn	260	260	\$	50,000,000	\$	2,206,067	\$	-
20446	19432	St. Johns Square	San Antonio	3/26/2020	Withdrawn	252	54	\$	50,000,000	\$	473,449	\$	449,524
20482		W. Leo Daniels Towers	Houston	11/5/2020	Withdrawn	100	100	\$	15,000,000	\$	833,142	\$	-
20487		Springdale Manor Apartments	Austin	12/10/2020	Withdrawn	186	186	\$	20,000,000	\$	1,182,803	\$	-
20462		Sunland County Apartments	Harlingen	11/5/2020	Withdrawn	166	166	\$	20,000,000	\$	941,981	\$	941,981
20489		Horizon Pointe	San Antonio	11/5/2020	Withdrawn	312	312	\$	35,000,000	\$	2,045,672	\$	2,045,672
20702		Cypress Creek Apartment Homes	Rowlett	1/14/2021	Withdrawn	234	187	\$	35,000,000	\$	1,224,185	\$	-
						4,224	3,958		550,757,648		28,729,518		8,544,448
TOTAL*						16,814	16,578		2,115,750,000		109,908,918		104,389,517

*Totals include Closed, Approved, and Active Status

EXHIBIT C



**4% (Non-Competitive) Housing Tax Credit Program
2021 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
20493	20493	The Ridge at Lancaster	Dallas	1/14/2021	Approved	300	300	\$ 50,000,000	\$ 2,707,319	\$ 2,707,319
21420	423;19400;204	Villas del San Xavier	San Marcos	2/11/2021	Approved	156	156	\$ 30,000,000	\$ 1,059,750	\$ 1,606,175
21418	20497	The Oleanders at Broadway	Galveston	2/11/2021	Approved	348	261	\$ 51,757,648	\$ 2,085,677	\$ 2,074,543
21419	96038/21419	2100 Memorial Drive	Houston	4/8/2021	Approved	197	160	\$ 35,000,000	\$ 2,091,385	\$ 2,074,355
						1,001	877	166,757,648	7,944,131	8,462,392
21601	05044	Ridgewood at Panther Creek fka	The Woodlands	3/11/2021	Active	300	300	\$ 40,000,000	\$ 2,563,139	\$ -
21602	04108	Pineview at Grogan's Mill fka	The Woodlands	3/11/2021	Active	300	300	\$ 34,000,000	\$ 2,360,422	\$ -
21402		Belmont	Austin	3/11/2021	Active	146	146	\$ 30,000,000	\$ 977,084	\$ -
21406		Midpark Towers	Dallas	3/11/2021	Active	202	202	\$ 20,000,000	\$ 959,674	\$ -
21407		Espero Austin	Austin	3/11/2021	Active	171	171	\$ 20,000,000	\$ 1,043,522	\$ -
21614	20617	Murdeaux Villas	Dallas	3/11/2021	Active	280	280	\$ 35,000,000	\$ 17,294,118	\$ -
21615	20610	Terrace at Southern Oaks	Dallas	3/11/2021	Active	300	300	\$ 45,000,000	\$ 2,000,114	\$ -
20492		Cowan Place	Fort Worth	3/11/2021	Active	174	174	\$ 20,000,000	\$ 1,321,500	\$ -
21606		Palladium Sorcey Park	Dallas	4/8/2021	Active	152	152	\$ 14,750,000	\$ 1,044,403	\$ -
21605		Palladium Simpson Stuart	Dallas	4/8/2021	Active	270	270	\$ 25,750,000	\$ 1,864,956	\$ -
21607		Caroline Lofts	Houston	4/8/2021	Active	119	80	\$ 20,000,000	\$ 570,279	\$ -
21600	94063	Corona Del Valle	El Paso	4/8/2021	Active	101	101	\$ 8,500,000	\$ 524,995	\$ -
21415		Temenos	Houston	4/8/2021	Active	95	95	\$ 15,500,000	\$ 942,087	\$ -
21400	20479	The Oaks	Dallas	4/8/2021	Active	260	243	\$ 35,000,000	\$ 1,609,354	\$ -
21411		Gateway Oak Cliff	Dallas	4/8/2021	Active	230	184	\$ 33,000,000	\$ 1,634,367	\$ -
21613		The Citadel	Houston	4/8/2021	Active	74	67	\$ 15,000,000	\$ 914,051	\$ -
21414		Waterview Apartments	Anna	4/8/2021	Active	300	300	\$ 48,000,000	\$ 3,123,540	\$ -
21410		Life at De Soto	Houston	4/8/2021	Active	556	556	\$ 50,000,000	\$ 3,228,893	\$ -
21412		Celebration Arlington	Arlington	4/8/2021	Active	275	275	\$ 48,000,000	\$ 2,330,099	\$ -
21403		Bluebonnet Ridge	Ennis	4/8/2021	Active	264	263	\$ 23,000,000	\$ 2,015,477	\$ -
21404		Agave	San Antonio	4/8/2021	Active	288	288	\$ 50,000,000	\$ 2,563,694	\$ -
21408		The Residences at Arbor Oaks	Houston	4/8/2021	Active	192	192	\$ 20,000,000	\$ 1,931,603	\$ -
						5,049	4,939	650,500,000	52,817,371	-
TOTAL*						6,050	5,816	\$ 817,257,648		

20499 Legacy Senior Residences II - Application Summary

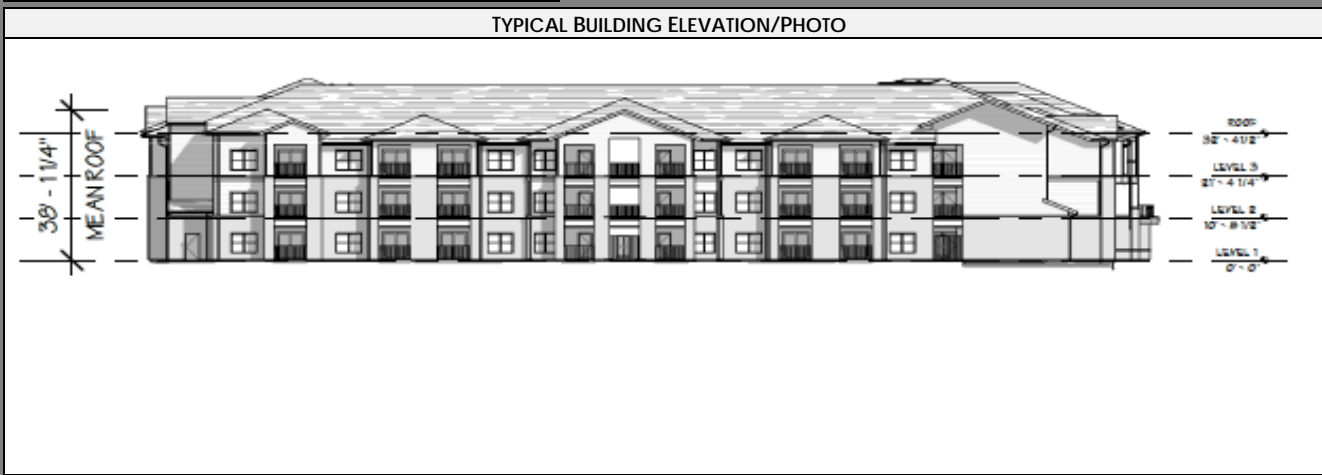
REAL ESTATE ANALYSIS DIVISION

February 4, 2021

PROPERTY IDENTIFICATION	
Application #	20499
Development	Legacy Senior Residences II
City / County	Round Rock / Williamson
Region/Area	7 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

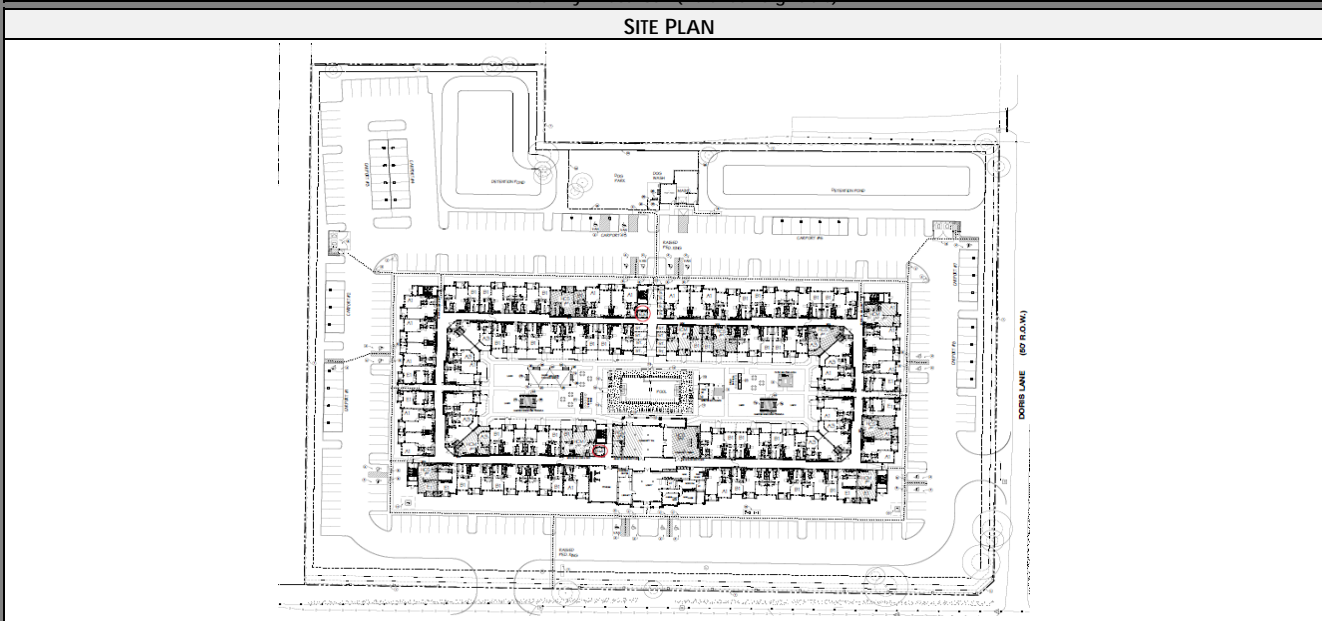
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	\$1,240,020	\$1,225,538	\$6,158/Unit	\$0.88

KEY PRINCIPALS / SPONSOR		
Cornerstone Associates - Developer Bobbi Jo Lucas, President		
Capital Area Housing Finance Corp Mark Mayfield, President		
Robbye Meyer - Consultant		
Related Parties	Contractor - Yes	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	24	12%	30%	-	0%
1	91	46%	40%	-	0%
2	84	42%	50%	-	0%
3	-	0%	60%	199	100%
4	-	0%	MR	-	0%
TOTAL	199	100%	TOTAL	199	100%

PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			TDHCA's Pro Forma		
Debt Coverage	1.15	Expense Ratio	46.3%		
Breakeven Occ.	86.0%	Breakeven Rent	\$1,098		
Average Rent	\$1,182	B/E Rent Margin	\$84		
Property Taxes	\$1,169/unit	Exemption/PILOT	0%		
Total Expense	\$6,172/unit	Controllable	\$3,644/unit		



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (0% Maximum)	6.2%		
Highest Unit Cap. Rate	16%	1 BR/60%	91
Dominant Unit Cap. Rate	16%	1 BR/60%	91
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	792 SF	Density	26.8/acre
Acquisition		\$11K/unit	\$2,249K
Building Cost	\$102.31/SF	\$81K/unit	\$16,133K
Hard Cost		\$100K/unit	\$19,844K
Total Cost		\$188K/unit	\$37,403K
Developer Fee	\$4,019K	(51% Deferred)	Paid Year: 9
Contractor Fee	\$2,697K	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		
Fallbrook Loan Fund, LLC	15/40	3.85%	\$26,633,000	1.06						Fallbrook Credit Finance	\$10,784,730		
Adjustment to Debt Per \$11.302(c)	15/40	3.85%	(\$2,080,000)	1.15						Cornerstone Associates, LLC	\$2,065,514		
TOTAL DEBT (Must Pay)			\$24,553,000		CASH FLOW DEBT / GRANTS				\$0		TOTAL EQUITY SOURCES	\$12,850,244	
											TOTAL DEBT SOURCES	\$24,553,000	
											TOTAL CAPITALIZATION		\$37,403,244

CONDITIONS

- 4 Documentation at Cost Certification clearing environmental issues identified in the ESA report, specifically:
- a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
 - b: Certification that testing for asbestos and lead-based paint was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

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		AERIAL PHOTOGRAPH(S)	
Issuer	Capital Area Housing Finance Corporation		
Expiration Date	3/3/2021		
Bond Amount	\$30,000,000		
BRB Priority	Priority 3		
Bond Structure	Private Placement		
% Financed with Tax-Exempt Bonds	100.4%		
RISK PROFILE			
STRENGTHS/MITIGATING FACTORS			
<ul style="list-style-type: none"> ▫ Overall Feasibility Indicators ▫ Favorable expense-to-income ratio ▫ Double access to property 			
WEAKNESSES/RISKS			
<ul style="list-style-type: none"> ▫ Feasibility reliant on debt adjustment to reach 1.15 DCR minimum. 			
AREA MAP			

20701 City Heights - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 4, 2021

PROPERTY IDENTIFICATION	
Application #	20701
Development	City Heights
City / County	Austin / Travis
Region/Area	7 / Urban
Population	Elderly Limitation
Set-Aside	General
Activity	New Construction

RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$1,748,807	\$1,748,807	\$9,770/Unit	\$0.88	

KEY PRINCIPALS / SPONSOR			
MCD Housing - Patrick McDowell, Kenneth Lee & Christopher Shear			
On Track Ministries - Cliff McDaniel			
Sarah Andre - Consultant			
Related Parties	Contractor - Yes	Seller - No	

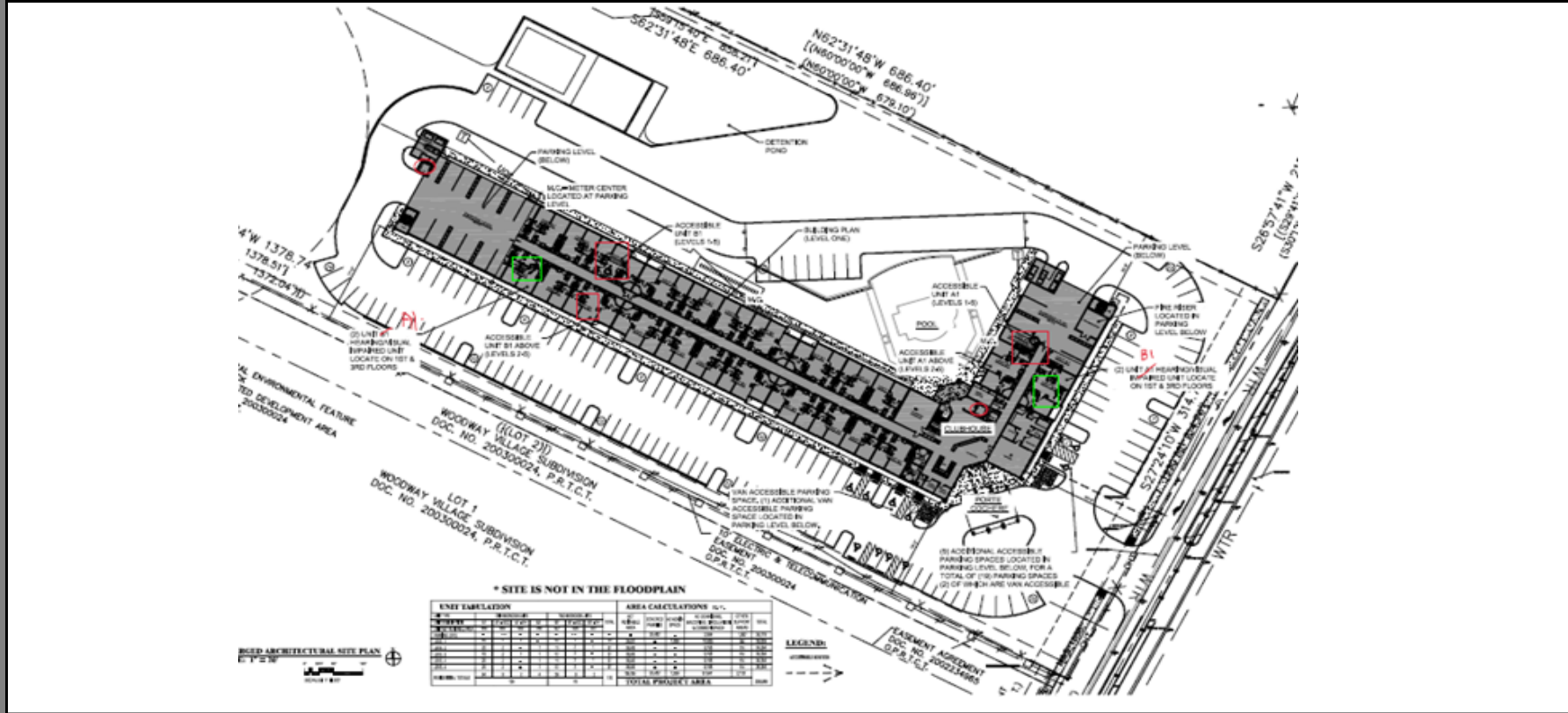
TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	109	61%	30%	10	6%
2	70	39%	40%	-	0%
3	-	0%	50%	110	61%
4	-	0%	60%	-	0%
			70%	-	0%
			80%	59	33%
			MR	-	0%
TOTAL	179	100%	TOTAL	179	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.25	Expense Ratio	43.5%
Breakeven Occ.	81.9%	Breakeven Rent	\$944
Average Rent	\$1,069	B/E Rent Margin	\$125
Property Taxes	\$1,000/unit	Exemption/PILOT	0%
Total Expense	\$5,261/unit	Controllable	\$2,888/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)	2.8%		
Highest Unit Capture Rate	8%	2 BR/50%	55
Dominant Unit Cap. Rate	7%	1 BR/50%	55
Premiums (↑60% Rents)	N/A		N/A
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	761 SF	Density	18.0/acre
Acquisition		\$11K/unit	\$1,900K
Building Cost	\$148.51/SF	\$113K/unit	\$20,226K
Hard Cost		\$138K/unit	\$24,633K
Total Cost		\$215K/unit	\$38,421K
Developer Fee	\$4,373K	(0% Deferred)	Paid Year: 1
Contractor Fee	\$3,208K	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
Citi/Austin Housing Finance Corp.	15/35	3.70%	\$19,000,000	1.25						LIHTC Equity - NEF	\$15,407,186
										Deferred Developer Fee	\$13,401
										TOTAL EQUITY SOURCES	\$15,420,587
										TOTAL DEBT SOURCES	\$23,000,000
TOTAL DEBT (Must Pay)			\$19,000,000		CASH FLOW DEBT / GRANTS			\$4,000,000		TOTAL CAPITALIZATION	\$38,420,587

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	Austin Housing Finance Corporation
Expiration Date	4/14/2021
Bond Amount	\$22,000,000
BRB Priority	Priority 3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	67.8%

RISK PROFILE

STRENGTHS/MITIGATING FACTORS

- New construction and attractive design should
- Overall Feasibility Indicators
- Developer/Owner's construction and management

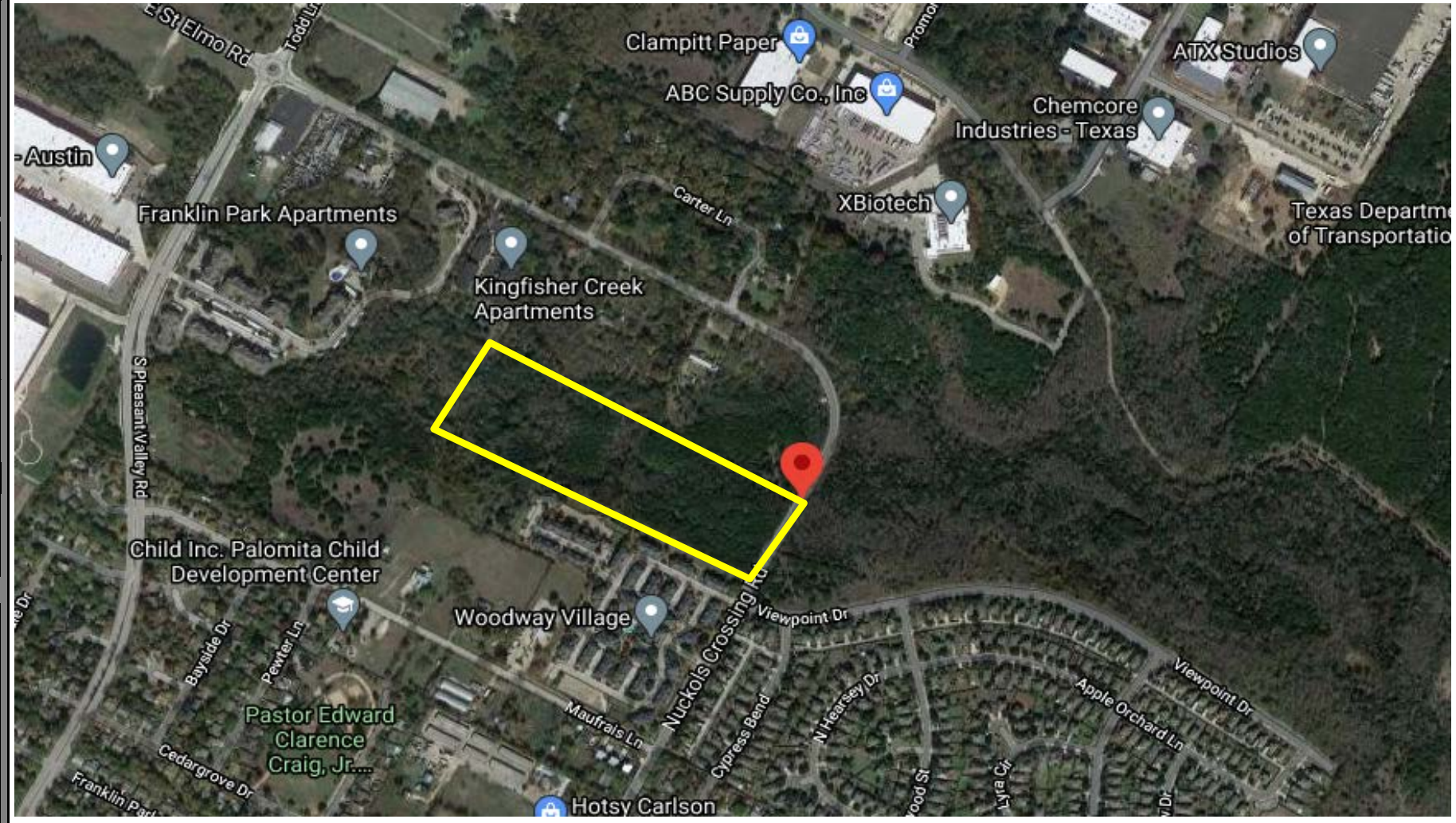
WEAKNESSES/RISKS

- Single point of ingress/egress

AREA MAP



AERIAL PHOTOGRAPH(S)



20704 Applewood Ranch - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 4, 2021

PROPERTY IDENTIFICATION	
Application #	20704
Development	Applewood Ranch
City / County	San Antonio / Bexar
Region/Area	9 / Urban
Population	General
Set-Aside	General
Activity	New Construction

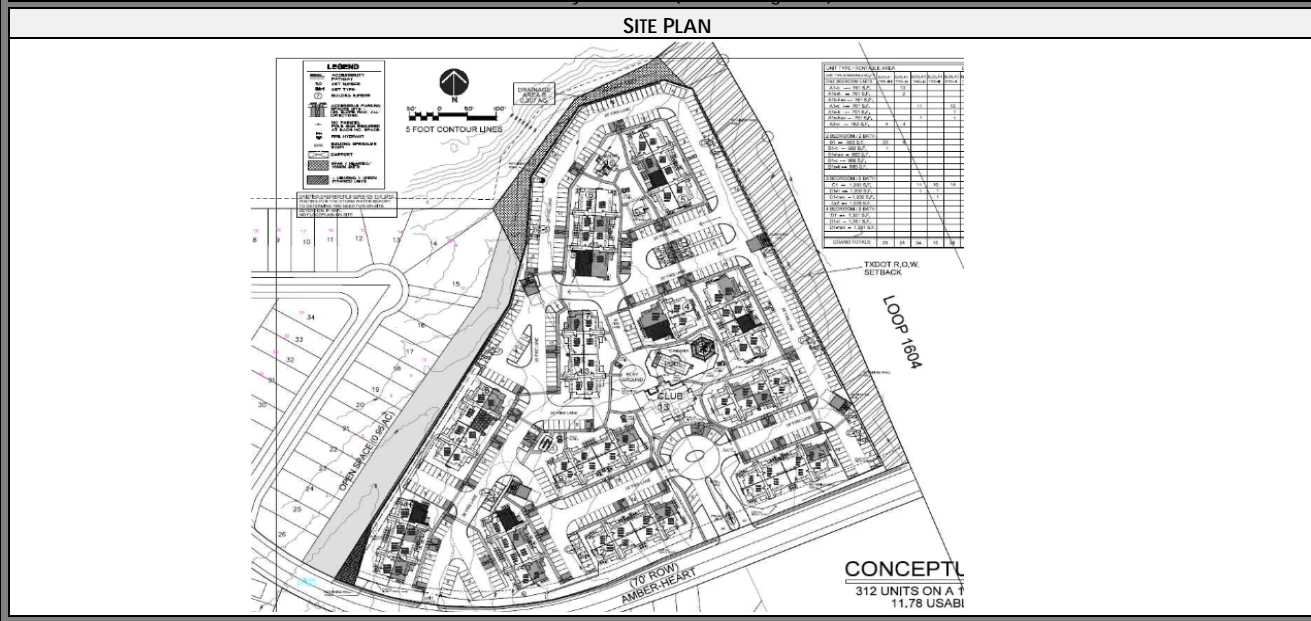
RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$2,463,768	\$2,463,768	\$7,897/Unit	\$0.83	

KEY PRINCIPALS / SPONSOR		
Michael A. Hogan HomeSpring Realty Partners, Inc. & Steven Poppoon / Hogan Real Estate Services		
Related Parties	Contractor - No	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	112	36%	40%	-	0%
2	148	47%	50%	-	0%
3	49	16%	60%	312	100%
4	3	1%	MR	-	0%
TOTAL	312	100%	TOTAL	312	100%

PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	1.18	Expense Ratio	40.9%
Breakeven Occ.	84.0%	Breakeven Rent	\$790
Average Rent	\$873	B/E Rent Margin	\$83
Property Taxes	Exempt	Exemption/PILOT	100%
Total Expense	\$4,090/unit	Controllable	\$2,829/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (0% Maximum)	11.3%		
Highest Unit Capture Rate	40%	3 BR/60%	49
Dominant Unit Cap. Rate	34%	2 BR/60%	148
Premiums (↑60% Rents)	#DIV/0!	#DIV/0!	
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten	Applicant's Costs		
Avg. Unit Size	941 SF	Density	23.2/acre
Acquisition		\$08K/unit	\$2,342K
Building Cost	\$86.85/SF	\$82K/unit	\$25,504K
Hard Cost		\$104K/unit	\$32,497K
Total Cost		\$167K/unit	\$52,026K
Developer Fee	\$6,000K	(0% Deferred)	Paid Year: 1
Contractor Fee	\$3,755K	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	
Bellwether Enterprise	15/40	3.90%	\$31,550,000	1.18						Affordable Housing Partners	\$20,447,232	
										Hogan Properties Company, Inc.	\$28,710	
TOTAL DEBT (Must Pay)			\$31,550,000		CASH FLOW DEBT / GRANTS				\$0		TOTAL EQUITY SOURCES	\$20,475,942
											TOTAL DEBT SOURCES	\$31,550,000
											TOTAL CAPITALIZATION	\$52,025,942

CONDITIONS

1 Receipt and acceptance by Cost Certification:

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

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	Bexar County Housing Finance Corp.
Expiration Date	3/15/2021
Bond Amount	\$35,000,000
BRB Priority	3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	71.9%

RISK PROFILE

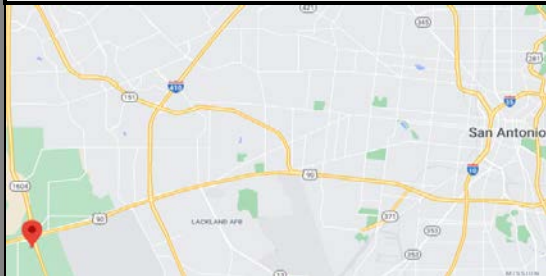
STRENGTHS/MITIGATING FACTORS

- Developer's experience
- HTC rents provide \$319-\$610 market advantage
- Average rent \$83 above break-even
- 4 years of interest-only payments.
- Overall Feasibility Indicators

WEAKNESSES/RISKS

- High capture rate allowable because of Big MSA.
- Minimal on-site green space

AREA MAP



AERIAL PHOTOGRAPH(S)



20707 Kallison Ranch - Application Summary

REAL ESTATE ANALYSIS DIVISION

February 4, 2021

PROPERTY IDENTIFICATION	
Application #	20707
Development	Kallison Ranch
City / County	San Antonio / Bexar
Region/Area	9 / Urban
Population	General
Set-Aside	General
Activity	New Construction

RECOMMENDATION					
TDHCA Program	Request	Recommended			
LIHTC (4% Credit)	\$2,935,991	\$2,932,004	\$7,635/Unit	\$0.83	

KEY PRINCIPALS / SPONSOR		
Michael A. Hogan HomeSpring Realty Partners, Inc. & Steven Poppoon / Hogan Real Estate Services		
Related Parties	Contractor - No	Seller - No

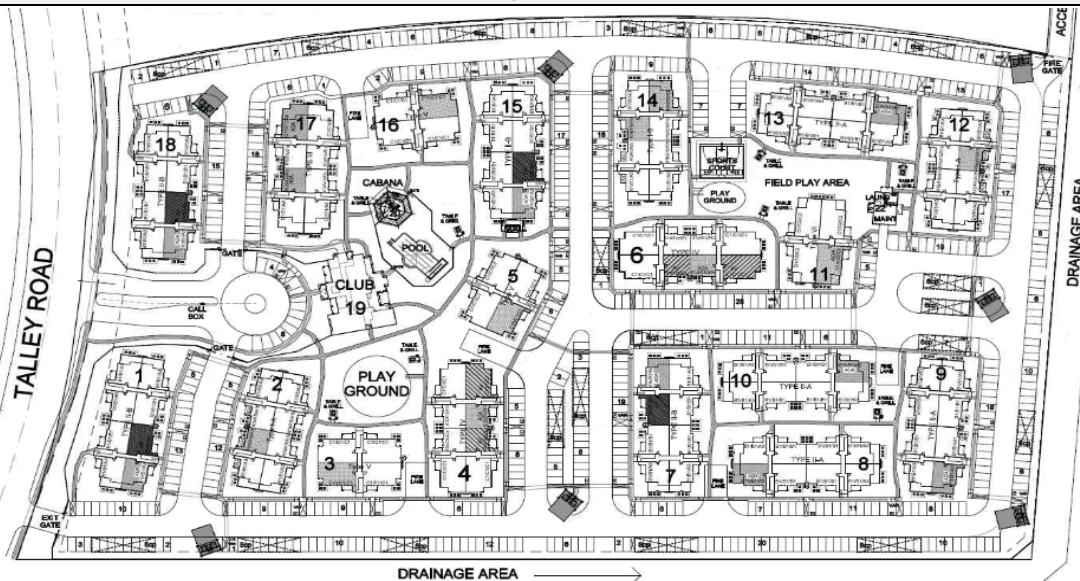
TYPICAL BUILDING ELEVATION/PHOTO



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	120	31%	40%	-	0%
2	184	48%	50%	-	0%
3	72	19%	60%	384	100%
4	8	2%	MR	-	
TOTAL	384	100%	TOTAL	384	100%

PRO FORMA FEASIBILITY INDICATORS					
Pro Forma Underwritten			TDHCA's Pro Forma		
Debt Coverage	1.16		Expense Ratio	40.9%	
Breakeven Occ.	84.8%		Breakeven Rent	\$808	
Average Rent	\$884		B/E Rent Margin	\$76	
Property Taxes	Exempt		Exemption/PILOT	100%	
Total Expense	\$4,151/unit		Controllable	\$3,038/unit	

SITE PLAN



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (0% Maximum)	12.5%		
Highest Unit Capture Rate	45%	1 BR/60%	120
Dominant Unit Cap. Rate	34%	2 BR/60%	184
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY			
Costs Underwritten		Applicant's Costs	
Avg. Unit Size	962 SF	Density	22.7/acre
Acquisition		\$13K/unit	\$4,816K
Building Cost	\$81.97/SF	\$79K/unit	\$30,294K
Hard Cost		\$99K/unit	\$37,885K
Total Cost		\$168K/unit	\$64,333K
Developer Fee	\$7,378K	(0% Deferred)	Paid Year: 1
Contractor Fee	\$4,455K	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		
Bellwether Enterprise	15/40	3.90%	\$40,000,000	1.16						Affordable Housing Partners	\$24,333,298		
										Hogan Properties Company, Inc			
TOTAL DEBT (Must Pay)			\$40,000,000		CASH FLOW DEBT / GRANTS				\$0		TOTAL EQUITY SOURCES	\$24,333,298	
											TOTAL DEBT SOURCES	\$40,000,000	
											TOTAL CAPITALIZATION		\$64,333,298

CONDITIONS

- 1 Receipt and acceptance by Cost Certification:
a: Evidence that the units and buildings have met the requirements for use of a Green Discount Utility Allowance.

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	angement and Development Corp.
Expiration Date	4/20/2021
Bond Amount	\$50,000,000
BRB Priority	3
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	74.1%

RISK PROFILE	
STRENGTHS/MITIGATING FACTORS	
▫	Developer's experience
▫	HTC rents provide \$325-\$648 market advantage
▫	Average rent \$81 above break-even
▫	Overall Feasibility Indicators
WEAKNESSES/RISKS	
▫	High capture rate
▫	Minimal on-site green space

