

**BOARD BOOK  
OF  
December 8, 2022**



**Leo Vasquez III, Chair**  
**Kenny Marchant, Vice-Chair**  
**Ajay Thomas, Member**  
**Brandon Batch, Member**  
**Anna Maria Farias, Member**  
**Holland Harper, Member**

## Texas Department of Housing and Community Affairs

### PROGRAMMATIC IMPACT

Fiscal Year 2022 Reporting Period (9/1/2021 – 8/31/2022)

#### Owner Financing and Down Payment

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

*Programs:*

- Single Family Homeownership

Expended Funds:           \$1,717,482,979  
Total Households Served:   7,835

#### Energy Related Assistance

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

*Programs:*

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

Expended CEAP Funds:       \$298,315,681  
Total Households Served:   225,506

#### Multifamily New Construction

- Affordable rental units financed and developed

*Programs:*

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

Expended Funds:           \$85,862,149  
Total Households Served:   8,362

#### Homelessness Services

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

*Programs:*

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

Expended Funds:           \$55,595,818  
Total Individuals Served:   51,434

#### Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

*Programs:*

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

Expended Funds:           \$130,482,633  
Total Households Served:   4,225

#### Supportive Services

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

*Program:*

- Community Services Block Grant Program (CSBG)

Expended Funds:           \$40,489,171  
Total Individuals Served:   426,412

#### Owner Rehabilitation Assistance

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

*Programs:*

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

Expended Funds:           \$8,171,539  
Total Households Served:   104

#### Rental Assistance

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

*Programs:*

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

Expended Funds:           \$14,331,454  
Total Households Served:   4,294

#### Single Family Development

- Single family development, reconstruction, rehabilitation
- NSP, Do-it-yourself, "sweat equity" construction (bootstrap), rehabilitation, Contract for Deed refinance

*Programs:*

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

Expended Funds:           \$1,633,500  
Total Households Served:   33

**Total Expended Funds: \$2,373,073,932**  
**Total Households Served: 728,205**

All FY2022 data as reported in TDHCA's 2022 performance measures.

*Note: Some households may have been served by more than one TDHCA program. For some programs, allocation is used as a proxy for expenditures. Because of timing of funds request, the funds expended for the quarter may be readjusted substantially by year end.*

\* Administered through the federally funded HOME Investment Partnerships Program

\*\*TBRA Funds are reported on an annual basis and are not included in the rental assistance total

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
GOVERNING BOARD MEETING**

**A G E N D A  
10:00 AM  
December 8, 2022**

**Capitol Extension, Hearing Room E2.030  
1100 Congress Ave  
Austin, Texas 78701**

CALL TO ORDER

ROLL CALL

**Leo Vasquez, Chair**

CERTIFICATION OF QUORUM

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

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

Resolution recognizing December 21, 2022, as National Homeless Persons' Memorial Day

**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 the Board meeting minutes summary for November 10, 2022

**Beau Eccles**  
Board  
Secretary

**ASSET MANAGEMENT**

- b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Austin Colorado Creek Apartments (HTC #15423)

**Rosalio Banuelos**  
Director of Asset  
Management

**MULTIFAMILY BOND FINANCE**

- c) Presentation, discussion, and possible action on Inducement Resolution No. 23-011 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority for Aspen Park (#22623)
- d) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 Resolution No. 23-012, and a Determination Notice of Housing Tax Credits

**Teresa Morales**  
Director of  
Multifamily Bond

This will be an open, public meeting conducted under Tex. Gov't Code, chapter 551, without COVID-19 emergency waivers. There will not be a remote online or telephone option for public participation. The meeting, however, will be streamed online for public viewing. Masks will be available for members of the public who wish to attend this public meeting.

- e) Presentation, discussion, and possible action on Inducement Resolution No. 23-013 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority for Corona Del Valle (21600) and Socorro Village (22604)

**COMMUNITY AFFAIRS**

- f) Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for 2023 Community Services Block Grant Discretionary funds for education and employment initiatives for Native American and migrant seasonal farm worker populations

**Michael De Young**  
Director of Community  
Affairs

**RULES**

- g) Presentation, discussion, and possible action on adoption of amendments to 10 TAC Chapter 6, Community Affairs Programs, Subchapter B Community Services Block Grant, §6.201 Background and Definitions; §6.206 Strategic Plan, Community Assessment, and Community Action Plan; §6.207 Subrecipient Requirements; Subchapter C Comprehensive Energy Assistance Program, §6.304 Deobligation and Reobligation of CEAP Funds; §6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households; §6.308 Allowable Subrecipient Administrative and Program Services Costs; §6.309 Types of Assistance and Benefit Levels; §6.310 Crisis Assistance Component; §6.311 Utility Assistance Component; §6.312 Payments to Subcontractors and Vendors; Subchapter D Weatherization Assistance Program, §6.402 Purpose and Goals; §6.403 Definitions; §6.406 Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria; §6.407 Program Requirements; §6.408 Department of Energy Weatherization Requirements; §6.414 Eligibility for Multifamily Dwelling Units and Shelters; §6.416 Whole House Assessment; §6.417 Blower Door Standards; and directing that they be published for adoption in the *Texas Register*

**Michael De Young**  
Director of Community  
Affairs

**MULTIFAMILY FINANCE**

- h) Presentation, discussion, and possible action on multiple requests for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Applications awarded in the 2021 competitive 9% tax credit round

**Cody Campbell**  
Director of Multifamily  
Programs

**CONSENT AGENDA REPORT ITEMS**

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

- a) Media Analysis and Outreach Report, October 2022
- b) Report on TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives
- c) Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the Housing Trust Fund

**Michael Lyttle**  
Director of  
External Affairs  
**Brooke Boston**  
Deputy Director  
of Programs  
**Joe Guevara**  
Interim Director of  
Administration

**ACTION ITEMS**

Executive Session: the Chair may call an Executive Session at this point in the agenda in accordance with the below-cited provisions<sup>1</sup>

**Leo Vasquez**  
Chair

**ITEM 3: EXECUTIVE**

Executive Director’s Report

**Bobby Wilkinson**  
Executive Director, TDHCA

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<sup>1</sup> Note: the Chair is not restricted by this item, and may call for an Executive Session at any time during the posted meeting.

**ITEM 4: INTERNAL AUDIT**

- a) Report on the Meeting of the Audit and Finance Committee and Action on recommendations of that committee
- b) Presentation, discussion, and possible approval of the Annual Internal Audit Plan for Fiscal Year 2023

**Ajay Thomas**  
Chair of Audit and Finance Committee  
**Mark Scott**  
Director of Internal Audit

**ITEM 5: HOME AMERICAN RESCUE PLAN**

Presentation, discussion, and possible action to authorize the issuance of the 2023-2 HOME American Rescue Plan Rental Development Notice of Funding Availability and publication in the *Texas Register*

**Naomi Cantu**  
HOME American Rescue Plan Director

**ITEM 6: HOUSING RESOURCE CENTER**

Presentation, discussion, and possible action on the draft 2023 State of Texas Low Income Housing Plan and Annual Report; proposed repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; and directing their publication for public comment in the *Texas Register*

**Elizabeth Yevich**  
Director of Housing Resource Center

**ITEM 7: COMMUNITY AFFAIRS**

Report on the allocation of Program Year 2023 Community Services Block Grant awards

**Michael De Young**  
Director of Community Affairs

**ITEM 8: MULTIFAMILY BOND FINANCE**

Quarterly report relating to staff-issued Determination Notices for 2022 Non-competitive 4% Housing Tax Credit applications

**Teresa Morales**  
Director of Multifamily Bond

**ITEM 9: MULTIFAMILY FINANCE**

- a) Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 13, Multifamily Direct Loan Rule, and an order adopting the new 10 TAC Chapter 13, Multifamily Direct Loan Rule, and directing its publication in the Texas Register for adoption
- b) Presentation, discussion, and possible action regarding the approval for publication in the Texas Register of the 2023-1 Multifamily Direct Loan Notice of Funding Availability
- c) Presentation, discussion, and possible action on the adoption of the 2023 Multifamily Programs Application Procedures Manual

**Cody Campbell**  
Director of Multifamily Programs

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

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

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

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

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

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

**OPEN SESSION**

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

**ADJOURN**

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Nancy Dennis, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Danielle Leath, 512-475-4606, 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 Danielle Leath, al siguiente número 512-475-4606 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

**Texas Department of Housing and Community Affairs  
RESOLUTION**

**WHEREAS**, more than 27,000 persons experiencing homelessness were counted in Texas on one day during the last two weeks of January 2020, including more than 1,400 unaccompanied homeless youth, as measured by the previous Annual Homeless Assessment Report;

**WHEREAS**, the 2021 Annual Homeless Assessment Report focused only on persons experiencing homelessness in sheltered environments due to ongoing impacts of the COVID-19 Pandemic;

**WHEREAS**, the Texas Department of Housing and Community Affairs (the Department) awards state and federal funds to assist nonprofits and local governments in aiding persons affected by homelessness;

**WHEREAS**, the Department's homeless programs assisted more than 107,000 persons in State Fiscal Year 2022;

**WHEREAS**, the Department expended approximately \$100.6 million in state-funded Homeless Housing and Services Program funds, federally-funded Emergency Solutions Grants annual and CARES Act funds, federally-funded Housing Stability Services funds under the Emergency Rental Assistance Program, and the donation-based Ending Homelessness Fund in State Fiscal Year 2022;

**WHEREAS**, the Department recognizes the perseverance of persons volunteering or working to alleviate homelessness;

**WHEREAS**, the Department recognizes the struggle of persons striving to end their homelessness and those who have lost their lives while experiencing homelessness; and

**WHEREAS**, December 21, 2022, is National Homeless Persons' Memorial Day, which annually falls on the first day of winter and the longest night of the year;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Governing Board of the Texas Department of Housing and Community Affairs does hereby commemorate December 21, 2022, as Homeless Persons' Memorial Day in Texas.

Signed this Eighth Day of December 2022.



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Leo Vasquez, Chair

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Kenny Marchant, Vice Chair

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Brandon Batch, Member

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Anna Maria Farías, Member

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Ajay Thomas, Member

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Holland Harper, Member

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Bobby Wilkinson, Executive Director

# CONSENT AGENDA

1a

**BOARD ACTION REQUEST**

**BOARD SECRETARY**

**DECEMBER 8, 2022**

Presentation, discussion, and possible action on the Board meeting minutes summary for November 10, 2022

**RECOMMENDED ACTION**

Approve the Board meeting minutes summary for November 10, 2022

**RESOLVED**, that the Board meeting minutes summary for November 10, 2022, is hereby approved as presented.

**Texas Department of Housing and Community Affairs Governing Board  
Board Meeting Minutes Summary  
November 10, 2022**

On Thursday, the tenth day of November 2022, at 10:00 a.m., the regular meeting of the Governing Board (Board) of the Texas Department of Housing and Community Affairs (TDHCA or the Department) was held in Capitol Extension Hearing Room E2.030 of the Texas Capitol, 1100 Congress Avenue, Austin, Texas.

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

- Leo Vasquez, III, Chair
- Kenny Marchant, Vice Chair
- Brandon Batch
- Anna Maria Farias
- Ajay Thomas

Mr. Vasquez served as Chair, and James “Beau” Eccles, TDHCA General Counsel, served as Secretary.

1) The Board unanimously approved the Consent Agenda and Consent Agenda Report Items as presented.

2) Action Item 3 – Executive Director’s Report – was presented by Bobby Wilkinson, TDHCA Executive Director. The Board heard the report and took no further action.

3) Action Item 4 – Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for #21017 Hughes House, Fort Worth – was presented by Rosalio Banuelos, TDHCA Director of Asset Management, with additional information from Mr. Wilkinson. Following public comment (listed below), the Board unanimously adopted staff recommendation to approve the material amendment request from Hughes House.

- Mary Margaret Lemons, Fort Worth Housing Solutions, made comment in support of staff recommendation

4) Action Item 5 – Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Mission Pointe Club f/k/a Country Villa (HTC 91040 / CMTS 958) – was presented by Nina Wiggins, TDHCA Associate General Counsel, with additional information from Mr. Wilkinson and Mr. Eccles. The Board unanimously adopted staff recommendation to approve the agreed final order regarding Mission Pointe Club as presented and conditioned in the item.

5) Action Item 6(a) – Presentation, discussion, and possible action regarding Resolution No. 23-006 authorizing the implementation of Texas Department of Housing and Community Affairs Mortgage Credit Certificate Program 103, approving the form and substance of the program manual and the program summary, authorizing the execution of documents and instruments necessary or convenient to carry out Mortgage Credit Certificate Program 103, and containing other provisions relating to the subject – was presented by Scott Fletcher. TDHCA Director of Bond Finance. Per staff recommendation, the Board unanimously adopted Resolution No. 23-006 regarding the implementation of the TDHCA Mortgage Credit Certificate Program 103, approving the form and substance of the program manual and program summary, and authorizing the execution of documents to carry out MCC Program 103, all as expressed and conditioned in the item.

6) Action Item 6(b) – Presentation, discussion, and possible action on Resolution No. 23-007 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds and containing other provisions relating to the subject – was presented by Mr. Fletcher. Per staff recommendation, the Board unanimously adopted Resolution No. 23-007 regarding the filing of one or more applications for reservation with the Texas Bond Review Board for qualified mortgage bonds, all as expressed in the item.

7) Action Item 6(c) – Presentation, discussion, and possible action on Resolution No. 23-008 authorizing the issuance, sale and delivery of Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2022 Series B (Non-AMT), approving the form and substance of related documents, authorizing the execution of documents and instruments necessary or convenient to carry out the purposes of this resolution, and containing other provisions relating to the subject – was presented by Mr. Fletcher. Per staff recommendation, the Board unanimously adopted Resolution No. 23-008 authorizing the issuance, sale and delivery of TDHCA Single Family Mortgage Revenue Bonds, 2022 Series B, approving the form and substance of related documents, and authorizing the execution of documents to carry out the purposes of the resolution, all as expressed and conditioned in the item.

8) Action Item 6(d) – Presentation, discussion, and possible action on Resolution No. 23-009 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject – was presented by Mr. Fletcher. Per staff recommendation, the Board unanimously adopted Resolution No. 23-009 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, and authorizing state debt application, all as expressed and conditioned in the item.

9) Action Item 6(e) – Presentation, discussion, and possible action regarding Resolution No. 23-010 authorizing request for Unencumbered State Ceiling and containing other provisions relating to the subject – was presented by Mr. Fletcher. Per staff recommendation, the Board unanimously adopted Resolution 17 No. 23-010 authorizing the request for unreserved 2022 volume cap from the Unencumbered State Ceiling, all as expressed and conditioned in the item.

10) Action Item 7(a) – Presentation, discussion, and possible action on an order adopting the repeal of 10 TAC Chapter 12, concerning the Multifamily Housing Revenue Bond Rules, and an order adopting new 10 TAC Chapter 12 concerning the Multifamily Housing Revenue Bond Rules, and directing its publication in the Texas Register – was presented by Teresa Morales, TDHCA Director of Multifamily Bonds. The Board unanimously adopted staff recommendation to approve the proposed repeal and proposed new 10 TAC Chapter 12 concerning the multifamily housing revenue bond rules, as presented and conditioned in the request and resolutions on the item.

11) Action Item 7(b) – Presentation, discussion, and possible action on the adoption of the repeal of 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, adoption of new 10 TAC Chapter 11 concerning the Housing Tax Credit Program Qualified Allocation Plan, and directing their publication for adoption in the *Texas Register* – was presented by Cody Campbell, TDHCA Director of Multifamily Finance, with additional information from Mr. Wilkinson; Mr. Eccles; and Megan Sylvester, TDHCA Federal Compliance Counsel.

Following public comment (listed below), the Board unanimously approved the repeal of 10 TAC Chapter 11 and approved the adoption of the new 10 TAC Chapter 11, as presented at the meeting, including the changes noted and provided in the meeting by the Mr. Eccles, and specifically, delivered to the Governor by November 15, 2022, for his review and approval, and thereafter published in the Texas Register, all as expressed and subject to the conditions in the Board.

- Water Moreau, Foundation Communities, provided comment in opposition to staff recommendation
- Michael Fogel, Trinity Housing Development, provided comment in opposition to staff recommendation
- Robbye Meyer, Rural Rental Housing Association of Texas, provided comment in opposition to staff recommendation
- Lora Myrick, BETCO Consulting, provided comment in opposition to staff recommendation
- Tracey Fine, National Church Residences, provided comment in opposition to staff recommendation
- Kathryn Saar, Brownstone Group, provided comment in opposition to staff recommendation
- Alan Naul, Atlantic Housing Foundation, provided comment in opposition to staff recommendation
- Zachary Krochtengel provided comment in opposition to staff recommendation
- Mary Margaret Lemons, Fort Worth Housing Solutions, provided information on the item
- Audrey Martin, Purple Martin Real Estate, provided information on the item

- Quinn Gormley, Texas Affiliation of Affordable Housing Providers, provided comment in opposition to staff recommendation

12) Action Item 8 – Presentation, discussion, and possible action on the timely appeal of termination of HTC application 22106, Mariposa Apartment Homes at Plano Parkway, and waiver of 10 TAC §11.901(6) under the Department’s Multifamily Program Rules – was presented by Mr. Campbell with additional information from Mr. Eccles. Following public comment (listed below), the Board unanimously approved staff recommendation to deny the appeal and refund 100% of the applicant’s fee.

- Andrea Steele, attorney with Frost Brown Todd, provided comment in support of staff recommendation
- Zachary Krotchtengel, representing the applicant, provided comment in opposition to staff recommendation

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

There being no further business to come before the Board, the meeting adjourned at 12:28 p.m. The next meeting is set for Thursday, December 8, 2022.

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Secretary

Approved:

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Chair

1b

**BOARD ACTION REQUEST**  
**ASSET MANAGEMENT DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Austin Colorado Creek Apartments (HTC #15423)

**RECOMMENDED ACTION**

**WHEREAS**, Austin Colorado Creek Apartments (Development) received an award of 4% Housing Tax Credits (HTCs) in 2015 for the new construction of 240 multifamily units in Austin, Travis County;

**WHEREAS**, Austin Colorado Creek Apartments, LP (Development Owner or Owner) requests approval for a change in the unit mix, resulting in the reduction in the number of one-bedroom units from 108 to 104 units, the reduction of the three-bedroom units from 42 to 40 units, the reduction of the four-bedroom units from 18 to 16 units, and the increase in the number of two-bedroom units from 72 to 80 units, while maintaining the total number of units at 240;

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

**WHEREAS**, the requested changes to the bedroom mix do not materially alter the Development in a negative manner, would not have adversely affected the selection of the Application, and does not impact the viability of the transaction;

**NOW, therefore, it is hereby**

**RESOLVED**, that the requested material amendment to the Application for Austin Colorado Creek Apartments is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

## BACKGROUND

Austin Colorado Creek Apartments received an award of 4% Housing Tax Credits in 2015 for the new construction of 240 multifamily units in Austin, Travis County. The Development is complete, and all buildings were placed in service in 2020. During the review of the cost certification received on December 22, 2021, it was discovered that there was a change to the original bedroom mix represented at Application. The Development was originally proposed with 108 one-bedroom units, 72 two-bedroom units, 42 three-bedroom units, and 18 four-bedroom units. However, the cost certification revealed that, although the number of units and income restrictions did not change, the Development contains eight additional two-bedroom units. This modification results in a decrease of four of the one-bedroom units, two of the three-bedroom units, and two of the four-bedroom units originally identified at Application. This change to the bedroom mix also results in an overall increase of 3,172 square feet, or 1.37%, in the Net Rentable Area (NRA), from 231,888 to 235,060 square feet.

The following table identifies the changes:

<b>Material Alteration as defined in Tex. Gov't Code §2306.6712(d)(2) and 10 TAC §10.405(a)(4)(B)</b>				
Application		Amendment		
<u>Unit Type</u>	<u># of Units</u>	<u>Unit Type</u>	<u># of Units</u>	<u>Change</u>
1BR	108	<b>1BR</b>	<b>104</b>	<b>-4</b>
2BR	72	<b>2BR</b>	<b>80</b>	<b>+8</b>
3BR	42	<b>3BR</b>	<b>40</b>	<b>-2</b>
4BR	<u>18</u>	<b>4BR</b>	<b><u>16</u></b>	<b>-2</b>
Total Units	240	<b>Total Units</b>	<b>240</b>	
Total NRA – 231,888 s.f.		<b>Total NRA – 235,060 s.f.</b>		

In a letter dated August 16, 2022, the Owner's representative, Melissa Fisher, requested approval for the material modification of the bedroom mix. Ms. Fisher states that the changes were made based on input from the City of Austin and the Travis County Housing Authority. Due to the Development's location across the road from the new Tesla campus, the additional two-bedroom units were determined to be needed to better meet the needs of its labor force and serve the community.

The 1.37% increase to the NRA from 231,888 to 235,060 square feet is considered a Notification Item under 10 TAC §10.405(a)(2)(C), but is mentioned as part of the material amendment to bedroom mix of units that requires approval by the Board under Tex. Gov't Code §2306.6712(d)(2) and 10 TAC §10.405(a)(4)(B).

Staff has determined that the proposed changes would not have affected the Development in a negative manner and would not have impacted the scoring of the Application or the HTC award. Staff has conducted an analysis of the cost certification and has determined that the Development remains feasible with the changes to the bedroom mix. The analysis also

indicates that the Owner's credit request is more than the amount identified in the Determination Notice due to a significant increase in the final development costs. However, the requested credit increase can be approved administratively because it does not exceed the threshold specified in 10 TAC §10.401(d). The final credit amount will be confirmed upon finalization of the cost certification review process, and the Owner will be required to pay the applicable fee for any increase to the HTC amount.

Staff recommends approval of the requested material amendment to the Application. By recommending this change in unit mix, the Department is specifically not accepting the Development Owner's distribution of accessible units nor is the Department waiving or modifying any other construction provision.

# Austin Colorado Creek Apartments, LP

August 16, 2022

Texas Department of Housing and Community Affairs  
Board of Directors  
P.O. Box 13941  
Austin, Texas 78701-2410

Re: Austin Colorado Creek Apartments #15423  
Request for Board Approval for change in unit mix and

Dear Board Members,

We are submitting a request for the approval and amendment of the unit mix at Austin Colorado Creek Apartments in Austin, Texas.

Due to input from the City of Austin and the Travis County Housing Authority, the developments size increased by 3,172 sf, or by 1.4%. See the changes below. With Tesla building their new campus across the road, we added more two-bedroom units to meet the needs of their labor force, and adjusted the unit mix appropriately as shown below.

We hope that you will agree that in offering more livable square footage and meeting the needs of the community, we are upholding our duty to provide the best answer to the affordable housing needs of our city with this design. We are enjoying happy residents and full wait lists and encourage you to take a tour of the property if you are interested and able.

Bedrooms	UW Report	As Built	Delta
1	108	104	-4%
2	72	80	11%
3	42	40	-5%
4	18	16	-11%
	231,888.00	235,060.00	1%

Should you have any questions, or need additional information, please contact us.

Sincerely,



Melissa Fisher  
Representative of Austin Colorado Creek Apartments

1c

**BOARD ACTION REQUEST**  
**MULTIFAMILY BOND DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action on Inducement Resolution No. 23-011 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority for Aspen Park (#22623)

**RECOMMENDED ACTION**

**WHEREAS**, a pre-application, as further detailed below, was submitted to the Department for consideration of an inducement resolution;

**WHEREAS**, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

**WHEREAS**, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of a Certificate of Reservation associated with the Development;

**NOW, therefore, it is hereby**

**RESOLVED**, that based on the foregoing, Inducement Resolution No. 23-011, to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for Aspen Park, is hereby approved in the form presented to this meeting.

**BACKGROUND**

**General Information:** The BRB administers the annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold, as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be presented to

the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development.

This inducement resolution would reserve approximately \$24 million in private activity bond volume cap. Staff notes that the Department's set-aside for the 2023 program year is anticipated to be approximately \$186,000,000. The pre-application listed below will be added to the Department's waiting list for a bond reservation.

**22623 – Aspen Park**

The acquisition and rehabilitation of 256 units is proposed for this multifamily development located at 8811 Boone Road, Houston, Harris County. The applicant disclosed a Neighborhood Risk Factor that requires mitigation under the 2022 Qualified Allocation Plan (QAP). Specifically, the Part 1 violent crime rate, as reported by neighborhoodscout.com, exceeds the Department's threshold. Mitigation is not required at the time of pre-application, but can instead be submitted at the time of full application. Given that the full application will be filed under the 2023 QAP and rehabilitation developments are exempt from the crime Neighborhood Risk Factor, there will be no mitigation required. This transaction is proposed to have a Priority 2 designation, and will continue to serve the general population. All of the units will be rent and income restricted at 60% of Area Median Family Income. The Department has not received any letters of support or opposition for the proposed development.

Bond Inducement Amount: \$24,000,000

## RESOLUTION NO. 23-011

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENT; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the “Act”) for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, it is proposed that the Department issue its revenue bonds or notes in one or more series for the purpose of providing financing for the multifamily residential rental development (the “Development”) more fully described in Exhibit A attached hereto. The ownership of the Development as more fully described in Exhibit A will consist of the applicable ownership entity and its principal or a related person (the “Owner”) within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Owner has made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Development and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Development from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owner has indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owner for some or all of the costs associated with the Development listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Development described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Development one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owner to finance the Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

## ARTICLE 1

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds or Notes (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owner to provide financing for the respective Development in an aggregate principal amount not to exceed those amounts, corresponding to the Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and State law requirements

regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the “Attorney General”); (v) satisfaction of the Board that the respective Development meets the Department’s public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owner for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto (“Costs of the Development”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition, construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Development; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owner, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owner for the Costs of the Development will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of the Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Development, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owner for costs of its Development.

Section 1.8. Costs of Development. The Costs of the Development may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of the Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. The Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owner nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owner nor any one claiming by, through or under the Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owner and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable

from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments' necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owner.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department, the Director of Multifamily Bonds, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution

## ARTICLE 2

### CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Development and Owner. The Board finds that:

- (a) the Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) the Owner will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owner are financially responsible;
- (d) the financing of the Development is a public purpose and will provide a public benefit; and
- (e) the Development will be undertaken within the authority granted by the Act to the Department and the Owner.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

## ARTICLE 3

### GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8th day of December, 2022.

**EXHIBIT "A"**

Description of the Owner and the Development

Project Name	Owner	Principals	Amount Not to Exceed
Aspen Park	EC Aspen Park LLC, a to-be-formed Texas limited liability company	Managing Member: EC Aspen Park MM, LLC, a to-be-formed Texas limited liability company;	\$24,000,000
Costs – Acquisition/rehabilitation of a 256 unit affordable, multifamily housing development known as Aspen Park, located at approximately 8811 Boone Road, Houston, Harris County, Texas 77099			

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**BOARD ACTION REQUEST**  
**MULTIFAMILY BOND DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 Resolution No. 23-012, and a Determination Notice of Housing Tax Credits

**RECOMMENDED ACTION**

**WHEREAS**, the application was previously induced by the Board on September 2, 2021, with a requested bond amount of \$25,600,000;

**WHEREAS**, an application for Palladium Oak Grove requesting 4% Housing Tax Credits, sponsored by Palladium USA and the Fort Worth Housing Finance Corporation, was submitted to the Department on April 20, 2022;

**WHEREAS**, a Certificate of Reservation was issued in the amount of \$25,600,000 on July 29, 2022, with a bond delivery deadline of January 25, 2023;

**WHEREAS**, the Board previously approved Resolution No. 23-004 at the meeting of October 13, 2022, and subsequent to the approval it was determined that the lender was unable to meet the closing deadline under the Certificate of Reservation;

**WHEREAS**, a new lender and new financing structure requires the Board consider a new resolution that supersedes previously issued Resolution No. 23-004; and

**WHEREAS**, EARAC recommends approval of the issuance of Multifamily Housing Revenue Bonds for Palladium Oak Grove (Series 2022), and the issuance of a Determination Notice;

**NOW, therefore, it is hereby**

**RESOLVED**, that the issuance of tax-exempt Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 in the amount of \$25,600,000, Resolution No. 23-012, is hereby approved in the form presented to this meeting;

**FURTHER RESOLVED**, the issuance of a Determination Notice of \$2,607,449 in 4% Housing Tax Credits for Palladium Oak Grove, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented to this meeting; and

**FURTHER RESOLVED**, that if approved, staff is authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

### **BACKGROUND**

*General Information:* The Bonds will be issued in accordance with Tex. Gov't Code §2306.353 *et seq.*, which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. Tex. Gov't Code §2306.472 provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.

*Development Information:* Palladium Oak Grove is to be located at 840 and 1000 Oak Grove Road in Fort Worth, Tarrant County, and proposes the new construction of 240 units that will serve the general population. The Certificate of Reservation from the Bond Review Board was issued under the Priority 2 designation, which requires 80% of the units within the development to have rents restricted to 60% of Area Median Family Income (AMFI). This application proposes to implement the Average Income set-aside where 24 of the units will be rent and income-restricted at 30% of AMFI, 168 of the units will be rent and income-restricted at 60% of AMFI, 24 of the units will be rent and income-restricted at 70% AMFI, and 24 of the units will be rent and income-restricted at 80% of AMFI.

*Organizational Structure and Previous Participation:* The Borrower is Palladium Oak Grove, LTD., and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 1 and was deemed acceptable, without further review or discussion, by EARAC.

*Tax Equity and Fiscal Responsibility Act (TEFRA) Public Hearing/Public Comment:* In light of COVID-19 and the inability for an in-person TEFRA hearing to be held, staff conducted a telephonic hearing, in accordance with IRS guidance, for the proposed development on September 7, 2022. Representatives from the Department and the Developer were present, and no public comment was made. A copy of the hearing transcript is included herein.

The Department has received letters of support for the proposed development from the following officials and organizations: Mayor of the City of Fort Worth, Mattie Parker; Fort Worth City Councilmember for District 9, Elizabeth Beck; Tarrant County Commissioner for Precinct 1, Roy Charles Brooks; Tarrant County Judge, Glen Whitley; Superintendent of the Fort Worth Independent School District, Kent P. Scribner; President of the Fort Worth ISD Board of Trustees, Tobi Jackson; and President of Southeast Fort Worth, Inc., Stacy E. Marshall. All of the aforementioned support letters are included herein. The Department has received no letters of opposition for the development.

### **Summary of Financial Structure**

Under the proposed structure, the Department will issue unrated, fixed rate tax-exempt bonds in the amount of \$25,600,000 that will be initially purchased by Specialty Finance Group, who will be serving as the construction and permanent lender. The interest rate will be fixed prior to closing by a Swap

Agreement, and will be equal to the sum of the SOFR Rate (as defined in the Trust Indenture) plus 1.55%, currently estimated to be 6.04%, which is the rate used for purposes of the Department's underwriting. The loan will have a 3-year interest only construction term, followed by a 16-year permanent term, 40-year amortization period, with a final maturity date of January 2, 2042. In addition to the \$25,600,000 tax-exempt bond loan, Specialty Finance Group will provide a supplemental taxable loan, anticipated to be construction and permanent financing, in the amount of \$126,662, bringing the total loan amount to \$25,726,662. The interest rate for the permanent piece of the taxable tail will also be fixed prior to closing by a SWAP Agreement and will be equal to the sum of the SOFR Rate plus 2.60% per annum, currently estimated to be 6.92%. The Department is not a party to the Swap Agreements. The taxable loan will also have a 16-year term and 40-year amortization period, with a final maturity date of January 2, 2042.

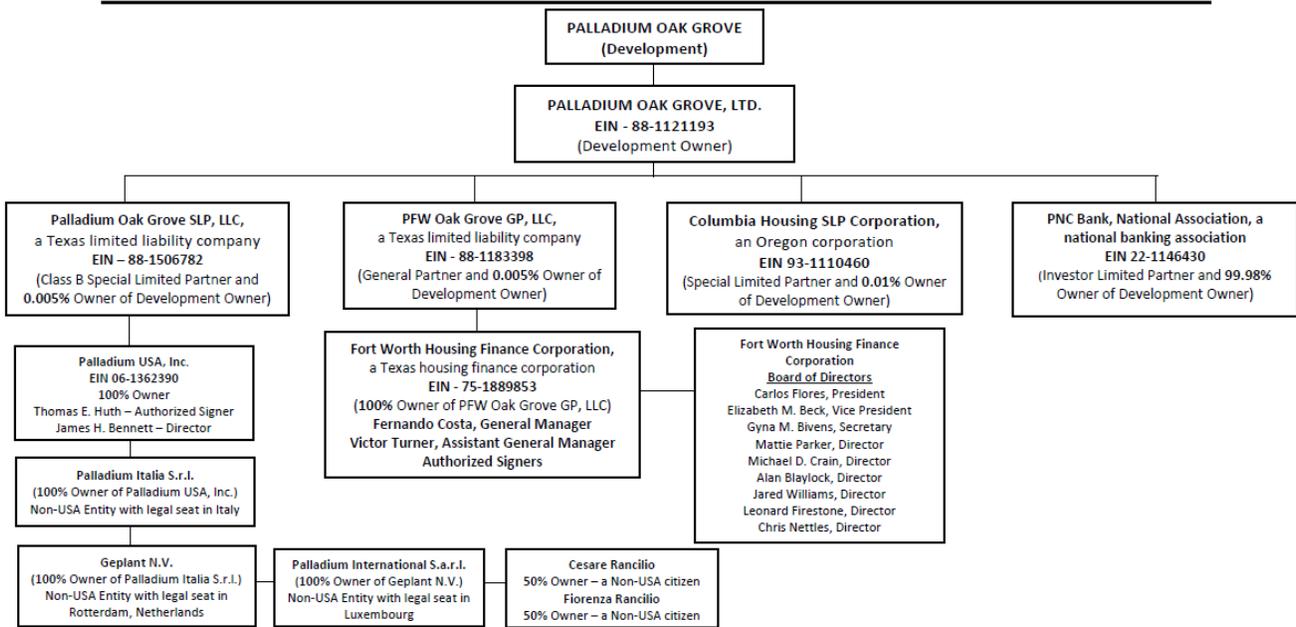
Additionally, PNC will provide a bridge loan during the construction period in the amount of \$17,056,111, that will have up to a 60-month term with one six-month extension option. The interest rate on the bridge loan will be equal to the Daily BSBY rate plus 2.25%, and is currently estimated to be 3.70%.

Finally, an application has been submitted to the City of Fort Worth for a soft loan in the amount of \$4,500,000, with a term and amortization of 40 years, to be paid based on cash flow. It has been represented that the loan amount will likely be closer to \$3,500,000, and the Department's underwriting has accounted for this lesser amount in its feasibility analysis.

A copy of the Exhibits recommended to be approved by the Board as referenced in Resolution No. 23-012 can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

# EXHIBIT A

## PALLADIUM OAK GROVE 4% Tax Credit – 2022 Program OWNERSHIP STRUCTURE



## RESOLUTION NO. 23-012

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (PALLADIUM OAK GROVE) SERIES 2022; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development, construction and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, on October 13, 2002 the Board approved Resolution No. 23-004 (the "Original Resolution") authorizing the issuance of its Multifamily Housing Revenue Bonds (Palladium Oak Grove) Series 2022 (the "Bonds") and the use of the proceeds of the Bonds to make a mortgage loan to Palladium Oak Grove, Ltd., a Texas limited partnership (the "Borrower"); and

WHEREAS, the Board has determined to supersede in its entirety the Original Resolution by its approval of this Resolution; and

WHEREAS, the Board has determined to authorize the issuance of the Bonds pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") between the Department and Wilmington Trust, National Association, as trustee (the "Trustee"), for the

purpose of providing funds in connection with the financing of the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to the Borrower in connection with the acquisition, construction and equipping of a qualified residential rental development described in Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on September 2, 2021, declared its intent to issue its revenue bonds or notes to provide financing for the Development; and

WHEREAS, the Borrower has requested and received a reservation of private activity bond allocation from the State of Texas; and;

WHEREAS, it is anticipated that the Department, Cedar Rapids Bank and Trust Company, an Iowa state-chartered banking corporation, as purchaser (the "Purchaser"), and the Borrower will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Borrower Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that the obligations of the Borrower under the Loan Agreement will be secured by a Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the "Bond Mortgage") from the Borrower for the benefit of the Department and assigned to the Trustee; and

WHEREAS, the Department's rights (except for certain unassigned rights) under the Indenture, the Loan Agreement, the Borrower Note and the Bond Mortgage will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents (the "Assignment") from the Department to the Trustee; and

WHEREAS, with respect to the Bonds, the Board has determined that the Department, the Trustee, Fort Worth Housing Finance Corporation, as fee owner (the "Fee Owner"), and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") with respect to the Development, which will be filed of record in the real property records of Tarrant County, Texas; and

WHEREAS, in order to assure compliance with Section 103 and 141 through 150 of the Code, the Board has determined that the Department, the Trustee and the Borrower will

execute a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement"), in connection with the Bonds, pursuant to which the Department and the Borrower will make certifications, representations and covenants relating to the treatment of the interest on the Bonds as exempt from gross income for federal income tax purposes; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Regulatory Agreement, the Assignment, and the Tax Exemption Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Bond Mortgage and the Borrower Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article 1, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Bond Mortgage and the Borrower Note and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

#### ARTICLE 1

##### ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1 Superseding Effect. That the Original Resolution shall be superseded in its entirety by this Resolution.

Section 1.2 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, all under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the Purchaser.

Section 1.3 Interest Rate, Principal Amount, Maturity and Price. That (i) the Bonds shall bear interest at the Index Interest Rate, as defined in the Indenture and subject to adjustment as described in the Indenture; provided that in no event shall the interest rate (including any default rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall be \$25,600,000; (iii) the final maturity of the Bonds shall occur on January 2, 2042; and (iv) the price at which the Bonds are sold to the Purchaser shall be the principal amount thereof.

Section 1.4 Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Indenture, and to deliver the Indenture to the Trustee.

Section 1.5 Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Loan Agreement, and to deliver the Loan Agreement to the Borrower and the Purchaser.

Section 1.6 Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Regulatory Agreement, and to deliver the Regulatory Agreement to the Borrower, the Fee Owner and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Tarrant County, Texas.

Section 1.7 Approval, Execution and Delivery of the Tax Exemption Agreement. That the form and substance of the Tax Exemption Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Tax Exemption Agreement, and to deliver the Tax Exemption Agreement to the Borrower and the Trustee.

Section 1.8 Reserved.

Section 1.9 Reserved.

Section 1.10 Reserved.

Section 1.11 Acceptance of the Borrower Note and the Bond Mortgage. That the form and substance of the Borrower Note and the Bond Mortgage are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Borrower Note to the order of the Trustee without recourse.

Section 1.12 Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Assignment, and to deliver the Assignment to the Trustee.

Section 1.13 Reserved.

Section 1.14 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them

consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell LLP, Bond Counsel to the Department (“Bond Counsel”), may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.16 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Borrower Note
- Exhibit F - Bond Mortgage
- Exhibit G - Assignment
- Exhibit H - Tax Exemption Agreement

Section 1.17 Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department’s seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department, the Director of Multifamily Bonds of the Department, the Manager of Single Family Finance of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the “Authorized Representatives.” Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

## ARTICLE 2

### APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2 Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by Bond Counsel to the Attorney General, for his

approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3 Certification of the Minutes and Records. That the Secretary or Assistant Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4 Reserved.

Section 2.5 Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and the Tax Exemption Agreement and to enter into any agreements relating thereto only to the extent permitted by the Indenture and the Tax Exemption Agreement.

Section 2.6 Reserved.

Section 2.7 Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel, provided such engagement is done in accordance with applicable law of the State.

Section 2.8 Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

### ARTICLE 3

#### CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1 Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement, will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds in connection with the financing of the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2 Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Tax Exemption Agreement and the Regulatory Agreement.

Section 3.3 Sufficiency of Loan Interest Rate. That, in accordance with Section 2306.226 of the Act, the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4 No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase the Bonds in the secondary open market for municipal securities.

#### ARTICLE 4

#### GENERAL PROVISIONS

Section 4.1 Limited Obligations. That the Bonds and the interest thereon shall be special limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2 Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

PASSED AND APPROVED this 8th day of December, 2022.

**EXHIBIT A**

**Description of Development**

Borrower: Palladium Oak Grove, Ltd., a Texas limited partnership

Development: The Development is a 240-unit affordable, multifamily housing development known as Palladium Oak Grove, located at 840 and 1000 Oak Grove Road, Fort Worth, Tarrant County, Texas 76115. It consists of three (3) residential apartment buildings with approximately 214,837 net rentable square feet. The unit mix will consist of:

101	one-bedroom/one-bath units
105	two-bedroom/two-bath units
34	three-bedroom/two-bath units
<hr/>	
240	Total Units

Unit sizes will range from approximately 751 square feet to approximately 1,154 square feet.



**Addendum to Underwriting Report**

TDHCA Application #: **22617** Program(s): **TDHCA Bonds/4% HTC**

**Palladium Oak Grove**

Address/Location: 840 and 1000 Oak Grove

City: Fort Worth County: Tarrant Zip: 76115

APPLICATION HISTORY	
Report Date	PURPOSE
11/21/22	Addendum
09/23/22	Original Report Posted

**ALLOCATION**

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Private Activity Bonds	\$25,600,000				\$25,600,000				
LIHTC (4% Credit)	\$2,599,237				\$2,607,449				

**CONDITIONS STATUS**

- 1 Receipt and acceptance by Determination:
    - Formal approval for at least \$3.5M loan from Fort Worth Housing Finance Corp (FWHFC) clearly stating all terms, conditions and source of funding.
  - 2 Receipt and acceptance by Cost Certification:
    - a: Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
    - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
- Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	24
60% of AMI	60% of AMI	168
70% of AMI	70% of AMI	24
80% of AMI	80% of AMI	24

**ANALYSIS**

The Applicant was originally awarded a LITHC annual allocation of \$2,599,237.

**Operating Pro Forma**

The Applicant reallocated some expenses from their previous operating statement, but the Total Operating Expenses and Net Operating Income remain relatively unchanged.

**Sources of Funds**

The Applicant originally applied utilizing a HUD FHA 221(d)4 Loan. The Applicant has now removed the FHA loan from their financing structure and has included a \$126K taxable tail to the \$25.6M in tax-exempt bonds. They have also increased the amount of equity funding by \$70K, included an additional \$2.2M of Post Construction Operating Income, \$123K of Bond Reinvestment Income, and a \$4.5M soft repayable loan from the City of Fort Worth.

Due to the presence of a ground lease structure that reverts back to the PHA at the end of the lease period, the ground lease will be treated as a lease for federal income purposes; therefore, the land costs will not be included in the 50% test calculation. Current underwriting produces a 51.03% calculation, just above the required 51% for Priority 2 bonds per Tex. Gov't Code § 1372.0321(b).

The Applicant has requested \$4.5M from the Fort Worth Housing Finance Corporation, but the application is conditioned on an award of at least \$3.5M because the applicant can increase the deferred developer fee by \$1M and still be financially feasible.

The underwriter recommends an annual tax credit allocation of \$2,607,449 as requested by Applicant.

Underwriter: Jeffrey Price  
Manager of Real Estate Analysis: Diamond Unique Thompson  
Director of Real Estate Analysis: Jeanna Adams



**STABILIZED PRO FORMA**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

STABILIZED FIRST YEAR PRO FORMA														
COMPARABLES			APPLICANT				Original Underwriting		TDHCA				VARIANCE	
Database	Tarrant County Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>			\$1.23	\$1,100	\$3,168,744	\$3,168,744	\$3,163,464	\$3,163,464	\$3,168,744	\$1,100	\$1.23		0.0%	\$0
Application, Pet, Late and NSF Fees				\$30.00	\$86,400	\$86,400	\$86,400							
Total Secondary Income				\$30.00				\$86,400	\$86,400	\$30.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>					\$3,255,144	\$3,249,864	\$3,249,864	\$3,255,144					0.0%	\$0
Vacancy & Collection Loss				7.5% PGI	(244,136)	(243,740)	(243,740)	(244,136)	7.5% PGI				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>					\$3,011,008	\$3,006,124	\$3,006,124	\$3,011,008					0.0%	\$0

General & Administrative	\$116,672	\$486/Unit	\$151,986	\$633	2.52%	\$0.35	\$316	\$75,849	\$89,049	\$89,049	\$75,849	\$316	\$0.35	2.52%	0.0%	-
Management	\$109,164	3.7% EGI	\$103,062	\$429	4.00%	\$0.56	\$502	\$120,440	\$120,245	\$120,245	\$120,440	\$502	\$0.56	4.00%	0.0%	(0)
Payroll & Payroll Tax	\$321,396	\$1,339/Unit	\$312,330	\$1,301	10.16%	\$1.42	\$1,275	\$306,040	\$306,040	\$306,040	\$306,040	\$1,275	\$1.42	10.16%	0.0%	-
Repairs & Maintenance	\$173,445	\$723/Unit	\$132,569	\$552	4.82%	\$0.68	\$605	\$145,100	\$127,013	\$156,000	\$156,000	\$650	\$0.73	5.18%	-7.0%	(10,900)
Electric/Gas	\$58,392	\$243/Unit	\$49,083	\$205	1.41%	\$0.20	\$177	\$42,461	\$30,461	\$49,662	\$49,662	\$207	\$0.23	1.65%	-14.5%	(7,201)
Water, Sewer, & Trash	\$187,004	\$779/Unit	\$151,327	\$631	5.03%	\$0.70	\$631	\$151,323	\$167,519	\$151,327	\$151,327	\$631	\$0.70	5.03%	0.0%	(4)
Property Insurance	\$109,034	\$0.51 /sf	\$85,073	\$354	3.19%	\$0.45	\$400	\$96,000	\$96,000	\$96,000	\$96,000	\$400	\$0.45	3.19%	0.0%	-
Property Tax (@ 0%) 2.6900	\$250,868	\$1,045/Unit	\$82,296	\$343	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					1.99%	\$0.28	\$250	\$60,000	\$60,000	\$60,000	\$60,000	\$250	\$0.28	1.99%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.32%	\$0.04	\$40	\$9,600	\$9,600	\$9,600	\$9,600	\$40	\$0.04	0.32%	0.0%	-
TDHCA Bond Compliance Fee					0.20%	\$0.03	\$25	\$6,000	\$6,000	\$6,000	\$6,000	\$25	\$0.03	0.20%	0.0%	-
Bond Trustee Fees					0.13%	\$0.02	\$17	\$4,000	\$0	\$0	\$4,000	\$17	\$0.02	0.13%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>33.77%</b>	<b>\$4.73</b>	<b>\$4,237</b>	<b>\$1,016,813</b>	<b>\$1,011,927</b>	<b>\$1,043,923</b>	<b>\$1,034,918</b>	<b>\$4,312</b>	<b>\$4.82</b>	<b>34.37%</b>	<b>-1.7%</b>	<b>\$ (18,105)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>66.23%</b>	<b>\$9.28</b>	<b>\$8,309</b>	<b>\$1,994,195</b>	<b>\$1,994,197</b>	<b>\$1,962,201</b>	<b>\$1,976,090</b>	<b>\$8,234</b>	<b>\$9.20</b>	<b>65.63%</b>	<b>0.9%</b>	<b>\$ 18,105</b>

<b>CONTROLLABLE EXPENSES</b>							\$3,003/Unit						\$3,079/Unit			
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

DEBT / GRANT SOURCES																				
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							Original Underwriting				AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Applicant		TDHCA	Principal	Term	Amort	Rate	Pmt	Cumulative			
		UW	App						Applicant	TDHCA							DCR	LTC		
CRB&T Tax Exempt	0.10%	1.14	1.15	1,733,763	6.04%	40	16	\$25,600,000	\$30,709,800	\$30,709,800	\$30,709,800	16	40	6.04%	\$1,724,430	1.16	45.1%			
CRB&T Taxable		1.14	1.15		6.92%	40	16	\$126,662	\$0	\$0	\$126,662	16	40	6.92%	\$9,357	1.15	0.2%			
PNC		1.14	1.15		0.00%	0	0	\$0	\$0	\$0	\$0	0	0	0.00%		1.15	0.0%			
<b>CASH FLOW DEBT / GRANTS</b>																				
Undispersed Bond Fund Reinvestment		1.14	1.15		0.00%	0	0	\$123,907	\$0	\$0	\$123,907	0	0	0.00%		1.15	0.2%			
Forth Worth Housing Finance Corp		1.14	1.15		0.00%	40	40	\$4,500,000	\$0	\$0	\$4,500,000	40	0	0.00%		1.15	7.9%			
				<b>\$1,733,763</b>	<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$30,350,569</b>	<b>\$30,709,800</b>	<b>\$30,709,800</b>	<b>\$30,350,569</b>	<b>TOTAL DEBT SERVICE</b>			<b>\$1,733,787</b>	<b>1.15</b>	<b>53.4%</b>			
<b>NET CASH FLOW</b>		\$242,327	\$260,432	<b>APPLICANT NET OPERATING INCOME</b>														\$1,994,195	\$260,408	<b>NET CASH FLOW</b>

EQUITY SOURCES														
		APPLICANT'S PROPOSED EQUITY STRUCTURE					Original Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant		TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
						Applicant	TDHCA							
PNC	LIHTC Equity	40.4%	\$2,607,449	\$0.88	\$22,943,255	\$22,870,999	\$22,870,999	\$22,943,255	\$0.8799	\$2,607,449	40.4%	\$10,864	Applicant Request	
FWHFC	LIHTC Equity	0.0%			\$100	\$100	\$100	\$100			0.0%			
Palladium	Deferred Developer Fees	4.7%			\$2,648,398	\$3,235,180	\$3,235,180	\$2,648,398			4.7%		Total Developer Fee:	
FWHFC	Deferred Developer Fees	1.6%		(60% Deferred)	\$882,800	\$1,078,393	\$1,078,393	\$882,800		(60% Deferred)	1.6%		\$5,925,216	
Additional (Excess) Funds Req'd		0.0%				\$0	\$0	\$0			0.0%			
<b>TOTAL EQUITY SOURCES</b>		<b>46.6%</b>			<b>\$26,474,553</b>	<b>\$27,184,672</b>	<b>\$27,184,672</b>	<b>\$26,474,553</b>			<b>46.6%</b>			
<b>TOTAL CAPITALIZATION</b>					<b>\$56,825,122</b>	<b>\$57,894,472</b>	<b>\$57,894,472</b>	<b>\$56,825,122</b>	<b>15-Yr Cash Flow after Deferred Fee:</b>					<b>\$3,800,087</b>

DEVELOPMENT COST / ITEMIZED BASIS														
		APPLICANT COST / BASIS ITEMS				Original Underwriting		TDHCA COST / BASIS ITEMS				COST VARIANCE		
	Eligible Basis	Acquisition	New Const. Rehab	Total Costs	Applicant	TDHCA	Total Costs	New Const. Rehab	Acquisition	%	\$			
Land Acquisition				\$9,583 / Unit	\$2,300,000	\$2,300,000	\$2,300,000	\$9,583 / Unit		0.0%	\$0			
Extension & Brokerage Fees					\$69,000	\$69,000	\$69,000			0.0%	\$0			
Off-Sites				\$80 / Unit	\$19,250	\$150,000	\$150,000	\$80 / Unit		0.0%	\$0			
Site Work		\$3,004,713		\$12,520 / Unit	\$3,004,713	\$3,004,713	\$3,004,713	\$12,520 / Unit	\$3,004,713	0.0%	\$0			
Site Amenities		\$2,125,125		\$8,855 / Unit	\$2,125,125	\$2,226,887	\$2,226,887	\$8,855 / Unit	\$2,125,125	0.0%	\$0			
Building Cost		\$26,946,347	\$125.43 /sf	\$112,276/Unit	\$26,946,347	\$28,236,690	\$26,041,196	\$108,505/Unit	\$121.21 /sf	\$26,041,196	3.5%	\$905,151		
Contingency		\$1,828,208	5.70%	5.70%	\$1,829,305	\$1,281,770	\$1,281,770	5.86%	5.87%	\$1,828,208	0.0%	\$0		
Contractor Fees		\$4,487,973	13.24%	13.24%	\$4,490,666	\$4,685,560	\$4,578,639	13.60%	13.60%	\$4,487,973	0.0%	\$0		
Soft Costs		\$0	\$2,167,953	\$9,465 / Unit	\$2,271,703	\$2,173,203	\$2,173,203	\$9,465 / Unit	\$2,167,953	\$0	0.0%	\$0		
Financing		\$0	\$3,657,710	\$26,947 / Unit	\$6,467,260	\$5,506,051	\$5,506,051	\$26,947 / Unit	\$3,657,710	\$0	0.0%	\$0		
Developer Fee		\$0	\$5,925,216	13.40%	13.39%	\$5,925,216	\$5,565,036	\$5,565,036	\$5,925,216	13.67%	13.68%	\$0	0.0%	
Reserves				6 Months	\$1,376,537	\$2,695,562	\$2,695,562	\$1,376,537	6 Months		0.0%	\$0		
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>		<b>\$0</b>	<b>\$50,143,245</b>		<b>\$236,771 / Unit</b>	<b>\$56,825,122</b>	<b>\$57,894,472</b>	<b>\$55,592,057</b>	<b>\$55,919,971</b>	<b>\$233,000 / Unit</b>	<b>\$49,238,094</b>	<b>\$0</b>	<b>1.6%</b>	<b>\$905,151</b>
Acquisition Cost		\$0			\$0	\$0								
Contingency			\$0		\$0	\$0								
Contractor's Fee			\$0		\$0	\$0								
Financing Cost			\$0		\$0	\$0								
Developer Fee		\$0	\$0		\$0	\$0								
Reserves					\$0	\$0								
<b>ADJUSTED BASIS / COST</b>		<b>\$0</b>	<b>\$50,143,245</b>		<b>\$236,771/unit</b>	<b>\$56,825,122</b>	<b>\$57,894,472</b>	<b>\$55,592,057</b>	<b>\$55,919,971</b>	<b>\$233,000/unit</b>	<b>\$49,238,094</b>	<b>\$0</b>	<b>1.6%</b>	<b>\$905,151</b>
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>							<b>\$56,825,122</b>							

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
	<b>ADJUSTED BASIS</b>	\$0	\$50,143,245	\$0
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$50,143,245	\$0	\$49,238,094
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$65,186,219	\$0	\$64,009,522
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$65,186,219	\$0	\$64,009,522
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,607,449	\$0	\$2,560,381
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,607,449		\$2,560,381	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price	Variance to Request	
			<b>\$0.8799</b>	Credits	Proceeds
<b>Eligible Basis</b>	\$2,607,449	\$22,943,257	----	----	----
<b>Needed to Fill Gap</b>	\$2,908,433	\$25,591,653	----	----	----
<b>Applicant Request</b>	\$2,607,449	\$22,943,255	<b>\$2,607,449</b>	<b>\$0</b>	<b>\$0</b>

50% Test for Bond Financing for 4% Tax Credits				
Tax-Exempt Bond Amount	\$		Applicant	TDHCA
		25,600,000		
Land Cost	\$	-	\$2,300,000	\$2,300,000
Depreciable Bldg Cost **	\$	50,166,285	\$50,166,285	\$49,261,134
<b>Aggregate Basis for 50% Test</b>	<b>\$</b>	<b>50,166,285</b>	<b>\$52,466,285</b>	<b>\$51,561,134</b>
Percent Financed by Tax-Exempt Bonds		51.03%	48.79%	49.65%

\*\*Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	214,837 SF	\$104.17	22,378,773
Adjustments				
Exterior Wall Finish	6.35%		6.61	\$1,420,603
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.79%		3.95	848,939
Roof Adjustment(s)			(0.25)	(53,709)
Subfloor			0.18	39,109
Floor Cover			2.82	605,840
Breezeways	\$30.82	40,421	5.80	1,245,968
Balconies	\$30.25	17,246	2.43	521,674
Plumbing Fixtures	\$1,090	556	2.82	606,040
Rough-ins	\$535	480	1.20	256,800
Built-In Appliances	\$1,880	240	2.10	451,200
Exterior Stairs	\$3,050	19	0.27	57,950
Heating/Cooling			2.37	509,164
Storage Space	\$30.82	0	0.00	0
Carports	\$13.00	16,200	0.98	210,600
Garages		0	0.00	0
Common/Support Area	\$126.44	3,816	2.25	482,501
Elevators	\$118,600	2	1.10	237,200
<b>Other:</b>			0.00	0
Fire Sprinklers	\$2.88	259,074	3.47	746,133
<b>SUBTOTAL</b>			<b>142.27</b>	<b>\$30,564,784</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>142.27</b>	<b>\$30,564,784</b>
Plans, specs, survey, bldg permits	3.30%		(4.69)	(\$1,008,638)
Contractor's OH & Profit	11.50%		(16.36)	(3,514,950)
<b>NET BUILDING COSTS</b>		\$108,505/unit	\$121.21/sf	\$26,041,196

## Long-Term Pro Forma

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

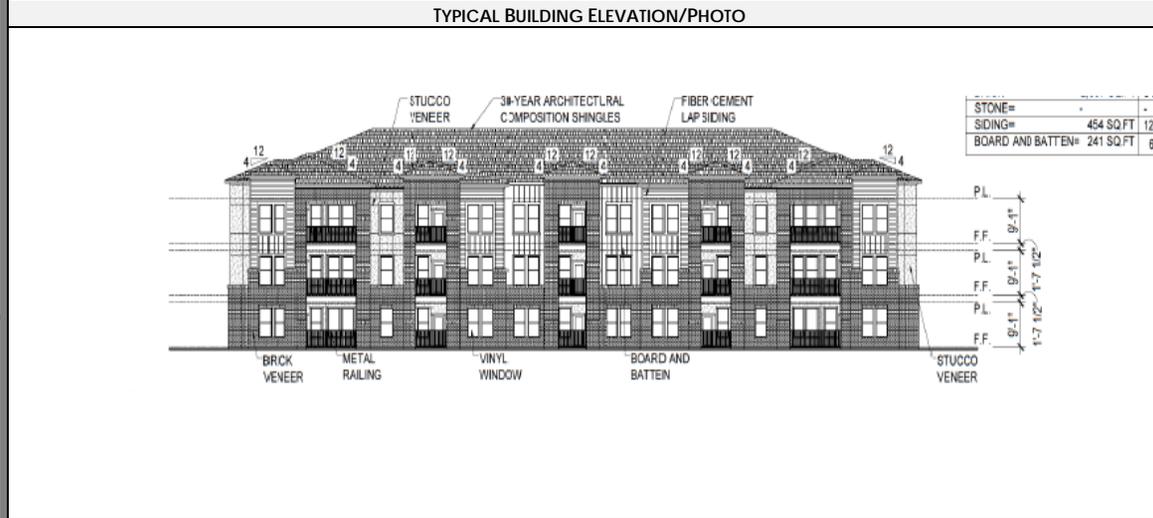
	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$3,011,008	\$3,071,228	\$3,132,653	\$3,195,306	\$3,259,212	\$3,598,434	\$3,972,961	\$4,386,470	\$4,843,018	\$5,347,083	\$5,903,612	\$6,518,064
TOTAL EXPENSES	3.00%	\$1,016,813	\$1,046,113	\$1,076,268	\$1,107,303	\$1,139,244	\$1,313,500	\$1,514,763	\$1,747,254	\$2,015,862	\$2,326,244	\$2,684,950	\$3,099,559
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$1,994,195</b>	<b>\$2,025,115</b>	<b>\$2,056,385</b>	<b>\$2,088,003</b>	<b>\$2,119,968</b>	<b>\$2,284,933</b>	<b>\$2,458,199</b>	<b>\$2,639,217</b>	<b>\$2,827,156</b>	<b>\$3,020,838</b>	<b>\$3,218,662</b>	<b>\$3,418,505</b>
EXPENSE/INCOME RATIO		33.8%	34.1%	34.4%	34.7%	35.0%	36.5%	38.1%	39.8%	41.6%	43.5%	45.5%	47.6%
<b>MUST -PAY DEBT SERVICE</b>													
CRB&T Tax Exempt		\$1,724,430	\$1,724,273	\$1,724,107	\$1,723,930	\$1,723,742	\$1,722,611	\$1,721,084	\$1,719,020	\$1,716,230	\$1,712,459	\$1,707,363	\$1,700,475
CRB&T Taxable		\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357	\$9,357
TOTAL DEBT SERVICE		\$1,733,787	\$1,733,630	\$1,733,464	\$1,733,287	\$1,733,099	\$1,731,969	\$1,730,441	\$1,728,377	\$1,725,587	\$1,721,816	\$1,716,720	\$1,709,832
DEBT COVERAGE RATIO		1.15	1.17	1.19	1.20	1.22	1.32	1.42	1.53	1.64	1.75	1.87	2.00
<b>ANNUAL CASH FLOW</b>													
		<b>\$260,408</b>	<b>\$291,485</b>	<b>\$322,921</b>	<b>\$354,716</b>	<b>\$386,869</b>	<b>\$552,964</b>	<b>\$727,757</b>	<b>\$910,840</b>	<b>\$1,101,569</b>	<b>\$1,299,022</b>	<b>\$1,501,942</b>	<b>\$1,708,673</b>
Deferred Developer Fee Balance		\$3,270,790	\$2,979,305	\$2,656,384	\$2,301,668	\$1,914,798	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$514,299</b>	<b>\$3,800,087</b>	<b>\$7,984,914</b>	<b>\$13,108,403</b>	<b>\$19,206,143</b>	<b>\$26,308,126</b>	<b>\$34,436,891</b>

# 22617 Palladium Oak Grove - Application Summary

REAL ESTATE ANALYSIS DIVISION  
September 23, 2022

PROPERTY IDENTIFICATION		RECOMMENDATION			
Application #	22617	TDHCA Program	Request	Recommended	
Development	Palladium Oak Grove	LIHTC (4% Credit)	\$2,599,237	\$2,599,237	\$10,830/Unit \$0.88
City / County	Fort Worth / Tarrant				
Region/Area	3 / Urban				
Population	General				
Set-Aside	General				
Activity	New Construction	Private Activity Bonds	\$25,600,000		

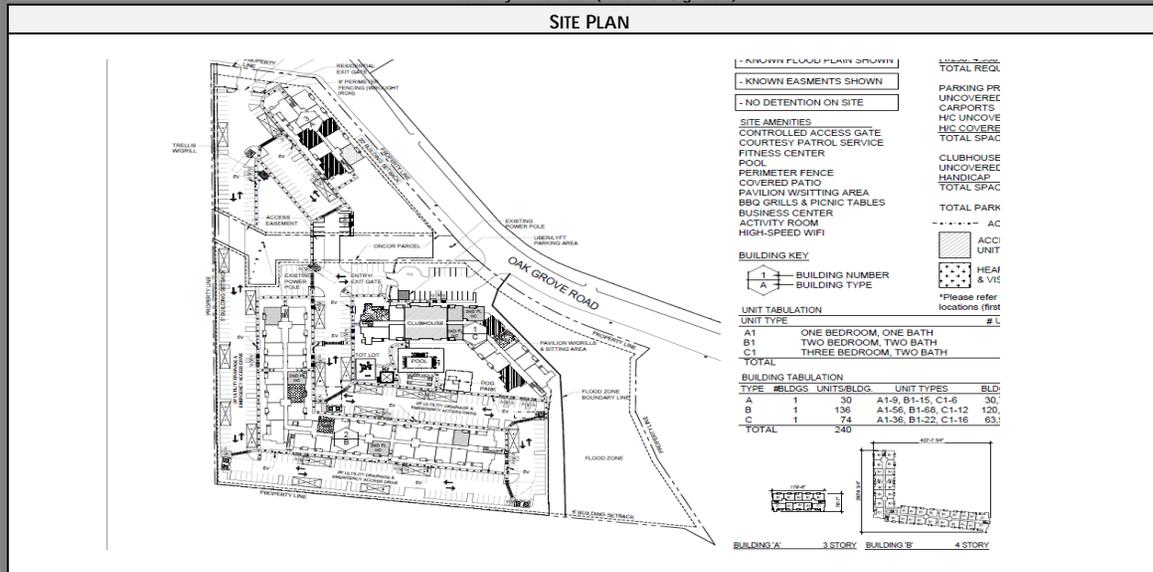
KEY PRINCIPALS / SPONSOR		
Palladium Oak Grove Development/Tom Huth Developer/Guarantor		
Brownstone Construction, Ltd/Larry Counce Contractor		
Sara Reidy/Consultant		
Related Parties	Contractor - No	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	20%	-	0%
1	101	42%	30%	24	10%
2	105	44%	40%	-	0%
3	34	14%	50%	-	0%
4	-	0%	60%	168	70%
			70%	26	11%
			80%	22	9%
			MR	-	0%
<b>TOTAL</b>	<b>240</b>	<b>100%</b>	<b>TOTAL</b>	<b>240</b>	<b>100%</b>

**PRO FORMA FEASIBILITY INDICATORS**

Pro Forma Underwritten	Applicant's Pro Forma	
Debt Coverage	1.15	Expense Ratio 33.7%
Breakeven Occ.	84.5%	Breakeven Rent \$1,001
Average Rent	\$1,098	B/E Rent Margin \$98
Property Taxes	Exempt	Exemption/PILOT 100%
Total Expense	\$4,216/unit	Controllable \$3,000/unit



**MARKET FEASIBILITY INDICATORS**

Gross Capture Rate (10% Maximum)	3.0%
Highest Unit Capture Rate	15% 2 BR/60% 77
Dominant Unit Cap. Rate	15% 2 BR/60% 77
Premiums (↑60% Rents)	N/A
Rent Assisted Units	N/A

**DEVELOPMENT COST SUMMARY**

Costs Underwritten	Applicant's Costs	
Avg. Unit Size	895 SF	Density 24.4/acre
Acquisition	\$10K/unit	\$2,369K
Building Cost	\$131.43/SF	\$118K/unit \$28,237K
Hard Cost	\$145K/unit	\$34,900K
Total Cost	\$241K/unit	\$57,894K
Developer Fee	\$5,565K (78% Deferred)	Paid Year: 11
Contractor Fee	\$4,686K	30% Boost Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
PNC	40/40	4.50%	\$30,709,800	1.15						PNC	\$22,870,999	
										FWHFC	\$100	
										Palladium	\$3,235,180	
										FWHFC	\$1,078,393	
										<b>TOTAL EQUITY SOURCES</b>	<b>\$27,184,672</b>	
										<b>TOTAL DEBT SOURCES</b>	<b>\$30,709,800</b>	
<b>TOTAL DEBT (Must Pay)</b>			<b>\$30,709,800</b>		<b>CASH FLOW DEBT / GRANTS</b>			<b>\$0</b>		<b>TOTAL CAPITALIZATION</b>		<b>\$57,894,472</b>

**CONDITIONS**

- Receipt and acceptance by Cost Certification:

a: Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**BOND RESERVATION / ISSUER**

Issuer	TDHCA
Expiration Date	1/25/2023
Bond Amount	\$25,600,000
BRB Priority	Priority 2
% Financed with Tax-Exempt Bonds	51.0%

**RISK PROFILE**

STRENGTHS/MITIGATING FACTORS

▫ Low gross capture rate

WEAKNESSES/RISKS

- DCR 1.15
- Feasibility dependent on tax exemption

**AREA MAP**



**AERIAL PHOTOGRAPH(S)**





**DEVELOPMENT IDENTIFICATION**

TDHCA Application #: 22617 Program(s): TDHCA Bonds/4% HTC

**Palladium Oak Grove**

Address/Location: 840 and 1000 Oak Grove

City: Fort Worth County: Tarrant Zip: 76115

Population: General Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 3

Analysis Purpose: New Application - Initial Underwriting

**ALLOCATION**

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
Private Activity Bonds	\$25,600,000				\$25,600,000				
LIHTC (4% Credit)	\$2,599,237				\$2,599,237				

**CONDITIONS**

- Receipt and acceptance by Cost Certification:
    - a: Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
    - b: Architect certification that a noise assessment was completed, and that all recommendations were implemented and the Development is compliant with HUD noise guidelines.
- Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

**SET-ASIDES**

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	24
60% of AMI	60% of AMI	168
70% of AMI	70% of AMI	26
80% of AMI	80% of AMI	22

## DEVELOPMENT SUMMARY

Palladium Oak Grove is a proposed new construction development targeting the general population. Palladium Oak Grove will have 3 residential buildings composed of 240 1, 2 and 3 bedroom units that serve 30%, 60%, 70% and 80% AMI using income averaging.

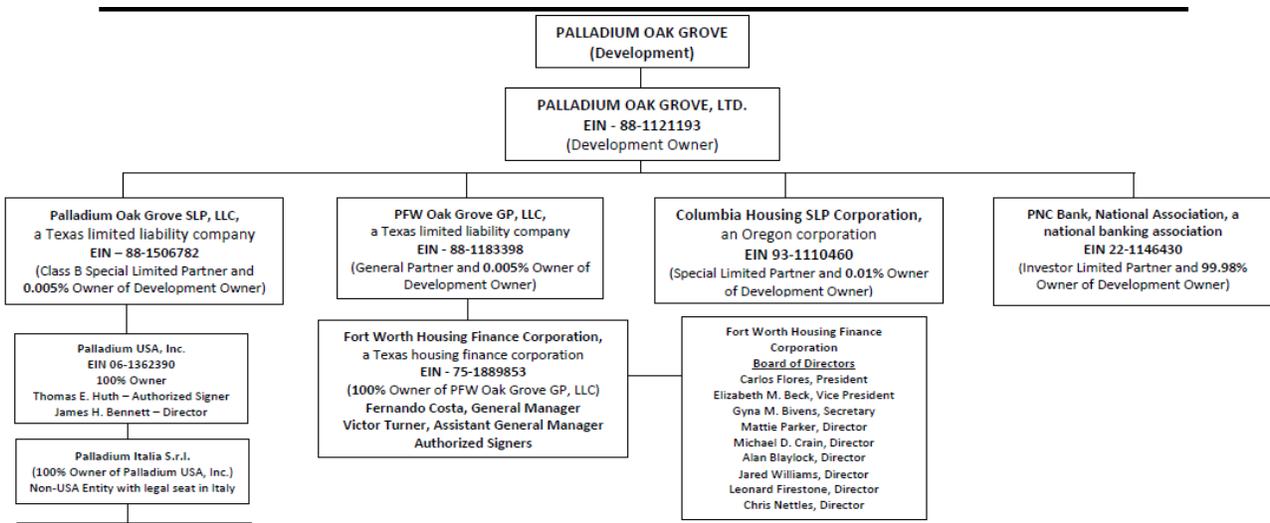
## RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
□	Low gross capture rate
□	

WEAKNESSES/RISKS	
□	DCR 1.15
□	Feasibility dependent on tax exemption

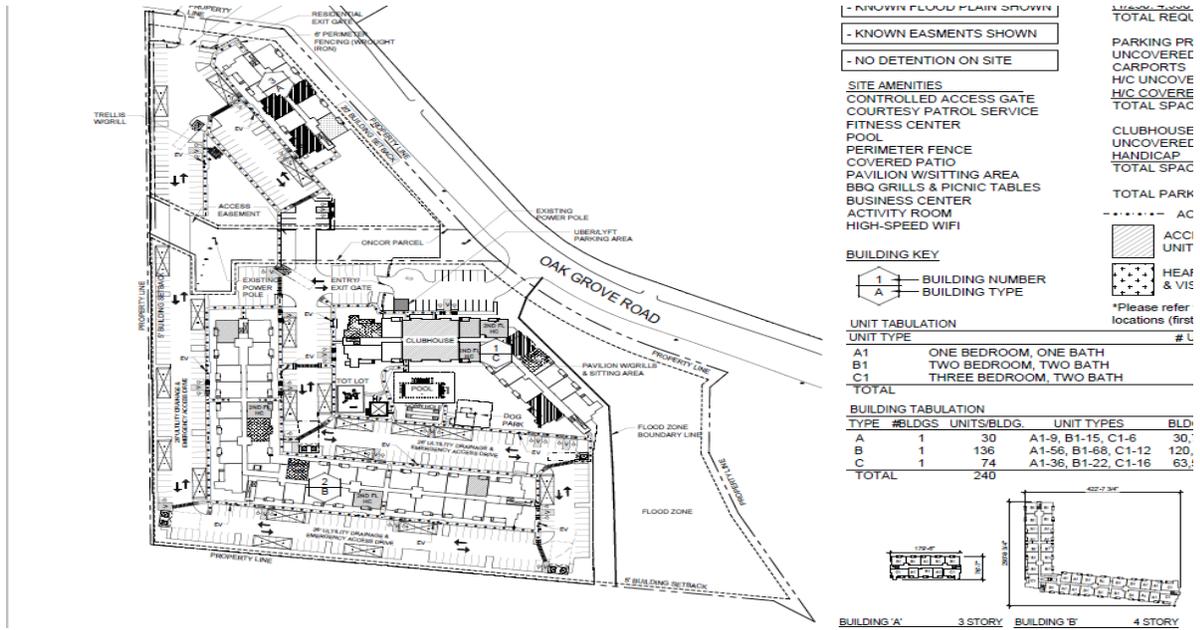
## DEVELOPMENT TEAM

### OWNERSHIP STRUCTURE



# DEVELOPMENT SUMMARY

## SITE PLAN



Parking	No Fee	Tenant-Paid	Total
Open Surface	308 <i>1.3/unit</i>	0 --	308 <i>1.3/unit</i>
Carport	100 <i>0.4/unit</i>	0 --	100 <i>0.4/unit</i>
Garage	0 --	0 --	0 --
<b>Total Parking</b>	<b>408 <i>1.7/unit</i></b>	<b>0 --</b>	<b>408 <i>1.7/unit</i></b>

**Comments:**

Provided parking of 408 spaces is not compliant with city requirements of 433 spaces. However, on 12/14/21, the City passed a variance allowing for a total of 406 required spaces.



**APPRAISED VALUE**

Comments:

As the Applicant is assuming no acquisition costs in their eligible basis, an appraisal is not required per TDCHA regulations.

**SITE INFORMATION**

Flood Zone:	<u>AE/X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>PD "D" High Density Multifamily</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>NA</u>	Title Issues?	<u>No</u>

Current Uses of Subject Site:

Dormant rodeo and outdoor entertainment venue with occupied and unoccupied residences

**HIGHLIGHTS of ENVIRONMENTAL REPORTS**

Provider: Phase Engineering, Inc. Date: 1/7/2022

Comments:

No noise study was conducted and thus one will need to be completed prior to cost certification due to the presence of a nearby highway.

**MARKET ANALYSIS**

Provider: Affordable Housing Analysts Date: 2/9/2022  
 Contact: Bob Coe Phone: 281-387-7552

Primary Market Area (PMA): 28 sq. miles 3 mile equivalent radius

ELIGIBLE HOUSEHOLDS BY INCOME								
Tarrant County Income Limits								
HH Size		1	2	3	4	5	6	7+
30% AMGI	Min	\$15,240	\$15,240	\$18,300	\$18,300	\$21,150	\$21,150	---
	Max	\$18,990	\$21,720	\$24,420	\$27,120	\$29,310	\$31,470	---
60% AMGI	Min	\$30,510	\$30,510	\$36,630	\$36,630	\$42,300	\$42,300	---
	Max	\$37,980	\$43,440	\$48,840	\$54,240	\$58,620	\$62,940	---
70% AMGI	Min	\$35,610	\$35,610	\$42,720	\$42,720	\$49,350	\$49,350	---
	Max	\$44,310	\$50,680	\$56,980	\$63,280	\$68,390	\$73,430	---
80% AMGI	Min	\$40,710	\$40,710	\$48,840	\$48,840	\$56,430	\$56,430	---
	Max	\$50,640	\$57,920	\$65,120	\$72,320	\$78,160	\$83,920	---

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
<b>Other Affordable Developments in PMA since 2017</b>						
18450	Patriot Pointe		#N/A	General	n/a	220
17415	Campus Apartments		New	General	n/a	224
<b>Stabilized Affordable Developments in PMA</b>					Total Units	1,704
					Total Developments	11
					Average Occupancy	98%

OVERALL DEMAND ANALYSIS				
		Market Analyst		
		HTC	Assisted	
Total Households in the Primary Market Area		32,407		
Potential Demand from the Primary Market Area		7,228		
10% External Demand		723		
Potential Demand from Other Sources		0		
<b>GROSS DEMAND</b>		7,951		
Subject Affordable Units		240		
Unstabilized Competitive Units		0		
<b>RELEVANT SUPPLY</b>		240		
<b>Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE</b>		<b>3.0%</b>		

<b>Population:</b>	<b>General</b>	<b>Market Area:</b>	<b>Urban</b>	<b>Maximum Gross Capture Rate:</b>	<b>10%</b>
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UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND						
AMGI Band	Market Analyst					AMGI Band Capture Rate
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate	
30% AMGI	2,224	222	24	0	1%	
60% AMGI	3,535	354	168	0	4%	
70% AMGI	752	75	26	0	3%	
80% AMGI	717	72	22	0	3%	

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE					
Unit Type	Market Analyst				
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
1 BR/30%	404	40	16	0	4%
1 BR/60%	525	53	75	0	13%
1 BR/70%	202	20	6	0	3%
1 BR/80%	176	18	4	0	2%
2 BR/30%	289	29	6	0	2%
2 BR/60%	478	48	77	0	15%
2 BR/70%	218	22	12	0	5%
2 BR/80%	181	18	10	0	5%
3 BR/30%	625	63	2	0	0%
3 BR/60%	890	89	16	0	2%
3 BR/70%	341	34	8	0	2%
3 BR/80%	368	37	8	0	2%

**Market Analyst Comments:**

The primary market area for the subject property had an estimated 32,407 households in 2022 and is projected to have 33,969 households by 2027. Approximately 39.10% of these families were renter households in 2022. The population growth in the primary market area between 2000 and 2010 was 5.21%, between 2010 and 2022 was 10.26% and between 2022 and 2027 is projected to be 4.59%.

There are no other family affordable market-rate developments in the PMA that have been completed and stabilized within the last 12 months.

**OPERATING PRO FORMA**

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	\$1,994,197	Avg. Rent:	\$1,098	Expense Ratio:	33.7%
Debt Service:	\$1,733,492	B/E Rent:	\$1,001	Controllable Expenses:	\$3,000
Net Cash Flow:	\$260,705	UW Occupancy:	92.5%	Property Taxes/Unit:	\$0
Aggregate DCR:	1.15	B/E Occupancy:	84.5%	Program Rent Year:	2021

The property is achieving a 100% tax exemption due to the Fort Worth Housing Finance Corporation's ownership in the General Partnership.

Applicant has elected to use income averaging.

Underwriter has utilized Applicant's operating assumptions for general administrative, payroll, and insurance.

Breakeven occupancy of 37.3 units; underwritten vacancy of 18.0 units.

Deferred developer fee paid off in year 11; 15-year residual cash flow of \$3.1M.

## DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	\$233,455/ac	\$9,871/unit	\$2,369,000	Contractor Fee	\$4,685,560
Off-site + Site Work		\$22,423/unit	\$5,381,600	Soft Cost + Financing	\$7,679,254
Building Cost	\$131.43/sf	\$117,653/unit	\$28,236,690	Developer Fee	\$5,565,036
Contingency	3.81%	\$5,341/unit	\$1,281,770	Reserves	\$2,695,562
<b>Total Development Cost</b>	<b>\$241,227/unit</b>	<b>\$57,894,472</b>		<b>Rehabilitation Cost</b>	<b>N/A</b>
<b>Qualified for 30% Basis Boost?</b>	Located in QCT with < 20% HTC units/HH				

**Comments:**

The Development is within a tract with more than 20% HTC units/HH. The development is expecting a resolution from the City by 9/29 in order to qualify for the boost.

**Acquisition:**

Acquisition costs of \$2.369M include \$50K of extension fees and \$19K of broker fees.

**Off-site:**

\$150K of cell tower improvements.

**Site Work:**

32% on-site utilities, 29% rough grading, and 23% for on-site concrete are some of the major line items in the \$3M site work budget.

Landscaping (52%) and fencing (30%) are a majority of the site amenities budget.

**Building Cost:**

29% of the \$28M building cost budget will be used for woods and plastics. Other major line items include mechanical (HVAC; plumbing) (13%), concrete (11%), electrical (11%), and finishes (10%).

**Contingency:**

Applicant's total contingency is compliant with TDHCA regulations.

**Contractor Fee:**

Applicant's total contractor fee is compliant with TDHCA regulations.

**Ineligible Costs:**

\$2.3M of site acquisition costs, \$150K of off-sites, \$142K of tax credit fees, \$2.7M of reserves.

**Soft Costs:**

32% hazard and liability insurance, 22% architectural fees, and 10% real estate fees.

**Financing Cost:**

Applicant's total financing costs are compliant with TDHCA regulations.

**Developer Fee:**

Applicant's total developer fee is compliant with TDHCA regulations.

**Reserves:**

Applicant's total reserves are compliant with TDHCA regulations.

**Credit Allocation Supported by Costs:**

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$57,894,472	\$49,985,329	\$2,599,237

## UNDERWRITTEN CAPITALIZATION

BOND RESERVATION			
Issuer	Amount	Reservation Date	Priority
TDHCA	\$25,600,000	7/29/2022	Priority 2
<b>Closing Deadline</b>			
1/25/2023			

<b>Percent of Cost Financed by Tax-Exempt Bonds</b>	<b>51.0%</b>
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**Comments:**

Due to the presence of a ground lease structure that reverts back to the PHA at the end of the lease period, the ground lease will be treated as a lease for federal income purposes; therefore, the land costs will not be included in the 50% test calculation.

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
PNC	FHA 221(d)4	\$6,071,425	4.50%	10%
TDHCA	Tax Exempt Bonds	\$25,600,000	1.95%	44%
PNC	Private Loan	\$17,820,010	3.70%	31%
PNC	HTC	\$3,470,961	\$0.88	6%
FWHFC	LIHTC Equity	\$100	\$0.00	0%
Palladium	Deferred Developer Fee	\$3,319,736	0.00%	6%
FWHFC	Deferred Developer Fee	\$1,173,245	0.00%	2%
Post Construction Expense	Operating Expenses	\$439,295	0.00%	1%
		<b>\$57,894,772</b>	<b>Total Sources</b>	

### PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
PNC	\$30,709,800	4.50%	40	40	\$30,709,800	4.50%	40	40	53%
<b>Total</b>	<b>\$30,709,800</b>				<b>\$30,709,800</b>				

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
PNC	\$22,870,999	\$0.88		\$22,870,999	\$0.88	40%	
FWHFC	\$100			\$100		0%	
Palladium	\$3,235,180		58%	\$3,235,180		6%	58%
FWHFC	\$1,078,393		19%	\$1,078,393		2%	19%
<b>Total</b>	<b>\$27,184,672</b>			<b>\$27,184,672</b>			
				<b>\$57,894,472</b>	<b>Total Sources</b>		

Credit Price Sensitivity based on current capital structure	
<b>\$1.004</b>	Maximum Credit Price before the Development is oversourced and allocation is limited
<b>\$0.790</b>	Minimum Credit Price below which the Development would be characterized as infeasible

## CONCLUSIONS

Gap Analysis:	
Total Development Cost	\$57,894,472
Permanent Sources (debt + non-HTC equity)	\$31,788,293
<b>Gap in Permanent Financing</b>	<b>\$26,106,179</b>

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$22,871,000	\$2,599,237
Needed to Balance Sources & Uses	\$26,106,179	\$2,966,908
Requested by Applicant	\$22,870,999	\$2,599,237

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
<b>Tax Credit Allocation</b>	<b>\$22,870,999</b>	<b>\$2,599,237</b>

	Amount
<b>TDHCA-Issued Bonds</b>	<b>\$30,709,800</b>

<b>Deferred Developer Fee</b>	<b>\$4,313,573</b>	( 78% deferred)
<b>Repayable in</b>	<b>11 years</b>	

**Recommendation:**

Underwriter recommends an annual tax credit allocation of \$2,599,237 per applicant's request.

Underwriter:	<i>Jeffrey Price</i>
Manager of Real Estate Analysis:	<i>Diamond Unique Thompson</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>



**STABILIZED PRO FORMA**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

**STABILIZED FIRST YEAR PRO FORMA**

	COMPARABLES		APPLICANT				TDHCA				VARIANCE	
	Database	Tarrant County Comps	% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
<b>POTENTIAL GROSS RENT</b>				\$1.23	\$1,098	\$3,163,464	\$3,163,464	\$1,098	\$1.23		0.0%	\$0
Application, Pet, Late and NSF Fees					\$30.00	\$86,400						
Laundry, Vending and Cable					\$0.00	\$0						
Total Secondary Income					\$30.00	\$86,400	\$86,400	\$30.00			0.0%	\$0
<b>POTENTIAL GROSS INCOME</b>						\$3,249,864	\$3,249,864				0.0%	\$0
Vacancy & Collection Loss					7.5% PGI	(243,740)	(243,740)	7.5% PGI			0.0%	-
Rental Concessions						-	-				0.0%	-
<b>EFFECTIVE GROSS INCOME</b>						\$3,006,124	\$3,006,124				0.0%	\$0

General & Administrative	\$116,672	\$486/Unit	\$151,986	\$633	2.96%	\$0.41	\$371	\$89,049	\$89,049	\$371	\$0.41	2.96%	0.0%	-
Management	\$109,164	3.7% EGI	\$103,062	\$429	4.00%	\$0.56	\$501	\$120,245	\$120,245	\$501	\$0.56	4.00%	0.0%	0
Payroll & Payroll Tax	\$321,396	\$1,339/Unit	\$312,330	\$1,301	10.18%	\$1.42	\$1,275	\$306,040	\$306,040	\$1,275	\$1.42	10.18%	0.0%	-
Repairs & Maintenance	\$173,445	\$723/Unit	\$132,569	\$552	4.23%	\$0.59	\$529	\$127,013	\$156,000	\$650	\$0.73	5.19%	-18.6%	(28,987)
Electric/Gas	\$58,392	\$243/Unit	\$49,083	\$205	1.01%	\$0.14	\$127	\$30,461	\$49,662	\$207	\$0.23	1.65%	-38.7%	(19,201)
Water, Sewer, & Trash	\$187,004	\$779/Unit	\$151,327	\$631	5.57%	\$0.78	\$698	\$167,519	\$151,327	\$631	\$0.70	5.03%	10.7%	16,192
Property Insurance	\$109,034	\$0.51 /sf	\$85,073	\$354	3.19%	\$0.45	\$400	\$96,000	\$96,000	\$400	\$0.45	3.19%	0.0%	-
Property Tax (@ 0%) 2.6900	\$250,868	\$1,045/Unit	\$82,296	\$343	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
Reserve for Replacements					2.00%	\$0.28	\$250	\$60,000	\$60,000	\$250	\$0.28	2.00%	0.0%	-
Supportive Services					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.32%	\$0.04	\$40	\$9,600	\$9,600	\$40	\$0.04	0.32%	0.0%	-
TDHCA Bond Compliance Fee					0.20%	\$0.03	\$25	\$6,000	\$6,000	\$25	\$0.03	0.20%	0.0%	-
Bond Trustee Fees					0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
<b>TOTAL EXPENSES</b>					<b>33.66%</b>	<b>\$4.71</b>	<b>\$4,216</b>	<b>\$1,011,927</b>	<b>\$1,043,923</b>	<b>\$4,350</b>	<b>\$4.86</b>	<b>34.73%</b>	<b>-3.1%</b>	<b>\$ (31,996)</b>
<b>NET OPERATING INCOME ("NOI")</b>					<b>66.34%</b>	<b>\$9.28</b>	<b>\$8,309</b>	<b>\$1,994,197</b>	<b>\$1,962,201</b>	<b>\$8,176</b>	<b>\$9.13</b>	<b>65.27%</b>	<b>1.6%</b>	<b>\$ 31,996</b>

CONTROLLABLE EXPENSES		\$3,000/Unit		\$3,134/Unit
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**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

DEBT / GRANT SOURCES																
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE										AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App											DCR	LTC	
PNC	0.25%	1.13	1.15	1,733,492	4.50%	40	40	\$30,709,800	\$30,709,800	40	40	4.50%	\$1,733,492	1.15	53.0%	
TDHCA		1.13	1.15		0.00%	0	0	\$0	\$0	0	0	0.00%		1.15	0.0%	
PNC		1.13	1.15		0.00%	0	0	\$0	\$0	0	0	0.00%		1.15	0.0%	
<b>CASH FLOW DEBT / GRANTS</b>																
Post Construction Expense		1.13	1.15		0.00%	0	0	\$0	\$0	0	0	0.00%		1.15	0.0%	
				<b>\$1,733,492</b>	<b>TOTAL DEBT / GRANT SOURCES</b>			<b>\$30,709,800</b>	<b>\$30,709,800</b>	<b>TOTAL DEBT SERVICE</b>			<b>\$1,733,492</b>	<b>1.15</b>	<b>53.0%</b>	
<b>NET CASH FLOW</b>		\$228,709	\$260,705							<b>APPLICANT</b>	<b>NET OPERATING INCOME</b>	\$1,994,197	\$260,705	<b>NET CASH FLOW</b>		

EQUITY SOURCES													
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE							
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method		
PNC	LIHTC Equity	39.5%	\$2,599,237	\$0.88	\$22,870,999	\$22,870,999	\$0.8799	\$2,599,237	39.5%	\$10.830	Applicant Request		
FWHFC	LIHTC Equity	0.0%			\$100	\$100			0.0%				
Palladium	Deferred Developer Fees	5.6%			\$3,235,180	\$3,235,180			5.6%		Total Developer Fee:	\$5,565,036	
FWHFC	Deferred Developer Fees	1.9%		(78% Deferred)	\$1,078,393	\$1,078,393			1.9%				
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%				
<b>TOTAL EQUITY SOURCES</b>		<b>47.0%</b>			<b>\$27,184,672</b>	<b>\$27,184,672</b>			<b>47.0%</b>				
<b>TOTAL CAPITALIZATION</b>						<b>\$57,894,472</b>	<b>\$57,894,472</b>					15-Yr Cash Flow after Deferred Fee:	<b>\$3,096,974</b>

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE		
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		%	\$					
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition							
Land Acquisition			\$9,583 / Unit	\$2,300,000	\$2,300,000	\$9,583 / Unit			0.0%	\$0			
Extension & Brokerage Fees				\$69,000	\$69,000				0.0%	\$0			
Off-Sites			\$625 / Unit	\$150,000	\$150,000	\$625 / Unit			0.0%	\$0			
Site Work			\$3,004,713	\$12,520 / Unit	\$3,004,713	\$12,520 / Unit	\$3,004,713		0.0%	\$0			
Site Amenities			\$2,226,887	\$9,279 / Unit	\$2,226,887	\$9,279 / Unit	\$2,226,887		0.0%	\$0			
Building Cost			\$28,236,690	\$131.43 /sf	\$117,653/Unit	\$28,236,690	\$26,041,196	\$108,505/Unit	\$121.21 /sf	\$26,041,196	8.4%	\$2,195,494	
Contingency			\$1,276,051	3.81%	3.81%	\$1,281,770	\$1,281,770	4.08%	4.08%	\$1,276,051	0.0%	\$0	
Contractor Fees			\$4,664,655	13.43%	13.43%	\$4,685,560	\$4,578,639	14.00%	14.00%	\$4,556,839	2.3%	\$106,921	
Soft Costs	\$0	\$2,069,453	\$9,055 / Unit	\$2,173,203	\$2,173,203	\$9,055 / Unit	\$2,069,453			\$0	0.0%	\$0	
Financing	\$0	\$2,941,844	\$22,942 / Unit	\$5,506,051	\$5,506,051	\$22,942 / Unit	\$2,941,844			\$0	0.0%	\$0	
Developer Fee	\$0	\$5,565,036	12.53%	12.48%	\$5,565,036	\$5,565,036	\$5,565,036	13.16%	13.21%	\$5,565,036	0.0%	\$0	
Reserves			12 Months	\$2,695,562	\$2,695,562	12 Months					0.0%	\$0	
<b>TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)</b>				<b>\$0</b>	<b>\$49,985,329</b>	<b>\$241,227 / Unit</b>	<b>\$57,894,472</b>	<b>\$55,592,057</b>	<b>\$231,634 / Unit</b>	<b>\$47,682,019</b>	<b>\$0</b>	<b>4.1%</b>	<b>\$2,302,415</b>
Acquisition Cost	\$0						\$0						
Contingency		\$0					\$0						
Contractor's Fee		\$0					\$0						
Financing Cost		\$0					\$0						
Developer Fee	\$0	\$0					\$0						
Reserves							\$0						
<b>ADJUSTED BASIS / COST</b>				<b>\$0</b>	<b>\$49,985,329</b>	<b>\$241,227/unit</b>	<b>\$57,894,472</b>	<b>\$55,592,057</b>	<b>\$231,634/unit</b>	<b>\$47,682,019</b>	<b>\$0</b>	<b>4.1%</b>	<b>\$2,302,415</b>
<b>TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):</b>							<b>\$57,894,472</b>						

**CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS**

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

	CREDIT CALCULATION ON QUALIFIED BASIS			
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
<b>ADJUSTED BASIS</b>	\$0	\$49,985,329	\$0	\$47,682,019
Deduction of Federal Grants	\$0	\$0	\$0	\$0
<b>TOTAL ELIGIBLE BASIS</b>	\$0	\$49,985,329	\$0	\$47,682,019
High Cost Area Adjustment		130%		130%
<b>TOTAL ADJUSTED BASIS</b>	\$0	\$64,980,928	\$0	\$61,986,624
Applicable Fraction	100.00%	100.00%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>	\$0	\$64,980,928	\$0	\$61,986,624
Applicable Percentage	4.00%	4.00%	4.00%	4.00%
<b>ANNUAL CREDIT ON BASIS</b>	\$0	\$2,599,237	\$0	\$2,479,465
<b>CREDITS ON QUALIFIED BASIS</b>	\$2,599,237		\$2,479,465	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.8799	Variance to Request	
			Credit Allocation	Credits	Proceeds
<b>Eligible Basis</b>	\$2,599,237	\$22,871,000	----	----	----
<b>Needed to Fill Gap</b>	\$2,966,908	\$26,106,179	----	----	----
<b>Applicant Request</b>	\$2,599,237	\$22,870,999	<b>\$2,599,237</b>	<b>\$0</b>	<b>\$0</b>

50% Test for Bond Financing for 4% Tax Credits				
Tax-Exempt Bond Amount	\$	25,600,000	Applicant	TDHCA
Land Cost	\$	-	\$2,300,000	\$2,300,000
Depreciable Bldg Cost **	\$	50,161,953	\$50,161,953	\$47,859,538
<b>Aggregate Basis for 50% Test</b>	<b>\$</b>	<b>50,161,953</b>	<b>\$52,461,953</b>	<b>\$50,159,538</b>
Percent Financed by Tax-Exempt Bonds		51.03%	48.80%	51.04%

\*\*Depreciable building cost includes: Total construction contract, total building acquisition, total developer fee, plus eligible financing and soft costs.

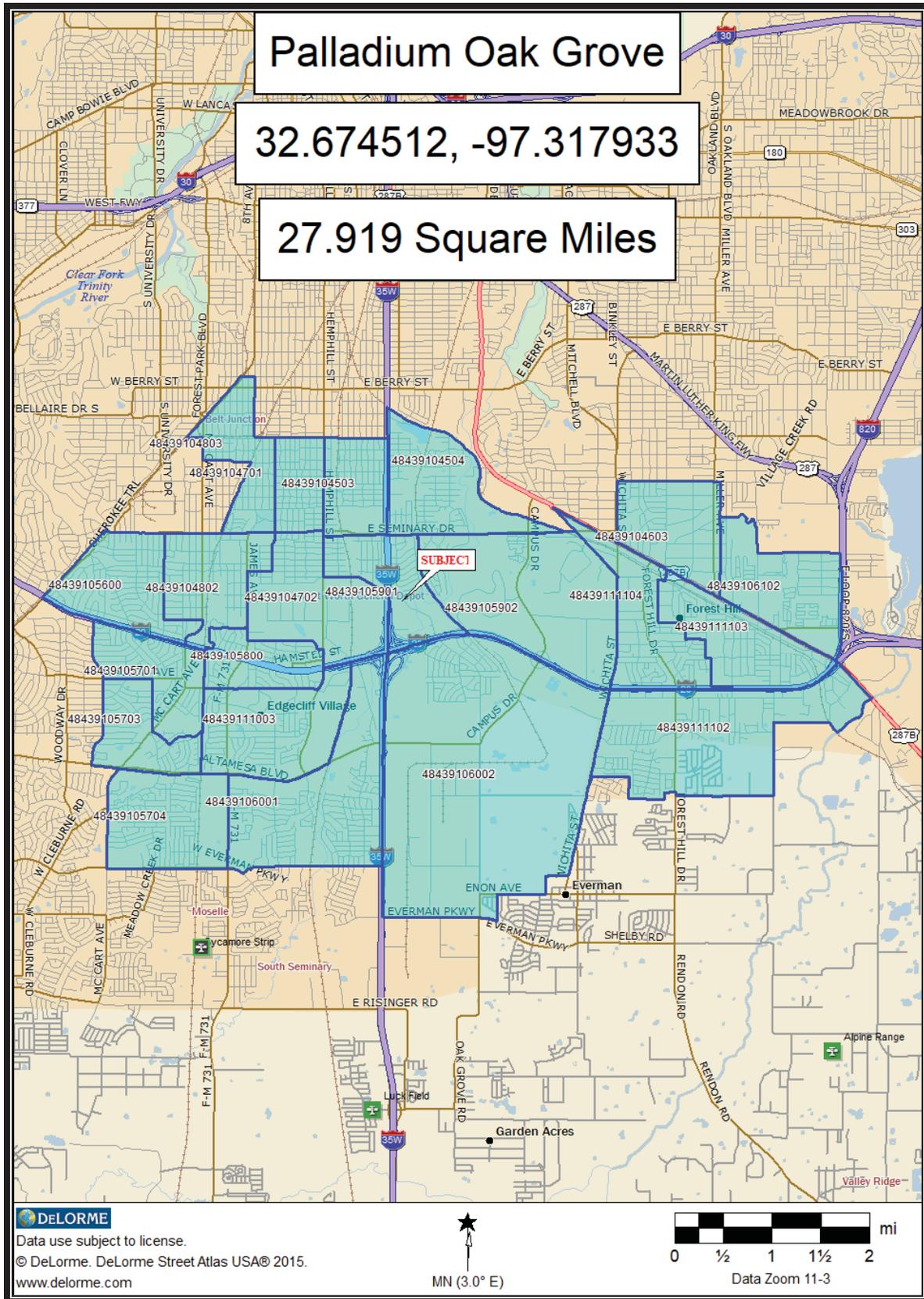
BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	214,837 SF	\$104.17	22,378,773
Adjustments				
Exterior Wall Finish	6.35%		6.61	\$1,420,603
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.79%		3.95	848,939
Roof Adjustment(s)			(0.25)	(53,709)
Subfloor			0.18	39,109
Floor Cover			2.82	605,840
Breezeways	\$30.82	40,421	5.80	1,245,968
Balconies	\$30.25	17,246	2.43	521,674
Plumbing Fixtures	\$1,090	556	2.82	606,040
Rough-ins	\$535	480	1.20	256,800
Built-In Appliances	\$1,880	240	2.10	451,200
Exterior Stairs	\$3,050	19	0.27	57,950
Heating/Cooling			2.37	509,164
Storage Space	\$30.82	0	0.00	0
Carports	\$13.00	16,200	0.98	210,600
Garages		0	0.00	0
Common/Support Area	\$126.44	3,816	2.25	482,501
Elevators	\$118,600	2	1.10	237,200
<b>Other:</b>			0.00	0
Fire Sprinklers	\$2.88	259,074	3.47	746,133
<b>SUBTOTAL</b>			<b>142.27</b>	<b>\$30,564,784</b>
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
<b>TOTAL BUILDING COSTS</b>			<b>142.27</b>	<b>\$30,564,784</b>
Plans, specs, survey, bldg permits	3.30%		(4.69)	(\$1,008,638)
Contractor's OH & Profit	11.50%		(16.36)	(3,514,950)
<b>NET BUILDING COSTS</b>		\$108,505/unit	\$121.21/sf	\$26,041,196

## Long-Term Pro Forma

*Palladium Oak Grove, Fort Worth, TDHCA Bonds/4% HTC #22617*

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$3,006,124	\$3,066,247	\$3,127,572	\$3,190,123	\$3,253,926	\$3,592,597	\$3,966,517	\$4,379,355	\$4,835,162	\$5,338,410	\$5,894,036	\$6,507,492
TOTAL EXPENSES	3.00%	\$1,011,927	\$1,041,082	\$1,071,088	\$1,101,970	\$1,133,753	\$1,307,147	\$1,507,410	\$1,738,744	\$2,006,012	\$2,314,843	\$2,671,752	\$3,084,281
<b>NET OPERATING INCOME ("NOI")</b>		<b>\$1,994,197</b>	<b>\$2,025,164</b>	<b>\$2,056,483</b>	<b>\$2,088,153</b>	<b>\$2,120,173</b>	<b>\$2,285,450</b>	<b>\$2,459,107</b>	<b>\$2,640,611</b>	<b>\$2,829,150</b>	<b>\$3,023,566</b>	<b>\$3,222,283</b>	<b>\$3,423,211</b>
EXPENSE/INCOME RATIO		33.7%	34.0%	34.2%	34.5%	34.8%	36.4%	38.0%	39.7%	41.5%	43.4%	45.3%	47.4%
<b>MUST -PAY DEBT SERVICE</b>													
PNC		\$1,733,492	\$1,732,791	\$1,732,057	\$1,731,290	\$1,730,488	\$1,725,888	\$1,720,129	\$1,712,920	\$1,703,897	\$1,692,601	\$1,678,461	\$1,660,761
TOTAL DEBT SERVICE		\$1,733,492	\$1,732,791	\$1,732,057	\$1,731,290	\$1,730,488	\$1,725,888	\$1,720,129	\$1,712,920	\$1,703,897	\$1,692,601	\$1,678,461	\$1,660,761
DEBT COVERAGE RATIO		1.15	1.17	1.19	1.21	1.23	1.32	1.43	1.54	1.66	1.79	1.92	2.06
<b>ANNUAL CASH FLOW</b>													
		<b>\$260,705</b>	<b>\$292,373</b>	<b>\$324,426</b>	<b>\$356,863</b>	<b>\$389,685</b>	<b>\$559,563</b>	<b>\$738,978</b>	<b>\$927,691</b>	<b>\$1,125,253</b>	<b>\$1,330,965</b>	<b>\$1,543,822</b>	<b>\$1,762,450</b>
Deferred Developer Fee Balance		\$4,052,868	\$3,760,495	\$3,436,069	\$3,079,206	\$2,689,521	\$235,305	\$0	\$0	\$0	\$0	\$0	\$0
<b>CUMULATIVE NET CASH FLOW</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,096,974</b>	<b>\$7,354,358</b>	<b>\$12,582,078</b>	<b>\$18,822,396</b>	<b>\$26,113,180</b>	<b>\$34,486,195</b>

PRIMARY MARKET AREA MAP





## Final Transcript

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:  
Tax Exempt Bond Hearing**

September 7, 2022/10:00 a.m. CST

### **SPEAKERS**

Teresa Morales  
Avis  
Sara Reidy

### **PRESENTATION**

Teresa                      Good morning. This is Teresa Morales with the Texas Department of Housing and Community Affairs, and this is a call with respect to a public hearing regarding the proposed Palladium Oak Grove Apartments. To give folks a little bit more time to dial in, we'll get started in just about another minute or so.

Avis                        Thanks, Teresa. This is Avis [ph] with Sladin [ph] USA.

Teresa                      Okay.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Host: Teresa Morales**

**September 7, 2022/10:00 a.m. CDT**

**Page 2**

Moderator Sara Reidy with Casa Linda Development Corporation has joined.

Teresa Alright, so we'll go ahead and get started. This is Teresa Morales with the Texas Department of Housing and Community Affairs, and the purpose of this call is to conduct a TEFRA public hearing with respect to the proposed Palladium Oak Grove to give folks an idea as to how we're going to proceed.

First, there is a brief speech that I need to read for purposes of meeting the requirements of the Internal Revenue Code, and then it will be at the conclusion of that speech where if there are any individuals who would like to make public comment, I will unmute the lines and that'll be the opportunity for anyone who wishes to make public comment they may do so at that point in time.

So, with that being said, I'll go ahead and read the brief speech.

Good morning. My name is Teresa Morales, and I would like to proceed with the public hearing. Let the record show that it is 10:03 a.m. on Wednesday, September 7, 2022, and we are conducting a public hearing on behalf of the Texas Department of Housing and Community Affairs

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Host: Teresa Morales**

**September 7, 2022/10:00 a.m. CDT**

**Page 3**

with respect to an issue of tax exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue.

No decisions regarding the development will be made at this hearing. The department's board is scheduled to meet to consider the transaction on October 13, 2022. In addition to providing your comments at this hearing, the public is also invited to provide comment directly to the board at any of their meetings.

The bonds will be issued as tax exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$25,600,000 in taxable bonds, if necessary, and an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the issuer.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Host: Teresa Morales**

**September 7, 2022/10:00 a.m. CDT**

**Page 4**

The proceeds of the bonds will be loaned to Palladium Oak Grove Ltd. or a related person or affiliate entity thereof to finance a portion of the costs of acquiring, constructing, and equipping a multifamily rental housing community described as follows: a 240 unit multifamily residential rental development to be located on approximately 9.846 acres of land located at or near 840 and 1000 Oak Grove Road, Fort Worth, Tarrant County, Texas 76115.

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

I would now like to open the floor for public comment. That's the conclusion of the speech, and so if there are any individuals on the line who would like to make public comment, the lines are unmuted, so this would be your opportunity to do so.

Again, the lines are unmuted, so if there are any individuals on the call who would like to make public comment, you may do so at this time.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Host: Teresa Morales**

**September 7, 2022/10:00 a.m. CDT**

**Page 5**

Okay, let the record show that there are no individuals on the line who would like to make public comment, and therefore the meeting is now adjourned. The time is now 10:06 a.m. Thank you.

Avis Thank you, Teresa.

Teresa Thank you, Avis.



September 17, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove development to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, to enable the Development to receive 3 points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021. Official action by the Fort Worth City Council on the Development's zoning application will be determined by a vote of the majority of the City Council after a public hearing, and this letter does not constitute any assurance of a specific outcome by City Council.

Sincerely,

Mattie Parker, Mayor  
City of Fort Worth

Cc: Avis Chaisson, Director of Real Estate Development, Palladium USA –  
Achaisson@Palladiumusa.com

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**MATTIE PARKER, MAYOR**

CITY OF FORT WORTH ★ 200 TEXAS STREET ★ FORT WORTH, TEXAS 76102  
(817) 392-6118 ★ FAX (817) 392-2409



September 3, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove development (“Development”) to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, to enable the Development to receive 3 points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021. Official action by the Fort Worth City Council on the Development’s zoning application will be determined by a vote of the majority of the City Council after a public hearing, and this letter does not constitute any assurance of a specific outcome by City Council.

Sincerely,

Council Member Elizabeth Beck  
City of Fort Worth, District 9

Cc: Avis Chaisson, Director of Real Estate Development, Palladium USA –  
Achaisson@Palladiumusa.com



**ROY CHARLES BROOKS**

**County Commissioner**

**Precinct No. 1**

Tuesday, September 21, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove development to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, to enable the Development to receive 3 points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021.

Sincerely,

A handwritten signature in black ink that reads "Roy C. Brooks". The signature is written in a cursive, flowing style.

Roy Charles Brooks, County Commissioner  
Tarrant County, Precinct 1

Cc: Avis Chaisson, Director of Real Estate Development, Palladium USA –  
Achaisson@Palladiumusa.com



**B. GLEN WHITLEY**  
**COUNTY JUDGE**  
of  
**TARRANT COUNTY**

September 22, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development, 840 and 1000 Oak Grove Rd., Fort Worth, TX 76115

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove Development to receive three (3) points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021.

Sincerely,

B. Glen Whitley, County Judge  
Tarrant County

Cc: Avis Chaisson, Director of Real Estate Development, Palladium USA

**Kent Paredes Scribner, Ph.D.**  
**Superintendent of Schools**  
**Fort Worth Independent School District**  
100 N. University Dr., Ste. SW 207, Fort Worth, Texas 76107  
OFFICE 817.814.1900 FAX 817.814.1905  
www.fwisd.org



September 22, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove development ("Development") to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, to enable the Development to receive 3 points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021.

Should you need to contact me, I can be reached at (817) 814-1900.

Sincerely,



Kent P. Scribner, Ph.D.

**Tobi Jackson, M.S.**  
**President**  
**FWISD Board of Trustees**  
100 N. University Dr., Ste. 150 Fort Worth, Texas 76107  
817.296.7721 cell



Thursday, September 16, 2021

Ms. Teresa Morales  
Director of Multifamily Bonds and Administrator of 4% Housing Tax Credits  
Texas Department of Housing and Community Affairs (TDHCA)  
P.O. Box 13941  
Austin, Texas 78711-3941

RE: Support for the Palladium Oak Grove Development

Director Morales,

Please accept this letter expressing my support for the Palladium Oak Grove development to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115, to enable the Development to receive 3 points under Section §12.6(9) of the Multifamily Housing Revenue Bond Rules 2021.

Please let me know if you wish to discuss this letter of reference or should you have further questions. I'm always available at 817-296-7721, just text or email me at [tobi.jackson@fortworthsparc.org](mailto:tobi.jackson@fortworthsparc.org).

Respectfully,



Tobi Jackson, M.S.



## 2021 Board of Directors

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**Vernell Sturns**

**Detra Whitmore**  
Trinity Metro

**Martha Obermiller**, *Ex-Officio*  
City of Fort Worth, Texas

**Stacy E. Marshall**, *President*  
Southeast Fort Worth, Inc.  
1150 S. Freeway, Suite 148  
Fort Worth, Texas 76104  
v: 817.871.6542 | f: 817.332.6465  
e: stacy@southeastfw.com  
www.SoutheastFW.com

*A 501(c)(3) Development Corporation*

**OUR VISION IS THAT  
SOUTHEAST FORT WORTH WILL  
BE A GREAT PLACE TO LIVE,  
LEARN, WORK, PLAY, INVEST,  
DO BUSINESS AND SHOP.**

Residents of the area know that many of these lifestyle characteristics exist today. There are beautiful and affordable neighborhoods with quality educational opportunities and open space amenities. City and community leaders see strategic opportunities for business, workforce and retail development. This Blueprint is designed to draw focused attention to specific planning initiatives to increase "Quality of Life" options for area residents and as an attraction to regional visitors.

Tuesday, August 3, 2021

**Tom Huth, President and CEO**  
Palladium USA International, Inc.  
13455 Noel Road, Suite 400  
Dallas, Texas 75240

**RE: Support for the Palladium Oak Grove Development and Texas Department of Housing and Community Affairs (TDHCA) Application Number 21622**

Mr. Huth,

I am writing this letter to demonstrate support to Palladium USA International, Inc. (Palladium USA) for Palladium Oak Grove, a luxury living development to be located at 840 and 1000 Oak Grove Road, Fort Worth, Texas 76115 (Development) and TDHCA Application number 21622. I very much appreciated meeting with you and your team on July 16, 2021, to discuss not only the Development but the premium product Palladium USA provides.

As discussed, the proposed Development will bring much needed luxury housing for seniors, families, and working professionals in southeast Fort Worth. Particularly, it will provide housing for new planned workforce developments within close proximity of the Development site. Additionally, the Development will serve as a redevelopment of an existing property that will be a win for the City.

The team shared photos of actual apartment homes that Palladium USA constructed and currently owns. Additionally, I toured the Palladium RedBird apartment, I am incredibly impressed by what Palladium USA brings to the table in terms of construction, amenities, and finish-out. Moreover, it is reassuring to know that Palladium USA are long-term owners and manages their assets. One of the pillars of our organization is providing affordable housing and Palladium USA delivers on providing apartment homes for residents that are of high quality and of the luxury they tout. I look forward to seeing Palladium Oak Grove being a part of and an asset to the community!

Regards,  
**SOUTHEAST FORT WORTH, INC.**

Stacy E. Marshall  
President  
Southeast Fort Worth, Inc.

1e

**BOARD ACTION REQUEST**  
**MULTIFAMILY BOND DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action on Inducement Resolution No. 23-013 for Multifamily Housing Revenue Bonds regarding authorization for filing applications for private activity bond authority for Corona Del Valle (#21600) and Socorro Village (#22604)

**RECOMMENDED ACTION**

**WHEREAS**, two bond pre-applications, as further detailed below, were submitted to the Department for consideration of an inducement resolution;

**WHEREAS**, at the Board meeting of April 8, 2021, Resolution No. 21-027 was approved authorizing the issuance of Multifamily Housing Revenue Bonds for Corona Del Valle, Series 2021;

**WHEREAS**, at the Board meeting of March 10, 2022, Resolution No. 22-017 was approved authorizing the issuance of Multifamily Housing Revenue Bonds for Socorro Village, Series 2022;

**WHEREAS**, as a result of unforeseen changes in circumstances following the Board's approvals of the original Resolutions and issuance of the original Bonds, including inflation and related increases in construction costs, the Owners have requested that the Department issue additional revenue bonds or notes in one or more series for the purpose of providing additional tax-exempt bond financing for the Developments as further described herein; and

**WHEREAS**, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of Certificates of Reservation associated with each of the Developments;

**NOW, therefore, it is hereby**

**RESOLVED**, that based on the foregoing, Inducement Resolution No. 23-013, to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for the pre-applications listed herein, is hereby approved in the form presented to this meeting.

## **BACKGROUND**

**General Information:** The BRB administers the annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including, but not limited to, site eligibility and threshold, as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. With this being a supplemental bond issuance, it is acknowledged that eligibility and threshold were met at the time of the original bond issuance. It is anticipated that another public hearing will be required in order to meet federal requirements, and the transcript from that hearing will be presented to the Board for a decision on the issuance of bonds.

This inducement resolution would reserve approximately \$1,950,000 million in private activity bond volume cap. Staff notes that the Department's set-aside for the 2023 program year is approximately \$186,000,000. The pre-applications listed below are requesting approval for a supplemental bond allocation due to unforeseen economic circumstances and will be added to the Department's waiting list.

### **21600 – Corona Del Valle**

Corona Del Valle originally involved the acquisition and rehabilitation of 101 units located at 5453 Ridge Street, El Paso, El Paso County. Corona Del Valle was originally approved at the Board meeting held on April 8, 2021, and subsequently closed on July 9, 2021 with a bond issuance of \$8,500,000. A supplemental bond allocation is being requested to aid in the absorption of increased costs in order to satisfy the 50% Test, which is anticipated to be approximately 52% with a final bond amount of \$9,500,000. The Development is proposed to have a Priority 1a designation, and will continue to serve the general population. The development proposes 51 units to be rent and income restricted at 50% of Area Median Family Income and 50 units to be rent and income restricted at 60% of Area Median Family Income. The Department has not received letters of support or opposition for the proposed development.

Bond Inducement Amount: \$1,000,000

### **22604 – Socorro Village**

Socorro Village originally involved the acquisition and rehabilitation of 52 units located at 148 Buford Road, Socorro, El Paso County. Socorro Village was originally approved at the Board meeting held on March 10, 2022, and subsequently closed on July 15, 2022, with a bond issuance of \$6,350,000. A supplemental bond allocation is being requested to aid in the absorption of increased costs in order to satisfy the 50% Test, which is anticipated to be approximately 52% with a final bond amount \$7,300,000.

The Development is proposed to have a Priority 1a designation, and will continue to serve the general population. The development proposes 27 units to be rent and income restricted at 50% of Area Median Family Income and 25 units to be rent and income restricted at 60% of Area Median Family Income. The Department has not received letters of support or opposition for the proposed development.

Bond Inducement Amount: \$950,000

## RESOLUTION NO. 23-013

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

WHEREAS, the Texas Department of Housing and Community Affairs (the “Department”) has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended, (the “Act”) for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the “State”) intended to be occupied by persons and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds or notes for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds or notes; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multifamily residential rental development loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds or notes; and

WHEREAS, on April 8, 2021, the Governing Board of the Department (the “Board”) approved Resolution No. 21-027 (the “CDV Resolution”) authorizing the issuance of its Multifamily Housing Revenue Bonds (Corona Del Valle), Series 2021 (the “CDV Bonds”) and the use of the proceeds of the CDV Bonds to make a mortgage loan to CDV 34, LLC, a Texas limited liability company (the “CDV Owner”) in connection with the acquisition, rehabilitation and equipping of a qualified residential rental development known as Corona Del Valle Apartments, as described in the CDV Resolution and as more fully described in Exhibit A attached hereto (the “CDV Development”); and

WHEREAS, on March 10, 2022, the Board approved Resolution No. 22-017 (the “Socorro Resolution,” and together with the CDV Resolution, the “Original Resolutions”) authorizing the issuance of its Multifamily Housing Revenue Bonds (Socorro Village), Series 2022 (the “Socorro Bonds,” and together with the CDV Bonds, the “Original Bonds”) and the use of the proceeds of the Socorro Bonds to make a mortgage loan to Socorro Village 34, LLC, a Texas limited liability company (collectively with the CDV Owner, the “Owners”) in connection with the acquisition, rehabilitation and equipping of a qualified residential rental development known as Socorro

Village, as described in the Socorro Resolution and as more fully described in Exhibit A attached hereto (collectively with the CDV Development, the “Developments”); and

WHEREAS, as a result of unforeseen changes in circumstances following the Board’s approvals of the Original Resolutions and issuance of the Original Bonds, including inflation and related increases in construction costs, the Owners have requested that the Department issue additional revenue bonds or notes in one or more series for the purpose of providing additional tax-exempt bond financing for the Developments; and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Development will satisfy State law, Section 142(d) and other applicable Sections of the Internal Revenue Code of 1986, as amended (the “Code”) and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for some or all of the costs associated with the Development listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the “Application”) with the Texas Bond Review Board (the “Bond Review Board”) with respect to the tax-exempt Bonds to qualify for the Bond Review Board’s Allocation Program in connection with the Bond Review Board’s authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

## ARTICLE 1

### OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its bonds or notes (the “Bonds”) in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department’s credit underwriters for financial feasibility; (ii) review by the Department’s staff and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the “Attorney General”); (v) satisfaction of the Board that the respective Development meets the Department’s public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto (“Costs of the Developments”) from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition, construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owner for costs of its Development.

Section 1.8. Costs of Development. The Costs of the Developments may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with

or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department (“Bond Counsel”), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments’ necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a “related person” to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department’s official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director of the Department, the Director of Financial Administration of the Department, the Director of Bond Finance of the Department, the Director of Multifamily Bonds, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution

## ARTICLE 2

### CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Development and Owner. The Board finds that:

- (a) the Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) the Owner will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the Owners are financially responsible;
- (d) the financing of the Developments is a public purpose and will provide a public benefit; and
- (e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation,

assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

## ARTICLE 3

### GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with Section 2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 8th day of December, 2022.

**EXHIBIT "A"**

Description of the Owners and the Developments

Project Name	Owner	Principals	Amount Not to Exceed
Corona Del Valle Apartments	CDV 34, LLC, a Texas limited liability company	Managing Member: CLJR CDV 34 MM, LLC, a Texas limited liability company	\$1,000,000
Costs – Acquisition/rehabilitation of an 101-unit affordable, multifamily housing development known as Corona Del Valle Apartments, located at 5453 Ridge Street, El Paso, El Paso County, Texas 79932			

Project Name	Owner	Principals	Amount Not to Exceed
Socorro Village	Socorro Village 34, LLC, a Texas limited liability company	Managing Member: CLJR Socorro Village 34 MM, LLC, a Texas limited liability company	\$950,000
Costs – Acquisition/rehabilitation of a 52-unit affordable, multifamily housing development known as Socorro Village, located at 148 Buford Road, Socorro, El Paso County, Texas 79927			

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action regarding authorization to release a Notice of Funding Availability for 2023 Community Services Block Grant Discretionary funds for education and employment initiatives for Native American and migrant seasonal farm worker populations

**RECOMMENDED ACTION**

**WHEREAS**, Community Services Block Grant (CSBG) funds are awarded annually to the Texas Department of Housing and Community Affairs (the Department) by the U.S. Department of Health and Human Services (USHHS);

**WHEREAS**, the Department reserves 90% of the allotment for CSBG eligible entities to provide services/assistance to the low-income population in all 254 counties; up to 5% for state administration expenses; and the remaining amount for state discretionary use;

**WHEREAS**, at the Board meeting of June 17, 2021, the Department established a set aside of \$1,750,000 for 2022 and 2023 CSBG Discretionary (CSBG-D) activities in the 2022-2023 CSBG State Plan, including \$300,000 per year for Native American and migrant seasonal farm worker population education and employment initiatives; and

**WHEREAS**, CSBG-D funds for Native American and migrant seasonal farm worker population education and employment initiatives will be made available to eligible applicants to carry out the purpose of the CSBG pursuant to 42 U.S. Code Chapter 106;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director be granted the authority to release a Notice of Funding Availability (NOFA) for 2023 CSBG-D funds for Native American and migrant seasonal farm worker population education and employment initiatives;

**FURTHER RESOLVED**, that to the extent that subsequent revisions to the NOFA are required in order to facilitate the use of the funds by the applicants, the Board also authorizes staff to make such revisions in accordance with, and to the extent limited by the CSBG federal and state regulations;

**FURTHER RESOLVED**, that the budget for USHHS has not yet been passed by Congress and the Department reserves the right to cancel this NOFA at its sole discretion if insufficient 2023 CSBG funding is received; and

**FURTHER RESOLVED**, that staff is authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such other acts as may be necessary to effectuate the foregoing.

### **BACKGROUND**

Each year the Department sets aside 5% (approximately \$1,750,000) of its annual CSBG allocation for state discretionary use. Each year funds from CSBG-D are used for specific identified activities that the Department supports and other ongoing initiatives such as employment and education programs for Native American and migrant seasonal farm workers. For 2023, \$300,000 has been targeted for Native American and migrant seasonal farm worker populations for employment and education programs for which the Department is issuing this NOFA. This amount is substantively unchanged from the amounts programmed for this activity last year. The Department will release funds competitively. The budget for USHHS has not yet been passed by Congress, and the Department reserves the right to cancel this NOFA at its sole discretion if insufficient 2023 CSBG funding is received.

In the event that the Department does not have sufficient eligible applications to fund this activity, the Department may, at the discretion of the Executive Director, reprogram the funds from this activity into another eligible discretionary activity specified in the 2022-2023 CSBG State Plan.

The Department's anticipated Contract Term for Program Year 2023 CSBG-D Native American and migrant seasonal farm worker education and employment initiatives is March 1, 2023, through February 29, 2024.

The NOFA and Scoring Attachment B are attached for review and approval as part of this item. The other attachments referenced in the NOFA, Attachments A and Attachments C through H, are submission forms of required information or certifications, and are not included within this Board Action Request.



## **Notice of Funding Availability (NOFA) for 2023 Community Services Block Grant (CSBG) Discretionary Funds for Education and Employment Services to Native American and Migrant Seasonal Farm Worker (MSFW) Populations**

The Texas Department of Housing and Community Affairs (the Department) is pleased to announce a NOFA for 2023 CSBG Discretionary funds for education and employment services to Native American and MSFW populations. The Department is seeking organizations interested in administering projects focused on employment and education in Native American and MSFW populations.

Interested applicants must meet the requirements set forth in the application and must submit a complete application through the established system described in the NOFA before **Tuesday, January 10, 2023, 5:00 p.m. Austin local time.**

The Notice of Funding Availability (NOFA) is available on the Department's web site at <http://www.tdhca.state.tx.us/nofa.htm> and the application forms referenced in this packet and submission instructions are available on the Department's web site at <https://www.tdhca.state.tx.us/community-affairs/nofas.htm>. The Department looks forward to receiving your completed application. Should you have any related questions, please contact Rita Gonzales-Garza at (512) 475-3905 or [rita.garza@tdhca.state.tx.us](mailto:rita.garza@tdhca.state.tx.us).

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## I. Application Instructions

### A. Application Deadline:

All applications must be submitted before **Tuesday, January 10, 2023, 5:00 p.m. Austin local time.**

### B. Electronic Submission:

All applications must be submitted electronically to be considered eligible applications. Applications must be submitted through the Wufoo system using the following link:

<https://tdhca.wufoo.com/forms/native-americansmigrant-seasonal-farm-worker-nofa/>

### C. Application Questions

Application questions may be submitted via electronic mail to [rita.garza@tdhca.state.tx.us](mailto:rita.garza@tdhca.state.tx.us). Answers will be provided in the order in which they are received. Please do not submit the same question twice as you await a response.

**The deadline to submit questions related to the content of the NOFA and Application is Monday, January 9, 2023, by 5:00 p.m. CST (Austin local time).** Questions related to the content of the NOFA submitted after this deadline may not be answered.

## II. Proposed Timeline for NOFA and Application

Date	Action
December 9, 2022	The application will be available through the TDHCA Website: <a href="http://www.tdhca.state.tx.us/nofa.htm">http://www.tdhca.state.tx.us/nofa.htm</a>
January 9, 2023 5:00 p.m. (Austin local)	Deadline to submit questions regarding the NOFA and application prior to application submission
January 10, 2023 5:00 p.m. (Austin local/CST)	Deadline for Applicants to submit applications in response to this NOFA
February 9, 2023	Anticipated date for the Department to present funding recommendations to Board of Directors
March 1, 2023	Anticipated Contract Start Date*
February 29, 2024	Anticipated Contract End Date*

\*Any Appeal may delay the Contract Start and End Date

## III. General Information

### A. Background

The Department has been designated as the state agency to administer the CSBG Program. On an annual basis, the Department receives CSBG funds from the U.S. Department of Health and Human Services (USHHS) to ameliorate the causes of poverty within communities.

The Department is permitted to reserve up to 5% of CSBG funds for state discretionary use for which the Department's Board has determined specific uses. This NOFA releases the portion of these 2023 CSBG Discretionary (CSBG-D) funds aimed at education and employment services for Native Americans and MSFWs.

Capitalized words in this NOFA, unless otherwise defined herein, have the meaning outlined in Chapter 2306 of the Texas Government Code or in Title 10 Texas Administrative Code (TAC), Chapters 1, 2, or 6, as applicable.

**B. CSBG-D Subrecipient Performance Requirements:**

This NOFA is for services to Native American and MSFW populations. The NOFA will provide funding to organizations to provide new or existing projects that provide education and/or employment assistance and services focusing on the direct needs of individuals and families within the MSFW population or the Native American population. The successful applicant must ensure that participants receive case management along with employment and/or education assistance and services.

This activity must be completed throughout the 12-month Contract Term. The Contract Term is anticipated to be March 1, 2023, through February 29, 2024.

Subrecipient must complete activities that have the following results:

- For employment projects, an increase in employment skills or increase in persons assisted in obtaining jobs; and/or
- For education projects, an increase in education and or skills that are expected to lead to an increase in income.

Persons eligible for direct assistance must have an annual income at or below 125% of the Federal Poverty Income Guidelines issued annually by HHS.

**C. Funds Available and Award Amounts**

In this NOFA, the Department makes available \$300,000 of 2023 non-formula CSBG funds to be utilized for the following discretionary projects:

- Category 1: Migrant Seasonal Farm Worker Employment Assistance and Services Projects (Two projects at \$100,000 each) \$200,000
- Category 2: Native American Education Employment Assistance and Services Projects \$100,000

An applicant must apply for \$100,000 per application and an applicant (or Affiliate as defined in 10 TAC §6.2(b)(1)) is limited to receiving an award in only one category (unless no other eligible applications under either Category are recommended). If applying in both categories, the applicant must indicate in the application on Attachment A which award it will accept if the score results in a recommendation for both.

If sufficient eligible applications are received that meet threshold criteria it is anticipated that three awards of \$100,000 each will be made by the Department’s Board of Directors (Board). The Department intends to fund the two highest scoring applications for assistance to the MSFW population, and the one highest scoring application for assistance to the Native American population. However, if sufficient eligible applications are not received to accomplish that, then the next highest scoring application meeting threshold and scoring criteria in either category will be recommended. If no other applications in either category remain, except from an applicant (or Affiliate) that has already been recommended for an award, the Department may recommend a second award to the next highest scoring application. In the event that the Department does not receive sufficient eligible applications in response to this NOFA to exhaust available funding, the Department reserves the right to reprogram the funds.

The availability of 2023 CSBG-D funds to subrecipient organizations is dependent on the Department’s receipt and availability of funds from USHHS. Access to funds may be limited to the amount of 2023 CSBG-D funds available to the Department from USHHS, and is subject to Board decisions regarding its use.

#### **D. Eligible Applicant Organizations**

Organizations eligible to apply for CSBG-D NOFA funds are: Private Nonprofit Organizations with 501(c) status, Public Housing Authorities, Local Mental Health Authorities, Units of General Local Government, and Regional Councils of Governments who are proposing an educational and/or employment project targeted to either MSFW populations or Native Americans.

#### **E. Ineligible Applicant Organizations**

Organizations ineligible to apply for the competitive 2023 CSBG-D funds are:

- Private Nonprofit Organizations that do not have a Certificate of Formation (or Articles of Incorporation);
- Private Nonprofit Organizations that the Texas Secretary of State's Office website does not state are authorized to do business in Texas;
- Organizations for which persons on the organization's governing body or employees are debarred or suspended by the Department or another governmental agency; and
- Organizations for which persons on the organization's governing body or employees are on the suspended or debarred listed for the System for Award Management in accordance with 2 CFR Part 180 and 2 CFR Part 376.

#### **F. Private Nonprofit Organizations.**

The Department is not requiring that an organization submit a Certificate of Formation or proof of eligible status. However, it is the applicant's responsibility to ensure that its information including its Certificate of Formation (formally known as Articles of Incorporation) with the Texas Secretary of State's Office is correct and complete at the time of application. The Department will confirm proof of active status directly with the Texas Secretary of State. No administrative deficiencies will be issued for failure to have the appropriate status and governing documents reflected on the Secretary of State's Office when confirmed by the Department. Failure to have this information will cause the application to be terminated without further review as further described in Section VI, A of the NOFA.

#### **G. Registration Requirements**

Prior to contract execution, the successful applicant must provide the Department with the organization's Unique Entity Identifier (UEI) (formerly known as Data Universal Numbering System (DUNS)) and proof of registration with the System for Award Management (SAM). If the organization is not registered, go to <https://www.sam.gov> to renew, update, or create a new registration.

### **IV. State and Federal Requirements**

Subrecipient shall comply with all provisions of the Federal and State laws and regulations listed below and in Attachment G, including but not limited to:

Public Law 105-285, Title II - Community Services Block Grant Program, Subtitle B Community Services Block Grant Program of the Community Services Block Grant Act, Chapter 106 of the Community Services Block Grant Act (42 U.S.C. §9901 *et seq.*), as amended by the "Community Services Block Grant Amendments of 1994" (P.L. 103-252) and the Coats Human Services Reauthorization Act of 1998 (P.L. 105-285);

Chapter 2306 of the Texas Government Code;

Title 10 Texas Administrative Code, Part 1, Chapters 1 and 2;

Title 10 Texas Administrative Code, Part 1, Chapter 6, Subchapters A and B;

2 CFR Part 200, as applicable; and  
Texas Grant Management Standards.

Subrecipient shall also comply with the Drug-Free Workplace Act of 1988, the Pro-Children Act of 1994, Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794), the Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. 12101 et seq.) and Executive Order 13166 of August 11, 2000 related to Limited English Proficiency.

Subrecipient shall practice non-discrimination and provide equal opportunity in compliance with federal law in keeping with the President's Executive Order 11246 of September 24, 1965, and ensure that a person shall not be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of or in connection with any program or activity funded in whole or in part with funds made available under this contract, on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief.

Subrecipient shall comply with political activity prohibitions and shall not utilize CSBG funds to influence the outcome of any election, or the passage or defeat of any legislative measure or to directly or indirectly hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of subrecipients, the State of Texas, or the government of the United States. Subrecipient shall comply with 45 CFR. §87.2 and ensure that CSBG funds are not to be used for sectarian or inherently religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation.

Subrecipient shall comply with Chapter 2264 of the Texas Government Code and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

Subrecipient is not permitted to award any funds provided by this contract to any party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549. The Subrecipient will be required to agree that prior to entering into any agreement with a potential subcontractor that the verification process to comply with this requirement will be accomplished by checking <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf>

## **V. Application Content**

Attachments A-H are Threshold Documents. Each page of the application, excluding the Single Audit, must be numbered. Each Application must contain the items listed below in the following order:

- Table of Contents – must include page numbers.
- Attachment A – Applicant Information Form – Form must be placed on the top of the application.
- Attachment B – Application Questions Parts 1-4 – Complete the NOFA Application Questions document. Applications that do not include a completed document with responses to NOFA questions will be deemed ineligible. Please use the following format to provide any information which is requested in response to questions if the space provided in the Excel worksheet is insufficient:
  - ✓ 11 font
  - ✓ Standard 8½ " x 11" paper with 1" margins
  - ✓ Provide brief descriptions of requested information.

- Attachment C – Audit Information – All applications must include the following documents relating to fiscal accountability, even if this information has been previously submitted to the Department.
  - A. An application must include a completed Audit Certification Form, found on the Department’s website at <http://www.tdhca.state.tx.us/pmcomp/forms.htm>.
  - B. An organization that is subject to the Federal Single Audit Act requirements must certify that the Single Audit for the latest fiscal year is available at the Federal Audit Clearinghouse. An Organization that is subject only to the State Single Audit Act must submit one copy of the organization’s most recent Single Audit report.
  - C. An organization not subject to either the Federal or the State Single Audit requirements must submit one copy of a third-party audit of financial statements prepared by a Certified Public Accountant, including any notes to the audit.
  - D. A Private Nonprofit Organizations not subject to either the Federal or State Single Audit Act requirements and who have received LIHEAP or CSBG funds in the last fiscal year from the Department are not required to submit a separate audit. For these organizations, the previous participation review will suffice as the measure to determine organizational financial health.
- Attachment D – Uniform Previous Participation Form for Single Family and Community Affairs.
- Attachment E – Certifications Regarding Legal Actions, Debarment & Compliance with Laws.
- Attachment F – Private Nonprofit Organization’s Tax-Exempt Status Documentation. Existing Internal Revenue Service (IRS) ruling – All private nonprofit organizations must provide documentation of their status as a tax-exempt entity under Section 501(c) of the Internal Revenue Code. The ruling should be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings from the IRS are not acceptable. If an organization is a subsidiary of a parent organization, documentation of the parent organization’s IRS ruling and a copy of the page listing the affiliate organization in the documents filed with the IRS by the parent organization.
- Attachment G – Applicant Certifications
 

The certification must be signed by the organization’s Executive Director or equivalent title, with contractual signatory authority. If such cannot be attested, then attach a document explaining why.
- Attachment H – CSBG Budget Worksheets
  - A. The proposed budget for CSBG is to be submitted utilizing the Attachment H form. There are several tabs within the spreadsheet to complete. Complete the budget based on the estimated funds available noted in Section III. C (i.e., \$100,000).
  - B. This NOFA does not have limitations on the amount of funds utilized for the provision of direct services or for the costs of staff assigned to provide the direct services, as long as the costs meet federal and state requirements.

## VI. Application Review Process

### A. Eligibility Prescreening Review

The Department will review applications to determine if they meet the following eligibility prescreening criteria. If the Department determines that any of these criteria have not been satisfied, the application will not be reviewed and the applicant will be sent a notice of the elimination of their application from consideration, and notified of their opportunity to appeal. The prescreening criteria are:

- All application threshold documents A through H must be submitted by the application deadline.
- Application documents must be submitted electronically to be considered eligible applications. Applications are to be submitted through the Wufoo using the following link: <https://tdhca.wufoo.com/forms/native-americansmigrant-seasonal-farm-worker-nofa/>
- An Applicant must meet all requirements as set forth in III. General Information, D. Eligible Applicant Organizations; and
- An Applicant must not be an ineligible applicant organization as set forth in III. General Information, E. Ineligible Applicant Organizations.

Any applicant not meeting these threshold criteria will be terminated. A notice of termination will be sent, and an applicant will have an opportunity to appeal the decision in accordance with 10 TAC §1.7, Staff Appeals Process.

### B. Deficiency Notices

After the application receipt deadline, the Department will not consider any unsolicited information that an applicant may want to provide. If the Department identifies deficiencies within the Attachments it will issue a deficiency notice to request the deficiency be resolved. In addition to a deficiency notice, if the Department identifies an Attachment to be missing, 5 points for each missing Attachment (A through H) will be automatically deducted from the final score. *Applicants will have three (3) business days from the date of issuance of the deficiency notice to provide the requested information.* Deficiency notices will be e-mailed to the applicant's chief executive and the person specified as the "person to contact with application questions" in the applicant information form (Attachment A). If the applicant does not provide the requested information within the 3 business day time period, the applicant will be sent a notice indicating termination of the application.

### C. Scoring of Applications

Applications received from eligible organizations with no threshold deficiencies will be reviewed and scored by the Department. The Department will utilize a standard scoring instrument to evaluate, score, and rank each application. The scoring instrument will award points based on the applicant's response to the requested information in Attachment B. The Department reserves the right to reject applications with a score below 50% of the maximum eligible points. If all applicants score below the minimum point threshold, the Department reserves the right to review the top overall scoring entity and if, in the Department's judgment, they can appropriately administer the CSBG-D funds, may recommend an award to its Governing Board.

Upon completion of scoring each application, applicants will be provided a scoring notice with an opportunity to appeal.

The Department will consider and evaluate prior monitoring and/or audit issues during its application scoring. Additionally, other factors to be considered in the scoring of each application will include, but not be limited to:

- Capacity to effectively administer federal funds and to ensure compliance with regulations;
- Ability to demonstrate staff and organizational capacity to deliver the proposed services; and,
- Ability to demonstrate positive past performance with Department or other federally funded programs, including the results of Department monitoring reviews, timeliness of submission of reports, and other information deemed relevant to performance.

#### **D. Awards**

Applicants whose applications score competitively will be reviewed by the Department’s Executive Award Review Advisory Committee in accordance with 10 TAC Chapter 1, Subchapter C, and subsequently brought to the Department’s Governing Board for consideration of an award.

#### **E. Appeals Process**

An appeal of a staff determination must be submitted in writing and in accordance with the Texas Administrative Rule Title 10, Part 1, Chapter 1, Subchapter A, §1.7 which can be found at the Secretary of State’s website at:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=10&pt=1&ch=1&sch=A&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=1&sch=A&rl=Y).

### **VII. Appendices**

#### **Federal and State Resources:**

CSBG Act, COATES Human Services Reauthorization Act of 1998, available at

<https://www.acf.hhs.gov/ocs/resource/community-services-block-grant-statute>

Texas Administrative Code - 10 TAC Chapter 1, Administration, available at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=4&ti=10&pt=1&ch=1](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=1)

Texas Administrative Code - 10 TAC Chapter 2, Enforcement, available at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=4&ti=10&pt=1&ch=2](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=10&pt=1&ch=2)

Texas Administrative Code - 10 TAC Chapter 6, Subchapter A, General Provisions, available at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=10&pt=1&ch=6&sch=A&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=A&rl=Y)

Texas Administrative Code - 10 TAC Chapter 6, Subchapter B, Community Services Block Grant, available at

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=10&pt=1&ch=6&sch=B&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=6&sch=B&rl=Y)

### **VIII. List of Attachments**

Attachments are posted separately on the TDHCA website as fillable MS Excel documents at

<https://www.tdhca.state.tx.us/community-affairs/nofas.htm>

- Attachment A-G:
  - Attachment A: Applicant Information Form
  - Attachment B: Application Questions Parts 1-4
  - Attachment C: Audit Information
  - Attachment D: Uniform Previous Participation Information
  - Attachment E: Certifications Regarding Legal Actions, Debarment & Compliance with Laws
  - Attachment F: Private Nonprofit Organization’s Tax-Exempt Status Documentation
  - Attachment G: Applicant Certifications
- Attachment H: CSBG Budget Worksheets

**NOFA for 2023 CSBG Discretionary Funds for Native American and MSFW Populations**

**Attachment B: Part 1 - Experience**

**Applicant Name:**

0

**Instructions:**

When responding to the questions in Attachment B - Part 1 - 4:

- 1. Attachments:** Applicant must complete all areas highlighted in **yellow** and upload attachments according to the instructions found on the Wufoo submission page.
- 2. Responses:** If the response is provided in a separate document, please ensure that the response is uploaded as the appropriate entry in the Wufoo submission. If the Department is unable to clearly determine which question the response pertains to, the applicant may not receive points for their response.
- 3. Years of Experience:** When responding to years of experience, if the experience is 6 months or greater, round your response up to one year. If it is less than six months, do not. For example: 1 year 5 months would be 1 year and 1 year 6 months would be 2 years.
- 4.** All applicants must complete all parts of the application questions.

**Attachment B: Part 1 - Experience**

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
1.1	The applicant's experience administering other state or federally funded programs subject to 2 CFR Part 200 or UGMS/TXGMS (currently administered directly by applicant) during the past 10 years. Other grant funds from the Texas Department of Housing and Community Affairs (TDHCA), excluding the CSBG Discretionary grant, are to be included. If applicant received the grant for more than one fiscal year, list each year it was received.	State or federally funded grant programs administered: Note: A maximum of 50 points will be awarded. • 5 points for each state or federally funded program administered Note: points will not be given for TDHCA CSBG Discretionary grant.	50			

**Table 1.1** In the table below, list all current state or federally funded grant programs administered directly by the applicant and the number of years administering the grant (indicate each grant source only once), including TDHCA funds. Add additional pages as necessary.

Grant Name	Funding Entity Providing Award	Purpose of Award	# Years of Award	Federal or State Funds (Y/N)

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
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1.2	<p>Provide the following information on the experience in delivering <b>employment skills or employment related assistance</b> for the population for which applicant is applying (i.e., either Native American or migrant seasonal farm worker). For example, if the applicant indicated they are applying for funds to assist Native American populations, they will only receive points for this question only if the experience relates to assisting Native Americans. No points will be given if you do not specify whether the experience or persons served were MSFW or Native American.</p>	<p>In assigning points, reviewer will consider the depth to which the nature of the experience in delivering <b>employment skills or employment related assistance</b> is described:</p> <p>a. A maximum of 30 points will be awarded, based on whether the population served includes the population for which the applicant is applying (i.e., either Native American or migrant seasonal farm worker), and the depth of relevant employment skills or employment related assistance experience with either Native Americans or migrant seasonal farm workers (as applicable). Number of points awarded will be dependent on the specificity of description and experience related to direct employment skills or employment related assistance with the targeted population.</p> <p>b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct employment skills or employment related assistance to the targeted population.</p> <p>c. Provide points for the number of unduplicated persons (MSFW or Native Americans) served with employment skills or employment related assistance for the most recently completed TDHCA CSBG Discretionary contract that were:  5-15 persons award 5 points;  16-29 persons award 10 points;  30-45 persons award 20 points  46-55 persons award 30 points  56+ persons award 40 points</p>	80			
<p>a. In the space below, provide a detailed description of relevant prior experience providing services related to employment skills or employment related assistance enabling persons to improve their employability or increase wages for the particular target population (MSFWs or Native Americans) for which the applicant is applying. Must indicate whether the experience was targeted to providing those services to either Native American or MSFW in order to receive points. If general population, explain such.</p>						

b. In the space below, in reference to what is described in a. above, provide information on the number of years (and include particular years i.e. 2015-2020) of relevant experience providing direct employment skills or employment related assistance to the population for which the applicant is applying (i.e., either Native Americans or migrant seasonal farm workers).

c. In the space below, provide information on either the number of unduplicated Native Americans or the number of unduplicated migrant seasonal farm workers that were served by the applicant for the most recently **completed** TDHCA CSBG Discretionary contract with employment skills or employment related assistance. Specify: 1) the time period of the contract and 2) the number of persons served by each targeted population.

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
1.3	Provide the following information on the experience in delivering <b>education related assistance</b> for the population for which applicant is applying (i.e., either Native American or migrant seasonal farm worker). For example, if the applicant indicated they are applying for funds to assist Native American populations, they will only receive points for this question only if the experience relates to assisting Native Americans. No points will be given if you do not specify whether the experience or persons served were MSFW or Native American.	In assigning points, reviewer will consider the depth to which the nature of the experience in delivering <b>education related assistance</b> is described: a. A maximum of 30 points will be awarded, based on whether the population served includes the population for which the applicant is applying (i.e., either Native American or migrant seasonal farm worker), and the depth of relevant experience in providing direct education related assistance experience with either Native Americans or migrant seasonal farm workers (as applicable). Number of points awarded will be dependent on the specificity of description and experience related to direct	80			

education related assistance with the targeted population.

b. A maximum of 10 points may be awarded, with 4 points for 2 years of experience, 8 points for 3-4 years, 10 points for 5+ years of providing direct education related assistance to the targeted population.

c. Provide points for the number of unduplicated persons served with education related assistance in the previous 12 months that were either Native American or migrant seasonal farm workers:  
5-15 persons award 5 points;  
16-29 persons award 10 points;  
30-45 persons award 20 points  
46-55 persons award 30 points  
56+ persons award 40 points

a. In the space below, provide a detailed description of relevant prior experience providing services related to increasing individuals education aimed at improving their employability or increasing their wages (types of services, etc.) for the particular target population (MSFWs or Native Americans) for which the applicant is applying. Must indicate whether the experience was targeted to providing those services to either Native American or MSFW in order to receive points. If general population, explain such.

[Empty yellow response area for question a]

b. In the space below, in reference to what is described in a., provide information on the number of years (and include particular years i.e. 2015-2020) of relevant experience providing direct education related assistance to the population for which the applicant is applying (i.e., either Native Americans or migrant seasonal farm workers).

[Empty yellow response area for question b]

c. In the space below, provide information on either the number of unduplicated Native Americans or the number of unduplicated migrant seasonal farm workers that were served by the applicant for the most recently **completed** TDHCA CSBG Discretionary contract with direct education related assistance. Specify: 1) the time period of the contract and 2) the number of persons served by each targeted population.



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**NOFA for 2023 CSBG Discretionary Funds for Native American and MSFW Populations**

**Attachment B: Part 2 - Prior Performance**

**Applicant Name:**

0

**Attachment B: Part 2 - Prior Performance**

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
2.1	<p>In the table below, list all funded programs administered and monitored in the past 3 years.</p> <p>Provide copies of the most recent monitoring reports for each of the programs listed in response to question 1.1. If the grant has <b>not been monitored</b>, provide information on the name of agency providing funds, contact name, email and phone number and an explanation as to why it hasn't been monitored.</p> <p>Provide follow-up responses from funding agency and your organization to demonstrate resolution of monitoring findings/deficiencies. If follow-up response has not been released, explain.</p> <p>For ease of review, please number the pages of the documents, even if the numbering is handwritten.</p> <p>Deficiencies are those which identify issues related to fraud, waste, abuse, or financial irregularity, or <u>significant</u> non-compliance with either federal rules, state regulations/rules including, but not limited to 2 CFR Part 200 or Uniform Grant Management Standards/Texas Grant Management Standards.</p>	<p>Number of monitoring concerns, findings/deficiencies (or other comparable terms), and disallowed costs identified in monitoring reviews of federal and state funded programs.</p> <p>(1) for each concern, deduct -2 points                      (2) for each finding which is not significant, deduct -4 points:                      (3) for each finding which is significant, deduct -8 points. Significant findings are those such as ones related to questioned costs or potentially ineligible costs related to client financial assistance to ineligible clients or cost allocation issues:                      (4) For each monitoring report of any State or federal funds which had disallowed costs under \$1000, deduct -12 points, in addition to point deductions related to (2) and (3) above.                      (5) For each monitoring report of any State or Federal funds which had disallowed costs \$1,000 and above, deduct -15 points, in addition to point deductions above.                      (6) Applicant shows history of not cooperating with or not submitting TDHCA requested monitoring documentation in the past 3 years: Deduct -20 points per fund source of non-cooperation.</p> <p>Note: If monitoring report and follow-up responses are not attached and/or explanatory information as to why a monitoring report is not provided: Deduct -4 points per funded program.</p> <p>Note: maximum point deduction -70 points total</p> <p>NOTE: If a monitoring report is not attached and/or explanatory information is not provided: Deduct -10 points per grant.</p>	(points to be deducted based on review)			

**Table 2.1** (Instruction: Please provide copies of the most recent monitoring reports for each funding source. If the grant has not been monitored in the past 36 months, provide a document from the funding source to that effect. Scan all monitoring reports into one document and include a cover page labeled as “Documents in response to Question #2.1” and number each page consecutively. The numbering can be handwritten at the bottom of each page.)

Funding Source	Name of Most Recent Monitoring Report	Page #	# of Concerns	Copy of Report attached (Y/N)	Amount of Disallowed Costs	
			# of Findings/Deficiencies	Date of Last Monitoring (MM/DD/YY)		
Section	Question and Response	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
2.2	In the most recently funded and last closed CSBG-D contracts, determine if applicant failed to submit their monthly performance or monthly expenditure reports or final performance or final expenditure reports to the Department by the due date?	If Departmental records show late submissions of performance or expenditure reports during the most recently funded and last closed CSBG-D contracts: Deduct -2 points per late submission No late submissions = 0 points	(points to be deducted based on review)			

	<p><b>Response:</b> If Yes some were submitted late, list which type of report (fiscal or performance) below in highlighted area:</p>					
2.3	<p>Has the applicant been placed on a modified cost reimbursement basis of payment for TDHCA Community Affairs funded programs during the past 3 years (a contract sanction whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs)?</p> <p><b>Response:</b> Select Yes or No in the drop down menu of the cell below:</p>	<p>Applicant's history of being on a modified cost reimbursement method of payment for TDHCA Community Affairs Division funded programs.</p> <ul style="list-style-type: none"> <li>• Yes, during the past 3 years: Deduct -20 points</li> <li>• Yes, currently on modified cost reimbursement: Deduct -50 points</li> <li>• No, not during the past 3 years: 0 point deduction</li> </ul>	(points to be deducted based on review)			
	<p>Is the applicant currently on a modified cost reimbursement method of payment for TDHCA funded programs?</p> <p><b>Response:</b> Select Yes or No in the drop down menu of the cell below:</p>					
2.4	<p>Provide the following information related to your organization's expenditures of CSBG Discretionary funds for the most recently completed TDHCA CSBG Discretionary contract. If no funding was received, leave blank.</p>	<p>Prior Performance - Expenditures: For each percentage point not spent per year, one point will be deducted. (i.e., 81.4% = 19 points deducted, 81.5% = 18 points deducted)</p> <p>Note: Indicate in <b>yellow</b> below the requested information. The Department will verify expenditures from our records.</p>	(points to be deducted based on review)			
Year	Contract Period	CSBG Discretionary Award Amount	Final Expenditure Amount		% of Funds Expended	
Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
2.5	Complete the table below. Provide the	Prior Performance Persons Served	(points to be			

	requested information for the most recently completed TDHCA CSBG Discretionary contract.	<ul style="list-style-type: none"> <li>Deduct 3 points for every performance statement target for which 90% of the target that was not met. Deductions will not be taken for exceeding the target.</li> </ul> <p><b>Note:</b> The Department will verify performance from our records.</p>	deducted based on review)			
Contract Period Dates	Performance Statement #	Description of activity/service (per TDHCA contract) <b>Note:</b> include all performance statements in the contract	Number to Be Served (target)	# of Persons Reported in Final Performance Report		% of Target Achieved
Section	Question and Response	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)

<p><b>2.6</b></p>	<p><b>Audit:</b>  Submit the most recently completed Single Audit or third-party audit. The Single Audit submitted should be the one due as per State and Federal requirements. Also include management letters and responses to management letters as applicable. Submit/upload with Attachment C.</p> <p>If the audit indicates that the findings/questioned costs, disallowed costs, or internal control deficiencies/ concerns, are the same as those raised in the monitoring reports already addressed in Section 2.1, the application will not lose points in both areas for those items. Section 2.1 will be scored first, and any additional point deductions will be applied here.</p> <p>An organization <i>not</i> subject to either the Federal or the State Single Audit requirements must submit one copy of a third-party audit of financial statements prepared by a Certified Public Accountant, including any notes to the audit. Submit/upload with Attachment C.</p> <p>Private Nonprofit Organizations that have expended less than \$750,000 in Federal or State funds <u>and</u> who have received LIHEAP or CSBG funds from the Department in the last fiscal year are not required by federal or state law to have an audit and therefore are not required to submit a separate audit with this RFA. For these organizations, Section 2.1 will suffice as the scoring tool to be used for prior performance.</p>	<p>Three Scoring Areas:</p> <ol style="list-style-type: none"> <li>Audit Findings for most recent audit period <ul style="list-style-type: none"> <li>Audit with no findings: -0 points</li> <li>Audit with some findings (not significant): -15 points</li> <li>Audit with significant findings (Note that significant findings/deficiencies may deem an application ineligible): -30 points</li> </ul> </li> <li>Disallowed Costs for current audit period <ul style="list-style-type: none"> <li>No disallowed costs: 0 points</li> <li>Questioned costs: -5 points</li> <li>Disallowed costs (significance based on other than minor administrative error): -25 points if disallowed costs are 10% or more of the related grant award. If below 10% of the related grant award, deduct -10 points.</li> </ul> </li> <li>Internal Control Deficiencies or Material Weakness for current audit period <ul style="list-style-type: none"> <li>No internal control deficiencies or material weakness or concerns: 0 points</li> <li>Material weakness(es) identified: - 25 points</li> <li>Significant Internal Control Deficiency(ies) identified: -10 points</li> <li>Internal Control Deficiencies identified: -5 points</li> </ul> </li> <li>Single Audit has not been completed and is overdue (do not deduct points if an extension is allowed due to COVID-19): -50</li> <li>If applicant does not meet threshold for completing a Single Audit and has not had a third-party audit of financial statements prepared by a Certified Public Accountant, deduct -50 points.</li> </ol>	<p>TBD</p>	<p>0</p>	<p>0</p>	<p>0</p>
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**NOFA for 2023 CSBG Discretionary Funds for Native American and MSFW Populations**

**Attachment B: Part 3 - Efficiency**

**Applicant Name:**

0

**Attachment B: Part 3 - Efficiency**

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
3.1	<p><b>In the table below</b>, provide information on the costs that are proposed to be charged to the CSBG-D grant. Figures must align with Attachment H: Budget. Administrative costs include those expenses related to management staff such as the executive director, accounting staff, human resource staff, administrative personnel, and overhead costs related to same staff. The Department recommends limiting administrative costs (admin staff and their overhead costs) to no more than 20% of the funds requested.</p> <p><b>Programmatic costs</b> relate to costs for staff who provide direct client services and carry out duties such as intake, client interview, casework, case management, referrals, and follow-up. It also includes the overhead costs related to these direct client program staff.</p> <p>Direct client assistance costs relate to costs for direct assistance to clients such as education or employment related assistance (tuition, uniforms, books, etc.).</p> <p>In the table below, break out the part of the Overhead Costs that are administrative and programmatic.</p>	<p>Percentage of CSBG costs budgeted for <b>programmatic costs</b> (staff, fringe, and overhead related to programmatic staff) excluding direct client assistance costs:</p> <p>80-100%: 50 points                      60-79%: 40 points                      40-59%: 30 points                      20-39%: 20 points                      Less than 20%: 0 points</p> <p><b>NOTE:</b> If calculation for Programmatic Costs is found to be incorrect, 5 points will be deducted.</p>	50			

**Section 3.1 – Table**

<b>Proposed CSBG Budget</b>		<b>Format</b>	<b>Answer</b>
a. Administrative salaries and fringe related to administrative staff (for example Ex Dir, CFO, admin staff)		Dollar figure	
b. Programmatic salaries and fringe of program staff (for example program directors, case workers, homeless service liaison)		Dollar figure	
c. Direct Client Assistance costs (e.g. rent, food, education assistance, tuition) NOTE: From Budget Support Sheet B6.		Dollar figure	
d. Costs that are budgeted related to Travel, Supplies, Equipment, Contractual, and Other categories excluding indirect costs in category e.		Dollar figure	
e. Indirect costs (for applicants with a federally approved Indirect Cost Rate Plan or for entities claiming the de minimus rate)		Dollar figure	
f. Total CSBG-D funds requested in budget		Dollar figure a+b+c+d+e	\$ -
g. Percentage of total CSBG funds budgeted for <b>programmatic salaries and fringe of program staff</b>		Percentage b/f	#DIV/0!

<b>Section</b>	<b>Question</b>	<b>Scoring Mechanism</b>	<b>Maximum Points</b>	<b>Self-Score</b>	<b>(TDHCA use only)</b>	<b>(TDHCA use only)</b>
<b>3.2</b>	Provide information on the amount and percentage of the CSBG-D grant request that will be utilized for Direct Client Assistance, <b>excluding</b> any funds that will be used for salaries and overhead costs of Programmatic staff.  Figures for Section 3.1c above will be utilized for this question and should match Attachment H: Budget Sheet B6.  ☒	Percentage of CSBG costs budgeted for direct client assistance costs:  80-100%: 70 points 60-79%: 60 points 40-59%: 50 points 20-39%: 40 points 10-19% 30 points Less than 10%: 0 points  <b>NOTE:</b> If calculation is found to be incorrect, 5 points will be deducted.	<b>70</b>			

**3.2 Response:**

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NOFA for 2023 CSBG Discretionary Funds for Native American and MSFW Populations  
Attachment B: Part 4 - Proposed Employment and Education Services/Activities

**Applicant Name:**

0

**Attachment B: Part 4 - Proposed Employment and Education Services/Activities**

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.1	In the table below, briefly describe the initiatives and how your organization will implement the proposed initiatives and evaluate progress on accomplishing what is proposed. Break down the distinct tasks for the education initiative and the employment initiative separately. Make sure to relate the task to either education or employment initiatives.	<p><b>Evaluation of Initiative:</b> Review plan to evaluate proposed initiative and award points as follows: Evaluation plan should include, but not be limited to, identification of the tasks, steps to accomplish tasks, evaluation, frequency of evaluation, and a completion time.</p> <ul style="list-style-type: none"> <li>• Award up to 30 points if the tasks clearly set forth activities that will lead to accomplish what is proposed in the application.</li> <li>• Award up to 20 points if the steps to be taken to achieve the tasks are clearly delineated.</li> <li>• Award up to 20 points if the process used to evaluate the initiative is comprehensive.</li> <li>• Award up to 10 points if frequency for when evaluation will occur is reasonable for the tasks.</li> <li>• Award up to 5 points for the completion time. If completion time allotted to achieve results is insufficient, award 0 points.</li> </ul> <p>NOTE: If a task does not clearly relate to either education or employment initiatives, no points will be received for that initiative.</p>	85			

**Section 4.1 – Table**

**Evaluation Process** - 1) In first column, itemize each activity/service (chronologically if possible) and enter name of activity/service; 2) In second column, describe the activity/service; 3) In third column, identify the steps to accomplish the activity/service; 4) In fourth column, briefly describe process to evaluate the activity/service; 5) In fifth column, describe frequency of evaluation of the activity/service; and 6) In sixth column, enter a completion date for activity/service. Enter one row per activity/service. *Note:* Applicants may attach a separate document with additional details related to the processes to be utilized to evaluate the activity/service and be sure to identify the question # and activity #.

Task #	Task Description to Carry-Out Activity/Service	Steps to Accomplish Activity/Service	Brief Description of Evaluation Processes Used to Assess Accomplishment of Activity/Service	Frequency for evaluation to occur	Completion Date
Description Proposed Activity/Service for Initiative					(month/year)
# 1 (example)	Evaluate types of training curricula. Develop curricula for six week long sessions on: 1) Basic computer skills (including basic skills of Microsoft platforms 2) Basic job skills Provide training on basic computer skills and job skills.	Gather information on the type of curriculum available to teach computer skills and basic job skills to ensure that the most up to date information is provided. - Purchase curricula and create curricula based on the most up to date information. - Hire staff and provide training.	The Program Coordinator (PC) will consult with field experts to ensure the accuracy of the content, cultural appropriateness and relevance of skill formation. The Program Coordinator (PC) will assess the progress at successful implementation of the curriculum and the success of enrollees.	During the first three months of the program and every 3 months for the duration of the program, evaluate relevancy of job skills being taught and the success of the training at meeting student and employment market needs.	<b>End of Contract Period</b>

**EMPLOYMENT INITIATIVE:** Identify each major activity/service below.(add rows as necessary)



**EDUCATION INITIATIVE:** Identify activity/service below. (add rows as necessary)


Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.2	Provide targets for the total number of unduplicated persons to be served through the grant considering both the Education and Employment components (only counting the individual once, even if they will receive both education and employment service/assistance).	Award points as follows: Award 1 point for each unduplicated person to be served, with a MAXIMUM of 150 points.	150			

**4.2 Response:**

<b>4.3</b>	Provide targets for the number of unduplicated persons to receive case management (a process where a case worker meets with client one on one in an on-going basis to identify, develop, and implement a plan to meet short and long-term goals) considering both the Education and Employment components. Only count the individual once, even if they will receive both education and employment service/assistance).	Award points as follows: Award 1 point for each unduplicated person to receive case management, with a <b>MAXIMUM</b> of 150 points.  <b>NOTE:</b> <u>Do not overestimate your target numbers</u> because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.5.	<b>150</b>			
<b>4.3 Response:</b>						
<b>Section</b>	<b>Question</b>	<b>Scoring Mechanism</b>	<b>Maximum Points</b>	<b>Self-Score</b>	<b>Reviewer 1 (TDHCA use only)</b>	<b>Reviewer 2 (TDHCA use only)</b>
<b>4.4</b>	<b>Employment Initiative:</b> Provide targets for the number of unduplicated persons that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the proposed initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD).  NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets from prior application).	<b>Award points as follows:</b>  3 points awarded for each person for a.- b. with a <b>MAXIMUM of 60 points for a. and 60 points for b.</b>  1 point for each person for c.-d. with a <b>MAXIMUM of 20 points for c. and 20 points for d.</b>  <b>NOTE:</b> <u>Do not overestimate your target numbers</u> because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.5.	<b>160</b>			
<b>Table 4.4 - Employment Initiative</b>						<b>Target</b>
a. Number of persons that will obtain employment.						
b. Number of persons that will obtain an increase in income and or benefits or increased hours.						

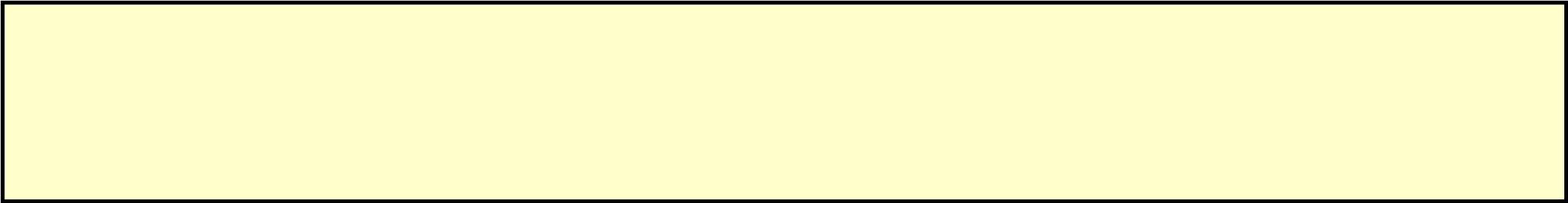
		c. Number of persons that will obtain work skills or experience (not related to job search, but actual work skills) to obtain employment or to obtain an increase in employment (a better job, better wages, etc.) through job/vocational training and apprenticeships.				
		d. Number of persons to be provided job search and readiness assistance (such as coaching, resume writing, interview skills training, pre-employment physicals, background checks, career counseling & workshops, etc.).				
Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.5	<p><b>Education Initiative:</b> Provide targets for the number of unduplicated persons that you anticipate will achieve the stated goal or receive the stated service as a result of assistance provided through the proposed initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD).</p> <p>NOTE: The Department will utilize these proposed targets in the contract and applicant will be evaluated in a future application cycle on their performance (i.e., points deducted for not meeting proposed targets).</p>	<p><b>Award points as follows:</b> 1 point awarded for each person to achieve stated goal or will receive stated service in a. through f., with a <b>MAXIMUM of 20 points per each category a.-f.</b></p> <p><b>NOTE:</b> <u>Do not overestimate your target numbers</u> because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.5.</p>	120			
<b>Table 4.5 - Education Initiative</b>						<b>Target</b>
		a. Number of persons that will enroll and work towards obtaining a recognized credential, certificate, or degree related to the achievement of educational or vocational skills (a trade school or community college).				
		b. Number of persons that will demonstrate improved basic education or receive adult literacy classes, ESL, basic education, or applied technology classes (excluding high school and GED).				
		c. Number of persons that will enroll in programs to gain competencies required for employment by obtaining a high school diploma or GED.				
		d. Number of persons that will enroll and work towards obtaining an Associate's degree.				
		e. Number of persons that will enroll and work towards obtaining a Bachelor's degree.				
		f. Number of persons that will obtain a degree (associate's or bachelor's degree) within contract year.				
Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.6	<b>Unduplicated Persons:</b>	<b>Award points as follows:</b>	160			

	Provide targets for the number of unduplicated persons that you anticipate will receive the following types of assistance through the proposed <u>education and employment</u> initiative. An individual can be counted as an unduplicated person receiving a service only once in each activity during the contract term (ONLY COUNT THE PRIMARY RECIPIENT, SUCH AS THE HEAD OF HOUSEHOLD, DO NOT COUNT THE ENTIRE HOUSEHOLD).	1 point awarded for each person to achieve stated goal or will receive stated service in a. through d. with a <b>MAXIMUM of 40 points per each initiative (a.-d.).</b>  <b>NOTE:</b> <u>Do not overestimate your target numbers</u> because in the subsequent application for funds, you will be penalized for not meeting targets proposed in your application in Attachment B Part 2 Question 2.5.				
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Table 4.6 - Unduplicated Persons						Target
Number of persons enrolled in the education or employment program who will receive assistance, either funded with the grant or other funding source, a. for rent, food, utilities, child care, or transportation.						
Number of persons to receive assistance with tools, uniforms, clothes, equipment, tuition aid, books, and supplies which enable them to obtain or retain b. a job or complete their education goals.						
Number of persons to receive education in computer skills or job skills. c.						
Number of persons to receive Financial Literacy Education or Counseling in order to achieve or maintain capacity to meet basic needs or reported d. improved financial well being.						

Section	Question	Scoring Mechanism	Maximum Points	Self-Score	Reviewer 1 (TDHCA use only)	Reviewer 2 (TDHCA use only)
4.7	Provide the following information in the yellow-highlighted area below: Describe the <b>coordination and outreach efforts</b> that will be conducted and how your organization will coordinate with other service providers in the service area to meet the varied client needs of clients to enable them to further their education or obtain employment or increased wages.	In assigning points, reviewer will consider the depth to which items are described: Applicant provided information that demonstrates: a. Clear coordination and outreach efforts: 10 point maximum b. Variety of client needs addressed through coordination efforts: 10 point maximum c. Coordination efforts were not sufficiently demonstrated: -5 points	20			

<b>4.7 Response</b>
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845	0	0	0
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**NOFA for 2023 CSBG Discretionary Funds for Native American and MSFW Populations**

**Attachment B: Scoring Summary**

<b>Applicant Name:</b>		0		
<b>Checklist of Application Questions Requesting Attachments</b>				
<b>Question</b>		<b>Attachment Item Requested</b>		
	<b>2.1</b>	Most recent monitoring report for each grant listed in 1.1 in the last 3 years		
	<b>2.6</b>	Most recently completed Single Audit or Third Party Audit (if required)		
<b>Application Question Sections</b>				
<b>Scoring Section</b>	<b>Maximum Points</b>	<b>Points Received</b>	<b>Reviewer 1</b>	<b>Reviewer 2</b>
Part 1: Experience	210	0	0	0
Part 2: Prior Performance	Deductions To Be Determined	0	0	0
Part 3: Efficiency	120	0	0	0
Part 4: Proposed Employment and Education Services/Activities	845	0	0	0
<b>Maximum Points=1175</b>				
<b>Final Score (Minimum Score = 587**)</b>		0	0	0

*\* The Self-Score column on Attachment B Parts 1-4 are to be completed by the Applicant; however, the Department does not base its scoring of the application on the Applicant's self-score.*

*\*\*The Department reserves the right to reject applications with a score below 50% of the maximum eligible points. See Section VI of the NOFA for further details.*

*\*\*\*TDHCA reserves the right to request further information related to the application for clarification purposes during the scoring review period.*

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**BOARD ACTION REQUEST**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action on adoption of amendments to 10 TAC Chapter 6, Community Affairs Programs, Subchapter B Community Services Block Grant, §6.201 Background and Definitions; §6.206 Strategic Plan, Community Assessment, and Community Action Plan; §6.207 Subrecipient Requirements; Subchapter C Comprehensive Energy Assistance Program, §6.304 Deobligation and Reobligation of CEAP Funds; §6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households; §6.308 Allowable Subrecipient Administrative and Program Services Costs; §6.309 Types of Assistance and Benefit Levels; §6.310 Crisis Assistance Component; §6.311 Utility Assistance Component; §6.312 Payments to Subcontractors and Vendors; Subchapter D Weatherization Assistance Program, §6.402 Purpose and Goals; §6.403 Definitions; §6.406 Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria; §6.407 Program Requirements; §6.408 Department of Energy Weatherization Requirements; §6.414 Eligibility for Multifamily Dwelling Units and Shelters; §6.416 Whole House Assessment; §6.417 Blower Door Standards; and directing that they be published for adoption in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (the Department) is authorized to adopt rules governing the administration of the Department and its programs;

**WHEREAS**, at the Board meeting of October 13, 2022, the Board approved for publication and public comment in the *Texas Register* the proposed amendments, and comment was received; and

**WHEREAS**, the Department has prepared a reasoned response to the public comment, but no changes to the rule amendments as proposed have been made that are now being presented for adoption;

**NOW, therefore, it is hereby**

**RESOLVED**, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the adoption of the actions herein in the form presented to this meeting, to be published in the *Texas Register* for adoption, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including any requested revisions to the preamble.

## **BACKGROUND**

At the Board meeting of October 13, 2022, the Board approved proposed amendments to certain sections within 10 TAC Chapter 6 which would make SNAP and TANF categorically eligible for LIHEAP, align CSBG and WAP with current requirements, improve clarity, and correct identified areas of concern. The benefits provided by these changes are:

- 1) Making SNAP and TANF categorically eligible for LIHEAP, which will increase the number of eligible applicants and streamline the intake and application process.
- 2) Changes to CSBG and WAP rules will update the TAC to align with federal requirements.
- 3) Readers of the revised rules will find them easier to follow and understand.

Staff is making many of the changes, including the addition of SNAP and TANF as categorically eligible for LIHEAP, in response to feedback and requests from the network of Community Affairs subrecipients.

The proposed amendments were published for public comment in the *Texas Register* on October 28, 2022. Public comment was accepted from October 28, 2022, through November 18, 2022. In keeping with the requirements of the Administrative Procedures Act, staff reviewed all comments received and has provided a reasoned response to those comments within the attached Preamble to the adoption of the amendments which follow. Comment was received from three organizations.

To the extent these rule changes may require the state to submit an amendment to its CSBG, LIHEAP, or DOE State Plan, staff will submit the revisions to reflect this rulemaking without further public comment, and post the revisions to the Plans on its website.

The sections of the rules being adopted, including the *Texas Register* Preamble, are provided in Attachment 1.

**Attachment 1: Preamble, including required analysis, for adopting amendments to 10 TAC Chapter 6, Community Affairs Programs, Subchapter B Community Services Block Grant, §6.201 Background and Definitions; §6.206 Strategic Plan, Community Assessment, and Community Action Plan; §6.207 Subrecipient Requirements; Subchapter C Comprehensive Energy Assistance Program, §6.304 Deobligation and Reobligation of CEAP Funds; §6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households; §6.308 Allowable Subrecipient Administrative and Program Services Costs; §6.309 Types of Assistance and Benefit Levels; §6.310 Crisis Assistance Component; §6.311 Utility Assistance Component; §6.312 Payments to Subcontractors and Vendors; Subchapter D Weatherization Assistance Program, §6.402 Purpose and Goals; §6.403 Definitions; §6.406 Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria; §6.407 Program Requirements; §6.408 Department of Energy Weatherization Requirements; §6.414 Eligibility for Multifamily Dwelling Units and Shelters; §6.416 Whole House Assessment; and §6.417 Blower Door Standards.**

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to Chapter 6, Community Affairs Programs, Subchapter B Community Services Block Grant, §6.201 Background and Definitions; §6.206 Strategic Plan, Community Assessment, and Community Action Plan; §6.207 Subrecipient Requirements; Subchapter C Comprehensive Energy Assistance Program, §6.304 Deobligation and Reobligation of CEAP Funds; §6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households; §6.308 Allowable Subrecipient Administrative and Program Services Costs; §6.309 Types of Assistance and Benefit Levels; §6.310 Crisis Assistance Component; §6.311 Utility Assistance Component; §6.312 Payments to Subcontractors and Vendors; Subchapter D Weatherization Assistance Program, §6.402 Purpose and Goals; §6.403 Definitions; §6.406 Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria; §6.407 Program Requirements; §6.408 Department of Energy Weatherization Requirements; §6.414 Eligibility for Multifamily Dwelling Units and Shelters; §6.416 Whole House Assessment; and §6.417 Blower Door Standards. The purpose of the amended sections is to make SNAP and TANF categorically eligible for LIHEAP, align CSBG and WAP with current requirements, improve clarity, and correct identified areas of concern.

Tex. Gov't Code §2001.0045(b) does not apply to the amendments because they are exempt under §2001.0045(c)(4), which exempts rule changes necessary to receive a source of federal funds or to comply with federal law.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the amendments would be in effect:

1. The amendments do not create or eliminate a government program, but relates to the changes to existing regulations regarding the administration of Community Affairs programs.

2. The amendments do not require a change in work that would require the creation of new employee positions, nor are the amendments significant enough to reduce workload to a degree that any existing employee positions are eliminated.
3. The amendments do not require additional future legislative appropriations.
4. The amendments will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amendments will not create a new regulation.
6. The amendments will not expand, limit, or repeal an existing regulation.
7. The amendments will not increase or decrease the number of individuals subject to the rule's applicability.
8. The amendments will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department has evaluated the amendments and determined that the amendments will not create an economic effect on small or micro-businesses or rural communities.

1. The Department has evaluated this rule action and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.
2. The Department has determined that because the rules apply only to existing Subrecipients, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The amendments do not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the amendments as to their possible effect on local economies and has determined that for the first five years the amendments will be in effect there would be no economic effect on local employment because the rules relate only to regulations which have already been in effect for existing Subrecipients; therefore, no local employment impact statement is required to be prepared for the amendments.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..."

Considering that the rules pertain to all Subrecipients throughout the state, regardless of location, there are no “probable” effects of the amendments on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has also determined that, for each year of the first five years the amendments are in effect, the public benefit anticipated as a result of the amendments would be an updated, more streamlined, and clearer version of the rules governing Community Affairs programs. There will not be economic costs to individuals required to comply with the amendments.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amendments are in effect, enforcing or administering the amendments do not have any foreseeable implications related to costs or revenues of the state or local governments.

g. SUMMARY OF PUBLIC COMMENT AND REASONED RESPONSE. The Department accepted public comment from October 28, 2022, to November 18, 2022. Comments regarding the amendments were accepted in writing from:

- (1) Dennis Chapman, CEAP Grant Specialist, Travis County Health and Human Services
- (2) Carol Delgado, Community Services Director, Community Council of South Central Texas
- (3) Amanda Shelton, Executive Director, Texas Association of Community Action Agencies

## 6.201 Background and Definitions

**COMMENT SUMMARY:** Commenter 2 suggests that the use of the word “funds” in the definition of National Performance Indicator is confusing and recommends placing it elsewhere for clarity.

**STAFF RESPONSE:** The designation of “Subrecipient of funds” is used to distinguish subrecipients of CSBG discretionary funding from Eligible Entities. Eligible Entities receive 90% of annual CSBG funding while 5% of annual CSBG funding is allocated towards discretionary activities. In some cases, these discretionary funds are awarded to subrecipients who are not designated Eligible Entities. Accordingly, the use of the clause “of funds” is used to include subrecipients of both regular CSBG funding and discretionary funding. The Department appreciates the comment, but will make no change to the rule.

## 6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households

**COMMENT SUMMARY:** Commenter 1 recommends that the income threshold be increased from 150% to 200% of Federal Poverty Income Guidelines.

**STAFF RESPONSE:** Section 2605 of the Low Income Home Energy Assistance Act of 1981 (42 U.S.C. § 8624(b)(2)) limits states to making payments to households with incomes which do not exceed the greater of (i) an amount equal to 150% of the poverty level for such State; or (ii) an amount equal to 60% of the State Median Income. The Department does not have the authority to raise the threshold above 150%, and has determined that the 150% threshold serves more Texans than

the 60% of State Median Income threshold. If in the future, the LIHEAP Act allows states to use a higher percentage of FPIG, the Department will consider such limits. No change to the rule in response to this comment is being made.

**COMMENT SUMMARY:** Commenter 1 supports making SNAP and TANF categorically eligible for CEAP.

**STAFF RESPONSE:** The Department appreciates the support.

### **6.309 Types of Assistance and Benefit Levels**

**COMMENT SUMMARY:** Commenter 1 recommends that a CEAP subrecipient be allowed to make a lump sum payment based on a household's previous 12-month billing history or alternative billing method, for both vulnerable and non-vulnerable households. Commenter 1 also recommends that lump sum payments be allowed to cover two separate fuel sources.

**STAFF RESPONSE:** 10 TAC Chapter 6 does not prohibit lump sum payments to be made in the manner recommended by Commenter 1. The Community Affairs Division Training Section has informed CEAP subrecipients through several training events in the past year that lump sum payments are allowable if a subrecipient believes this payment methodology to be of benefit to their operation. Many subrecipients have adopted lump sum payments as their method of payment in the past year. For more information on how to apply lump sum payments to energy bills, please contact Madison Lozano in the Community Affairs Division Training Section at 512-936-7798. The Department appreciates the comment but will make no change to the rules.

**COMMENT SUMMARY:** Commenter 1 supports the amendment at §6.309(i)(9) allowing the payment of arrearages related to home energy costs with no maximum cost limit and that the arrearages do not count towards the annual household benefit.

**STAFF RESPONSE:** The Department appreciates the support.

### **General Comment**

**COMMENT SUMMARY:** Commenter 3 supports the amendments and commends the Department for adopting a DOE Priority List as well as expanding the CEAP categorical eligibility criteria to include SNAP and TANF. Commenter 3 also agrees that the amendments achieve the intended purpose of aligning the Community Affairs programs with current requirements, improving clarity and correcting identified areas of concern.

**STAFF RESPONSE:** The Department appreciates the support.

**STATUTORY AUTHORITY.** The amendments are adopted pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the amendments affect no other code, article, or statute. The amendments have been reviewed by legal counsel and are within the Agency's authority to adopt.

**Amended Sections:**

**10 TAC Chapter 6 Community Affairs Programs.**

Subchapter B., Community Services Block Grant.

§6.201. Background and Definitions.

§6.206. Strategic Plan, Community Assessment, and Community Action Plan.

§6.207. Subrecipient Requirements.

Subchapter C. Comprehensive Energy Assistance Program.

§6.304. Deobligation and Reobligation of CEAP Funds.

§6.307. Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households.

§6.308. Allowable Subrecipient Administrative and Program Services Costs.

§6.309. Types of Assistance and Benefit Levels.

§6.310. Crisis Assistance Component.

§6.311. Utility Assistance Component.

§6.312. Payments to Subcontractors and Vendors.

Subchapter D. Weatherization Assistance Program.

§6.402. Purpose and Goals.

§6.403. Definitions.

§6.406. Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria.

§6.407. Program Requirements.

§6.408. Department of Energy Weatherization Requirements.

§6.414. Eligibility for Multifamily Dwelling Units and Shelters.

§6.416. Whole House Assessment.

§6.417. Blower Door Standards.

**10 TAC Chapter 6 Community Affairs Programs.**

**TITLE 10 COMMUNITY DEVELOPMENT  
PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
CHAPTER 6 COMMUNITY AFFAIRS PROGRAMS**

**SUBCHAPTER B COMMUNITY SERVICES BLOCK GRANT**

**§6.201 Background and Definitions**

(a) In addition to this subchapter, except where noted, the rules established in Subchapter A of this chapter (relating to General Provisions) and Chapters 1 and 2 (relating to Administration and Enforcement, respectively) of this title apply to the CSBG Program. The CSBG Act was amended by the "Community Services Block Grant Amendments of 1994" and the Coats Human Services Reauthorization Act of 1998. The Secretary is authorized to establish a community services block grant program and make grants available through the program to states to ameliorate the causes of poverty in communities within the states. Although Eligible Entities receive an allocation of CSBG funds, the CSBG program is not an entitlement program for eligible customers.

(b) The Texas Legislature designates the Department as the lead agency for the administration of the CSBG program pursuant to Tex. Gov't Code, §2306.092. CSBG funds are made available to Eligible Entities to carry out the purposes of the CSBG program.

(c) Except as otherwise noted herein all references in this subchapter to an Eligible Entity's board means both the governing board of the Private Nonprofit or the advisory board of the Public Organization.

(d) Definitions.

(1) Community Action Plan (CAP)--A plan required by the CSBG Act which describes the local Eligible Entity service delivery system, how coordination will be developed to fill identified gaps in services, how funds will be coordinated with other public and private resources, and how the local entity will use the funds to support innovative community and neighborhood based initiatives related to the grant.

(2) Community Assessment--An assessment of community needs performed by the Eligible Entity for the areas to be served with CSBG funds.

(3) CSBG Act--The CSBG Act is a law passed by Congress authorizing the Community Services Block Grant. The CSBG Act was amended by the Community Services Block Grant Amendments of 1994 and the Coats Human Services Reauthorization Act of 1998 under 42 U.S.C. §§9901, et seq. The CSBG Act authorized establishing a community services block grant program to make grants available through the program to states to ameliorate the causes of poverty in communities within the states.

(4) Direct Customer Support--includes salaries and fringe benefits of case management staff as well as direct benefits provided to customers.

(5) National Performance Indicator (NPI)--A federally defined measure of performance within

the Department's Contract System for measuring performance and results of Subrecipients of funds and Eligible Entities.

(6) Quality Improvement Plan (QIP)--A plan developed by a CSBG Eligible Entity to correct Deficiencies identified by the Department as further described in §2.203 and §2.204 of this title (Termination and Reduction of Funding for CSBG Eligible Entities and Contents of a Quality Improvement Plan, respectively).

(7) Results Oriented Management and Accountability (ROMA)--ROMA provides a framework for continuous growth and improvement among Eligible Entities. ROMA implementation is a federal requirement for receiving federal CSBG funds, outlined in HHS IM 152.

(8) Strategic Plan--A planning document which takes into consideration the needs of the targeted community and identifies an organization's vision and mission; its strengths, weaknesses, opportunities, and threats; external and internal factors impacting the organization; and utilizes this information to set goals, objectives, strategies, and measure to meet over an identified period of time.

(9) Transitioned Out of Poverty (TOP)--A Household who was CSBG eligible and as a result of the delivery of CSBG-supported case management services attains an annual income in excess of 125% of the poverty guidelines for 90 calendar days.

(e) Use of certain terminology. In these rules and in the Department's administration of its programs, including the CSBG program, certain terminology is used that may not always align completely with the terminology employed in the CSBG Act. The term "monitoring" is used interchangeably with the CSBG Act term "review" as used in 42 U.S.C. §9915 of the CSBG Act. Similarly, the terms "findings," "concerns," and "violations" are used interchangeably with the term "deficiencies" as used in 42 U.S.C. §9915 of the CSBG Act although, in a given context, they may be assigned more specific, different, or more nuanced meanings, as appropriate.

#### **§6.206 Strategic Plan, Community Assessment, and Community Action Plan**

(a) In accordance with CSBG Organizational Standards, every five years each Eligible Entity shall complete a Strategic Plan using the full Results Oriented Management and Accountability (ROMA) cycle or a comparable system. The Strategic Plan shall, at a minimum, meet the requirements of CSBG Organizational Standards (specifically Organizational Standards 4.3, 6.1 - 6.5, and 9.3) and any other requirements established by the Department as a result of federal law, regulation or guidance, or state law. The Strategic Plan must comply with Department requirements and be submitted on or before a date specified by the Department.

(b) In accordance with CSBG Organizational Standards, every three years each Eligible Entity shall complete a Community Assessment (may also be called "Community Needs Assessment" or CNA), using the full ROMA cycle or a comparable system. The annual Community Action Plan (CAP) will be based on the most recent approved Community Assessment. The Community Assessment shall, at minimum, meet the requirements of CSBG Organizational Standards (specifically Organizational Standards 1.2, 2.2, 3.1-3.5, and 4.3). The Community Assessment must comply with Department requirements and be submitted on or before a date specified by the Department. The Community Assessment will require, among other items specified in the Department's Community Assessment Guide, that the top five needs of the Service Area that can be addressed, are identified.

(c) In accordance with CSBG Organizational Standards, each Eligible Entity must submit a CAP on an annual basis using the full ROMA cycle or a comparable system. The CAP shall, at minimum, meet the requirements of CSBG Organizational Standards (specifically Organizational Standards 4.2, 4.3, 4.4, and 9.3). The CAP must comply with Department requirements and be submitted on or before a date specified by the Department, for approval prior to execution of a Contract.

(d) If circumstances warrant amendments to the Community Assessment or the CAP, each Eligible Entity must provide a written request to the Department identifying the specific requested change(s) to the document with a justification for each change. The Department will approve or deny amendment requests in writing.

(e) Hearing. In conjunction with the submission of the CAP, the Eligible Entity must annually submit to the Department a certification from its board that a public hearing was posted, and conducted on the proposed needs or uses of block grant funds for the upcoming year's funds.

(f) The Strategic Plan and Community Assessment require Department review for whether Organizational Standards are met and whether the Eligible Entity provided a notification of acceptance. The CAP and annual Budget require Department approval; those that do not meet the Department's requirements as articulated in these rules, in federal guidance, in each Eligible Entity's Contract, and in Department guidance will be required to be revised until they meet the Department's satisfaction.

(g) Consistent with CSBG Organizational Standards relating to Data Analysis and Performance, the Eligible Entity must present to its governing board for review or action, at least every 12 months, an analysis of the agency's outcomes and any operational or strategic program adjustments and improvements identified as necessary; and the organization must submit its annual CSBG Information Survey data report which reflects customer demographics and organization-wide outcomes.

(h) Services to Poverty Population. An Eligible Entity administering services to customers in one or more counties in its CSBG Service Area shall ensure that such services are rendered reasonably and in an equitable manner to ensure fairness among all potential applicants eligible for services. Services rendered, either directly or through partnerships, must reflect the poverty population ratios in the Service Area and services should be distributed based on the proportionate representation of the poverty population within a county. A variance of greater than plus or minus 20% may constitute a Deficiency. An Eligible Entity administering services to customers in one or more counties shall demonstrate marketing and outreach efforts to make available direct services to a reasonable percentage of the county's eligible population based on the most recent census or American Community Survey data, as directed by the Department. Services should also be distributed based on the proportionate representation of the poverty population within a county. Other CSBG-funded organizations shall ensure that services are rendered in accordance with requirements of the CSBG Contract.

## **§6.207 Eligible Entity Requirements**

(a) An Eligible Entity shall submit information regarding the planned use of funds as part of the CAP as described in §6.206 of this subchapter (relating to Strategic Plan, Community Assessment, and Community Action Plan).

(b) HHS issues terms and conditions for receipt of funds under the CSBG. Eligible Entities must comply with the requirements of the terms and conditions of the CSBG award.

(c) CSBG Eligible Entities, and other CSBG organizations where applicable, are required to coordinate CSBG funds and form partnerships and other linkages with other public and private resources and coordinate and establish linkages between governmental and other social service programs to assure the effective delivery of services and avoid duplication of services.

(d) CSBG Eligible Entities will provide, on an emergency basis, the provision of supplies and services, nutritious foods, and related services as may be necessary to counteract the conditions of starvation and malnutrition among low-income individuals. The nutritional needs may be met through a referral source that has immediate resources available to meet the needs.

(e) CSBG Eligible Entities and other CSBG organizations are required to coordinate for the provision of employment and training activities through local workforce investment systems under the Workforce Innovation and Opportunity Act, as applicable.

(f) CSBG Eligible Entities are required to inform custodial parents in single-parent families that participate in programs, activities, or services about the resources available through the Texas Attorney General's Office with respect to the collection of child support payments and refer eligible parents to the Texas Attorney General's Office of Child Support Services Division.

(g) Documentation of Services. Eligible Entities must maintain a record of referrals and services provided.

(h) Intake Form. To fulfill the requirements of 42 U.S.C. §9917, Eligible Entities must complete and maintain an intake form that screens for income, assesses customer needs, and captures the demographic and household characteristic data required for the Monthly Performance and Expenditure Report, referenced in Subchapter A of this chapter (relating to General Provisions), for all Households receiving a community action service. Eligible Entities must complete and maintain a manual or electronic intake form for all customers at least every twelve months.

(i) Case Management.

(1) An Eligible Entity is required to provide integrated case management services. Eligible Entities are required to identify and set goals for Households they serve through the case management process. Eligible Entities are required to evaluate and assess the effect its case management system has on the short-term (less than three months) and long-term (greater than three months) impact on customers, such as enabling the customer to move from poverty to self-sufficiency, to maintain stability. CSBG funds may be used for short term case management to meet immediate needs. In addition, CSBG funds may be used to provide long-

term case management to persons working to transition out of poverty and achieve self-sufficiency.

(2) An Eligible Entity must have and maintain documentation of case management services provided.

(3) An Eligible Entity is assigned a minimum TOP goal by the Department. Eligible Entities must provide ongoing case management services for these TOP Households. The case management services must include the components described in subparagraphs (A) - (L) of this paragraph. Eligible Entities must also provide case management clients with a Customer Satisfaction Survey, described in subparagraph (M) of this paragraph, for the client to complete anonymously. At least annually, Eligible Entities must evaluate the effectiveness of their case management services, as described in subparagraph (N) of this paragraph. The forms or systems utilized for each component may be manual or electronic forms provided by the Department or manual or electronic forms created by the Eligible Entity that at minimum contain the same information as the Department-issued form:

(A) Self-Sufficiency Customer Questionnaire to assess a customer's status in the areas of employment, job skills, education, income, housing, food, utilities, Child care, Child and family development, transportation, healthcare, and health insurance;

(B) Self-Sufficiency Outcomes Matrix to assess the customer's status in the self-sufficiency domains;

(C) Case Management Screening Questions to assess the customer's willingness to participate in case management services on an ongoing basis;

(D) For customers who are willing to engage in long term case management services, a Case Management Agreement between the Eligible Entity and customer;

(E) Release of Information Form;

(F) Case Management Service Plan to document planned goals agreed upon by the case manager and customer along with steps and timeline to achieve goals;

(G) Case management follow-up, which provides a system to document customer progress at completing steps and achieving goals. Case management follow-up should occur, at a minimum, every 30 days, either through a meeting, phone call or email. In person meetings should occur, at a minimum, once a quarter;

(H) A record of referral resources and documentation of the results;

(I) A system to document services received and to collect and report NPI data;

(J) A system to document Case Management Closure form to document persons that have exited case management;

(K) TOP Income Tracker form to document income for persons that have maintained an income level above 125% of the Federal Poverty Income Guidelines for 90 days;

(L) A system to document and notify customers of termination of case management services;

(M) Customer Satisfaction Survey; and

(N) On an annual basis, an Eligible Entity should determine the effectiveness of its case management services and identify strategies for improvement, including identification of reasons for customer terminations and strategies to limit their occurrence.

(j) Effective January 1, 2016, Eligible Entities shall meet the CSBG Organizational Standards as issued by HHS IM 138 (as revised), except that where the word bylaws is used the Department has modified the standards to read Certificate of Formation/Articles of Incorporation and bylaws; also, Eligible Entities must follow the requirements in TxGMS (as applicable) including

the State of Texas Single Audit Circular. Failure to meet the CSBG Organizational Standards as described in this subsection may result in HHS IM 116 proceedings as described in Chapter 2 of this title (relating to Enforcement).

## **SUBCHAPTER C COMPREHENSIVE ENERGY ASSISTANCE PROGRAM**

### **§6.304 Deobligation and Reobligation of CEAP Funds**

(a) A written "Notification of Possible Deobligation" will be sent to the Executive Director and the Board of Directors or other governing body of the Subrecipient by the Department in a timely manner when the Department identifies that a criterion listed in subsection (b) or (c) of this section is at risk of not being met.

(b) The Department may Deobligate funds from all budget categories from Subrecipients whose combined Direct Services Expenditures and Customer Obligations are less than 30% as of the April 15 Monthly Performance and Expenditure Report. Subrecipient may avoid Deobligation at this point if one of the following has occurred:

(1) On or before the first business day in April, the Subrecipient has submitted a written request for an exception due to extenuating circumstances with a plan to improve Direct Services Expenditures and Customer Obligations. The request and plan must be approved by the Department in writing; or

(2) On or before the first business day in April, the Subrecipient has submitted a written request for training and/or technical assistance. Once such assistance has been delivered, as determined by the Department, the Subrecipient must submit a clear specific plan, as outlined by the Department, for improving Direct Services Expenditures and Customer Obligations, and that plan must be approved by the Department in writing.

(c) The Department may Deobligate funds from all budget categories from Subrecipients whose combined Direct Services Expenditures and Customer Obligations are less than 50% as of the May Monthly Performance and Expenditure Report, unless on or before the first business day in June the Subrecipient submits a written request for an exception due to extenuating circumstances with a plan to improve Direct Services Expenditures and Customer Obligations. The request and plan must be approved by the Department in writing.

(d) Funds Deobligated under this section, or additional funds should they become available, will be Reobligated proportionally by the formula described in §6.303 of this subchapter (relating to Distribution of CEAP Funds), or if six months or less remain for the Department to expend the funds another method approved by the Department's Board amongst all Subrecipients that did not have any funds Deobligated to ensure full utilization of funds.

(e) A Subrecipient which has had funds Deobligated under subsection (b) or (c) of this section that fully Expend the reduced amount of its Contract by January 31 of the following year as reported in the Monthly Performance and Expenditure Report due February 15, will have access to the full amount of the following Program Year CEAP allocation. A Subrecipient which has had funds Deobligated under subsection (b) or (c) of this section that fails to fully expend the reduced amount of its Contract will automatically have the following Program Year CEAP

allocation Deobligated by the lesser of 24.99%, or the proportional amount that had been Deobligated from the prior year Contract.

(f) The cumulative balance of the funds made available through subsection (e) of this section will be allocated proportionally by the formula described in §6.303 of this subchapter to the Subrecipients not having funds reduced under that subsection.

(g) In no event will involuntary Deobligations that occur through subsection (b) or (c) of this section exceed 24.99% of the Subrecipient's Program Year CEAP Contracted Funds, without an opportunity for a hearing as required by Tex. Gov't Code, Chapter 2105.

(h) Failure by the Subrecipient to Expend 98% of a prior year Contract by the Monthly Performance and Expenditure Report due April 15th of the subsequent year for two consecutive original Contract Terms is good cause for nonrenewal of a Contract.

### **§6.307 Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households**

(a) The customer income eligibility level is at or below 150% of the federal poverty level in effect at the time the customer makes an application for services.

(b) Categorical Eligibility for CEAP benefits exists when at least one person in the Household receives assistance from:

- (1) SSI payments from the Social Security Administration;
- (2) Means Tested Veterans Program payments. See paragraph (38) of §6.2 of this chapter (relating to Definitions);
- (3) Supplemental Nutrition Assistance Program (SNAP); or
- (4) Temporary Assistance for Needy Families (TANF).

(c) A complete application is required for all Households. Subrecipient shall determine customer income using the definition of income and process described in §6.4 of this chapter (relating to Income Determination). Household income documentation must be collected by the Subrecipient for the purposes of determining the Household's benefit level.

(d) Social security numbers are not required for applicants.

(e) Subrecipient must establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.

(f) A Dwelling Unit cannot be served if the meter is utilized by another Household that is not a part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if:

- (1) The members of the separate structures that share a meter meet the definition of a

Household per §6.2 of this chapter;

(2) The members of the separate structures that share a meter submit one application as one Household; and

(3) All persons and applicable income from each structure are counted when determining eligibility.

(g) United States Citizen, United States National, or Qualified Alien. Except for items described in 10 TAC §6.310(c)(4) and §6.310(d) (relating to Crisis Assistance Component), Unqualified Aliens are not eligible to receive CEAP benefits. Mixed Status Households shall not be denied CEAP assistance based solely on the presence of a non-qualified member, except if the member is the sole member of the Household. In accordance with §1.410(f) of this Title, relating to Exemptions under PRWORA, Subrecipients must document U.S. Citizen, U.S. National, and Qualified Alien status using the Department approved form. Qualified Alien status must also be verified and documented using SAVE.

(h) Subrecipient must begin providing utility assistance services to customers upon receipt of Contract and throughout the Contract Term unless Subrecipient has expended its entire Contract.

(i) Subrecipient must develop and publicly display a written procedure addressing the timeframe within which applications are determined to be eligible or ineligible once the application is complete, processing of the application and assistance delivery, and notification to the applicant.

### **§6.308 Allowable Subrecipient Administrative and Program Services Costs**

(a) Funds available for Subrecipient administrative activities will be calculated by the Department as a percentage of direct services Expenditures. Administrative costs shall not exceed the maximum percentage of total direct services Expenditures, as indicated in the Contract. All other administrative costs, exclusive of administrative costs for program services, must be paid with nonfederal funds. Allowable administrative costs for administrative activities includes costs for general administration and coordination of CEAP, and all indirect (or overhead) costs, and activities as described in paragraphs (1) - (7) of this subsection:

(1) Salaries;

(2) Fringe benefits;

(3) Non-training travel;

(4) Equipment;

(5) Supplies;

(6) Audit (limited to percentage of the contract expenditures, excluding training/travel costs as indicated in the Contract); and

(7) Office space (limited to percentage of the contract expenditures, excluding training/travel costs as indicated in the Contract).

(b) Program Services costs shall not exceed the maximum percentage of total direct services Expenditures, as indicated in the Contract. Program Services costs are allowable when associated with providing customer direct services. Program services costs may include

outreach activities and expenditures on the information technology and computerization needed for tracking or monitoring required by CEAP, and activities as described in paragraphs (1) - (9) of this subsection:

- (1) Direct administrative cost associated with providing the customer direct service;
- (2) Salaries and fringe benefits cost for staff providing program services;
- (3) Supplies;
- (4) Equipment;
- (5) Travel;
- (6) Postage;
- (7) Utilities;
- (8) Rental of office space; and
- (9) Staff time to provide energy conservation education, needs assessments, and referrals.

### **§6.309 Types of Assistance and Benefit Levels**

(a) Allowable CEAP Expenditures include customer education, utility payment assistance, repair of existing heating and cooling units, purchase of heating and cooling units when none exist, and crisis-related purchase of portable heating and cooling units.

(b) Total maximum possible annual Household benefit (all allowable benefits combined) shall not exceed \$12,300 during a Program Year, not including arrears.

(c) Benefit determinations are based on the Household's income (even if the Household is Categorically Eligible), the Household size, Vulnerable Populations in the Household, plus other priority status, whether a Household has one or more Unqualified Aliens for which calculation adjustments must be made as described in paragraphs (1) and (2) of this subsection, and the availability of funds.

(1) Count income for all Household members 18 years of age and older, including Unqualified Aliens; and

(2) Adjust the Household size for determining eligibility and benefit assistance level to exclude all Unqualified Aliens.

(d) For purposes of determining Categorical Eligibility or Vulnerable Populations (i.e. priority status), the Household is not considered to satisfy the definition of having Categorical Eligibility or Vulnerable Population if the only individual(s) in the Household with that Categorical Eligibility or Vulnerable Population status are Unqualified Aliens. For purposes of reporting, all individuals in the Households should be reported.

(e) Benefit determinations for the Utility Payment Assistance Component and the Crisis Assistance Component cannot exceed the sliding scale described in paragraphs (1) - (3) of this subsection:

(1) Households with Incomes of 0 to 50% of Federal Poverty Guidelines may receive an amount not to exceed \$2,400 per Component;

(2) Households with Incomes more than 50% but at or below 75% of Federal Poverty Guidelines may receive an amount not to exceed \$2,300 per Component; and

(3) Households with Incomes more than 75% but at or below 150% of Federal Poverty

Guidelines may receive an amount not to exceed \$2,200 per Component.

(f) Service and Repair of existing heating and cooling units. Households may receive up to \$7,500 for service and repair of existing heating and cooling units when the Household has an inoperable heating or cooling system based on requirements in §6.310 of this subchapter (relating to Crisis Assistance Component) for Non-Vulnerable Population Households and §6.311 of this subchapter (relating to Utility Assistance Component) for Vulnerable Population Households.

(g) Purchase of heating and cooling units. Households may receive up to \$7,500 for the purchase of a heating and cooling unit when a heating or cooling system is nonexistent based on requirements in §6.310 of this subchapter (relating to Crisis Assistance Component) for Non-Vulnerable Population Households and §6.311 of this subchapter (relating to Utility Assistance Component) for Vulnerable Population Households.

(h) Assistance with purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits cannot exceed \$7,500. Refer to §6.310(c)(6) of this subchapter for requirements relating to purchase of these types of units.

(i) Energy bills already paid may not be reimbursed by the program. Funds from CEAP shall not be used to weatherize dwelling units, for medicine, food, transportation assistance (e.g., vehicle fuel) except as noted in §6.310(d) of this subchapter, income assistance, or to pay for penalties or fines assessed to customers except in the case of arrearage payments as noted in §6.309(i)(9) of this subchapter. Subrecipient shall provide only the types of assistance described in this subsection with funds from CEAP:

(1) Payment to vendors and suppliers of fuel/utilities, goods, and other services, such as past due or current bills related to the procurement of energy for heating and cooling needs of the residence, not to include security lights and other items unrelated to energy assistance as follows:

(A) Subrecipient may make utility payments on behalf of Households based on the previous 12 month's home energy consumption history, including allowances for cost inflation. If a 12 month's home energy consumption history is unavailable, Subrecipient may base payments on current Program Year's bill or utilize a Department-approved alternative method. Subrecipient will note such exceptions in customer files. Benefit amounts exceeding the actual bill shall be treated as a credit for the customer with the utility company;

(B) Vulnerable Population Households can receive benefits to cover the remaining bills within the Program Year as long as the cost does not exceed the maximum annual benefit for the Utility Assistance Component. Bill payment may cover two separate fuel sources; and

(C) Non-Vulnerable Population Households can receive benefits to cover up to six remaining bills within the Program Year as long as the cost does not exceed the maximum annual benefit for the Utility Assistance Component. Bill payment may cover two separate fuel sources;

(2) Needs assessment and energy conservation tips, coordination of resources, and referrals to other programs;

(3) Payment of water, wastewater and solid waste charges are not an allowable LIHEAP expense even in cases where those charges are an inseparable part of a utility bill. Whenever possible, Subrecipient shall negotiate with the utility providers to pay only the "home energy" (heating

- and cooling) portion of the bill or utilize other funds to pay for the water related charges;
- (4) Payment of reconnection fees in line with the registered tariff filed with the Public Utility Commission and/or Texas Railroad Commission. Payment cannot exceed that stated tariff cost. Subrecipient shall negotiate to reduce the costs to cover the actual labor and material and to ensure that the utility does not assess a penalty for delinquency in payments;
- (5) Payment of security deposits only when state law requires such a payment, or if the Public Utility Commission or Texas Railroad Commission has listed such a payment as an approved cost, and where required by law, tariff, regulation, or a deferred payment agreement includes such a payment. Subrecipient shall not pay such security deposits that the energy provider will eventually return to the customer;
- (6) While rates and repair charges may vary from vendor to vendor, Subrecipient shall negotiate for the lowest possible payment. Prior to making any payments to an energy vendor a Subrecipient shall have a signed vendor agreement on file from the energy vendor receiving direct CEAP payments from the Subrecipient;
- (7) Subrecipient may make payments to landlords on behalf of eligible renters who pay their utility and/or fuel bills indirectly. Subrecipient shall notify each participating Household of the amount of assistance paid on its behalf. Subrecipient shall document this notification. Subrecipient shall maintain proof of utility or fuel bill payment. Subrecipient shall ensure that amount of assistance paid on behalf of customer is deducted from customer's rent; and
- (8) In lieu of deposit required by an energy vendor, Subrecipient may make advance payments. The Department does not allow CEAP Expenditures to pay deposits, except as noted in paragraph (5) of this subsection. Advance payments may not exceed an estimated two months' billings.
- (9) Payment of existing arrearages related to home energy costs. Such payments have no maximum cost limit and do not count towards the total maximum possible annual Household benefit. Payment of arrearages may include the payment of penalties and fines related to home energy.

### **§6.310 Crisis Assistance Component**

(a) Crisis Assistance can be provided to persons who have already lost service or are in immediate danger of losing service only under one of the conditions listed in paragraphs (1) - (3) of this subsection, and shall not exceed the caps as defined in §6.309 of this subchapter (relating to Types of Assistance and Benefit Levels):

- (1) Extreme Weather Conditions, as defined in §6.301 of this subchapter (relating to Background and Definitions), with assistance provided within 48 hours;
  - (2) Disaster, as defined in §6.301 of this subchapter, with assistance provided within 48 hours;
- or
- (3) Life Threatening Crisis, as defined in §6.301 of this subchapter, with assistance provided within 18 hours.

(b) In order to resolve the crisis, Subrecipient shall ensure that for customers assisted through Crisis Assistance services are provided within the timeframes as described in subsection (a) of this section. The time limit commences upon completion of the application process. The application process is considered complete when an agency representative accepts an application and completes the eligibility process. Subrecipient must maintain written

documentation in customer files showing crises resolved within the appropriate timeframe. The Department may disallow improperly documented Expenditures.

(c) Low Income Households as defined in §6.2 of this chapter (relating to Definitions) may be eligible for any one or more of the types of assistance listed in paragraphs (1) - (8) of this subsection:

(1) Payment of utilities or fuel bills and utility bill deposits necessary to retain heating or cooling.

(2) Emergency deliveries of fuel up to 250 gallons per crisis per Household, at the prevailing price. This benefit may include coverage for tank pressure testing.

(3) Utility reconnection costs.

(4) Blankets, as tangible benefits to keep individuals warm.

(5) For Non-Vulnerable Populations meeting the conditions described in subsection (a) of this section, service and repair of existing heating and cooling units is allowed when the Household has an inoperable heating or cooling system or the system is not functioning according to its intended purpose. If a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system. When a heating or cooling system is nonexistent, purchase of heating or cooling, or heating and cooling units for up to \$7,500 is allowed. The cost shall not exceed \$7,500 and will not be counted towards the total maximum benefit level per Household under the Crisis Assistance Component.

(6) When a Household meets the definition of Life Threatening Crisis, purchase of portable cooling and/or heating units, window units, evaporative coolers, and mini splits is allowable.

Units must be Energy Star<sup>®</sup>. In cases where the type of unit is not Energy Star<sup>®</sup>, or if Energy Star<sup>®</sup> units are not available due to supply shortages, Subrecipient may purchase the highest rated unit available. Purchase of more than two of these types of units for a Household requires prior written approval from the Department.

(7) Purchase of fans. The number, type, size and cost of these items may not exceed the minimum needed to resolve the crisis.

(8) If necessary, the purchase of a generator is allowable when a Household meets the definition of Life Threatening Crisis.

(d) When Disasters result in energy supply shortages or other energy-related emergencies, CEAP will allow home energy related expenditures for:

(1) Temporary Shelter in the limited instances that supply of power to the Dwelling Unit is disrupted causing a temporary evacuation.

(2) Cost to temporary Shelter or house individuals in hotel, apartments or other living situations in which homes have been destroyed or damaged when health and safety is endangered by loss of access to heating and cooling.

(3) Costs for transportation (e.g., cars, shuttles, buses) to move the individuals away from the crisis area to Shelters when health and safety is endangered by loss of access to heating and cooling.

(e) Subrecipient may request a waiver from the Executive Director or designee for the 18 and 48 hour timeframes in the case of a Natural Disaster. The Executive Director or designee may

grant a waiver if good cause is found.

(f) Benefit Level for Crisis Assistance:

(1) Crisis Assistance for one Household cannot exceed the maximum allowable benefit level in one Program Year as defined in §6.309 of this subchapter. If a Household's Crisis Assistance needs exceed that maximum allowable benefit, Subrecipient may pay up to the Crisis Assistance limit only if the remaining amount of Household need can be paid from other funds to resolve the crisis. If the Household's crisis requires more than the Household limit to resolve and no other funds are available, the crisis exceeds the scope of this Component.

(2) Payments may not exceed Household's actual utility bill.

(3) Payments may not exceed the Maximum Household allowable assistance benefit level.

(4) Temporary Shelter not to exceed the annual Household benefit limit for the duration of the Contract Term.

### **§6.311 Utility Assistance Component**

(a) A Subrecipient may use home energy payments to assist Low Income Households to reduce their home energy costs. Subrecipient shall combine home energy payments with energy conservation tips, participation by utilities, and coordination with other services in order to assist low income Households to reduce their home energy needs.

(b) Subrecipient must make payments directly to vendors and/or landlords on behalf of eligible Households.

(c) For Vulnerable Population Households, service and repair of existing heating and cooling units is allowed when the Household has an inoperable heating or cooling system or the system is not functioning according to its intended purpose. If a component(s) of the heating or cooling system cannot be repaired using parts, the Subrecipient can replace the component(s) in order to repair the heating or cooling system. If a heating or cooling system is nonexistent, purchase of heating or cooling, or heating and cooling units for up to \$7,500 is allowed. The cost shall not exceed \$7,500 and will not be counted towards the total maximum benefit level per Household under the Utility Assistance Component. Subrecipients may leverage this type of assistance with LIHEAP and/or DOE Weatherization.

### **§6.312 Payments to Subcontractors and Vendors**

(a) A bi-annual Vendor Agreement is required to be implemented by the Subrecipient and shall contain assurances as to fair billing practices, delivery procedures, and pricing procedures for business transactions involving CEAP beneficiaries. The Subrecipient must use the Department's current Vendor Agreement template. These agreements are subject to monitoring procedures performed by the Department staff.

(b) Subrecipient shall maintain proof of payment to Subcontractors and vendors as required by Chapter 1, Subchapter D of this title (relating to Uniform Guidance for Recipients of Federal and State Funds).

(c) Subrecipient shall notify each participating Household of the amount of assistance to be paid on its behalf. Subrecipient shall document this notification.

(d) Subrecipients shall use the Vendor Payment method for CEAP components. Subrecipient shall not make cash payments directly to eligible Household for any of the CEAP components.

(e) Payments to vendors for which a valid Vendor Agreement is not in place may be subject to disallowed costs unless prior written approval is obtained from the Department.

(f) A Vendor Refund is program income and must be reimbursed to the Subrecipient, and not the customer. When a Vendor Refund is issued, Subrecipient shall determine which TDHCA Contract the payment(s) was charged to, the Household associated to the payment, and if the Contract remains open.

(1) If the Contract remains open, Subrecipient must enter the amount into the Contract System in the appropriate budget line item into the adjustment column in the next monthly report, and make the appropriate note in the system. This will credit back the Vendor Refund for the Subrecipient to expend on eligible expenses.

(2) If the Contract is closed, Subrecipient must return the Vendor Refund to the Department within ten calendar days of receipt. The payment must contain the Contract number and appropriate budget line item associated with the refund.

## **SUBCHAPTER D WEATHERIZATION ASSISTANCE PROGRAM**

### **§6.402 Purpose and Goals**

(a) DOE-WAP and LIHEAP-WAP offers awards to Private Nonprofit Organizations, and Public Organizations with targeted beneficiaries being Households with low incomes, with priority given to Vulnerable Populations, High Energy Burden, and Households with High Energy Consumption. In addition to meeting the income-eligibility criteria, the weatherization measures to be installed must meet specific energy-savings goals. Neither of these programs are entitlement programs and there are not sufficient funds to serve all customers that may be eligible.

(b) The programs fund the installation of weatherization materials and provide energy conservation education. The programs help control energy costs to ensure a healthy and safe living environment.

(c) Organizations administering a Department-funded weatherization program must administer both the DOE-WAP and the LIHEAP-WAP. Organizations that have one Weatherization program removed will have both program removed. If it is necessary to designate a new Subrecipient to administer WAP, the Department shall give special consideration to Subrecipients receiving funds under LIHEAP or DOE WAP, in accordance with Assurance 6 of the Low Income Home Energy Assistance Act of 1981, as amended.

(d) The Department shall administer and implement the DOE-WAP program in accordance with DOE rules (10 CFR Part 440 and active DOE WAP Program Notices/Memorandums) and the

current DOE State Plan. The Department shall administer and implement the LIHEAP-WAP program in accordance with a combination of LIHEAP statute (42 U.S.C. §§6861, et seq.) and DOE rules. LIHEAP Weatherization measures may be leveraged with DOE Weatherization measures in which case all DOE rules and requirements as described in this title and in the Contract will apply.

#### **§6.403 Definitions**

(a) Department of Housing and Urban Development (HUD)--Federal department that provides funding for certain housing and community development activities.

(b) Electric Base-Load Measure (EBL)--Weatherization measures which address the energy efficiency and energy usage of lighting and appliances.

(c) Energy Audit--The energy audit software and procedures used to determine the cost effectiveness of Weatherization measures to be installed in a Dwelling Unit.

(d) Energy Repairs--Weatherization-related repairs necessary to protect or complete regular Weatherization energy efficiency measures.

(e) Multifamily Dwelling Unit--A structure containing more than one Dwelling Unit.

(f) Priority List--For LIHEAP-WAP only, a list developed by the Department, as may be updated from time to time, which provides the prescribed method to be used by Subrecipients when addressing weatherization measures. For DOE-WAP only, a list currently approved by DOE, which provides the prescribed method to be used by Subrecipients when addressing weatherization measures.

(g) Rental Unit--A Dwelling Unit occupied by a person who pays rent for the use of the Dwelling Unit.

(h) Renter--A person who pays rent for the use of the Dwelling Unit.

(i) Reweathering--If a Dwelling Unit has been damaged by fire, flood, or act of God and repair of the damage to Weatherization materials is not paid for by insurance; or if a Dwelling Unit was partially weatherized in the previous 15 years, the Dwelling Unit may be reweatherized to receive further weatherization assistance.

(j) Shelter--A Dwelling Unit or Units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

(k) Significant Energy Savings--A Savings to Investment Ratio (SIR) of 1.0 or greater.

(l) Single Family Dwelling Unit--A structure containing no more than one Dwelling Unit.

(m) Weatherization Assistance Program Policy Advisory Council (WAP PAC)--The WAP PAC was established by the Department in accordance with 10 CFR §440.17 to provide advisory services in regards to the DOE WAP program.

(n) Weatherization Material--The material listed in Appendix A of 10 CFR Part 440.

(o) Weatherization--A program conducted to reduce heating and cooling demand of Dwelling Units that are energy inefficient.

#### **§6.406 Subrecipient Requirements for Establishing Household Eligibility and Priority Criteria**

(a) The structure's design must allow for energy conservation retrofits and meet the definition of a Dwelling Unit per §6.2 of this chapter (relating to Definitions).

(b) A Dwelling Unit cannot be served if a single meter is utilized by another Dwelling Unit that is not a part of the application for assistance. In instances where separate structures share a meter and the applicant is otherwise eligible for assistance, Subrecipient must provide services if:

(1) The members of the separate structures that share a meter submit a separate Household application to include all persons and applicable income for each Dwelling Unit attached to the meter; and

(2) All Household Dwelling Units served by the meter are determined eligible to receive weatherization benefits.

(c) Subrecipient shall establish a written procedure to serve Households that have a Vulnerable Population Household member, Households with High Energy Burden, and Households with High Energy Consumption. High Energy Burden shall be the highest rated item in sliding scale priority determinations. The Subrecipient must maintain documentation of the use of the criteria.

(d) Subrecipient shall determine applicant income eligibility in compliance with §6.4 of this chapter (relating to Income Determination).

(e) Categorical Eligibility for DOE-WAP benefits exist when at least one person in the Household receives assistance payments under Title IV or XVI of the Social Security Act at any time during the 12-month period preceding the determination of eligibility or resides in a building that receives assistance under specific federal programs as identified in §6.414 or by Contract. Categorical Eligibility for LIHEAP-WAP benefits are the same as those specified for CEAP benefits described in §6.307(b) of this chapter (relating to Subrecipient Requirements for Customer Eligibility Criteria, Provision of Services, and Establishing Priority for Eligible Households).

(f) Social Security numbers are not required for applicants.

(g) U.S. Citizen, U.S. National or Qualified Alien. Unqualified Aliens are not eligible to receive WAP benefits. Mixed Status Households shall not be denied WAP assistance based solely on the

presence of a non-qualified member, except if the member is the sole member of the Household. In accordance with §1.410(f), relating to Exemptions under PRWORA, Subrecipient must document U.S. Citizen, U.S. National, and Qualified Alien status using the Department approved form. Qualified Alien status must also be verified and documented using SAVE. Assistance shall be determined as follows:

- (1) Count income for all Household members eighteen years of age and older, including Unqualified Aliens; and
- (2) Adjust the Household size for determining eligibility and benefit assistance level to exclude all Unqualified Aliens.

(h) For purposes of determining Categorical Eligibility or Vulnerable Populations (e.g. priority status) the Household is not considered to satisfy the definition of having Categorical Eligibility or Vulnerable Population if the only individual(s) in the Household with Categorical Eligibility or Vulnerable Population status is an Unqualified Alien. For purposes of reporting, all individuals in the Household should be reported.

#### **§6.407 Program Requirements**

(a) Each Dwelling Unit weatherized requires completion of a written whole house assessment. Subrecipient must perform the whole house assessment then let that assessment guide whether the Dwelling Unit is best served through DOE and/or LIHEAP-WAP funds utilizing the Energy Audit or Priority List(s) as applicable.

(b) Any Dwelling Unit that is weatherized using DOE funds must either use the State of Texas approved Energy Audit or DOE approved Priority List as a guide for installed measures. A Subrecipient combining DOE funds with LIHEAP-WAP funds on an individual Dwelling Unit or building may use the Energy Audit to justify all measures installed or utilize the DOE and LIHEAP Priority Lists together to address all measures allowed.

(c) Any Dwelling Unit that is weatherized using LIHEAP only must be completed using the LIHEAP Priority List as a guide for installed measures.

(d) If a Subrecipient's Weatherization work does not consistently meet DOE Standard Work Specifications Weatherization standards, the Department may proceed with the removal of the programs from the Subrecipient.

#### **§6.408 Department of Energy Weatherization Requirements**

(a) In addition to cost principles and administrative requirements listed in §1.402 in Chapter 1 of this title (relating to Cost Principles and Administrative Requirements), Subrecipients administering DOE programs must also adhere to 10 CFR Part 440, 10 CFR Part 600, active DOE WAP Program Notices/Memorandums, NREL Standard Work Specifications, and the applicable International Residential Code (IRC).

(b) WAP Policy Advisory Council. In accordance with Tex. Gov't Code, §2110.005 and 10 CFR §440.17, the Department shall establish the Weatherization Assistance Program Policy Advisory

Council (WAP PAC), with which it will consult prior to the submission of the annual plan and award of funds to DOE.

(c) Adjusted Average Expenditure Per Dwelling Unit. Expenditures of financial assistance provided under DOE-WAP funding for the Weatherization services for labor, weatherization materials, and program support shall not exceed the DOE adjusted average expenditure limit for the current Program Year per Dwelling Unit as provided by DOE, and as cited in the Contract, without special agreement via an approved waiver from the Department.

(d) Electric Base Load Measures. DOE has approved the inclusion of selected Electric Base Load (EBL) measures as part of the Weatherization of eligible residential units. Refrigerator usage data must be obtained either by metering the appliance for a minimum of two (2) hours or from a DOE approved tool when calculating the EBL SIR..

(e) Energy Audit Procedures.

(1) SIR for the Energy Audit procedures will determine the installation of allowable Weatherization measures. The Weatherization measures must result in energy cost savings over the lifetime of the measure(s), discounted to present value, that equal or exceed the cost of materials, and installation. An Energy Audit may consist of Incidental Repairs, Energy-Saving Measures (starting with Duct Sealing and Infiltration Reduction), and Health and Safety Measures. All Energy-Saving Measures must rank with an SIR of one or greater. The total Cumulative SIR, prior to Health and Safety measures, must be a one or greater in order to weatherize the dwelling unit.

(2) The Energy Audit has not been approved for multifamily buildings containing 25 or more units. A Subrecipient that proposes weatherizing a building containing 25 or more units must receive approval from the Department prior to beginning any Weatherization activity.

(3) Energy Auditors must use the established R-values for existing measures provided in the International Energy Conservation Code (IECC when entering data into the Energy Audit. Subrecipient must follow minimum requirements set in the applicable IRC or jurisdictions authorized by state law to adopt later editions.

(4) A Subrecipient utilizing the Energy Audit must enter into the audit all materials and labor measures proposed to be installed.

(f) Priority List Procedures. Subrecipient is limited to Weatherization measures as detailed in the DOE approved Priority List. Measures must be addressed according to the instructions in the Weatherization Contract, Priority List criteria, and the Department's DOE Priority List policies and procedures.

#### **§6.414 Eligibility for Multifamily Dwelling Units and Shelters**

(a) Multifamily building and Shelter weatherization is not considered a federal public benefit and the activity is exempt from the requirements of §6.406(g) and (h) of this subchapter (relating to U.S. Citizen, U.S. National or Qualified Alien, and determining Categorical Eligibility or Vulnerable Populations, respectively).

(b) A Subrecipient may weatherize a building containing Rental Units if not less than 66% (50%

for duplexes and four-unit buildings) of the Dwelling Units in the building are occupied by low income Households, or will become occupied by Low-income Households within 180 days under a Federal, State, or local government program for rehabilitating the building or making similar improvements to the building.

(c) In order to weatherize large multifamily buildings containing twenty-five or more Dwelling Units or those with shared central heating (e.g., boilers) and/or shared cooling plants (e.g., cooling towers that use water as the coolant) regardless of the number of Dwelling Units, Subrecipient shall submit in writing to the Department a request for approval along with evidence which clearly shows that an investment of funds would result in Significant Energy Savings because of upgrades to equipment, energy systems, common space, or the building shell. When necessary, the Department will seek approval from DOE. Approvals from the Department in writing must be received prior to the installation of any Weatherization measures in this type of structure.

(d) In order to weatherize Shelters, Subrecipient shall submit a written request for approval from the Department. Written approval from the Department must be received prior to the installation of any Weatherization measures. Income determination is not required to be done for residents of Shelters.

(e) If roof repair is to be considered as an eligible repair cost under the Weatherization process, the expenses must be shared equally by all eligible Dwelling Units weatherized under the same roof. If multiple storied buildings are weatherized, eligible ground floor units must be allocated a portion of the roof cost as well as the eligible top floor units. All Weatherization measures installed in multifamily units must meet applicable IRC requirements, NREL Standard Work Specifications, the standards set in 10 CFR §440.18(d)(9) and (15), and Appendix A-Standards for Weatherization Materials.

(f) Subrecipient shall establish a multifamily master file for each multifamily project in addition to the applicable Dwelling Unit recordkeeping requirements found in the Contract. The multifamily master file must include, at a minimum, the forms (available on the Department's website) listed in paragraphs (1) - (6) of this subsection:

- (1) Multifamily Project Preparation Checklist;
- (2) Multifamily Project Completion Checklist;
- (3) Landlord Permission to Perform Assessment and Inspections for Rental Units;
- (4) Landlord Agreement;
- (5) Landlord Financial Participation Form; and
- (6) Multifamily Project Building Data Checklist.

(g) Subrecipient shall contact the Department for record keeping guidance if it wishes to weatherize a Shelter.

(h) For DOE WAP, if a public housing or assisted multi-family building has HUD assisted tenants, the most current and applicable Weatherization Program Notice shall be utilized in determining client and building eligibility.

(i) For any Dwelling Unit that is weatherized using funding provided under DOE WAP, all Weatherization measures installed must be justified with an approved Energy Audit or with the DOE approved Priority List. If using the Energy Audit, all allowable Weatherization measures needed must be entered. Weatherization measures will be performed in order of highest SIR to lowest depending on funds available. If using the Priority List, included Weatherization measures must be addressed according to the instructions in the Weatherization Contract, Priority List criteria, and the Department's DOE Priority List policies and procedures (if applicable).

#### **§6.416 Whole House Assessment**

(a) Subrecipient must conduct a whole house assessment on all eligible Dwelling Units. Whole house assessments must be used to determine whether the Priority List or an Energy Audit is most appropriate for the unit. Whole house assessments must collect all required Energy Audit information to include all the items described in paragraphs (1) - (15) of this subsection:

- (1) Wall--Condition, type, orientation, and existing R-values;
- (2) Windows--Condition, type material, glazing type, leakiness, and solar screens;
- (3) Doors--Condition, type;
- (4) Attic--Type, condition, existing R-values, and ventilation;
- (5) Foundation--Condition, existing R-values, and floor height above ground level;
- (6) Heating System--For all systems: unit type, fuel source (primary or secondary), thermostat, and output; for combustion systems only: vented or unvented efficiency, CO-levels, complete fuel gas analysis, gas leaks, and combustion venting;
- (7) Cooling System--Unit type, condition, area cooled, size in BTU rating, Seasonal Energy Efficiency Rating (SEER) or Energy Efficiency Rating (EER), manufacture date, and thermostat;
- (8) Duct System--Condition, existing insulation level, evaluation of registers, duct infiltration, return air register size, and condition of plenum joints;
- (9) Water Heater--For all water heaters: condition, fuel type, energy factor, recovery efficiency, input and output ratings, size, existing insulation levels, existing pipe insulation; for combustion water heaters only: carbon monoxide levels, draft test, complete fuel gas analysis;
- (10) Refrigerator--Condition, manufacturer, manufacture date and make, model, and consumption reading (minutes and meter reading); customer refusal must be documented;
- (11) Lighting System--Quantity, watts, and estimated hours used per day;
- (12) Water Savers--Number of showerheads, estimated gallons per minute and estimated minutes used per day;
- (13) Health and Safety--For all units: smoke detectors, wiring, minimum air exchange, moisture problems, lead paint present, asbestos siding present, condition of chimney, plumbing problems, mold; for units with combustion appliances: unvented space heaters, carbon monoxide levels on all combustion appliances, carbon monoxide detectors;
- (14) Air Infiltration--To be determined from Blower Door testing; areas requiring air sealing will be noted; and
- (15) Repairs--Measures needed to preserve or protect installed Weatherization measures may include lumber, shingles, flashing, siding, masonry supplies, minor window repair, gutters, downspouts, paint, stains, sealants, and underpinning.

(b) If using the Energy Audit, all allowable Weatherization measures needed must be entered.

Measures will be performed in order of highest SIR to lowest depending on funds available. If using the Priority List, included Weatherization measures must be addressed according to the instructions in the Weatherization Contract, Priority List criteria, and the Department's DOE Priority List policies and procedures (if applicable).

**§6.417 Blower Door Standards**

Subrecipient is required to use the most current Blower Door and Duct Blaster Data Sheet form adopted by the Department and available on the Department's website.

1h

**BOARD ACTION REQUEST**  
**MULTIFAMILY FINANCE DIVISION**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action on multiple requests for return and reallocation of tax credits under 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events for Applications awarded in the 2021 competitive 9% tax credit round

21116	Sweetwater Station
21139	Cypress Creek Apartment Homes at Forest Lane
21175	Wells Manor
21208	Parmore Jupiter Road
21312	SavannahPark of Keene

**RECOMMENDED ACTION**

**WHEREAS**, the above listed developments were awarded 9% housing tax credits during the 2021 competitive Application round;

**WHEREAS**, staff executed Carryover Allocation Agreements with the Development Owners, which included certifications from the Development Owners that each building for which the allocations were made would be placed in service by December 31, 2023;

**WHEREAS**, the Department received requests from the Development Owners to extend the placement in service deadline and the 10% Test deadline under the provisions of 10 TAC §11.6(5) related to Credit Returns Resulting from Force Majeure Events;

**WHEREAS**, other than in situations covered by force majeure, the Department lacks authority to extend federal deadlines for placement in service and 10% Test; and

**WHEREAS**, the Development Owners have presented evidence that relief under force majeure is appropriate;

**NOW, therefore, it is hereby**

**RESOLVED**, the requests for treatment under an application of the force majeure rule are approved, with the 2021 Qualified Allocation Plan and Uniform Multifamily Rules, and the 2022 Program Calendar applicable to the Developments.

## BACKGROUND

Awards of Competitive (9%) Housing Tax Credits were approved by the Board for the above-listed developments in 2021. Staff executed Carryover Allocation Agreements with the Development Owners which included a certification from the Development Owners that documentation for the 10% Test would be submitted by a set date, and, in order to satisfy the requirements of §42 of the Internal Revenue Code, each building for which the allocations were made would be placed in service by December 31, 2023. The Department received requests from the Development Owners to extend the placement in service deadline under the provisions of 10 TAC §11.6(5) related to Credits Returns Resulting from Force Majeure Events. Staff determined that this effective “extension” of the 10% Test deadline due to Force Majeure events was appropriate under these circumstances.

Per 10 TAC §11.6(5) of the Qualified Allocation Plan (QAP), related to Credits Returns Resulting from Force Majeure Events, a Development Owner is allowed to return issued credits within three years of award, and have those credits re-allocated to the Development outside of the usual regional allocation system if all of the requirements of the subsection are met. Per 10 TAC §11.6(5), the Department’s Governing Board may approve the execution of a current program year Carryover Allocation Agreement regarding the returned credits with the Development Owner that returned such credits only if:

(A) The credits were returned as a result of "Force Majeure" events that occurred before issuance of Forms 8609. Force Majeure events are the following sudden and unforeseen circumstances outside the control of the Development Owner: acts of God such as fire, tornado, flooding, significant and unusual rainfall or subfreezing temperatures, or loss of access to necessary water or utilities as a direct result of significant weather events; explosion; vandalism; orders or acts of military authority; unrelated party litigation; changes in law, rules, or regulations; national emergency or insurrection; riot; acts of terrorism; supplier failures; or materials or labor shortages. If a Force Majeure event is also a presidentially declared disaster, the Department may treat the matter under the applicable federal provisions. Force Majeure events must make construction activity impossible or materially impede its progress.

The Development Owners have communicated to staff that rising construction costs, labor shortages, supply chain issues, inflation and interest rate increases have impacted the construction timelines.

Staff has determined there is sufficient evidence of “sudden and unforeseen circumstances outside the control of the Development Owner . . . [regarding] supplier failures; or materials or labor shortages,” as described in 10 TAC §11.6(5), for the Department to treat the Developments under an application of the force majeure rule. If the Board approves the request to consider these force majeure events, the Development Owners will return the awarded credits and execution of a 2022 Carryover Allocation Agreement will result in a new award and a new placed in service deadline of December 31, 2024, for the Developments, with a new 10% Test deadline of July 1, 2023. The 2021 Qualified Allocation Plan and Uniform Multifamily Rules will be applicable to the Developments for the purposes of the force majeure event.

If the Board denies the requests regarding the force majeure events, the date by which the denied Developments must be placed in service will remain as previously agreed. Because the Development Owners have anticipated not meeting the placed in service deadline, the credits are expected to be returned. If the Development Owners returns the credits, the credits would first be made available in the subregions from which they were originally awarded, pursuant to 10 TAC §11.6(2), related to returned credits. If there are pending Applications on the 2022 or 2023 (depending on when the credits are returned) waiting list from the relevant subregions, the next Application would be awarded, assuming there are enough credits to make the award. If there are not enough credits in the subregion to make an award, the credits will go into the statewide collapse and contribute the next award.

Staff recommends the Board approve the requests for treatment under an application of the force majeure rule for the Developments. Approval of this request does not change any federal or state deadlines for MFDL.



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Rajesh Bandla  
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Direct Fax: 512-391-4830  
raj.bandla@lockelord.com

November 15, 2022

**VIA EMAIL DELIVERY**

Rosalio Banelos  
Cody Campbell  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: Sweetwater Station (the "**Development**")  
TDHCA No. 21116

Greetings:

We represent Sweetwater Station, L.P. ("**Owner**"), which submitted an Application<sup>1</sup> for Housing Tax Credits in 2021 for a 52-unit senior development in Sweetwater, Texas. At the time of Application, total construction costs were projected to be \$7,215,000. The permanent loan rate was assumed to be 5.00%. Credits were priced at \$0.88, and a Deferred Developer Fee of \$166,000 was projected. Since the Housing Tax Credits were awarded, construction costs have increased significantly and are now expected to be \$10,942,000, a 51% increase. Actions by the Federal Reserve to increase interest rates have the projected interest rate for this transaction now at 6.50%. Even with an increase in credit pricing to \$0.89, the Development now has a Deferred Developer Fee of \$3,317,000 and is infeasible without additional financing sources.

Despite these setbacks, Owner has proceeded with the Development and undertaken the expenditure of considerable funds to accomplish the following:

- Acquisition of the land without a bank loan
- Completion of demolition of two buildings on the land
- Completion of most environmental and remediation work
- Application for building permits
- Completion of architectural plans

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<sup>1</sup> Capitalized terms used but not defined in this letter shall have the meanings assigned to them in the 2022 Qualified Allocation Plan (the "**QAP**").

All of these efforts have been undertaken in good faith with the full intent of completion of the project.

Recently, the IRS provided guidance to allow 2021 recipients of Housing Tax Credits an extra year to place their developments into service. This placement in service extension will be helpful to Owner, as it plans to apply to TDHCA for Supplemental Credits under the 2023 QAP to aid with filling the financing gap. However, the IRS guidance did not allow for an extension of the 10% test. With the 10% test deadline approaching, Owner is reticent to spend additional funds before it is certain that additional financing will be available to make the Development feasible. Meeting the 10% test at this time would require Owner to expend funds out of pocket in the range of \$300,000-400,000. This is beyond what has already been expended for the acquisition of the land and the predevelopment work recited above. The only way for Owner to obtain relief for the 10% test is to request *force majeure* relief under Section 11.6(5) of the QAP.

### **Relief Sought**

**Owner submits this request for approval at TDHCA's December 2022 board meeting of a reallocation of credits to 2022 and a related extension of the placement in service deadline to December 31, 2024, as permitted under to the "Force Majeure" provisions in Section 11.6(5) of the QAP.**

### **Support for Force Majeure Conditions**

Pursuant to Section 11.6(5) of the QAP, a Force Majeure event includes Acts of God; changes in law, rules, or regulations; and supplier failures or materials or labor shortages that make construction activity impossible or materially impede its progress. We know TDHCA is well aware of the general construction market conditions that have changed dramatically since Applications were submitted in the first quarter of 2021. The disruptions that started with a pandemic have not eased; while certain materials costs have stabilized, other materials and labor costs have accelerated. Compounded by interest rate hikes by the Federal Reserve at levels that have not been seen in decades, grounds for *force majeure* relief are apparent. Owner was not able to anticipate or control the factors that have made the Development financially infeasible.

### **Factors for Consideration**

In accordance with Section 11.6(5) of the QAP, we believe Owner meets TDHCA's requirements for the relief sought, in that:

1. Owner has proven up delays resulting from *force majeure* events, including supplier failures and materials and labor shortages that continue after origination during the COVID-19 pandemic, along with the interest rate changes imposed by the Federal Reserve. The delays materially impede Owner's ability to engage in construction activity.

2. When Owner submitted its Tax Credit Application in early 2021, it had no way of knowing what was to come with market conditions that are now commonly referred to as “unprecedented.”

3. Owner has endeavored to mitigate the delays by acquiring the land and commencing predevelopment activity. It has spent considerable funds but should not be required to spend an additional \$300,000-400,000 to satisfy the 10% test without confirmation that additional funds are available, which should come, at least partially, through the upcoming Supplemental Credit process.

We believe Owner has satisfied TDHCA's requirements for a reallocation of Tax Credits under Section 11.6(5) of the QAP and requests that this matter be considered at the next available Board meeting with a recommendation for approval. If additional information is required, please feel free to contact us.

Sincerely,



Cynthia Bast

cc: Sweetwater Station, L.P.

VIA EMAIL DELIVERY

Cody Campbell  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, Texas 78701-2410

Re: Cypress Creek Apartment Homes at Forest Lane (the "Property")  
TDHCA File No. 21139

Mr. Campbell:

We, Cypress Creek Forest Lane LP ("Owner"), received a commitment of low-income housing tax credits ("Tax Credits") in the 2021 9% competitive cycle. The Property will be funded with equity from the Tax Credits and conventional debt. Like its peers, Owner has faced a extreme challenges with the volatility with construction costs and material labor shortages.

**Relief Sought**

All of the factors listed above have delayed Owner from closing its financing. Owner has no choice but to submit this request to return the Tax Credits and that TDHCA reallocate the Tax Credits in the current year pursuant to the "Force Majeure" provisions in Section 11.6(5) of the 2021 Qualified Allocation Plan (the "QAP").

**Factors for Consideration**

In accordance with Section 11.6(5) of the QAP, we believe Owner meets TDHCA's requirements for the relief sought, in that:

1. Owner believes there is a reasonable likelihood that it will not be able to meet the placement in service deadline because of the delays experienced in the labor and construction materials market.
2. The Property continues to be financially viable.

We believe Owner has satisfied TDHCA's requirements for a reallocation of Tax Credits under Section 11.6(5) of the QAP and requests that this matter be considered at the next available Board meeting with a recommendation for approval. If additional information is required, please feel free to contact us.

Thank you,



Jessica Krochtengel  
Managing Member

November 14, 2022

Cody Campbell, Director of Multifamily Programs  
Texas Department of Housing and Community Affairs  
221 E. 11th Street, Austin, TX 78701

Re: Wells Manor - TDHCA Application #21175 - 10% Test Extension - Force Majeure Request

Mr. Campbell:

Wells Manor Housing, Ltd. (the "Owner") received an allocation of Tax Credits from the Texas Department of Housing and Community Affairs ("TDHCA") for the rehabilitation of Wells Manor Apartments (the "Development"). The Owner is required to meet the 10% test by December 31, 2022 and place the Development in service by December 31, 2023. However, due to unforeseen circumstance, the Owner may not meet the deadlines required by Section 42(h)(1)(E)(i) of the Internal Revenue Code. The need for requesting an extension to meet the required 10% Test is the result of events that we believe qualify under Section 11.6(5) of the 2022 Qualified Allocation Plan ("QAP") related to Force Majeure.

The Owner seeks approval to return the 2021 Tax Credit Award and that TDHCA reallocation the Tax Credits to the Owner in the current year in accordance with Section 11.6(5) of the 2022 QAP related to Force Majeure. The Owner and Development meet all the requirements in Section 11.6(5), in that:

1. The events that caused the delay occurred before the issuance of 8609s and were sudden, unforeseen circumstances outside the control of the Development Owner.
2. The delays were not caused by willful negligence of acts of Owner, any Affiliate, or any other Related Party.
3. The Owner has provided evidence and a timeline of the events that was a direct result of the delays.
4. The Force Majeure threatens to prevent the Owner from meeting the 10% Test and Placed in Service requirements of the original allocation.
5. The requested current year Carryover Agreement would allocate the same amount of Tax Credit as those that would be returned.

## Event Description

The Wells Manor apartment complex is located in the city of Wells, Texas. Tax Credits were applied for and awarded during the 2021 TDHCA cycle. The process for the Preliminary Transfer of Ownership with The United State Department of Agriculture's Division of Rural Development ("USDA-RD") began on January 15, 2021.

During the summer of 2021, USDA announced their intentions to re-structure their regional offices into a consolidated and nationalized processing for the Section 515 program. As this memo will demonstrate, the nationalization efforts materially altered established approval processes and delayed virtually every decision and signoff required to earn Section 515 approval for the assumption of existing debt. In the case of Wells Manor, the approval of the assumption of a \$445,403 loan has proved to be materially more difficult than historical precedents.

## USDA's Delay

The complete application to USDA-RD was filed immediately after Owner's receipt of the TDHCA tax credit award in July 2021. However, to earn USDA-RD approval for the planned demolition of 16 units, an additional layer of approval was required. This included a specialized Market Study and a subsequent Civil Rights Impact Analysis to validate the proven lack of demand and persistent vacancy. Prior to the Tax Credit award in July 2021, USDA-RD was unwilling to process the USDA-RD application.

USDA-RD commended their Civil Rights Impact Study and review of the provided Market Study in September 2021. In March of 2022, USRA-RD completed the Civil Rights Impact Analysis and permitted the rest of the application to process. We were told by our assigned USDA-RD Processor that the six-month approval was an aberration due to the commencement of the nationalization and centralization restructuring of the entire USDA-RD Division.

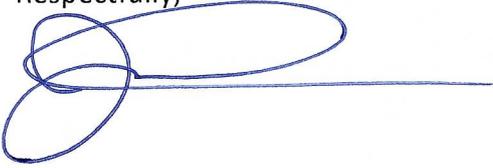
Once the Civil Rights Impact Assessment was completed and approved in March 2022, the rest of the application needed to be approved by the Processing Division, the Appraisal Division, then the Underwriting Division. These three departments took a combined six months to complete their respective reviews before the submission to the Closing Division was completed in September 2022.

More recently, the processing of the application halted upon submission to the USDA Closing Division and Office of General Counsel, when for nearly two months, no progress was made. Currently, we still do not have closing documents from the USDA Closing Division and are unable to establish a closing date. It may be that USDA will not allow us to close until early 2023.

Due to the additional year USDA-RD took to approve the demolition of the 16 units and the uncharacteristically lengthy delays in normal application processing due to the restructuring of the USDA-RD, Owner humbly seeks a Force Majeure Request to protect its time and

investment in this project. Owner is certain that granting this request will provide the additional two to three months needed to close the transaction and submit the 10% Test. We currently expect a closing date of no later than January 2023.

Respectfully,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Jim Washburn, Managing Member of the General Partner  
LCJ Development, Inc.  
P.O. Box 489, New Caney, TX 77357

# PARMORE JUPITER ROAD, LP

November 10, 2022

Bobby Wilkinson, Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

RE: **# 21208; Parmore Jupiter Road, Plano, Collin County, Texas;  
Request for Force Majeure Tax Credit Exchange to Extend 10% Test Deadline.**

Dear Mr. Wilkinson:

Parmore Jupiter Road, LP (“Owner”) is the Applicant and future owner of the proposed Parmore Jupiter Road Apartments, a 100-unit, 9% tax credit new construction apartment complex under development in Plano, Texas (“the “Project”). The Project was awarded Housing Tax Credits (the “Tax Credits”) in 2021. As the result of IRS Notice 2022-52, the Project’s Placed in Service Deadline was extended to December 31, 2024. We foresee, however, that the Project will not be able to show compliance with the 10% Test by December 31, 2022, as is currently required. Accordingly, we are requesting an exchange of 2021 Tax Credits for 2022 Tax Credits pursuant to the Force Majeure provisions of Section 11.6(5)(A) of the 2022 Qualified Allocation Plan. Such an exchange will not affect the current Placed in Service Deadline, but will extend the 10% Test Deadline to at least July 1, 2023.

This request is being made pursuant to email from the TDHCA dated October 26, 2022, which stated:

*... Please note that the 10% Test deadlines were not changed by IRS Notice 2022-52. If an extension to the 10% Test deadline is necessary, a reallocation of credits under force majeure must be approved by TDHCA prior to the current 10% Test deadline. Development owners of 2021 Competitive Housing Tax Credit awards who intend to request supplemental housing tax credits in the 2023 round should be mindful that the 10% Test deadline remains December 31, 2022. Failing to meet the 10% Test by December 31, 2022, will result in termination of the award. Owners who cannot meet this deadline are encouraged to request treatment under the force majeure provision of the QAP established in 10 TAC Section 11.6(5) no later than November 15, 2022, in order for those requests to be heard by the Department's Governing Board at its December meeting scheduled for December 8, 2022. ...*

As the result of lingering and well-documented Force Majeure delays and cost increases resulting from the Covid-19 Pandemic, the Project has not yet been able to close on its construction and equity financing and currently has insufficient funding to meet the 10% Test Deadline. There are several compelling factors contributing to our situation. One is the well-documented rising

## PARMORE JUPITER ROAD, LP

construction costs that have made the original construction budget infeasible. In the 9% Application filed March 1, 2021, the Development Cost Schedule showed a Total Development Cost of \$21,848,606 (Please see Exhibit A). Construction costs are now estimated to be \$26,687,293 (Please see Exhibit B).

A second major factor impeding closing is that interest rates have been soaring. The Federal Reserve has increased its base rate by 3.75 percentage points since March 2022, as stated by Chair Jerome Powell in his November 2, 2022 press conference announcing the most recent 75 basis points increase (Please see Exhibit C). The interest rate for permanent financing was projected in the Application to be 4.5% per annum. Per email from Regions Bank, the current rates are approximately 7.00% for Freddie or Fanny financing and approximately 6.50% for HUD financing (Please see Exhibit D). This estimate is independently verified by Citi Community Capital's November 2, 2022 publication of its anticipated interest rates for 9% forward commitments, which are indicated to be 6.76-6.93% (Please see Exhibit E).

We believe that the Project qualifies for a Force Majeure Exchange of Tax Credits. The Project has not yet closed on its construction and equity financing because of the unforeseen circumstances of escalating prices for construction materials and rocketing interest rates. These circumstances are outside of the Owner's control, without any willful negligence or acts of the Owner or any other Related Party. The continuing increased prices resulting from the Pandemic were directly responsible for the cost increases. Other factors contributing to supply chain disruptions, labor shortages, and timeliness/processing challenges are also being caused by the Pandemic and are not within the Owner's control. The Owner is making every effort to mitigate the financial and scheduling problems that are being encountered.

We are requesting that an exchange of \$1,411,815 in 2022 Tax Credits be made for the \$1,411,815 in 2021 Tax Credits that were awarded to the Project. With such an exchange the Project is anticipated to be able to meet its 10% Test Deadline and remain financially feasible.

In summary, at this time there is no federal extension of the 10% Test Deadline available to the Project. Until the Applicant is able to close on the construction and equity financing, our only chance to meet the 10% Test is to request an exchange of 2021 Tax Credits for 2022 Tax Credits, and we ask that the TDHCA permit such an exchange, as it has recently done for other 2021 awardees who have encountered similar delays and skyrocketing prices due to the Covid-19 situation.

# PARMORE JUPITER ROAD, LP

Thank you for your consideration of our request. If any additional information is needed, please contact Ryan Combs at 512-983-0422.

Sincerely,

PARMORE JUPITER ROAD, LP

By:   
Name: Ryan Combs  
Title: Authorized Representative

Attachments: Exhibits A – E

cc: Cody Campbell  
Rosalio Banuelos  
Lucy Weber  
Colin Nickells  
Barry J. Palmer

# **PARMORE JUPITER ROAD, LP**

## **EXHIBIT A**

**DEVELOPMENT COST SCHEDULE FROM 9% APPLICATION SUBMITTED MARCH 1, 2021**

# **2021 HTC Full Application**

Tab 30  
Development  
Cost Schedule



**BUILDING COSTS\*:**

Concrete	880,130		880,130	
Masonry	509,018		509,018	
Metals	134,168		134,168	
Woods and Plastics	2,380,382		2,380,382	
Thermal and Moisture Protection	144,699		144,699	
Roof Covering	74,817		74,817	
Doors and Windows	269,962		269,962	
Finishes	923,411		923,411	
Specialties	155,648		155,648	
Equipment	192,922		192,922	
Furnishings				
Special Construction				
Conveying Systems (Elevators)	266,472		266,472	
Mechanical (HVAC; Plumbing)	1,184,100		1,184,100	
Electrical	838,272		838,272	

**Individually itemize costs below:**

Detached Community Facilities/Building				
Carports and/or Garages				
Lead-Based Paint Abatement				
Asbestos Abatement (Rehabilitation Only)				
Structured Parking				
Commercial Space Costs				
Other (specify) - see footnote 1				
<b>Subtotal Building Costs Before 11.9(e)(2)</b>	\$7,954,000	\$0	\$7,954,000	

**Voluntary Eligible Building Costs (After 11.9(e)(2))\*** \$84.00 psf \$6,888,000  
 Enter amount to be used to achieve desired score.

If NOT seeking to score points under §11.9(e)(2), E77:E78 should remain BLANK. True eligible building cost should be entered in line items E33:E74. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E77:E78 that produces the target cost per square foot in D77:D78. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

<b>TOTAL BUILDING COSTS &amp; SITE WORK (including site amenities)</b>	\$10,094,000	\$0	\$9,028,000	
Contingency 7.00%	\$706,580		631,960	

<b>TOTAL HARD COSTS</b>	\$10,800,580	\$0	\$9,659,960	
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OTHER CONSTRUCTION COSTS	%THC			%EHC
General requirements (<6%)	6.00%	648,035	579,598	6.00%
Field supervision (within GR limit)				
Contractor overhead (<2%)	2.00%	216,012	193,199	2.00%
G & A Field (within overhead limit)				
Contractor profit (<6%)	6.00%	648,035	579,598	6.00%

<b>TOTAL CONTRACTOR FEES</b>	\$1,512,081	\$0	\$1,352,394	
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<b>TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)</b>	\$12,312,661	\$0	\$11,012,354	
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**Voluntary Eligible "Hard Costs" (After 11.9(e)(2))\*** \$0.00 psf  
 Enter amount to be used to achieve desired score.

If NOT seeking to score points under §11.9(e)(2), E96:E97 should remain BLANK. True eligible cost should be entered in line items E83 and E87:E91. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E96:E97 that produces the target cost per square foot in D96:D97. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.



**OTHER FINANCING COSTS<sup>3</sup>**

Tax credit fees	59,245		
Tax and/or bond counsel			
Payment bonds			
Performance bonds	116,061		116,061
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance			
Syndication organizational cost	115,000		
Tax opinion			
Refinance (existing loan payoff amt)			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
<b>Subtotal Financing Cost</b>	\$1,816,713	\$0	\$1,023,272

**BREAKDOWN MUST BE PROVIDED**

**DEVELOPER FEES<sup>3</sup>**

Housing consultant fees <sup>4</sup>			
General & administrative			
Profit or fee	2,138,505		1,967,412
<b>Subtotal Developer Fees</b>	15.00% \$2,138,505	\$0	\$1,967,412 15.00%

**RESERVES**

Rent-up - new funds	275,000		
Rent-up - existing reserves*			
Operating - new funds	507,577		
Operating - existing reserves*			
Replacement - new funds			
Replacement - existing reserves*			
Escrows - new funds			
Escrows - existing reserves*			
<b>Subtotal Reserves</b>	\$782,577	\$0	\$0

**\*Any existing reserve amounts should be listed on the Schedule of Sources.**

<b>TOTAL HOUSING DEVELOPMENT COSTS<sup>5</sup></b>	\$21,848,606	\$0	\$15,083,489
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The following calculations are for HTC Applications only.

**Deduct From Basis:**

Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
<b>Total Eligible Basis</b>		\$0	\$15,083,489
**High Cost Area Adjustment (100% or 130%)			130%
<b>Total Adjusted Basis</b>		\$0	\$19,608,535
Applicable Fraction			80%
<b>Total Qualified Basis</b>	\$15,686,828	\$0	\$15,686,828
Applicable Percentage <sup>6</sup>			9.00%
<b>Credits Supported by Eligible Basis</b>	\$1,411,815	\$0	\$1,411,815
<b>Credit Request</b> (from 17.Development Narrative)	\$ 1,411,815		

**Requested Score for 11.9(e)(2)**

**12**

**\*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that the figure is not rounding down to the maximum dollar figure to support the elected points.**

Name of contact for Cost Estimate: Ryan Combs

Phone Number for Contact: 512-983-0422



# **PARMORE JUPITER ROAD, LP**

## **EXHIBIT B**

### **DEVELOPMENT COST SCHEDULE AS OF NOVEMBER, 2022**

## Development Cost Schedule

Self Score Total:

*This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:*

	TOTAL DEVELOPMENT SUMMARY			Scratch Paper/Notes
	Total Cost	Eligible Basis (If Applicable)		
		Acquisition	New/Rehab.	
<b>ACQUISITION</b>				
Site acquisition cost	3,702,600			
Existing building acquisition cost				
Closing costs & acq. legal fees	15,100			
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
<b>Subtotal Acquisition Cost</b>	\$3,717,700	\$0	\$0	
<b>OFF-SITES<sup>2</sup></b>				
Off-site concrete				
Storm drains & devices				
Water & fire hydrants				
Off-site utilities				
Sewer lateral(s)				
Off-site paving				
Off-site electrical				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
<b>Subtotal Off-Sites Cost</b>	\$0	\$0	\$0	
<b>SITE WORK<sup>3</sup></b>				
Demolition	168,258			
Asbestos Abatement (Demolition Only)				
Detention				
Rough grading	343,529		343,529	
Fine grading	77,155		77,155	
On-site concrete	461,880		461,880	
On-site electrical	120,000		120,000	
On-site paving				
On-site utilities	457,177		457,177	
Decorative masonry				
Bumper stops, striping & signs	8,857		8,857	
Other (specify) - see footnote 1				
<b>Subtotal Site Work Cost</b>	\$1,636,856		\$1,468,598	
<b>SITE AMENITIES</b>				
Landscaping	241,153		241,153	
Pool and decking	266,102		266,102	
Athletic court(s), playground(s)				
Fencing	83,809		83,809	
amenity equipment and furniture	41,200		41,200	
<b>Subtotal Site Amenities Cost</b>	\$632,264		\$632,264	
<b>BUILDING COSTS*:</b>				
Concrete	755,740		755,740	
Masonry	302,419		302,419	
Metals	110,159		110,159	
Woods and Plastics	4,048,590		4,048,590	
Thermal and Moisture Protection	346,598		346,598	
Roof Covering	157,800		157,800	
Doors and Windows	568,297		568,297	
Finishes	1,347,400		1,347,400	
Specialties	150,947		150,947	
Equipment	207,881		207,881	
Furnishings	426,126		426,126	
Special Construction				
Conveying Systems (Elevators)	66,450		66,450	
Mechanical (HVAC; Plumbing)	1,786,418		1,786,418	
Electrical	1,242,678		1,242,678	
<b>Individually itemize costs below:</b>				
Detached Community Facilities/Building				
Carports and/or Garages				
Lead-Based Paint Abatement				
Asbestos Abatement (Rehabilitation Only)				
Structured Parking				

Commercial Space Costs			
Other (specify) - see footnote 1			
<b>Subtotal Building Costs Before 11.9(e)(2)</b>	\$11,517,503		\$11,517,503
<b>Voluntary Eligible Building Costs (After 11.9(e)(2))*</b>	\$140.46 psf		\$11,517,503
Enter amount to be used to achieve desired score.			

If NOT seeking to score points under §11.9(e)(2), E77:E78 should remain BLANK. True eligible building cost should be entered in line items E33:E74. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E77:E78 that produces the target cost per square foot in D77:D78. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

<b>TOTAL BUILDING COSTS &amp; SITE WORK (including site amenities)</b>	\$13,786,623	\$0	\$13,618,365
Contingency	5.00%	\$689,331	680,918
<b>TOTAL HARD COSTS</b>	\$14,475,954	\$0	\$14,299,283
<b>OTHER CONSTRUCTION COSTS</b>	<b>%THC</b>		<b>%EHC</b>
General requirements (<6%)	6.00%	868,557	857,957 6.00%
Field supervision (within GR limit)			
Contractor overhead (<2%)	2.00%	289,519	285,986 2.00%
G & A Field (within overhead limit)			
Contractor profit (<6%)	6.00%	868,557	857,957 6.00%
<b>TOTAL CONTRACTOR FEES</b>	\$2,026,634	\$0	\$2,001,900
<b>TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)</b>	\$16,502,588	\$0	\$16,301,183
<b>Voluntary Eligible "Hard Costs" (After 11.9(e)(2))*</b>	\$0.00 psf		
Enter amount to be used to achieve desired score.			

If NOT seeking to score points under §11.9(e)(2), E96:E97 should remain BLANK. True eligible cost should be entered in line items E83 and E87:E91. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E96:E97 that produces the target cost per square foot in D96:D97. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

**SOFT COSTS<sup>3</sup>**

Architectural - Design fees	250,000		250,000
Architectural - Supervision fees	60,000		60,000
Engineering fees	125,000		125,000
Real estate attorney/other legal fees	90,000		90,000
Accounting fees	40,000		40,000
Impact Fees			0
Building permits & related costs	140,000		140,000
Appraisal			0
Market analysis	11,000		11,000
Environmental assessment	2,450		2,450
Soils report	10,000		10,000
Survey	12,000		12,000
Marketing			
Hazard & liability insurance	40,000		40,000
Real property taxes	50,000		50,000
Personal property taxes			
Tenant Relocation			
FFE	250,000		250,000
Professional Fees	0		0
<b>Subtotal Soft Cost</b>	\$1,080,450	\$0	\$1,080,450

**FINANCING:**

**CONSTRUCTION LOAN(S)<sup>3</sup>**

Interest	941,208		401,730	51%
Loan origination fees	315,500		315,500	
Title & recording fees	110,000		110,000	
Closing costs & legal fees	65,000		65,000	
Inspection fees	15,000		15,000	
Credit Report				
Discount Points				
Bond Costs	0		0	
Construction Management	0		0	

**PERMANENT LOAN(S)**

Loan origination fees	79,741		
Title & recording fees	0		
Closing costs & legal			
Bond premium			
Credit report			
Discount points			

Credit enhancement fees			
Prepaid MIP			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
<b>BRIDGE LOAN(S)</b>			
Interest			
Loan origination fees			
Title & recording fees			
Closing costs & legal fees			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
<b>OTHER FINANCING COSTS<sup>3</sup></b>			
Tax credit fees	59,229		
Tax and/or bond counsel			
Payment bonds			
Performance bonds	116,061		116,061
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance			
Syndication organizational cost	115,000		
Tax opinion			
Refinance (existing loan payoff amt)			
Other (specify) - see footnote 1			
<b>Subtotal Financing Cost</b>	<b>\$1,816,739</b>	<b>\$0</b>	<b>\$1,023,290</b>

<b>DEVELOPER FEES<sup>3</sup></b>			
Housing consultant fees <sup>4</sup>			
General & administrative			
Profit or fee	2,787,239		2,760,738
<b>Subtotal Developer Fees</b> 15.00%	<b>\$2,787,239</b>	<b>\$0</b>	<b>\$2,760,738</b> 15.00%

<b>RESERVES</b>			
Rent-up - new funds	275,000		
Rent-up - existing reserves*			
Operating - new funds	507,577		
Operating - existing reserves*			
Replacement - new funds			
Replacement - existing reserves*			
Escrows - new funds			
Escrows - existing reserves*			
<b>Subtotal Reserves</b>	<b>\$782,577</b>	<b>\$0</b>	<b>\$0</b>

**\*Any existing reserve amounts should be listed on the Schedule of Sources.**

<b>TOTAL HOUSING DEVELOPMENT COSTS<sup>5</sup></b>	<b>\$26,687,293</b>	<b>\$0</b>	<b>\$21,165,662</b>
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The following calculations are for HTC Applications only.

<b>Deduct From Basis:</b>			
Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units§42(d)(5)			
Historic Credits (residential portion only)			
<b>Total Eligible Basis</b>		\$0	\$21,165,662
**High Cost Area Adjustment (100% or 130%)			130%
<b>Total Adjusted Basis</b>		\$0	\$27,515,360
Applicable Fraction			80%
<b>Total Qualified Basis</b>	<b>\$22,012,288</b>	<b>\$0</b>	<b>\$22,012,288</b>
Applicable Percentage <sup>6</sup>			9.00%
<b>Credits Supported by Eligible Basis</b>	<b>\$1,981,106</b>	<b>\$0</b>	<b>\$1,981,106</b>
<b>Credit Request</b> (from 17.Development Narrative)			

**Requested Score for 11.9(e)(2)**

\*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that the figure is not rounding down to the maximum dollar figure to support the elected points.

Name of contact for Cost Estimate:

Phone Number for Contact:

If a revised form is submitted, date of submission:

Footnotes:

<sup>1</sup> An itemized description of all "other" costs must be included at the end of this exhibit.

<sup>2</sup> All Off-Site costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Offsite Cost Breakdown form.

<sup>3</sup> (HTC Only) Site Work expenses, indirect construction costs, developer fees, construction loan financing and other financing costs may or may not be included in Eligible Basis. Site Work costs must be justified by a Third Party engineer in accordance with the Department's format provided in the Site Work Cost Breakdown form.

<sup>4</sup> (HTC Only) Only fees paid to a consultant for duties which are not ordinarily the responsibility of the developer, can be included in Eligible Basis. Otherwise, consulting fees are included in the calculation of maximum developer fees.

<sup>5</sup> (HTC Only) Provide all costs & Eligible Basis associated with the Development.

<sup>6</sup> (HTC Only) Use the appropriate Applicable Percentages as defined in §11.1 of the QAP.

# **PARMORE JUPITER ROAD, LP**

## **EXHIBIT C**

**TRANSCRIPT OF NOVEMBER 2, 2022 PRESS CONFERENCE BY  
FEDERAL RESERVE CHAIR JEROME POWELL**

**(See pages 1 and 5)**

**Transcript of Chair Powell's Press Conference  
November 2, 2022**

CHAIR POWELL. Good afternoon. My colleagues and I are strongly committed to bringing inflation back down to our 2 percent goal. We have both the tools that we need and the resolve it will take to restore price stability on behalf of American families and businesses. Price stability is the responsibility of the Federal Reserve and serves as the bedrock of our economy. Without price stability, the economy does not work for anyone. In particular, without price stability, we will not achieve a sustained period of strong labor market conditions that benefit all.

Today, the FOMC raised our policy interest rate by 75 basis points, and we continue to anticipate that ongoing increases will be appropriate. We are moving our policy stance purposefully to a level that will be sufficiently restrictive to return inflation to 2 percent. In addition, we are continuing the process of significantly reducing the size of our balance sheet. Restoring price stability will likely require maintaining a restrictive stance of policy for some time. I will have more to say about today's monetary policy actions after briefly reviewing economic developments.

The U.S. economy has slowed significantly from last year's rapid pace. Real GDP rose at a pace of 2.6 percent last quarter but is unchanged so far this year. Recent indicators point to modest growth of spending and production this quarter. Growth in consumer spending has slowed from last year's rapid pace, in part reflecting lower real disposable income and tighter financial conditions. Activity in the housing sector has weakened significantly, largely reflecting higher mortgage rates. Higher interest rates and slower output growth also appear to be weighing on business fixed investment.

Despite the slowdown in growth, the labor market remains extremely tight, with the unemployment rate at a 50-year low, job vacancies still very high, and wage growth elevated.

Job gains have been robust, with employment rising by an average of 289,000 jobs per month over August and September. Although job vacancies have moved below their highs and the pace of job gains has slowed from earlier in the year, the labor market continues to be out of balance, with demand substantially exceeding the supply of available workers. The labor force participation rate is little changed since the beginning of the year.

Inflation remains well above our longer-run goal of 2 percent. Over the 12 months ending in September, total PCE prices rose 6.2 percent; excluding the volatile food and energy categories, core PCE prices rose 5.1 percent. And the recent inflation data have again come in higher than expected. Price pressures remain evident across a broad range of goods and services. Russia's war against Ukraine has boosted prices for energy and food and has created additional upward pressure on inflation.

Despite elevated inflation, longer-term inflation expectations appear to remain well anchored, as reflected in a broad range of surveys of households, businesses, and forecasters, as well as measures from financial markets. But that is not grounds for complacency; the longer the current bout of high inflation continues, the greater the chance that expectations of higher inflation will become entrenched.

The Fed's monetary policy actions are guided by our mandate to promote maximum employment and stable prices for the American people. My colleagues and I are acutely aware that high inflation imposes significant hardship as it erodes purchasing power, especially for those least able to meet the higher costs of essentials like food, housing, and transportation. We are highly attentive to the risks that high inflation poses to both sides of our mandate, and we are strongly committed to returning inflation to our 2 percent objective.

At today's meeting the Committee raised the target range for the federal funds rate by 75 basis points. And we are continuing the process of significantly reducing the size of our balance sheet, which plays an important role in firming the stance of monetary policy.

With today's action, we have raised interest rates by 3-3/4 percentage points this year. We anticipate that ongoing increases in the target range for the federal funds rate will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. Financial conditions have tightened significantly in response to our policy actions, and we are seeing the effects on demand in the most interest-rate-sensitive sectors of the economy, such as housing. It will take time, however, for the full effects of monetary restraint to be realized, especially on inflation. That's why we say in our statement that in determining the pace of future increases in the target range, we will take into account the cumulative tightening of monetary policy and the lags with which monetary policy affects economic activity and inflation. At some point, as I've said in the last 2 press conferences, it will become appropriate to slow the pace of increases, as we approach the level of interest rates that will be sufficiently restrictive to bring inflation down to our 2 percent goal. There is significant uncertainty around that level of interest rates. Even so, we still have some ways to go, and incoming data since our last meeting suggest that the ultimate level of interest rates will be higher than previously expected. Our decisions will depend on the totality of incoming data and their implications for the outlook for economic activity and inflation. And we will continue to make our decisions meeting by meeting and communicate our thinking as clearly as possible.

We are taking forceful steps to moderate demand so that it comes into better alignment with supply. Our overarching focus is using our tools to bring inflation back down to our 2 percent goal and to keep longer-term inflation expectations well anchored. Reducing inflation is

likely to require a sustained period of below-trend growth and some softening of labor market conditions. Restoring price stability is essential to set the stage for achieving maximum employment and stable prices in the longer run. The historical record cautions strongly against prematurely loosening policy. We will stay the course, until the job is done.

To conclude, we understand that our actions affect communities, families, and businesses across the country. Everything we do is in service to our public mission. We at the Fed will do everything we can to achieve our maximum employment and price stability goals. Thank you and I look forward to your questions.

MICHELLE SMITH. Colby.

COLBY SMITH. Thank you. Colby Smith with The Financial Times. On the need to slow the pace of rate increases at some point, is a downshift contingent on a string of better inflation data specifically between now and let's say the December meeting? Or is that something that the Fed could potentially proceed with independent of that data, given the lag affect that you mentioned?

CHAIR POWELL. So a couple things on that; we do need to see inflation coming down decisively and good evidence of that would be a series of down monthly readings. Of course that's what we'd all love to see but that's, I've never thought of that as the appropriate test for slowing the pace of increases or for identifying the appropriately restrictive level that we're aiming for. We need to bring our policy stance down to a level that's sufficiently restrictive to bring inflation down to our 2 percent objective over the medium term. How will we know that we've reached that level? Well, we'll take into account the full range of analysis and data that bear on that question guided by our assessment of how much financial conditions have tightened, the effects that that tightening is actually having on the real economy and on inflation, taking

into consideration lags, as I mentioned. We will be looking at real rates, for example, all across the yield curve and all other financial conditions as we make that assessment.

MICHELLE SMITH. Howard.

HOWARD SCHNEIDER. Howard. Hi, Howard Schneider with Reuters. I'm sure there's going to be tons of confusion out there about whether this means you're going to slow in December or not. Would you say that the bias right now is not for another 75 basis point increase?

CHAIR POWELL. So, what I want to do is put that question of pace in the context of our broader tightening program if I may, and talk about the statement language along the way. So I think you can think about our tightening program as really addressing three questions; the first of which was and has been, how fast to go, the second is how high to raise our policy rate, and then third will be, eventually, how long to remain at a restrictive level. So, on the first question, how fast to tighten policy, it's been very important that we move expeditiously and we have clearly done so, we've moved 3-3/4 percent since March, admittedly from a base of zero. It's a historically fast pace and that's certainly appropriate given the persistence and strength in inflation and the low level from which we started. So now we come to the second question, which is how high to raise our policy rate, and we're saying that we'd raise that rate to a level that's sufficiently restrictive to bring inflation to our 2 percent target over time and we put that into our post-meeting statement because that really does become the important question we think now, is how far to go and I'll talk more about that. We think there's some ground to cover but before we meet that test and that's why we say that ongoing rate increases will be appropriate, and as I mentioned, incoming data between the meetings, both a strong labor market report but particularly the CPI report, do suggest to me that we may ultimately move to higher levels than

we thought at the time of the September meeting. That level is very uncertain though, and I would say we're going to find it over time. Of course, with the lags between policy and economic activity, there's a lot of uncertainty so we note that in determining the pace of future increases, we'll take into account the cumulative tightening of monetary policy as well as the lags with which monetary policy affects economic activity and inflation. So, I would say, as we come closer to that level, move more into restrictive territory, the question of speed become less important than the second and third questions, and that's why I've said it the last two press conferences, that at some point it will become appropriate to slow the pace of increases. So that time is coming, and it may come as soon as the next meeting or the one after that. No decision has been made. It is likely we'll have a discussion about this at the next meeting, a discussion. To be clear, let me say again, the question of when to moderate the pace of increases is now much less important than the question of how high to raise rates and how long to keep monetary policy restricted, which really will be our principal focus.

HOWARD SCHNEIDER. If I could follow-up on that; to what degree was there an importance or weight given to a need to signal this possibility now, given all the concerns really around the globe about fed policy sort of driving ahead and everybody else dealing with their own stress as a result?

CHAIR POWELL. Well, I think I'm pleased that we have moved as fast as we have, I don't think we've over-tightened, I think there's very difficult to make a case that our current level is too tight, given that inflation still runs well above the federal funds rate. So I think that at this meeting, as in the last two meetings, as I've mentioned, I've said that we, that there would come a point, and this was a meeting at which we had a discussion about what that might mean and we did discuss this and as I mentioned, we'll discuss it again in December. But there's no, I

don't have any sense that we've over-tightened or moved too fast. I think it's been good and a successful program that we've gotten this far this fast. Remember though that we still think there's a need for ongoing rate increases and we have some ground left to cover here and cover it we will.

MICHELLE SMITH. Nick.

NICK TIMIRAOS. Nick Timiraos of the Wall Street Journal. Chair Powell, core PCE inflation on a 3 or 6-month annualized basis and on a 12-month basis has been running in the high 4's, close to 5 percent. Is there any reason to think you won't have to raise rates at least above that level to be confident that you are imparting enough restraint to bring inflation down?

CHAIR POWELL. So, this is the question of [inaudible] does the policy rate need to get above the inflation rate? And I would say, there are a range of view on it. That's the classic Taylor principle view. But I would think you'd look more at a forward, a forward-looking measure of inflation to look at that. But, I think the answer is, we'll want to get the policy rate to a level where it is, where the real interest rate is positive. We will want to do that. I do not think of it as the single and only touchstone though. I think you put some weight on that, you also put some weight on rates across the curve. Very few people borrow at the short end, at the federal funds rate for example, so households and businesses, if they're very meaningfully positive interest rates all across the curve for them, credit spreads are larger so borrowing rates are significantly higher and I think financial conditions have tightened quite a bit. So, I would look at that as an important feature. I'd put some weight on it but I wouldn't say it's something that is the single dominant thing to look at.

NICK TIMIRAOS. If I could follow-up, what is your best assessment or the staff's best assessment right now of the current rate of underlying inflation?

CHAIR POWELL. I don't have a specific number for you there. There are many, many models that look at that and I mean one way to look at it is that it's a pretty stationary object and that when inflation runs above that level for sure, substantially above for some time, you'll see it move up, but the movement will be fairly gradual. So I think that's what the principle models would tend to say but I wouldn't want to land on any one assessment. There are many different, as you know, many different people publishing assessment of underlying inflation.

NICK TIMIRAOS. Thank you.

MICHELLE SMITH. Jeanna.

JEANNA SMIALEK. Hi Chair Powell, thank you for taking our questions. Jeanna Smialek with the New York Times. I wondered, do you see any evidence at this stage that inflation is or is at risk of becoming entrenched?

CHAIR POWELL. Is inflation becoming entrenched? So, I guess I would start by pointing to expectations, so if we saw longer term expectations moving up, that would be very troubling, and they were moving up a little bit at the middle part of this year, and they've moved now back down, that's one piece of data. Shorter term inflation expectations moved up between the last, this meeting, the last meeting and this meeting, and we don't think those are as indicative, but they may be important in the wage setting process. There's a school of thought that believes that. So that's very concerning. I guess the other thing I would say is that the longer we have, we're now 18 months into this episode of high inflation and we don't have a clearly identified scientific way of understanding at what point inflation becomes entrenched. And so,

the thing we need to do from a risk management standpoint is to use our tools forcefully but thoughtfully, and get inflation under control, get it down to 2 percent, get it behind us. That's what we really need to do and what we're strongly committed to doing.

MICHELLE SMITH. Rachel.

RACHEL SIEGEL. Hi Chair Powell. Thank you for taking our questions. Rachel Siegel from The Washington Post. The statement points to lag times, I'm wondering if you can walk us through how you judge those lag affects, what that timeline looks like over the coming months or even a year and where you would expect it to show up in different parts of the economy.

CHAIR POWELL. So, the way I would think about that is it's a commonly, for a long time, thought that monetary policy works with long and variable lags and that it works first on financial conditions and then on economic activity and then perhaps later than that even on inflation. So that's been the thinking for a long time. There was an old literature that made those lags out to be fairly long. There's newer literature that says that they're shorter and the truth is, we don't have a lot of data of inflation of this high in what is now the modern economy. One big difference now is that it used to be that you would raise the federal funds rate, financial conditions would react and then that would affect economic activity and inflation. Now, financial conditions react well before an expectation of monetary policy. That's the way it has moved for a quarter of a century is in the direction of financial conditions, then monetary policy because the markets are thinking what's, what is the Central Bank going to do? And there are plenty of economists that also think that once financial conditions change, that the effects on the economy are actually faster than they would have been before. We don't know that, I guess the thing that I would say is, it's highly uncertain, highly uncertain, and so from a risk management standpoint but we do need, it would be irresponsible not to, to ignore them. but you want to consider them

but not take them literally. So, I think it's a very difficult place to be but I would tend to be, want to be in the middle looking carefully at what's actually happening with the economy. And trying to make good decisions from a risk management standpoint, remembering of course that if we were to over-tighten, we could then use our tools strongly to support the economy, whereas if we don't get inflation under control because we don't tighten enough, now we're in a situation where inflation will become entrenched and the costs, the employment costs in particular, will be much higher potentially. So, from a risk management standpoint, we want to be sure that we don't make the mistake of either failing to tighten enough, or loosening policy too soon.

RACHEL SIEGEL. And if I could follow-up, should we interpret the addition to the statement to mean that more weight is put into those lag affects than they would have been after previous rate hikes?

CHAIR POWELL. Well I think as we move now into restrictive territory, as we make these ongoing rate hikes and policy becomes more restrictive, it'll be appropriate now to be thinking more about lag. Of course, we think about lag-- the lags are just sort of a basic part of monetary policy, but we will be thinking about them, but we won't be, I think we'll be considering them but because it's appropriate to do so. Let me say this, it is very premature to be thinking about pausing. So people, when they hear lags, they think about a pause. It's very premature in my view to think about or be talking about pausing our rate hike. We have a ways to go, our policy, we need ongoing rate hikes to get to that level of sufficiently restrictive. And we don't, of course we don't really know exactly where that is. We have a sense and we'll write down in September-- sorry, in the December meeting, a new summary of economic projections which updates that. But I would expect just to continue updated based on what we are seeing with incoming data. Thanks,

MICHELLE SMITH. Neil Irwin.

NEIL IRWIN. Thanks, Chair Powell, Neil Irwin, Axios. As you look around the economy, the clearest impact of your tightening so far has been on housing, maybe some venture funded tech companies, it's been relatively narrow in terms of the labor market, consumer demand, a lot of sectors you don't see a ton of effect. Is the pathway and channels through which monetary policy works changing? Is it narrower than it used to be? And on housing in particular, are you at all worried that you're cramping housing supply in ways that might cause problems down the road?

CHAIR POWELL. I don't know that the channels through which policy works have changed that much. I would say a big channel is the labor market and the labor market is very, very strong. Very strong. And household by, of course have strong balance sheets. So, we go into this with a strong labor market and excess demand in the labor market, as you can see through many different things and also with households who have strong spending power built up. So it may take time, it may take resolve, it may take patience, it's likely to, to get inflation down. It may, I think you see from our forecasts and others, that it will take some time for inflation to come down. It'll take time, we think. So, sorry, was I getting to your question there?

NEIL IRWIN. Housing.

CHAIR POWELL. Oh housing, the housing part of it. Yeah, so we look at housing, of course, housing is significantly affected by these higher rates, which are really back where they were before the global financial crisis, they're not historically high, but they're much higher than they've been and you're seeing housing activity decline, and you're seeing housing prices growing at a faster rate and in some parts of the country, declining. You know, I would say

housing was, the housing market was very overheated for the couple of years after the pandemic as demand increased and rates were low. We all know the stories of how overheated the housing market was, prices going up. Many, many bidders and no conditions, that kind of thing. So, the housing market needs to get back into a balance between supply and demand. We're well aware of the, of what's going on there. From a financial stability standpoint, we didn't see in this cycle the kinds of poor credit underwriting that we saw before the global financial courses. Housing credit was very carefully, much more carefully managed by the lenders so it's a very different situation and doesn't present potential financial, doesn't appear to present financial stability issues. But no, we do understand that that's really where a very big effect of our policy is.

MICHELLE SMITH. Victoria.

VICTORIA GUIDO. Hi, Victoria Guido with Politico. I wanted to ask about the labor market. You mentioned early on again, that job openings are very high compared to available workers, and I'm just curious to what extent you do and don't draw signal from that? So, for example, if wage growth is slowing and if maybe the unemployment rate starts to tick up, will that make you sort of decrease your focus on job openings? What do you see, are wages what's really important? How are you thinking about the labor market as it relates to inflation?

CHAIR POWELL. So we talk a lot about vacancies in the, vacancy and unemployed rate, but it's just one, it's just another data series. It's been unusually important in this cycle because it's been so out of line. But so has quits. So have wages. So, we look at a very wide range of data on the unemployment, on the labor market. So, I'd start with unemployment which is typically the single statistic you would look to is at a 50-year low, 3-1/2 percent, we're getting really nothing in labor supply now. We had I think very small increase this year which we had really thought, we thought we would get that back. Most analysts thought we would get some

labor supply coming in. You mentioned wages, so I guess I would characterize that it's sort of a mixed picture. It's true with average hourly earnings you see, so I would call it a flattening out at a level that's well-above the level that would be consistent over time with 2 percent inflation, assuming a reasonable productivity. With the ECI reading this week, again, a mixed picture. The headline number was a disappointment, let's just say it was high. It didn't show a decline. There some raise of highlight inside that if you look at private sector workers, that did come down, that compensation did come down. Overall though, the broader picture is of an overheated labor market where demand substantially exceeds supply. Job creation still exceeds, sort of the level that would hold the market where it is. So that's the picture. Do we see, we keep looking for signs that sort of the beginning of a gradual softening is happening and maybe that's there, but it's not obvious to me because wages aren't coming down, they're just moving sideways at an elevated level, both ECI and average hourly earnings. We want to see, we would love to see vacancies coming down, quits coming down. They are coming down, vacancies are below their all-time high but not by as much as we thought because-- and that, the data series is volatile, we never take any one reading, we always look at two or three. So, it's a mixed picture. I don't see the case for real softening just yet. But we look at, I guess I just, as I just showed you, we look at a very broad range of data on the labor market.

VICTORIA GUIDO. So do you see wages as being a significant driver of inflation? I think wages have an effect on inflation and inflation has an effect on wages.

CHAIR POWELL. I think that's always been the case. There's always, going back and forth, the question is is that really elevated right now? I don't think so. I don't think wages are the principal story of why prices are going up. I don't that. I also don't think that we see a wage price spiral, but again, it's not something you can, once you see it, you're in trouble. So, we don't want

to see it. We want wages to go up, we just want them to go up at a level that's sustainable and consistent with 2 percent inflation. And we think we can, we do think that given the data that we have, that this labor market can soften without having to soften as much as history would indicate through the unemployment channel. It can soften through job openings declining, we think there's room for that. But we won't know that, that'll be, that'll be discovered empirically.

KAYLA TAUSCHE. Thank you so much, Kayla Tausche from CNBC. Earlier last month the United Nations warned that there could be a global recession if central banks didn't change course. The new UK prime minister warned of a profound economic crisis there. I'm wondering how the Fed is weighing international developments in light of a very strong economy here in the U.S. that would seem to be bucking those trends.

CHAIR POWELL. So of course we, we keep close tabs on economic developments and also geopolitical developments that are relevant to the economy abroad. We're in very frequent contact with our foreign counterparts both through the IMF meetings and the regular meetings with central banks that we have, and I have one this weekend with many, many central bankers. So, we're in touch with all of that. So, I guess what, it's clearly a time, a difficult time in the global economy, we're seeing very high inflation in Europe, significantly because of high energy prices related to the war in Ukraine. And we're seeing China is have issues with the zero-COVID policy and much slower growth than we're used to seeing so we're seeing, we see those difficulties, the strong dollar is a challenge for some countries. But we haven't, we take all of that into account in our models, we think about the spillovers and that sort of thing. Here in the United States we have a strong economy and we have an economy where inflation is running at 5 percent, core PCE inflation, which is a really good indicator of what's going on for us is the way we see it is running at 5.1 percent on a 12-month basis and sort of similar to that on a 3, 6, and 9-

month basis. So we know that we need to use our tools to get inflation under control. The world's not going to be better off if we fail to do that. That's a task we need to do. Price stability in the United States is a good thing for the global economy over a long period of time. Price stability is the kind of thing that pays dividends for our economy, for decades hopefully, even though it may be difficult to get it back, getting it back is something that gives, that provides value to the people we serve for the long run.

KAYLA TAUSCHE. If I could just follow-up on that. Thank you. The Fed has acknowledged in the past that the tools that you have don't affect things like energy and food prices that stem from some of those conflicts overseas and they're some of the biggest pain points for consumers. So, as you pursue the current path that you've outlined, is there a risk that some of those prices simply don't come down?

CHAIR POWELL. So we don't directly affect for the most part food and energy prices, but the demand channel does affect them just at the margin. The thing about the United States is that we also have strong-- in many other jurisdictions the principle problem really is energy. In the United States we also have a demand issue. We've got an imbalance between demand and supply which you see in many parts of the economy. So our tools are well-suited to work on that problem, and that's what we're doing. Your right though, we don't, the price of oil is set globally and it's not something we can affect. I think by the actions that we take though, we help keep longer term inflation expectations anchored and keep the public believing in 2 percent inflation by the things that we do, even in times when energy is part of the story of why inflation is high.

MICHELLE SMITH. Jonnelle.

JONNELLE MARTE. Hi Chair Powell, Jonnelle Marte with Bloomberg. So, the Fed is facing two more ethics related incidents with the revision of the financial statements from President Bostic and the President Bullard speaking at a closed event. So, some senators, like Elizabeth Warren, are saying that this is a sign of greater ethics problems at the Fed. Could you talk about what this does to the public's trust in the bank and what the Fed is doing to prevent this kind of behavior from becoming common?

CHAIR POWELL. Sure, so you're right, the public's trust is really the Fed's and any central bank's most important asset and any time one of us, one of the policy makers violates or falls short of those rules, we do risk undermining that trust and we take that very seriously. We do. So, at the beginning of our meeting yesterday actually, we had a Committee discussion of the full Committee on the importance of holding ourselves individually and collectively accountable for knowing and following the high standard that's set out in our exciting rules with respect to both personal investment activities and external communications. And we've taken a number of steps and I would just say we do understand how important those issues are. I would say that our new investment program that we have is up now and running and actually it was through that that the problems with President Bostic's disclosures were discovered, when he filed his new disclosure, that's, we now have a central group here at the Board of Governors that looks into disclosures and follows them and approves people's disclosures and also all of their trades. Any trade anyone has to make is covered, has to be approved, pre-approved and there's a lag, it has to be pre-approved 45 days before it happens. So there's no ability to gain market, so it's a really good system, it worked here. And we, I think we all said to each other today, yesterday actually, yesterday morning, we re-committed to each other and to this institution to hold ourselves to the highest standards and avoid these problems.

JONNELLE MARTE. Do you have an update on the investigations that are pending?

CHAIR POWELL. I don't, so as you know, I referred the matter concerning President Bostic to the Inspector General and once that happens, I don't discuss it with the Inspector General or with anybody, it's just, Inspector General has, he has the ability to do investigations, we don't really have that. So that's what he's doing.

MICHELLE SMITH. Michael.

MICHAEL MCKEE. Michael McKee from Bloomberg Television and Radio. Earlier this year you touted the 3-month yield out to 18 months as the yield curve with 100 percent explanatory power. And you said, quote; if it's inverted, that means the Fed's going to cut, which means the economy is weak. That curve is only 2 basis points away from inversion now, so I'm wondering why you are so confident that you have not over tightened particularly given that rates work with a lag.

CHAIR POWELL. Well, so we do monitor the near term forward spread, you're right. And it's, that's been our preferred measure. We think it, just empirically it dominates the ones that people tend to look at, which is twos, tens, and things like that. So, it's not inverted, and also you have to look at why things, why the rate curve is doing what it's doing. It can be doing that because it affects, it expects cuts or because it expects inflation to come down. In this case, if you're in a situation where the markets are pricing in significant declines in inflation, that's going to affect the forward curve so yes, we monitor it, you're right. And that's what I would say.

MICHAEL MCKEE. If I could follow-up; you also said several meetings ago that the risk of doing too little outweighed the risk of doing too much. Is what you're trying to tell us today is that that risk assessment has changed a little bit?

CHAIR POWELL. Well what's happened is time has passed and we've raised interest rates by 375 basis points. I would not, I would not change a word in that statement though. I think until we get inflation down, you'll be hearing that from me. Again, if we over tighten, and we don't want to, we want to get this exactly right, but if we over tighten, then we have the ability with our tools, which are powerful, to, as we showed at the beginning of the pandemic episode, we can support economic activity strongly if that happens, if that's necessary. On the other hand, if you make the mistake in the other direction, and you let this drag on, then it's a year or two down the road and you're realizing inflation behaving the way it can, you're realizing you didn't actually get it, you have to go back in. By then the risk really is that it has become entrenched in people's thinking and the record is that the employment costs, the cost to the people that we don't want to hurt, they go up with the passage of time. That's really how I look at it. So, that isn't going to change. What has changed though, you're right, is we're farther along now. And I think as we're farther along, we're now focused on that what's the place, what's the level we need to get to rates and I don't know what we'll do when we get there, by the way, it doesn't, we'll have to see. There's been no decision or discussion around exactly what steps we would take at that point. But the first thing is to find your way there.

MICHELLE SMITH. Chris Rugaber.

CHRISTOPHER RUGABER. Thank you, Chris Rugaber at Associated Press. Just to go back to housing for a minute, you mentioned the impact that rate increases have had on housing, home sales are down 25 percent in the past year, and so forth, but none of this is really showing up in, as you know, in the government's inflation measures. And as we go forward, private real-time data is clearly showing these hits to housing. Are you going to need to put a greater weight

on that in order to ascertain things like whether there's over tightening going on or will you still focus as much on the more lagging government indicators?

CHAIR POWELL. So this is an interesting subject. So I start by saying I guess that the measure that's in the CPI and the PCE, it captures rents for all tenants, not just the new, not just new leases. And that makes sense actually because that, for that reason, that conceptually that is, that's sort of the right target for monetary policy. And the same thing is true for owners' equivalent rent which comes off of, it's a re-weighting of tenant rents. The private measures are of course good at picking up the, at the margin, the new leases and they tell you a couple things; one thing is, once you, I think right now, if you look at the pattern of that series of the new leases, it's very pro-cyclical, so rents went up much more than the CPI and PCE rents did. And now they're coming down faster. So but what you're, the implication is that there are still as people, as non-new leases rollover and expire, right? You still, they're still in the pipeline, there's still some significant rate increases coming. Okay? But at some point, once you get through that, the new leases are going to tell you, what they're telling you is there will come a point at which rent inflation will start to come down. But that point is well out from where we are now. So we're well-aware of that of course and we look at it. And we've, but I would say that in terms of the right way to think about inflation really is to look at the measure that we do look at, but considering that we also know that at some point you'll see rents coming down.

CHRISTOPHER RUGABER. Great, and just a quick follow. It looks like stock and bond markets are reacting positively to your announcement so far. Is that something you wanted to see? Is that a problem or what, how that might affect your future policy to see this positive reaction?

CHAIR POWELL. We're not targeting any one or two particular things. Our message should be, what I'm trying to do is make sure that our message is clear, which is that we think we have a ways to go, we have some ground to cover with interest rates before we get to, before we get to that level of interest rates that we think is sufficiently restrictive. And putting that in the statement and identifying that as a goal is an important step. And that's meant to put that question really as the important one now going forward. I've also said that we think that the level of rates that we estimated in September, the incoming data suggests that that's actually going to be higher and that's been the pattern. I mean I would have little confidence that the forecast, if we made a forecast today, if we were doing an SEP today, the pattern has been that one after another they go up and that'll end when it ends, but there's no sense that inflation is coming down, it just, if you look at the-- I have a table of the last 12 months of 12-month readings and there's really no pattern there. We're exactly where we were a year ago. So, okay, so I would also say it's premature to discuss pausing. And it's not something that we're thinking about, that's really not a conversation to be had now. We have a ways to go. And the last thing I'll say is that I would want people to understand our commitment to getting this done. And to not making the mistake of not doing enough or the mistake of withdrawing our strong policy and doing that too soon. So those, I control those messages and that's my job.

MICHELLE SMITH. Edward.

EDWARD LAWRENCE. Thank you, Edward Lawrence with FOX Business, thank you, Fed Chairman. So, how big of a headwind is all the fiscal spending to what the Federal Reserve's trying to do to get inflation back to the 2 percent target?

CHAIR POWELL. In theory it was a headwind this year, but I do think the broader context is that you have households that have these significant amounts of savings and can keep

spending even in-- so I think those two things do tend to wage, to sort of counter balance each other out. It appears, consumer spending is still positive, it's at pretty modest growth levels, it's not shrinking but and people are and the banks that deal with retail customers and many retailers will tell you that the consumers are still buying and they're still, they're fine, so I don't know how big the fiscal headwinds are and they haven't shown up in the way that we thought they would in restraining spending. So, it must have to do with the savings that people have.

EDWARD LAWRENCE. So what about the spending? There's tens of billions yet to be spent. I mean from the Inflation Reduction Act, the American Rescue Plan, CHIPS Act, Bipartisan Infrastructure Bill, how does that play into your thinking about the future?

CHAIR POWELL. It's, demand is going to have some support from those savings, and also from the strong demand that's still in the labor market. We still see pretty significant demand and a tightening labor market in some respects, although I think overall I would say it's not really tightening or loosening. So we see those things and what those things tell us is that our job is going to require some resolve and some patience over time. We're going to have to stick with this. And that's just, we take all that as a given but we know what our objective is and we know what our tools can do, and that's how we think about it.

MICHELLE SMITH. Thanks, we'll go to Nancy for the last question.

NANCY MARSHALL-GENZER. Hi Chair Powell, Nancy Marshall-Genzer from Marketplace. I'm wondering, has the window for a soft landing narrowed? Do you still think it's possible?

CHAIR POWELL. Has it narrowed? Yes. Is it still possible? Yes. I think, we've always said it was going to be difficult, but I think to the extent rates have to go higher and stay higher

for longer becomes harder to see the path, it's narrowed. I would say the path has narrowed over the course of the last year, really. Hard to say. Hard to say. Again, I would say that the sort of array of data in the labor market is highly unusual and to many economists, there is a path to, as you ordinarily there's a relationship to GDP going down and vacancies declining, translating into unemployment or there's Okun's law. So all those things are relationships that are in the data and they're very real. Data's a little bit different this time though, because you have this tremendously high level of vacancies and we think on a very steep part of the Beveridge curve. All I would say is that the job losses may turn out to be less than would be indicated by those traditional measures because job openings are so elevated and because the labor market is so strong. Again, that's going to be something we discover empirically. I think no one knows whether there's going to be a recession or not, and if so, how bad that recession would be. And our job is to restore price stability so that we can have a strong labor market that benefits all over time. And that's what we're going to do.

NANCY MARSHALL-GENZER. Just real quickly; why do you feel like the window has narrowed?

CHAIR POWELL. Because we haven't seen inflation coming down. The implication of inflation not coming down and what we would expect by now to have seen is that as the, really as the supply side problems have resolved themselves, we would have expected goods inflation to come down by now, long since by now. And it really hasn't although it's, actually it has come down but it's, not to the extent that we had hoped. At the same time, now you see services inflation, core services inflation moving up and I just think that the inflation picture has become more and more challenging over the course of this year, without question. That means that we

have to have policy be more restrictive and that narrows the path to a soft landing I would say.

Thanks very much.

# **PARMORE JUPITER ROAD, LP**

## **EXHIBIT D**

**EMAIL FROM REGIONS BANK REGARDING INCREASED PERMANENT INTEREST RATES**

**From:** Graham Dozier <[Graham.Dozier@regions.com](mailto:Graham.Dozier@regions.com)>  
**Sent:** Friday, November 4, 2022 9:56 AM  
**To:** Ryan Combs <[ryan.combs@jpi.com](mailto:ryan.combs@jpi.com)>  
**Cc:** Rachel Thomas-Phillips <[rachel.thomas-phillips@regions.com](mailto:rachel.thomas-phillips@regions.com)>; Ryan Combs <[ryan.combs@jpi.com](mailto:ryan.combs@jpi.com)>  
**Subject:** RE: 9% interest rate

Ryan and Ryan,

Fannie/Freddie would be around a 2.85% spread over the 10 year UST (currently 4.15%) so all-in rate is approximately 7.00%.

HUD would be around 2.30% spread over 10 year UST so all-in rate is approximately 6.50% (plus you would add the 0.25% MIP for a fully affordable deal).

Thanks,

**Graham Dozier**  
O: (404) 279-7462 | M: (404) 578-3234

**From:** Ryan Combs <[ryan.combs@jpi.com](mailto:ryan.combs@jpi.com)>  
**Sent:** Friday, November 04, 2022 9:37 AM  
**To:** Graham Dozier <[Graham.Dozier@regions.com](mailto:Graham.Dozier@regions.com)>  
**Cc:** Rachel Thomas-Phillips <[rachel.thomas-phillips@regions.com](mailto:rachel.thomas-phillips@regions.com)>  
**Subject:** [EXTERNAL] 9% interest rate

[External Content] Please use caution.

Graham,

We received a 9% award in 2021 and we are needing to go back to TDHCA to get more time on that deal as construction costs and rates are materially different now. The rate we had in our application was 4.5%. Can you shoot me an email with today's rates for 9% forward commitments? I realize that the rate will be much higher now. I need this for the information we are getting to TDHCA. Thank you.

**Ryan Combs**  
Senior Vice President



Cell: 512-983-0422  
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Internal Use

# **PARMORE JUPITER ROAD, LP**

## **EXHIBIT E**

**PUBLICATION OF CITI COMMUNITY CAPITAL'S 9% FORWARD COMMITMENT INTEREST RATES  
(November 2, 2022)**

# CITI COMMUNITY CAPITAL'S AFFORDABLE MULTIFAMILY HOUSING INDICATIVE RATES AND TERMS

11/2/2022

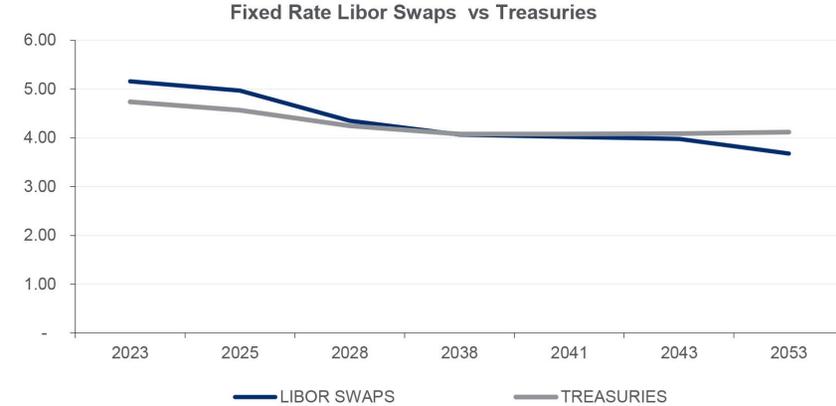
52 Week	This Week	Last Week	Average	Low	High
18Y LIBOR <sup>1</sup>	4.02	3.99	2.72	1.65	4.02
10Y TSY <sup>2</sup>	4.06	4.01	2.60	1.44	4.13
1M SOFR	3.78	3.67	1.23	0.05	3.79
SIFMA <sup>4</sup>	2.38	2.24	0.82	0.04	2.46

Sources

<sup>1</sup> Citi Internal

<sup>2,3</sup> Bloomberg

<sup>4</sup> <https://www.sifma.org/resources/research/swap/>



## Affordable Housing Construction Loans

Product Type	Lender	I/O (Months)	Term (Months)	Index	Base Rates / Floor (%)	Spread (%)	All-in Rate (%)	LTC
Taxable Variable Rate Construction Loan	Citi	24-36	24-36	1M SOFR				80%
Tax Exempt Variable Rate Construction Loan	Citi	24-36	24-36	1M SOFR		Please Contact Us		80%
Construction Period Letter of Credit	Citi	24-36	24-36					80%

## Affordable Housing Permanent Loans

Product Type	Lender	Amort (Years)	Term (Years)	Index	Base Rates / Floor (%)	Spread (%)	All-in Rate (%) <sup>5</sup>	LTV	Min. DSC
<b>Taxable</b>									
Citi Forward Funding Loan	Citi	I/O then 35	15	10Y TSY		Please Contact Us		80-90%	1.15x-1.25x
9% LIHTC Immediate Funding Loan*	Agency	35	15	10Y TSY	4.06	2.18 - 2.35	6.38 - 6.55	80-90%	1.15x-1.25x
9% Forward Funding Loan*	Agency	35	15	10Y TSY	4.06	2.56 - 2.73	6.76 - 6.93	80-90%	1.15x-1.25x
<b>Tax-Exempt</b>									
Citi B2B Immediate Loan <sup>6</sup>	Citi	35	18	LIBOR Swaps		Please Contact Us		80-90%	1.15x-1.25x
Citi B2B Forward Loan <sup>7</sup>	Citi	I/O then 35	15	LIBOR Swaps				80-90%	1.15x-1.25x
Freddie Immediate TEL*	Agency	35	18	10Y TSY	4.06	1.82 - 1.96	5.88 - 6.02	80-90%	1.15x-1.25x
Freddie Forward TEL*	Agency	35	18	10Y TSY	4.06	2.25 - 2.39	6.31 - 6.45	80-90%	1.15x-1.25x
Fannie Mae M.TEB	Agency	35	10-30			Please Contact Us		80-90%	1.15x-1.20x

<sup>5</sup> May be subject to a floor

<sup>6</sup> Assumes 18Y index. Citi Immediate Loan assumes total maturity of 18 years from closing.

<sup>7</sup> Assumes 18Y index. Citi Forward Loan assumes a construction term of 3 years, and permanent term of 15 years.

\* Freddie Spread as of 2/18/2022

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Cody Campbell  
Director of Multifamily Programs  
Texas Department of Multifamily Programs  
221 East 11<sup>th</sup> Street  
Austin, TX 78701

**RE: 21312 - SavannahPark of Keene 10% Test Deadline Extension under Force Majeure Provision**

Dear Mr. Campbell,

SavannahPark of Keene, TDHCA file 21312, is the acquisition and rehabilitation of an existing USDA-RD project located in Keene, Texas. It was awarded HTC in 2021. We are requesting an extension of the 10% Test Deadline under the Force Majeure provision outlined in Section §11.6(5). This request comes due to the fact we will not meet the 10% Test Ownership Requirements. With the restructuring of USDA, staffing shortages and the backlog created as a result of the COVID-19 pandemic, multiple delays have occurred during RD's transfer & assumption review process leading up to closing that were unforeseen and out of the control of the Owner/Developer. As such, we are requesting an extension be granted without penalty or fee.

Unlike other LITHC projects, even if the 10% basis spending threshold has already been met, USDA rehab developments cannot meet all of TDHCA's 10% Test requirements until the full development transfer & assumption has taken place and the new owner closes on all financing. This is due to the fact that RD prohibits the new partnership from taking ownership of the property until the transfer is complete.

Generally speaking, RD-rehab projects take longer to get to closing just by virtue of the USDA transfer process. However, no one could have anticipated the additional challenges that would come about following the global COVID-19 pandemic. The backlog created combined with the staff shortage of the USDA-RD department has created a closing process taking well beyond what was originally anticipated. To try and ensure SavannahPark of Keene's RD funding closed before year end, we submitted the required files to the USDA-RD server in May. In addition, we have bi-weekly meetings with our other Lenders and Syndicators reviewing the items required to close so all of our other financing would be ready once RD had completed their closing process. Although we took efforts to try and get ahead of the USDA-RD closing process, our efforts were not enough and USDA still experienced delays.

Though we do appreciate the efforts USDA Staff have been making to work through these challenges in an attempt to keep this deal on track, it has recently been determined that closing by 12/31/22 is likely impossible and as such, meeting all of the requirements of the 10% Test will not be satisfied. We have reached out to USDA Staff for a letter explaining and acknowledging the delay we are experiencing; however, they are stilling working to provide that at this time. We will



provide said letter once we receive it. We have attached the meeting agenda from several of our Bi-Weekly Due Diligence meetings with our lenders as well as evidence showing we submitted documents to USDA-RD for review well in advance of the 10% Test deadline.

We appreciate TDHCA hearing our request and appreciate your willingness to work with us to drive this project to completion.

Sincerely,

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

Chase Tovey

# Rural Housing of Keene, LP (Savannah)

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date	
1	0	<b>Overall</b>							
2	0	<b>Name of Tax Credit Entity LP/LLC:</b>	Rural Housing of Keene, LP						
3	0	<b>Closing Date: (start with estimated closing date, update as closing date moves)</b>							
4	0	<b>Property Address</b>	213 W. 4th Street, Keene, TX, 76059						
5	0	<b>Fund Name</b>	MHEG Fund 55, LP						
6	0	<b># of Buildings</b>	5 and 1 accessory building						
7	0	<b># of Units</b>		36					
8	0	<b>Construction Type</b>	Acq/Rehab-Senior						
9	0	<b>Nonprofit Set Aside</b>	No						
10	0	<b>Overall Status</b>	In Progress						
12	0	<b>See Documents for File Sharing Acknowledgment</b>					Received, Under		
13	0	<b>Overized Files - Files over 30MB</b>	For files over 30MB, please use the following link to upload	<a href="https://mheg.egnyte.com/ul/FSs">https://mheg.egnyte.com/ul/FSs</a>					
33	1	<b>Limited Partnership</b>	Rural Housing of Keene, LP						
34	1	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved		
35	1	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved		
36	1	b (i)	Limited Partnership/Operating Agreement	LPA for FIRESIDE TRAILS APARTMENTS, LTD.	Closing Manager	Laura Wilson	Approved		
37	1	c	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	Closing Manager	Laura Wilson	Approved		
39	1	e	Organization Chart	With proposed team members, include ownership %s	Closing Manager	Laura Wilson	Approved		
40	1	f	Certificate of Good Standing	Within 90 days of closing	Closing Manager	Laura Wilson	Need		
41	2	<b>General Partner/Guarantor</b>	Rural Housing of Keene GP, LLC						
42	2	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved		
43	2	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved		
45	2	d	Certified Corporate Resolution	See Documents for form document	Closing Manager	Laura Wilson	Need		
47	2	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	Closing Manager	Laura Wilson	Approved		
50	2	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved		
51	2	j	Partner Questionnaire	Click on Attachments for form document	Closing Manager	Laura Wilson	Approved	09/07/22	
56	2	o	Certificate of Good Standing	Within 90 days of closing	Closing Manager	Laura Wilson	Need		
78	4	<b>Developer/Guarantor</b>	Belmont Development Company, LLC				Need		
79	4	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved		
80	4	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved		
82	4	d	Certified Corporate Resolution	Click on icon for form document	Closing Manager	Laura Wilson	Need		
83	4	e	Certificate of Authority for Foreign Corporation		Closing Manager	Laura Wilson	Approved		
84	4	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	Closing Manager	Laura Wilson	Approved		
85	4	g	Resume		Closing Manager	Laura Wilson	Approved		
87	4	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved		
88	4	j	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	06/11/21
89	4	k	Real Estate Owned Schedule	As of 12/31 of prior year. Click on icon for form document		Director of Acquisitions	Traci Collins	Approved	12/31/21
90	4	l	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
91	4	m	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	12/31/21
92	4	n	Tax Returns	Previous 3 years	Just need 2021 when available.	Director of Acquisitions	Traci Collins	Need	12/31/20
93	4	o	Certificate of Good Standing	Within 90 days of closing	Need updated	Closing Manager	Laura Wilson	Need	07/18/22
96	5	<b>Guarantor</b>	Belmont Construction Company, LLC						
97	5	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved		
98	5	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved		
100	5	d	Certified Corporate Resolution	Click on icon for form document	Closing Manager	Laura Wilson	Need		
101	5	e	Certificate of Authority for Foreign Corporation		Closing Manager	Laura Wilson	Approved		
102	5	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	Closing Manager	Laura Wilson	Approved		
103	5	g	Resume		Closing Manager	Laura Wilson	Approved		
105	5	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved		
106	5	j	Developer Questionnaire	Click on Attachments for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/15/21
107	5	k	Real Estate Owned Schedule	As of 12/31 of prior year. Click on icon for form document		Director of Acquisitions	Traci Collins	Approved	12/31/21
108	5	l	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
109	5	m	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Need	

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date	
110	5	n	Tax Returns	Previous 3 years	Please provide 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
111	5	o	Certificate of Good Standing	Within 90 days of closing	Need updated	Closing Manager	Laura Wilson	Need	06/14/22
114	6		<b>Guarantor 1</b>	<b>Ryan A. Hudspeth</b>					
115	6	a	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/15/21
116	6	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
117	6	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
118	6	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	12/31/21
119	6	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Need	
120	6	f	Tax Returns	Previous 3 years	Please provide 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
121	6	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
125	7		<b>Guarantor 2</b>	<b>Derrick M. Hamilton</b>					
126	7	a	Partner Questionnaire	Click on Attachments for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/15/21
127	7	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
128	7	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
129	7	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	12/31/21
130	7	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Need	
131	7	f	Tax Returns	Previous 3 years	Please provided 2021 when available	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
132	7	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
136	8		<b>Guarantor 3</b>	<b>Shawn A. Smith</b>					
137	8	a	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/19/21
138	8	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
139	8	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
140	8	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	06/30/22
141	8	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Approved	06/30/22
142	8	f	Tax Returns	Previous 3 years	Please provided 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
143	8	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
169	11		<b>Federal Low Income Housing Tax Credits</b>						
170	11	a	Application (with all attachments)			Closing Manager	Laura Wilson	Approved	
171	11	b	Reservation/Firm Commitment/Forward Allocation Agreement/42M Letter	Include documentation of any required follow up documents including payment of tax credit fees.		Director of Acquisitions	Traci Collins	Approved	
174	11	e	Current Utility Allowances	Subtotal to Utility Allowance used in underwriting		Director of Acquisitions	Traci Collins	Approved	01/01/22
175	11	f	Carryover Allocation Agreement			Director of Acquisitions	Traci Collins	Approved	
176	11	g	10% Test Audit Report with all Invoices/Agreements		Not due until 12/31/22.	Director of Acquisitions	Traci Collins	Post Closing	
179	11	j	MHEG Commitment Letter for Federal Tax Credits			Director of Acquisitions	Traci Collins	Approved	
192	15		<b>Construction Loan \$2,300,000</b>	<b>Sterling Bank</b>					
193	15	a	Commitment Letter		This is dated Feb 2021, will you be getting an update?	Director of Acquisitions	Traci Collins	Received, Under Review	
194	15	b	Draft Loan Documents			Director of Acquisitions	Traci Collins	Need	
195	15	c	Executed Loan Documents			Director of Acquisitions	Traci Collins	Need	
196	15	d	Recorded Documents	post closing		Closing Manager	Laura Wilson	Need	
206	17		<b>Permanent Loan - RD 538 \$500,000</b>	<b>Bonneville Mortgage Company</b>					
207	17	a	Commitment Letter	Minimum term of 16 years. Fixed interest rate. Must state that loan will be nonrecourse.		Director of Acquisitions	Traci Collins	Approved	
208	17	b	Draft Loan Documents	Must contain nonrecourse language.	Drafts from Bonneville 10/11/22 [Redlined to Farmersville]	Director of Acquisitions	Traci Collins	Received, Under Review	
209	17	c	Executed Loan Documents	Must contain nonrecourse language.		Director of Acquisitions	Traci Collins	Need	
210	17	d	Recorded Documents	post closing		Closing Manager	Laura Wilson	Post Closing	
217	19		<b>Other Financing - Existing Reserves \$88,924</b>	<b>Link to Lender</b>				Need	
265	27		<b>Assumed Financing Source - existing RD 515 Loan (\$1,038,960.00)</b>	<b>United States Department of Agriculture Rural Department (USDA)</b>					
266	27	a	Original Loan Documents			Director of Acquisitions	Traci Collins	Received, Under	
267	27	b	Approval for Transfer/Assumption			Director of Acquisitions	Traci Collins	Approved	
268	27	c	Draft Assumption Documents			Director of Acquisitions	Traci Collins	Need	
269	27	d	Executed Assumption Documents			Director of Acquisitions	Traci Collins	Need	
270	27	e	Recorded Documents	post closing		Closing Manager	Laura Wilson	Post Closing	
280	30		<b>Market Study</b>						
281	30	a	Project Specific Market Study	Dated within 12 months of closing or need update		Director of Acquisitions	Traci Collins	Received, Under	07/11/22

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date	
282	31	<b>Appraisal</b>							
283	31	a	Property Appraisal	Dated within 12 months of closing or need update		Director of Acquisitions	Traci Collins	Approved	06/24/22
284	32	<b>Environmental Site Assessment:</b>							
285	32	a	Phase I Environmental Site Assessment	Click on icon for Phase I requirements		Director of Acquisitions	Traci Collins	Received, Under	10/01/22
289	32	e	Other Environmental Agreements, O&M Plans		Please have MHEG Fund changed to 55 on the front page.	Director of Acquisitions	Traci Collins	Received, Under Review	
290	33	<b>Geotechnical Engineering Report</b>							
292	34	<b>General Contractor</b>	<b>Belmont Construction Company, LLC</b>						
293	34	a	Construction Company Resume			Construction Manager	Dustin Daugherty, Jake	Approved	02/07/20
294	34	b	Construction Company License			Closing Manager	Laura Wilson	Approved	
295	34	c	Construction Company Financial Statements	Most recent year end		Construction Manager	Dustin Daugherty, Jake	Approved	06/30/21
296	34	d	Construction Company Questionnaire	Click on icon for form document		Construction Manager	Dustin Daugherty, Jake	Approved	07/22/21
297	34	e	Construction Contract (including an up front amendments and change orders)	AIA A133 with tax credit entity as owner. Include maximum fixed price, fixed date of substantial completion for the entire project, retainage of at least 10% and a stipulated damages provision for late delivery in an amount sufficient to cover any credit adjusters (typically \$250 a day).	Incl in Specs PDF (starting on page 11 of 280). Will need fully executed copy (missing RD's signature).	Director of Acquisitions	Traci Collins	Signed off, Need Final	
298	34	f	Construction Contract - Site Work Letter	Click on icon for form document		Director of Acquisitions	Traci Collins	Need	
299	34	g	Construction Contract - General Conditions	AIA A201	Incl in 34e PDF (starting on page 67 of 280)	Closing Manager	Laura Wilson	Received, Under Review	
300	34	h	Construction Contract - Covid-19 Addendum	Click on icon for form document		Closing Manager	Laura Wilson	Need	
301	34	i	Construction Contract - Schedule of Values			Director of Acquisitions	Traci Collins	Approved	
302	34	j	Construction Contract - Timing Schedule			Director of Acquisitions	Traci Collins	Received, Under	
303	34	k	Payment and Performance Bonds or Letter of Credit	List MHEG Fund as dual obligee		Closing Manager	Laura Wilson	Need	
304	34	l	Building Permits	For each building in the name of the tax credit entity		Closing Manager	Laura Wilson	Need	
305	35	<b>Rehabilitation:</b>							
306	35	a	Scope of Rehabilitation / Rehabilitation Plan			Construction Manager	Dustin Daugherty, Jake	Need	
307	35	b	Capital Needs Assessment			Director of Acquisitions	Traci Collins	Approved	
309	35	d	Resident Relocation Plan			Director of Acquisitions	Traci Collins	Approved	
310	35	e	Re-Syndication: Original Filed LURA			Director of Acquisitions	Traci Collins	Approved	
311	35	f	Re-Syndication: Release or Assumption of Original Filed LURA		The old LURA has expired, so no need for release or assumption.	Director of Acquisitions	Traci Collins	Approved	
312	35	g	Re-Syndication: List of Original Investors with Ownership %s		All investors in Fund 55 reported that they were not an investor in the original fund.	Director of Acquisitions	Traci Collins	Approved	
313	36	<b>Architect</b>	<b>Blackledge &amp; Associates Architects</b>						
314	36	a	Architect Contract	AIA Contract with tax credit entity as owner	Contract amt is \$72K vs the latest budget of \$54K. Please confirm which is correct. Will also need final version signed by RD.	Director of Acquisitions	Traci Collins	Received, Under Review	
315	36	b	Architect Resume	AIA B431 or AIA B305		Director of Acquisitions	Traci Collins	Approved	07/10/17
317	36	d	Architect License	For the state the property is located in		Closing Manager	Laura Wilson	Approved	06/30/23
318	36	e	Architect Certificates of Errors & Omissions Insurance	Minimum of \$1MM	Expires 11/1/22	Closing Manager	Laura Wilson	Received, Under	11/01/21
319	36	f	Building Plans	Pdf of full set of plans, must meet fair housing design standards		Construction Manager	Dustin Daugherty, Jake Jacobsen	Received, Under Review	
320	36	g	Building Specifications	Pdf of full project manual		Construction Manager	Dustin Daugherty, Jake	Received, Under	
321	37	<b>Property Manager</b>	<b>Belmont Management Company Inc.</b>						
322	37	a	Property Management Questionnaire	Click on icon for form document		Asset Manager	Ann Burge	Approved	07/21/21
323	37	b	Financial Statements	Previous 3 years		Asset Manager	Ann Burge	Approved	06/30/21
324	37	c	Property Management Agreement If Already in Place	Otherwise, Kutak to draft with equity documents	Kutak to draft Addendum	Closing Manager	Laura Wilson	Received, Under	
325	38	<b>Accountant</b>	<b>Link to Entity</b>						
326	38	a	Accountant Questionnaire	Click on icon for form document		CFO	Jason Main	Approved	
327	39	<b>Insurance</b>							
328	39	a	Builders Risk	Full policy and certificate; Click on icon for all insurance requirements		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
329	39	b	Liability	Full policy and certificate		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under	
330	39	c	Umbrella	Full policy and certificate	See attachments in Section 39 b	Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
331	39	d	Commercial Property	Full policy and certificate		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under	
332	39	e	Contractor – General Liability, Umbrella, Workers Comp, Employers Liability, Autos Certificate			Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
333	40	<b>Availability of Utilities Letters:</b>							
335	40	b	Electric			Closing Manager	Laura Wilson	Approved	06/20/22

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date	
336	40	c	Water & Sewer	Click on icon for required form from the Public Works Department regarding water/sewer availability when town population is less than 5,000.		Closing Manager	Laura Wilson	Approved	06/16/22
337	40	d	Sanitation			Closing Manager	Laura Wilson	Approved	05/31/22
338	40	e	Telecommunications/Internet			Closing Manager	Laura Wilson	Approved	04/27/22
339	41		<b>Evidence of Site Control:</b>						
340	41	a	Purchase Contract	Expiration date after expected closing date	Option Agmt expires 12/31/22.	Real Estate Manager	Hillary Shields	Approved	
341	41	b	Assignment of Purchase Option		NEED Assignment to LP.	Real Estate Manager	Hillary Shields	Approved	
342	41	c	Settlement Statement			Real Estate Manager	Hillary Shields	Need	
343	41	d	Warranty Deed	Conveys land/building to the tax credit entity		Real Estate Manager	Hillary Shields	Need	
346	41	g	Recorded Documents	Recorded Documents		Real Estate Manager	Hillary Shields	Post Closing	
347	42		<b>Zoning:</b>						
348	42	a	Letter RE: Meeting Zoning Requirements	Click on icon for form document	letter dated 9-6-22	Real Estate Manager	Hillary Shields	Approved	
349	42	b	All underlying zoning regulations			Real Estate Manager	Hillary Shields	Approved	
350	42	c	Variance	Click on icon for form document	Developer to obtain variance for legal nonconforming aspects	Real Estate Manager	Hillary Shields	Need	
351	43		<b>ALTA Survey</b>						
352	43	a	ALTA Survey	Click on icon for survey requirements	comments sent 9/14/22, zoning info sent 10/13/22	Real Estate Manager	Hillary Shields	Need	
353	43	b	Surveyor's COI	Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000		Real Estate Manager	Hillary Shields	Approved	
354	44		<b>Title Insurance:</b>	<a href="#">Link to Entity</a>					
355	44	a	Title Commitment	Includes endorsements. Click on icon for title requirements.		Real Estate Manager	Hillary Shields	Approved	
356	44	b	All Exception Documents			Real Estate Manager	Hillary Shields	Approved	
357	44	c	Vesting Deed			Real Estate Manager	Hillary Shields	Approved	
358	44	d	10 Year Chain of Title	MHEG will request from title company	Reqd 9/20/22	Real Estate Manager	Hillary Shields	Approved	
359	44	e	Proforma Owners Title Policy	MHEG will request from title company	comments sent 9/20/22	Real Estate Manager	Hillary Shields	Need	
361	44	g	Issued Owners Title Policy	Post closing		Real Estate Manager	Hillary Shields	Post Closing	
364	44	j	Closing Instruction Letter (CIL)	Required if MHEG has equity up front.	Kutak to draft.	Real Estate Manager	Hillary Shields	Need	
366	44	l	Title and Survey Memo			Real Estate Manager	Hillary Shields	Approved	
367	45		<b>Closing Draw Documentation:</b>						
368	45	a	Closing Sources and Uses of Funds			Director of Acquisitions	Traci Collins	Need	
369	45	b	Copies of all Invoices and Agreements			Director of Acquisitions	Traci Collins	Need	
370	45	c	Wire Instructions			Director of Acquisitions	Traci Collins	Received, Under	
371	46		<b>Closing Equity Documents:</b>						
372	46	a	Limited Partnership/Operating Agreement			Closing Manager	Laura Wilson	Need	
373	46	b	Compliance Monitoring Agreement			Closing Manager	Laura Wilson	Need	
374	46	c	Fee Representation Letter			Closing Manager	Laura Wilson	Need	
375	46	d	Guaranty Agreement			Closing Manager	Laura Wilson	Need	
376	46	e	Property Management Agreement			Closing Manager	Laura Wilson	Need	
377	46	f	Incentive Management Fee Agreement			Closing Manager	Laura Wilson	Need	
378	46	g	Development Agreement			Closing Manager	Laura Wilson	Need	
379	46	h	Reimbursement and Assignment Agreement			Closing Manager	Laura Wilson	Need	
380	46	i	Right of First Refusal			Closing Manager	Laura Wilson	Need	
381	46	j	Form 8823			Closing Manager	Laura Wilson	Need	
382	46	k	Sellers Certification			Closing Manager	Laura Wilson	Need	
383	46	l	Authorized Signatory Form			Closing Manager	Laura Wilson	Need	
384	46	m	Local Counsel Equity Opinion			Closing Manager	Laura Wilson	Need	
387	47		<b>Construction Completion Documents:</b>	<a href="#">See Definition of Construction Completion In the Executed LPA/Operating Agreement</a>					
388	47	a	General Partner/Managing Member Certification	See Exhibit C in the Executed LPA/Operating Agreement		Closing Manager	Laura Wilson	Post Closing	
389	47	b	Architect Certificate of Substantial Completion			Closing Manager	Laura Wilson	Post Closing	
390	47	c	Certificates of Occupancy			Closing Manager	Laura Wilson	Post Closing	
391	47	d	ALTA/NSPS As Built Survey			Real Estate Manager	Hillary Shields	Post Closing	
392	47	e	Updated Surveyor COI	Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000		Real Estate Manager	Hillary Shields	Post Closing	
393	47	f	Date Down Endorsement to the Owners Title Policy			Real Estate Manager	Hillary Shields	Post Closing	
394	47	g	Radon Tests			Closing Manager	Laura Wilson	Post Closing	
395	47	h	Insurance Policies	See Exhibit D in the Executed LPA/Operating Agreement		Risk Manager	Jordan Abboud, Laura Wilson	Post Closing	
396	47	i	Construction Manager Approval	Hold backs here if needed. Notify Shannon F. in Conversations.		Construction Manager	Dustin Daugherty, Jake Jacobsen	Post Closing	
397	47	j	Land Use Restriction Agreement (LURA)			Director of Acquisitions	Traci Collins	Post Closing	

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
398	47	k	Other	From Executed LPA/Operating Agreement		Closing Manager	Laura Wilson	Post Closing
399	50	Section	<b>Checklist Distribution List - Role</b>	<b>Name</b>	<b>Address</b>	<b>Phone</b>	<b>Contacts</b>	
400	50	1	Limited Partnership	Rural Housing of Keene, LP	213 W. 4th Street, Keene, TX, 76059		Ryan Hudspeth	
401	50	2	General Partner/Guarantor	Rural Housing of Keene GP, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
403	50	4	Developer/Guarantor	Belmont Development Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Shawn Smith	
404	50	5	Guarantor	Belmont Construction Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
405	50	6	Guarantor 1	Ryan A. Hudspeth	11720 E. Memorial Road, Jones, OK, 73049		Ryan Hudspeth	
406	50	7	Guarantor 2	Derrick M. Hamilton	7324 NE 116th, Edmond, OK, 73013		Derrick Hamilton	
407	50	8	Guarantor 3	Shawn A. Smith	184 Old Branch Road, Choctaw, OK, 73020		Shawn Smith	
408	50	27	Assumed Financing Source - existing RD 515 Loan (\$1,038,960.00)	United States Department of Agriculture Rural Department (USDA)	, Washington, , D.C.			
410	50	15	Construction Loan \$2,300,000	Sterling Bank	50 S. Bemiston Ave., Clayton, MO,	314-571-5610	Philip Minden	
412	50	17	Permanent Loan - RD 538 \$500,000	Bonneville Mortgage Company	111 Main, Suite 1600, Salt Lake City, UT, 84111		Chantel Reynolds, Christine Maak, John B. Lindsay, Marcy	
422	50	27	Assumed Financing Source - existing RD 515 Loan (\$1,038,960.00)	United States Department of Agriculture Rural Department (USDA)	, Washington, , D.C.			
423	50	34	General Contractor	Belmont Construction Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
424	50	36	Architect	Blackledge & Associates Architects	7416 Broadway, Suite L, Oklahoma City, OK, 73116	405-848-2855	larry@blackledgearchitects.com	
425	50	37	Property Manager	Belmont Management Company Inc.	3601 SW 29th Street, Suite 119, Topeka, KS, 66614		Ryan Hudspeth	
426	50	38	Accountant	Link to Entity	#NO MATCH	#NO MATCH	#NO MATCH	
427	50	44	Title Insurance:	Link to Entity	#NO MATCH	#NO MATCH	#NO MATCH	
428	50		#NO MATCH	#NO MATCH	#NO MATCH	#NO MATCH	#NO MATCH	

# Rural Housing of Keene, LP (Savannah)

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
1	0	<b>Overall</b>						
2	0	a	Name of Tax Credit Entity LP/LLC:	Rural Housing of Keene, LP				
3	0	b	Closing Date: (start with estimated closing date, update as closing date moves)	December 2022/January 2023				
4	0	c	Property Address	213 W. 4th Street, Keene, TX, 76059				
5	0	d	Fund Name	MHEG Fund 55, LP				
6	0	e	# of Buildings	5 and 1 accessory building				
7	0	f	# of Units	36				
8	0	g	Construction Type	Acq/Rehab-Senior				
9	0	h	Nonprofit Set Aside	No				
10	0	i	Overall Status	In Progress				
12	0	k	See Documents for File Sharing Acknowledgment				Received, Under	
13	0	l	Oversized Files - Files over 30MB	For files over 30MB, please use the following link to upload <a href="https://mheg.egnyte.com/ul/FSe">https://mheg.egnyte.com/ul/FSe</a>				
33	1	<b>Limited Partnership</b>	Rural Housing of Keene, LP					
34	1	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved	
35	1	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved	
36	1	b (i)	Limited Partnership/Operating Agreement	LPA for FIRESIDE TRAILS APARTMENTS, LTD.	Closing Manager	Laura Wilson	Approved	
37	1	c	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	87-3056558	Closing Manager	Laura Wilson	Approved
39	1	e	Organization Chart	With proposed team members, include ownership %s		Closing Manager	Laura Wilson	Approved
40	1	f	Certificate of Good Standing	Within 90 days of closing		Closing Manager	Laura Wilson	Need
41	2	<b>General Partner/Guarantor</b>	Rural Housing of Keene GP, LLC					
42	2	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved	
43	2	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved	
45	2	d	Certified Corporate Resolution	See Documents for form document		Closing Manager	Laura Wilson	Need
47	2	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	87-3097602	Closing Manager	Laura Wilson	Approved
50	2	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved	
51	2	j	Partner Questionnaire	Click on Attachments for form document		Closing Manager	Laura Wilson	Approved
56	2	o	Certificate of Good Standing	Within 90 days of closing		Closing Manager	Laura Wilson	Need
78	4	<b>Developer/Guarantor</b>	Belmont Development Company, LLC				Need	
79	4	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved	
80	4	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved	
82	4	d	Certified Corporate Resolution	Click on icon for form document		Closing Manager	Laura Wilson	Need
83	4	e	Certificate of Authority for Foreign Corporation		Closing Manager	Laura Wilson	Approved	
84	4	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	26-0383544	Closing Manager	Laura Wilson	Approved
85	4	g	Resume		Closing Manager	Laura Wilson	Approved	
87	4	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved	
88	4	j	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need
89	4	k	Real Estate Owned Schedule	As of 12/31 of prior year. Click on icon for form document		Director of Acquisitions	Traci Collins	Approved
90	4	l	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need
91	4	m	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved
92	4	n	Tax Returns	Previous 3 years	Just need 2021 when available.	Director of Acquisitions	Traci Collins	Need
93	4	o	Certificate of Good Standing	Within 90 days of closing	Need updated	Closing Manager	Laura Wilson	Need
96	5	<b>Guarantor</b>	Belmont Construction Company, LLC					
97	5	a	Certification of Limited Partnership/Organization		Closing Manager	Laura Wilson	Approved	
98	5	b	Limited Partnership/Operating Agreement		Closing Manager	Laura Wilson	Approved	
100	5	d	Certified Corporate Resolution	Click on icon for form document		Closing Manager	Laura Wilson	Need
101	5	e	Certificate of Authority for Foreign Corporation		Closing Manager	Laura Wilson	Approved	
102	5	f	Employer Identification Number from IRS	SS-4 or written confirmation from IRS	26-1517526	Closing Manager	Laura Wilson	Approved
103	5	g	Resume		Closing Manager	Laura Wilson	Approved	
105	5	i	List of Owners/Officers/Members/Partners		Closing Manager	Laura Wilson	Approved	
106	5	j	Developer Questionnaire	Click on Attachments for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need
107	5	k	Real Estate Owned Schedule	As of 12/31 of prior year. Click on icon for form document		Director of Acquisitions	Traci Collins	Approved
108	5	l	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need
109	5	m	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Need
110	5	n	Tax Returns	Previous 3 years	Please provide 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
111	o	Certificate of Good Standing	Within 90 days of closing	Need updated	Closing Manager	Laura Wilson	Need	06/14/22
114	6	<b>Guarantor 1</b>	<b>Ryan A. Hudspeth</b>					
115	a	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/15/21
116	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
117	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
118	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	12/31/21
119	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Need	
120	f	Tax Returns	Previous 3 years	Please provide 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
121	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
125	7	<b>Guarantor 2</b>	<b>Derrick M. Hamilton</b>					
126	a	Partner Questionnaire	Click on Attachments for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/15/21
127	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
128	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
129	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	12/31/21
130	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Need	
131	f	Tax Returns	Previous 3 years	Please provided 2021 when available	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
132	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
136	8	<b>Guarantor 3</b>	<b>Shawn A. Smith</b>					
137	a	Partner Questionnaire	Click on icon for form document	Will need update prior to closing.	Director of Acquisitions	Traci Collins	Need	07/19/21
138	b	Real Estate Owned Schedule	As of 12/31 of the prior year		Director of Acquisitions	Traci Collins	Approved	12/31/21
139	c	Current Rental Collection Rates on Portfolio	Month prior to closing		Director of Acquisitions	Traci Collins	Need	
140	d	Financial Statements	Current interim unaudited, previous 3 years audited		Director of Acquisitions	Traci Collins	Approved	06/30/22
141	e	Bank Statements/Brokerage Statements to Support Liquidity			Director of Acquisitions	Traci Collins	Approved	06/30/22
142	f	Tax Returns	Previous 3 years	Please provided 2021 when available.	Director of Acquisitions	Traci Collins	Received, Under Review	12/31/20
143	g	Authorization to Run Credit Report	Individuals only. Click on icon for form document.		Closing Manager	Laura Wilson	Received, Under	09/01/22
169	11	<b>Federal Low Income Housing Tax Credits</b>						
170	a	Application (with all attachments)			Closing Manager	Laura Wilson	Approved	
171	b	Reservation/Firm Commitment/Forward Allocation Agreement/42M Letter	Include documentation of any required follow up documents including payment of tax credit fees.		Director of Acquisitions	Traci Collins	Approved	
174	e	Current Utility Allowances	Subtotal to Utility Allowance used in underwriting		Director of Acquisitions	Traci Collins	Approved	01/01/22
175	f	Carryover Allocation Agreement			Director of Acquisitions	Traci Collins	Approved	
176	g	10% Test Audit Report with all Invoices/Agreements		Not due until 12/31/22.	Director of Acquisitions	Traci Collins	Post Closing	
179	j	MHEG Commitment Letter for Federal Tax Credits			Director of Acquisitions	Traci Collins	Approved	
192	15	<b>Construction Loan \$2,300,000</b>	<b>Sterling Bank</b>					
193	a	Commitment Letter		This is dated Feb 2021, will you be getting an update?	Director of Acquisitions	Traci Collins	Received, Under Review	
194	b	Draft Loan Documents			Director of Acquisitions	Traci Collins	Need	
195	c	Executed Loan Documents			Director of Acquisitions	Traci Collins	Need	
196	d	Recorded Documents	post closing		Closing Manager	Laura Wilson	Need	
206	17	<b>Permanent Loan - RD 538 \$500,000</b>	<b>Bonneville Mortgage Company</b>					
207	a	Commitment Letter	Minimum term of 16 years. Fixed interest rate. Must state that loan will be nonrecourse.		Director of Acquisitions	Traci Collins	Approved	
208	b	Draft Loan Documents	Must contain nonrecourse language.	Drafts from Bonneville 10/11/22 [Redlined to Farmersville]	Director of Acquisitions	Traci Collins	Received, Under Review	
209	c	Executed Loan Documents	Must contain nonrecourse language.		Director of Acquisitions	Traci Collins	Need	
210	d	Recorded Documents	post closing		Closing Manager	Laura Wilson	Post Closing	
217	19	<b>Other Financing - Existing Reserves \$88,924</b>	<b>Link to Lender</b>				Need	
265	27	<b>Assumed Financing Source - existing RD 515 Loan (\$1,038,980.00)</b>	<b>United States Department of Agriculture Rural Department (USDA)</b>					
266	a	Original Loan Documents			Director of Acquisitions	Traci Collins	Received, Under	
267	b	Approval for Transfer/Assumption			Director of Acquisitions	Traci Collins	Approved	
268	c	Draft Assumption Documents			Director of Acquisitions	Traci Collins	Need	
269	d	Executed Assumption Documents			Director of Acquisitions	Traci Collins	Need	
270	e	Recorded Documents	post closing		Closing Manager	Laura Wilson	Post Closing	
280	30	<b>Market Study</b>						
281	a	Project Specific Market Study	Dated within 12 months of closing or need update		Director of Acquisitions	Traci Collins	Received, Under	07/11/22
282	31	<b>Appraisal</b>						
283	a	Property Appraisal	Dated within 12 months of closing or need update		Director of Acquisitions	Traci Collins	Approved	06/24/22

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
284		<b>Environmental Site Assessment:</b>						
285	a	Phase I Environmental Site Assessment	Click on icon for Phase I requirements		Director of Acquisitions	Traci Collins	Received, Under Review	10/01/22
289	e	Other Environmental Agreements, O&M Plans		Please have MHEG Fund changed to 55 on the front page.	Director of Acquisitions	Traci Collins	Received, Under Review	
290		<b>Geotechnical Engineering Report</b>						
292		<b>General Contractor</b>	<b>Belmont Construction Company, LLC</b>					
293	a	Construction Company Resume			Construction Manager	Dustin Daugherty, Jake	Approved	02/07/20
294	b	Construction Company License			Closing Manager	Laura Wilson	Approved	
295	c	Construction Company Financial Statements	Most recent year end		Construction Manager	Dustin Daugherty, Jake	Approved	06/30/21
296	d	Construction Company Questionnaire	Click on icon for form document		Construction Manager	Dustin Daugherty, Jake	Approved	07/22/21
297	e	Construction Contract (including an up front amendments and change orders)	AIA A133 with tax credit entity as owner. Include maximum fixed price, fixed date of substantial completion for the entire project, retainage of at least 10% and a stipulated damages provision for late delivery in an amount sufficient to cover any credit adjusters (typically \$250 a day).	Incl in Specs PDF (starting on page 11 of 280). Will need fully executed copy (missing RD's signature).	Director of Acquisitions	Traci Collins	Signed off, Need Final	
298	f	Construction Contract - Site Work Letter	Click on icon for form document		Director of Acquisitions	Traci Collins	Need	
299	g	Construction Contract - General Conditions	AIA A201	Incl in 34e PDF (starting on page 67 of 280)	Closing Manager	Laura Wilson	Received, Under Review	
300	h	Construction Contract - Covid-19 Addendum	Click on icon for form document		Closing Manager	Laura Wilson	Approved	
301	i	Construction Contract - Schedule of Values			Director of Acquisitions	Traci Collins	Approved	
302	j	Construction Contract - Timing Schedule			Director of Acquisitions	Traci Collins	Received, Under Review	
303	k	Payment and Performance Bonds or Letter of Credit	List MHEG Fund as dual obligee		Closing Manager	Laura Wilson	Need	
304	l	Building Permits	For each building in the name of the tax credit entity		Closing Manager	Laura Wilson	Need	
305		<b>Rehabilitation:</b>						
306	a	Scope of Rehabilitation / Rehabilitation Plan			Construction Manager	Dustin Daugherty, Jake	Need	
307	b	Capital Needs Assessment			Director of Acquisitions	Traci Collins	Approved	
309	d	Resident Relocation Plan			Director of Acquisitions	Traci Collins	Approved	
310	e	Re-Syndication: Original Filed LURA			Director of Acquisitions	Traci Collins	Approved	
311	f	Re-Syndication: Release or Assumption of Original Filed LURA		The old LURA has expired, so no need for release or assumption.	Director of Acquisitions	Traci Collins	Approved	
312	g	Re-Syndication: List of Original Investors with Ownership %s		All investors in Fund 55 reported that they were not an investor in the original fund.	Director of Acquisitions	Traci Collins	Approved	
313		<b>Architect</b>	<b>Blackledge &amp; Associates Architects</b>					
314	a	Architect Contract	AIA Contract with tax credit entity as owner	Contract amt is \$72K vs the latest budget of \$54K. Please confirm which is correct. Will also need final version signed by RD.	Director of Acquisitions	Traci Collins	Received, Under Review	
315	b	Architect Resume	AIA B431 or AIA B305		Director of Acquisitions	Traci Collins	Approved	07/10/17
317	d	Architect License	For the state the property is located in		Closing Manager	Laura Wilson	Approved	06/30/23
318	e	Architect Certificates of Errors & Omissions Insurance	Minimum of \$1MM	Expires 11/1/22	Closing Manager	Laura Wilson	Received, Under Review	11/01/21
319	f	Building Plans	Pdf of full set of plans, must meet fair housing design standards		Construction Manager	Dustin Daugherty, Jake Jacobsen	Received, Under Review	
320	g	Building Specifications	Pdf of full project manual		Construction Manager	Dustin Daugherty, Jake	Received, Under Review	
321		<b>Property Manager</b>	<b>Belmont Management Company Inc.</b>					
322	a	Property Management Questionnaire	Click on icon for form document		Asset Manager	Ann Burge	Approved	07/21/21
323	b	Financial Statements	Previous 3 years		Asset Manager	Ann Burge	Approved	06/30/21
324	c	Property Management Agreement If Already in Place	Otherwise, Kutak to draft with equity documents	Kutak to draft Addendum	Closing Manager	Laura Wilson	Received, Under Review	
325		<b>Accountant</b>	<b>Link to Entity</b>					
326	a	Accountant Questionnaire	Click on icon for form document		CFO	Jason Main	Approved	
327		<b>Insurance</b>						
328	a	Builders Risk	Full policy and certificate; Click on icon for all insurance requirements		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
329	b	Liability	Full policy and certificate		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
330	c	Umbrella	Full policy and certificate	See attachments in Section 39 b	Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
331	d	Commercial Property	Full policy and certificate		Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
332	e	Contractor - General Liability, Umbrella, Workers Comp, Employers Liability, Autos Certificate			Risk Manager	Jordan Abboud, Laura Wilson	Received, Under Review	
333		<b>Availability of Utilities Letters:</b>						
335	b	Electric			Closing Manager	Laura Wilson	Approved	06/20/22
336	c	Water & Sewer	Click on icon for required form from the Public Works Department regarding water/sewer availability when town population is less than 5,000.		Closing Manager	Laura Wilson	Approved	06/16/22
337	d	Sanitation			Closing Manager	Laura Wilson	Approved	05/31/22

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
338	40	e	Telecommunications/Internet		Closing Manager	Laura Wilson	Approved	04/27/22
339	41		<b>Evidence of Site Control:</b>					
340	41	a	Purchase Contract	Expiration date after expected closing date	Option Agmt expires 12/31/22.	Real Estate Manager	Hillary Shields	Approved
341	41	b	Assignment of Purchase Option		NEED Assignment to LP.	Real Estate Manager	Hillary Shields	Approved
342	41	c	Settlement Statement			Real Estate Manager	Hillary Shields	Need
343	41	d	Warranty Deed	Conveys land/building to the tax credit entity		Real Estate Manager	Hillary Shields	Need
346	41	g	Recorded Documents	post closing		Real Estate Manager	Hillary Shields	Post Closing
347	42		<b>Zoning:</b>					
348	42	a	Letter RE: Meeting Zoning Requirements	Click on icon for form document	letter dated 9-6-22	Real Estate Manager	Hillary Shields	Approved
349	42	b	All underlying zoning regulations			Real Estate Manager	Hillary Shields	Approved
350	42	c	Variance	Click on icon for form document	Developer to obtain variance for legal nonconforming aspects	Real Estate Manager	Hillary Shields	Need
351	43		<b>ALTA Survey</b>					
352	43	a	ALTA Survey	Click on icon for survey requirements	comments sent 9/14/22, zoning info sent 10/13/22	Real Estate Manager	Hillary Shields	Need
353	43	b	Surveyor's COI	Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000		Real Estate Manager	Hillary Shields	Approved
354	44		<b>Title Insurance:</b>	<b>Link to Entity</b>				
355	44	a	Title Commitment	Includes endorsements. Click on icon for title requirements.		Real Estate Manager	Hillary Shields	Approved
356	44	b	All Exception Documents			Real Estate Manager	Hillary Shields	Approved
357	44	c	Vesting Deed			Real Estate Manager	Hillary Shields	Approved
358	44	d	10 Year Chain of Title	MHEG will request from title company	Reqd 9/20/22	Real Estate Manager	Hillary Shields	Approved
359	44	e	Proforma Owners Title Policy	MHEG will request from title company	comments sent 9/20/22	Real Estate Manager	Hillary Shields	Need
361	44	g	Issued Owners Title Policy	Post closing		Real Estate Manager	Hillary Shields	Post Closing
364	44	j	Closing Instruction Letter (CIL)	Required if MHEG has equity up front.	Kutak to draft.	Real Estate Manager	Hillary Shields	Need
366	44	l	Title and Survey Memo			Real Estate Manager	Hillary Shields	Approved
367	45		<b>Closing Draw Documentation:</b>					
368	45	a	Closing Sources and Uses of Funds			Director of Acquisitions	Traci Collins	Need
369	45	b	Copies of all Invoices and Agreements			Director of Acquisitions	Traci Collins	Need
370	45	c	Wire Instructions			Director of Acquisitions	Traci Collins	Received, Under
371	46		<b>Closing Equity Documents:</b>					
372	46	a	Limited Partnership/Operating Agreement			Closing Manager	Laura Wilson	Need
373	46	b	Compliance Monitoring Agreement			Closing Manager	Laura Wilson	Need
374	46	c	Fee Representation Letter			Closing Manager	Laura Wilson	Need
375	46	d	Guaranty Agreement			Closing Manager	Laura Wilson	Need
376	46	e	Property Management Agreement			Closing Manager	Laura Wilson	Need
377	46	f	Incentive Management Fee Agreement			Closing Manager	Laura Wilson	Need
378	46	g	Development Agreement			Closing Manager	Laura Wilson	Need
379	46	h	Reimbursement and Assignment Agreement			Closing Manager	Laura Wilson	Need
380	46	i	Right of First Refusal			Closing Manager	Laura Wilson	Need
381	46	j	Form 8823			Closing Manager	Laura Wilson	Need
382	46	k	Sellers Certification			Closing Manager	Laura Wilson	Need
383	46	l	Authorized Signatory Form			Closing Manager	Laura Wilson	Need
384	46	m	Local Counsel Equity Opinion			Closing Manager	Laura Wilson	Need
387	47		<b>Construction Completion Documents:</b>	<b>See Definition of Construction Completion in the Executed LPA/Operating Agreement</b>				
388	47	a	General Partner/Managing Member Certification	See Exhibit C in the Executed LPA/Operating Agreement		Closing Manager	Laura Wilson	Post Closing
389	47	b	Architect Certificate of Substantial Completion			Closing Manager	Laura Wilson	Post Closing
390	47	c	Certificates of Occupancy			Closing Manager	Laura Wilson	Post Closing
391	47	d	ALTA/NSPS As Built Survey			Real Estate Manager	Hillary Shields	Post Closing
392	47	e	Updated Surveyor COI	Professional Liability Insurance policy obtained by the surveyor in the minimum amount of \$1,000,000		Real Estate Manager	Hillary Shields	Post Closing
393	47	f	Date Down Endorsement to the Owners Title Policy			Real Estate Manager	Hillary Shields	Post Closing
394	47	g	Radon Tests			Closing Manager	Laura Wilson	Post Closing
395	47	h	Insurance Policies	See Exhibit D in the Executed LPA/Operating Agreement		Risk Manager	Jordan Abboud, Laura	Post Closing
396	47	i	Construction Manager Approval	Hold backs here if needed. Notify Shannon F. in Conversations.		Construction Manager	Dustin Daugherty, Jake Jacobsen	Post Closing
397	47	j	Land Use Restriction Agreement (LURA)			Director of Acquisitions	Traci Collins	Post Closing
398	47	k	Other	From Executed LPA/Operating Agreement		Closing Manager	Laura Wilson	Post Closing
399	50	<b>Section</b>	<b>Checklist Distribution List - Role</b>	<b>Name</b>	<b>Address</b>	<b>Phone</b>	<b>Contacts</b>	
400	50	1	Limited Partnership	Rural Housing of Keene, LP	213 W. 4th Street, Keene, TX, 76059		Ryan Hudspeth	

Section No.	Sub-Section Letter	Checklist Item	Template Context / Linked Entities	Notes	Assigned to Template	Assigned To	Status	Document Date
401	50	2	General Partner/Guarantor	Rural Housing of Keene GP, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
403	50	4	Developer/Guarantor	Belmont Development Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Shawn Smith	
404	50	5	Guarantor	Belmont Construction Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
405	50	6	Guarantor 1	Ryan A. Hudspeth	11720 E. Memorial Road, Jones, OK, 73049		Ryan Hudspeth	
406	50	7	Guarantor 2	Derrick M. Hamilton	7324 NE 116th, Edmond, OK, 73013		Derrick Hamilton	
407	50	8	Guarantor 3	Shawn A. Smith	184 Old Branch Road, Choctaw, OK, 73020		Shawn Smith	
408	50	27	Assumed Financing Source - existing RD 515 Loan (\$1,038,960.00)	United States Department of Agriculture Rural Department (USDA)	, Washington, , D.C.			
410	50	15	Construction Loan \$2,300,000	Sterling Bank	50 S. Bemiston Ave., Clayton, MO,	314-571-5610	Philip Minden	
412	50	17	Permanent Loan - RD 538 \$500,000	Bonneville Mortgage Company	111 Main, Suite 1600, Salt Lake City, UT, 84111		Chantel Reynolds, Christine Maak, John B.	
422	50	27	Assumed Financing Source - existing RD 515 Loan (\$1,038,960.00)	United States Department of Agriculture Rural Department (USDA)	, Washington, , D.C.			
423	50	34	General Contractor	Belmont Construction Company, LLC	222 E. Main Street, First Floor, Oklahoma City, OK, 73104	405-604-5074	Ryan Hudspeth	
424	50	36	Architect	Blackledge & Associates Architects	7416 Broadway, Suite L, Oklahoma City, OK, 73116	405-848-2855	larry@blackledgearchitects.com	
425	50	37	Property Manager	Belmont Management Company Inc.	3601 SW 29th Street, Suite 119, Topeka, KS, 66614		Ryan Hudspeth	
426	50	38	Accountant	Link to Entity	#NO MATCH	#NO MATCH	#NO MATCH	
427	50	44	Title Insurance:	Link to Entity	#NO MATCH	#NO MATCH	#NO MATCH	
428	50		#NO MATCH	#NO MATCH	#NO MATCH	#NO MATCH	#NO MATCH	

<input type="checkbox"/>	Name	Size	Modified
<input type="checkbox"/>	0-Transfer Checklist - HB-3-3560- Attachment 7-B-1 fillable.pdf	410 KB	6 months ago
<input type="checkbox"/>	1-Executive Summary.pdf	148 KB	6 months ago
<input type="checkbox"/>	1-Relocation Plan.pdf	144 KB	6 months ago
<input type="checkbox"/>	1-Resumes.pdf	228 KB	6 months ago
<input type="checkbox"/>	2-Form 7-B-1.pdf	152 KB	6 months ago
<input type="checkbox"/>	3-Form 7-B-2 Transfer & Assumption Application.pdf	233 KB	6 months ago
<input type="checkbox"/>	4-Form 3560-1-const.pdf	163 KB	6 months ago
<input type="checkbox"/>	4-Form 3560-1-perm.pdf	162 KB	6 months ago
<input type="checkbox"/>	4-Form 3560-1.pdf	156 KB	6 months ago
<input type="checkbox"/>	4-Legal Description.pdf	74 KB	6 months ago
<input type="checkbox"/>	5-Purchase Agreement.pdf	1.7 MB	6 months ago
<input type="checkbox"/>	6-Preliminary Title report.PDF	596 KB	6 months ago
<input type="checkbox"/>	7-6-22-MHEG - RH of Keene - Partnership Agreement - RD.doc	528 KB	4 months ago
<input type="checkbox"/>	7-Engagement Letter.pdf	1.5 MB	6 months ago
<input type="checkbox"/>	8-Att 2_SP Keene_As Is_CNATemplateVer1_5h_Final.xlsm	3.1 MB	6 months ago
<input type="checkbox"/>	8-Att 3_SP Keene_Post Rehab_CNATemplateVer1_5h_Final.xlsm	339 KB	6 months ago

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<input type="checkbox"/>	8-Att 9_SP Keene_HC Accessibility Cost Worksheet.pdf	252 KB	6 months ago
<input type="checkbox"/>	9-2018 Transition Plan.pdf	10 MB	6 months ago
<input type="checkbox"/>	9-2018 Transition Summary.xls	58 KB	6 months ago
<input type="checkbox"/>	10-Repair Agreement.pdf	161 KB	6 months ago
<input type="checkbox"/>	10-STANDARD SCOPE OF WORK.doc	95 KB	4 months ago
<input type="checkbox"/>	11- Form RD 1924-13.pdf	325 KB	6 months ago
<input type="checkbox"/>	12 &13 Appraisal statement.pdf	45 KB	6 months ago
<input type="checkbox"/>	12&13-Appraisal.pdf	20 MB	4 months ago
<input type="checkbox"/>	14 - SavannahPark of Keene - Market Study.pdf	12.9 MB	3 months ago
<input type="checkbox"/>	14-Market study statement.pdf	41 KB	6 months ago
<input type="checkbox"/>	15-NA statement.pdf	39 KB	6 months ago
<input type="checkbox"/>	16-SAM UEI.pdf	165 KB	6 months ago
<input type="checkbox"/>	16A-SF 424.pdf	487 KB	6 months ago
<input type="checkbox"/>	16B-Form-SF 424C.pdf	29 KB	6 months ago
<input type="checkbox"/>	16C-Form 424D.pdf	141 KB	6 months ago
<input type="checkbox"/>	17-Form 3560-7.pdf	417 KB	6 months ago
<input type="checkbox"/>	18-Sources & Uses.pdf	119 KB	6 months ago

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<input type="checkbox"/>	20-Pro Forma.pdf	81 KB	6 months ago
<input type="checkbox"/>	21-Asbestos.pdf	2.1 MB	6 months ago
<input type="checkbox"/>	21-Phase I.pdf	6.9 MB	6 months ago
<input type="checkbox"/>	21-Section 106 Approval.pdf	64 KB	6 months ago
<input type="checkbox"/>	21-Section 106 Tribal Notices & Responses.pdf	33.1 MB	6 months ago
<input type="checkbox"/>	22-Bonneville commitment letter.pdf	413 KB	6 months ago
<input type="checkbox"/>	22-Sterling commitment letter.pdf	167 KB	6 months ago
<input type="checkbox"/>	22-Syndicator-Credits-Commitment ltr.pdf	313 KB	6 months ago
<input type="checkbox"/>	22-Tax Credit Carryover Agreement.pdf	293 KB	6 months ago
<input type="checkbox"/>	23-draft of Sterling docs.pdf	3.5 MB	3 months ago
<input type="checkbox"/>	23-example of LURA.pdf	3.8 MB	4 months ago
<input type="checkbox"/>	23-Income & Rent limits.xls	63 KB	4 months ago
<input type="checkbox"/>	23-LPA statement.pdf	44 KB	6 months ago
<input type="checkbox"/>	23-Sterling Bank Boilerplate Loan Docs - PW - TEST V1.pdf	450 KB	4 months ago
<input type="checkbox"/>	24-Interim Financing.pdf	84 KB	6 months ago
<input type="checkbox"/>	25-SAUCE Analysis Statement.pdf	197 KB	6 months ago
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<input type="checkbox"/>	27-Belmont Managment-5-5-22.pdf	193 KB	4 months ago
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<input type="checkbox"/>	27-Previous Participation.pdf	47 KB	4 months ago
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<input type="checkbox"/>	27-RAH-5-5-22.pdf	168 KB	4 months ago
<input type="checkbox"/>	27-Smith Real Estate-5-5-22.pdf	173 KB	4 months ago
<input type="checkbox"/>	28-Form 3560-31.pdf	1.5 MB	6 months ago
<input type="checkbox"/>	29-Form 1047.pdf	300 KB	6 months ago
<input type="checkbox"/>	29-Form 1048.pdf	255 KB	6 months ago
<input type="checkbox"/>	30-Owner's proforma financials.pdf	102 KB	6 months ago
<input type="checkbox"/>	30-Statement.pdf	42 KB	6 months ago
<input type="checkbox"/>	31-Credit Report Fee Statement.pdf	81 KB	6 months ago
<input type="checkbox"/>	31-list of EINS & SSs.pdf	83 KB	6 months ago
<input type="checkbox"/>	32-Proof of Citizenship Statement.pdf	41 KB	6 months ago
<input type="checkbox"/>	33-Management Agreement.pdf	1.7 MB	6 months ago
<input type="checkbox"/>	33-Management Plan.pdf	1.3 MB	6 months ago
<input type="checkbox"/>	33-Mgmt plan attachments.pdf	2.3 MB	6 months ago

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<input type="checkbox"/>	35-Management Certification.pdf	626 KB	6 months ago
<input type="checkbox"/>	36-AFHMP.PDF	5.4 MB	6 months ago
<input type="checkbox"/>	37-Organizational Docs.pdf	14.4 MB	6 months ago
<input type="checkbox"/>	38-Attorney Certification.pdf	784 KB	6 months ago
<input type="checkbox"/>	39-Form 400-4.pdf	93 KB	6 months ago
<input type="checkbox"/>	40-Form 400-1.pdf	151 KB	6 months ago
<input type="checkbox"/>	41-Form 7-B-4.pdf	58 KB	6 months ago
<input type="checkbox"/>	42-Form 1049.pdf	122 KB	6 months ago
<input type="checkbox"/>	43-Form 1910-11.pdf	73 KB	6 months ago
<input type="checkbox"/>	44-Section 8 HAP Contract Statement.pdf	280 KB	6 months ago
<input type="checkbox"/>	45-form 3560-25.pdf	62 KB	6 months ago
<input type="checkbox"/>	Att 3_SP Keene_Post Rehab_CNATemplateVer1_5h_Final_....xlsm	337 KB	4 months ago
<input type="checkbox"/>	Keene - MFH Exception to Competitive Bidding Request.pdf	4.2 MB	2 months ago
<input type="checkbox"/>	Keene - MFH Exception to Surety Request.pdf	876 KB	2 months ago
<input type="checkbox"/>	Keene - Specs.pdf	11.2 MB	a month ago
<input type="checkbox"/>	Keene A101.pdf	3.1 MB	a month ago
<input type="checkbox"/>	Keene B101 signed.pdf	6.4 MB	a month ago

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<input type="checkbox"/>	RE_ Surety (Bond_LOC).pdf	342 KB	a month ago
<input type="checkbox"/>	Revised Form 7-B-2 Transfer & Assumption Application.pdf	570 KB	a month ago
<input type="checkbox"/>	revised Form RD 1924-13.pdf	322 KB	a month ago
<input type="checkbox"/>	revised Form-SF 424C.pdf	32 KB	a month ago
<input type="checkbox"/>	revised SF 424.pdf	454 KB	a month ago
<input type="checkbox"/>	Revised SOW.pdf	2 MB	4 months ago

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95 files

237.8 MB

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2a



## TDHCA Outreach and Media Analysis, October 2022

A compilation of TDHCA media analysis designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public, and outreach activities, such as trainings and webinars. The following is an analysis of print and broadcast news, and social media reporting for the time period of October 1 through October 31, 2022 (news articles that specifically mentioned the Department, Texas Rent Relief Program, Texas Homeowner Assistance and/or Texas Utility Help).

Total number of articles referencing TDHCA, TRR, TXHAF, TUH: 346  
Breakdown by Medium:<sup>1</sup>

- Print: 15 (Editorials/Columnists = 2)
- Broadcast: 65
- Trade, Government or Internet-Based Publications: 266

Figure 1 News Tone

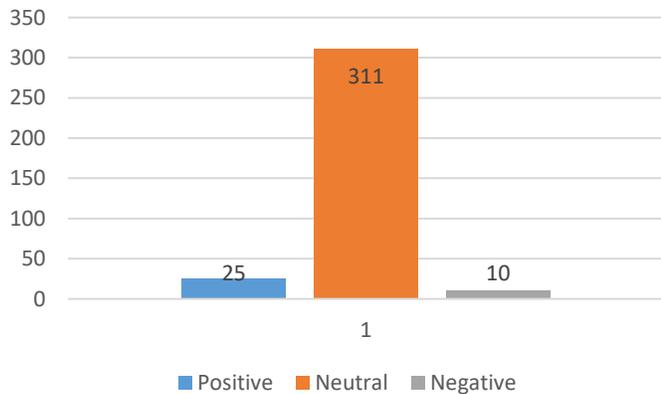
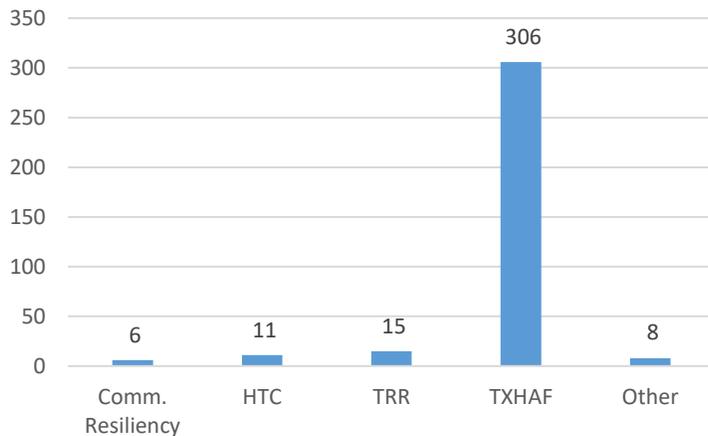
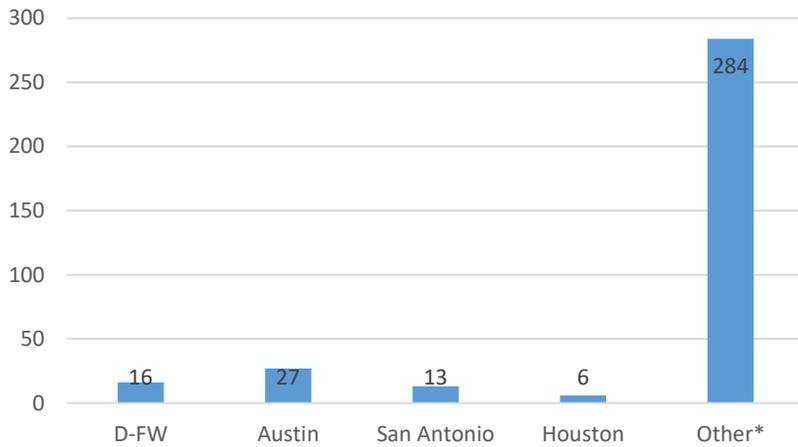


Figure 2 News Topic



<sup>1</sup> Broadcast numbers may represent instances in which TDHCA was referenced on a television or radio station's website, rather than in a specific broadcast news segment

Figure 3 Media Market



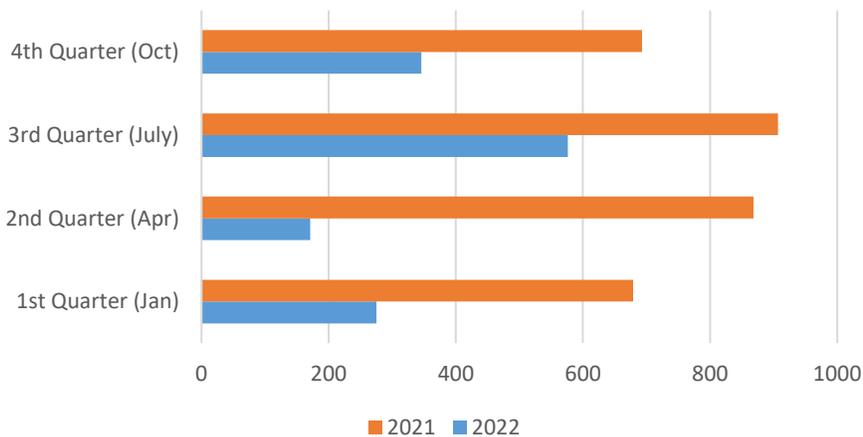
**Summary:**

Reporting on activities by the news media totaled 346 references in October 2022. Several TDHCA programs and the Texas Homeowner Assistance Fund dominated the news cycle. All positive news mentions stemmed from TDHCA’s Community Resiliency Program (contracts with local jurisdictions finalized) and the TDHCA press announcement regarding program updates to the Texas Homeowner Assistance Fund (utility bill and future mortgage payment assistance).

For comparison purposes, the October 2022 news mentions were significantly higher and more positive in tone than in October 2021 (174 total; 146 related to TRR).

The following table illustrates the number of news mentions during each month or quarter of 2022 compared to 2021. There were 346 news articles mentioning TDHCA and/or related programs reported for the start of the fourth quarter of 2022 (October-December), whereas the total news mentions for the fourth quarter in 2021 totaled 693 news mentions.

**TDHCA News Trends**



**Social media:**

Through October 2022, TDHCA has nearly 3,400 followers to its Twitter account and 6,800 followers to its Facebook account. TDHCA’s YouTube channel had more than 4,400 views in October. The following is a summary analysis of TDHCA’s efforts to engage stakeholders and the public on federal and state resources, initiatives, and programs.

					
Month/Yr	Posts	Clicks	Engagements	Shared posts	Liked posts
January 2022	35	14	118	12	46
February 2022	47	70	42	2	16
March 2022	66	43	131	47	48
April 2022	62	0	51	8	27
May 2022	66	905	198	71	50
June 2022	52	8	110	31	31
July 2022	43	3	53	9	31
August 2022	13	0	73	14	37
Sept. 2022	37	13	66	3	54
Oct. 2022	53	13	81	19	34

\* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post

					
Month/Yr	Tweets	Clicks	Engagements	Retweets	Liked posts
January 2022	35	128	20	7	13
February 2022	47	186	14	7	4
March 2022	67	318	39	12	21
April 2022	61	171	29	6	17
May 2022	75	288	31	7	15
June 2022	55	44	30	6	20
July 2022	71	23	43	12	21
August 2022	15	75	24	10	8
Sept. 2022	36	26	12	3	6
Oct. 2022	59	75	33	9	15

\* Clicks = number of times an individual clicked on a link provided in a post. Engagements = any action a person takes on our post



Month	Views	Watch time (hours)	Avg. view duration	Impressions	Impressions click-through rate
January 2022	3,478	176.9	3:03	19,871	4.0%
February 2022	1,839	125.2	4:05	15,141	3.4%

March 2022	1,890	143.2	4:32	16,764	3.5%
April 2022	3,154	205.1	3:54	18,194	4.0%
May 2022	3,043	180.1	3:33	14,734	3.9%
June 2022	3,273	193.7	3:33	14,114	3.9%
July 2022	5,136	268.0	3:07	15,927	4.2%
August 2022	5,249	299.6	3:25	14,8858	3.9%
Sept. 2022	4,559	217.5	2:51	14,181	3.6%
Oct. 2022	4,481	190.1	2:32	15,855	3.4%

### Top 50 videos for October 2022

Content	Views ↓	Watch time (hours)	Subscribers	Impressions	Impressions click-through rate
<input type="checkbox"/> <b>Total</b>	<b>4,481</b>	<b>190.1</b>	<b>44</b>	<b>15,855</b>	<b>3.4%</b>
<input type="checkbox"/> Help For Texans tutorial	1,506 33.6%	45.1 23.7%	2 4.6%	140	0.7%
<input type="checkbox"/> How to apply: Texas Homeowners Assistance Fund	1,022 22.8%	15.8 8.3%	16 36.4%	658	10.0%
<input type="checkbox"/> Texas Homebuyer Program introduction	269 6.0%	3.4 1.8%	0 0.0%	170	7.1%
<input type="checkbox"/> Texas Rent Relief Program Registration Tutorial	219 4.9%	1.6 0.8%	3 6.8%	279	2.9%
<input type="checkbox"/> Texas Rent Relief Program Tutorial – Setting Up Bill.com Account f...	217 4.8%	3.4 1.8%	5 11.4%	528	4.9%
<input type="checkbox"/> Texas Rent Relief Program Completing Application Tutorial	169 3.8%	1.6 0.8%	1 2.3%	758	4.9%
<input type="checkbox"/> Help for Texans in Spanish	98 2.2%	3.0 1.6%	0 0.0%	150	3.3%
<input type="checkbox"/> TDHCA Training: Section 811 Project Rental Assistance Program	76 1.7%	4.5 2.4%	3 6.8%	1,016	5.1%
<input type="checkbox"/> Texas Rent Relief Program Landlord Application Tutorial	61 1.4%	2.0 1.1%	1 2.3%	387	4.4%
<input type="checkbox"/> TDHCA HAF Subrecipient Training Two 2	57 1.3%	7.4 3.9%	1 2.3%	594	3.4%
<input type="checkbox"/> Fair Housing 101: The Basics of Fair Housing in Texas	43 1.0%	9.0 4.7%	1 2.3%	305	8.2%
<input type="checkbox"/> Utility Allowance Training - May 5, 2021	40 0.9%	3.9 2.1%	0 0.0%	162	8.6%
<input type="checkbox"/> Utility Allowance Training 2022	40 0.9%	6.6 3.5%	0 0.0%	2,022	1.0%
<input type="checkbox"/> Texas Eviction Diversion Program Overview – September 9, 2021	40 0.9%	2.0 1.1%	1 2.3%	309	4.5%
<input type="checkbox"/> Fair Housing Special Topics: How to Create an Affirmative Marketin...	37 0.8%	5.4 2.8%	0 0.0%	115	6.1%
<input type="checkbox"/> TDHCA HAF Subrecipient Training One 1	35 0.8%	5.0 2.6%	0 0.0%	309	2.3%
<input type="checkbox"/> ERA2 Housing Stability Services Contract Implementation Webinar ...	26 0.6%	4.8 2.5%	1 2.3%	266	3.0%
<input type="checkbox"/> CEAP-LIHWAP Quarterly Webinar – September 2022	26 0.6%	3.4 1.8%	0 0.0%	437	2.1%
<input type="checkbox"/> Low Income Water/Wastewater Assistance Program (LIHWAP) Ove...	26 0.6%	3.4 1.8%	1 2.3%	193	5.2%
<input type="checkbox"/> Texas Rent Relief Program Landlord Tips	24 0.5%	0.3 0.2%	0 0.0%	556	1.6%
<input type="checkbox"/> Monitoring Reviews: Beginning to End	24 0.5%	3.4 1.8%	0 0.0%	291	2.4%
<input type="checkbox"/> Supportive Services for Affordable Developments	22 0.5%	7.3 3.9%	2 4.6%	228	3.1%

<input type="checkbox"/>	Housing Tax Credit Properties After the Compliance Period	21	0.5%	2.3	1.2%	0	0.0%	287	0.7%
<input type="checkbox"/>	How to Apply: Texas Homeowners Assistance Fund	20	0.5%	0.2	0.1%	0	0.0%	187	4.3%
<input type="checkbox"/>	Texas Utility Help Vendor Webinar	20	0.5%	0.9	0.5%	1	2.3%	197	7.1%
<input type="checkbox"/>	Como Completar Su Aplicación para el Programa de Asistencia de ...	18	0.4%	0.1	0.1%	0	0.0%	143	2.8%
<input type="checkbox"/>	20 IncomeDeterminationTraining	16	0.4%	2.7	1.4%	0	0.0%	55	7.3%
<input type="checkbox"/>	Fair Housing Special Topics: Reasonable Accommodations, Modifi...	15	0.3%	0.4	0.2%	0	0.0%	240	2.9%
<input type="checkbox"/>	CEAP/LIHWAP Quarterly Webinar - March 2022	15	0.3%	2.3	1.2%	0	0.0%	51	3.9%
<input type="checkbox"/>	Frequently Asked Questions about Utility Allowances	15	0.3%	1.6	0.8%	0	0.0%	298	3.4%
<input type="checkbox"/>	Fair Housing Special Topics: The Violence Against Women Act in F...	13	0.3%	3.1	1.6%	1	2.3%	184	4.4%
<input type="checkbox"/>	TXHAF Subrecipient Activities Virtual Forum 20221019 102642 Me...	13	0.3%	0.8	0.4%	0	0.0%	394	2.3%
<input type="checkbox"/>	Compliance Monitoring & Tracking System (CMTS) Training	13	0.3%	1.7	0.9%	0	0.0%	82	0%
<input type="checkbox"/>	ERA2 Housing Stability Services Contract Implementation Webinar ...	13	0.3%	1.2	0.7%	0	0.0%	109	5.5%
<input type="checkbox"/>	Average Income Webinar - Sept. 2, 2020	13	0.3%	4.5	2.4%	0	0.0%	101	6.9%
<input type="checkbox"/>	Overview of Updates to Compliance, Affirmative Marketing and Writ...	12	0.3%	2.9	1.6%	0	0.0%	88	2.3%
<input type="checkbox"/>	TDHCA's Multifamily Direct Loan Training - Sept. 24, 2020	12	0.3%	3.2	1.7%	0	0.0%	113	3.5%
<input type="checkbox"/>	ERA2 Housing Stability Services Contract Implementation Webinar ...	11	0.3%	1.4	0.7%	0	0.0%	136	2.2%
<input type="checkbox"/>	Accessing Texas Department of Aging and Disability Services	10	0.2%	0.7	0.4%	0	0.0%	225	2.2%
<input type="checkbox"/>	TERAP Application Workshop	9	0.2%	0.7	0.4%	1	2.3%	79	0%
<input type="checkbox"/>	Housing Stability Services Contract Implementation Webinar	9	0.2%	1.8	1.0%	0	0.0%	119	3.4%
<input type="checkbox"/>	Texas Emergency Mortgage Assistance Program TEMAP Webinar - ...	8	0.2%	0.2	0.1%	0	0.0%	120	3.3%
<input type="checkbox"/>	Housing Tax Credit after the Federal Compliance Period (Post-15)	8	0.2%	2.8	1.5%	0	0.0%	60	1.7%
<input type="checkbox"/>	Introduction to the Low Income Water/Wastewater Assistance Pro...	8	0.2%	0.1	0.1%	0	0.0%	139	3.6%
<input type="checkbox"/>	Fair Housing Special Topics: Assistance Animals, Service Animals, ...	8	0.2%	2.1	1.1%	0	0.0%	129	4.7%
<input type="checkbox"/>	CEAP-LIHWAP Quarterly Webinar - June 2022	7	0.2%	0.7	0.4%	0	0.0%	177	1.7%
<input type="checkbox"/>	Energy Assistance	6	0.1%	0.1	0.0%	0	0.0%	49	2.0%
<input type="checkbox"/>	TDHCA Utility Allowance Roundtable - Oct. 13, 2020	5	0.1%	0.5	0.3%	0	0.0%	95	1.1%
<input type="checkbox"/>	Housing Stability Services Reporting and Housing Contract System...	5	0.1%	0.2	0.1%	0	0.0%	56	5.4%

### TDHCA Outreach October 2022

A compilation of outreach activities such as meetings, trainings and webinars.

Department	Meeting Date	Meeting Title	Attendees (includes organizer)
Homeowners Assistance Fund	Oct. 03	Subrecipient Training Two	88
SF and Homeless Programs	Oct. 4	HRA Training, Cass County, TX and Comal County Habitat for Humanity	16
Compliance	Oct. 06	In-Person Income Determination Training	10

Compliance	Oct. 06	Virtual Multifamily Direct Loan training with TAA	55
Homeowners Assistance Fund	Oct. 07	Subrecipient Fraud Training	72
Compliance	Oct. 12	In-Person Housing Tax Credit Training in conjunction with TAA	44
Housing Resource Center	Oct. 12	HHSCC Meeting	14
Housing Resource Center	Oct. 17	Austin Tenants Council	13
Homeowners Assistance Fund	Oct. 19	Subrecipient Activities Virtual Forum	298
SF and Homeless Programs	Oct. 20	TBRA Training, Concho Valley Community Action Agency and Combined Community Action	4
Compliance	Oct. 25	Housing Tax Credit Properties after the Compliance Period Training	102
Compliance	Oct. 25	Virtual training for developments that have completed the Federal Compliance Period	102
SF and Homeless Programs	Oct. 26	Community Services of Northeast Texas	14
Homeowners Assistance Fund	Oct. 26	Subrecipient Activities Virtual Forum	64

2b



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

### TDHCA One-Time or Temporary Allocations – Pandemic Response and Other Initiatives Report for December 8, 2022

This report reflects one-time or temporary federally awarded allocations of funds, in addition to those funds focused specifically on the programs TDHCA has targeted to assist with Texas' response to COVID-19. Programs reflected include those that were reprogramming of existing funds and those awarded through the administration of federal bills. Beginning November 2022, all completed programs are reported at the end of the report.

### PERFORMANCE TO DATE ACROSS ALL OPEN AND CLOSED PROGRAMS

Cumulative Performance to Date Across All Programs Reported			
Total of All Funding	Total Funds Obligated <sup>1,2</sup>	Total Funds Spent <sup>1</sup>	Total Served to Date <sup>3,4,5</sup>
\$4,434,213,119	\$3,315,590,613 (75%)	\$3,044,194,300 (69%)	396,144 households & 1,070,967 persons

*1. May include administrative funds obligated and expended. 2. For TRR and HAF, funds are only considered 'Obligated' when they are expended. 3. Based on reporting requirements, some programs report households and some report persons. Persons reported above do not comprise the members of the households reported, but are separate persons assisted. 4. For comparability purposes, if the average Texas household size of 2.83 is applied to the number of households served and converted to an estimate of individuals, that estimate would be 1,121,088; when combined with the 1,070,967 of individuals reported that would result in an estimated 2,192,055 individuals assisted with these programs. 5. An additional 583,247 meals were served through the HSS Program that are not otherwise reflected in either the count of households or persons served.*

## OPEN PROGRAMS

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>CARES ACT FUNDS</b>								
<b>CDBG CARES – Phases I, II and III</b>	<p>Board approved general use of the funds for CDBG Phase I in April 2020 and Plan Amendments in October 2020, January 2021, and July 2021</p> <p>80% of funds must be expended by November 3, 2023; remaining 20% by November 3, 2026</p> <p>90-day closeout period</p>	<p>Planned Usage: rental assistance in 40 cities/counties (completed); mortgage payment assistance in 40 counties; legal services; assistance for providers of persons with disabilities (completed); food expenses; and community resiliency activities.</p> <p><i>See Also Attached Report.</i></p> <p><i>Geography:</i> Varies by activity type.</p>	<p>HUD agreement executed November 3, 2020. All Plan Amendments approved.</p>	<p><i>See Attached Report.</i></p> <p>Staff has been working closely with all Community Resiliency Program awardees on environmental and other activities which must occur prior to contract execution.</p>	<p>CDBG Director position filled. 7 other positions filled.</p> <p>All FTES are Art. IX</p> <p>Up to 7% admin and TA budget (\$9,929,238)</p>	<p>420,044 persons</p>	<p>1<sup>st</sup> allocation: \$40,000,886 2<sup>nd</sup> Allocation: \$63,546,200 3<sup>rd</sup> Allocation: \$38,299,172</p> <p>Total: \$141,846,258</p> <p>118,216,557* 83.34%</p> <p>\$86,088,071* 60.69%</p>	<p><i>Income Eligibility:</i> For persons at or below 80% of AMI. * Figure includes TDHCA admin funds.</p>
<b>ESG CARES – Phase I &amp; 2</b>	<ul style="list-style-type: none"> <li>ESG1 awards made July 23, 2020 and ESG2 awards made January 14, 2021</li> <li>Deadline to expend 80% by March 31, 2022 was removed by HUD; new benchmark for June 2022 has been met</li> <li>Expend original allocation by September 30, 2023</li> <li>Expend any reallocated funds by June 30, 2024</li> </ul>	<ul style="list-style-type: none"> <li>ESG1: Existing subs were offered funds. ESG Coordinators decided via local process for their CoC, in three areas without ESG Coordinators awards offered to CoC awardees. Also used for Legal/ HMIS.</li> <li>ESG2: Funding provided for Homelessness Prevention, Rapid Rehousing, HMIS, Street Outreach &amp; Emergency Shelter</li> <li><i>Geography:</i> Locations of all funded grantees</li> <li><i>Income Eligibility:</i> 50% AMI for homeless prevention</li> </ul>	<p>TDHCA received a grant agreement for an additional \$5,854,004 in reallocated funds; these funds must be obligated by May 20, 2023 and will expire June 30, 2024.</p>	<ul style="list-style-type: none"> <li>152 contracts executed: 46 active, 106 closed.</li> <li>Obligation updates ongoing due to reallocation of funds.</li> <li>Deobligated funds offered to other subrecipients; contract amendments being routed.</li> </ul>	<p>3 Art. IX FTE (1 FTE has left and will not be replaced)</p> <p>Up to 5 % admin (\$5,187,681.20)</p>	<p>85,578 persons</p>	<p>\$103,646,620*</p> <p>\$95,763,888** 92%</p> <p>\$85,909,252** 83%</p> <p>**Includes TDHCA admin</p>	<p>*Note that these figures now include the reallocated funds received in September 2022.</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>CORONAVIRUS RELIEF BILL – PART OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2021</b>								
<p style="text-align: center;"><b>Texas Rent Relief (TRR) Program (Funded with ERA1 and ERA2)</b></p>	<p>The program dedicates funds through Treasury specifically for rental and utility assistance. The first allocation (Consolidated Appropriations Act) is ERA1. The second allocation (American Rescue Plan Act) Section 3201, is ERA2.</p> <p>ERA1: Required to obligate original allocation by September 30, 2022 and reallocated funds by December 29, 2022.</p> <p>ERA2: Required to obligate all funds by September 30, 2025.</p>	<p>Program provides up to 18 months of rental and utility assistance including arrears. Households must reapply every 3 months. 10% of funds are for Housing Stability Services (see following row). \$11.5M of ERA2 funds were designated by the Board for other affordable rental housing which is being administered by TDHCA's Multifamily Direct Loans (MFDL) program after 10/01/22. Established a 10% set-aside for eviction diversion; households facing eviction and utility disconnections are prioritized for processing. Treasury has provided periodic updated FAQs as informal guidance – most recently July 27, 2022.</p> <p><i>Geography:</i> Statewide. <i>Income Eligibility:</i> For households at or &lt;80% AMI.</p>	<p style="text-align: center;"><u>Treasury Reallocation:</u> To date, TRR has received \$251.6M in reallocated funds from the Treasury and local/county programs in Texas.</p>	<p>With reallocated funds still available, TRR staff is reviewing previously unfunded applications that had been submitted before the application portal was closed in November 2021. Staff is conducting outreach to applicants to confirm they still need assistance and provide applicants the opportunity to update their applications. TRR has met the expenditure deadline of 9/30/22 for the program's initial ERA1 allocation. The program will continue expending reallocated ERA1 funds through the 12/29/22 obligation deadline.</p>	<p>TRR Positions filled include Director and 16 positions. Staffing also includes a separate team for the Housing Stability Services activity.</p> <p>All FTES are Art. IX</p> <p><i>Admin Allowed (All ERA):</i> 10% ERA1 15% ERA2 \$323,770,220</p>	<p>314,296 households served (As of 11/23/22)</p>	<p style="text-align: center;"><u>Allocations</u> Initial ERA1: \$1,308,110,630 Initial ERA2: \$1,079,786,857 Reallocated ERA1 and ERA2: \$251,643,878 Interest ERA1 and ERA2: \$3,526,018</p> <p>TRR available for Rent/Utility Payments* \$2,210,247,022</p> <p>TRR Rent/Utility Expended** \$2,094,307,795 94.75%</p> <p>TRR Admin. Expended*** \$199,445,818 83.7%</p>	<p>* Amount is total allocation less funds for HSS, MFDL and Admin</p> <p>** Per Internal Report 11/23/22</p> <p>*** Per Internal Report as of 11/23/22.</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>Housing Stability Services (HSS) Program (funded by ERA1 and 2)</b>	<p>These funds are a subset of the ERA funds in the row above. Up to 10% of the funds from ERA1 and ERA2 are authorized for housing stability.</p> <p>ERA1: Originally allocated funds must expend funds by September 30, 2022, and reallocated funds by December 29, 2022</p> <p>ERA2: Must expend funds by September 30, 2025</p>	<p>Program provides funds to local communities or nonprofits for them to provide eligible Texans with a variety of services that help household maintain or obtain stable housing including legal services, outreach services, shelter services, community services, and services offered at permanent supportive housing properties.</p> <p><i>Geography:</i> Available where Subrecipients are located. <i>Income Eligibility:</i> For households at or below 80% AMI.</p> <p>Any ERA1 funds reallocated by Treasury (as noted by TRR above) and allocated to HSS will be reflected in this report.</p>	<p>Treasury has provided periodic updated FAQs as informal program guidance. Closeout guidance for ERA1 funds was posted September 19, 2022. As guidance is released, HSS policies are adjusted.</p>	<p><u>ERA1:</u> 28 contracts executed with TAJF, 1 COG and 26 non-profits; MOU executed with TVC. Only the TAJF contract remains open through 12/29/2022. All other ERA1 HSS contracts are closed-out.</p> <p><u>ERA2:</u> 46 contracts executed with TAJF, THN, 2 cities, 2 MHMRs, 1 PHA, and 37 other non-profits; MOU with TVC planned for SFY 2023-24.</p> <p>18 Subrecipients have both ERA1 and ERA2 contracts.</p>	<p>See above</p> <p>*In the Sept. report, individuals served were reported as households served in error; now corrected.</p>	<p><u>ERA 1</u> 583,247 meals served</p> <p><u>ERA 1*</u> 45,329 hh served</p> <p><u>ERA 2*</u> 9,899 hh served</p>	<p>Total \$167,252,381</p> <p><u>HSS ERA1</u> Obligated: \$62,502,381.77 100%</p> <p>Expended: \$60,353,961.19 96.6%</p> <p><u>HSS ERA2</u> Obligated: \$104,750,000 100%</p> <p>Expended: \$13,837,539.49 13.2%</p>	<p>27 of the 28 ERA1 HSS contracts ended on August 31, 2022, and are now in the close-out phase. Final ERA1 HSS Program summaries will be made available on the HSS webpage at <a href="https://www.tdh.ca.state.tx.us/HSS.htm">https://www.tdh.ca.state.tx.us/HSS.htm</a></p> <p>hh=households</p>
<b>Low-Income Household Water Assistance Program (LIHWAP1)</b>	<p>Part of the appropriation bill; provides dedicated funds through HHS for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program</p> <p>Must obligate and expend funds by: September 30, 2023</p>	<p>Program provides funds to assist low-income households by providing funds to owners/operators of public water and treatment systems to reduce arrearages charged. Funds are directed through the LIHEAP network of subs and a statewide web-based vendor.</p> <p><i>Geography:</i> Statewide <i>Income Eligibility:</i> 150% federal poverty level</p>	<p>Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021.</p>	<p>33 contracts have been executed. Lubbock declined funds. Statewide availability of these funds through a web-based platform also began in July 2022.</p>	<p>3 Art. IX FTEs</p> <p>Admin 15% Any FTEs will be Art. IX</p>	<p>38,965 persons</p>	<p>\$51,801,876</p> <p>\$44,031,595 85%*</p> <p>\$5,477,411 12.4%</p>	<p>\$638M Nationally</p> <p>*Remaining 15% is for admin. All program funds are obligated.</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>AMERICAN RESCUE PLAN (ARPA) – Public Law 117-2</b>								
<b>HOME ARP Program</b>	Section 3205 of the American Rescue Plan. Dedicates funds through HUD allowing flexible uses that can include typical HOME activities as well as homeless services and non-congregate shelter  Must expend funds by September 30, 2030	Funds are programmed for development of rental housing, development of non-congregate shelter, and operating costs/capacity building for eligible nonprofit organizations. <i>Geography:</i> Available where Subrecipients/developers are located <i>Households Eligibility:</i> (See Other Notes)	The existing waiver from the Governor relating to limits on using the funds in rural areas will be utilized to allow the funds to assist homeless persons in urban and rural areas.	Request received for \$8.1M out of \$10M HOME-ARP National Housing Trust Fund Set-Aside. Two NOFAs are pending release: (1) Rental Development and (2) Nonprofit Capacity Building/Operating Cost for Non-Congregate Shelters.	A HOME-ARP Division has been established, with six FTEs, and additional hires in process.  All FTEs are Art. IX  10% for admin/planning (\$13,296,915)	0	*\$119,672,232  \$0 0%  \$0 0%	*Excludes admin. Eligibility: homeless, at risk of homelessness, those fleeing Domestic Violence, populations with housing instability
<b>LIHEAP ARP</b>	Passed as Section 2911 of the American Rescue Plan, dedicates funds through HHS for home energy costs.  Must expend funds by: September 30, 2023	99% of funds were programmed in April 2021 to CEAP subs using a modified formula; 1% for state admin. Some funds also being directed to a statewide web-based vendor.  <i>Geography:</i> Available statewide <i>Income Eligibility:</i> 150% of federal poverty level	None needed.	On March 1, 2022, flexibilities were granted. A statewide provider to provide CEAP ARP was selected in May 2022 and made funds available in July 2022.	FTEs noted under CARES LIHEAP will be utilized for both allocations.  1% admin (TBD)	184,708 persons	\$134,407,308 \$134,407,308 100% \$131,203,376 97.6%	\$4.5B nationally.
<b>LIHWAP2</b>	Passed as Section 2912 of the American Rescue Plan, dedicates funds through HHS for home water costs  Must obligate and expend funds by: September 30, 2023	See LIHWAP1 above. HHS will administer LIHWAP1 and 2 under one LIHWAP Plan. Because of the different funding sources, separate contracts will be required.  <i>Geography:</i> Statewide <i>Income Eligibility:</i> TBD	Executed agreement for funds on April 22, 2021. HHS approved TDHCA's LIHWAP Plan on October 22, 2021	This allocation of funds was directed to the statewide provider.	FTEs noted under Appropriation Act LIHWAP will be utilized for both allocations.  Admin % not yet determined	4,065 Persons	\$40,597,082 \$40,597,082 100% \$2,994,248 7.5%	\$500M Nationally

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>Homeowner Assistance Fund (HAF)</b>	<p>Passed as section 3206 of the American Rescue Plan, dedicates funds through Treasury specifically for preventing mortgage delinquencies, defaults, foreclosures, loss of utilities and displacement.</p> <p>Must expend funds by September 30, 2026</p>	<p>The HAF Plan includes: 1) a Mortgage Reinstatement Program that provides up to \$65,000 per qualified household to eliminate or reduce past-due payments and other delinquent amounts, including payments under a forbearance plan, forward mortgages, reverse mortgages, loans secured by manufactured homes, or contracts for deed; 2) a Property Charge Default Resolution Program that provides up to \$25,000 per qualified household to resolve delinquent property charges, including past due property taxes, insurance premiums, condo and homeowner association fees, and cooperative maintenance or common charges, including up to 90 days of upcoming property charges; and 3) a Monthly... <i>(cont. under Other Notes)</i></p>	<p>Treasury approved the HAF Plan on January 28, 2022. Subsequent plan amendments have been submitted and approval received.</p> <p><i>Geography:</i> Statewide <i>Income Eligibility:</i> Household income at or below greater of 100% AMI or 100% of national median income.</p>	<p>All funding has been received.</p> <p>The program became available statewide on March 2, 2022.</p>	<p>The HAF Division includes 12 FTEs.</p> <p>All FTEs are Art. IX</p> <p>Up to 15% (\$126,332,101) for admin</p>	23,480 hholds	<p>\$842,214,006</p> <p><u>Expended</u> \$237,282,958 28.2%</p>	<p>\$9.9B nationally.</p> <p><i>(cont. from Planned Activities)</i> ... Payment Assistance Program (in addition to the Reinstatement Assistance) that provides up to three months of full monthly payment assistance to qualified homeowners that are past due on their mortgage and are facing a continuing hardship (total household assistance may still not exceed \$65,000).</p>
<b>HAF Subrecipient Activities</b>	<p>These funds are a subset of the HAF funds in the row above. \$30.5 million was programmed in the HAF Plan for Subrecipient Activities.</p> <p>Must expend funds by September 30, 2026</p>	<p>Program provides funds to local communities or nonprofits for them to provide one or more of three eligible types of assistance: 1) serve as an Intake Center to assist households in applying for HAF funds, 2) provide Housing Counseling Services, and/or 3) provide Legal Services related to Homeownership.</p> <p><i>Geography:</i> Available where Subrecipients are located. <i>Income Eligibility:</i> Household income at or below greater of 100% AMI or 100% of national median income.</p>	See above for HAF	<p>Board has approved 26 awards to subrecipients</p> <p>20 agreements have been executed to date.</p>	<p>HAF Subrecipient Activity Division has 8 FTEs; additional hires may be made</p>	<p><u>Intake</u> 236</p> <p><u>Legal Svcs.</u> 0</p> <p><u>Housing Counsel</u> 14</p>	<p>Total \$30,500,000</p> <p>Obligated: \$18,492,754 61%</p> <p>Expended: \$1,315,145.50 4%</p>	<p>A NOFA was released on October 26 available through December 15 for the remaining \$12K of funding to fill gaps in service types and underserved populations</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<p><b>Emergency Housing Vouchers (EHV)</b></p>	<p>Passed as Section 3202 of the American Rescue Plan, dedicates vouchers through HUD for emergency rental assistance.</p> <p>HUD Authority to Recapture May Occur as Early As: 1 Year from Funding (if vouchers are unissued)</p> <p>Can Reissue EHV until: Sept. 30, 2023</p> <p>Renewal Funds Available for 'Occupied Units' through: Sept. 30, 2030</p>	<p>TDHCA was allocated 798 vouchers by HUD. The award includes funds for the vouchers (\$7,933,560) plus funds to provide services (\$2,793,000) and funds for admin (\$763,788). Vouchers are for households who are: (1) homeless, (2) at risk of homelessness, (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or (4) recently homeless.</p> <p><i>Geography:</i> Balance of State Continuum of Care counties underserved by an EHV-awarded PHA, Heart of Texas Homeless Coalition service area and Tarrant County Homeless Coalition (TCHC) service area</p> <p><i>Income Eligibility:</i> Not to exceed 50% of AMI</p>	<p>Significant waivers have been authorized by HUD, with most expiring 6/30/2022. TDHCA will seek to maximize its use of these waivers, potentially requesting extensions to the extent that households will not be offered a voucher if they would be ineligible at renewal.</p> <p>TDHCA updated its PHA Admin Plan to reflect our plan for the service fee (see last column) and other program elements.</p>	<p>Executed contracts with CoC partners: the Heart of Texas Homeless Coalition and Texas Homeless Network (the Balance of State CoC). Draft contract proposed between TDHCA and TCHC</p> <p>Referrals to TDHCA: 412 Vouchers Issued: 170 Declined: 57 Housed: 104</p>	<p>Program is being administered jointly by the Section 8 and Section 811 areas due to the unique nature of the program.</p> <p>3 new positions are now in place. All paid for by EHV Admin and CSBG Admin.</p> <p>FTES are Art. IX</p>	<p>104</p>	<p>Total \$11,490,348</p> <p>Rent Payments Avail: \$7,933,560</p> <p>HAP Obligated: \$283,900 3.57%</p> <p>HAP Expended: \$280,823 3.53%</p> <p>Service Contracts Avail: \$2,793,000</p> <p>Obligated: \$1,504,868 53.88%</p> <p>Expended: \$371,863 13%</p>	<p>\$5 billion Nationally</p> <p>A service fee of \$3,500 per unit is authorized separate from the rental assistance payment. The fee total is not tied to each voucher, but is a combined total of funds for services. Services may include: housing search assistance; deposits, holding fees, and application fees; owner-related uses; and other eligible uses.</p>

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>INFRASTRUCTURE INVESTMENT AND JOBS ACT – Public Law 117-58</b>								
<b>LIHEAP IJA*</b>	<p>Passed as Section 501 of the Infrastructure Investment and Jobs Act (PL 117-58), dedicates funds through HHS for home energy costs.</p> <p>Must expend funds by: September 30, 2026</p>	<p>Funds nationally to be released in annual increments of \$100 million each year for the next 5 years. These funds will be made available to each state as part of its annual LIHEAP allocation; the Department therefore will handle these as part of our annual allocation.</p> <p><i>Geography:</i> Available statewide <i>Income Eligibility:</i> 150% of poverty</p>	None needed.	<p>On March 1, 2022, flexibilities were granted. The statewide provider has been the recipient of these funds to date.</p> <p>To date, two annual allocations have been received in the amounts of \$7,532,384 and \$9,627,413</p>	FTEs noted under CARES LIHEAP will be utilized for both allocations.	0	<p><u>Estimated 5-Year Total*:</u> \$37,661,920</p> <p><u>Received by TDHCA:</u> \$17,159,797</p> <p><u>Obligated:</u> \$9,627,413 Of Rcvd: 56% Of 5-Year: 26%</p> <p>Expended: \$619,321 Of Rcvd: .06% Of 5-Year: .02%</p>	\$500 million nationally *Note that the funds will only become available annually, therefore expenditure will be reflected slowly over 5 Years.
<b>BIL WAP</b> (Bipartisan Infrastructure Law Weatherization Assistance Program)	<p>Passed as Section 40551 of the Infrastructure Investment and Jobs Act (Public Law 117-58), dedicates funds through Department of Energy for home weatherization.</p> <p>Law has no date by which funds must be expended; DOE strongly recommends activities be completed within 5 years of receipt of the funds.</p>	<p>Single family and multifamily weatherization of units. Additional restrictions added to the program through the bill beyond typical DOE WAP include Davis-Bacon, Buy American, NEPA, etc. In addition, DOE has applied several Administration priorities, including a focus on workforce development and diversity, and inclusion and equity on delivering funds.</p> <p>Because this award amount is more than 20 times the typical annual DOE award, Board granted authority in December 2021 to procure a statewide DOE WAP vendor to augment the work of the network.</p> <p><i>Geography:</i> Available statewide <i>Income Eligibility:</i> 200% of poverty</p>	Not yet known.	<p>In September 2022 DOE directed TDHCA to proceed with release of its 5-Year Plan for public comment. Staff had obtained Board authority to do so in May 2022. The public comment period was held from Sept. 18 to 28, and the Plan was submitted to DOE on September 30. The Plan has not yet been approved.</p> <p>Statewide provider procurement is in drafting.</p>	<p>FTEs will be added once further guidance and information is available from DOE.</p> <p>Admin. TBD</p>	0	<p>\$173,162,598</p> <p>(\$142,944,233 for Program and \$30,218,365 for Training and TA)</p>	15% of grant made available initially.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Expended (%)	Other Notes
<b>CONTINUING APPROPRIATIONS ACT, 2023 – Public Law 117-180</b>								
<p style="text-align: center;"><b>LIHEAP (23CR) Supplemental Funding</b></p>	<p>Passed as an additional contribution to the 2023 LIHEAP allocation through the <i>Continuing Appropriations Act (CR), 2023</i> (Public Law 117-180), dedicates funds through HHS for home energy costs.</p> <p>Must expend funds by: TBA</p>	<p>Funds nationally of an additional \$1 billion added to the annual 2023 allocation.</p> <p><i>Geography:</i> Available statewide <i>Income Eligibility:</i> 150% of poverty</p>	<p>None needed.</p>	<p>On March 1, 2022, flexibilities were granted. A statewide provider to provide LIHEAP was selected in May 2022 and made funds available in July 2022. That statewide provider will be used for these funds as well.</p>	<p>FTEs noted under CARES LIHEAP, and regular non-temporary LIHEAP, will be utilized.</p>	<p>0</p>	<p style="text-align: center;">Total \$84,732,886</p> <p style="text-align: center;">\$0 0%</p> <p style="text-align: center;">\$0 0%</p>	<p style="text-align: center;">\$1 billion nationally</p>

**CLOSED / COMPLETED PROGRAMS**

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
<b>EARLY REPROGRAMMING OF EXISTING TDHCA PROGRAM FUNDS</b>								
<b>HOME Program Tenant Based Rental Assistance (TBRA) for COVID-19 DR</b>	NA: Reservation Agreements	<p>Program provided 3-6 months of rental assistance through existing or new HOME subrecipients.</p> <p><i>Geography:</i> Was available where subrecipients applied. 23 administrators covered 120 counties</p> <p><i>Income Eligibility:</i> Households at or below 80% AMFI based on current circumstances</p>	All necessary waivers for this activity were authorized by the OOG and HUD via HUD's mega-waiver of April 10, 2020. HUD waivers were extended by HUD in December 2020 to expire September 30, 2021.	<b>COMPLETED</b>	<p>No added TDHCA staffing</p> <p>No added admin funds</p>	2,612 households	<p>\$11,026,701*</p> <p>\$11,026,701 <b>100%</b></p> <p>\$11,026,701 <b>100%</b></p>	* Total Program Funding was originally authorized up to \$11,290,076. Ultimately 97.7% of that (\$11,026,701) was obligated and utilized.
<b>Reprogram 2019 and 2020 CSBG Discretionary and Admin. Funds</b>	<ul style="list-style-type: none"> <li>Board approval March 2020</li> <li>Recipients contracts were effective March 26, 2020</li> <li>Expenditure Deadline was August 31, 2020</li> </ul>	<p>Used the existing network of Community Action Agencies to provide direct client assistance to low income households economically impacted by COVID-19</p> <p><i>Geography:</i> Available statewide (excluding CWCCP and CSI)</p> <p><i>Income Eligibility:</i> 200% poverty (normally is 125%)</p>	None	<b>COMPLETED</b> 100% expended	<p>No added TDHCA staffing</p> <p>No added admin funds</p>	9,468 persons	<p>\$1,434,352</p> <p>1,434,352 <b>100%</b></p> <p>\$1,434,352 <b>100%</b></p>	38 CAA subs
<b>Recaptured 2018/2019 HHSP</b>	<ul style="list-style-type: none"> <li>Board approval March 2020</li> <li>2018 had to be spent by August 31, 2020; 2019 had to be spent by December 31, 2020</li> </ul>	<p>Allow subrecipients to perform HHSP eligible activities in addressing homelessness and those at risk of homelessness</p> <p><i>Geography:</i> Available 9 largest metro areas</p> <p><i>Income Eligibility:</i> Generally 30% AMFI if applicable</p>	Approval from Comptroller granted	<b>COMPLETED</b> 100% expended	<p>No added TDHCA staffing</p> <p>No added admin funds</p>	462 persons	<p>\$191,939.53</p> <p>\$191,939.53 <b>100%</b></p> <p>\$191,939.53 <b>100%</b></p>	9 subs

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
<b>CARES ACT FUNDS</b>								
<b>LIHEAP CARES</b>	<ul style="list-style-type: none"> <li>Board approved April 2020</li> <li>Expend deadline was Sept. 30, 2021</li> <li>45 day closeout period</li> </ul>	<p>99% to CEAP subs for households affected by COVID-19; 1% for state admin (no weatherization)</p> <p><i>Geography:</i> Available statewide <i>Income Eligibility:</i> 150% of poverty</p>	The <a href="#">flexibilities allowed by USHHS</a> were accepted	<b>COMPLETED</b>	<p>1 Art. IX FTE for CEAP TA/capacity (1 Filled)</p> <p>1% admin (\$892,670)</p>	181,215 persons	<p>\$94,023,896</p> <p>\$93,483,658 99%</p> <p>\$63,898,418 68%</p>	An estimated \$29,676,554 was not expended by subrecipients by the deadline. Unused funds were returned to HHS.
<b>Housing Choice Voucher Program Admin</b>	<p>Expend deadline was Dec. 31, 2021</p> <ul style="list-style-type: none"> <li>1<sup>st</sup> Award: \$117,268</li> <li>2<sup>nd</sup> Award: \$140,871</li> </ul>	<ul style="list-style-type: none"> <li>Software upgrades with Housing Pro to allow more efficient remote interface</li> <li>Landlord incentive payments</li> <li>Ordered 3 tablets for inspections</li> <li>October 2020 Board approved use of funds for retention payments to existing owners to ensure their ongoing participation in the program</li> </ul>	Received HUD interpretation that using funds for software upgrades are acceptable. \$11,620 was paid for the system purchase.	<b>COMPLETED*</b>	No added TDHCA staffing.	<p>142 Landlord renewals</p> <p>17 new landlords added</p>	<p>\$258,139</p> <p>\$83,700 32.42%</p> <p>\$83,700 32.42%</p>	* \$174,439 of admin was returned to HUD. Funds were not allowed to be used for direct household assistance nor were there higher admin expenses.
<b>Housing Choice Voucher Program MVP</b>	<p>Had to issue vouchers by December 31, 2021.</p> <p>Orig. Allocation: \$105,034*</p>	<p>15 additional MVP vouchers consistent with our award of MVP, which for TDHCA is for Project Access households.</p> <p>Received award from HUD. Issued the 15 vouchers on May 22, 2020. All 15 were leased.</p>	None needed.	<b>COMPLETED</b> 100% of vouchers utilized	<p>No added TDHCA staffing.</p> <p>No added admin funds.</p>	15 families	<p>\$110,302</p> <p><u>HAP Paid*</u> \$53,664 48.65%</p>	Effective Dec. 31, 2021, the funding authority for the 15 housed families was rolled into TDHCA's regular yearly HAP authority.

Program	Timelines / Contract Periods	Planned Activities	Waivers and Initial Approvals Needed	Program Status	Staffing Admin Funds	Served to Date	Total Program Funding Obligated (%) Drawn (%)	Other Notes
CSBG CARES	<ul style="list-style-type: none"> <li>Board approved April 2020</li> <li>Must expend 90% by August 31, 2022</li> <li>45 day closeout period</li> </ul>	<p>90% to CAAs using regular CSBG formula for households affected by COVID-19; 2% (\$949,120) to Texas Homeless Network (THN); 7% for an eviction diversion pilot program; 1% for state admin</p> <p><i>Geography:</i> Available statewide  <i>Income Eligibility:</i> 200% of poverty (normally is 125%)</p>	The <a href="#">flexibilities allowed by USHHS</a> have been accepted.	<b>COMPLETED</b> (still working on final reporting to reflect 100% expenditure)	1 Art. IX FTE for CSBG reporting  1% admin (\$474,560)	146,462 persons	\$48,102,282 \$48,102,282 <b>100%</b> \$48,017,945 99%	40 CAA subs

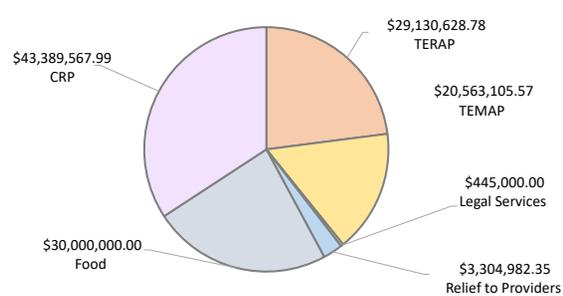


# Texas Department of Housing and Community Affairs

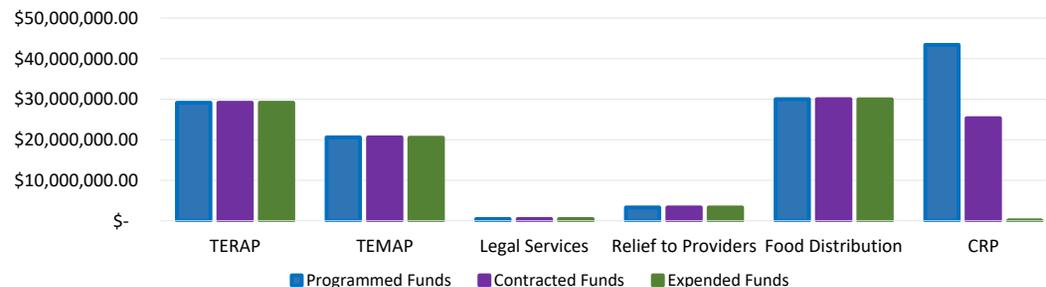
## CDBG CARES (Coronavirus Aid, Relief, and Economic Security) Act Programs

Texas Emergency Rental Assistance Program (TERAP)	Texas Emergency Mortgage Assistance Program (TEMAP)	Legal Services to Persons with Disabilities	Relief to Service Providers for Persons with Disabilities	Food Distribution	Community Resiliency Program
<b>COMPLETED</b> Rental assistance (up to six months, including arrears) to income-eligible households impacted by COVID-19 to help provide housing stability during the pandemic. Funds can also be used for eviction diversion, which provides rental assistance to tenants who have been sued for eviction. TERAP was initially funded for \$33,981,073.89, however small amounts of funds have been unused or deobligated*.	<b>COMPLETED</b> Mortgage assistance (up to six months, including arrears) to income-eligible homeowners who have been economically impacted by COVID-19 to help provide housing stability during the pandemic.	<b>COMPLETED</b> Legal services assistance for persons with disabilities to obtain or retain housing as a result of COVID-19. Legal services include legal advice and legal representation by licensed attorneys in good standing with the State Bar of Texas.	<b>COMPLETED</b> Assistance to help providers continue serving residential persons with disabilities during the pandemic by reimbursing for allowable expenses undertaken to prevent, prepare for, or respond to COVID-19. Assistance was initially programmed for \$5,000,000, but \$1,695,017.65 was unused and deobligated by the administrator*.	Assistance to eligible food bank providers that have been economically impacted by COVID-19. Funds will be utilized to reimburse food banks for bulk food purchases to be distributed statewide.	Assistance to low- and moderate-income persons, and rural and small metro communities, to create, expand or enhance public facilities that provide medical care, social services, and/or emergency housing to prevent the transmission of COVID-19 and allow for adequate social distancing or remote access.
<b>Start Date:</b> January 15, 2021 <b>Persons Assisted:</b> 16,606	<b>Start Date:</b> June 15, 2021 <b>Persons Assisted to Date:</b> 11,777	<b>Start Date:</b> April 1, 2021 <b>Persons Assisted:</b> 750	<b>Start Date:</b> April 15, 2021 <b>Persons Assisted:</b> 3,592 <b>Providers Assisted:</b> 50	<b>Start Date:</b> October 1, 2021 <b>Persons Assisted to Date:</b> 387,319	<b>Start Date:</b> May 2022
<b>Program Administrators:</b> 41 entitlement city and county governments throughout Texas	<b>Program Administrators:</b> 48 cities, counties and other local and regional service providers	<b>Program Administrator:</b> Disability Rights Texas	<b>Program Administrator:</b> My Health My Resources of Tarrant County	<b>Program Administrator:</b> Feeding Texas, a network of 21 member food banks	<b>Program Administrators:</b> 15 Non-Entitlement Communities throughout Texas
<b>Service Area:</b> 41 entitlement cities and counties	<b>Service area:</b> Statewide - All 254 counties in Texas	<b>Service area:</b> Statewide - All 254 counties in Texas	<b>Service area:</b> Statewide - All 254 counties in Texas	<b>Service area:</b> Statewide - All 254 counties in Texas	<b>Service Area:</b> Non-Entitlement communities in Texas
<b>Programmed Funds:</b> \$29,130,628.78	<b>Programmed Funds:</b> \$20,563,105.57	<b>Programmed Funds:</b> \$445,000.00	<b>Programmed Funds:</b> \$3,304,982.35	<b>Programmed Funds:</b> \$30,000,000.00	<b>Programmed Funds:</b> \$43,389,567.99
<b>Contracted Funds:</b> \$29,130,628.78	<b>Contracted Funds:</b> \$20,563,105.57	<b>Contracted Funds:</b> \$445,000.00	<b>Contracted Funds:</b> \$3,304,982.35	<b>Contracted Funds:</b> \$30,000,000.00	<b>Contracted Funds:</b> \$25,288,602.24
<b>Expended Funds:</b> \$29,130,628.78	<b>Expended Funds:</b> \$20,499,084.67	<b>Expended Funds:</b> \$445,000.00	<b>Expended Funds:</b> \$3,304,982.35	<b>Expended Funds:</b> \$29,971,341.47	<b>Expended Funds:</b> \$42,536.58

CDBG CARES Funds by Program



CDBG CARES Program Funds by Status



\* In the case of funds unused by administrators or deobligated, funds will be reprogrammed and used for awards under the Community Resiliency Program or another existing program.

2c

BOARD REPORT ITEM  
FINANCIAL ADMINISTRATION DIVISION  
DECEMBER 8, 2022

Report on the Draft Computation of Housing Finance Division Total and Unencumbered Fund Balances and Transfers to the State of Texas Housing Trust Fund.

WHEREAS, Tex. Gov't Code §2306.204 requires an independent audit of the Department's Housing Trust Fund to determine the amount of unencumbered fund balances that are greater than the amount required for the reserve fund and the report to be submitted to the board by December 31<sup>st</sup> of each year;

WHEREAS, Housing Finance Division unencumbered funds are the funds associated with any and all of the Department's housing finance activity that are not subject to any restriction precluding their immediate transfer to the housing trust fund. Such restrictions include: being subject to a state or federal law or other applicable legal requirement such as the General Appropriations Act, being held in trust subject to the terms of a bond indenture, or having been designated by the Department's Governing Board for a specific use or contingency;

WHEREAS, Tex. Gov't Code §2306.205 provides a formula for determining the amount of unencumbered fund balances and the amounts, if any, to transfer to the Housing Trust Fund before January 10th; and

WHEREAS, Staff has drafted a process for determining the three year-end values total and non highest rated bond indebtedness, the amount of unencumbered fund balances and the amounts, if any, to transfer to the State of Texas Housing Trust Fund;

NOW, therefore, it is hereby

RESOLVED, that the Draft Computation of Unencumbered Fund Balances Report as of August 31, 2022, is presented to this meeting and the Board and the Executive Director accepts this report in satisfaction of the requirements of Tex. Gov't Code §§2306.204 and 2306.205 with its final approval determined by the year-end audit performed by the State Auditor's Office.

BACKGROUND

Pursuant to Tex. Gov't Code §§2306.204 and 2306.205, the Department is required to transfer to the State of Texas Housing Trust Fund annually a portion of the unencumbered funds, if any, meeting certain threshold and criteria. This statute also requires the Department to undergo an annual audit of its

unencumbered fund balances and to transfer excess funds to the State of Texas Housing Trust Fund based on a calculation set forth in the statute. Using the methodology outlined in the statute, Department staff developed a Standard Operating Procedure (#1210.05) to calculate statutorily required transfers to the State of Texas Housing Trust Fund.

The Draft Computation of Unencumbered Fund Balances Report as of August 31 (Exhibit A) reflects funds held by the Department deemed to be unencumbered of \$186,905; the Calculation of Bonded Indebtedness Report (Exhibit B) only includes bonds and notes outstanding not rated in the highest long-term debt rating category to calculate the 2% threshold of \$18,198,225; and the List of Bond Ratings (Exhibit C) from rating agencies. Since the unencumbered balance is less than the 2% threshold it does not meet the first threshold in Tex. Gov't Code §2306.205(a) for any transfer to the State of Texas Housing Trust Fund.

In conclusion, the Draft Computation of Unencumbered Fund Balances Report as of August 31, 2022, yielded a zero transfer to the State of Texas Housing Trust Fund. Again, this report is included for review in the year-end financial audit performed by the State Auditor's Office and is, therefore, subject to revision based on such audit.

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 Computation of Unencumbered Fund Balances  
 August 31, 2022

	S/F Program	RMRB Program	Taxable Mortgage Program	M/F Program	Operating Fund	Housing Trust Fund	Special Housing Programs	Governmental Fund	
Qualifying Assets:									
Cash and Cash Equivalents	172,155,338	49,179,348	17,534,509	193,480,382	10,262,682	14,027,698	35,657,665	1,104,652,342	
Investments @ fair value	780,614,415	440,554,735	0	422,255,503	0	0	0	0	
Fair Value Adjustment	14,229,809	10,439,103	0	49,756,584	0	0	0	0	
Loans and Contracts	196,068,705	122,458,072	73,253,088	1,005,310,831	707,967	40,817,990	113,416	459,567,476	
Real Estate owned, @ net	0	0	0	0	0	20,614	0		
Accrued Interest receivable	2,325,164	1,614,057	937,128	4,959,002	436	846	35,552	49,650	
Federal Receivable								48,032,036	
Legislative Appropriations								125,856	
Subtotal	1,165,393,431	624,245,315	91,724,725	1,675,762,302	10,971,085	54,867,148	35,806,633	1,612,427,360	
Less restrictions:									
Trust Indenture	(1,165,393,431)	(624,245,315)	(74,211,970)	(1,675,762,302)					
Operating Reserve					(915,668)		(7,084,332)		
Appropriated State Treasury Funds					(3,154,621)			(125,856)	
Designated for program use per Government Code, Chapter 2306						(40,839,450)			
Funds Reserved, Committed or under Contract						(14,027,698)			
Add'l restrictions per Department			(17,512,755)		(2,802,711)				
Restricted Use of Fees for Administrative Expenses					(4,097,648)		(28,535,832)		
Federal Funds								(1,612,301,504)	
Subtotal	(1,165,393,431)	(624,245,315)	(91,724,725)	(1,675,762,302)	(10,970,649)	(54,867,148)	(35,620,164)	(1,612,427,360)	
Unencumbered fund balances	-	-	-	-	436	-	186,469	-	186,905

EXHIBIT B

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
 Calculation of Bonded Indebtedness as of August 31, 2022  
 Pursuant to Texas Government Code Section 2306.205

	Highest Bond Rating	Bonds/Notes Outstanding (Par)	Bonded Indebtedness Not Rated in the Highest Category
Single-family	Aaa	\$ 909,511,252	\$ 30,000,000
RMRB	Aaa	462,285,680	10,000,000
Multifamily	Various	1,379,353,682	869,911,227
		<u>\$ 2,751,150,614</u>	<u>\$ 909,911,227</u>

Section 2306.205(a)		
2% of bonded indebtedness		\$ 18,198,225
Unencumbered Fund Balance (UFB) per Calculation		\$ 186,905
Does UFB exceed 2% of bonded indebtedness?		No
If UFB exceeds 2% of bonded indebtedness:		
What amount exceeds 2% of bonded indebtedness?		\$ -
Half of UFB in excess of 2% of bonded indebtedness (Transfer to HTF)		\$ -

Section 2306.205(c)		
4% of bonded indebtedness		\$ 36,396,449
Unencumbered Fund Balance (UFB) per Calculation		\$ 186,905
Does UFB exceed 4% of bonded indebtedness?		No
If UFB exceeds 4% of bonded indebtedness:		
What amount exceeds 4% of bonded indebtedness?		\$ -
All of UFB in excess of 4% of bonded indebtedness (Transfer to HTF)		\$ -

EXHIBIT C

Single Family Indenture				Rating Agencies			
Series	CUSIP	Maturity Date	Interest Rate	8/31/2022	Moody's	Standard & Poor's	Fitch
				Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2004B	88275FNN5	9/1/2034	VAR	\$ -	WR/WR	NR/NR	#N/A N/A
2004D	88275FNP0	3/1/2035	VAR	\$ -	WR/WR	NR/NR	#N/A N/A
2005A	88275FNQ8	9/1/2036	VAR	\$ 9,515,000.00	Aaa/VMIG1	AA+/A-1+	#N/A N/A
2007A	88275FMF3	9/1/2038	VAR	\$ 8,335,000.00	Aaa/VMIG1	AA+/A-1+	#N/A N/A
2013A	88275FNT2	3/1/2036	2.800%	\$ -	WR	NR	#N/A N/A
2015A	88275FNU9	9/1/2039	3.200%	\$ 10,410,000.00	Aaa	AA+	#N/A N/A
2015B	88275FNV7	3/1/2046	3.125%	\$ 6,060,000.00	Aaa	AA+	#N/A N/A
2016A	88275FNW5	3/1/2046	3.000%	\$ 8,975,000.00	Aaa	AA+	#N/A N/A
2016B	88275FNX3	3/1/2039	3.180%	\$ 16,030,000.00	Aaa	AA+	#N/A N/A
2017A	88275FNY1	9/1/2047	2.835%	\$ 36,822,307.00	Aaa	AA+	#N/A N/A
2017B	88275FNZ8	9/1/2038	2.750%	\$ 11,687,119.00	Aaa	AA+	#N/A N/A
2017C	88275FPA1	9/1/2047	3.100%	\$ 24,617,845.00	Aaa	AA+	#N/A N/A
2018A	88275FPH6	9/1/2022	2.200%	\$ 680,000.00	Aaa	AA+	#N/A N/A
	88275FPJ2	3/1/2023	2.250%	\$ 700,000.00	Aaa	AA+	#N/A N/A
	88275FPK9	9/1/2023	2.300%	\$ 710,000.00	Aaa	AA+	#N/A N/A
	88275FPL7	3/1/2024	2.450%	\$ 720,000.00	Aaa	AA+	#N/A N/A
	88275FPM5	9/1/2024	2.500%	\$ 725,000.00	Aaa	AA+	#N/A N/A
	88275FPN3	3/1/2025	2.600%	\$ 725,000.00	Aaa	AA+	#N/A N/A
	88275FPP8	9/1/2025	2.650%	\$ 740,000.00	Aaa	AA+	#N/A N/A
	88275FPQ6	3/1/2026	2.800%	\$ 755,000.00	Aaa	AA+	#N/A N/A
	88275FPR4	9/1/2026	2.850%	\$ 775,000.00	Aaa	AA+	#N/A N/A
	88275FPS2	3/1/2027	2.950%	\$ 780,000.00	Aaa	AA+	#N/A N/A
	88275FPT0	9/1/2027	3.000%	\$ 795,000.00	Aaa	AA+	#N/A N/A
	88275FPU7	3/1/2028	3.050%	\$ 815,000.00	Aaa	AA+	#N/A N/A
	88275FPV5	9/1/2028	3.100%	\$ 825,000.00	Aaa	AA+	#N/A N/A
	88275FPW3	3/1/2029	3.150%	\$ 835,000.00	Aaa	AA+	#N/A N/A
	88275FPX1	9/1/2029	3.200%	\$ 845,000.00	Aaa	AA+	#N/A N/A
	88275FPY9	9/1/2033	3.350%	\$ -	Aaa	NR	#N/A N/A
	88275FPZ6	9/1/2038	4.125%	\$ 11,310,000.00	Aaa	AA+	#N/A N/A
	2019A	88275FQA0	9/1/2043	4.250%	\$ 14,135,000.00	Aaa	AA+
88275FQB8		9/1/2048	4.250%	\$ 17,820,000.00	Aaa	AA+	#N/A N/A
88275FQC6		3/1/2049	4.750%	\$ 33,340,000.00	Aaa	AA+	#N/A N/A
88275FQG7		9/1/2022	1.500%	\$ 895,000.00	Aaa	AA+	#N/A N/A
88275FQH5		3/1/2023	1.550%	\$ 905,000.00	Aaa	AA+	#N/A N/A
88275FQJ1		9/1/2023	1.600%	\$ 915,000.00	Aaa	AA+	#N/A N/A
88275FQK8		3/1/2024	1.600%	\$ 925,000.00	Aaa	AA+	#N/A N/A
88275FQL6		9/1/2024	1.650%	\$ 930,000.00	Aaa	AA+	#N/A N/A
88275FQM4		3/1/2025	1.700%	\$ 945,000.00	Aaa	AA+	#N/A N/A
88275FQN2		9/1/2025	1.750%	\$ 960,000.00	Aaa	AA+	#N/A N/A
88275FQP7		3/1/2026	1.850%	\$ 970,000.00	Aaa	AA+	#N/A N/A
88275FQQ5		9/1/2026	1.950%	\$ 975,000.00	Aaa	AA+	#N/A N/A
88275FQR3		3/1/2027	2.000%	\$ 985,000.00	Aaa	AA+	#N/A N/A
88275FQS1		9/1/2027	2.050%	\$ 990,000.00	Aaa	AA+	#N/A N/A
88275FQT9		3/1/2028	2.150%	\$ 990,000.00	Aaa	AA+	#N/A N/A
88275FQU6		9/1/2028	2.200%	\$ 1,010,000.00	Aaa	AA+	#N/A N/A
88275FQV4		3/1/2029	2.250%	\$ 1,030,000.00	Aaa	AA+	#N/A N/A
88275FQW2		9/1/2029	2.300%	\$ 1,045,000.00	Aaa	AA+	#N/A N/A
88275FQX0	3/1/2030	2.350%	\$ 1,060,000.00	Aaa	AA+	#N/A N/A	
88275FQY8	9/1/2030	2.400%	\$ 1,070,000.00	Aaa	AA+	#N/A N/A	
88275FQZ5	9/1/2034	2.700%	\$ -	WR	NR	#N/A N/A	
88275FRA9	9/1/2039	3.375%	\$ 13,750,000.00	Aaa	AA+	#N/A N/A	
88275FRB7	9/1/2044	3.625%	\$ 16,840,000.00	Aaa	AA+	#N/A N/A	
88275FRC5	9/1/2049	3.750%	\$ 24,065,000.00	Aaa	AA+	#N/A N/A	

	88275FRD3	3/1/2050	4.000%	\$	59,015,000.00	Aaa	AA+	#N/A N/A
2020A	88275FRH4	9/1/2022	0.600%	\$	1,235,000.00	Aaa	AA+	#N/A N/A
	88275FRJ0	3/1/2023	0.750%	\$	1,240,000.00	Aaa	AA+	#N/A N/A
	88275FRK7	9/1/2023	0.800%	\$	1,250,000.00	Aaa	AA+	#N/A N/A
	88275FRL5	3/1/2024	0.900%	\$	1,260,000.00	Aaa	AA+	#N/A N/A
	88275FRM3	9/1/2024	0.950%	\$	1,270,000.00	Aaa	AA+	#N/A N/A
	88275FRN1	3/1/2025	1.250%	\$	1,280,000.00	Aaa	AA+	#N/A N/A
	88275FRP6	9/1/2025	1.250%	\$	1,290,000.00	Aaa	AA+	#N/A N/A
	88275FRQ4	3/1/2026	4.000%	\$	1,290,000.00	Aaa	AA+	#N/A N/A
	88275FRR2	9/1/2026	4.000%	\$	1,300,000.00	Aaa	AA+	#N/A N/A
	88275FRS0	3/1/2027	5.000%	\$	1,315,000.00	Aaa	AA+	#N/A N/A
	88275FRT8	9/1/2027	5.000%	\$	1,325,000.00	Aaa	AA+	#N/A N/A
	88275FRU5	3/1/2028	5.000%	\$	1,335,000.00	Aaa	AA+	#N/A N/A
	88275FRV3	9/1/2028	5.000%	\$	1,340,000.00	Aaa	AA+	#N/A N/A
	88275FRW1	3/1/2029	1.900%	\$	1,365,000.00	Aaa	AA+	#N/A N/A
	88275FRX9	9/1/2029	1.950%	\$	1,370,000.00	Aaa	AA+	#N/A N/A
	88275FRY7	3/1/2030	2.000%	\$	1,380,000.00	Aaa	AA+	#N/A N/A
	88275FRZ4	9/1/2030	2.050%	\$	1,395,000.00	Aaa	AA+	#N/A N/A
	88275FSA8	3/1/2031	2.100%	\$	1,410,000.00	Aaa	AA+	#N/A N/A
	88275FSB6	9/1/2031	2.150%	\$	1,425,000.00	Aaa	AA+	#N/A N/A
	88275FSC4	9/1/2035	2.150%	\$	8,285,000.00	Aaa	AA+	#N/A N/A
	88275FSD2	9/1/2040	2.500%	\$	17,120,000.00	Aaa	AA+	#N/A N/A
	88275FSE0	9/1/2045	3.000%	\$	20,005,000.00	Aaa	AA+	#N/A N/A
	88275FSF7	3/1/2050	3.000%	\$	21,035,000.00	Aaa	AA+	#N/A N/A
	88275FSG5	3/1/2051	3.500%	\$	69,925,000.00	Aaa	AA+	#N/A N/A
2020B	88275FSH3	3/1/2036	2.000%	\$	8,255,380.00	Aaa	AA+	#N/A N/A
2020A Jr Lien	88275FSJ9	9/1/2030	2.040%	\$	15,000,000.00	Aa1	AA+	#N/A N/A
	88275FSK6	9/1/2045	2.997%	\$	15,000,000.00	Aa1	AA+	#N/A N/A
2021A	88275FSL4	9/1/2022	0.125%	\$	635,000.00	WR	NR	#N/A N/A
	88275FSM2	3/1/2023	0.150%	\$	990,000.00	Aaa	AA+	#N/A N/A
	88275FSN0	9/1/2023	0.200%	\$	990,000.00	Aaa	AA+	#N/A N/A
	88275FSP5	3/1/2024	0.300%	\$	1,000,000.00	Aaa	AA+	#N/A N/A
	88275FSQ3	9/1/2024	0.350%	\$	1,000,000.00	Aaa	AA+	#N/A N/A
	88275FSR1	3/1/2025	0.500%	\$	995,000.00	Aaa	AA+	#N/A N/A
	88275FSS9	9/1/2025	0.550%	\$	1,005,000.00	Aaa	AA+	#N/A N/A
	88275FST7	3/1/2026	0.600%	\$	1,010,000.00	Aaa	AA+	#N/A N/A
	88275FSU4	9/1/2026	0.700%	\$	1,020,000.00	Aaa	AA+	#N/A N/A
	88275FSV2	3/1/2027	5.000%	\$	1,035,000.00	Aaa	AA+	#N/A N/A
	88275FSW0	9/1/2027	5.000%	\$	1,065,000.00	Aaa	AA+	#N/A N/A
	88275FSX8	3/1/2028	5.000%	\$	1,090,000.00	Aaa	AA+	#N/A N/A
	88275FSY6	9/1/2028	5.000%	\$	1,120,000.00	Aaa	AA+	#N/A N/A
	88275FSZ3	3/1/2029	5.000%	\$	1,155,000.00	Aaa	AA+	#N/A N/A
	88275FTA7	9/1/2029	5.000%	\$	1,185,000.00	Aaa	AA+	#N/A N/A
	88275FTB5	3/1/2030	1.550%	\$	1,205,000.00	Aaa	AA+	#N/A N/A
	88275FTC3	9/1/2030	1.600%	\$	1,215,000.00	Aaa	AA+	#N/A N/A
	88275FTD1	3/1/2031	1.650%	\$	1,225,000.00	Aaa	AA+	#N/A N/A
	88275FTE9	9/1/2031	1.700%	\$	1,245,000.00	Aaa	AA+	#N/A N/A
	88275FTF6	3/1/2032	1.750%	\$	1,250,000.00	Aaa	AA+	#N/A N/A
	88275FTG4	9/1/2032	1.750%	\$	1,270,000.00	Aaa	AA+	#N/A N/A
	88275FTH2	3/1/2033	1.800%	\$	1,280,000.00	Aaa	AA+	#N/A N/A
	88275FTJ8	9/1/2033	1.800%	\$	1,290,000.00	Aaa	AA+	#N/A N/A
	88275FTK5	9/1/2036	1.850%	\$	8,140,000.00	Aaa	AA+	#N/A N/A
	88275FTL3	9/1/2041	2.050%	\$	15,050,000.00	Aaa	AA+	#N/A N/A
	88275FTM1	9/1/2046	2.250%	\$	17,220,000.00	Aaa	AA+	#N/A N/A
	88275FTN9	9/1/2051	2.350%	\$	19,795,000.00	Aaa	AA+	#N/A N/A
	88275FTP4	3/1/2052	3.000%	\$	63,410,000.00	Aaa	AA+	#N/A N/A
2021B	88275FTQ2	3/1/2039	1.550%	\$	20,168,601.00	Aaa	AA+	#N/A N/A
2022A	88275FTR0	3/1/2023	2.050%	\$	105,000.00	Aaa	AA+	#N/A N/A
	88275FTR8	9/1/2023	2.300%	\$	745,000.00	Aaa	AA+	#N/A N/A
	88275FTT6	3/1/2024	2.500%	\$	760,000.00	Aaa	AA+	#N/A N/A
	88275FTU3	9/1/2024	2.700%	\$	780,000.00	Aaa	AA+	#N/A N/A
	88275FTV1	3/1/2025	2.850%	\$	795,000.00	Aaa	AA+	#N/A N/A
	88275FTW9	9/1/2025	3.000%	\$	810,000.00	Aaa	AA+	#N/A N/A
	88275FTX7	3/1/2026	3.100%	\$	825,000.00	Aaa	AA+	#N/A N/A
	88275FTY5	9/1/2026	3.150%	\$	850,000.00	Aaa	AA+	#N/A N/A
	88275FTZ2	3/1/2027	5.500%	\$	865,000.00	Aaa	AA+	#N/A N/A

88275FUA5	9/1/2027	5.500%	\$	890,000.00	Aaa	AA+	#N/A N/A
88275FUB3	3/1/2028	5.500%	\$	915,000.00	Aaa	AA+	#N/A N/A
88275FUC1	9/1/2028	5.500%	\$	945,000.00	Aaa	AA+	#N/A N/A
88275FUD9	3/1/2029	5.500%	\$	970,000.00	Aaa	AA+	#N/A N/A
88275FUE7	9/1/2029	5.500%	\$	1,000,000.00	Aaa	AA+	#N/A N/A
88275FUF4	3/1/2030	5.500%	\$	1,030,000.00	Aaa	AA+	#N/A N/A
88275FUG2	9/1/2030	5.500%	\$	1,060,000.00	Aaa	AA+	#N/A N/A
88275FUH0	3/1/2031	5.500%	\$	1,095,000.00	Aaa	AA+	#N/A N/A
88275FUJ6	9/1/2031	5.500%	\$	1,125,000.00	Aaa	AA+	#N/A N/A
88275FUK3	3/1/2032	3.850%	\$	1,165,000.00	Aaa	AA+	#N/A N/A
88275FUL1	9/1/2032	3.900%	\$	1,195,000.00	Aaa	AA+	#N/A N/A
88275FUM9	3/1/2033	3.950%	\$	1,225,000.00	Aaa	AA+	#N/A N/A
88275FUN7	9/1/2033	4.000%	\$	1,255,000.00	Aaa	AA+	#N/A N/A
88275FUP2	9/1/2037	4.050%	\$	16,125,000.00	Aaa	AA+	#N/A N/A
88275FUQ0	9/1/2040	4.100%	\$	6,075,000.00	Aaa	AA+	#N/A N/A
88275FUR8	9/1/2047	4.300%	\$	30,080,000.00	Aaa	AA+	#N/A N/A
88275FUS6	3/1/2052	4.350%	\$	26,790,000.00	Aaa	AA+	#N/A N/A
88275FUT4	9/1/2052	5.500%	\$	90,525,000.00	Aaa	AA+	#N/A N/A

Total Bonds Outstanding \$ 909,511,252.00

2018 Issuer Note N/A 8/8/2025 3.500% \$ -

Bonds/Notes Rated in the Highest Category (Aaa OR AAA) \$ 879,511,252.00

Bonds/Notes NOT Rated in the Highest Category (Aaa OR AAA) \$ 30,000,000.00

EXHIBIT C

RMRB Indenture				Rating Agencies			
				8/31/2022	Moody's	Standard & Poor's	Fitch
Series	CUSIP	Maturity Date	Interest Rate	Ending Bonds Outstanding	rtg moody	rtg sp	rtg fitch
2019A	882750NY4	1/1/2023	2.050%	\$ 700,000.00	Aaa	AA+	#N/A N/A
	882750NJ7	7/1/2023	5.000%	\$ 975,000.00	Aaa	AA+	#N/A N/A
	882750NZ1	1/1/2024	2.200%	\$ 735,000.00	Aaa	AA+	#N/A N/A
	882750NK4	7/1/2024	5.000%	\$ 1,015,000.00	Aaa	AA+	#N/A N/A
	882750PA4	1/1/2025	2.350%	\$ 760,000.00	Aaa	AA+	#N/A N/A
	882750NL2	7/1/2025	5.000%	\$ 1,060,000.00	Aaa	AA+	#N/A N/A
	882750PB2	1/1/2026	2.500%	\$ 790,000.00	Aaa	AA+	#N/A N/A
	882750NM0	7/1/2026	5.000%	\$ 1,105,000.00	Aaa	AA+	#N/A N/A
	882750PC0	1/1/2027	2.650%	\$ 810,000.00	Aaa	AA+	#N/A N/A
	882750NN8	7/1/2027	5.000%	\$ 1,155,000.00	Aaa	AA+	#N/A N/A
	882750PD8	1/1/2028	2.750%	\$ 850,000.00	Aaa	AA+	#N/A N/A
	882750NP3	7/1/2028	5.000%	\$ 1,210,000.00	Aaa	AA+	#N/A N/A
	882750PE6	1/1/2029	2.900%	\$ 900,000.00	Aaa	AA+	#N/A N/A
	882750NQ1	7/1/2029	5.000%	\$ 1,270,000.00	Aaa	AA+	#N/A N/A
	882750PF3	1/1/2030	3.000%	\$ 950,000.00	Aaa	AA+	#N/A N/A
	882750NR9	7/1/2030	5.000%	\$ 1,330,000.00	Aaa	AA+	#N/A N/A
	882750NS7	1/1/2031	5.000%	\$ 1,370,000.00	Aaa	AA+	#N/A N/A
	882750NT5	7/1/2031	5.000%	\$ 1,405,000.00	Aaa	AA+	#N/A N/A
	882750NU2	1/1/2032	5.000%	\$ 1,440,000.00	Aaa	AA+	#N/A N/A
	882750NV0	7/1/2032	5.000%	\$ 1,480,000.00	Aaa	AA+	#N/A N/A
	882750PG1	7/1/2034	3.500%	\$ 4,555,000.00	Aaa	AA+	#N/A N/A
	882750PH9	7/1/2039	3.800%	\$ 13,480,000.00	Aaa	AA+	#N/A N/A
	882750PJ5	7/1/2044	3.900%	\$ 16,800,000.00	Aaa	AA+	#N/A N/A
	882750PK2	1/1/2049	4.750%	\$ 40,065,000.00	Aaa	AA+	#N/A N/A
	882750PLO	1/1/2050	3.950%	\$ 23,210,000.00	Aaa	AA+	#N/A N/A
2021A	882750PN6	1/1/2023	0.30%	\$ 595,000.00	Aaa	AA+	#N/A N/A
	882750PP1	7/1/2023	0.35%	\$ 600,000.00	Aaa	AA+	#N/A N/A
	882750PQ9	1/1/2024	0.45%	\$ 605,000.00	Aaa	AA+	#N/A N/A
	882750PR7	7/1/2024	0.50%	\$ 610,000.00	Aaa	AA+	#N/A N/A
	882750PS5	1/1/2025	0.60%	\$ 620,000.00	Aaa	AA+	#N/A N/A
	882750PT3	7/1/2025	0.65%	\$ 630,000.00	Aaa	AA+	#N/A N/A
	882750PU0	1/1/2026	0.75%	\$ 635,000.00	Aaa	AA+	#N/A N/A
	882750PV8	7/1/2026	0.80%	\$ 645,000.00	Aaa	AA+	#N/A N/A
	882750PW6	1/1/2027	5.00%	\$ 645,000.00	Aaa	AA+	#N/A N/A
	882750PX4	7/1/2027	5.00%	\$ 665,000.00	Aaa	AA+	#N/A N/A
	882750PY2	1/1/2028	5.00%	\$ 675,000.00	Aaa	AA+	#N/A N/A
	882750PZ9	7/1/2028	5.00%	\$ 705,000.00	Aaa	AA+	#N/A N/A
	882750QA3	1/1/2029	5.00%	\$ 705,000.00	Aaa	AA+	#N/A N/A
	882750QB1	7/1/2029	5.00%	\$ 720,000.00	Aaa	AA+	#N/A N/A
	882750QC9	1/1/2030	1.60%	\$ 750,000.00	Aaa	AA+	#N/A N/A
	882750QD7	7/1/2030	1.65%	\$ 745,000.00	Aaa	AA+	#N/A N/A
	882750QE5	1/1/2031	1.80%	\$ 760,000.00	Aaa	AA+	#N/A N/A
	882750QF2	7/1/2031	1.85%	\$ 770,000.00	Aaa	AA+	#N/A N/A
	882750QG0	1/1/2032	1.95%	\$ 785,000.00	Aaa	AA+	#N/A N/A
	882750QH8	7/1/2032	1.95%	\$ 790,000.00	Aaa	AA+	#N/A N/A
	882750QJ4	1/1/2033	2.00%	\$ 785,000.00	Aaa	AA+	#N/A N/A
	882750QK1	7/1/2033	2.00%	\$ 795,000.00	Aaa	AA+	#N/A N/A
	882750QL9	7/1/2036	2.05%	\$ 5,130,000.00	Aaa	AA+	#N/A N/A
	882750QM7	7/1/2041	2.25%	\$ 9,665,000.00	Aaa	AA+	#N/A N/A
	882750QN5	7/1/2046	2.45%	\$ 11,375,000.00	Aaa	AA+	#N/A N/A
	882750QP0	7/1/2051	2.50%	\$ 13,260,000.00	Aaa	AA+	#N/A N/A
	882750QQ8	1/1/2052	3.00%	\$ 42,715,000.00	Aaa	AA+	#N/A N/A
2021B	882750QR6	7/1/2042	1.70%	45,755,680.00	Aaa	AA+	#N/A N/A
2022A	882750QS4	1/1/2023	0.50%	265,000.00	Aaa	AA+	#N/A N/A
	882750QT4	7/1/2023	0.60%	1,080,000.00	Aaa	AA+	#N/A N/A
	882750QU9	1/1/2024	0.75%	1,090,000.00	Aaa	AA+	#N/A N/A
	882750QV7	7/1/2024	0.85%	1,100,000.00	Aaa	AA+	#N/A N/A
	882750QW5	1/1/2025	0.90%	1,115,000.00	Aaa	AA+	#N/A N/A
	882750QX3	7/1/2025	1.00%	1,130,000.00	Aaa	AA+	#N/A N/A
	882750QY1	1/1/2026	1.10%	1,145,000.00	Aaa	AA+	#N/A N/A

882750QZ8	7/1/2026	1.20%	1,160,000.00	Aaa	AA+	#N/A N/A
882750RA2	1/1/2027	5.00%	1,165,000.00	Aaa	AA+	#N/A N/A
882750RB0	7/1/2027	5.00%	1,190,000.00	Aaa	AA+	#N/A N/A
882750RC8	1/1/2028	5.00%	1,220,000.00	Aaa	AA+	#N/A N/A
882750RD6	7/1/2028	5.00%	1,250,000.00	Aaa	AA+	#N/A N/A
882750RE4	1/1/2029	5.00%	1,280,000.00	Aaa	AA+	#N/A N/A
882750RF1	7/1/2029	5.00%	1,310,000.00	Aaa	AA+	#N/A N/A
882750RG9	1/1/2030	5.00%	1,345,000.00	Aaa	AA+	#N/A N/A
882750RH7	7/1/2030	5.00%	1,375,000.00	Aaa	AA+	#N/A N/A
882750RL8	1/1/2032	2.10%	1,465,000.00	Aaa	AA+	#N/A N/A
882750RM6	7/1/2032	2.15%	1,485,000.00	Aaa	AA+	#N/A N/A
882750RN4	1/1/2033	2.20%	1,510,000.00	Aaa	AA+	#N/A N/A
882750RP9	7/1/2033	2.20%	1,530,000.00	Aaa	AA+	#N/A N/A
882750RK0	7/1/2031	2.00%	2,855,000.00	Aaa	AA+	#N/A N/A
882750RQ7	7/1/2037	2.15%	12,935,000.00	Aaa	AA+	#N/A N/A
882750RR5	7/1/2042	2.60%	19,080,000.00	Aaa	AA+	#N/A N/A
882750RS3	7/1/2047	3.13%	22,790,000.00	Aaa	AA+	#N/A N/A
882750RT1	1/1/2052	3.13%	24,505,000.00	Aaa	AA+	#N/A N/A
882750RU8	7/1/2052	3.50%	83,355,000.00	Aaa	AA+	#N/A N/A

Total Bonds Outstanding \$ 452,285,680.00

2016 Issuer Note N/A 9/28/2026 1.000% \$ 10,000,000.00

Bonds/Notes Rated in the Highest Category (Aaa OR AAA) \$ 452,285,680.00

Bonds/Notes NOT Rated in the Highest Category (Aaa OR AAA) \$ 10,000,000.00

EXHIBIT C

Multifamily			8/31/2022	Rating Agencies		
MF Bond Issue	CUSIP	Private or Public	Ending Bonds Outstanding	Moody's	Standard & Poor's	Fitch
				rtg moody	rtg sp	rtg fitch
1996 A MF Refunding (Brighton's Mark Development)	88275BBK3	Private Place	\$ 8,075,000.00	#N/A N/A	NR	#N/A N/A
1998 A MF (Residence at the Oaks Project)	88275BDA3	Private Place	\$ 2,234,000.00	#N/A N/A	NR	#N/A N/A
1998 B MF (Residence at the Oaks Project)	88275BDB1	Private Place	\$ 1,193,000.00	#N/A N/A	NR	#N/A N/A
1998 C MF (Residence at the Oaks Project)	88275BDB1	Private Place	\$ 39,000.00	#N/A N/A	NR	#N/A N/A
2000 A MF (Highland Meadow Village Apartments)	88275BEW4	Private Place	\$ 5,292,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2000 A MF (Collingham Park Apartments)	88275BEZ7	Private Place	\$ 6,441,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2000 B MF (Collingham Park Apartments)	88275BFA1	Private Place	\$ 1,446,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2001 A MF (Skyway Villas Apartments)	88275BFN3	Public Offer	\$ 3,905,000.00	WR	NR	WD
2001 B MF (Skyway Villas Apartments)	88275BFO6	Private Place	\$ 1,005,000.00	WR	#N/A N/A	#N/A N/A
2001 A-1 MF (Meridian Apartments)	88275ACG3	Public Offer	\$ 6,713,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 B MF (Meridian Apartments)	88275ACH1	Private Place	\$ 373,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2001 A-1 MF (Wildwood Apartments)	88275ACJ7	Public Offer	\$ 5,449,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF Refunding (Reading Road)	88275BJJ8	Public Offer	\$ -	#N/A N/A	NR/NR	#N/A N/A
2003 B MF Refunding (Reading Road)	88275BJK5	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (West Virginia Apartments)	88275BHT8	Public Offer	\$ 5,000,000.00	WR	NR	WD
2003 B MF (West Virginia Apartments)	88275BHU5	Public Offer	\$ 1,250,000.00	WR	NR	WD
2003 A MF (Primrose Houston School Apartments)	88275BJB5	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Ash Creek Apartments)	88275BJS8	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2003 A MF (Peninsula Apartments)	88275BJU3	Public Offer	\$ 8,360,000.00	#N/A N/A	NR	#N/A N/A
2003 A MF (Arlington Villas Apartments)	88275BJX7	Public Offer	\$ -	WR/WR	#N/A N/A	#N/A N/A
2003 B MF (Arlington Villas Apartments)	88275BJY5	Public Offer	\$ -	WR/WR	#N/A N/A	#N/A N/A
2004 A MF (Timber Ridge II Apartments)	88275BJZ2	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Providence at Rush Creek II)	88275BKH0	Private Place	\$ -	#N/A N/A	NR/NR	#N/A N/A
2004 MF (Humble Parkway Townhomes)	88275BKJ6	Public Offer	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Chisholm Trail Apartments)	88275BKR8	Public Offer	\$ -	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Evergreen at Plano Parkway)	88275BKX5	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2004 MF (Bristol Apartments)	88275BKT4	Public Offer	\$ -	Aaa/VMIG1	#N/A N/A	#N/A N/A
2004 MF (Pinnacle Apartments)	88275BKV9	Public Offer	\$ 11,765,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2005 MF (Atascocita Pines Apartments)	88275BLV8	Public Offer	\$ -	WR/WR	#N/A N/A	#N/A N/A
2005 MF (Tower Ridge Apartments)	88275BLX4	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2005 MF (St. Augustine Estate Apartments)	88275BME5	Public Offer	\$ -	Aaa/VMIG1	#N/A N/A	#N/A N/A
2005 MF (Providence Mockingbird Apartments)	None	Private Place	\$ -	Charter Mac Equity Issuer Trust		
2005 MF (Plaza at Chase Oaks Apartments)	None	Private Place	\$ 9,725,427.12	Washington Mutual Bank		
2005 MF (Coral Hills Apartments)	88275BMP0	Public Offer	\$ 3,640,000.00	#N/A N/A	AA+	#N/A N/A
2006 MF (Village Park Apartments)	88275BNC8	Public Offer	\$ -	#N/A N/A	NR	#N/A N/A
2006 MF (Oakmoor Apartments)	88275BNA2	Private Place	\$ 12,619,220.88	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (The Residences at Sunset Pointe)	88275AAA8	Public Offer	\$ 14,525,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2006 MF (Hillcrest Apartments)	88275AAE0	Public Offer	\$ -	#N/A N/A	NR	#N/A N/A
2006 MF (Meadowlands Apartments)	88275AAH3	Private Place	\$ 10,929,239.72	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (East Tex Pines)	88275AAP5	Private Place	\$ 11,985,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2006 MF (Aspen Park)	88275AAR1	Public Place	\$ 8,060,000.00	#N/A N/A	AA+	#N/A N/A
2006 MF (Idlewild)	88275AAV6	Public Offer	\$ 11,890,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Lancaster)	88275ABA79	Public Offer	\$ 11,880,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Park Place at Loyola)	88275ABB5	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2007 MF (Terraces at Cibolo)	88275ABC3	Public Place	\$ -	#N/A N/A	NR/NR	#N/A N/A
2007 MF (Santora Villas)	88275ABD1	Private Place	\$ -	#N/A N/A	#N/A N/A	#N/A N/A
2007 MF (Costa Rialto)	None	Private Place	\$ 9,517,430.28	Centerline Equity Issuer Trust		
2007 MF (Windshire)	88275ABN9	Public Offer	\$ 12,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2007 MF (Residences @ Onion Creek)	88275ABX7	Public Offer	\$ 15,000,000.00	#N/A N/A	AA+/A-1+	#N/A N/A
2008 MF (West Oaks Apartments)	88275ABY5	Public Offer	\$ 10,875,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2008 MF (Costa Ibiza Apartments)	88275ACD0	Public Offer	\$ 11,820,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2008 MF (Alta Cullen Refunding)	88275ACF5	Public Offer	\$ -	#N/A N/A	NR/NR	#N/A N/A
2009 MF (Costa Mariposa)	88275ACK4	Public Offer	\$ 12,010,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2009 MF (Woodmont)	88275ACL2	Public Offer	\$ 13,010,000.00	WR/WR	#N/A N/A	#N/A N/A
2014 MF (Decatur Angle)	88275ACN8	Private Place	\$ 21,937,331.86	#N/A N/A	#N/A N/A	#N/A N/A
2016 MF (Williamsburg Apts)	88275ACW8	Public Offer	\$ 21,495,575.83	Aaa	#N/A N/A	#N/A N/A
2016 MF (Skyline Place Apartments)	88275ADC1	Public Offer	\$ 17,361,849.95	Aaa	#N/A N/A	#N/A N/A
2017 MF (Casa Inc Apartments)	88275ADD9	Public Offer	\$ 22,458,319.74	Aaa	#N/A N/A	#N/A N/A
2017 MF (Casa Brendan Apartments)	88275ADF4	Public Offer	\$ 4,678,816.75	Aaa	#N/A N/A	#N/A N/A
2017 MF (Nuestro Hogar)	88275ADE7	Public Offer	\$ 5,333,851.06	Aaa	#N/A N/A	#N/A N/A
2018 MF (Vista on Gessner)	88275ADH0	Public Offer	\$ 48,566,317.41	Aaa	#N/A N/A	#N/A N/A
2018 MF (Springs Apartments)	88275ADJ6	Public Offer	\$ -	#N/A N/A	NR	#N/A N/A
2018 MF (Crosby Plaza Apartments)	88275ADK3	Public Offer	\$ -	#N/A N/A	NR	#N/A N/A
2018 MF (Oaks on Lamar)	88275ADN7	Public Offer	\$ 16,009,432.86	#N/A N/A	AA+	#N/A N/A
2018 MF (Riverside Townhomes)	88275ADM9	Public Offer	\$ 18,285,611.15	#N/A N/A	AA+	#N/A N/A
2018 A MF (Forestwood)	88275ADP2	Private Place	\$ 19,647,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2018 B MF (Forestwood)	88275ADQ0	Private Place	\$ -	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2019 MF A (Park Yellowstone)	88275LAA4	Public Offer	\$ 12,360,844.71	#N/A N/A	AA+	#N/A N/A
2019 MF B (Park Yellowstone)	88275ADS6	Public Offer	\$ -	#N/A N/A	NR	#N/A N/A
2019 MF Series A (Lago de Plata)	88275ADT4	Private Place	\$ 13,625,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2019 MF Series A (McMullen Square)		Private Place	\$ 7,478,405.88	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2019 MF Series A (Northgate Village)	88275ADC9	Public Offer	\$ 18,204,685.79	Aaa	#N/A N/A	#N/A N/A
2020 MF (Oaks on Clark)	88275LAB2	Public Offer	\$ 9,661,983.41	#N/A N/A	#N/A N/A	#N/A N/A
2020 MF (Pines)	88275LAD8	Public Offer	\$ 21,304,819.00	Aaa	#N/A N/A	#N/A N/A
2020 MF (333 Holly)	88275LACO	Public Offer	\$ 35,637,151.80	Aaa	#N/A N/A	#N/A N/A
2020 MF (Scott Street Lofts)	88275ADX5	Public Offer	\$ 18,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2020 MF (The Walzem)		Private Place	\$ 20,000,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2020 MF (Pecan Grove)	88275ADY3	Public Offer	\$ 26,000,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2020 MF (Fishpond at Corpus Christi)	88275AEA4	Public Offer	\$ 10,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2021 MF (Montage)	88275AEB2	Private Place	\$ 34,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2021 MF (Oso Bay)	88275AEC0	Public Offer	\$ 14,000,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2021 MF (Bella Vista)	88275LAE6	Public Offer	\$ 14,686,509.90	Aaa	#N/A N/A	#N/A N/A

2021 MF (Crystal Falls Crossing)	88275LAF3	Public Offer	\$ 14,000,000.00	Aaa	#N/A N/A	#N/A N/A
2021 MF (Shiloh Village)	88275LAG1	Public Offer	\$ 21,539,228.26	Aaa	#N/A N/A	#N/A N/A
2021 MF (Ridgewood)	88275LAH9	Public Offer	\$ 39,236,459.20	Aaa	#N/A N/A	#N/A N/A
2021 MF (Pineview)	88275LAJ5	Public Offer	\$ 33,348,870.51	Aaa	#N/A N/A	#N/A N/A
2021 MF (Palladium Simpsons Stuart)	88275AED8	Public Offer	\$ 25,750,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2021 MF (Corona Del Valle)	88275AEE6	Public Offer	\$ 8,500,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2021 SERIES (MEADOWBROOK)	88275AEF3	Private Place	\$ 30,000,000.00	#N/A N/A	#N/A N/A	#N/A N/A
2021 SERIES (PARK AT KIRKSTALL)	88275AEG1	Public Offer	\$ 26,750,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2022 SERIES (TORRINGTON ARCADIA TRAIL)		Private Place	\$ 31,000,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2022 SERIES (UNION ACRES)		Private Place	\$ 10,100,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security
2022 SERIES (SOCORRO VILLAGE)	88275AEH9	Public Offer	\$ 6,350,000.00	Aaa/VMIG1	#N/A N/A	#N/A N/A
2022 SERIES (PALLADIUM EAST BERRY)		Private Place	\$ 26,092,000.00	#N/A Invalid Security	#N/A Invalid Security	#N/A Invalid Security

Total Bonds Outstanding \$ 986,426,383.07

MULTI-FAMILY HOUSING NOTES PAYABLE

2016 (Garden City Apartments)	\$ 15,245,883.01
2016 (Gateway at Hutchins Apartments)	\$ 26,392,092.27
2016 (Mercantile Apts)	\$ 28,428,999.44
2018 (Preserve at Hunters Crossing)	\$ 12,873,197.75
2019 (Ventura at Hickory Tree)	\$ 28,100,000.00
2020 (Reserves at San Marcos)	\$ 41,000,000.00
2020 (Vermillion)	\$ 28,000,000.00
2020 (Granada Terrace)	\$ 15,629,126.44
2020 (Legacy Riverside Senior)	\$ 40,000,000.00
2021 (Murdeaux Villas)	\$ 35,000,000.00
2021 (Caroline Lofts)	\$ 20,000,000.00
2021 (Citadel)	\$ 15,000,000.00
2021 (Fiji Lofts)	\$ 23,849,000.00
2022 (ChampionsCrossing)	\$ 14,054,000.00
2022 (380 Villas)	\$ 33,555,000.00
2022 (Marine Park)	\$ 15,800,000.00

Total Notes Outstanding \$ 392,927,298.91

Bonds/Notes Rated in the Highest Category (Aaa OR AAA) \$ 509,442,455.20

Bonds/Notes NOT Rated in the Highest Category (Aaa OR AAA) \$ 869,911,226.78

# ACTION ITEMS

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# ORAL PRESENTATION

4a

**BOARD ACTION ITEM**  
**INTERNAL AUDIT DIVISION**  
**December 8, 2022**

Report on the Meeting of the Audit and Finance Committee and Action on recommendations of that committee

**Verbal Report**

4b

**BOARD ACTION ITEM**  
**INTERNAL AUDIT DIVISION**  
**December 8, 2022**

Presentation, Discussion and Possible Action on approval of the Fiscal Year 2023 Internal Audit Work Plan.

**RECOMMENDED ACTION**

**WHEREAS**, the Tex. Gov't Code §2306.073 (b), the Internal Auditing Act and audit standards require the Department's Governing Board to approve an annual audit work plan that outlines the internal audit projects planned for the fiscal year; and

**WHEREAS**, the Audit and Finance Committee of the Board recommends approval of the work plan;

**NOW**, therefore, it is hereby

**RESOLVED**, the internal audit work plan for Fiscal Year 2023 is approved as presented.

**BACKGROUND**

The annual internal audit work plan is required by the Tex. Gov't Code §2306.073 (b), the Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102) and by the International Standards for the Professional Practice of Internal Auditing (Standards). The plan is prepared by the internal auditor based on an agency-wide risk assessment as well as input from the Department's Governing Board and executive management. The plan identifies the individual audits to be conducted during Fiscal Year 2023. The plan also outlines other planned activities that will be performed by the Internal Audit Division.

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**TO BE POSTED  
NOT LATER THAN  
THE THIRD DAY  
BEFORE THE  
DATE OF THE  
MEETING**

6

**BOARD ACTION REQUEST**  
**HOUSING RESOURCE CENTER**  
**DECEMBER 8, 2022**

Presentation, discussion, and possible action on the draft 2023 State of Texas Low Income Housing Plan and Annual Report; proposed repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report; and directing their publication for public comment in the *Texas Register*

**RECOMMENDED ACTION**

**WHEREAS**, Tex. Gov't Code §2306.0721 requires that the Department produce a state low income housing plan, and Tex. Gov't Code §2306.0722 requires that the Department produce an annual low income housing report;

**WHEREAS**, Tex. Gov't Code §2306.0723 requires that the Department consider the annual low income housing plan and report to be a rule;

**WHEREAS**, the draft 2023 State of Texas Low Income Housing Plan and Annual Report (SLIHP) has been developed as a proposed rule, by reference, and must be published for public comment;

**WHEREAS**, 10 TAC §1.23, which adopts the SLIHP by reference, is required to be repealed and replaced to reflect the updated SLIHP; and

**WHEREAS**, upon authorization of this item, the proposed rule action will be published in the *Texas Register* for public comment from December 19, 2022, through January 17, 2023;

**NOW, therefore, it is hereby**

**RESOLVED**, that staff is hereby directed to cause the draft 2023 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as they may deem necessary or advisable, to be published online for public comment, a notice of which will be published in the *Texas Register*, and in connection therewith, to make such non-substantive grammatical and technical changes as they deem necessary or advisable; and

**FURTHER RESOLVED**, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed repeal and proposed new 10 TAC §1.23, State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting to be published in the *Texas Register* for review and public comment, and in connection therewith, to make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing including any changes required to the preambles.

## **BACKGROUND**

### **Overview**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) is required to prepare and submit to the Board not later than March 18 of each year an annual report of the Department's housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report (SLIHP) must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2021, through August 31, 2022). It should be noted that for many of the programs represented in the SLIHP, federal funding entities require program-specific planning documents; in those cases, the planning document for the program as submitted to the federal oversight agency is the governing plan.

### **Proposed Rule and Public Comment**

Tex. Gov't Code §2306.0723 requires that the Department consider the SLIHP to be a rule and in developing the SLIHP, the Department is required to follow rulemaking procedures required by Texas Government Code, Chapter 2001. Attachments A and B provided under this item propose the repeal and new replacement of 10 TAC §1.23, State of Texas Low Income Housing Plan and Annual Report, which adopts the SLIHP by reference, and directs their publication for public comment in the *Texas Register*. The proposed repeal and proposed new rule will be made available for 30 days of public comment from Monday, December 19, 2022, through Tuesday, January 17, 2023.

### **Draft 2023 SLIHP and Public Comment**

The draft 2023 SLIHP will be made available for 30 days of public comment from Monday, December 19, 2022, through Tuesday, January 17, 2023, at 5:00 pm Austin local time. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Housing Resource Center, SLIHP Comments, P.O. Box 13941, Austin, Texas 78711-3941 or by email to the following address: [info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us). A public hearing for the draft 2023 SLIHP will be held at the following time and location:

Wednesday, January 11, 2023  
2:00 p.m. Austin local time  
Stephen F. Austin Building, Room 172  
1700 Congress Ave  
Austin TX, 78701

The full text of the draft 2023 SLIHP may be viewed at the Department's website at either of the following two locations: TDHCA Public Comment Center: <http://www.tdhca.state.tx.us/public-comment.htm> or TDHCA Board Meeting Information Center: <https://www.tdhca.state.tx.us/board/meetings.htm>. The public may also receive a copy of the draft 2023 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

It is expected that the 2023 SLIHP and the final rule action will be presented to the Board for approval at the board meeting on Thursday, February 9, 2023. It is also expected that the final version will be presented in a new publishing and page layout design using the Adobe InDesign software application.

TDHCA's Housing Resource Center staff are working closely with staff in the division of Policy and Public Affairs on this conversion of the 2023 SLIHP document. The approved 2023 SLIHP will then be distributed to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members.

**Attachment A: Preamble, including required analysis, for proposed repeal of 10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)**

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23, State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action, in order to adopt by reference the 2023 SLIHP.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

**a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.**

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous adoption by reference the 2023 SLIHP, as required by Tex. Gov't Code 2306.0723.
2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.
3. The proposed repeal does not require additional future legislative appropriations.
4. The proposed repeal does not result in an increase in fees paid to the Department nor in a decrease in fees paid to the Department.
5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.
6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption in order to adopt by reference the 2023 SLIHP.
7. The proposed repeal will not increase nor decrease the number of individuals subject to the rule's applicability.
8. The proposed repeal will not negatively nor positively affect this state's economy.

**b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.**

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

**c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043.** The proposed repeal does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

**d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).**

The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no

economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson, has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated more germane rule that will adopt by reference the 2023 SLIHP. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The 30 day public comment period for the rule will be held Monday, December 19, 2022, to Tuesday, January 17, 2023, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941, or email [info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us). ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, TUESDAY, JANUARY 17, 2023.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed section affects no other code, article, or statute.

## **10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)**

### **Attachment B: Preamble for proposed new 10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)**

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the proposed new section is to provide compliance with Tex. Gov't Code §2306.0723 and to adopt by reference the 2023 SLIHP, which offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The 2023 SLIHP reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2021, through August 31, 2022).

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it is exempt under item (c)(9) because it is necessary to implement legislation. Tex. Gov't Code §2306.0721 requires that the Department produce a state low income housing plan, and Tex. Gov't Code §2306.0722 requires that the Department produce an annual low income housing report. Tex. Gov't Code §2306.0723 requires that the Department consider the annual low income housing report to be a rule. This rule provides for adherence to that statutory requirement. Further no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

#### **a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.**

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed new rule does not create or eliminate a government program, but relates to the adoption, by reference, of the 2023 SLIHP, as required by Tex. Gov't Code 2306.0723.
2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The proposed new rule changes do not require additional future legislative appropriations.
4. The proposed new rule changes will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The proposed new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.
6. The proposed new rule will not expand, limit, or repeal an existing regulation.
7. The proposed new rule will not increase nor decrease the number of individuals subject to the rule's applicability.
8. The proposed new rule will not negatively nor positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, §2306.0723.

1. The Department has evaluated this rule and determined that none of the adverse affect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are no small or micro-businesses subject to the proposed rule for which the economic impact of the rule is projected to be null. There are no rural communities subject to the proposed rule for which the economic impact of the rule is projected to be null.

3. The Department has determined that because the proposed rule will adopt by reference the 2023 SLIHP, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the proposed rule has no economic effect on local employment because the proposed rule will adopt by reference the 2023 SLIHP; therefore, no local employment impact statement is required to be prepared for the rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that the proposed rule will adopt by reference the 2023 SLIHP there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule that will adopt by reference the 2023 SLIHP, as required by Tex. Gov't Code §2306.0723. There will not be any economic cost to any individuals required to comply with the new section because the adoption by reference of prior year SLIHP documents has already been in place through the rule found at this section being repealed.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the new rule will adopt by reference the 2023 SLIHP.

REQUEST FOR PUBLIC COMMENT. The 30 day public comment period for the rule will be held Monday, December 19, 2022, to Tuesday, January 17, 2023, to receive input on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Housing Resource Center, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email

info@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, TUESDAY, JANUARY 17, 2023.

STATUTORY AUTHORITY. The new section is proposed pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new section affects no other code, article, or statute.

### **§1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)**

The Texas Department of Housing and Community Affairs (TDHCA or the Department) adopts by reference the ~~2022~~ 2023 State of Texas Low Income Housing Plan and Annual Report (SLIHP). The full text of the ~~2022~~ 2023 SLIHP may be viewed at the Department's website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). The public may also receive a copy of the ~~2022~~ 2023 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

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**BOARD REPORT ITEM**  
**COMMUNITY AFFAIRS DIVISION**  
**DECEMBER 8, 2022**

Report on the allocation of Program Year 2023 Community Services Block Grant awards

**BACKGROUND**

The Department develops and submits a Community Services Block Grant (CSBG) Application and State Plan every two years on or before September 1 to the U.S. Department of Health and Human Services (USHHS). The last biennial CSBG State Plan was approved by the Board in June 2021, and subsequently approved by USHHS in October 2021. The Plan authorized the allocation of 2022 and 2023 funds to all CSBG Eligible Entities. This report item has been drafted to apprise the Board of the release of 2023 CSBG funds in the second year of the biennium as required in the USHHS approved Plan.

Staff will distribute the available funds to CSBG Eligible Entities as monetary releases from USHHS are received. Staff utilizes a multi-factor fund distribution formula detailed in 10 TAC §6.203, Formula for Distribution of CSBG Funds. The formula incorporates the U.S. Census Bureau Decennial 2020 Census and the most recent American Community Survey five-year estimate data related to persons in poverty; a 98% weighted factor for poverty population; and a 2% weighted factor for the inverse ratio of population density. With this action, staff will obligate 90% of the CSBG funds allotted to the Department for 2023 by USHHS through the formula to the CSBG Eligible Entities (Attachment A). The program year for CSBG runs from January 1 through December 31.

The Previous Participation Rule (10 TAC, Chapter 1, Subchapter C, §1.302) requires a review of CSBG awards. Consistent with 10 TAC §1.302(k), "For CSBG funds required to be distributed to Eligible Entities by formula, the recommendation of the Compliance Division will only take into consideration Subsection (i) of this Section." Subsection (i) states, "the Department will not enter into a Contract with any Applicant or entity who has an Affiliate, Board member, or person identified in the Application that is currently debarred by the Department or is currently on the Federal Suspended or Debarred Listing." The review has been performed and the Eligible Entities listed in Attachment A have been recommended by EARAC for award.

**ATTACHMENT A**

	<b>ELIGIBLE ENTITY</b>	<b>2023 ALLOCATION</b>
1	Aspermont Small Business Development Center, Inc.	\$150,000.00
2	Big Bend Community Action Committee, Inc.	\$150,000.00
3	Brazos Valley Community Action Programs	\$1,128,762.00
4	Cameron and Willacy Counties Community Projects, Inc.	\$936,461.00
5	Central Texas Opportunities, Inc.	\$183,472.00
6	City of Austin Health and Human Services Department	\$1,095,584.00
7	City of Fort Worth Neighborhood Services Department	\$1,868,682.00
8	City of San Antonio Department of Community Initiatives	\$2,135,095.00
9	Combined Community Action, Inc.	\$202,495.00
10	Community Action Committee of Victoria, Texas	\$290,201.00
11	Community Action Corporation of South Texas	\$323,554.00
12	Community Action Inc. of Central Texas	\$293,726.00
13	Community Action Social Services and Education	\$150,000.00
14	Community Council of Greater Dallas	\$3,206,498.00
15	Community Council of South Central Texas, Inc.	\$752,074.00
16	Community Services of Northeast Texas, Inc.	\$431,143.00
17	Community Services, Inc.	\$1,567,522.00
18	Concho Valley Community Action Agency	\$228,308.00
19	Economic Action Committee of the Gulf Coast	\$150,000.00
20	Economic Opportunities Advancement Corporation of Planning Region XI	\$495,275.00
21	El Paso Community Action Program-Project BRAVO	\$1,241,701.00
22	Greater East Texas Community Action Program	\$987,241.00
23	Guadalupe Economic Services Corporation	\$946,439.00
24	Gulf Coast Community Services Association	\$5,136,525.00
25	Hidalgo County Community Services Agency	\$1,763,417.00
26	Hill Country Community Action Association, Inc.	\$530,528.00
27	Nueces County Community Action Agency	\$448,781.00
28	Panhandle Community Services	\$572,039.00
29	Pecos County Community Action Agency	\$150,000.00
30	Rolling Plains Management Corporation	\$472,109.00
31	South Plains Community Action Association, Inc.	\$263,599.00
32	South Texas Development Council	\$231,508.00
33	Southeast Texas Regional Planning Commission	\$482,848.00
34	Texas Neighborhood Services	\$462,632.00
35	Texoma Council Of Governments	\$245,911.00
36	Tri-County Community Action, Inc.	\$331,466.00
37	Webb County Community Action Agency	\$589,926.00
38	West Texas Opportunities, Inc.	\$580,703.00
39	Williamson-Burnet County Opportunities, Inc.	\$334,340.00
	<b>TOTAL</b>	<b>\$31,510,565.00</b>

Note: All figures are estimates. Staff will proportionally revise the award amounts according to formula upon Congressional approval and receipt of grant notifications from the U.S. Department of Health and Human Services.

8

**BOARD REPORT ITEM**

**MULTIFAMILY BOND DIVISION**

**DECEMBER 8, 2022**

Quarterly report relating to staff-issued Determination Notices for 2022 Non-competitive 4% Housing Tax Credit applications

**BACKGROUND**

The 4% Housing Tax Credit (HTC) applications are reviewed by program, underwriting, and compliance staff within an approximately 90-day period, and Determination Notices are issued once all reviews are complete and the underwriting report is posted to the Department's website. Applications are submitted at the beginning of each month and are then slated for a Determination Notice to be issued approximately 90 days later, which generally coincides with the Board meeting calendar, in order to provide internal and external expectations regarding the Determination Notice issuance date.

The 4% HTC applications listed in Exhibit A include those where the Determination Notice was issued administratively by staff. Over the last quarter (September through November), staff has administratively issued six Determination Notices. This represents 1,023 total units and \$10,662,460 in annual 4% Housing Tax Credits.

The 2022 Private Activity Bond Program has an annual ceiling amount of approximately \$3.2 billion. With the August 15<sup>th</sup> collapse, where any unreserved volume cap in any of the sub-ceilings collapsed into one allocation pool, there was approximately \$408 million available for the Bond Review Board to continue to make its way through all of the requests, many of which are multifamily transactions that remain unreserved since January 2022. The last day of the program year to issue a Certificate of Reservation was November 15, 2022. As of that date there were still unfilled requests for a reservation.

The 2022 4% Application Log is included as Exhibit B. There are 23 applications currently under review that total 5,202 total units. When considering what has closed, been approved, and is currently active, the total units are 14,015. Also reflected on the log are the pre-applications that have been added to the TDHCA waiting list for a bond reservation throughout the 2022 program year. These pre-applications include the Department's 2023 PAB lottery applications, as well as those submitted after the lottery was held on November 9, 2022. Moreover, the log reflects those applications that were submitted, but ultimately withdrawn. Many, if not all, were withdrawn given the recent increase in interest rates, combined with increased construction costs, which made the transactions infeasible. This represented approximately 5,200 total units.



**EXHIBIT A**

**4% Housing Tax Credit Recommended Applications**

Application #	Development Information	Determination Notice Issue Date	Units	Recommended HTC Amount	Bond Issuer & Priority Designation	PPR Category and Conditions
22450	Airport Gateway Apartments 3335 Caseybridge Court City: Austin County: Travis New Construction Target Population: General	October 13, 2022	288	\$3,383,026	Travis County Housing Finance Corporation  Priority 1A	Category 1
22451	Northwind Apartments 11122, 11204, 11208, and 11216 Cameron Road City: Austin ETJ County: Travis New Construction Target Population: General	October 11, 2022	240	\$2,273,117	Travis County Housing Finance Corporation  Traditional Carryforward	Category 1
22454	Arbors at Creekside 1026 Clayton City: Austin County: Travis Acquisition/Rehabilitation Target Population: Elderly	October 5, 2022	176	\$1,892,237	Austin Housing Finance Corporation  Priority 1A	Category 2
22455	La Vista de Lopez 809 East 9th Street City: Austin County: Denton New Construction/Adaptive Reuse Target Population: Elderly	November 1, 2022	27	\$641,795	Texas State Affordable Housing Corporation  Priority 3	Category 2
22457	Bluffview Apartments 36025 I-10 City: Boerne County: Kendall New Construction Target Population: General	October 6, 2022	192	\$1,955,422	Texas State Affordable Housing Corporation  Priority 3	Previously Approved
22458	Logan's Pointe 101 Logans Pointe Drive City: Mount Vernon County: Franklin Acquisition/Rehabilitation Target Population: General	September 27, 2022	100	\$516,863	Northeast Texas Housing Finance Corporation  Priority 1D/2	Category 1
Totals for Recommended Applications			1,023	\$ 10,662,460		



EXHIBIT B

4% (Non-Competitive) Housing Tax Credit Program  
2022 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
22404		Liberty Arms	Tyler	3/10/2022	Closed	100	99	\$ 17,500,000	\$1,066,888	\$ 1,056,604
22604		Socorro Village	Socorro	3/10/2022	Closed	53	53	\$ 6,500,000	\$460,618	\$ 460,618
22607		Union Acres	Center	5/12/2022	Closed	100	100	\$ 10,100,000	\$679,520	\$ 679,520
22601		Torrington Arcadia Trails	Balch Springs	5/12/2022	Closed	250	250	\$ 35,000,000	\$2,726,740	\$ 2,726,740
22603		Marine Park	Fort Worth	6/16/2022	Closed	124	124	\$ 15,800,000	\$1,357,873	\$ 1,350,490
22608		Champion's Crossing	San Marcos	6/16/2022	Closed	156	156	\$ 20,000,000	\$1,117,969	\$ 1,117,969
22610		Palladium East Berry Street	Fort Worth	6/16/2022	Closed	240	240	\$ 26,100,000	\$2,575,221	\$ 2,575,221
22609		380/Throckmorton Villas	McKinney	7/7/2022	Closed	220	216	\$ 40,000,000	\$1,957,902	\$ 2,606,120
22408		Estelle Village Apartments	Dallas	3/10/2022	Closed	300	300	\$ 50,000,000	\$3,026,001	\$ 3,026,001
22413	04408	Hickory Manor	DeSoto	3/10/2022	Closed	190	190	\$ 24,000,000	\$1,571,685	\$ 1,561,646
22405		Palladium East Foster Crossing	Anna	3/10/2022	Closed	239	239	\$ 33,000,000	\$2,500,969	\$ 2,500,969
22412	07402	Rockwell Manor	Brownsville	3/10/2022	Closed	126	125	\$ 18,440,000	\$1,306,891	\$ 1,306,891
22406	04447	Rosemont at Bethel Place	San Antonio	4/14/2022	Closed	250	250	\$ 41,000,000	\$2,316,590	\$ 2,316,590
22418		Trendwood Apartments	Waco	4/14/2022	Closed	152	152	\$ 19,000,000	\$1,141,202	\$ 1,140,679
22416		Park Manor	Sherman	4/14/2022	Closed	196	196	\$ 25,000,000	\$1,267,012	\$ 1,261,371
22407		The Sorento	San Antonio	4/14/2022	Closed	248	248	\$ 38,000,000	\$1,994,035	\$ 1,994,035
22402	060040	River Trails Apartments	San Antonio	4/14/2022	Closed	220	220	\$ 40,000,000	\$2,326,119	\$ 2,326,119
22415		Cielo Tower	El Paso	5/12/2022	Closed	123	123	\$ 20,000,000	\$1,348,086	\$ 1,348,086
22423	99126	Villages at Westlake	Abilene	5/12/2022	Closed	220	220	\$ 18,000,000	\$1,272,236	\$ 1,272,236
22432		Pathway on Woodrow	Denton	5/12/2022	Closed	285	285	\$ 40,000,000	\$2,837,871	\$ 2,837,871
22437		Country Club Village	San Antonio	5/12/2022	Closed	270	270	\$ 35,000,000	\$2,538,998	\$ 2,534,398
22419		800 Middle Apartments	Houston	5/12/2022	Closed	398	398	\$ 48,000,000	\$4,716,397	\$ 4,716,397
22441	04463	Lakeside Manor Senior	Little Elm	5/12/2022	Closed	176	176	\$ 25,000,000	\$1,494,907	\$ 1,494,907
22426	04420	akeside Point (fka Tranquility Bay	Pearland	5/12/2022	Closed	274	274	\$ 50,000,000	\$2,620,709	\$ 2,579,729
22434		Highpoint at Wynnewood	Dallas	6/16/2022	Closed	220	220	\$ 30,000,000	\$2,381,645	\$ 2,381,645
22438	21453	Allen Parkway Village	Houston	6/16/2022	Closed	278	278	\$ 45,000,000	\$2,941,771	\$ 3,544,046
22439	37093/21453	Historic Oaks Allen Parkway Villag	Houston	6/16/2022	Closed	222	222	\$ 35,000,000	\$1,418,597	\$ 1,960,389
22452	22421; 04461	Rosemont at Baytown	Baytown	6/16/2022	Closed	250	250	\$ 33,000,000	\$1,539,881	\$ 1,539,484
22403		Aurora Apartments	San Antonio	4/14/2022	Closed	105	105	\$ 20,000,000	\$1,411,196	\$ 1,411,196
22410		Marketplace at Liberty Crossing	Wilmer	4/14/2022	Closed	318	318	\$ 43,000,000	\$2,970,848	\$ 2,907,848
22409		Pathways at Rosewood Courts	Austin	4/14/2022	Closed	184	184	\$ 30,000,000	\$2,594,071	\$ 2,594,071
22422		Ware Meadows Apartments	Longview	6/16/2022	Closed	104	104	\$ 9,049,235	\$761,270	\$ 739,533
22445	02020	Sunset Gardens	Houston	6/16/2022	Closed	330	330	\$ 33,000,000	\$1,539,881	\$ 3,058,153
22446		1800 Apartments	San Marcos	6/16/2022	Closed	330	330	\$ 50,000,000	\$3,184,795	\$ 3,184,795
22448	99011T	The Gateway at Lake Jackson	Lake Jackson	7/28/2022	Closed	160	160	\$ 25,000,000	\$1,744,213	\$ 1,744,213
22443		Legacy Senior Residences	Lockhart	7/28/2022	Closed	172	172	\$ 31,000,000	\$1,876,567	\$ 1,876,567
22453		Vintage Ranch	Denton	7/28/2022	Closed	207	207	\$ 35,000,000	\$2,369,870	\$ 2,425,895
						<b>7,790</b>	<b>7,784</b>	<b>1,114,489,235</b>	<b>72,957,044</b>	<b>76,159,042</b>
22450		Airport Gateway Apartments	Austin	9/1/2022	Approved	288	288	\$ 44,000,000	\$3,391,549	\$ 3,383,026
22457		Bluffview Apartments	Boerne	9/1/2022	Approved	192	192	\$ 35,000,000	\$1,955,487	\$ 1,955,422
22455		La Vista de Lopez	Austin	9/1/2022	Approved	27	27	\$ 11,000,000	\$655,609	\$ 641,795
22458	01108	Logan's Pointe	Mount Vernon	10/13/2022	Approved	100	100	\$ 7,000,000	\$516,863	\$ 516,863
22454	01424	Arbors at Creekside	Austin	10/13/2022	Approved	176	175	\$ 25,000,000	\$1,892,237	\$ 1,892,237
22451		Northwind Apartments	Austin ETJ	10/13/2022	Approved	240	240	\$ 45,000,000	\$2,286,639	\$ 2,273,117
						<b>1,023</b>	<b>1,022</b>	<b>167,000,000</b>	<b>10,698,384</b>	<b>10,662,460</b>
22459		1518 Apartments	Schertz	10/13/2022	Active	300	300	\$ 36,000,000	\$3,244,346	\$ -
22449		Easton Park Multifamily Aptarmen	Austin	10/13/2022	Active	150	150	\$ 20,000,000	\$1,780,142	\$ -
22461		Live Make Apartments	Austin	11/10/2022	Active	66	66	\$ 9,000,000	\$857,335	\$ -
22465		Kensington Apartments	Austin	11/10/2022	Active	148	148	\$ 20,000,000	\$1,425,941	\$ -
22466	03465	Park at Humble	Houston	11/10/2022	Active	216	216	\$ 35,000,000	\$1,793,340	\$ -
22469		Viento Apartments	San Antonio	11/10/2022	Active	324	324	\$ 38,000,000	\$3,393,336	\$ -
22471		Airport Crossing	Austin	11/10/2022	Active	334	334	\$ 50,000,000	\$2,994,953	\$ -
22617		Palladium Oak Grove	Fort Worth	12/8/2022	Active	240	240	\$ 23,600,000	\$2,363,520	\$ -
22460	03424	Rosemont at Mayfield Villas	Arlington	12/8/2022	Active	280	280	\$ 38,000,000	\$2,406,069	\$ -
22474	70131	Coppertree Village	Houston	12/8/2022	Active	324	324	\$ 40,000,000	\$3,040,621	\$ -
22470	96180	Astoria Park	Amarillo	12/8/2022	Active	164	164	\$ 15,000,000	\$688,789	\$ -
22478		Hog Eye Apartments	Austin ETJ	12/8/2022	Active	224	224	\$ 35,000,000	\$2,301,656	\$ -
22479		Meridian at Wylie	Wylie	12/8/2022	Active	200	200	\$ 32,500,000	\$2,453,961	\$ -
22485		Columbia Apartments	El Paso	12/8/2022	Active	200	200	\$ 16,000,000	\$1,238,521	\$ -
22487		Salazar Apartments	El Paso	12/8/2022	Active	286	286	\$ 49,544,836	\$3,674,490	\$ -
22476		6900 Matlock	Arlington	1/12/2023	Active	192	192	\$ 30,000,000	\$2,558,457	\$ -
22480		Mill Stream Apartments	McKinney	1/12/2023	Active	240	240	\$ 38,000,000	\$2,943,147	\$ -
22481		The Cesera	Garland	1/12/2023	Active	204	204	\$ 35,000,000	\$2,084,098	\$ -
22482		The Portofino	Pasadena	1/12/2023	Active	248	248	\$ 30,000,000	\$2,016,384	\$ -
22483		The Libertad Austin at Gardner	Austin	1/12/2023	Active	198	198	\$ 30,000,000	\$2,701,850	\$ -
22484		Rosemont of Lancaster	Lancaster	1/12/2023	Active	280	280	\$ 30,000,000	\$2,320,124	\$ -
22486		Cantibury Pointe	Lubbock	1/12/2023	Active	144	144	\$ 18,000,000	\$1,017,624	\$ -
22489		Woodway Sqaure	Austin	2/9/2023	Active	240	240	\$ 40,000,000	\$2,520,791	\$ -
						<b>5,202</b>	<b>5,202</b>	<b>708,644,836</b>	<b>51,819,495</b>	<b>-</b>
<b>TOTAL</b>						<b>14,015</b>	<b>14,008</b>	<b>\$ 1,990,134,071</b>	<b>\$135,474,923</b>	<b>\$ 86,821,502</b>

22605		The Reserves	Seagoville	12/9/2021	Pre-Application	240	240	TBD	\$2,071,508	\$	-	
22606		West Houston Senior Living	Houston	2/10/2022	Pre-Application	70	70	TBD	\$800,000	\$	-	
22611		The Rhett	Austin	1/13/2022	Pre-Application	215	215	TBD	\$1,915,860	\$	-	
22613		The Crossing at Clear Creek	Dallas	3/10/2022	Pre-Application	264	238	TBD	\$2,649,300	\$	-	
22615		Worthington Point	Fort Worth	3/10/2022	Pre-Application	248	248	TBD	\$1,971,770	\$	-	
22616		The Terrace at Highland Hills	Dallas	4/14/2022	Pre-Application	300	270	TBD	\$3,170,461	\$	-	
22619		Park Meadows Apartments	Boerne	10/13/2022	Pre-Application	100	100	TBD	\$632,515	\$	-	
22620		North Grand Villas	Amarilo	10/13/2022	Pre-Application	144	144	TBD	\$950,308	\$	-	
22621		Palladium McKinney	McKinney	10/13/2022	Pre-Application	270	270	TBD	\$3,426,757	\$	-	
22623		Aspen Park	Houston	12/8/2022	Pre-Application	256	256	TBD	\$1,731,494	\$	-	
22624		Palladium Old FM 471	San Antonio	12/8/2022	Pre-Application	288	288	TBD	\$3,062,966	\$	-	
						<b>2,395</b>	<b>2,339</b>	-	<b>17,588,479</b>		-	
22436		Connally Loop	San Antonio	5/12/2022	Withdrawn	372	372	\$	50,000,000	\$4,184,393	\$	-
22428		Bluffs at Nelms Senior Apartment	Austin	5/12/2022	Withdrawn	165	165	\$	18,000,000	\$1,621,582	\$	-
22425		Harbor Walk Apartments	League City	5/12/2022	Withdrawn	138	138	\$	20,400,000	\$1,298,927	\$	-
22433		Reserve at Hartsook	Houston	5/12/2022	Withdrawn	80	80	\$	28,000,000	\$2,368,670	\$	-
22417	03410	Rosemont at Ash Creek	Dallas	5/12/2022	Withdrawn	280	280	\$	35,000,000	\$2,195,070	\$	-
22411		EMLI at UNT Station	Dallas	5/12/2022	Withdrawn	324	324	\$	45,000,000	\$3,035,704	\$	-
22447		Patriot's Pointe	San Antonio	6/16/2022	Withdrawn	320	320	\$	30,000,000	\$2,712,406	\$	-
22414		Tobias Place	Fort Worth	4/14/2022	Withdrawn	288	288	\$	30,000,000	\$2,716,676	\$	2,716,676
22430	03009	Sandy Creek Apartments	Bryan	5/12/2022	Withdrawn	226	226	\$	23,000,000	\$1,897,648	\$	1,895,254
22429		Cattleman Square Lofts Apartmen	San Antonio	5/12/2022	Withdrawn	138	138	\$	25,000,000	\$1,645,866	\$	-
22424		Parkside Place	Pasadena	6/16/2022	Withdrawn	320	320	\$	36,000,000	\$2,246,011	\$	-
22444		ALMA at Greenwood	Corpus Christi	7/28/2022	Withdrawn	152	152	\$	15,000,000	\$1,103,816	\$	-
22440		Odem Street Apartments	Victoria	9/1/2022	Withdrawn	324	324	\$	32,000,000	\$2,643,493	\$	-
22400		Robinhood Terrace Apartments	Brownsville	7/28/2022	Withdrawn	236	236	\$	18,952,686	\$2,153,701	\$	-
22420	04088	South Plains Apartments	Lubbock	9/1/2022	Withdrawn	244	243	\$	29,000,000	\$1,629,673	\$	-
22456	11111; 0414:	Villages at Meadowbend	Temple	10/13/2022	Withdrawn	237	237	\$	22,000,000	\$1,665,995	\$	-
22467		Farm Street Village	Bastrop	11/10/2022	Withdrawn	120	120	\$	20,000,000	\$1,136,145	\$	-
22463		Sendero at Centerpoint	San Marcos	11/10/2022	Withdrawn	164	164	\$	35,000,000	\$1,929,881	\$	-
22464		Independence Heights II	Houston	12/8/2022	Withdrawn	212	212	\$	35,000,000	\$3,150,000	\$	-
22477		Bowman Springs Senior	Arlington	1/12/2023	Withdrawn	200	200	\$	30,000,000	\$2,498,614	\$	-
22475		Reserve at Arkansas Lane	Arlington	12/8/2022	Withdrawn	211	211	\$	25,000,000	\$2,004,417	\$	-
22431		Crystal Bend Apartments	Pflugerville	1/12/2023	Withdrawn	237	235	\$	50,000,000	\$1,824,136	\$	-
22462		Ostry Ranch	Converse	10/13/2022	Withdrawn	240	240	\$	50,000,000	\$2,902,096	\$	2,902,096

9a

**TO BE POSTED  
NOT LATER THAN  
THE THIRD DAY  
BEFORE THE  
DATE OF THE  
MEETING**

9b

**TO BE POSTED  
NOT LATER THAN  
THE THIRD DAY  
BEFORE THE  
DATE OF THE  
MEETING**

9c

**TO BE POSTED  
NOT LATER THAN  
THE THIRD DAY  
BEFORE THE  
DATE OF THE  
MEETING**