Multifamily Direct Loan Training

2026

1

Contact Information

Mailing Address:
TDHCA
PO Box 13941
Austin, TX 78711-3941

Physical Address:
TDHCA
221 East 11th Street
Austin, TX 78701

Website: https://www.tdhca.texas.gov
Email: multifamilycompliance@tdhca.texas.gov

Division Phone Number: (512) 305-8869
or (800) 525-0657 (toll free in Texas only)

2

2

Announcements

Schedule:

- The webinar will run from 9 am until approximately 4 pm
- Breaks: Mid-Morning and Mid-Afternoon
- Lunch: Approximately 12 – 1 pm

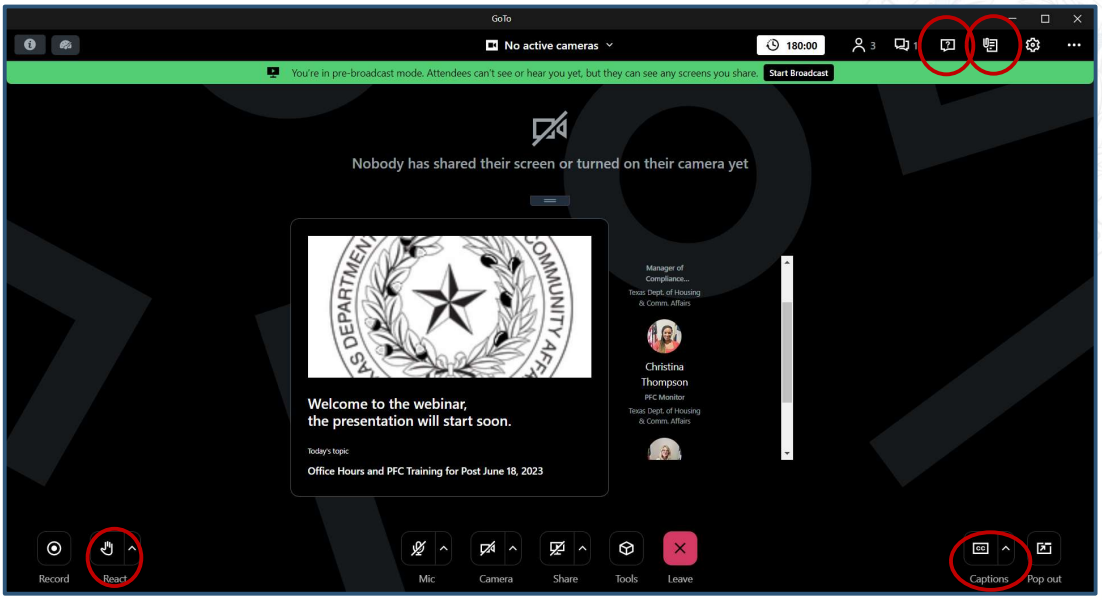
Housekeeping:

- Certificates **will** be emailed by TDHCA within about a week of the webinar
- You will receive an email confirming your attendance within 24-hours from the GoTo Platform, please check your "junk" folders as we cannot reissue these emails
- If you did not use your emailed link for the training from your registration you will not receive a follow-up email or show as having attended the webinar to receive a certificate
- We encourage you to silence your phones and put an "out of office" email response to help avoid distractions during the training
- Please pose questions and comments to the "Questions Box"

3

3

GoTo Meeting Platform



4

4

If You or Your Tenants Need Housing Assistance:

If you need housing assistance, such as rental assistance, utility assistance or finding affordable apartments, please contact:

Phone: (800) 525-0657

Email: info@tdhca.texas.gov

Or visit Help For Texans:

https://www.tdhca.texas.gov/help-for-texans

5

5

Resources

6

6

Resources

- **Housing and Urban Development (HUD)**
  - https://www.hud.gov/
  - https://www.hud.gov/hudclips/handbooks/housing-4350-3
  - https://www.hud.gov/program_offices/public_indian_housing/hotmaresources
  - https://www.hudexchange.info/programs/home-arp/
  - https://www.ecfr.gov/current/title-24/subtitle-A/part-92?toc=1
- **Texas Department of Housing and Community Affairs (TDHCA)**
  - https://www.tdhca.texas.gov/
  - https://www.tdhca.texas.gov/compliance
  - https://www.tdhca.texas.gov/compliance-manuals-and-rules
  - https://www.tdhca.texas.gov/compliance-division-staff
  - https://www.tdhca.texas.gov/programs/multifamily-housing-programs
  - https://www.tdhca.texas.gov/programs/home-american-rescue-plan
  - https://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=10&interface=VIEW_TAC&part=1&subchapter=F&title=10

7

7

Resources: MFDL Specific

- 2026 May Office Hours – A Discussion About Rule Changes and HOME 2025 Final Rule (YouTube.com)
  - 2026 May Office Hours Handout
  - Prohibited Lease Language for HOME and NHTF
- 2026 June Office Hours – HOME-ARP and Units Status Report (YouTube.com)
  - 2026 June Office Hours Handout
- Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and Department Requirements Training (YouTube.com)
  - Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and Department Requirements Training Handout
- 2026 September Office Hours – PRWORA Questions and Answers (YouTube.com)
  - 2026 September Office Hours Handout
- https://www.tdhca.texas.gov/compliance-program-training-presentations

8

8

Resources: Coffee Chats

- April 2026 Coffee Chat (YouTube.com)
- May 2026 Coffee Chat - A Conversation About HOME 2025 (YouTube.com)
- June 2026 Coffee Chat - A Conversation About HOME ARP (YouTube.com)
- July 2026 Coffee Chat - A Conversation About Enforcement (YouTube.com)
- August 2026 Coffee Chat – A Conversation About Utility Allowances (YouTube.com)
- September 2026 Coffee Chat – A conversation about PRWORA for HOME, HOME ARP and NHTF (YouTube.com)

9

9

Module 1

Multifamily Direct Loan Programs

10

10

Multifamily Direct Loan (MFDL) Programs

- HOME Investment Partnership Program (HOME)
- Tax Credit Assistance Program – Repayment Funds (TCAP-RF)
- Neighborhood Stabilization Program (NSP)
- National Housing Trust Fund (NHTF)
- HOME – American Rescue Plan (HOME-ARP)

11

11

Multifamily Direct Loan (MFDL) Documents

Notice of Funding Availability (NOFA)	• TDHCA Website
Land Use Restriction Agreement (LURA)	• Owner • Management Company • CMTS Attachment System • Contact TDHCA
Written Policies and Procedures (WPP)	• Owner • Management Company

12

12

MFDL Program Details

HOME/TCAP-RF
- 24 CFR Part 92
- HOME Investment Partnership Program Final Rule
- Title 10 of the Texas Administrative Code, Chapter 10

NSP
- 24 CFR Part 570
- Neighborhood Stabilization Program
- Title 10 of the Texas Administrative Code, Chapter 10

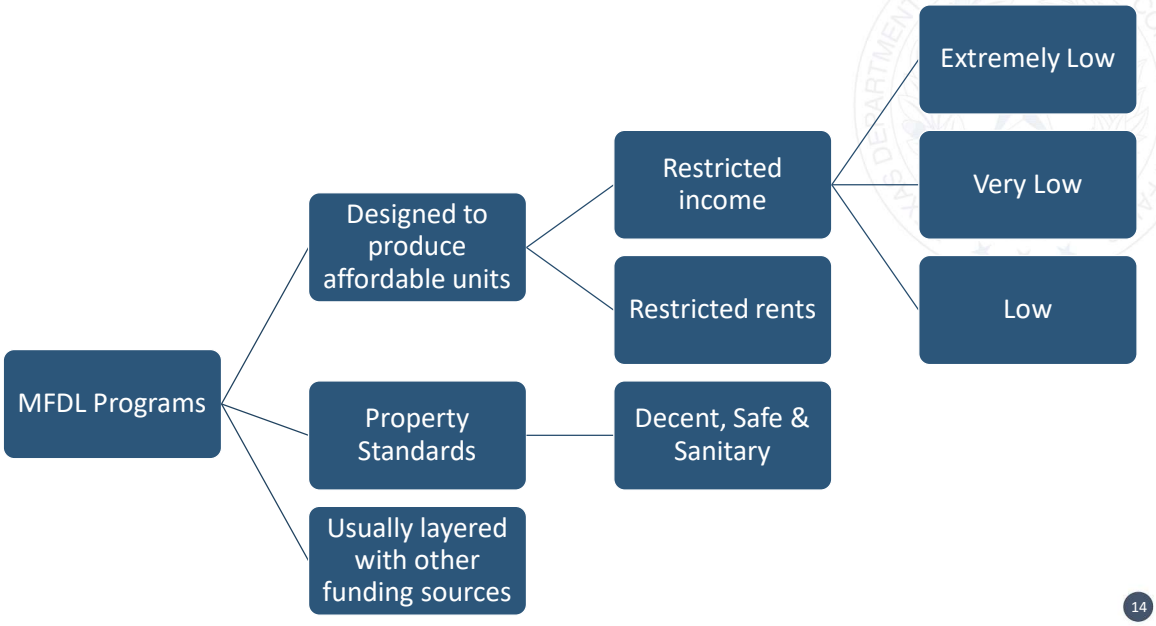
NHTF
- 24 CFR Part 93
- Housing Trust Fund Interim Rule
- Title 10 of the Texas Administrative Code, Chapter 10

HOME-ARP
- 24 CFR Part 92
- HOME-ARP funds are used to primarily benefit individuals or families from qualifying populations
- Title 10 of the Texas Administrative Code, Chapter 10

13

13

MFDL Program Overview



14

14

MFDL Program Project Completion

Completion for Rental

- All construction work is completed and property standards achieved
- Final draw of MFDL funds disbursed
- Rental units are available for occupancy and marked vacant in IDIS

15

15

Key Players: HUD

US Department of Housing and Urban Development (HUD)

- Chapters 3 and 5 of the 4350.3 (Change 4: 11/2013)
  - Outlines income and asset inclusions/exclusions
  - Defines who counts as a household member
- Establishes program requirements
- 24 CFR Part 92 and 93
  - HOMEfires
  - CPD Notices
  - FACTs
  - FAQs
  - Publishes Income and Rent Limits
  - Publishes Technical Guides
  - Monitors Participating Jurisdiction (PJ)

16

16

Key Players: The Department

Texas Department of Housing and Community Affairs (TDHCA)

- State Housing Finance Agency (SHFA) for Texas
- Provides MFDL funds for multifamily rental properties
- Publishes
  - NOFAs and Notices
  - Multifamily Direct Loan Rule (10 TAC Chapter 13)
  - Uniform Multifamily Rules (10 TAC Chapter 10)
  - Compliance Monitoring Rules (10 TAC Chapter 10, Subchapter F)
- Monitors MFDL rental developments
- Reports to HUD
- Provides Technical Assistance and Training

17

17

Key Players: Owners

Owners

- Provide affordable units
- Maintain property standards
- Maintain sufficient documentation to evidence compliance with all requirements
- Establish written policies and procedures
- Report to TDHCA



18

18

Module 2

Income and Rent Limits

19

19

Income and Rent Limits

Income Limits

- Published by HUD Annually
- County/MSA
- Based on household size

Rent Limits

- Applicable Rent Limits
- County/MSA
- Based on unit size
- Gross Rent Floor

The maximum amount of rent that can be collected will never be less than the rent limits that were in effect at the time of project commitment.

20

20

Income and Rent Limits: Key Points

- The rent limit is adjusted for tenant paid utilities (Utility Allowance)
- **Rent increases may be provided at lease renewal, not during the lease term**
- Rent increases require a **30-day written notice** to the household
  - 30-day notice doesn't apply to NHTF, but 10.622(l) does apply
  - Additional rent restrictions may apply
- The rent limit is also adjusted for rent subsidy
  - i.e. Section 8 and TBRA rental assistance are included for Developments under the 2013 HOME Final Rule
    - The LURA will indicate inclusion requirements
- Generally, the rent limit must be restricted at or below the limits outlined in the LURA

21

21

Annual Review of Rents

- **HOME, HOME-ARP, NHTF, NSP, and TCAP-RF Rent Approval Requests (10 TAC §10.403)**
  - HOME, HOME-ARP, NHTF, NSP, and TCAP-RF Developments committed funds **on or after August 23, 2013**, on which construction has been completed are required by 24 CFR §92.252(f), §93.302(c)(2), and 24 CFR §92.219 to **submit annual rent approval requests to their Asset Manager by no later than August 1st of each year**.
  - Rents will be evaluated and approved based on submission of the Annual Rent Approval Request packet.
  - Rents will be reviewed and approved within 30 days as long as the form and all exhibits have been received. A copy of the approval letter will be uploaded to the Development's CMTS profile.
  - Rent Approval Tool – Updated July 2025

22

22

Income Limit Changes

Limits can go up or down

MFDL Income Limits are not subject to the hold harmless provision

23

23

Income and Rent Limit Tool: HOME/TCAP RF/HOME ARP

Income and Rent Limits

If you or son
visit our Hel

The 2026 Housing Tax Credit limits are effective 05/01/2026. The 2026 NSP income limits are effective 06/01/2026.
effective for all new leases and lease renewals after 06/01/2026. The 2026 National Housing Trust Fund income an

Carryover/Determination Notice

Helpful Tools

- Reasonable Accommodation and Reasonable Modification Infographic
- **Tenant Handout: Income and Rent Limits** English (PDF) Spanish (PDF)
- Income and Rent Limits in TDHCA-Supported Properties
- Archived Income and Rent Limits

**Housing Tax Credit, Tax Exempt Bond, HOME, Neig
and Housing Trust Fund rental development prog**

Income and Rent Tool

County: TRAVIS
Financing: Home – TCAP/RF – Home ARP
Place: Not Selected
Project PIS Date: Before 12/31/2008
Carryover/Determination Notice/Subaward Agreement date: Before 12/31/2008
For Home and NSP Only: On or After 06/01/2026
Submit Bookmark

MTSP Median Income : 134400

Income Limits

Income	1	2	3	4	5	6	7	8
30	28250	32250	36300	40300	43550	46750	50000	53200
40	37640	43040	48400	53760	58080	62400	66680	71000
50	47050	53800	60500	67200	72600	78000	83350	88750
60	56460	64560	72600	80640	87120	93600	100020	106500
80	74800	85450	96150	106800	115350	123900	132450	141000

Rent Limits

Rent	0	1	2	3	4	5
30	706	756	907	1048	1168	1290
40	941	1008	1210	1398	1560	1721
HIGH	1474	1562	1852	2237	2476	2714
LOW	1176	1260	1512	1747	1950	2151

Print to PDF Export to Excel

https://www.tdhca.texas.gov/income-and-rent-limits

24

24

Income and Rent Limits: HOME & TCAP-RF

HOME & TCAP-RF

- HOME income limits always apply to HOME and TCAP-RF assisted units, even if the property/unit receives other funding sources

Income

- At no time may a new household in a HOME or TCAP-RF assisted unit have an income greater than 80% Area Median Income (AMI)
- If an applicant's income is greater than the income limit, they cannot occupy an assisted unit

Designations

- Very Low-income (VLI) ≤ 50% AMI
- Low-income (LI) ≤ 80% AMI
- The LURA will indicate what rent limits will be applicable to the designations

25

25

Income and Rent Limits: HOME-ARP

HOME-ARP

- Some HOME-ARP assisted units utilize HOME income limits
- Some HOME-ARP Qualified Population households have no income requirements
- Some HOME-ARP Qualified Population households have specific applicable income limit requirements

Income

- If the unit is restricted by Income Limits it will be outlined in the Land Use Restriction Agreement (LURA)

Designations

- Low-income (LI) income ≤ 60% AMI
- Low-income (LI) income ≤ 80% AMI
- Qualified Populations (QP)
- The LURA will indicate what rent limits will be applicable to the designations

26

26

Income and Rent Limit Tool: Neighborhood Stabilization Program

Income and Rent Limits

If you or someone you know is in need of assist
visit our Help for Texans Page.

Helpful Tools

- Reasonable Accommodation and Reasonable Modification Infographic
- **Tenant Handout: Income and Rent Limits** English (PDF) Spanish (PDF)
- Income and Rent Limits in TDHCA-Supported Properties
- Archived Income and Rent Limits

Housing Tax Credit, Tax Exempt Bond, H
and Housing Trust Fund rental develop

Income and Rent Tool

https://www.tdhca.texas.gov/income-and-rent-limits

County:	TRAVIS
Financing:	NSP
Place:	Not Selected
Project PIS Date:	Before 12/31/2008
Carryover/Determination Notice/Subaward Agreement date:	Before 12/31/2008
For Home and NSP Only:	On or After 06/01/2026

Submit Bookmark

MTSP Median Income : 134400

Income Limits

Income	1	2	3	4	5	6	7	8
30	28230	32280	36300	40320	43560	46800	50010	53250
40	37640	43040	48400	53760	58080	62400	66680	71000
50	47050	53800	60500	67200	72600	78000	83350	88750
60	56460	64560	72600	80640	87120	93600	100020	106500
80	75280	86080	96800	107520	116160	124800	133360	142000
120	112900	129000	145150	161300	174200	187100	200000	212900

Rent Limits

Rent	0	1	2	3	4	5
30	706	756	907	1048	1168	1290
40	941	1008	1210	1398	1560	1721
HIGH	1474	1562	1852	2237	2476	2714
LOW	1176	1260	1512	1747	1950	2151

Print to PDF Export to Excel

27

27

Income and Rent Limits: NSP

NSP

- NSP income limits always apply to NSP assisted units, even if the property/unit receives other funding sources

Income

- At no time may a new household in a NSP assisted unit have an income greater than 50% Area Median Income (AMI)
- If an applicant's income is greater than the NSP income limit, they cannot occupy an NSP unit

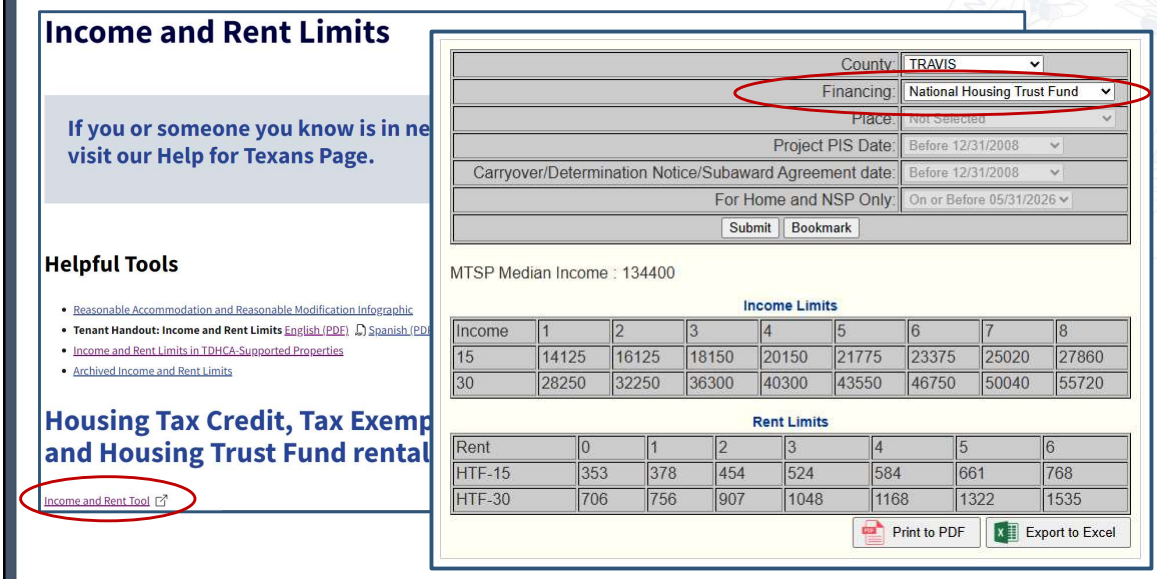
Designations

- Very Low-income (VLI) ≤ 50% AMI
- The LURA will indicate what rent limits will be applicable to the designations

28

28

Income and Rent Limit Tool: National Housing Trust Fund



https://www.tdhca.texas.gov/income-and-rent-limits

29

29

Income and Rent Limits: NHTF

NHTF

- NHTF income limits always apply to NHTF assisted units, even if the property/unit receives other funding sources

Income

- At no time may a new household in an NHTF assisted unit have an income greater than 30% Area Median Income (AMI)
- If an applicant's income is greater than the NHTF income limit, they cannot occupy an NHTF unit

Designations

- Extremely Low-income ≤ 30% AMI
- Or families with incomes at or below the poverty line, whichever is greater
- TDHCA's Income Tool does the comparison

30

30

Rent and Income Limits: Learning Point 1

When HUD releases annual MFDL limits, can the limits decrease from last year?

A. No, that is not fair!

B. Yes, HUD does not hold MFDL limits harmless.

C. They may decrease, but it is up to the owner to decide if they want to implement them.

31

31

Rent and Income Limits: Learning Point 2

The development received a commitment of funds on August 13, 2023; the owner must submit rents to asset management annually by August 1st?

A. True

B. False

32

32

Module 3

Utility Allowances, Fees and Rent

33

33

Utility Allowances: Regulations

Treasury Regulation 1.42-10

- Federally approved methodologies

10 TAC §10.614

- TDHCA's rule that details how the methodologies are implemented in Texas

34

34

Utility Allowances: What's Included

Include utilities paid by the resident

- Paid directly to the provider
- Paid to, or through, the owner of the building

~~PHONE, CABLE, INTERNET~~

35

35

Utility Allowances: Multifamily Notice H-2015-4

Utility Allowance to use when there are multiple HUD programs in a building:

- If the building is covered by Multifamily Notice H-2015-4 (PBS8) or receives assistance from RHS, the applicable UA for every rent restricted unit is the UA issued by that program.
- If the building has Department MFDL funds, the applicable UA for every rent restricted unit is the UA approved by the Department (per 10 TAC). This is true even if the building also has Project Based Vouchers/Public Housing.
- If the building has multiple HUD programs that are not cover… 5-4 (Public Housing/Project Based Vouchers) AND the building … MFDL funds, it is up to the owner to say which UA they are …
- Tenants with Housing Choice Vouchers in a HUD-reg… the PHA UA. They will always use the UA approved b…

CDBG Funds do not make the buildings HUD-Regulated. Some municipalities are issuing UA approvals with this funding; the approvals are not applicable to Department programs.

36

36

Utility Allowances: MFDL without Federal Funds

Developments with Multi-Family Direct Loan (MFDL) funds issued by the Department

- May use any methodology except PHA
  - Buildings for which the only source of MFDL funding is HOME-ARP and which contain no HOME-Match Units may use the PHA. It must be submitted initially and annually for approval by the Department.
- May not combine methodologies
- Must use the Department issued/approved UA for all units, even voucher holders
- HTC buildings in which there are units under MFDL programs are considered HUD-Regulated buildings and the MFDL Utility Allowance will be the allowance for all units in the building, regardless of the resident being on the MFDL program

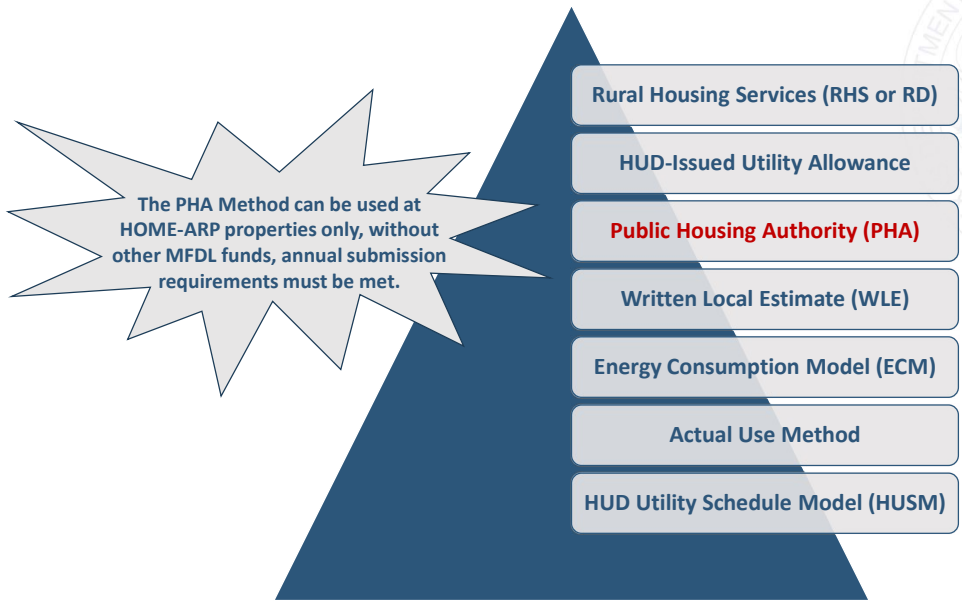
Developments with Multi-Family Direct Loan (MFDL) funds NOT issued by the Department

- Must use the issued/approved UA for all units, even voucher holders
- HTC buildings in which there are units under MFDL programs are considered HUD-Regulated buildings and the MFDL Utility Allowance will be the allowance for all units in the building, regardless of the resident being on the MFDL program

37

37

Utility Allowances: Methodologies



38

38

Utility Allowances: USDA Rural Housing

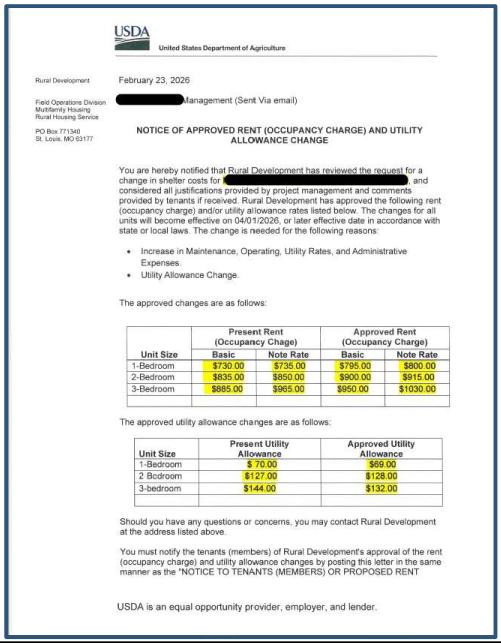
Must use the project's utility allowance submitted annually through the budget process.

- Section 515 Direct Loan Program
- RHS Assisted Buildings
  - Section 521 Rural Rental Assistance (RA)
  - Section 516 Off Farm Labor Housing Loans and Grants

39

39

Utility Allowances: USDA Rural Housing – Approval



USDA
United States Department of Agriculture

Rural Development
Field Operations Division
Multifamily Housing
Rural Housing Service
PO Box 771340
St. Louis, MO 63177

February 23, 2026

[redacted] Management (Sent Via email)

NOTICE OF APPROVED RENT (OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE

You are hereby notified that Rural Development has reviewed the request for a change in shelter costs for [redacted], and considered all justifications provided by project management and comments provided by tenants if received. Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on 04/01/2026, or later effective date in accordance with state or local laws. The change is needed for the following reasons:

- Increase in Maintenance, Operating, Utility Rates, and Administrative Expenses.
- Utility Allowance Change.

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Chage)		Approved Rent (Occupancy Charge)	
	Basic	Note Rate	Basic	Note Rate
1-Bedroom	$730.00	$735.00	$795.00	$800.00
2-Bedroom	$835.00	$850.00	$900.00	$915.00
3-Bedroom	$885.00	$965.00	$950.00	$1030.00

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	Approved Utility Allowance
1-Bedroom	$ 70.00	$69.00
2 Bedroom	$127.00	$128.00
3-bedroom	$144.00	$132.00

Should you have any questions or concerns, you may contact Rural Development at the address listed above.

You must notify the tenants (members) of Rural Development's approval of the rent (occupancy charge) and utility allowance changes by posting this letter in the same manner as the "NOTICE TO TENANTS (MEMBERS) OR PROPOSED RENT

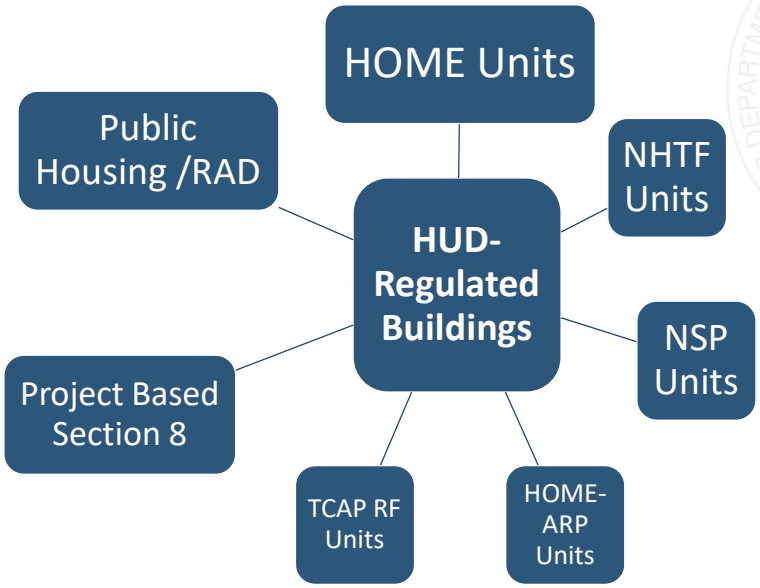
USDA is an equal opportunity provider, employer, and lender.

- Effective Date: Indicated by RHS Approval
- Posting: As required by RHS
- Annual Review: As required by RHS
- Approval: From RHS

40

40

Utility Allowances: HUD-Regulated Buildings



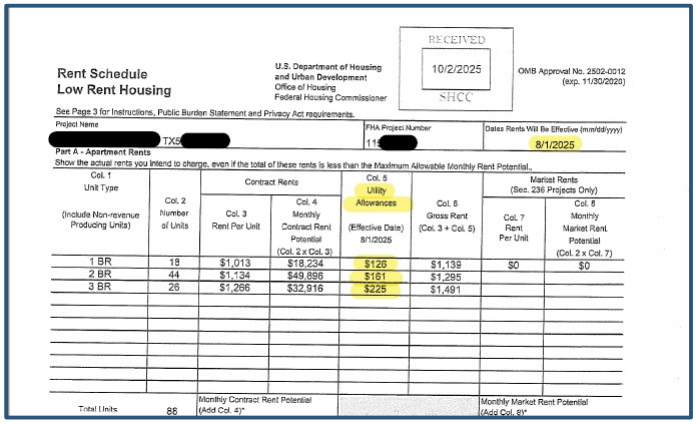
These are NOT all the programs that would make an HTC Building HUD-Regulated.

41

41

Utility Allowances: HUD Rent Schedule

HUD Project Based Program:



Rent Schedule
Low Rent Housing

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

RECEIVED
10/2/2025
SHCC

OMB Approval No. 2502-0012 (exp. 11/30/2020)

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

Project Name: [redacted] TX[redacted] | FHA Project Number: 11[redacted] | Dates Rents Will Be Effective (mm/dd/yyyy): 8/1/2025

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

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents: Col. 3 Rent Per Unit	Contract Rents: Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)	Col. 5 Utility Allowances (Effective Date) 8/1/2025	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only): Col. 7 Rent Per Unit	Market Rents (Sec. 236 Projects Only): Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 BR	19	$1,013	$19,234	$126	$1,139	$0	$0
2 BR	44	$1,134	$49,896	$161	$1,295		
3 BR	26	$1,266	$32,916	$225	$1,491		
Total Units	88	Monthly Contract Rent Potential (Add Col. 4)*				Monthly Market Rent Potential (Add Col. 8)*	

Effective Date: Indicated on the Rent Schedule

Posting: As required by the HUD Program

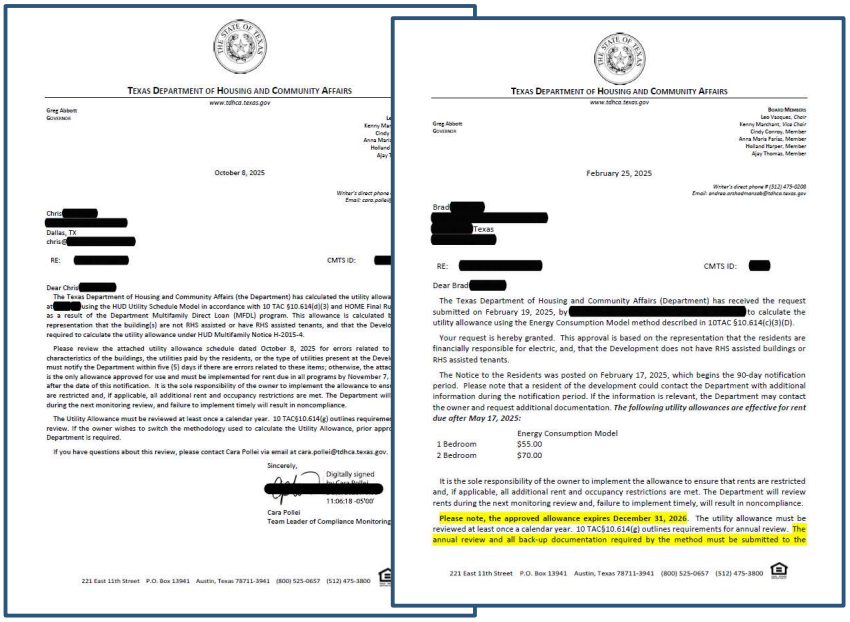
Annual Review: As required by the HUD Program

Approval: From HUD

42

42

Utility Allowances: Department Issued MFDL Funds



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

October 8, 2025

RE: [redacted] CMTS ID: [redacted]

Dear [redacted]

The Texas Department of Housing and Community Affairs (the Department) has calculated the utility allowa... at [redacted] using the HUD Utility Schedule Model in accordance with 10 TAC §10.614(d)(3) and HOME Final Ru... as a result of the Department Multifamily Direct Loan (MFDL) program. This allowance is calculated b... representation that the building(s) are not RHS assisted or have RHS assisted tenants, and that the Develo... required to calculate the utility allowance under HUD Multifamily Notice H-2015-4.

Please review the attached utility allowance schedule dated October 8, 2025 for errors related to ... characteristics of the buildings, the utilities paid by the residents, or the type of utilities present at the Devel... must notify the Department within five (5) days if there are errors related to these items; otherwise, the attac... is the only allowance approved for use and must be implemented for rent due in all programs by November 7, ... after the date of this notification. It is the sole responsibility of the owner to implement the allowance to ens... are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will ... during the next monitoring review, and failure to implement timely will result in noncompliance.

The Utility Allowance must be reviewed at least once a calendar year. 10 TAC§10.614(g) outlines requiremen... review. If the owner wishes to switch the methodology used to calculate the Utility Allowance, prior appro... Department is required.

If you have questions about this review, please contact Cara Pollei via email at cara.pollei@tdhca.texas.gov.

Sincerely,

Digitally signed by Cara Pollei
11:06:18 -05'00'

Cara Pollei
Team Leader of Compliance Monitoring

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

February 25, 2025

RE: [redacted] CMTS ID: [redacted]

Dear [redacted]

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on February 19, 2025, by [redacted] to calculate the utility allowance using the Energy Consumption Model method described in 10TAC §10.614(c)(3)(D).

Your request is hereby granted. This approval is based on the representation that the residents are financially responsible for electric, and, that the Development does not have RHS assisted buildings or RHS assisted tenants.

The Notice to the Residents was posted on February 17, 2025, which begins the 90-day notification period. Please note that a resident of the development could contact the Department with additional information during the notification period. If the information is relevant, the Department may contact the owner and request additional documentation. ***The following utility allowances are effective for rent due after May 17, 2025:***

	Energy Consumption Model
1 Bedroom	$55.00
2 Bedroom	$70.00

It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next monitoring review and, failure to implement timely, will result in noncompliance.

Please note, the approved allowance expires December 31, 2026. The utility allowance must be reviewed at least once a calendar year. 10 TAC§10.614(g) outlines requirements for annual review. The annual review and all back-up documentation required by the method must be submitted to the

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

- Effective Date: Indicated by the letter
- Posting: Not required if Department calculated – 90 days if Owner requested
- Annual Review: Once per calendar year
- Approval: From the Department

43

43

Utility Allowances: HOME Funds from the Department

If a property has Department issued MFDL funds and another PJ's MFDL funds, the Department approved/issued UA must be used on all units.

- Written Local Estimate (WLE)
- Energy Consumption Model (ECM)
- HUD Utility Schedule Model (HUSM)
- Actual Use Method

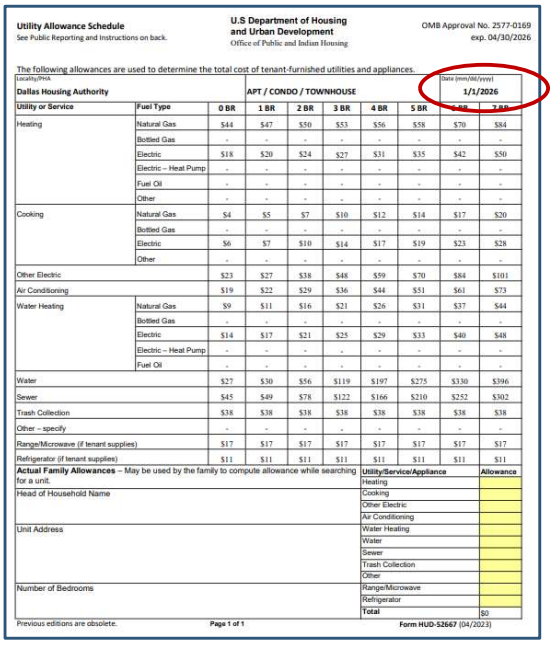
These methods are available for HOME funded developments

If a request has not been received by the Department by October 1st, then the Department will calculate the UA using the HUSM and issue instructions through CMTS, even for HOME-ARP using PHA Method.

44

44

Utility Allowances: PHA Schedule



Utility Allowance Schedule
See Public Reporting and Instructions on back.

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

OMB Approval No. 2577-0169
exp. 04/30/2026

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA								Date (mm/dd/yyyy)
Dallas Housing Authority			APT / CONDO / TOWNHOUSE					1/1/2026
Utility or Service	**Fuel Type**	**0 BR**	**1 BR**	**2 BR**	**3 BR**	**4 BR**	**5 BR**	**6 BR**	**7 BR**
Heating	Natural Gas	$44	$47	$50	$53	$56	$58	$70	$84
	Bottled Gas	-	-	-	-	-	-	-	-
	Electric	$18	$20	$24	$27	$31	$35	$42	$50
	Electric – Heat Pump	-	-	-	-	-	-	-	-
	Fuel Oil	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
Cooking	Natural Gas	$4	$5	$7	$10	$12	$14	$17	$20
	Bottled Gas	-	-	-	-	-	-	-	-
	Electric	$6	$7	$10	$14	$17	$19	$23	$28
	Other	-	-	-	-	-	-	-	-
Other Electric		$23	$27	$38	$48	$59	$70	$84	$101
Air Conditioning		$19	$22	$29	$36	$44	$51	$61	$73
Water Heating	Natural Gas	$9	$11	$16	$21	$26	$31	$37	$44
	Bottled Gas	-	-	-	-	-	-	-	-
	Electric	$14	$17	$21	$25	$29	$33	$40	$48
	Electric – Heat Pump	-	-	-	-	-	-	-	-
	Fuel Oil	-	-	-	-	-	-	-	-
Water		$27	$30	$56	$119	$197	$275	$330	$396
Sewer		$45	$49	$78	$122	$166	$210	$252	$302
Trash Collection		$38	$38	$38	$38	$38	$38	$38	$38
Other – specify		-	-	-	-	-	-	-	-
Range/Microwave (if tenant supplies)		$17	$17	$17	$17	$17	$17	$17	$17
Refrigerator (if tenant supplies)		$11	$11	$11	$11	$11	$11	$11	$11

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.

Head of Household Name

Unit Address

Number of Bedrooms

Utility/Service/Appliance	Allowance
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Other	
Range/Microwave	
Refrigerator	
Total	$0

Previous editions are obsolete. **Page 1 of 1** **Form HUD-52667** (04/2023)

Effective Date: Within 90 days

Posting: Not Required

Annual Review: When PHA publishes – Submit to TDHCA

Approval: Required

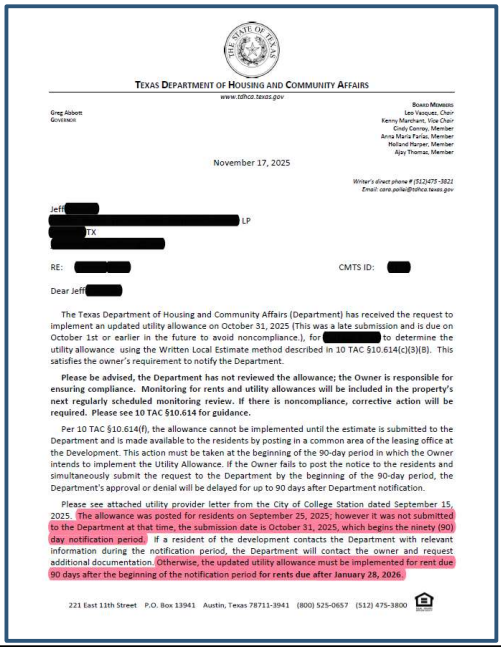
HOME-ARP only

HOME 2025, Maybe

45

45

Utility Allowances: Written Local Estimate



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

Greg Abbott, Governor

Board Members: Leo Vasquez, Chair; Kenny Marchant, Vice Chair; Cindy Conroy, Member; Anna Maria Farias, Member; Holland Harper, Member; Ajay Thomas, Member

November 17, 2025

Writer's direct phone # (512)475-3821
Email: cara.peila@tdhca.texas.gov

Jeff [redacted]
[redacted] LP
[redacted] TX
[redacted]

RE: [redacted] CMTS ID: [redacted]

Dear Jeff [redacted]

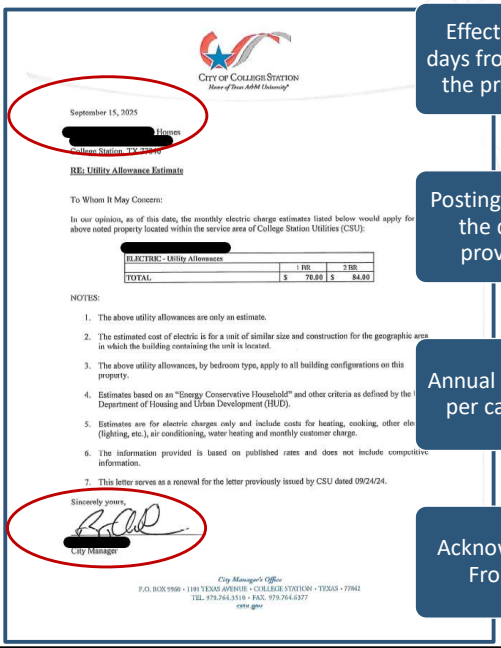
The Texas Department of Housing and Community Affairs (Department) has received the request to implement an updated utility allowance on October 31, 2025 (This was a late submission and is due on October 1st or earlier in the future to avoid noncompliance.), for [redacted] to determine the utility allowance using the Written Local Estimate method described in 10 TAC §10.614(c)(3)(B). This satisfies the owner's requirement to notify the Department.

Please be advised, the Department has not reviewed the allowance; the Owner is responsible for ensuring compliance. Monitoring for rents and utility allowances will be included in the property's next regularly scheduled monitoring review. If there is noncompliance, corrective action will be required. Please see 10 TAC §10.614 for guidance.

Per 10 TAC §10.614(f), the allowance cannot be implemented until the estimate is submitted to the Department and is made available to the residents by posting in a common area of the leasing office at the Development. This action must be taken at the beginning of the 90-day period in which the Owner intends to implement the Utility Allowance. If the Owner fails to post the notice to the residents and simultaneously submit the request to the Department by the beginning of the 90-day period, the Department's approval or denial will be delayed for up to 90 days after Department notification.

Please see attached utility provider letter from the City of College Station dated September 15, 2025. The allowance was posted for residents on September 25, 2025; however it was not submitted to the Department at that time, the submission date is October 31, 2025, which begins the ninety (90) day notification period. If a resident of the development contacts the Department with relevant information during the notification period, the Department will contact the owner and request additional documentation. Otherwise, the updated utility allowance must be implemented for rent due 90 days after the beginning of the notification period for **rents due after January 28, 2026.**

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



CITY OF COLLEGE STATION
Home of Texas A&M University®

September 15, 2025

[redacted] Houses
College Station, TX 77840

RE: Utility Allowance Estimate

To Whom It May Concern:

In our opinion, as of this date, the monthly electric charge estimates listed below would apply for above noted property located within the service area of College Station Utilities (CSU):

[redacted]

ELECTRIC - Utility Allowances	1 BR	2 BR
TOTAL	$ 70.00	$ 84.00

NOTES:

1. The above utility allowances are only an estimate.
2. The estimated cost of electric is for a unit of similar size and construction for the geographic area in which the building containing the unit is located.
3. The above utility allowances, by bedroom type, apply to all building configurations on this property.
4. Estimates based on an "Energy Conservative Household" and other criteria as defined by the Department of Housing and Urban Development (HUD).
5. Estimates are for electric charges only and include costs for heating, cooking, other ele (lighting, etc.), air conditioning, water heating and monthly customer charge.
6. The information provided is based on published rates and does not include competitive information.
7. This letter serves as a renewal for the letter previously issued by CSU dated 09/24/24.

Sincerely yours,

[redacted]
City Manager

City Manager's Office
P.O. BOX 9960 • 1101 TEXAS AVENUE • COLLEGE STATION • TEXAS • 77842
TEL. 979.764.3510 • FAX. 979.764.6377
cstx.gov

Effective Date: 90 days from the date of the provider letter

Posting: Required on the date of the provider letter

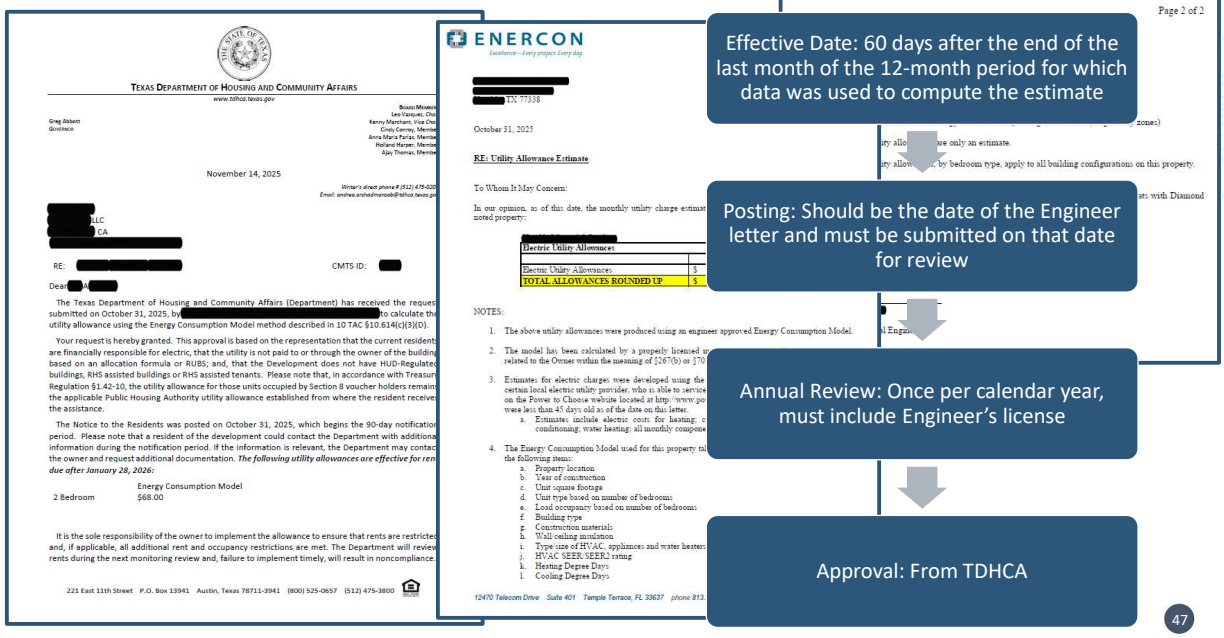
Annual Review: Once per calendar year

Acknowledgement: From TDHCA

46

46

Utility Allowances: Energy Consumption Model



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

November 14, 2025

RE: [redacted] CMTS ID: [redacted]

Dear [redacted]

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on October 31, 2025, by [redacted] to calculate the utility allowance using the Energy Consumption Model method described in 10 TAC §10.614(c)(3)(D).

Your request is hereby granted. This approval is based on the representation that the current residents are financially responsible for electric, that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and, that the Development does not have HUD-Regulated buildings, RHS assisted buildings or RHS assisted tenants. Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance.

The Notice to the Residents was posted on October 31, 2025, which begins the 90-day notification period. Please note that a resident of the development could contact the Department with additional information during the notification period. If the information is relevant, the Department may contact the owner and request additional documentation. ***The following utility allowances are effective for rent due after January 28, 2026:***

	Energy Consumption Model
2 Bedroom	$68.00

It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next monitoring review and, failure to implement timely, will result in noncompliance.

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

ENERCON
Excellence—Every project. Every day.

[redacted] EC 77338

October 31, 2025

RE: Utility Allowance Estimate

To Whom It May Concern:

In our opinion, as of this date, the monthly utility charge estimat[redacted] noted property:

Electric Utility Allowances	
Electric Utility Allowance:	$
TOTAL ALLOWANCES ROUNDED UP	$

NOTES:

1. The above utility allowances were produced using an engineer approved Energy Consumption Model.
2. The model has been calculated by a properly licensed [redacted] related to the Owner within the meaning of §267(b) or §70[redacted]
3. Estimates for electric charges were developed using the [redacted] certain local electric utility provider, who is able to service [redacted] on the Power to Choose website located at http://www.po[redacted] were less than 45 days old as of the date on this letter.
   a. Estimates include electric costs for heating, [redacted] conditioning; water heating; all monthly compone[redacted]
4. The Energy Consumption Model used for this property ta[redacted] the following items:
   a. Property location
   b. Year of construction
   c. Unit square footage
   d. Unit type based on number of bedrooms
   e. Load occupancy based on number of bedrooms
   f. Building type
   g. Construction materials
   h. Wall/ceiling insulation
   i. Type/size of HVAC appliances and water heaters
   j. HVAC SEER/SEER2 rating
   k. Heating Degree Days
   l. Cooling Degree Days

12470 Telecom Drive Suite 401 Temple Terrace, FL 33637 phone 813.

Page 2 of 2

[redacted] zones)

[redacted] are only an estimate.

[redacted], by bedroom type, apply to all building configurations on this property.

[redacted] sts with Diamond

[redacted] l Engin[redacted]

Effective Date: 60 days after the end of the last month of the 12-month period for which data was used to compute the estimate

Posting: Should be the date of the Engineer letter and must be submitted on that date for review

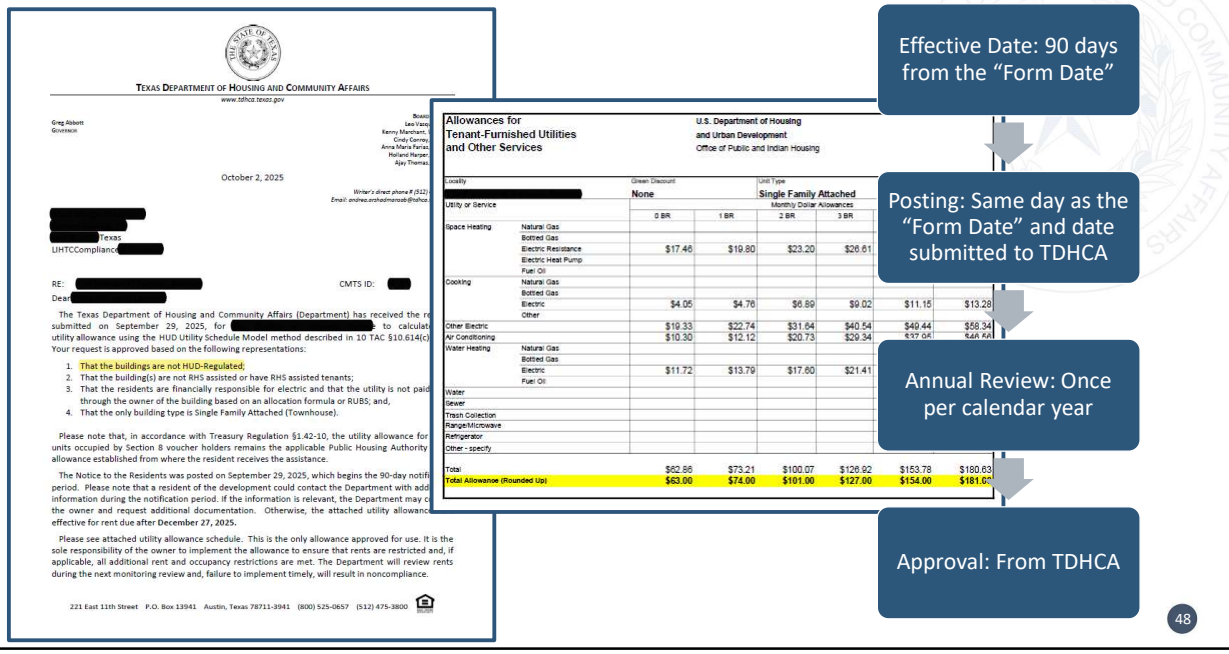
Annual Review: Once per calendar year, must include Engineer's license

Approval: From TDHCA

47

47

Utility Allowances: HUD Utility Schedule Model



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

October 2, 2025

[redacted] Texas
LIHTCCompliance[redacted]

RE: [redacted] CMTS ID: [redacted]

Dear [redacted]

The Texas Department of Housing and Community Affairs (Department) has received the re[redacted] submitted on September 29, 2025, for [redacted] to calculat[redacted] utility allowance using the HUD Utility Schedule Model method described in 10 TAC §10.614(c)
Your request is approved based on the following representations:

1. That the buildings are not HUD-Regulated;
2. That the building(s) are not RHS assisted or have RHS assisted tenants;
3. That the residents are financially responsible for electric and that the utility is not paid through the owner of the building based on an allocation formula or RUBS; and,
4. That the only building type is Single Family Attached (Townhouse).

Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for units occupied by Section 8 voucher holders remains the applicable Public Housing Authority allowance established from where the resident receives the assistance.

The Notice to the Residents was posted on September 29, 2025, which begins the 90-day notifi[redacted] period. Please note that a resident of the development could contact the Department with add[redacted] information during the notification period. If the information is relevant, the Department may c[redacted] the owner and request additional documentation. Otherwise, the attached utility allowanc[redacted] effective for rent due after **December 27, 2025.**

Please see attached utility allowance schedule. This is the only allowance approved for use. It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next monitoring review and, failure to implement timely, will result in noncompliance.

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

Allowances for Tenant-Furnished Utilities and Other Services

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

[redacted]

Locality		Green Discount		Unit Type			
		None		Single Family Attached			
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas						
	Bottled Gas						
	Electric Resistance	$17.46	$19.80	$23.20	$26.61		
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric	$4.05	$4.76	$6.89	$9.02	$11.15	$13.28
	Other						
Other Electric		$19.33	$22.74	$31.64	$40.54	$49.44	$58.34
Air Conditioning		$10.30	$12.12	$20.73	$29.34	$37.94	$46.55
Water Heating	Natural Gas						
	Bottled Gas						
	Electric	$11.72	$13.79	$17.60	$21.41		
	Fuel Oil						
Water							
Sewer							
Trash Collection							
Range/Microwave							
Refrigerator							
Other - specify							
Total		$62.86	$73.21	$100.07	$128.92	$153.78	$180.63
Total Allowance (Rounded Up)		**$63.00**	**$74.00**	**$101.00**	**$127.00**	**$154.00**	**$181.00**

Effective Date: 90 days from the "Form Date"

Posting: Same day as the "Form Date" and date submitted to TDHCA

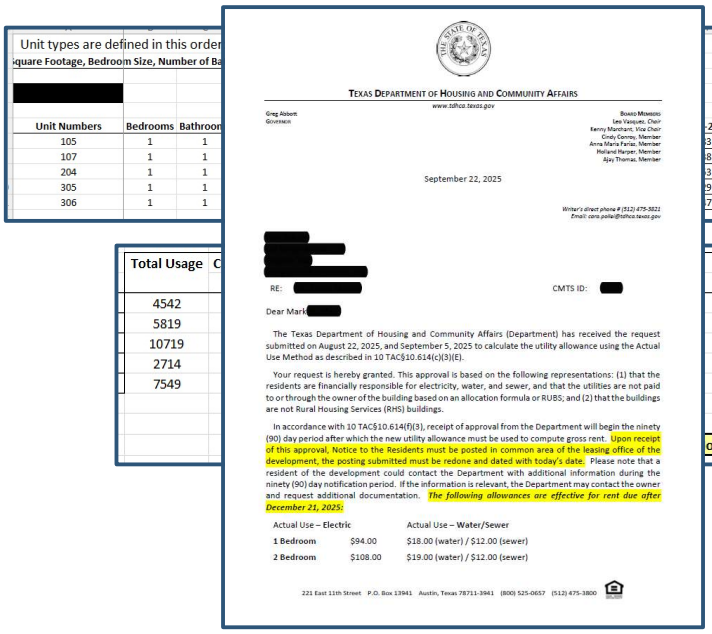
Annual Review: Once per calendar year

Approval: From TDHCA

48

48

Utility Allowances: Actual Use Method



Unit types are defined in this order
square Footage, Bedroom Size, Number of Ba

Unit Numbers	Bedrooms	Bathroom
[redacted]		
105	1	1
107	1	1
204	1	1
305	1	1
306	1	1

Total Usage	C
4542	
5819	
10719	
2714	
7549	

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.texas.gov

Greg Abbott
Governor

Board Members
Leo Vasquez, Chair
Kenny Marchant, Vice Chair
Cindy Conroy, Member
Anna Maria Farias, Member
Holland Harper, Member
Ajay Thomas, Member

September 22, 2025

Writer's direct phone # (512) 475-3821
Email: cara.pulke@tdhca.texas.gov

[redacted]

RE: [redacted] CMTS ID: [redacted]

Dear Mark[redacted]

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on August 22, 2025, and September 5, 2025 to calculate the utility allowance using the Actual Use Method as described in 10 TAC§10.614(c)(3)(E).

Your request is hereby granted. This approval is based on the following representations: (1) that the residents are financially responsible for electricity, water, and sewer, and that the utilities are not paid to or through the owner of the building based on an allocation formula or RUBS; and (2) that the buildings are not Rural Housing Services (RHS) buildings.

In accordance with 10 TAC§10.614(f)(3), receipt of approval from the Department will begin the ninety (90) day period after which the new utility allowance must be used to compute gross rent. Upon receipt of this approval, Notice to the Residents must be posted in common area of the leasing office of the development, the posting submitted must be redone and dated with today's date. Please note that a resident of the development could contact the Department with additional information during the ninety (90) day notification period. If the information is relevant, the Department may contact the owner and request additional documentation. *The following allowances are effective for rent due after December 21, 2025:*

	Actual Use – Electric	Actual Use – Water/Sewer
1 Bedroom	$94.00	$18.00 (water) / $12.00 (sewer)
2 Bedroom	$108.00	$19.00 (water) / $12.00 (sewer)

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
3	313	225	349	389	437
8	422	373	519	524	606
3	808	783	97		
9	199	158	2		
7	435	465	5		

Taxes/Fees	
3.6637%	
3.6637%	71.86
3.6637%	88.22
3.6637%	
3.6637%	
3.6637%	
Unit Ty	
Average Cost	
onthly Electric Allowance:	$94

Effective Date: Date the allowance is approved by the Department

Posting: Date approval is received from TDHCA

Annual Review: Once per calendar year, must be submitted by 8/1

Approval: From TDHCA

49

49

Utility Allowances: Annual Review

- **Requirements for Annual Review**
- USDA/Rural Development and HUD Project Based Funding Utility Allowances
  - The owner must demonstrate that the utility allowance has been reviewed annually and in accordance with USDA/RD and HUD regulations
- PHA Method
  - Owners are responsible for periodically determining if the applicable PHA released an updated schedule to ensure timely implementation. When a new allowance is made available by the PHA, it can be implemented immediately, but must be implemented for rent due 90 days after the effective date
- Written Local Estimate (WLE), HUD Utility Model Schedule (HUSM) and Energy Consumption Model (ECM)
  - Owners must update the allowance once a calendar year. The update and all back-up documentation MUST be submitted to the Department **no later than October 1st** of each year
- Actual Use Method
  - Owners must update once a calendar year. The update and all back-up documentation MUST be submitted **no later than August 1st** of each year
- **A utility allowance is considered implemented once the Unit Status Report (USR) is updated and rents are restricted.**

50

50

Utility Allowances: How to Handle Changes

An Owner may not change methodologies or the utilities that a resident is financially responsible for without prior written Department approval.

- The Department will review all requests, except for the "Actual Use" methodology which is 45 days, within 90 days of the receipt of the request
- **If the owner fails to post the notice to the residents AND simultaneously submit the request to the Department by the beginning of the 90-day period, the approval or denial will be delayed for up to 90 days after the Department notification**

*** Once approval to start or stop charging for a utility is received, owners must implement the change in utilities charged at the time of each household's lease renewal, and no sooner. ***

51

51

Utility Allowances: Combining Methodologies

USDA/RD and HUD-Regulated buildings (including those HUD-Regulated by MFDL funds) are not allowed to combine methodologies

- The Participating Jurisdiction (PJ) must use the same UA methodology for all MFDL programs within the development. The Department, as the PJ, must approve the same Utility Allowance (UA) methodology for all buildings.
- Properties with MFDL funds may not combine methodologies to calculate the Utility Allowance.
  - For example; a property has HOME funds and wants to use the HUSM for natural gas but the ECM for electric – this request would be denied; the owner must choose one method and use it for all tenant paid utilities.
- The PJ (TDHCA) must establish (approve) the use of a **project** specific utility allowance.
  - For example; a HOME-ARP development is 3 buildings, for the HOME-ARP program, they are all in the same project and must all have the same UA.

52

52

Utility Allowances: At Application

If the application includes USDA/RD assisted buildings or tenants, the UA is prescribed by the USDA/RD program; no other method is allowed

Upon request, the Compliance Division (UA Team) will calculate or review an allowance within 21 days, but no earlier than 90 days, from when the application is due

Any of the five (5) methodologies (Written Local Estimate, HUD Model, PHA, Energy Consumption Model, or Actual Use Method)

The Department is required to annually review the Utility Allowances for all MFDL awarded properties; a new UA will be issued annually if an award is made, regardless of ownership requesting the change.

Any requests for new resources (either additional funds or Tax Credits) on a Development with an existing Department LURA must use the method that is in effect on the existing Development. If the Owner wishes to change or if for an MFDL application is required to change the methods for the purposes of the application, a request for the existing Development must first be submitted to the Compliance Division for approval.

53

53

Utility Allowances: How to Submit

Application

- Must be submitted directly to UA-Application@tdhca.texas.gov
- Include the "Utility Allowance Questionnaire
- ed

Existing Established

- CMTS
- wance
- Under "Type" for the drop-down box, select Utility Allowance Documents

All requests for existing/established developments described in this section must be complete and uploaded directly to the Development's CMTS account using "Utility Allowance Documents" in the type field and "Utility Allowance" as the TDHCA Contact.

The Department will not approve requests that are incomplete and/or are not submitted correctly.

54

54

Utility Allowances: Learning Point 1

MFDL Developments can use any of the 7 methodologies to calculate the utility allowance?

A True

B False

55

55

Utility Allowances: Learning Point 2

MFDL Funds that float throughout the property dictate the UA for the whole property, not just the buildings with MFDL units?

A True

B False

56

56

Utility Allowances: Learning Point 3

What utility allowance do I use if I have both USDA/RD assisted buildings and HUD-regulated buildings?

A. USDA/RD Approval Letter
B. HUD Rent Schedule
C. Whatever assistance the unit receives
D. None of the above
E. I don't know

57

57

Utility Allowances: Learning Point 4

What date should my Department issued Utility Allowance be updated on the Unit Status Report?

A. At household renewal
B. On the letter's effective date
C. Whatever date the owner chooses
D. None of the above
E. Any of the above

58

58

Utility Allowances: Learning Point 5

A development with HOME-ARP funds that is approved to use the PHA method is not required to submit for review annually?

A True

B False

59

59

Fees

- Fees
  - Application fees must be reasonable
  - Non-mandatory and customary fees, i.e. meals or bus service, are allowable
  - Fees are reviewed during monitoring reviews
  - Mandatory fees are considered rent, i.e. month-to-month rent

60

60

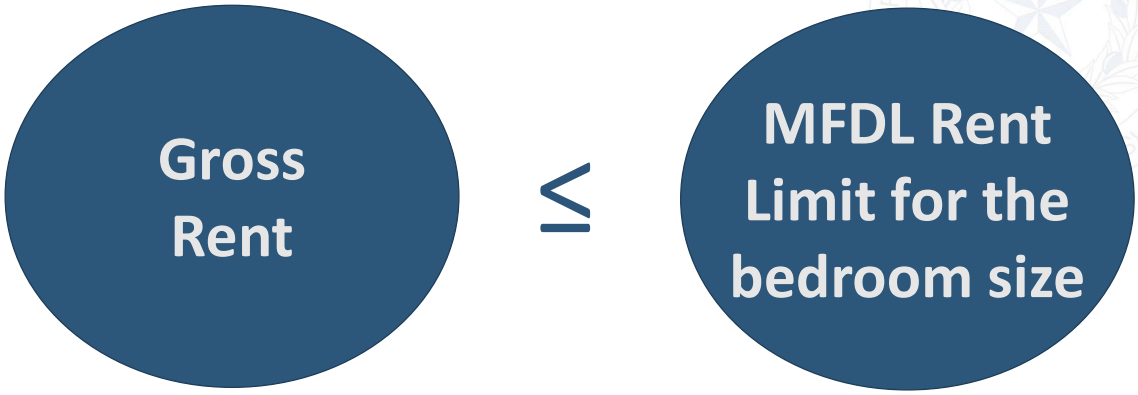
Fees and Rent: Gross Rent Calculation



61

61

Rent



62

62

Rent: 10 TAC §10.622

MFDL funds have always required no rent increase until the end of the lease term

If an Owner is increasing a household's rent $75 or more per month, the Owner is required to provide the household a 75-day written notice of such increase, unless the Unit or household is governed by a federal housing program that requires such a change.

Owners are not permitted to increase the tenant portion of rent more than once during a 12-month period,
f there are increases in
limits or decreases in utility allowances

ss the household or
unit receives assistance governed by a Federal Housing Program that requires such changes

63

63

Rent: Example 1

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	30920	700	110		2	06/01/2025	Y	2	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent LIHTC: Mkt LIHTC: Mkt	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income Rent LIHTC: Mkt LIHTC: Mkt	N	
327	07/26/2025		Thursday	36822	1043	132		3	07/26/2025	N	3	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
328	09/10/2024		Friday	18200	848	132		3	09/10/2025	Y	5	Income Rent LIHTC: 50 LIHTC: 50	N	

Rent Limits

Rent	0	1	2	3	4	5
30	417	446	536	619	691	762
40	556	596	715	826	922	1017
HIGH	640	843	933	1243	1440	1570
LOW	640	745	893	1032	1152	1271

Gross Rent $1,175 ≤ Rent Limit $1,243

Tenant Rent $1,043 + UA $132 + Rental Assistance $0 = Total Rent $1,175

64

64

Rent: Example 1 with Rental Assistance

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	30920	700	110		2	06/01/2025	Y	2	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent LIHTC: Mkt LIHTC: Mkt	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income LIHTC: Mkt LIHTC: Mkt	N	
327	07/26/2025													
328	09/10/2024													

Uh oh, We have noncompliance!

Rent Limits

Rent	0	1	2	3	4	5
30	417	446	536	619	691	762
40	556	596	715	826	922	1017
HIGH	640	843	933	1243	1440	1570
LOW	640	745	893	1032	1152	1271

Gross Rent $1,250 ≥ Rent Limit $1,243

Tenant Rent $1,043 + UA $132 + Rental Assistance $75 = Total Rent $1,250

65

65

Rent: HOME/TCAP-RF/HOME-ARP Additional Occupancy Restrictions

40% Limit

- Tenant paid rent and utility allowance must be ≤ 40% rent limit
- Tenant paid rent, utility allowance and rent subsidy must be ≤ Low HOME rent limit

30% Limit

- Tenant paid rent and utility allowance must be ≤ 30% rent limit
- Tenant paid rent, utility allowance and rent subsidy must be ≤ Low HOME rent limit

66

66

Rent: Example 2

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS		MEETS SPECIAL NEEDS REQ.
66	01/02/2023		Harmon	18134	1,024	71		1	01/07/2023	N	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
67	03/01/2022		Williams	10092	300	71	600	1	03/01/2023	Y	1	Income Rent	Income: HOME 30% Rent: HOME 30%	Yes
68	08/01/2023		Williams	22711	1,024	71		1	08/01/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
69	05/22/2022		Hillin	24460	1,024	71		1	05/22/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes

RENT LIMITS

AMFI %	Number of Bedrooms 0	1	2	3	4	5
20						
30	$613	$657	$788	$911	$1,017	$1,122
40	$818	$876	$1,052	$1,215	$1,355	$1,495
Low	$1,022	$1,095	$1,315	$1,518	$1,693	$1,869
High	$1,253	$1,386	$1,626	$1,940	$2,144	$2,347
65						
70						
80						

Gross Rent $371 ≤ Rent Limit $657

Tenant Rent $300 + UA $71 + Rental Assistance $[illegible] = Total Rent $371

67

67

Rent: Example 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS		MEETS SPECIAL NEEDS REQ.
66	01/02/2023		Harmon	18134	1,024	71		1	01/07/2023	N	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
67	03/01/2022		Williams	10092	300	71	751	1	03/01/2023	Y	1	Income Rent	Income: HOME 30% Rent: HOME 30%	Yes
68	08/01/2023		Williams	22711	1,024	71		1	08/01/2023	Y	1	Income	Income: HOME 50% Rent: HOME 50%	Yes
69	05/22													Yes

Uh oh, We have noncompliance!

RENT LIMITS

AMFI %	Number of Bedrooms 0	1	2	3	4	5
20						
30	$613	$657	$788	$911	$1,017	$1,122
40	$818	$876	$1,052	$1,215	$1,355	$1,495
Low	$1,022	$1,095	$1,315	$1,518	$1,693	$1,869
High	$1,253	$1,386	$1,626	$1,940	$2,144	$2,347
65						
70						
80						

Gross Rent $371 ≤ Rent Limit $657

Tenant Rent $300 + UA $71 + Rental Assistance $[illegible] = Total Rent $371

68

68

Rent: Correcting the Noncompliance

- If it is determined that the Development collected rent in excess of the allowable limit, the Department will require the Owner to refund or credit the affected residents the amount of rent that was overcharged.
- The Owner must obtain in writing, from the household, the election to receive a full refund check or to have the entire overpaid amount credited to their household's account.
- In the absence of a household's election, a full refund check must be presented to the household within thirty days.
- If the Owner is required to refund rent and cannot locate the resident, the excess monies must be deposited into a trust account for the household.
  - The account must remain open for the shorter of a four-year period, until all funds are claimed, or the expiration of the Extended Use Agreement.

69

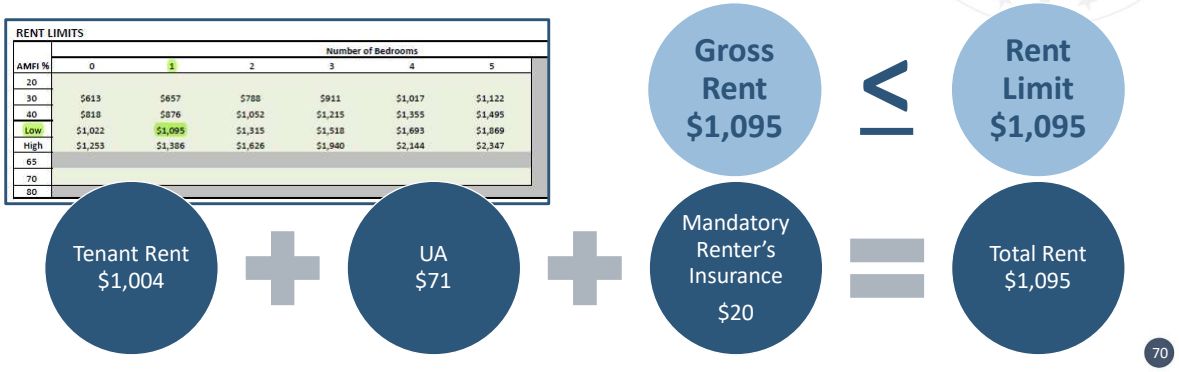
69

Rent: Example 4

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS		MEETS SPECIAL NEEDS REQ.
66	01/02/2023		Harmon	18134	1,004	71		1	01/07/2023	N	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
67	03/01/2022		Williams	10092	300	71	600	1	03/01/2023	Y	1	Income Rent	Income: HOME 30% Rent: HOME 30%	Yes
68	08/01/2023		Williams	22711	1,004	71		1	08/01/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
69	05/22/2022		Hillin	24460	1,004	71		1	05/22/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes

RENT LIMITS

AMFI %	Number of Bedrooms 0	1	2	3	4	5
20						
30	$613	$657	$788	$911	$1,017	$1,122
40	$818	$876	$1,052	$1,215	$1,355	$1,495
Low	$1,022	$1,095	$1,315	$1,518	$1,693	$1,869
High	$1,253	$1,386	$1,626	$1,940	$2,144	$2,347
65						
70						
80						



70

70

Rent: Exception to the Rule

Exception: The rent may be exceeded if three (3) conditions exist!

- If the unit receives Federal or State project-based rental assistance (i.e. USDA/RD or PBS8)
- The household's income is Very Low Income (VLI or 50% AMI) or less
- The rent does not exceed 30% of the household's adjusted income

71

71

Rent: Exception to the Rule Example

Three-person household's income at move-in $16,350

Very Low HOME income limit $42,600

- Two-bedroom Low-HOME Rent Limit $967
- Two-bedroom High-HOME Rent Limit $1,251

Household's 30% adjusted income equals a rent amount of $409 (Tenant paid portion of rent)

- Project-Based Rental Subsidy $1,000
- Utility Allowance $90

Tenant paid portion of rent ($409), plus utility allowance ($90) plus rental subsidy ($1,000) equals = $1,499

72

72

Module 4

Land Use Restriction Agreement (LURA)

73

73

LURA: Fixed versus Floating

Fixed or Floating	Units must be specified in the LURA Most Department MFDL units are floating
Newer LURAs	TDHCA's newer LURAs specify fixed or floating units If not specified in the LURA the MFDL units are considered floating
Designation	The fixed or floating designation is made at the time of project commitment MFDL units are identified at the time of initial occupancy
Affordability Period	Fixed units remain the same throughout the entire affordability period Floating units change with household changes throughout the term

74

74

LURA: Floating Units

Floating Units change throughout the property because:

- A household moves out
- A household's income goes over the 80% limit at recertification
- The substituted unit must be comparable in size, features and bedrooms

Essentially, this means that any unit in the Development can be designated as an MFDL unit

75

75

LURA: Fixed Units

Fixed Units do not change throughout the property.

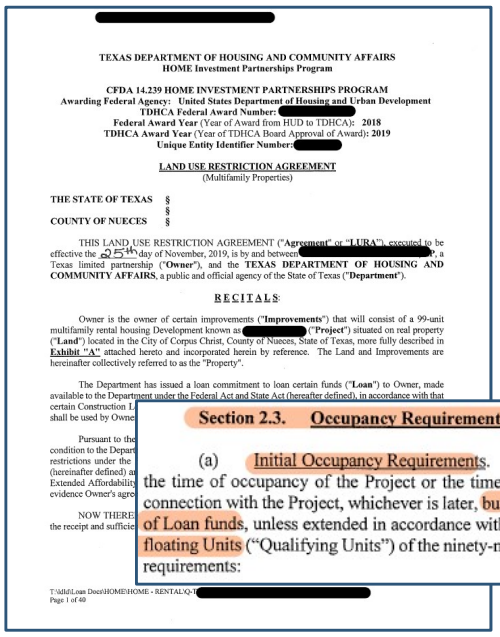
- A household moves out; qualified household must occupy unit next.
- A household's income goes over the 80% limit at recertification; the household remains designated.
- Rent: raise to 30% of monthly income and Next Available HOME unit must address High/Low HOME unit proportions.

When units are fixed, they are the only units under the MFDL program requirements and are "fixed" in the LURA. This may impact layered programs.

76

76

LURA: HOME Investment Partnership Program



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program

CFDA 14.239 HOME INVESTMENT PARTNERSHIPS PROGRAM
Awarding Federal Agency: United States Department of Housing and Urban Development
TDHCA Federal Award Number: [redacted]
Federal Award Year (Year of Award from HUD to TDHCA): 2018
TDHCA Award Year (Year of TDHCA Board Approval of Award): 2019
Unique Entity Identifier Number: [redacted]

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

THIS LAND USE RESTRICTION AGREEMENT ("Agreement" or "LURA"), executed to be effective the 25th day of November, 2019, is by and between [redacted], a Texas limited partnership ("Owner"), and the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas ("Department").

RECITALS:

Owner is the owner of certain improvements ("Improvements") that will consist of a 99-unit multifamily rental housing Development known as [redacted] ("Project") situated on real property ("Land") located in the City of Corpus Christi, County of Nueces, State of Texas, more fully described in Exhibit "A" attached hereto and incorporated herein by reference. The Land and Improvements are hereinafter collectively referred to as the "Property".

The Department has issued a loan commitment to loan certain funds ("Loan") to Owner, made available to the Department under the Federal Act and State Act (hereafter defined), in accordance with that certain Construction L
shall be used by Owne

Pursuant to the
condition to the Depart
restrictions under the
(hereinafter defined) a
Extended Affordabilit
evidence Owner's agre

NOW THERE
the receipt and sufficie

T:\ddd\Loan Docs\HOME\HOME - RENTAL\Q-[redacted]
Page 1 of 40

Section 2.3. Occupancy Requirements.

(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the HOME Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of Loan funds, unless extended in accordance with 10 TAC §13.11(k), Owner must set aside fourteen (14) floating Units ("Qualifying Units") of the ninety-nine (99) Units that comply with the following occupancy requirements:

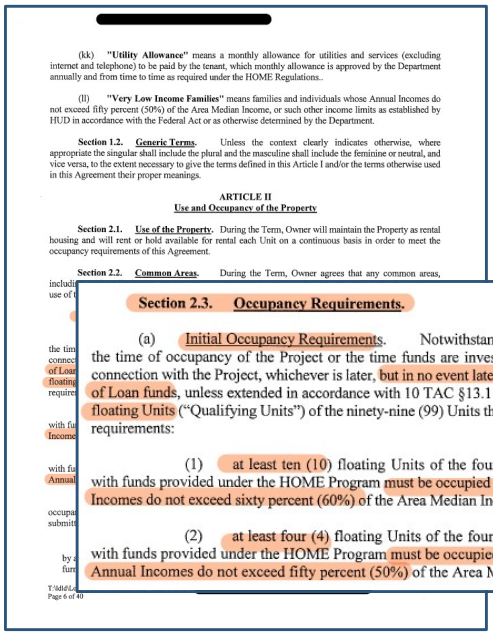
§92.252: All HOME assisted units, within 6 months following project completion must be occupied by an income eligible household and meet all requirements. If not:

- The PJ must submit marketing information and, possibly, an enhanced marketing plan to HUD
- If a unit is not occupied by an eligible household within 18 months, the PJ must repay HOME funds
- Effective for HOME funds committed on or after August 23, 2013

77

77

LURA: HOME Occupancy Requirements



(kk) "Utility Allowance" means a monthly allowance for utilities and services (excluding internet and telephone) to be paid by the tenant, which monthly allowance is approved by the Department annually and from time to time as required under the HOME Regulations..

(ll) "Very Low Income Families" means families and individuals whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income, or such other income limits as established by HUD in accordance with the Federal Act or as otherwise determined by the Department.

Section 1.2. Generic Terms. Unless the context clearly indicates otherwise, where appropriate the singular shall include the plural and the masculine shall include the feminine or neutral, and vice versa, to the extent necessary to give the terms defined in this Article I and/or the terms otherwise used in this Agreement their proper meanings.

ARTICLE II
Use and Occupancy of the Property

Section 2.1. Use of the Property. During the Term, Owner will maintain the Property as rental housing and will rent or hold available for rental each Unit on a continuous basis in order to meet the occupancy requirements of this Agreement.

Section 2.2. Common Areas. During the Term, Owner agrees that any common areas, includi
use of t

the tim
connec
of Loa
floatin
require

with fu
Incom

with fu
Annual

occupa
submitt

by a
furt

T:\ddd\Lo
Page 6 of 40

Section 2.3. Occupancy Requirements.

(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the HOME Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of Loan funds, unless extended in accordance with 10 TAC §13.11(k), Owner must set aside fourteen (14) floating Units ("Qualifying Units") of the ninety-nine (99) Units that comply with the following occupancy requirements:

(1) at least ten (10) floating Units of the fourteen (14) Qualifying Units constructed with funds provided under the HOME Program must be occupied by Low Income Families whose Annual Incomes do not exceed sixty percent (60%) of the Area Median Income;

(2) at least four (4) floating Units of the fourteen (14) Qualifying Units constructed with funds provided under the HOME Program must be occupied by Very Low Income Families whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income;

(b) Long Term Occupancy Requirements. Subject to subsection (a) of this Section 2.3, during the Term, following the initial occupancy period, Owner will make available for occupancy to:

(1) Low Income Families whose Annual Incomes do not exceed sixty percent (60%) of the Area Median Income not less than ten (10) floating Units of the fourteen (14) Qualifying Units; and

(2) Very Low Income Families whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income not less than four (4) floating Units of the fourteen (14) Qualifying Units;

(c) Elderly Development: Not applicable.

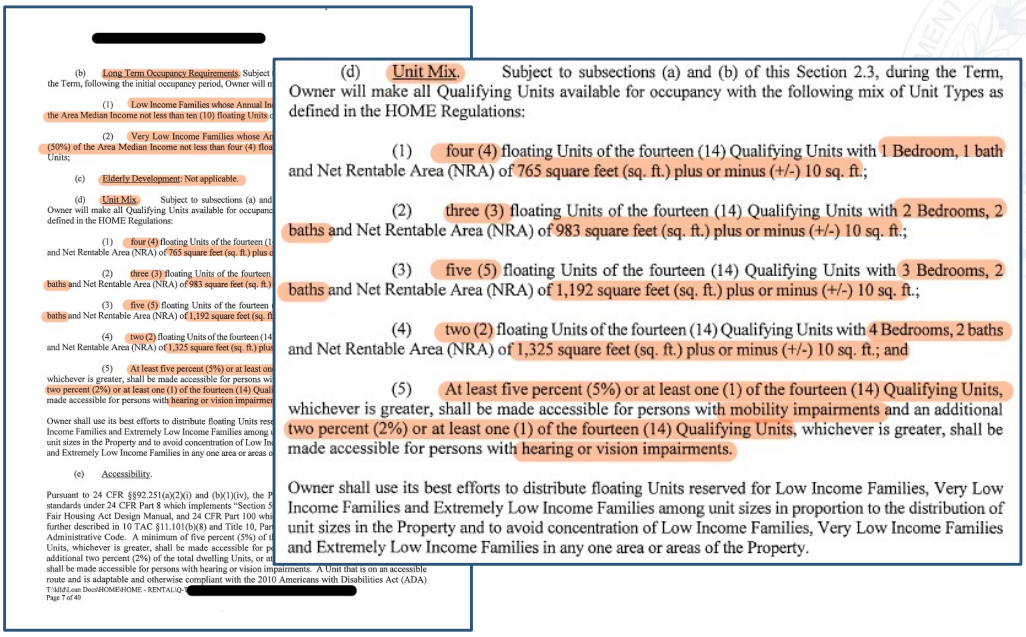
(2) three (3) floating Units of the fourteen (14) Qualifying Units with 2 Bedrooms, 2
sq. ft.) plus or minus (+/-) 10 sq. ft.;
rteen (14) Qualifying Units with 3 Bedrooms, 2
(sq. ft.) plus or minus (+/-) 10 sq. ft.;
en (14) Qualifying Units with 4 Bedrooms, 2 baths
) plus or minus (+/-) 10 sq. ft.; and
ast one (1) of the fourteen (14) Qualifying Units,
ns with mobility impairments and an additional
Qualifying Units, whichever is greater, shall be
airments.
ts reserved for Low Income Families, Very Low
nong unit sizes in proportion to the distribution of
ow Income Families, Very Low Income Families
reas of the Property.
the Project will comply with the accessibility
tion 504 of the Rehabilitation Act of 1973", the
0 which implements the "Fair Housing Act" as
0, Part 1, Chapter 1, Subchapter B of the Texas
) of the total dwelling Units or at least five (5)
for persons with mobility impairments and an
, or at least two (2) Units, whichever is greater,
on impairments. A Unit that is on an accessible
e 2010 Americans with Disabilities Act (ADA)

Page 7 of 40

78

78

LURA: HOME Unit Mix Requirements



(d) Unit Mix. Subject to subsections (a) and (b) of this Section 2.3, during the Term, Owner will make all Qualifying Units available for occupancy with the following mix of Unit Types as defined in the HOME Regulations:

(1) four (4) floating Units of the fourteen (14) Qualifying Units with 1 Bedroom, 1 bath and Net Rentable Area (NRA) of 765 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft.;

(2) three (3) floating Units of the fourteen (14) Qualifying Units with 2 Bedrooms, 2 baths and Net Rentable Area (NRA) of 983 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft.;

(3) five (5) floating Units of the fourteen (14) Qualifying Units with 3 Bedrooms, 2 baths and Net Rentable Area (NRA) of 1,192 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft.;

(4) two (2) floating Units of the fourteen (14) Qualifying Units with 4 Bedrooms, 2 baths and Net Rentable Area (NRA) of 1,325 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft.; and

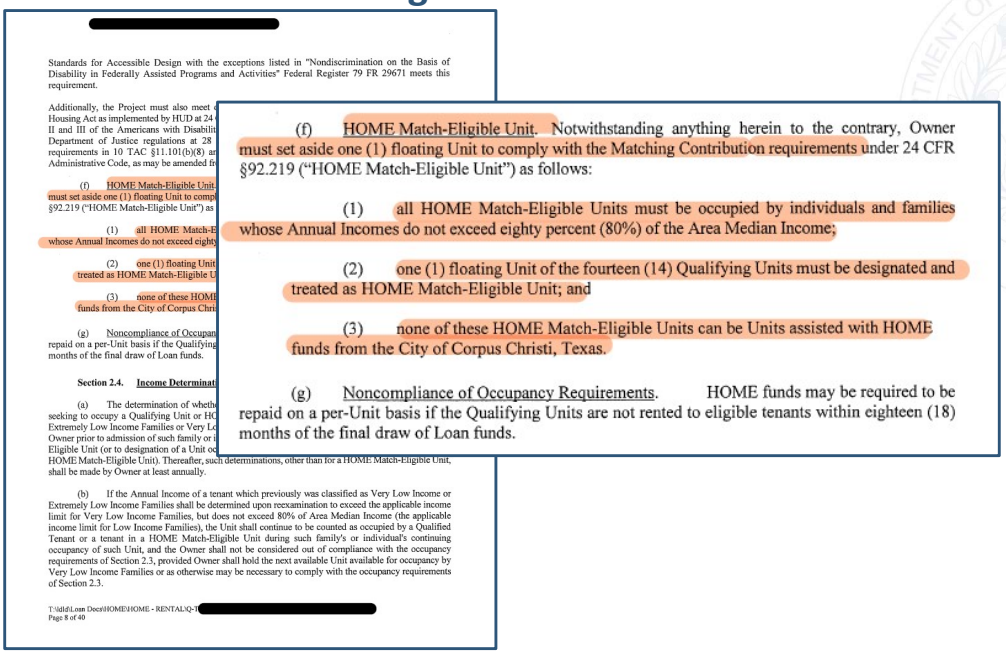
(5) At least five percent (5%) or at least one (1) of the fourteen (14) Qualifying Units, whichever is greater, shall be made accessible for persons with mobility impairments and an additional two percent (2%) or at least one (1) of the fourteen (14) Qualifying Units, whichever is greater, shall be made accessible for persons with hearing or vision impairments.

Owner shall use its best efforts to distribute floating Units reserved for Low Income Families, Very Low Income Families and Extremely Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Low Income Families, Very Low Income Families and Extremely Low Income Families in any one area or areas of the Property.

79

79

LURA: HOME Match-Eligible Unit



(f) HOME Match-Eligible Unit. Notwithstanding anything herein to the contrary, Owner must set aside one (1) floating Unit to comply with the Matching Contribution requirements under 24 CFR §92.219 ("HOME Match-Eligible Unit") as follows:

(1) all HOME Match-Eligible Units must be occupied by individuals and families whose Annual Incomes do not exceed eighty percent (80%) of the Area Median Income;

(2) one (1) floating Unit of the fourteen (14) Qualifying Units must be designated and treated as HOME Match-Eligible Unit; and

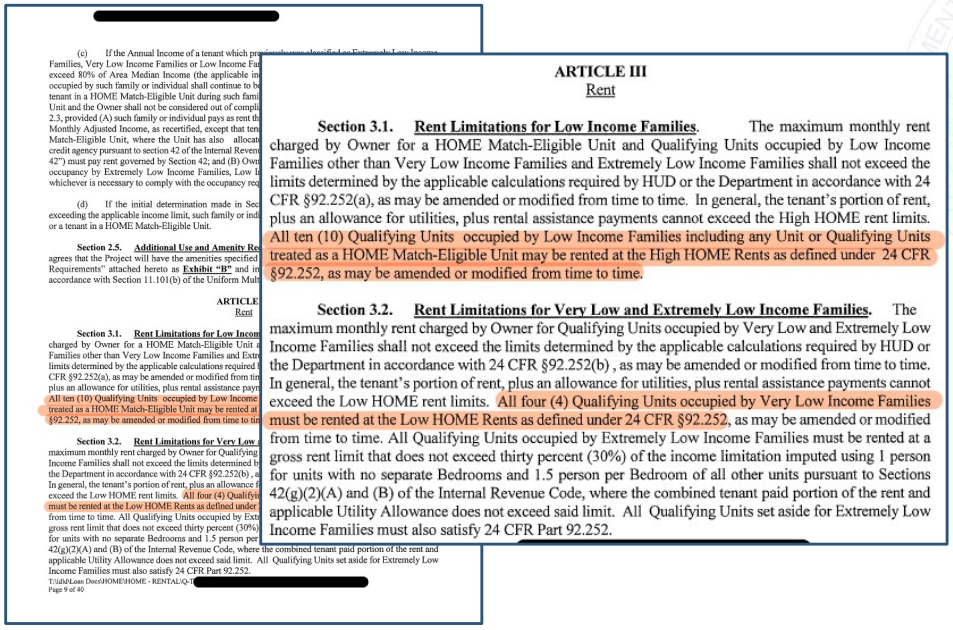
(3) none of these HOME Match-Eligible Units can be Units assisted with HOME funds from the City of Corpus Christi, Texas.

(g) Noncompliance of Occupancy Requirements. HOME funds may be required to be repaid on a per-Unit basis if the Qualifying Units are not rented to eligible tenants within eighteen (18) months of the final draw of Loan funds.

80

80

LURA: HOME Rent Limitations



ARTICLE III
Rent

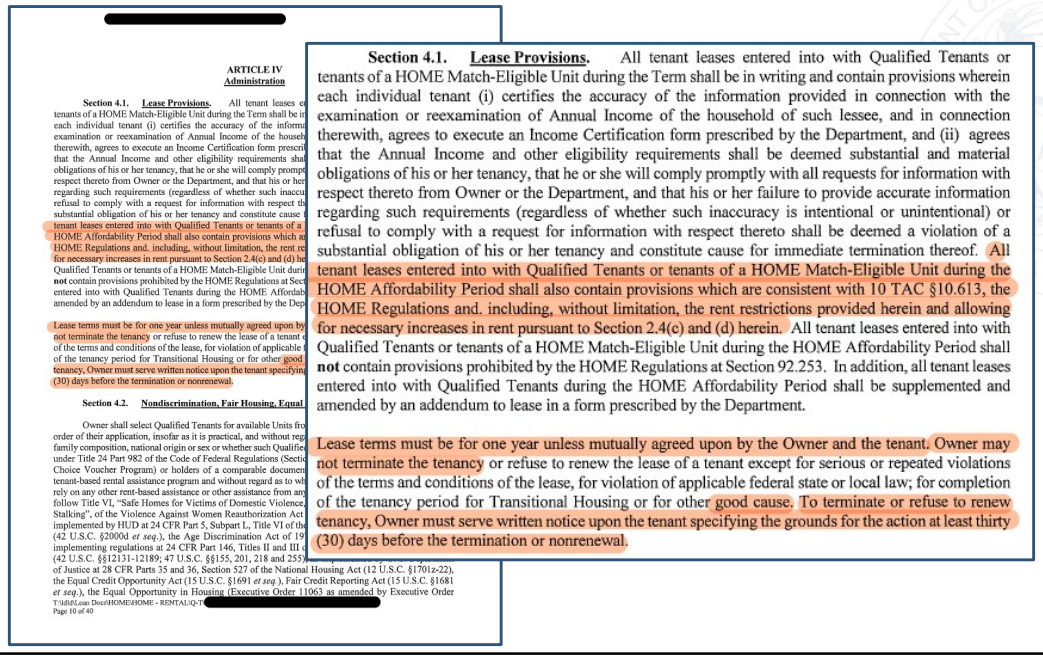
Section 3.1. Rent Limitations for Low Income Families. The maximum monthly rent charged by Owner for a HOME Match-Eligible Unit and Qualifying Units occupied by Low Income Families other than Very Low Income Families and Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252(a), as may be amended or modified from time to time. In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the High HOME rent limits. All ten (10) Qualifying Units occupied by Low Income Families including any Unit or Qualifying Units treated as a HOME Match-Eligible Unit may be rented at the High HOME Rents as defined under 24 CFR §92.252, as may be amended or modified from time to time.

Section 3.2. Rent Limitations for Very Low and Extremely Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Very Low and Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252(b) , as may be amended or modified from time to time. In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the Low HOME rent limits. All four (4) Qualifying Units occupied by Very Low Income Families must be rented at the Low HOME Rents as defined under 24 CFR §92.252, as may be amended or modified from time to time. All Qualifying Units occupied by Extremely Low Income Families must be rented at a gross rent limit that does not exceed thirty percent (30%) of the income limitation imputed using 1 person for units with no separate Bedrooms and 1.5 person per Bedroom of all other units pursuant to Sections 42(g)(2)(A) and (B) of the Internal Revenue Code, where the combined tenant paid portion of the rent and applicable Utility Allowance does not exceed said limit. All Qualifying Units set aside for Extremely Low Income Families must also satisfy 24 CFR Part 92.252.

81

81

LURA: HOME Lease Provisions



ARTICLE IV
Administration

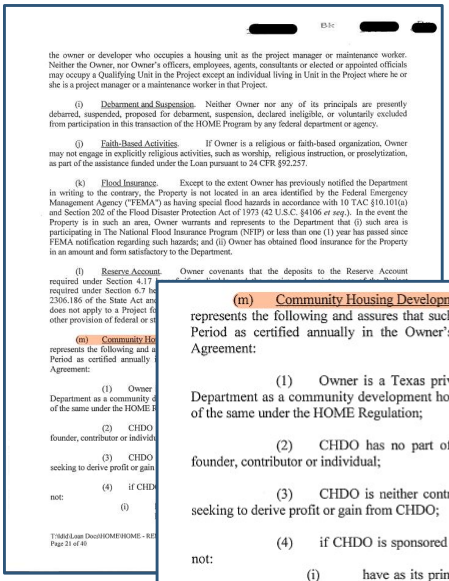
Section 4.1. Lease Provisions. All tenant leases entered into with Qualified Tenants or tenants of a HOME Match-Eligible Unit during the Term shall be in writing and contain provisions wherein each individual tenant (i) certifies the accuracy of the information provided in connection with the examination or reexamination of Annual Income of the household of such lessee, and in connection therewith, agrees to execute an Income Certification form prescribed by the Department, and (ii) agrees that the Annual Income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof. All tenant leases entered into with Qualified Tenants or tenants of a HOME Match-Eligible Unit during the HOME Affordability Period shall also contain provisions which are consistent with 10 TAC §10.613, the HOME Regulations and. including, without limitation, the rent restrictions provided herein and allowing for necessary increases in rent pursuant to Section 2.4(c) and (d) herein. All tenant leases entered into with Qualified Tenants or tenants of a HOME Match-Eligible Unit during the HOME Affordability Period shall **not** contain provisions prohibited by the HOME Regulations at Section 92.253. In addition, all tenant leases entered into with Qualified Tenants during the HOME Affordability Period shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law; for completion of the tenancy period for Transitional Housing or for other good cause. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination or nonrenewal.

82

82

LURA: HOME CHDO Requirement



- CHDO is only applicable to the HOME program
- CHDO is a non-profit 501(c)(3) or 501(c)(4) that has an exempt ruling by the Internal Revenue Service (IRS) and certified by the Department in accordance with the HOME Final Rule in §92.2 and 13.2(2) of the Multifamily Direct Loan Rule
- The Department monitors CHDO requirements for those developments funded after August 23, 2013 including Tenant Participation Plans

(m) Community Housing Development Organization. Owner hereby warrants and represents the following and assures that such covenants will continue during the HOME Affordability Period as certified annually in the Owner's certification report required under Section 4.4 of this Agreement:

(1) Owner is a Texas private nonprofit corporation that has been certified by the Department as a community development housing organization ("CHDO") and meets the requirements of the same under the HOME Regulation;

(2) CHDO has no part of its net earnings inuring to the benefit of any member, founder, contributor or individual;

(3) CHDO is neither controlled by nor under the direction of individuals or entities seeking to derive profit or gain from CHDO;

(4) if CHDO is sponsored or created by a for-profit entity, said for-profit entity does not:

(i) have as its primary purpose the development, building or management of housing, such as a builder, developer, or real estate management firm; or

83

83

LURA: HOME Amenity Requirements

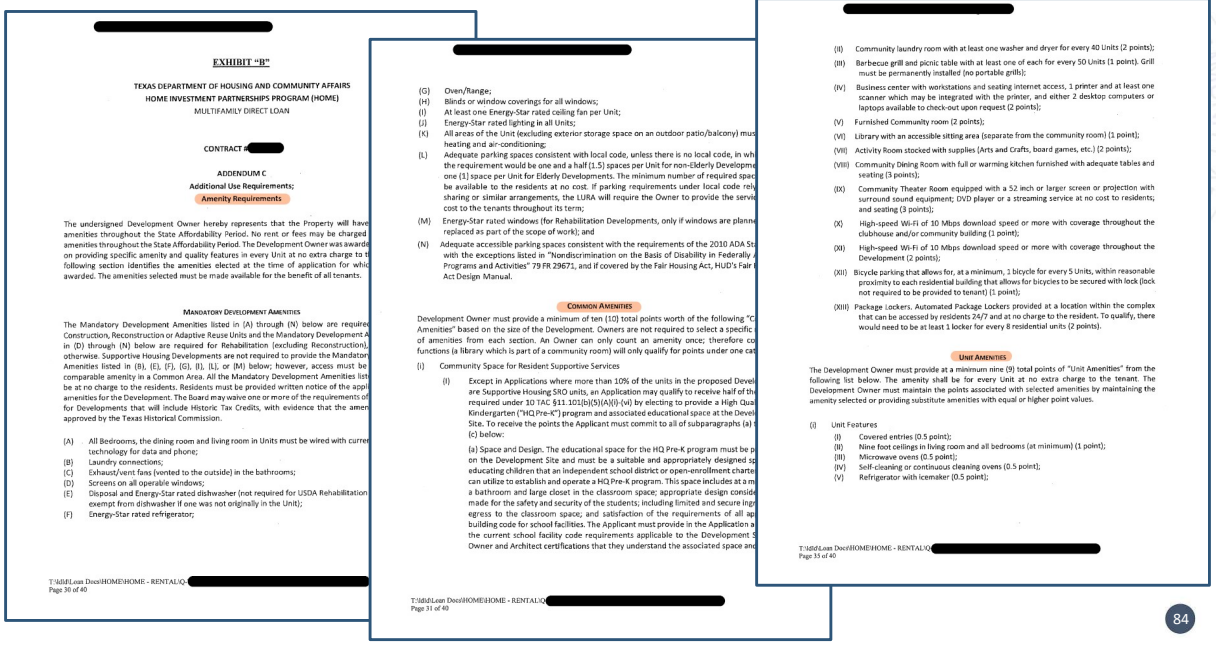


EXHIBIT "B"

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
MULTIFAMILY DIRECT LOAN

CONTRACT #[redacted]

ADDENDUM C
Additional Use Requirements;
Amenity Requirements

The undersigned Development Owner hereby represents that the Property will have amenities throughout the State Affordability Period. No rent or fees may be charged amenities throughout the State Affordability Period. The Development Owner was awarde on providing specific amenity and quality features in every Unit at no extra charge to t following section identifies the amenities elected at the time of application for whic awarded. The amenities selected must be made available for the benefit of all tenants.

MANDATORY DEVELOPMENT AMENITIES

The Mandatory Development Amenities listed in (A) through (N) below are require Construction, Reconstruction or Adaptive Reuse Units and the Mandatory Development A in (D) through (N) below are required for Rehabilitation (excluding Reconstruction), otherwise. Supportive Housing Developments are not required to provide the Mandator Amenities listed in (B), (E), (F), (G), (I), (L), or (M) below; however, access must be comparable amenity in a Common Area. All the Mandatory Development Amenities list be at no charge to the residents. Residents must be provided written notice of the appli amenities for the Development. The Board may waive one or more of the requirements of for Developments that will include Historic Tax Credits, with evidence that the amen approved by the Texas Historical Commission.

(A) All Bedrooms, the dining room and living room in Units must be wired with curre technology for data and phone;
(B) Laundry connections;
(C) Exhaust/vent fans (vented to the outside) in the bathrooms;
(D) Screens on all operable windows;
(E) Disposal and Energy-Star rated dishwasher (not required for USDA Rehabilitation exempt from dishwasher if one was not originally in the Unit);
(F) Energy-Star rated refrigerator;

T:\ldd\Loan Docs\HOME\HOME - RENTAL\Q-[redacted]
Page 30 of 40

(G) Oven/Range;
(H) Blinds or window coverings for all windows;
(I) At least one Energy-Star rated ceiling fan per Unit;
(J) Energy-Star rated lighting in all Units;
(K) All areas of the Unit (excluding exterior storage space on an outdoor patio/balcony) mus heating and air-conditioning;
(L) Adequate parking spaces consistent with local code, unless there is no local code, in wh the requirement would be one and a half (1.5) spaces per Unit for non-Elderly Developme one (1) space per Unit for Elderly Developments. The minimum number of required spac be available to the residents at no cost. If parking requirements under local code rely sharing or similar arrangements, the LURA will require the Owner to provide the servi cost to the tenants throughout its term;
(M) Energy-Star rated windows (for Rehabilitation Developments, only if windows are planne replaced as part of the scope of work); and
(N) Adequate accessible parking spaces consistent with the requirements of the 2010 ADA St with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Programs and Activities" 79 FR 29671, and if covered by the Fair Housing Act, HUD's Fair Act Design Manual.

COMMON AMENITIES

Development Owner must provide a minimum of ten (10) total points worth of the following "C Amenities" based on the size of the Development. Owners are not required to select a specific of amenities from each section. An Owner can only count an amenity once; therefore co functions (a library which is part of a community room) will only qualify for points under one cat

(i) Community Space for Resident Supportive Services

(I) Except in Applications where more than 10% of the units in the proposed Devel are Supportive Housing SRO units, an Application may qualify to receive half of th required under 10 TAC §11.101(b)(5)(A)(i)-(vi) by electing to provide a High Qua Kindergarten ("HQ Pre-K") program and associated educational space at the Devel Site. To receive the points the Applicant must commit to all of subparagraphs (a) c) below:

(a) Space and Design. The educational space for the HQ Pre-K program must be p on the Development Site and must be a suitable and appropriately designed sp educating children that an independent school district or open-enrollment charte can utilize to establish and operate a HQ Pre-K program. This space includes at a m a bathroom and large closet in the classroom space; appropriate design conside made for the safety and security of the students; including limited and secure ingr egress to the classroom space; and satisfaction of the requirements of all ap building code for school facilities. The Applicant must provide in the Application a the current school facility code requirements applicable to the Development S Owner and Architect certifications that they understand the associated space and

T:\ldd\Loan Docs\HOME\HOME - RENTAL\Q-[redacted]
Page 31 of 40

(II) Community laundry room with at least one washer and dryer for every 40 Units (2 points);
(III) Barbecue grill and picnic table with at least one of each for every 50 Units (1 point). Grill must be permanently installed (no portable grills);
(IV) Business center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points);
(V) Furnished Community room (2 points);
(VI) Library with an accessible sitting area (separate from the community room) (1 point);
(VII) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points);
(VIII) Community Dining Room with full or warming kitchen furnished with adequate tables and seating (3 points);
(IX) Community Theater Room equipped with a 52 inch or larger screen or projection with surround sound equipment; DVD player or a streaming service at no cost to residents; and seating (3 points);
(X) High-speed Wi-Fi of 10 Mbps download speed or more with coverage throughout the clubhouse and/or community building (1 point);
(XI) High-speed Wi-Fi of 10 Mbps download speed or more with coverage throughout the Development (2 points);
(XII) Bicycle parking that allows for, at a minimum, 1 bicycle for every 5 Units, within reasonable proximity to each residential building that allows for bicycles to be secured with lock (lock not required to be provided to tenant) (1 point);
(XIII) Package Lockers. Automated Package Lockers provided at a location within the complex that can be accessed by residents 24/7 and at no charge to the resident. To qualify, there would need to be at least 1 locker for every 8 residential units (2 points).

UNIT AMENITIES

The Development Owner must provide at a minimum nine (9) total points of "Unit Amenities" from the following list below. The amenity shall be for every Unit at no extra charge to the tenant. The Development Owner must maintain the points associated with selected amenities by maintaining the amenity selected or providing substitute amenities with equal or higher point values.

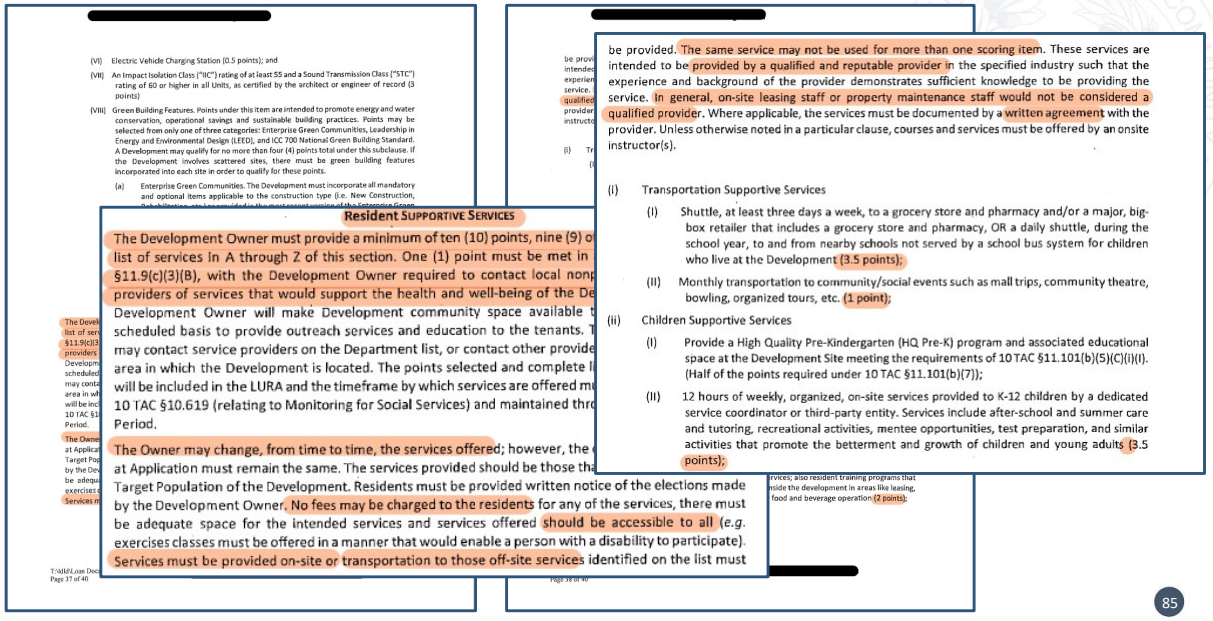
(i) Unit Features
(I) Covered entries (0.5 point);
(II) Nine foot ceilings in living room and all bedrooms (at minimum) (1 point);
(III) Microwave ovens (0.5 point);
(IV) Self-cleaning or continuous cleaning ovens (0.5 point);
(V) Refrigerator with icemaker (0.5 point);

T:\ldd\Loan Docs\HOME\HOME - RENTAL\Q-[redacted]
Page 33 of 40

84

84

LURA: HOME Resident Supportive Services



(VI) Electric Vehicle Charging Station (0.5 points); and

(VII) An Impact Isolation Class ("IIC") rating of at least 55 and a Sound Transmission Class ("STC") rating of 60 or higher in all Units, as certified by the architect or engineer of record (3 points)

(VIII) Green Building Features. Points under this item are intended to promote energy and water conservation, operational savings and sustainable building practices. Points may be selected from only one of three categories: Enterprise Green Communities, Leadership in Energy and Environmental Design (LEED), and ICC 700 National Green Building Standard. A Development may qualify for no more than four (4) points total under this subclause. If the Development involves scattered sites, there must be green building features incorporated into each site in order to qualify for these points.

(a) Enterprise Green Communities. The Development must incorporate all mandatory and optional items applicable to the construction type (i.e. New Construction,

Resident Supportive Services

The Development Owner must provide a minimum of ten (10) points, nine (9) o
list of services in A through Z of this section. One (1) point must be met in
§11.9(c)(3)(B), with the Development Owner required to contact local nonp
providers of services that would support the health and well-being of the De
Development Owner will make Development community space available t
scheduled basis to provide outreach services and education to the tenants. T
may contact service providers on the Department list, or contact other provide
area in which the Development is located. The points selected and complete l
will be included in the LURA and the timeframe by which services are offered mu
10 TAC §10.619 (relating to Monitoring for Social Services) and maintained thro
Period.

The Owner may change, from time to time, the services offered; however, the
at Application must remain the same. The services provided should be those tha
Target Population of the Development. Residents must be provided written notice of the elections made by the Development Owner. No fees may be charged to the residents for any of the services, there must be adequate space for the intended services and services offered should be accessible to all (*e.g.* exercises classes must be offered in a manner that would enable a person with a disability to participate). Services must be provided on-site or transportation to those off-site services identified on the list must

be provided. The same service may not be used for more than one scoring item. These services are intended to be provided by a qualified and reputable provider in the specified industry such that the experience and background of the provider demonstrates sufficient knowledge to be providing the service. In general, on-site leasing staff or property maintenance staff would not be considered a qualified provider. Where applicable, the services must be documented by a written agreement with the provider. Unless otherwise noted in a particular clause, courses and services must be offered by an onsite instructor(s).

(i) Transportation Supportive Services

(I) Shuttle, at least three days a week, to a grocery store and pharmacy and/or a major, big-box retailer that includes a grocery store and pharmacy, OR a daily shuttle, during the school year, to and from nearby schools not served by a school bus system for children who live at the Development (3.5 points);

(II) Monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point);

(ii) Children Supportive Services

(I) Provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site meeting the requirements of 10 TAC §11.101(b)(5)(C)(i)(I). (Half of the points required under 10 TAC §11.101(b)(7));

(II) 12 hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity. Services include after-school and summer care and tutoring, recreational activities, mentee opportunities, test preparation, and similar activities that promote the betterment and growth of children and young adults (3.5 points);

85

85

LURA: HOME Recap

Total Development Units – 99 Units

Total HOME Units	14 Floating Units

Occupancy Requirements

4 units - 50% AMI/Low HOME Rent	10 units - 60% AMI/High HOME Rent

Unit Mix

4 units – 1x1 – 765 sqft	3 units – 2x2 – 983 sqft	5 units – 3x2 – 1,192 sqft	2 units – 4x2 – 1,325 sqft

HOME Match-Eligible Unit

1 unit of the 14 HOME units

86

86

HOME American Rescue Plan (HOME-ARP)

HOME-ARP is based on HUD's HOME Investment Partnerships Program annual funding infrastructure.

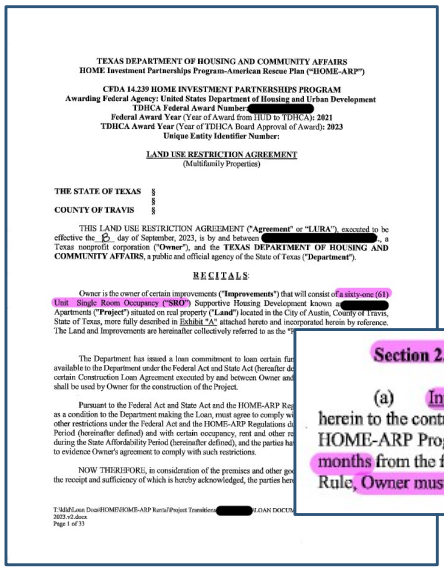
HOME-ARP has significant differences compared to the HOME annual program.

The differences include waivers of certain federal regulations and waivers to create new activities, as described on HUD Exchange at https://www.hudexchange.info/programs/home-arp/.

87

87

LURA: HOME-American Rescue Plan



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program-American Rescue Plan ("HOME-ARP")

CFDA 14.239 HOME INVESTMENT PARTNERSHIPS PROGRAM
Awarding Federal Agency: United States Department of Housing and Urban Development
TDHCA Federal Award Number: [redacted]
Federal Award Year (Year of Award from HUD to TDHCA): 2021
TDHCA Award Year (Year of TDHCA Board Approval of Award): 2023
Unique Entity Identifier Number:

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

THIS LAND USE RESTRICTION AGREEMENT ("**Agreement**" or "**LURA**"), executed to be effective the 6th day of September, 2023, is by and between [redacted], a Texas nonprofit corporation ("**Owner**"), and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas ("**Department**").

RECITALS:

Owner is the owner of certain improvements ("**Improvements**") that will consist of a sixty-one (61) Unit Single Room Occupancy ("**SRO**") Supportive Housing Development known as [redacted] Apartments ("**Project**") situated on real property ("**Land**") located in the City of Austin, County of Travis, State of Texas, more fully described in Exhibit "A" attached hereto and incorporated herein by reference. The Land and Improvements are hereinafter collectively referred to as the "

The Department has issued a loan commitment to loan certain fun available to the Department under the Federal Act and State Act (hereafter de certain Construction Loan Agreement executed by and between Owner and shall be used by Owner for the construction of the Project.

Pursuant to the Federal Act and State Act and the HOME-ARP Reg as a condition to the Department making the Loan, must agree to comply wi other restrictions under the Federal Act and the HOME-ARP Regulations (h Period (hereinafter defined) and with certain occupancy, rent and other re during the State Affordability Period (hereinafter defined), and the parties ha to evidence Owner's agreement to comply with such restrictions.

NOW THEREFORE, in consideration of the premises and other go the receipt and sufficiency of which is hereby acknowledged, the parties here

T:\Multi\Loan Docs\HOME\HOME-ARP Rural\Project Transition [redacted] LOAN DOCUM 2023.v2.docx
Page 1 of 33

Section 2.3. Occupancy Requirements.

(a) Initial Occupancy and Federal Affordability Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the HOME-ARP Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of Loan funds, unless extended in accordance with the Multifamily Direct Loan Rule, Owner must set aside thirty-one (31) floating Units ("**Qualifying Units**") of the sixty-one (61) Units,

HOME-ARP operates similarly to the HOME program; however, the Land Use Restriction Agreement will outline specific program requirements.

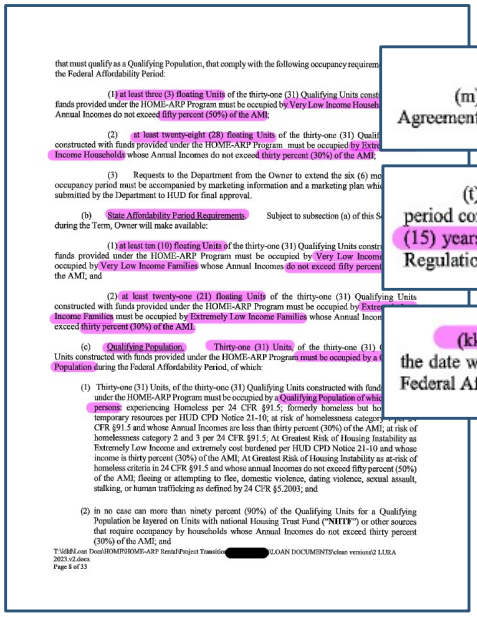
Units must be occupied within 6 months as outlined in the LURA.

HOME-ARP Trainings: https://www.youtube.com/playlist?list=PLIW-C-0ioJwSHsNVWN2gYOkTdySmjwOFS
HOME-ARP Department Website: https://www.tdhca.texas.gov/programs/home-american-rescue-plan

88

88

LURA: HOME-ARP Terms



(m) **"Extended Affordability Period"** or **"State Affordability Period"** means the Term of this Agreement as defined herein and as required by Department in accordance with the State Act.

(t) **"HOME-ARP Affordability Period"** or **"Federal Affordability Period"** means the period commencing on the date the date of Project Completion and ending on the date which is fifteen (15) years from the date of Project Completion in accordance with the Federal Act and HOME-ARP Regulations.

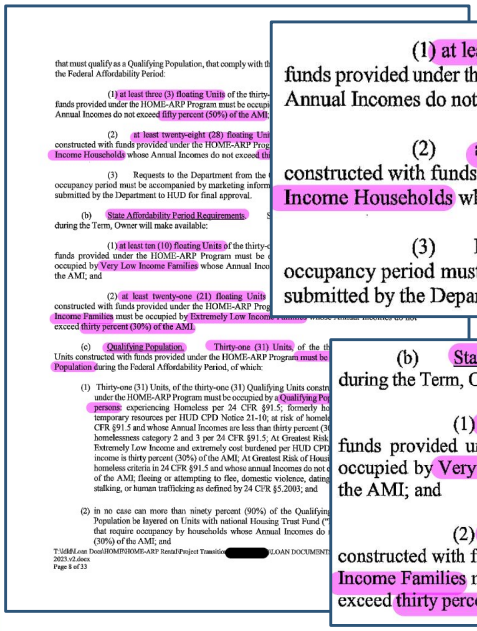
(kk) **"Term"** means the period commencing on the date of Project Completion and ending on the date which is forty (40) years from the date of such Project Completion and is inclusive of both the Federal Affordability Period and the State Affordability Period.

When the HOME-ARP Federal Affordability Period is over at least 20% of the units must be for households at 60% or below AMI, and all units must be for households at 80% or below AMI. HOME-ARP units during this period must have rent levels for a multifamily program that exists in the Department (e.g. HOME, NHTF, HTC 4% or 9%, etc.).

89

89

LURA: HOME-ARP Occupancy Requirements



(1) at least three (3) floating Units of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by Very Low Income Households whose Annual Incomes do not exceed fifty percent (50%) of the AMI;

(2) at least twenty-eight (28) floating Units of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by Extremely Low Income Households whose Annual Incomes do not exceed thirty percent (30%) of the AMI;

(3) Requests to the Department from the Owner to extend the six (6) month initial occupancy period must be accompanied by marketing information and a marketing plan which may be submitted by the Department to HUD for final approval.

(b) State Affordability Period Requirements. Subject to subsection (a) of this Section 2.3, during the Term, Owner will make available:

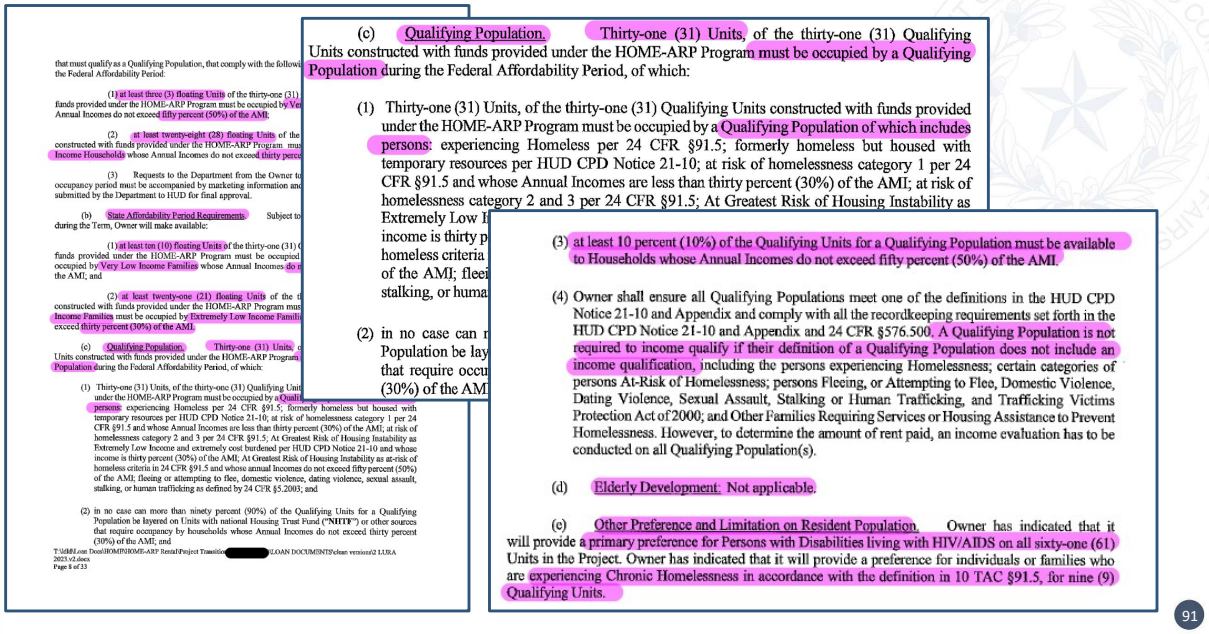
(1) at least ten (10) floating Units of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by Very Low Income must be occupied by Very Low Income Families whose Annual Incomes do not exceed fifty percent (50%) of the AMI; and

(2) at least twenty-one (21) floating Units of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by Extremely Low Income Families must be occupied by Extremely Low Income Families whose Annual Incomes do not exceed thirty percent (30%) of the AMI.

90

90

LURA: HOME-ARP Qualifying Population



(c) Qualifying Population. Thirty-one (31) Units, of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by a Qualifying Population during the Federal Affordability Period, of which:

(1) Thirty-one (31) Units, of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by a Qualifying Population of which includes persons: experiencing Homeless per 24 CFR §91.5; formerly homeless but housed with temporary resources per HUD CPD Notice 21-10; at risk of homelessness category 1 per 24 CFR §91.5 and whose Annual Incomes are less than thirty percent (30%) of the AMI; at risk of homelessness category 2 and 3 per 24 CFR §91.5; At Greatest Risk of Housing Instability as

(3) at least 10 percent (10%) of the Qualifying Units for a Qualifying Population must be available to Households whose Annual Incomes do not exceed fifty percent (50%) of the AMI.

(4) Owner shall ensure all Qualifying Populations meet one of the definitions in the HUD CPD Notice 21-10 and Appendix and comply with all the recordkeeping requirements set forth in the HUD CPD Notice 21-10 and Appendix and 24 CFR §576.500. A Qualifying Population is not required to income qualify if their definition of a Qualifying Population does not include an income qualification, including the persons experiencing Homelessness; certain categories of persons At-Risk of Homelessness; persons Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking, and Trafficking Victims Protection Act of 2000; and Other Families Requiring Services or Housing Assistance to Prevent Homelessness. However, to determine the amount of rent paid, an income evaluation has to be conducted on all Qualifying Population(s).

(d) Elderly Development: Not applicable.

(e) Other Preference and Limitation on Resident Population. Owner has indicated that it will provide a primary preference for Persons with Disabilities living with HIV/AIDS on all sixty-one (61) Units in the Project. Owner has indicated that it will provide a preference for individuals or families who are experiencing Chronic Homelessness in accordance with the definition in 10 TAC §91.5, for nine (9) Qualifying Units.

91

91

LURA: HOME-ARP Qualifying Populations

1. Homeless – Experiencing Homelessness
2. Formerly homeless but housed with temporary resources
3. At risk of homelessness
4. Greatest risk of housing instability
   - At-Risk of homelessness criteria, with income at 50% AMI instead of 30% AMI
   - Extremely low-income and severely cost burdened
5. Individuals fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking or human trafficking
6. Veterans and families that include a veteran member that meet one of the above criteria are also a qualified population, but veteran status alone is not

At least 10 percent (10%) of the Qualifying Units for a Qualifying Population must be available to Households whose Annual Incomes do not exceed fifty percent (50%) of the AMI with floating units.

92

92

LURA: HOME-ARP Unit Mix Requirements

(f) Unit Mix. Subject to subsection of this Section 2.3, during the Term, Owner will make all Qualifying Units available for occupancy with the following mix of Unit Types as defined in the HOME-ARP Regulations:

(1) Eighteen (18) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 426 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(2) Three (3) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 405 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(3) Two (2) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 468 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(4) One (1) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 437 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(5) Two (2) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 399 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(6) One (1) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 404 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;

(7) Four (4) floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of 271 square feet (sq. ft.) plus or minus (+/-) 10 sq. ft. ;and

93

93

LURA: HOME-ARP Rent Limitations

ARTICLE III
Rent

Section 3.1. Rent Limitations for Low Income Households. The maximum monthly rent charged by Owner for Qualifying Units occupied by Low Income Households other than Very Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252(a), as may be amended or modified from time to time. In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the High HOME rent limits.

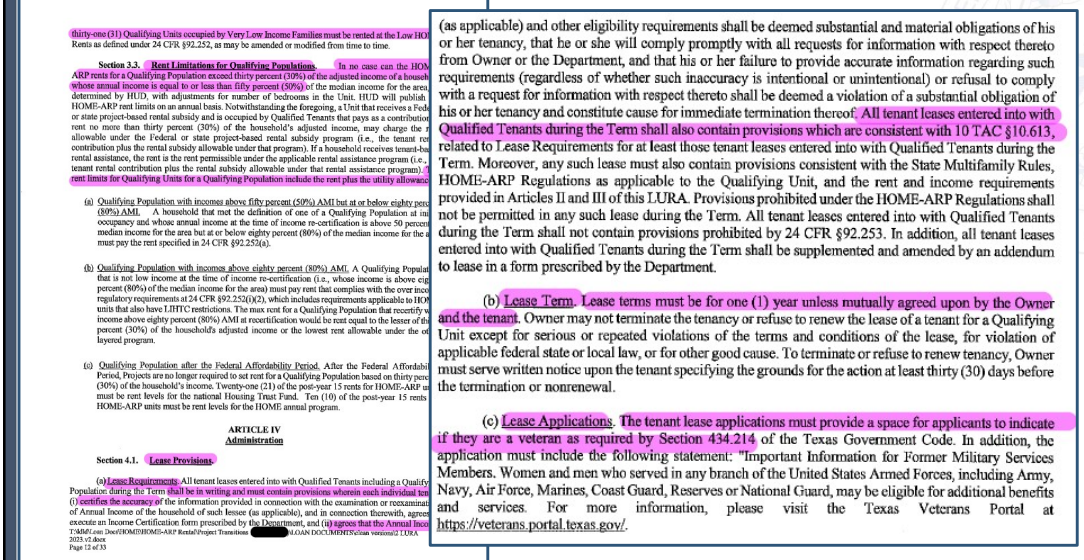
Section 3.2. Rent Limitations for Very Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Very Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252(b), as may be amended or modified from time to time. In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the Low HOME rent limits.All thirty-one (31) Qualifying Units occupied by Very Low Income Families must be rented at the Low HOME Rents as defined under 24 CFR §92.252, as may be amended or modified from time to time.

Section 3.3. Rent Limitations for Qualifying Populations. In no case can the HOME-ARP rents for a Qualifying Population exceed thirty percent (30%) of the adjusted income of a household whose annual income is equal to or less than fifty percent (50%) of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the Unit. HUD will publish the HOME-ARP rent limits on an annual basis. Notwithstanding the foregoing, a Unit that receives a Federal or state project-based rental subsidy and is occupied by Qualified Tenants that pays as a contribution to rent no more than thirty percent (30%) of the household's adjusted income, may charge the rent allowable under the Federal or state project-based rental subsidy program (i.e., the tenant rental contribution plus the rental subsidy allowable under that program). If a household receives tenant-based rental assistance, the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program). The rent limits for Qualifying Units for a Qualifying Population include the rent plus the utility allowance.

94

94

LURA: HOME-ARP Lease Provisions



thirty-one (31) Qualifying Units occupied by Very Low Income Families must be rented at the Low HO
Rents as defined under 24 CFR §92.252, as may be amended or modified from time to time.

Section 3.3. Rent Limitations for Qualifying Populations. In no case can the HOM
ARP rents for a Qualifying Population exceed thirty percent (30%) of the adjusted income of a househ
whose annual income is equal to or less than fifty percent (50%) of the median income for the area,
determined by HUD, with adjustments for number of bedrooms in the Unit. HUD will publish
HOME-ARP rent limits on an annual basis. Notwithstanding the foregoing, a Unit that receives a Fede
or state project-based rental subsidy and is occupied by Qualified Tenants that pays as a contribution
rent no more than thirty percent (30%) of the household's adjusted income, may charge the r
allowable under the Federal or state project-based rental subsidy program (i.e., the tenant re
contribution plus the rental subsidy allowable under that program). If a household receives tenant-ba
rental assistance, the rent is the rent permissible under the applicable rental assistance program (i.e.,
tenant rental contribution plus the rental subsidy allowable under that rental assistance program).
rent limits for Qualifying Units for a Qualifying Population include the rent plus the utility allowanc

(a) Qualifying Population with incomes above fifty percent (50%) AMI but at or below eighty perc
(80%) AMI. A household that met the definition of one of a Qualifying Population at mi
occupancy and whose annual income at the time of income re-certification is above 50 percen
median income for the area but at or below eighty percent (80%) of the median income for the a
must pay the rent specified in 24 CFR §92.252(a).

(b) Qualifying Population with incomes above eighty percent (80%) AMI. A Qualifying Popula
that is not low income at the time of income re-certification (i.e., whose income is above eig
percent (80%) of the median income for the area) must pay rent that complies with the over inco
regulatory requirements at 24 CFR §92.252(i)(2), which includes requirements applicable to HO
units that also have LIHTC restrictions. The max rent for a Qualifying Population that recertify w
income above eighty percent (80%) AMI at recertification would be rent equal to the lesser of th
percent (30%) of the household's adjusted income or the lowest rent allowable under the ot
layered program.

(c) Qualifying Population after the Federal Affordability Period. After the Federal Affordabil
Period, Projects are no longer required to set rent for a Qualifying Population based on thirty perc
(30%) of the household's income. Twenty-one (21) of the post-year 15 rents for HOME-ARP u
must be rent levels for the national Housing Trust Fund. Ten (10) of the post-year 15 rents
HOME-ARP units must be rent levels for the HOME annual program.

ARTICLE IV
Administration

Section 4.1. Lease Provisions.

(a) Lease Requirements. All tenant leases entered into with Qualified Tenants including a Qualify
Population during the Term shall be in writing and must contain provisions wherein each individual ten
(i) certifies the accuracy of the information provided in connection with the examination or reexaminat
of Annual Income of the household of such lessee (as applicable), and in connection therewith, agrees
execute an Income Certification form prescribed by the Department, and (ii) agrees that the Annual Inco
T:\MF\Loan Docs\HOME\HOME-ARP Rental\Project Transitions\ LOAN DOCUMENTS\Clean versions\2 LURA
2025 v1.docx
Page 12 of 33

(as applicable) and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof. All tenant leases entered into with Qualified Tenants during the Term shall also contain provisions which are consistent with 10 TAC §10.613, related to Lease Requirements for at least those tenant leases entered into with Qualified Tenants during the Term. Moreover, any such lease must also contain provisions consistent with the State Multifamily Rules, HOME-ARP Regulations as applicable to the Qualifying Unit, and the rent and income requirements provided in Articles II and III of this LURA. Provisions prohibited under the HOME-ARP Regulations shall not be permitted in any such lease during the Term. All tenant leases entered into with Qualified Tenants during the Term shall not contain provisions prohibited by 24 CFR §92.253. In addition, all tenant leases entered into with Qualified Tenants during the Term shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

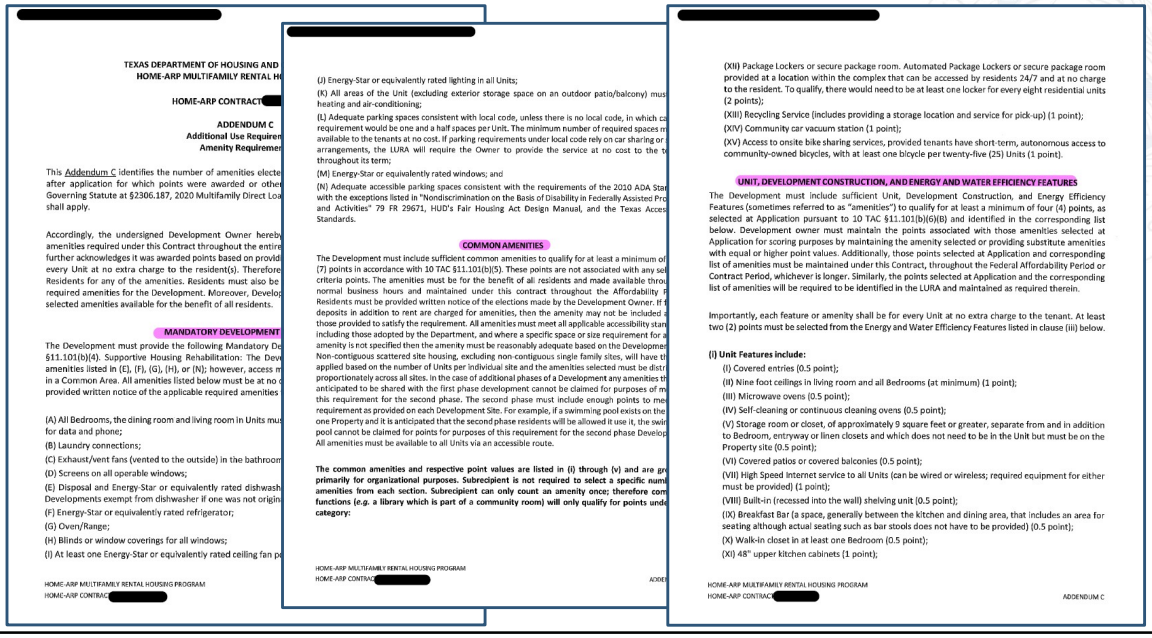
(b) Lease Term. Lease terms must be for one (1) year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant for a Qualifying Unit except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law, or for other good cause. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination or nonrenewal.

(c) Lease Applications. The tenant lease applications must provide a space for applicants to indicate if they are a veteran as required by Section 434.214 of the Texas Government Code. In addition, the application must include the following statement: "Important Information for Former Military Services Members. Women and men who served in any branch of the United States Armed Forces, including Army, Navy, Air Force, Marines, Coast Guard, Reserves or National Guard, may be eligible for additional benefits and services. For more information, please visit the Texas Veterans Portal at https://veterans.portal.texas.gov/.

95

95

LURA: HOME-ARP Amenity Requirements



TEXAS DEPARTMENT OF HOUSING AND
HOME-ARP MULTIFAMILY RENTAL HO

HOME-ARP CONTRACT

ADDENDUM C
Additional Use Requiren
Amenity Requiremen

This Addendum C identifies the number of amenities electe
after application for which points were awarded or othe
Governing Statute at §2306.187, 2020 Multifamily Direct Loa
shall apply.

Accordingly, the undersigned Development Owner hereb
amenities required under this Contract throughout the entire
further acknowledges it was awarded points based on provid
every Unit at no extra charge to the resident(s). Therefore
Residents for any of the amenities. Residents must also be
required amenities for the Development. Moreover, Develop
selected amenities available for the benefit of all residents.

MANDATORY DEVELOPMENT

The Development must provide the following Mandatory De
§11.101(b)(4). Supportive Housing Rehabilitation: The Dev
amenities listed in (E), (F), (G), (H), or (N); however, access m
in a Common Area. All amenities listed below must be at no c
provided written notice of the applicable required amenities

(A) All Bedrooms, the dining room and living room in Units mus
for data and phone;
(B) Laundry connections;
(C) Exhaust/vent fans (vented to the outside) in the bathroom
(D) Screens on all operable windows;
(E) Disposal and Energy-Star or equivalently rated dishwash
Developments exempt from dishwasher if one was not origin
(F) Energy-Star or equivalently rated refrigerator;
(G) Oven/Range;
(H) Blinds or window coverings for all windows;
(I) At least one Energy-Star or equivalently rated ceiling fan p

HOME-ARP MULTIFAMILY RENTAL HOUSING PROGRAM
HOME-ARP CONTRAC

(J) Energy-Star or equivalently rated lighting in all Units;
(K) All areas of the Unit (excluding exterior storage space on an outdoor patio/balcony) mus
heating and air-conditioning;
(L) Adequate parking spaces consistent with local code, unless there is no local code, in which ca
requirement would be one and a half spaces per Unit. The minimum number of required spaces m
available to the tenants at no cost. If parking requirements under local code rely on car sharing or
arrangements, the LURA will require the Owner to provide the service at no cost to the t
throughout its term;
(M) Energy-Star or equivalently rated windows; and
(N) Adequate accessible parking spaces consistent with the requirements of the 2010 ADA Stan
with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Pro
and Activities" 79 FR 29671, HUD's Fair Housing Act Design Manual, and the Texas Acces
Standards.

COMMON AMENITIES

The Development must include sufficient common amenities to qualify for at least a minimum of
(7) points in accordance with 10 TAC §11.101(b)(5). These points are not associated with any se
criteria points. The amenities must be for the benefit of all residents and made available throu
normal business hours and maintained under this contract throughout the Affordability P
Residents must be provided written notice of the elections made by the Development Owner. If
deposits in addition to rent are charged for amenities, then the amenity may not be included
those provided to satisfy the requirement. All amenities must meet all applicable accessibility stan
including those adopted by the Department, and where a specific space or size requirement for a
amenity is not specified then the amenity must be reasonably adequate based on the Developme
Non-contiguous scattered site housing, excluding non-contiguous single family sites, will have th
applied based on the number of Units per individual site and the amenities selected must be distr
proportionately across all sites. In the case of additional phases of a Development any amenities th
anticipated to be shared with the first phase development cannot be claimed for purposes of m
this requirement for the second phase. The second phase must include enough points to me
requirement as provided on each Development Site. For example, if a swimming pool exists on the
one Property and it is anticipated that the second phase residents will be allowed it use it, the swi
pool cannot be claimed for points for purposes of this requirement for the second phase Develop
All amenities must be available to all Units via an accessible route.

**The common amenities and respective point values are listed in (i) through (v) and are gr
primarily for organizational purposes. Subrecipient is not required to select a specific num
amenities from each section. Subrecipient can only count an amenity once; therefore com
functions (e.g. a library which is part of a community room) will only qualify for points unde
category:**

HOME-ARP MULTIFAMILY RENTAL HOUSING PROGRAM
HOME-ARP CONTRAC
ADDE

(XII) Package Lockers or secure package room. Automated Package Lockers or secure package room provided at a location within the complex that can be accessed by residents 24/7 and at no charge to the resident. To qualify, there would need to be at least one locker for every eight residential units (2 points);
(XIII) Recycling Service (includes providing a storage location and service for pick-up) (1 point);
(XIV) Community car vacuum station (1 point);
(XV) Access to onsite bike sharing services, provided tenants have short-term, autonomous access to community-owned bicycles, with at least one bicycle per twenty-five (25) Units (1 point).

UNIT, DEVELOPMENT CONSTRUCTION, AND ENERGY AND WATER EFFICIENCY FEATURES

The Development must include sufficient Unit, Development Construction, and Energy Efficiency Features (sometimes referred to as "amenities") to qualify for at least a minimum of four (4) points, as selected at Application pursuant to 10 TAC §11.101(b)(6)(B) and identified in the corresponding list below. Development owner must maintain the points associated with those amenities selected at Application for scoring purposes by maintaining the amenity selected or providing substitute amenities with equal or higher point values. Additionally, those points selected at Application and corresponding list of amenities must be maintained under this Contract, throughout the Federal Affordability Period or Contract Period, whichever is longer. Similarly, the points selected at Application and the corresponding list of amenities will be required to be identified in the LURA and maintained as required therein.

Importantly, each feature or amenity shall be for every Unit at no extra charge to the tenant. At least two (2) points must be selected from the Energy and Water Efficiency Features listed in clause (iii) below.

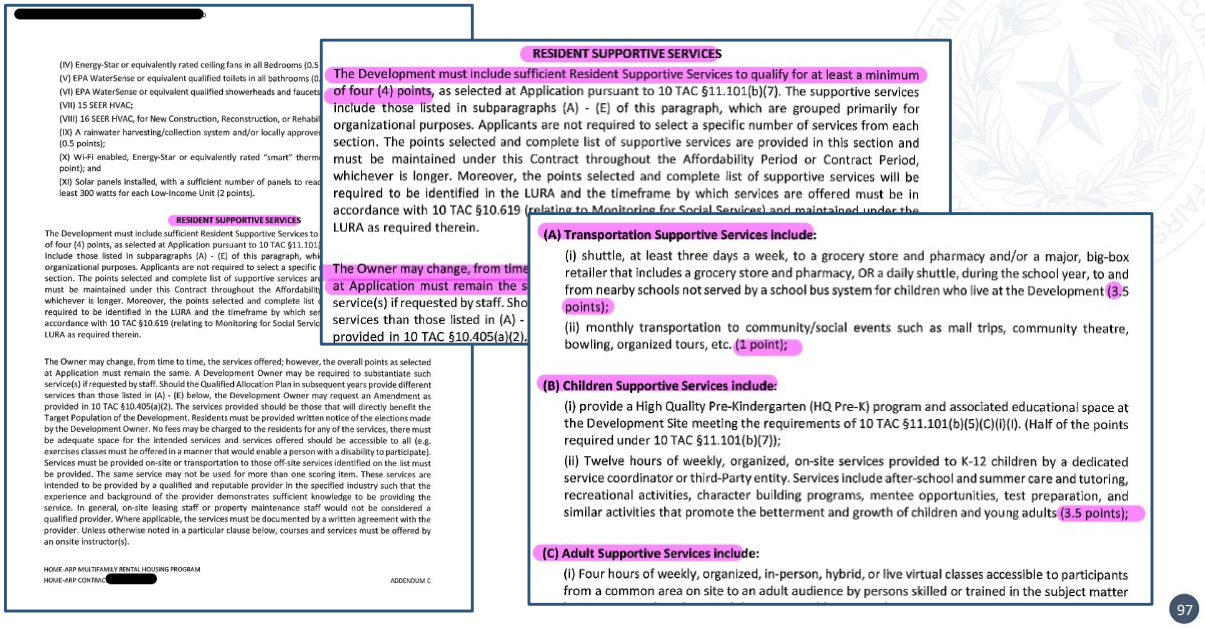
(i) Unit Features include:
(I) Covered entries (0.5 point);
(II) Nine foot ceilings in living room and all Bedrooms (at minimum) (1 point);
(III) Microwave ovens (0.5 point);
(IV) Self-cleaning or continuous cleaning ovens (0.5 point);
(V) Storage room or closet, of approximately 9 square feet or greater, separate from and in addition to Bedroom, entryway or linen closets and which does not need to be in the Unit but must be on the Property site (0.5 point);
(VI) Covered patios or covered balconies (0.5 point);
(VII) High Speed Internet service to all Units (can be wired or wireless; required equipment for either must be provided) (1 point);
(VIII) Built-in (recessed into the wall) shelving unit (0.5 point);
(IX) Breakfast Bar (a space, generally between the kitchen and dining area, that includes an area for seating although actual seating such as bar stools does not have to be provided) (0.5 point);
(X) Walk-in closet in at least one Bedroom (0.5 point);
(XI) 48" upper kitchen cabinets (1 point);

HOME-ARP MULTIFAMILY RENTAL HOUSING PROGRAM
HOME-ARP CONTRAC
ADDENDUM C

96

96

LURA: HOME-ARP Resident Supportive Services



RESIDENT SUPPORTIVE SERVICES

The Development must include sufficient Resident Supportive Services to qualify for at least a minimum of four (4) points, as selected at Application pursuant to 10 TAC §11.101(b)(7). The supportive services include those listed in subparagraphs (A) - (E) of this paragraph, which are grouped primarily for organizational purposes. Applicants are not required to select a specific number of services from each section. The points selected and complete list of supportive services are provided in this section and must be maintained under this Contract throughout the Affordability Period or Contract Period, whichever is longer. Moreover, the points selected and complete list of supportive services will be required to be identified in the LURA and the timeframe by which services are offered must be in accordance with 10 TAC §10.619 (relating to Monitoring for Social Services) and maintained under the LURA as required therein.

The Owner may change, from time to time, the services offered; however, the overall points as selected at Application must remain the same. A Development Owner may be required to substantiate such service(s) if requested by staff. Should the Qualified Allocation Plan in subsequent years provide different services than those listed in (A) - (E) below, the Development Owner may request an Amendment as provided in 10 TAC §10.405(a)(2). The services provided should be those that will directly benefit the Target Population of the Development. Residents must be provided written notice of the elections made by the Development Owner. No fees may be charged to the residents for any of the services, there must be adequate space for the intended services and services offered should be accessible to all (e.g. exercises classes must be offered in a manner that would enable a person with a disability to participate). Services must be provided on-site or transportation to those off-site services identified on the list must be provided. The same service may not be used for more than one scoring item. These services are intended to be provided by a qualified and reputable provider in the specified industry such that the experience and background of the provider demonstrates sufficient knowledge to be providing the service. In general, on-site leasing staff or property maintenance staff would not be considered a qualified provider. Where applicable, the services must be documented by a written agreement with the provider. Unless otherwise noted in a particular clause below, courses and services must be offered by an onsite instructor(s).

(A) Transportation Supportive Services include:

(i) shuttle, at least three days a week, to a grocery store and pharmacy and/or a major, big-box retailer that includes a grocery store and pharmacy, OR a daily shuttle, during the school year, to and from nearby schools not served by a school bus system for children who live at the Development (3.5 points);

(ii) monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point);

(B) Children Supportive Services include:

(i) provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site meeting the requirements of 10 TAC §11.101(b)(5)(C)(i)(I). (Half of the points required under 10 TAC §11.101(b)(7));

(ii) Twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-Party entity. Services include after-school and summer care and tutoring, recreational activities, character building programs, mentee opportunities, test preparation, and similar activities that promote the betterment and growth of children and young adults (3.5 points);

(C) Adult Supportive Services include:

(i) Four hours of weekly, organized, in-person, hybrid, or live virtual classes accessible to participants from a common area on site to an adult audience by persons skilled or trained in the subject matter

97

97

LURA: HOME-ARP Requirement Options

Marketing to Homeless Service Providers

- Owner may actively market available Qualified Population Units to the Continuum of Care (CoC) lead agency or local homeless service provider at least annually for the affordability period.

Mitigation Factors

- Owner may have a tenant selection plan that will have screening criteria to allow for mitigation of two or more issues common to the homeless or at-risk of homelessness population, such as not denying tenants based on credit history, prior rental payment history, or eviction at property owned/managed by the Owner. The tenant selection plan with the mitigation factors must be in effect during the federal compliance period.

All Bills Paid

- Owner may provide all bills paid units in the Development. Bills to be paid include heating, cooking, any other electric, air conditioning, water heater, water, sewer, trash, and any other occupancy fee(s) charged to each tenant at the Development.

98

98

LURA: HOME-ARP Holding Units Vacant Option

- Owner will hold vacant either 30% or 20% of Qualified Population Units for persons experiencing homelessness, and persons formerly homeless but housed with temporary resources.
  - The percentage depends on the points selected by the Owner during application for HOME-ARP funding.
- At initial lease-up: ninety-day period to hold units vacant or fill with homeless/formerly homeless but housed with temporary resources
- If a HOME-ARP Unit becomes available: sixty-day period to hold units vacant or fill with homeless/formerly homeless but housed with temporary resources.
- If units not filled after ninety-day/sixty-day periods, Units will not have to be held vacant; Owner will be required to specifically market Units to persons exiting homelessness.

99

99

LURA: HOME-ARP Requirements

Qualified Population (QP) Criteria

- QP Reporting; CTMS is going to have specific fields for types of QPs. It's not going to be enough to just say "QP" or "low-income."

Tenant portion payment for QP households

- HOME-ARP QP households only pay 30% of their income toward rent (exceptions in year 2+ for re-certification if their income goes up)

Project based waitlist and preferences

- So far, all HOME-ARP developments have elected to use a project-based waitlist
- Preferences must be ranked correctly; there cannot be two waitlists

100

100

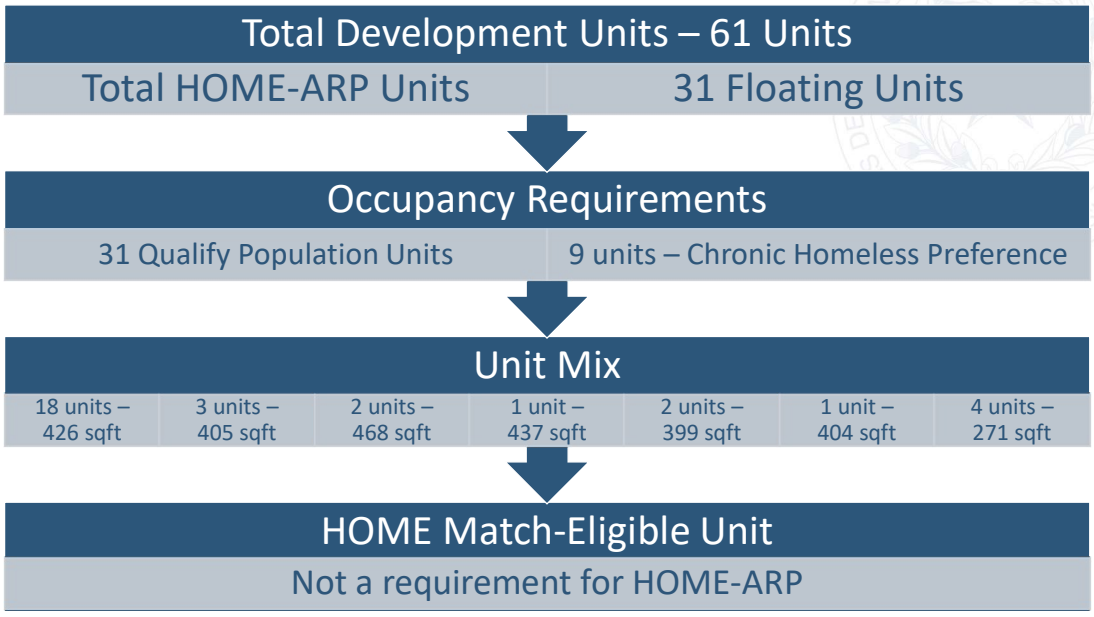
HOME-ARP Program Resources

- **HOME-ARP Trainings**: https://www.youtube.com/playlist?list=PLIW-C-0ioJwSHsNVWN2gYOkTdySmjwOFS
- **Qualified Population Training**: https://www.youtube.com/watch?v=m_0QSKUGiQk
- **HOME-ARP Department Website**: https://www.tdhca.texas.gov/programs/home-american-rescue-plan
- For updates, please subscribe to "Homelessness Issues, Programs and Policies" topic on **the Texas Department of Housing and Community Affairs' email list**: http://maillist.tdhca.state.tx.us/list/subscribe.html;jsessionid=ECEE31A29C74BC504CEE164376D58A0F?lui=f9mu0g2g&mContainer=2&mOwner=G382s2w2r2p
- Please direct **questions or comments** to naomi.cantu@tdhca.texas.gov

101

101

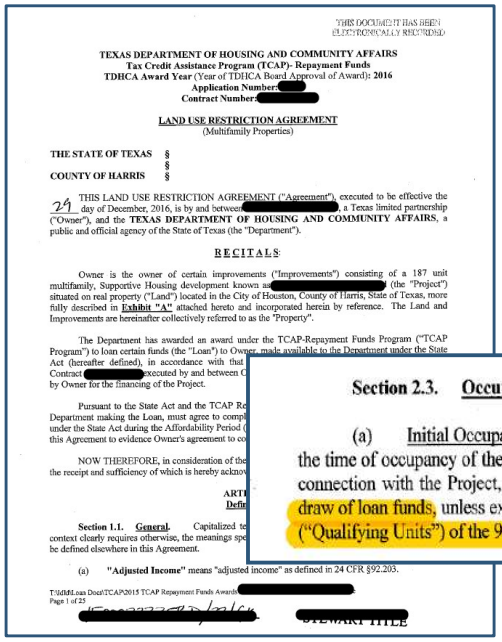
LURA: HOME-ARP Recap



102

102

LURA: Tax Credit Assistance Program – Repayment Funds (TCAP-RF)



THIS DOCUMENT HAS BEEN ELECTRONICALLY RECORDED

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Tax Credit Assistance Program (TCAP)- Repayment Funds
TDHCA Award Year (Year of TDHCA Board Approval of Award)**: 2016**
Application Number: [redacted]
Contract Number: [redacted]

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

THIS LAND USE RESTRICTION AGREEMENT ("Agreement"), executed to be effective the 29 day of December, 2016, is by and between [redacted], a Texas limited partnership ("Owner"), and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the "Department").

RECITALS:

Owner is the owner of certain improvements ("Improvements") consisting of a 187 unit multifamily, Supportive Housing development known as [redacted] (the "Project") situated on real property ("Land") located in the City of Houston, County of Harris, State of Texas, more fully described in **Exhibit "A"** attached hereto and incorporated herein by reference. The Land and Improvements are hereinafter collectively referred to as the "Property".

The Department has awarded an award under the TCAP-Repayment Funds Program ("TCAP Program") to loan certain funds (the "Loan") to Owner, made available to the Department under the State Act (hereafter defined), in accordance with that [redacted] executed by and between [redacted] by Owner for the financing of the Project.

Pursuant to the State Act and the TCAP Re[redacted] Department making the Loan, must agree to compl[redacted] under the State Act during the Affordability Period ([redacted] this Agreement to evidence Owner's agreement to co[redacted]

NOW THEREFORE, in consideration of the[redacted] the receipt and sufficiency of which is hereby acknow[redacted]

ARTI[redacted] Defini[redacted]

Section 1.1. General. Capitalized te[redacted] context clearly requires otherwise, the meanings spe[redacted] be defined elsewhere in this Agreement.

(a) **"Adjusted Income"** means "adjusted income" as defined in 24 CFR §92.203.

T:\MFLoan Docs\TCAP\2015 TCAP Repayment Funds Awards[redacted]
Page 1 of 25

[redacted] SIGNATURE TITLE

Section 2.3. Occupancy Requirements.

(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the TCAP-RF Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of loan funds, unless extended in accordance with 10 TAC §13.11(j), Owner must set aside 50 Units ("Qualifying Units") of the 96 Units that comply with the following occupancy requirements:

TCAP-RF assisted units within 6 months following project completion must be occupied by an income eligible household and meet all requirements – Request to extend the six-month initial occupancy period must be accompanied by marketing information and a marketing plan which may be submitted by the Department to HUD for final approval.

103

103

LURA: TCAP-RF Occupancy Requirements

govern the TCAP Program; the Uniform Multifamily Rules (Title 10 Chapter 10 of the Texas Administrative Code) and the Multifamily Programs Procedures Manual.

(bb) **"Term"** means the period commencing on the effective date of this Agreement and ending on the date which is thirty (30) years from the effective date of this Agreement.

(cc) **"Transitional Housing"** Not applicable.

(dd) **"Unit"** means a residential accommodation constituting a part of the Property and containing separate and complete living facilities.

(ee) **"Utility Allowance"** means a monthly allowance for utilities and services (excluding internet and telephone) to be paid by the tenant, which monthly allowance is provided by the local public housing authority or as determined by the Department annually and from time to time.

(ff) **"Very Low Income Families"** means families and individuals whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income, or as otherwise determined by the Department.

Section 1.2. Generic Term[redacted] appropriate the singular shall include [redacted] vice versa, to the extent necessary to [redacted] used in this Agreement their proper m[redacted]

Use and Occupancy of the Property

Section 2.1. Use of the Property. During the Term, Owner will maintain the Property as rental housing and will rent or hold available for rental each Unit on a continuous basis in order to meet the occup[redacted]

Se[redacted] including, [redacted] exclusive[redacted]

Se[redacted]

(a) [redacted] the time [redacted] connectio[redacted] 187 Units[redacted]

T:\MFLoan Docs\TCAP\2015 TCAP Repayment Funds Awards[redacted]
Page 5 of 25

(b) Long Term Occupancy Requirements. Subject to subsection (a) of this Section 2.3, during the Affordability Period, beginning no later than six (6) months from the date the Project is completed, Owner will make available for occupancy to:

Extremely Low Income Families whose Annual Incomes do not exceed thirty percent (30%) of the Area Median Income all 11 Units of the 11 Qualifying Units and the Qualifying Units cannot be Units that have other rental assistance except if no other Unit is available for an applicant with a tenant-based voucher.

(2) [redacted] 8 Units of the Qualifying Units with 2 bedrooms and 2 baths and Net Rentable

(k) **"Extremely Low Income Families"** means families and individuals whose Annual Incomes do not exceed thirty percent (30%) of the Area Median Income in the area in which the Property is located, as determined by the Department in accordance with the State Act.

Disability in Federally Assisted Programs and Activities" *Federal Register 79 FR 29671* and at least two percent (2%) of the Qualifying Units will be designed and built to be accessible to persons with vision and hearing impairments.

[redacted] for Low Income Families, Very Low Income [redacted] nit sizes in proportion to the distribution of unit [redacted] ncome Families, Very Low Income Families and [redacted] e Property.

Section 2.3. Occupancy Requirements.

(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the TCAP Program in connection with the Project, whichever is later, Owner must set aside 11 Units ("Qualifying Units") of the 187 Units that comply with the following occupancy requirements:

All 11 Units of the 11 Qualifying Units constructed with funds provided under the TCAP Program must be occupied by Extremely Low Income Families and the Qualifying Units cannot be Units that have other rental assistance except if no other Unit is available for an applicant with a tenant-based voucher.

under "Section 504 of the Rehabilitation Act [redacted] in Title 10, Part 1, Chapter 1, Subchapter B of

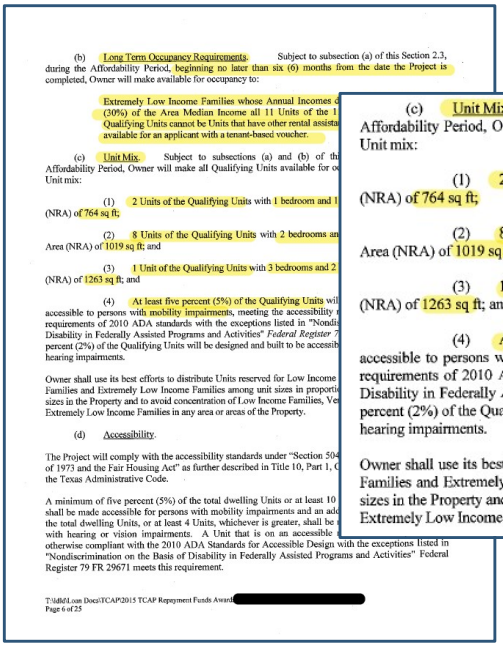
[redacted] Units or at least 10 Units, whichever is greater, [redacted] airments and an additional two percent (2%) of [redacted] is greater, shall be made accessible for persons [redacted] on an accessible route and is adaptable and [redacted] Accessible Design with the exceptions listed in [redacted] ally Assisted Programs and Activities" Federal

T:\MFLoan Docs\TCAP\2015 TCAP Repayment Funds Awards[redacted]
Page 6 of 25

104

104

LURA: TCAP-RF Unit Mix Requirements



(c) Unit Mix. Subject to subsections (a) and (b) of this Section 2.3, during the Affordability Period, Owner will make all Qualifying Units available for occupancy with the following Unit mix:

(1) 2 Units of the Qualifying Units with 1 bedroom and 1 bath and Net Rentable Area (NRA) of 764 sq ft;

(2) 8 Units of the Qualifying Units with 2 bedrooms and 2 baths and Net Rentable Area (NRA) of 1019 sq ft; and

(3) 1 Unit of the Qualifying Units with 3 bedrooms and 2 baths and Net Rentable Area (NRA) of 1263 sq ft; and

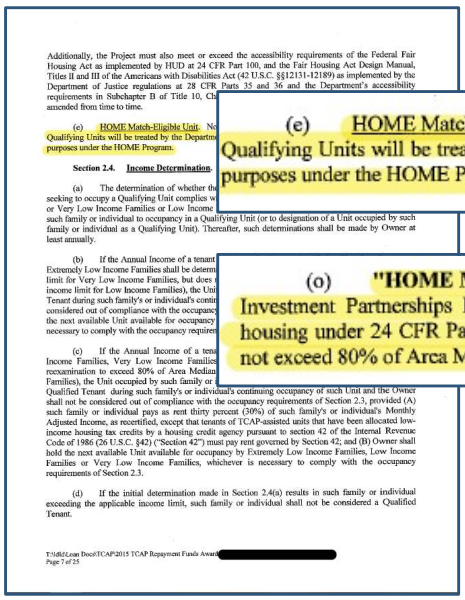
(4) At least five percent (5%) of the Qualifying Units will be designed and built to be accessible to persons with mobility impairments, meeting the accessibility requirements of construction requirements of 2010 ADA standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register 79 FR 29671* and at least two percent (2%) of the Qualifying Units will be designed and built to be accessible to persons with vision and hearing impairments.

Owner shall use its best efforts to distribute Units reserved for Low Income Families, Very Low Income Families and Extremely Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Low Income Families, Very Low Income Families and Extremely Low Income Families in any area or areas of the Property.

105

105

LURA: TCAP-RF Match-Eligible Unit



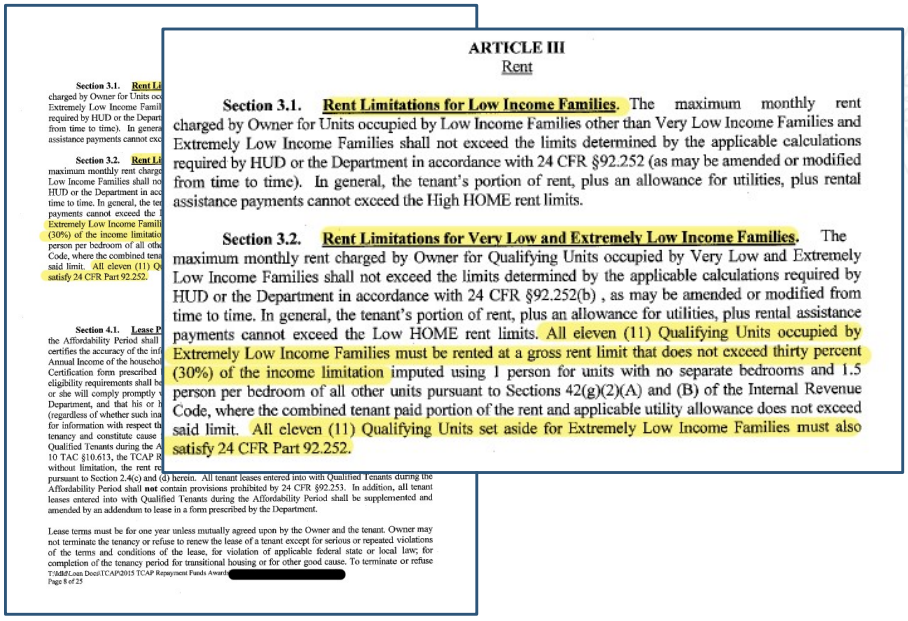
(e) HOME Match-Eligible Unit. Notwithstanding anything herein to the contrary, all 11 Qualifying Units will be treated by the Department as HOME Match-Eligible Units for the Department's purposes under the HOME Program.

(o) **"HOME Match-Eligible Unit"** means a Qualifying Unit that is not assisted with HOME Investment Partnerships Program ("HOME Program") funds, but would qualify as affordable rental housing under 24 CFR Part 252 (a Unit occupied by families and individuals whose Annual Incomes do not exceed 80% of Area Median Income) and that is eligible for match under 24 CFR Part 92.

106

106

LURA: TCAP-RF Rent Limitations



ARTICLE III
Rent

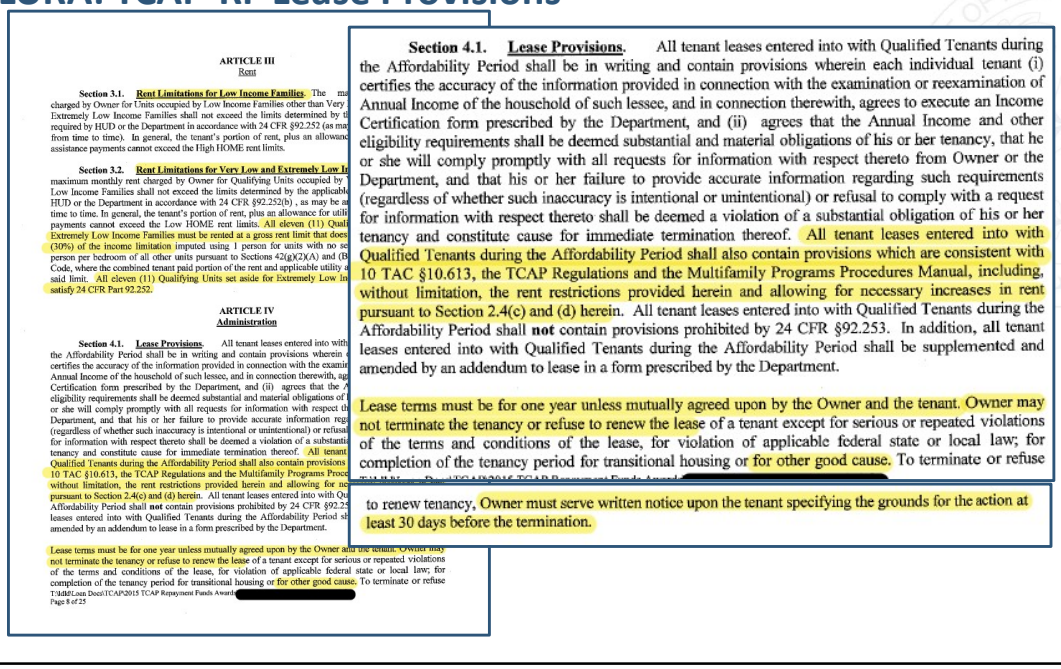
Section 3.1. Rent Limitations for Low Income Families. The maximum monthly rent charged by Owner for Units occupied by Low Income Families other than Very Low Income Families and Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252 (as may be amended or modified from time to time). In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the High HOME rent limits.

Section 3.2. Rent Limitations for Very Low and Extremely Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Very Low and Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252(b) , as may be amended or modified from time to time. In general, the tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the Low HOME rent limits. All eleven (11) Qualifying Units occupied by Extremely Low Income Families must be rented at a gross rent limit that does not exceed thirty percent (30%) of the income limitation imputed using 1 person for units with no separate bedrooms and 1.5 person per bedroom of all other units pursuant to Sections 42(g)(2)(A) and (B) of the Internal Revenue Code, where the combined tenant paid portion of the rent and applicable utility allowance does not exceed said limit. All eleven (11) Qualifying Units set aside for Extremely Low Income Families must also satisfy 24 CFR Part 92.252.

107

107

LURA: TCAP-RF Lease Provisions



Section 4.1. Lease Provisions. All tenant leases entered into with Qualified Tenants during the Affordability Period shall be in writing and contain provisions wherein each individual tenant (i) certifies the accuracy of the information provided in connection with the examination or reexamination of Annual Income of the household of such lessee, and in connection therewith, agrees to execute an Income Certification form prescribed by the Department, and (ii) agrees that the Annual Income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof. All tenant leases entered into with Qualified Tenants during the Affordability Period shall also contain provisions which are consistent with 10 TAC §10.613, the TCAP Regulations and the Multifamily Programs Procedures Manual, including, without limitation, the rent restrictions provided herein and allowing for necessary increases in rent pursuant to Section 2.4(c) and (d) herein. All tenant leases entered into with Qualified Tenants during the Affordability Period shall **not** contain provisions prohibited by 24 CFR §92.253. In addition, all tenant leases entered into with Qualified Tenants during the Affordability Period shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law; for completion of the tenancy period for transitional housing or for other good cause. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination.

108

108

LURA: TCAP-RF Recap

Total Development Units – 187 Units

Total TCAP-RF Units	11 Floating Units

↓

Occupancy Requirements

11 units - 30% AMI and Rent Restriction

↓

Unit Mix

2 units – 1x1 – 764 sqft	1 units – 2x2 – 1,019 sqft	5 units – 3x2 – 1,263 sqft

↓

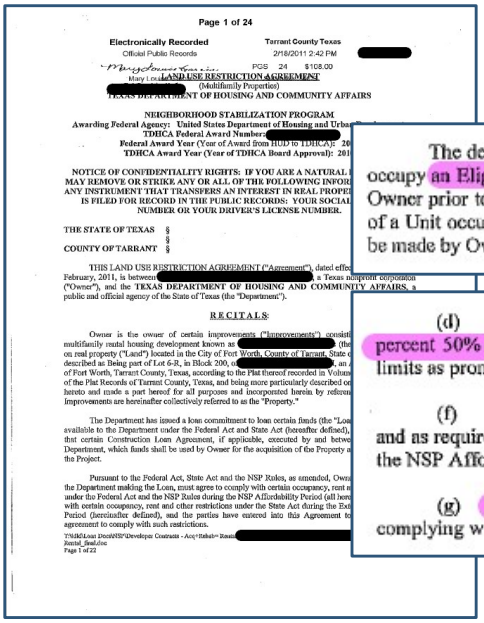
HOME Match-Eligible Unit

All 11 units

109

109

LURA: NSP Occupancy Requirements



Page 1 of 24

Electronically Recorded
Official Public Records
Tarrant County Texas
2/18/2011 2:42 PM
PGS 24 $108.00

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

NEIGHBORHOOD STABILIZATION PROGRAM

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS §
§
COUNTY OF TARRANT §

THIS LAND USE RESTRICTION AGREEMENT ("Agreement"), dated effective February, 2011, is between [redacted], a Texas nonprofit corporation ("Owner"), and the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (the "Department").

RECITALS:

Owner is the owner of certain improvements ("Improvements") consisting of a multifamily rental housing development known as [redacted] on real property ("Land") located in the City of Fort Worth, County of Tarrant, State of Texas, described as Being part of Lot 6-R, in Block 200, [redacted], an addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat thereof recorded in Volume [redacted] of the Plat Records of Tarrant County, Texas, and being more particularly described on Exhibit A hereto and made a part hereof for all purposes and incorporated herein by reference. The Land and Improvements are hereinafter collectively referred to as the "Property."

The Department has issued a loan commitment to loan certain funds (the "Loan") available to the Department under the Federal Act and State Act (hereafter defined), pursuant to that certain Construction Loan Agreement, if applicable, executed by and between Owner and the Department, which funds shall be used by Owner for the acquisition of the Property and construction of the Project.

Pursuant to the Federal Act, State Act and the NSP Rules, as amended, Owner has requested the Department making the Loan, must agree to comply with certain occupancy, rent and other restrictions under the Federal Act and the NSP Rules during the NSP Affordability Period (all hereinafter defined) and with certain occupancy, rent and other restrictions under the State Act during the Extended Use Period (hereinafter defined), and the parties have entered into this Agreement to set forth their agreement to comply with such restrictions.

[redacted]\NSP\Developm Contracts - Acq+Rehab+ Rental\NSP Rental_final.doc
Page 1 of 22

The determination of whether the annual income of a family or individual occupying or seeking to occupy an Eligible Unit complies with the requirements for Eligible Tenant under NSP shall be made by Owner prior to admission of such family or individual to occupancy in a Eligible Unit (or to designation of a Unit occupied by such family or individual as a Eligible Unit). Thereafter, such determinations shall be made by Owner at any time a new and eligible tenant occupies an Eligible Unit.

(d) **"Eligible Tenant"** means an individual or family whose income does not exceed fifty percent 50% of area median income per household size according to the most current NSP income limits as promulgated by HUD.

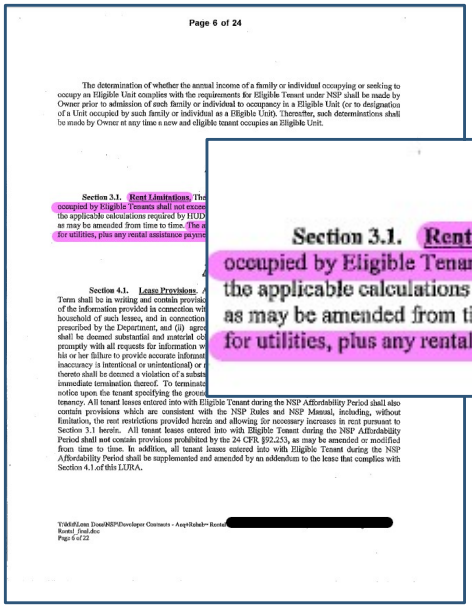
(f) **"Extended Affordability Period"** means the Term of the agreement as defined herein and as required by the Department in accordance with the State Act which is an additional 15 years to the NSP Affordability Period as stated in TEX. GOV'T CODE § 2306.185.

(g) **"Eligible Unit"** means a unit that is rented to a Eligible Tenant and is used in complying with the occupancy requirements of Article II of this Agreement.

110

110

LURA: NSP Rent Limitations



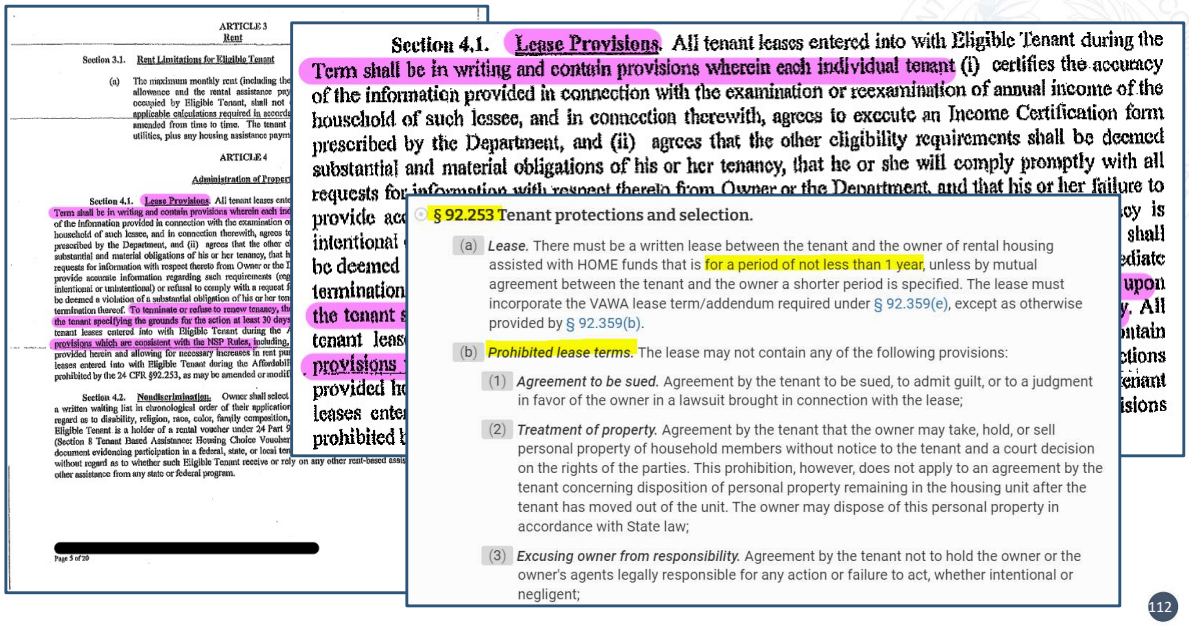
ARTICLE III
Rent

Section 3.1. Rent Limitations. The maximum monthly rent charged by Owner for Units occupied by Eligible Tenants shall not exceed the low HOME rents including the costs determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252, as may be amended from time to time. The amount of rent paid by the household, plus an allowance for utilities, plus any rental assistance payment must be less than the applicable limit.

111

111

LURA: NSP Lease Provisions



Section 4.1. Lease Provisions. All tenant leases entered into with Eligible Tenant during the Term shall be in writing and contain provisions wherein each individual tenant (i) certifies the accuracy of the information provided in connection with the examination or reexamination of annual income of the household of such lessee, and in connection therewith, agrees to execute an Income Certification form prescribed by the Department, and (ii) agrees that the other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to

§ 92.253 Tenant protections and selection.

(a) *Lease.* There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified. The lease must incorporate the VAWA lease term/addendum required under § 92.359(e), except as otherwise provided by § 92.359(b).

(b) *Prohibited lease terms.* The lease may not contain any of the following provisions:

(1) *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;

(2) *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

112

112

LURA: NSP Recap

Total Development Units – 138 Units

Total NSP Units | 138 Floating Units

Occupancy Requirements

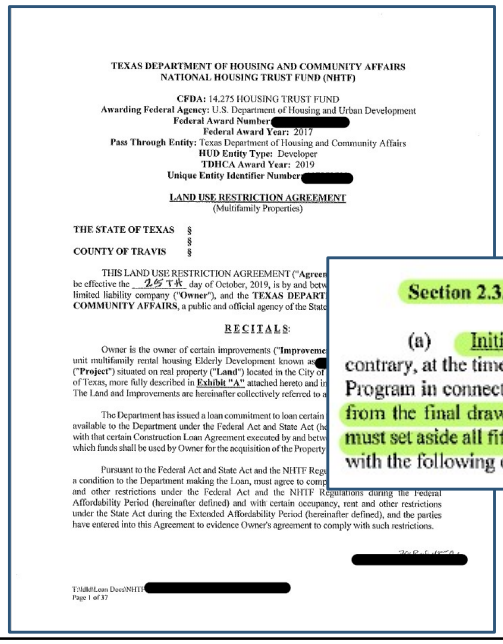
138 units - 50% AMI/Low HOME Rent

No Unit Mix regulation within the LURA

113

113

LURA: National Housing Trust Fund (NHTF)



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
NATIONAL HOUSING TRUST FUND (NHTF)

CFDA: 14.275 HOUSING TRUST FUND
Awarding Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: [redacted]
Federal Award Year: 2017
Pass Through Entity: Texas Department of Housing and Community Affairs
HUD Entity Type: Developer
TDHCA Award Year: 2019
Unique Entity Identifier Number: [redacted]

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

THIS LAND USE RESTRICTION AGREEMENT ("Agreem
be effective the 25TH day of October, 2019, is by and betw
limited liability company ("**Owner**"), and the **TEXAS DEPART**
COMMUNITY AFFAIRS, a public and official agency of the State

RECITALS:

Owner is the owner of certain improvements ("**Improveme**
unit multifamily rental housing Elderly Development known as [redacted]
("**Project**") situated on real property ("**Land**") located in the City of [redacted]
of Texas, more fully described in **Exhibit "A"** attached hereto and in
The Land and Improvements are hereinafter collectively referred to a

The Department has issued a loan commitment to loan certain
available to the Department under the Federal Act and State Act (ha
with that certain Construction Loan Agreement executed by and betw
which funds shall be used by Owner for the acquisition of the Property

Pursuant to the Federal Act and State Act and the NHTF Regu
a condition to the Department making the Loan, must agree to comp
and other restrictions under the Federal Act and the NHTF Regulations during the Federal
Affordability Period (hereinafter defined) and with certain occupancy, rent and other restrictions
under the State Act during the Extended Affordability Period (hereinafter defined), and the parties
have entered into this Agreement to evidence Owner's agreement to comply with such restrictions.

[redacted]

T:\Multifi\Loans Docs\NHTF
Page 1 of 37

Section 2.3. Occupancy Requirements.

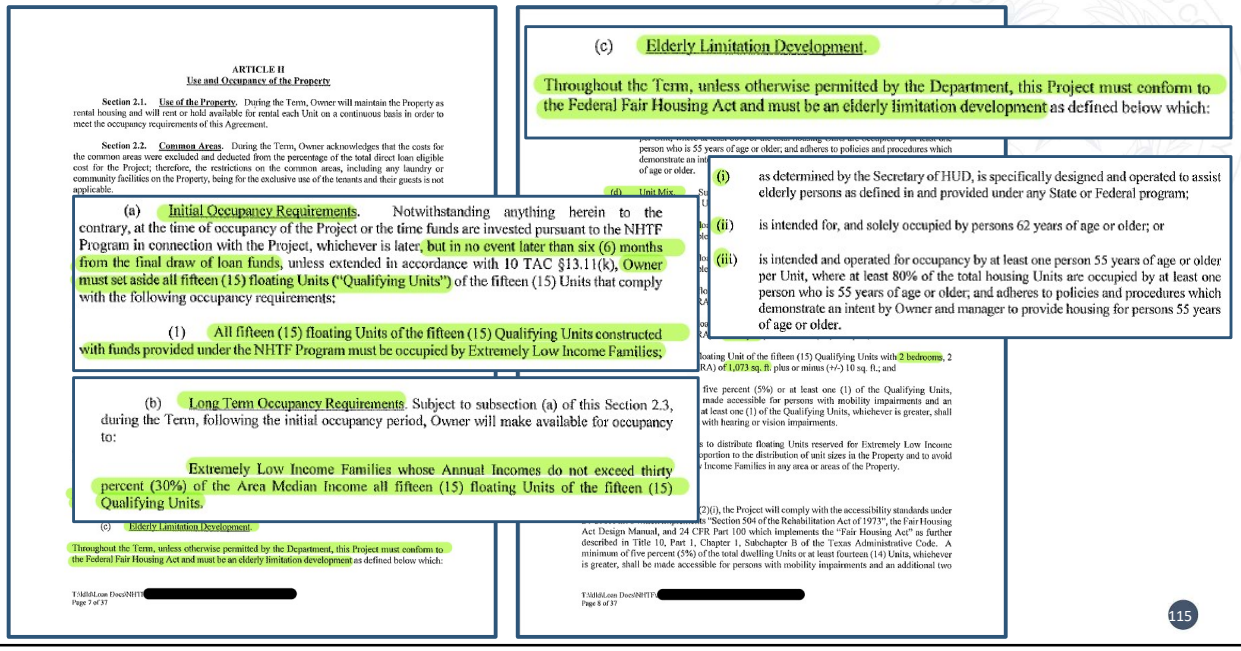
(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the NHTF Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of loan funds, unless extended in accordance with 10 TAC §13.11(k), Owner must set aside all fifteen (15) floating Units ("Qualifying Units") of the fifteen (15) Units that comply with the following occupancy requirements:

National Housing Trust Fund (NHTF), within 6 months following project completion must be occupied by an income eligible household and meet all requirements. If not.

114

114

LURA: NHTF Occupancy Requirements



ARTICLE II
Use and Occupancy of the Property

Section 2.1. Use of the Property. During the Term, Owner will maintain the Property as rental housing and will rent or hold available for rental each Unit on a continuous basis in order to meet the occupancy requirements of this Agreement.

Section 2.2. Common Areas. During the Term, Owner acknowledges that the costs for the common areas were excluded and deducted from the percentage of the total direct loan eligible cost for the Project; therefore, the restrictions on the common areas, including any laundry or community facilities on the Property, being for the exclusive use of the tenants and their guests is not applicable.

(a) Initial Occupancy Requirements. Notwithstanding anything herein to the contrary, at the time of occupancy of the Project or the time funds are invested pursuant to the NHTF Program in connection with the Project, whichever is later, but in no event later than six (6) months from the final draw of loan funds, unless extended in accordance with 10 TAC §13.11(k), Owner must set aside all fifteen (15) floating Units ("Qualifying Units") of the fifteen (15) Units that comply with the following occupancy requirements:

(1) All fifteen (15) floating Units of the fifteen (15) Qualifying Units constructed with funds provided under the NHTF Program must be occupied by Extremely Low Income Families;

(b) Long Term Occupancy Requirements. Subject to subsection (a) of this Section 2.3, during the Term, following the initial occupancy period, Owner will make available for occupancy to:

Extremely Low Income Families whose Annual Incomes do not exceed thirty percent (30%) of the Area Median Income all fifteen (15) floating Units of the fifteen (15) Qualifying Units.

(c) Elderly Limitation Development.

Throughout the Term, unless otherwise permitted by the Department, this Project must conform to the Federal Fair Housing Act and must be an elderly limitation development as defined below which:

(i) as determined by the Secretary of HUD, is specifically designed and operated to assist elderly persons as defined in and provided under any State or Federal program;

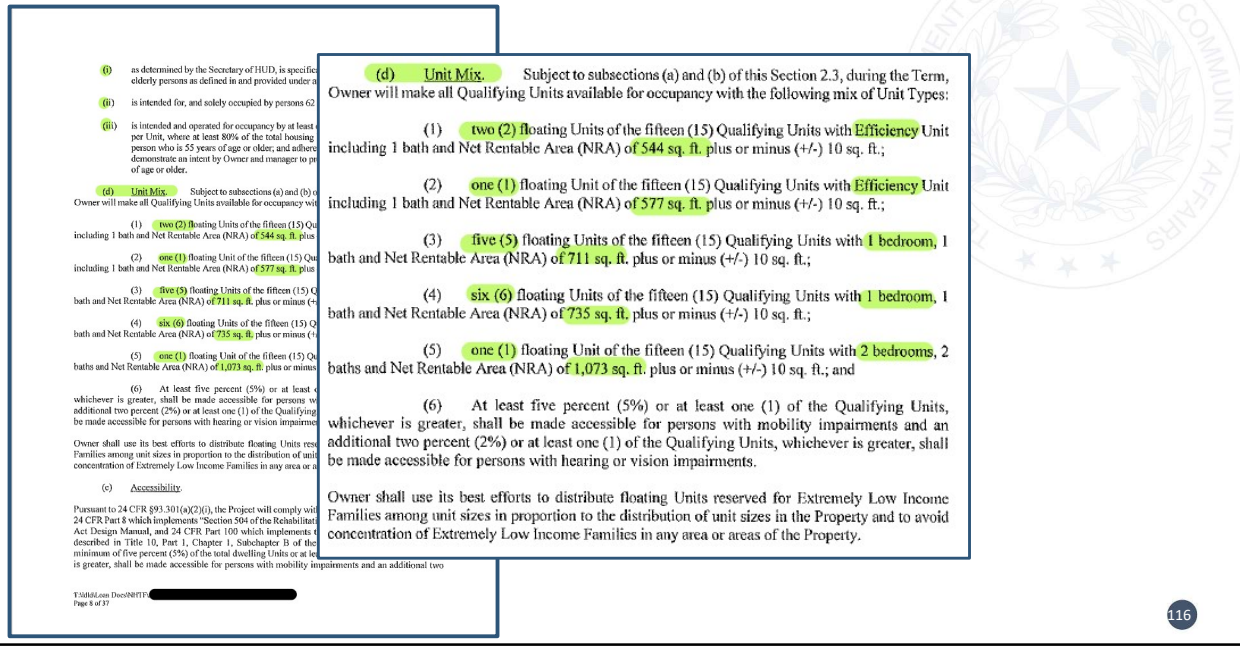
(ii) is intended for, and solely occupied by persons 62 years of age or older; or

(iii) is intended and operated for occupancy by at least one person 55 years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one person who is 55 years of age or older; and adheres to policies and procedures which demonstrate an intent by Owner and manager to provide housing for persons 55 years of age or older.

115

115

LURA: NHTF Unit Mix Requirements



(d) Unit Mix. Subject to subsections (a) and (b) of this Section 2.3, during the Term, Owner will make all Qualifying Units available for occupancy with the following mix of Unit Types:

(1) two (2) floating Units of the fifteen (15) Qualifying Units with Efficiency Unit including 1 bath and Net Rentable Area (NRA) of 544 sq. ft. plus or minus (+/-) 10 sq. ft.;

(2) one (1) floating Unit of the fifteen (15) Qualifying Units with Efficiency Unit including 1 bath and Net Rentable Area (NRA) of 577 sq. ft. plus or minus (+/-) 10 sq. ft.;

(3) five (5) floating Units of the fifteen (15) Qualifying Units with 1 bedroom, 1 bath and Net Rentable Area (NRA) of 711 sq. ft. plus or minus (+/-) 10 sq. ft.;

(4) six (6) floating Units of the fifteen (15) Qualifying Units with 1 bedroom, 1 bath and Net Rentable Area (NRA) of 735 sq. ft. plus or minus (+/-) 10 sq. ft.;

(5) one (1) floating Unit of the fifteen (15) Qualifying Units with 2 bedrooms, 2 baths and Net Rentable Area (NRA) of 1,073 sq. ft. plus or minus (+/-) 10 sq. ft.; and

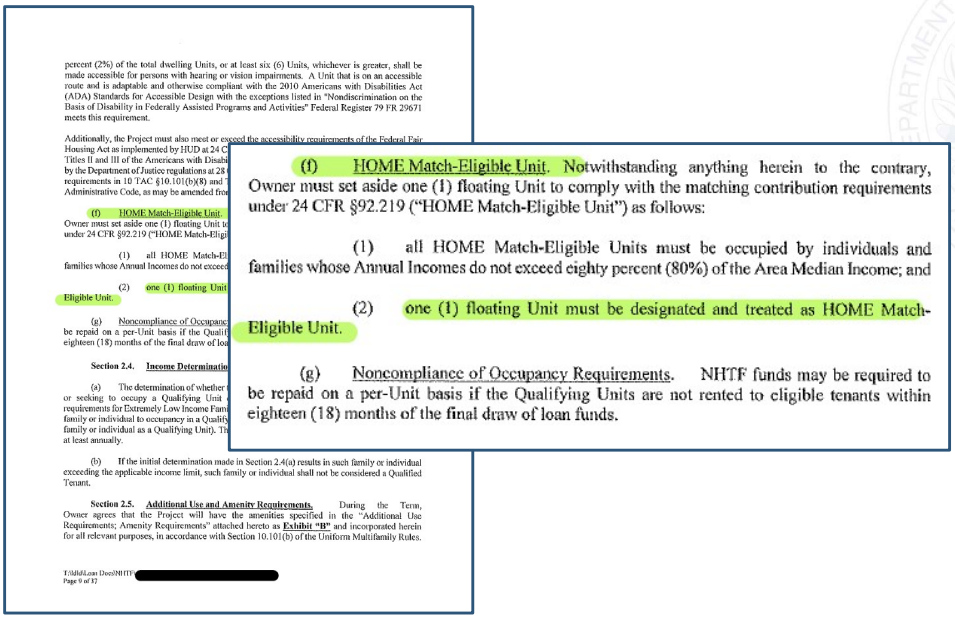
(6) At least five percent (5%) or at least one (1) of the Qualifying Units, whichever is greater, shall be made accessible for persons with mobility impairments and an additional two percent (2%) or at least one (1) of the Qualifying Units, whichever is greater, shall be made accessible for persons with hearing or vision impairments.

Owner shall use its best efforts to distribute floating Units reserved for Extremely Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Extremely Low Income Families in any area or areas of the Property.

116

116

LURA: NHTF Match-Eligible Unit



percent (2%) of the total dwelling Units, or at least six (6) Units, whichever is greater, shall be made accessible for persons with hearing or vision impairments. A Unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 Americans with Disabilities Act (ADA) Standards for Accessible Design with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" Federal Register 79 FR 29671 meets this requirement.

Additionally, the Project must also meet or exceed the accessibility requirements of the Federal Fair Housing Act as implemented by HUD at 24 C
Titles II and III of the Americans with Disabi
by the Department of Justice regulations at 28
requirements in 10 TAC §10.101(b)(8) and
Administrative Code, as may be amended fro

(f) HOME Match-Eligible Unit.
Owner must set aside one (1) floating Unit t
under 24 CFR §92.219 ("HOME Match-Eligi

(1) all HOME Match-El
families whose Annual Incomes do not exceed

(2) one (1) floating Unit
Eligible Unit.

(g) Noncompliance of Occupanc
be repaid on a per-Unit basis if the Qualif
eighteen (18) months of the final draw of loa

Section 2.4. Income Determinatio

(a) The determination of whether
or seeking to occupy a Qualifying Unit
requirements for Extremely Low Income Fam
family or individual to occupancy in a Qualif
family or individual as a Qualifying Unit). Th
at least annually.

(b) If the initial determination made in Section 2.4(a) results in such family or individual exceeding the applicable income limit, such family or individual shall not be considered a Qualified Tenant.

Section 2.5. Additional Use and Amenity Requirements. During the Term, Owner agrees that the Project will have the amenities specified in the "Additional Use Requirements; Amenity Requirements" attached hereto as **Exhibit "B"** and incorporated herein for all relevant purposes, in accordance with Section 10.101(b) of the Uniform Multifamily Rules.

T:\MultiLoan Docs\NHTF
Page 9 of 37

(f) HOME Match-Eligible Unit. Notwithstanding anything herein to the contrary, Owner must set aside one (1) floating Unit to comply with the matching contribution requirements under 24 CFR §92.219 ("HOME Match-Eligible Unit") as follows:

(1) all HOME Match-Eligible Units must be occupied by individuals and families whose Annual Incomes do not exceed eighty percent (80%) of the Area Median Income; and

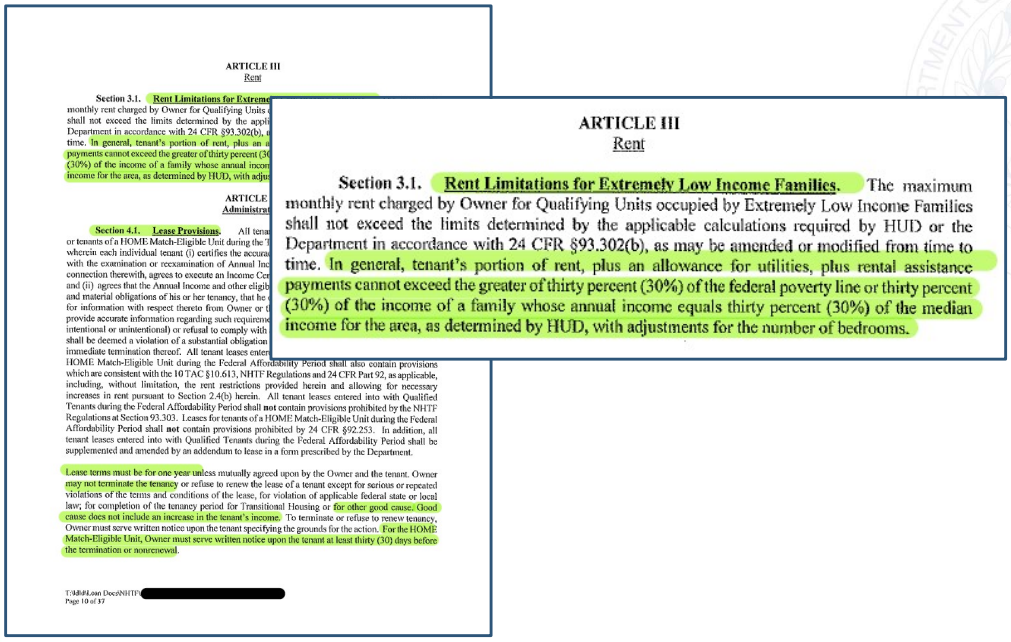
(2) one (1) floating Unit must be designated and treated as HOME Match-Eligible Unit.

(g) Noncompliance of Occupancy Requirements. NHTF funds may be required to be repaid on a per-Unit basis if the Qualifying Units are not rented to eligible tenants within eighteen (18) months of the final draw of loan funds.

117

117

LURA: NHTF Rent Limitations



ARTICLE III
Rent

Section 3.1. Rent Limitations for Extrem
monthly rent charged by Owner for Qualifying Units
shall not exceed the limits determined by the appli
Department in accordance with 24 CFR §93.302(b),
time. In general, tenant's portion of rent, plus an a
payments cannot exceed the greater of thirty percent (30
(30%) of the income of a family whose annual incon
income for the area, as determined by HUD, with adju

ARTICLE
Administrat

Section 4.1. Lease Provisions. All tenan
or tenants of a HOME Match-Eligible Unit during the T
wherein each individual tenant (i) certifies the accura
with the examination or reexamination of Annual Inc
connection therewith, agrees to execute an Income Cer
and (ii) agrees that the Annual Income and other eligib
and material obligations of his or her tenancy, that he
for information with respect thereto from Owner or t
provide accurate information regarding such requirem
intentional or unintentional) or refusal to comply with
shall be deemed a violation of a substantial obligation
immediate termination thereof. All tenant leases enter
HOME Match-Eligible Unit during the Federal Affordability Period shall also contain provisions which are consistent with the 10 TAC §10.613, NHTF Regulations and 24 CFR Part 92, as applicable, including, without limitation, the rent restrictions provided herein and allowing for necessary increases in rent pursuant to Section 2.4(b) herein. All tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall not contain provisions prohibited by the NHTF Regulations at Section 93.303. Leases for tenants of a HOME Match-Eligible Unit during the Federal Affordability Period shall **not** contain provisions prohibited by 24 CFR §92.253. In addition, all tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law; for completion of the tenancy period for Transitional Housing or for other good cause. Good cause does not include an increase in the tenant's income. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action. For the HOME Match-Eligible Unit, Owner must serve written notice upon the tenant at least thirty (30) days before the termination or nonrenewal.

T:\MultiLoan Docs\NHTF
Page 10 of 37

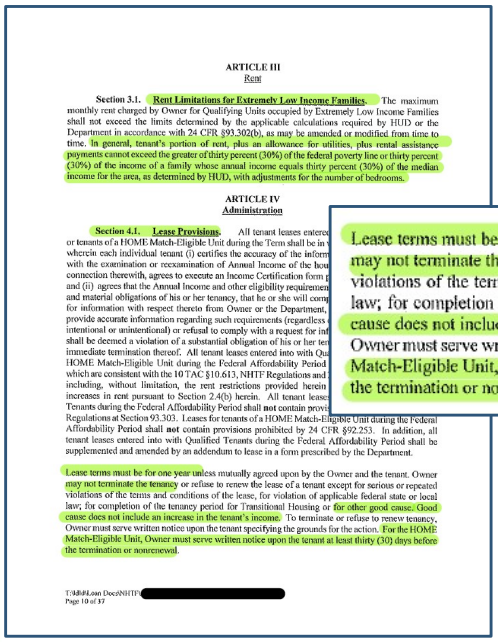
ARTICLE III
Rent

Section 3.1. Rent Limitations for Extremely Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §93.302(b), as may be amended or modified from time to time. In general, tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the greater of thirty percent (30%) of the federal poverty line or thirty percent (30%) of the income of a family whose annual income equals thirty percent (30%) of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms.

118

118

LURA: NHTF Lease Provisions



ARTICLE III
Rent

Section 3.1. Rent Limitations for Extremely Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §93.302(b), as may be amended or modified from time to time. In general, tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the greater of thirty percent (30%) of the federal poverty line or thirty percent (30%) of the income of a family whose annual income equals thirty percent (30%) of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms.

ARTICLE IV
Administration

Section 4.1. Lease Provisions. All tenant leases entered into with Qualified Tenants or tenants of a HOME Match-Eligible Unit during the Term shall be in writing and shall contain provisions wherein each individual tenant (i) certifies the accuracy of the information provided in connection with the examination or recertification of Annual Income of the household, (ii) agrees that the Annual Income and other eligibility requirements shall be deemed important and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such failure is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy, and (iii) agrees that upon immediate termination thereof. All tenant leases entered into with Qualified Tenants and all HOME Match-Eligible Unit during the Federal Affordability Period shall contain provisions which are consistent with the 10 TAC §10.613, NHTF Regulations and HOME Regulations, including, without limitation, the rent restrictions provided herein and limitations on increases in rent pursuant to Section 2.4(b) herein. All tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall **not** contain provisions prohibited by 24 CFR §92.253. In addition, all tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law; for completion of the tenancy period for Transitional Housing or for other good cause. Good cause does not include an increase in the tenant's income. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action. For the HOME Match-Eligible Unit, Owner must serve written notice upon the tenant at least thirty (30) days before the termination or nonrenewal.

T/HHFLoan Docs/NHTF[redacted]
Page 10 of 37

Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local law; for completion of the tenancy period for Transitional Housing or for other good cause. Good cause does not include an increase in the tenant's income. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action. For the HOME Match-Eligible Unit, Owner must serve written notice upon the tenant at least thirty (30) days before the termination or nonrenewal.

LURA: NHTF Amenity Requirements

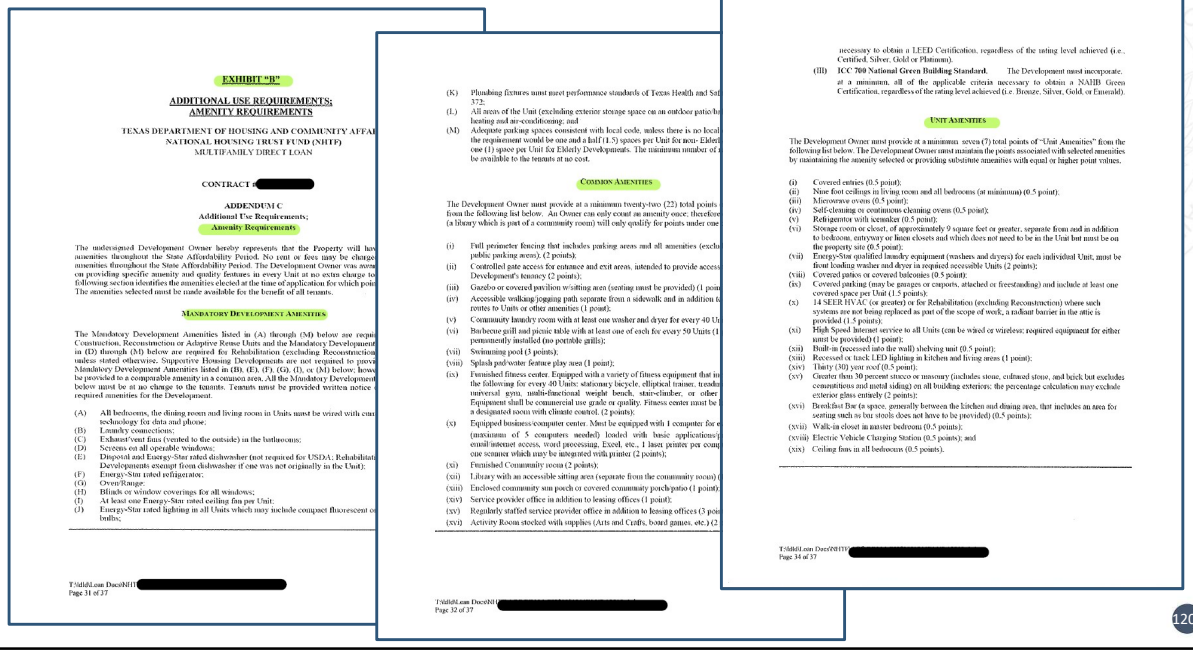


EXHIBIT "B"

ADDITIONAL USE REQUIREMENTS;
AMENITY REQUIREMENTS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
NATIONAL HOUSING TRUST FUND (NHTF)
MULTIFAMILY DIRECT LOAN

CONTRACT #[redacted]

ADDENDUM C
Additional Use Requirements;
Amenity Requirements

The undersigned Development Owner hereby represents that the Property will have the following amenities throughout the State Affordability Period. No rent or fees may be charged to Tenants for the amenities throughout the State Affordability Period. The Development Owner may access additional points on providing specific amenity and quality features in every Unit at no extra charge to Tenants. The following section identifies the amenities elected at the time of application for which points are claimed. The amenities selected must be made available for the benefit of all tenants.

MANDATORY DEVELOPMENT AMENITIES

The Mandatory Development Amenities listed in (A) through (M) below are required for New Construction, Reconstruction or Adaptive Reuse Units and the Mandatory Development Amenities listed in (D) through (M) below are required for Rehabilitation (excluding Reconstruction) Developments unless stated otherwise. Supportive Housing Developments are not required to provide the Mandatory Development Amenities listed in (B), (E), (F), (G), (I), or (M) below; however, equivalent features must be provided to a comparable amenity in a common area. All the Mandatory Development Amenities listed in (A) through (M) below must be at no charge to the tenants. Tenants must be provided written notice of the required amenities for the Development.

(A) All bedrooms, the dining room and living room in Units must be wired with cable television technology for data and phone;
(B) Laundry connections;
(C) Exhaust/vent fans (vented to the outside) in the bathrooms;
(D) Screens on all operable windows;
(E) Disposal and Energy-Star rated dishwasher (not required for USDA; Rehabilitation Developments except from dishwasher if one was not originally in the Unit);
(F) Energy-Star rated refrigerator;
(G) Oven/Range;
(H) Blinds or window coverings for all windows;
(I) At least one Energy-Star rated ceiling fan per Unit;
(J) Energy-Star rated lighting in all Units which may include compact fluorescent or light emitting diode bulbs;

T/HHFLoan Docs/NHTF[redacted]
Page 31 of 37

(K) Plumbing fixtures must meet performance standards of Texas Health and Safety Code, §372;
(L) All areas of the Unit (excluding exterior storage space on an outdoor patio/balcony) must have heating and air-conditioning; and
(M) Adequate parking spaces consistent with local code, unless there is no local code, in which case the requirement would be one and a half (1.5) spaces per Unit for new Elderly Developments, and one (1) space per Unit for Elderly Developments. The minimum number of parking spaces must be available to the tenants at no cost.

COMMON AMENITIES

The Development Owner must provide at a minimum twenty-two (22) total points from the following list below. An Owner can only count an amenity once; therefore, a Development with a community room (a library which is part of a community room) will only qualify for points under one of the categories.

(i) Full perimeter fencing that includes parking areas and all amenities (excluding fencing around public parking areas); (2 points);
(ii) Controlled gate access for entrance and exit areas, intended to provide access only to the Development's tenancy (2 points);
(iii) Gazebo or covered pavilion w/sitting area (seating must be provided) (1 point);
(iv) Accessible walking/jogging path separate from a sidewalk and in addition to sidewalks that connect routes to Units or other amenities (1 point);
(v) Community laundry room with at least one washer and dryer for every 40 Units (2 points);
(vi) Barbecue grill and picnic table with at least one of each for every 50 Units (1 point); must be permanently installed (no portable grills);
(vii) Swimming pool (3 points);
(viii) Splash pad/water feature play area (1 point);
(ix) Furnished fitness center. Equipped with a variety of fitness equipment that includes, at a minimum, the following for every 40 Units: stationary bicycle, elliptical trainer, treadmill, universal gym, multi-functional weight bench, stair-climber, or other similar equipment. Equipment shall be commercial use grade or quality. Fitness center must be located in a designated room with climate control, (2 points);
(x) Equipped business computer center. Must be equipped with 1 computer for every 40 Units (maximum of 5 computers needed) loaded with basic applications, printer, scanner, and email/internet access, word processing, Excel, etc., 1 laser printer per computer. Each computer or one scanner which may be integrated with printer (2 points);
(xi) Furnished Community room (2 points);
(xii) Library with an accessible sitting area (separate from the community room) (1 point);
(xiii) Enclosed community sun porch or covered community porch/patio (1 point);
(xiv) Service provider office in addition to leasing offices (1 point);
(xv) Regularly staffed service provider office in addition to leasing offices (3 points);
(xvi) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points);

T/HHFLoan Docs/NH[redacted]
Page 32 of 37

necessary to obtain a LEED Certification, regardless of the rating level achieved (i.e., Certified, Silver, Gold or Platinum).
(III) **ICC 700 National Green Building Standard.** The Development must incorporate, at a minimum, all of the applicable criteria necessary to obtain a NAHB Green Certification, regardless of the rating level achieved (i.e. Bronze, Silver, Gold, or Emerald).

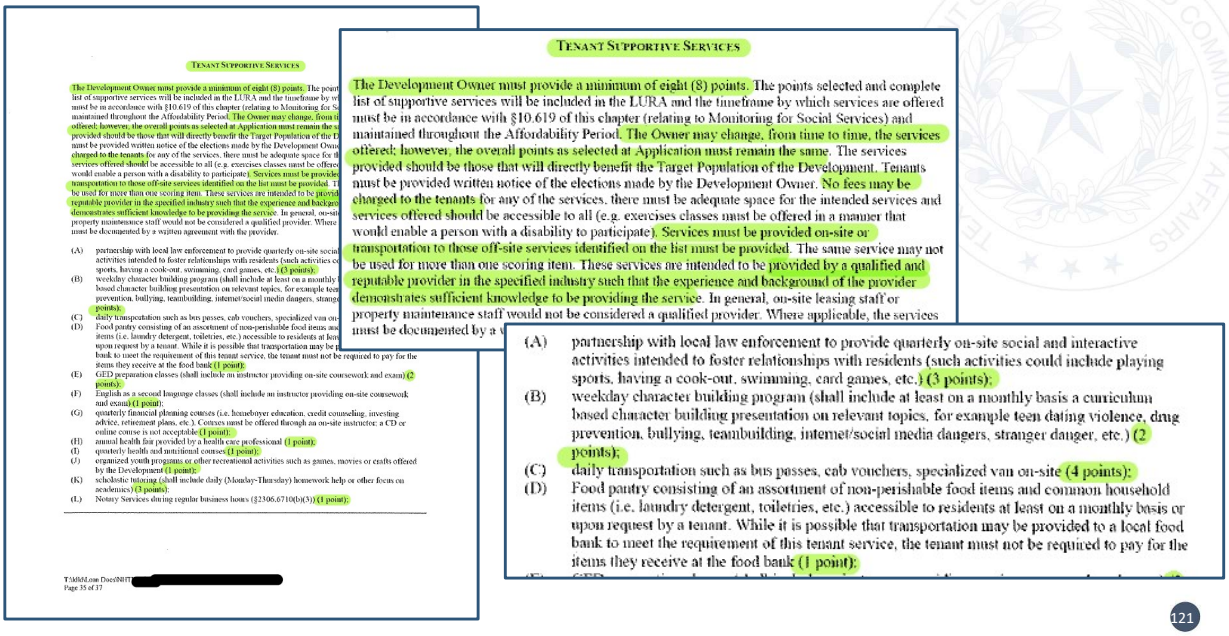
UNIT AMENITIES

The Development Owner must provide at a minimum seven (7) total points of "Unit Amenities" from the following list below. The Development Owner must maintain the points associated with selected amenities by maintaining the amenity selected or providing substitute amenities with equal or higher point values.

(i) Covered entries (0.5 point);
(ii) Nine foot ceilings in living room and all bedrooms (at minimum) (0.5 point);
(iii) Microwave ovens (0.5 point);
(iv) Self-cleaning or continuous cleaning ovens (0.5 point);
(v) Refrigerator with icemaker (0.5 point);
(vi) Storage room or closet, of approximately 9 square feet or greater, separate from and in addition to bedroom, entryway or linen closets and which does not need to be in the Unit but must be on the property site (0.5 point);
(vii) Energy-Star qualified laundry equipment (washers and dryers) for each individual Unit, must be front loading washer and dryer in required accessible Units (2 points);
(viii) Covered patios or covered balconies (0.5 point);
(ix) Covered parking (may be garages or carports, attached or freestanding) and include at least one covered space per Unit (1.5 points);
(x) 14 SEER HVAC (or greater) or for Rehabilitation (excluding Reconstruction) where such systems are not being replaced as part of the scope of work, a radiant barrier in the attic is provided (1.5 points);
(xi) High Speed Internet service to all Units (can be wired or wireless; required equipment for either must be provided) (1 point);
(xii) Built-in (recessed into the wall) shelving unit (0.5 point);
(xiii) Recessed or track LED lighting in kitchen and living areas (1 point);
(xiv) Thirty (30) year roof (0.5 point);
(xv) Greater than 30 percent stucco or masonry (includes stone, cultured stone, and brick but excludes cementitious and metal siding) on all building exteriors; the percentage calculation may exclude exterior glass entirely (2 points);
(xvi) Breakfast Bar (a space, generally between the kitchen and dining area, that includes an area for seating such as bar stools does not have to be provided) (0.5 points);
(xvii) Walk-in closet in master bedroom (0.5 points);
(xviii) Electric Vehicle Charging Station (0.5 points); and
(xix) Ceiling fans in all bedrooms (0.5 points).

T/HHFLoan Docs/NH[redacted]
Page 34 of 37

LURA: NHTF Resident Supportive Services



TENANT SUPPORTIVE SERVICES

The Development Owner must provide a minimum of eight (8) points. The points selected and complete list of supportive services will be included in the LURA and the timeframe by which services are offered must be in accordance with §10.619 of this chapter (relating to Monitoring for Social Services) and maintained throughout the Affordability Period. The Owner may change, from time to time, the services offered; however, the overall points as selected at Application must remain the same. The services provided should be those that will directly benefit the Target Population of the Development. Tenants must be provided written notice of the elections made by the Development Owner. No fees may be charged to the tenants for any of the services, there must be adequate space for the intended services and services offered should be accessible to all (e.g. exercises classes must be offered in a manner that would enable a person with a disability to participate). Services must be provided on-site or transportation to those off-site services identified on the list must be provided. The same service may not be used for more than one scoring item. These services are intended to be provided by a qualified and reputable provider in the specified industry such that the experience and background of the provider demonstrates sufficient knowledge to be providing the service. In general, on-site leasing staff or property maintenance staff would not be considered a qualified provider. Where applicable, the services must be documented by a

(A) partnership with local law enforcement to provide quarterly on-site social and interactive activities intended to foster relationships with residents (such activities could include playing sports, having a cook-out, swimming, card games, etc.) (3 points);

(B) weekday character building program (shall include at least on a monthly basis a curriculum based character building presentation on relevant topics, for example teen dating violence, drug prevention, bullying, teambuilding, internet/social media dangers, stranger danger, etc.) (2 points);

(C) daily transportation such as bus passes, cab vouchers, specialized van on-site (4 points);

(D) Food pantry consisting of an assortment of non-perishable food items and common household items (i.e. laundry detergent, toiletries, etc.) accessible to residents at least on a monthly basis or upon request by a tenant. While it is possible that transportation may be provided to a local food bank to meet the requirement of this tenant service, the tenant must not be required to pay for the items they receive at the food bank (1 point);

121

121

LURA: NHTF Recap

Total Development Units – 279 Units

Total NHTF Units	15 Floating Units

Occupancy Requirements

15 units - 30% AMI/30% Rent Limit	Elderly Limitation Development

Unit Mix

2 units – 0x1 – 544 sqft	1 unit – 0x2 – 577 sqft	5 units – 1x1 – 711 sqft	6 units – 1x1 – 735 sqft	1 unit – 2x2 – 1,073 sqft

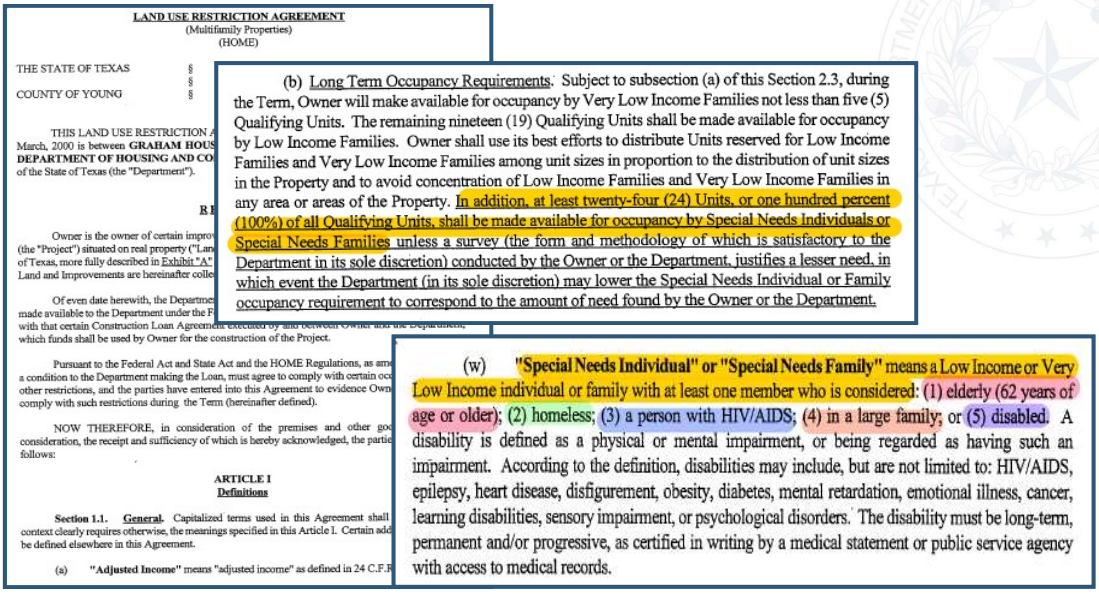
HOME Match-Eligible Unit

1 floating unit

122

122

LURA: Special Needs



LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)
(HOME)

THE STATE OF TEXAS §
§
COUNTY OF YOUNG §

THIS LAND USE RESTRICTION A
March, 2000 is between GRAHAM HOUS
DEPARTMENT OF HOUSING AND CO
of the State of Texas (the "Department").

Owner is the owner of certain impro
(the "Project") situated on real property ("Lan
of Texas, more fully described in Exhibit "A"
Land and Improvements are hereinafter colle

Of even date herewith, the Departme
made available to the Department under the F
with that certain Construction Loan Agreement executed by and between Owner and the Department,
which funds shall be used by Owner for the construction of the Project.

Pursuant to the Federal Act and State Act and the HOME Regulations, as am
a condition to the Department making the Loan, must agree to comply with certain oc
other restrictions, and the parties have entered into this Agreement to evidence Own
comply with such restrictions during the Term (hereinafter defined).

NOW THEREFORE, in consideration of the premises and other go
consideration, the receipt and sufficiency of which is hereby acknowledged, the partie
follows:

ARTICLE I
Definitions

Section 1.1. General. Capitalized terms used in this Agreement shall
context clearly requires otherwise, the meanings specified in this Article 1. Certain add
be defined elsewhere in this Agreement.

(a) "Adjusted Income" means "adjusted income" as defined in 24 C.F.R

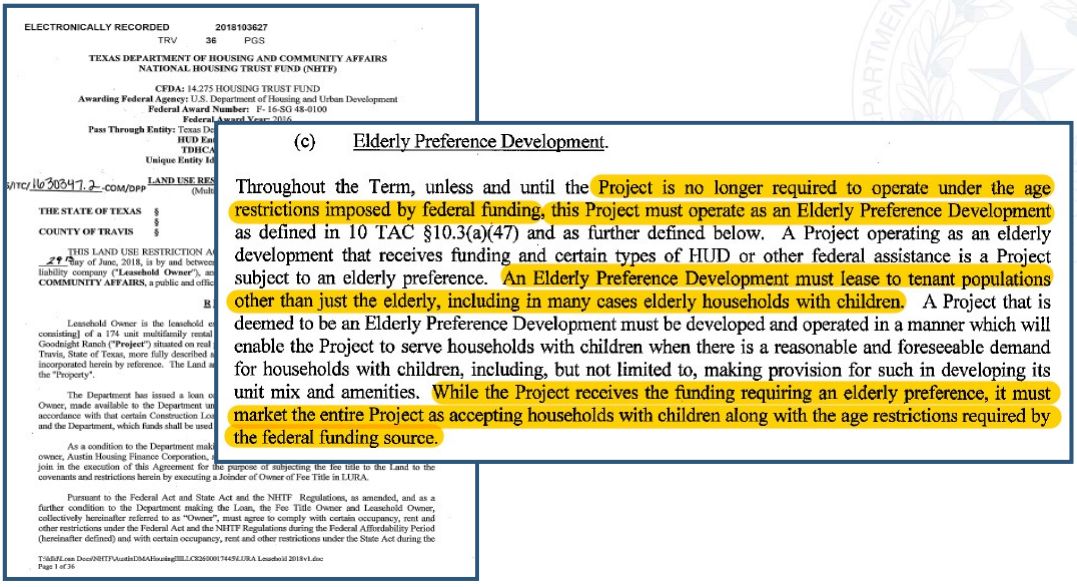
(b) Long Term Occupancy Requirements. Subject to subsection (a) of this Section 2.3, during the Term, Owner will make available for occupancy by Very Low Income Families not less than five (5) Qualifying Units. The remaining nineteen (19) Qualifying Units shall be made available for occupancy by Low Income Families. Owner shall use its best efforts to distribute Units reserved for Low Income Families and Very Low Income Families among unit sizes in proportion to the distribution of unit sizes in the Property and to avoid concentration of Low Income Families and Very Low Income Families in any area or areas of the Property. In addition, at least twenty-four (24) Units, or one hundred percent (100%) of all Qualifying Units, shall be made available for occupancy by Special Needs Individuals or Special Needs Families unless a survey (the form and methodology of which is satisfactory to the Department in its sole discretion) conducted by the Owner or the Department, justifies a lesser need, in which event the Department (in its sole discretion) may lower the Special Needs Individual or Family occupancy requirement to correspond to the amount of need found by the Owner or the Department.

(w) **"Special Needs Individual" or "Special Needs Family"** means a Low Income or Very Low Income individual or family with at least one member who is considered: (1) elderly (62 years of age or older); (2) homeless; (3) a person with HIV/AIDS; (4) in a large family; or (5) disabled. A disability is defined as a physical or mental impairment, or being regarded as having such an impairment. According to the definition, disabilities may include, but are not limited to: HIV/AIDS, epilepsy, heart disease, disfigurement, obesity, diabetes, mental retardation, emotional illness, cancer, learning disabilities, sensory impairment, or psychological disorders. The disability must be long-term, permanent and/or progressive, as certified in writing by a medical statement or public service agency with access to medical records.

123

123

LURA: Elderly Preference Development



ELECTRONICALLY RECORDED 2018103627
TRV 36 PGS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
NATIONAL HOUSING TRUST FUND (NHTF)

CFDA: 14.275 HOUSING TRUST FUND
Awarding Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: F-16-SG-48-0100
Federal Award Year: 2016
Pass Through Entity: Texas De
HUD Eq
TDHCA
Unique Entity Id

9%TC/16030347.2-COM/DPP LAND USE RES (Mult

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

THIS LAND USE RESTRICTION A
29th day of June, 2018, is by and between
liability company ("Leasehold Owner"), an
COMMUNITY AFFAIRS, a public and offic

Leasehold Owner is the leasehold e
consisting] of a 174 unit multifamily rental
Goodnight Ranch ("Project") situated on real
Travis, State of Texas, more fully described a
incorporated herein by reference. The Land a
the "Property".

The Department has issued a loan c
Owner, made available to the Department un
accordance with that certain Construction Loa
and the Department, which funds shall be used

As a condition to the Department maki
owner, Austin Housing Finance Corporation,
join in the execution of this Agreement for the purpose of subjecting the fee title to the Land to the covenants and restrictions herein by executing a Joinder of Owner of Fee Title in LURA.

Pursuant to the Federal Act and State Act and the NHTF Regulations, as amended, and as a further condition to the Department making the Loan, the Fee Title Owner and Leasehold Owner, collectively hereinafter referred to as "Owner", must agree to comply with certain occupancy, rent and other restrictions under the Federal Act and the NHTF Regulations during the Federal Affordability Period (hereinafter defined) and with certain occupancy, rent and other restrictions under the State Act during the

T:\Multifi...Loan Docs\NHTF\AustinDMAHousingIIILLC\261001744\9LURA Leasehold 2018v1.doc
Page 1 of 36

(c) Elderly Preference Development.

Throughout the Term, unless and until the Project is no longer required to operate under the age restrictions imposed by federal funding, this Project must operate as an Elderly Preference Development as defined in 10 TAC §10.3(a)(47) and as further defined below. A Project operating as an elderly development that receives funding and certain types of HUD or other federal assistance is a Project subject to an elderly preference. An Elderly Preference Development must lease to tenant populations other than just the elderly, including in many cases elderly households with children. A Project that is deemed to be an Elderly Preference Development must be developed and operated in a manner which will enable the Project to serve households with children when there is a reasonable and foreseeable demand for households with children, including, but not limited to, making provision for such in developing its unit mix and amenities. While the Project receives the funding requiring an elderly preference, it must market the entire Project as accepting households with children along with the age restrictions required by the federal funding source.

124

124

LURA: Learning Point 1

The MFDL Land Use Restriction Agreement (LURA) will have the same designations as the layered programs at the development?

A True

B False

125

125

LURA: Learning Point 2

You are leasing a new MFDL development with both market and low-income units. The property is comprised of a total of 50 units, 25 are low-income and the rest are market units. What units should be leased first and why?

A Any unit that I can, leasing is hard!

B Market units, that's where the money is!

C MFDL units as the LURA requires them to be leased within 6 months.

126

126

LURA: CHDO Outline

Minimum
Minimum of 15% of the PJ's annual HOME allocation is set-aside for CHDOs

Requirements
CHDO must meet the following:
- Legal Status
- Independence
- Accountable to low-income community
- Capacity and Experience

Purpose
The purpose is to provide decent and affordable housing to low-income persons

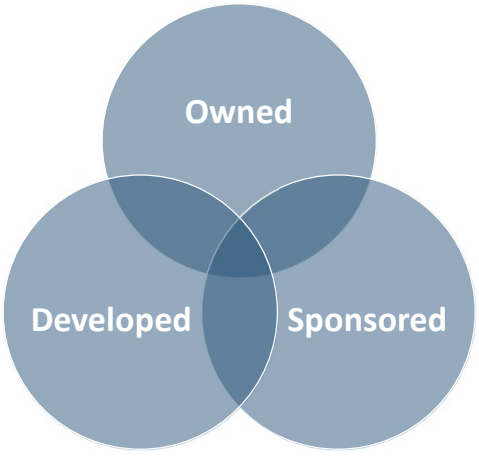
Service Area
The CHDO must have a clearly defined service area

127

127

LURA: CHDO Roles

CHDO roles are defined in the HOME LURA and Contract



128

128

LURA: CHDO Participation

CHDO Participation

- 10 TAC §10.620 - If HOME funds were awarded from the CHDO set-aside on or after, August 23, 2013, the Department will monitor to ensure the development is controlled by a CHDO
- Reviewed during **every** monitoring review to ensure that the provision is being met on an on-going basis during the entire affordability period
- If a development was funded from the HOME CHDO set-aside, the development must be controlled by a CHDO throughout the **entire** affordability period

129

129

LURA: CHDO Participation Reviewed

Confirm Ownership	In Good Standing	Material Participation
- Conduct a search on the Secretary of State website - If unable to identify, will request documentation from owner	- Secretary of State or IRS will confirm nonprofit status - Texas Comptroller of Public Accountants HUB Directory	- Owner must submit a narrative describing material participation - Providing Supportive Services only is not sufficient

130

130

§ 92.300 Set-aside for community housing development organizations (CHDOs)

- Within 24 months after the date that HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement, the participating jurisdiction must reserve not less than 15 percent of the HOME allocation for investment only in housing to be owned, developed, or sponsored by community housing development organizations.
- For a State, the HOME allocation includes funds reallocated under § 92.451(c)(2)(i) and, for a unit of general local government, includes funds transferred from a State under § 92.102(b). The participating jurisdiction must certify the organization as meeting the definition of "community housing development organization" and must document that the organization has capacity to own, develop, or sponsor housing each time it commits funds to the organization.
- For purposes of this requirement, the specifics are outlined at the link below.
- The Department will monitor the CHDO requirements during monitoring reviews.

https://www.ecfr.gov/current/title-24/section-92.300

131

131

Manager/Exempt Unit

- **CPD Notice 16-15 and §92.205(d) Onsite Manager**
  - Applies to 100% MFDL assisted developments
  - The HUD Field Office must approve a conversion of one (1) MFDL unit, if cost allocation permits
  - If PJ determines the conversion will contribute to the stability or effectiveness of the development
  - The MFDL units cannot exceed the subsidy limit at the time of project commitment, and a cost allocation determination is required to be submitted
- **Mixed MFDL development with market rate units or other TDHCA affordable housing programs**
  - A manager may occupy a market unit
  - If the development is layered with other Department programs and the unit is not MFDL assisted; follow the other program requirements
  - If a manager occupies an MFDL assisted unit, they must be income eligible and meet all program requirements
    - Highly recommended that the manager's income eligibility be documented with first-hand documentation (i.e. paystubs)

132

132

Conflict of Interest

- **§92.356 –**
  - Employees and other representatives of PJs, State recipients and subrecipients are prohibited from obtaining a financial interest or benefit from any HOME assisted activity; and
  - Owners and Developers of HOME assisted housing, and their staff and other representatives are prohibited from occupying HOME assisted units
    - This covers familial relationships. Immediate family members (whether by blood or marriage) of an officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor are prohibited from occupying a HOME assisted unit or gaining financial benefit or interest
    - This provision does not apply to an employee or agent of the owner or developer of rental housing project who occupies a housing unit as the project manager or maintenance worker

133

133

Uniform Relocation Act (URA)

- The Uniform Relocation Act and/or Section 104(d) are applicable to MFDL development activities involving acquisition, rehabilitation and reconstruction of multifamily dwelling units.
  - The Act establishes minimum standards for federal funded projects that acquire property or displace persons from their home – applicable to MFDL properties
  - Project owners must provide the following benefits to households that they displace:
    - Relocation advisory services
    - A minimum of 90 days notice to vacate
    - Reimbursement of moving expenses; and
    - Payments for the added cost of rent or purchasing comparable replacement housing

Visit the Department website for additional details

134

134

Module 5

Written Policies and Procedures, Eligibility and Students

135

135

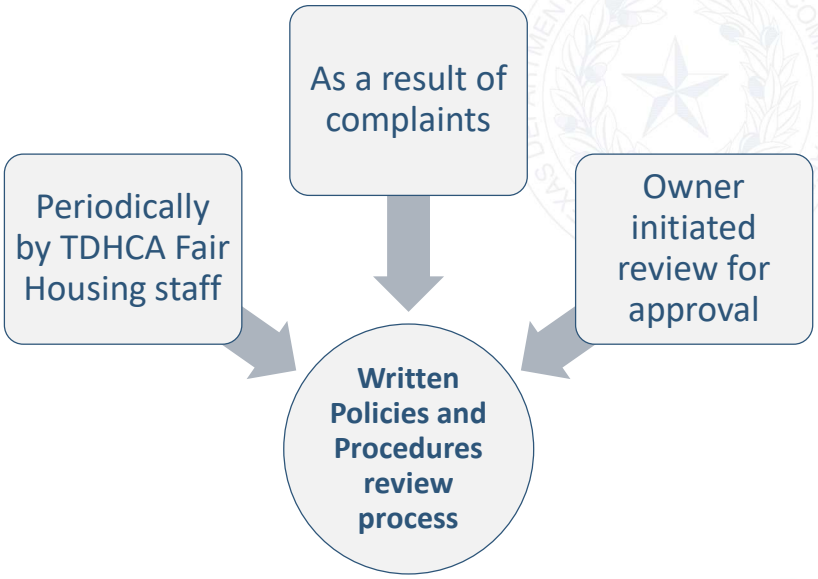
Written Policies and Procedures

Owner initiated review and TDHCA approval does not guarantee future compliance.

To request a review, the owner must email fair.housing@tdhca.texas.gov to initiate the process.

Maintain current and prior versions of the Tenant Selection Criteria.

PRWORA requirements are in effect for October 1, 2026; if this impacts your property, please make sure tenant selection plans are updated as required.



136

136

Eligibility

1. Screen and Determine Household Composition
2. Document Income & Assets
3. Annualize Income
4. Adjusted Income (if required)
5. Complete Income Certification

137

137

Eligibility: The Application

- There is no required form
- Must screen for ALL sources of income & assets
- Must screen all household members for student status
- Must provide a space for applicants to indicate if they are a veteran.
- Electronic Applications are acceptable

In addition, the application must include the following statement: "Important Information for Former Military Services Members. Women and men who served in any branch of the United States Armed Forces, including Army, Navy, Marines, Coast Guard, Air Force, Reserves or National Guard, may be eligible for additional benefits and services. For more information please visit the Texas Veterans Portal at https://veterans.portal.texas.gov/"

138

138

Eligibility: Whose Income Counts?

Members	Earned Income	Other Income (including income from assets)
Head	Yes	Yes
Spouse	Yes	Yes
Co-Head	Yes	Yes
Other Adult	Yes	Yes
Dependents (under 18)	No	Yes
Full-time Student - 18 or older	Yes**	Yes
Non-Members	**Earned Income**	**Other Income** (including income from assets)
Live-in Aide	No	No
Foster Adult	No	No
Foster Children (under 18)	No	No

139

139

Eligibility: Types of Verification

Three (3) Acceptable verification methods:

- Third-Party
- First-Hand (2 months required)
- Oral Clarification

Maintain Verification Documentation

- All tenant files must maintain verification documentation

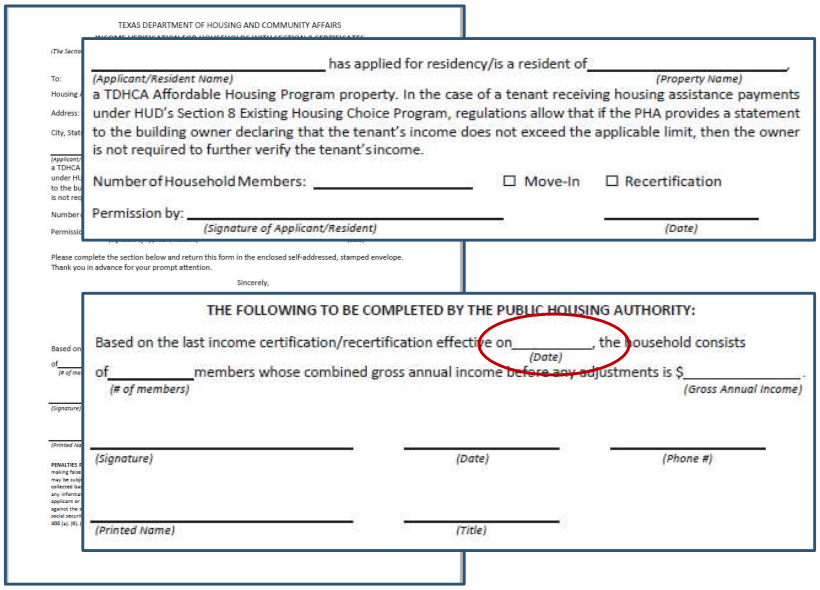
Verification Documentation

- Must be dated within 120 days of the effective date of the household's Income Certification
- Exceptions Apply

140

140

Income: Section 8 Verification



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

_____ has applied for residency/is a resident of _____.
(Applicant/Resident Name) (Property Name)

a TDHCA Affordable Housing Program property. In the case of a tenant receiving housing assistance payments under HUD's Section 8 Existing Housing Choice Program, regulations allow that if the PHA provides a statement to the building owner declaring that the tenant's income does not exceed the applicable limit, then the owner is not required to further verify the tenant's income.

Number of Household Members: _____ ☐ Move-In ☐ Recertification

Permission by: _____ _____
(Signature of Applicant/Resident) (Date)

Please complete the section below and return this form in the enclosed self-addressed, stamped envelope.
Thank you in advance for your prompt attention.

Sincerely,

THE FOLLOWING TO BE COMPLETED BY THE PUBLIC HOUSING AUTHORITY:

Based on the last income certification/recertification effective on _____, the household consists
(Date)

of _____ members whose combined gross annual income before any adjustments is $_____.
(# of members) (Gross Annual Income)

_____ _____ _____
(Signature) (Date) (Phone #)

_____ _____
(Printed Name) (Title)

This form may not be used if the verifying Housing Authority has any ownership, management, consulting agreement, or any involvement in the property operations.

The effective date of the certification noted in the form must be within 120 days of the effective date of the Income Certification.

141

141

Students: Types of Financial Assistance Under Title IV of HEA

- Federal Pell Grants
- Federal early outreach and student services programs
- Federal supplemental educational opportunity grants
- Leveraging Educational Assistance Partnership program
- Special programs for students whose families are engaged in migrant and seasonal farmwork
- Robert C. Byrd Honors Scholarship Program
- Childcare access means parents in school
- Teach grants
- Scholarships for veteran's dependents
- Federal Family Education Loan Programs
- Federal Work-Study Programs
- William D. Ford Federal Direct Loan Program
- Federal Perkins Loans
- Higher Education Relief Opportunities for Students
- Section 134 of the Workforce Innovation and Opportunity Act (WIOA)

142

142

Income: Financial Aid

If the household contains a student:

- **All assistance provided through Title IV HEA must be excluded from income**
- **All other assistance should be evaluated for inclusion in household income**

Included

- Only count amount received in excess of tuition, books, fees and room & board charges
- Obtain documentation to support the amount in excess of tuition, **books & supplies**, fees and **room & board charges**

Excluded

- Applies to all student financial assistance received under Title IV of the Higher Education Act (HEA)

143

143

Students: Student Eligibility HAS NOT Changed

Student Eligibility is program based. The eligibility requirements for students in the program units has not been changed. You must ensure that the student eligibility for the household has been met.

All student household members must be evaluated for student financial aid as we will discuss on the following slides.

144

144

Students: MFDL Restrictions

The Rule:

- Focus on individuals between the ages of 18 and 23 that live separate from their parents
- Applies to full-time and part-time students enrolled at an institution of higher education

Applicability:

- Does not apply to students that currently reside with parents in a HOME/HOME-ARP/ TCAP-RF assisted unit
- Does not apply to students that apply for rental assistance with their parents

Determination:

- Individuals will have to be initially screened for student status and screened annually
- Each individual student must meet an allowance/exemption to qualify

145

145

Students: Restrictions by Program

Student Restrictions

- **HOME**
- **HOME-ARP**
- **TCAP-RF**



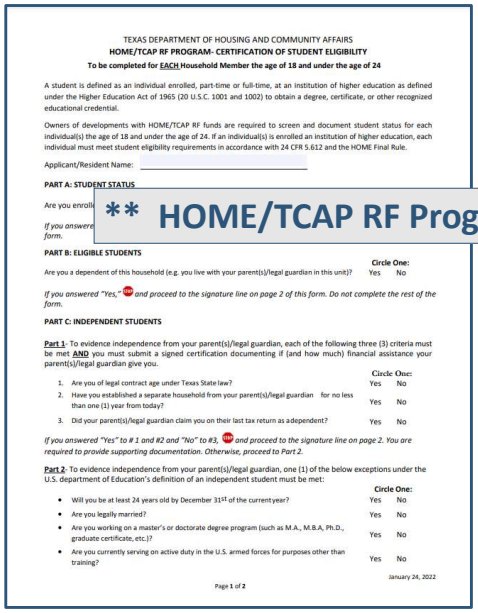
No Student Restrictions

- **NSP**
- **NHTF**

146

146

Students: Certification of Eligibility



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME/TCAP RF PROGRAM- CERTIFICATION OF STUDENT ELIGIBILITY
To be completed for EACH Household Member the age of 18 and under the age of 24

A student is defined as an individual enrolled, part-time or full-time, at an institution of higher education as defined under the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002) to obtain a degree, certificate, or other recognized educational credential.

Owners of developments with HOME/TCAP RF funds are required to screen and document student status for each individual(s) the age of 18 and under the age of 24. If an individual(s) is enrolled an institution of higher education, each individual must meet student eligibility requirements in accordance with 24 CFR 5.612 and the HOME Final Rule.

Applicant/Resident Name: _____

PART A: STUDENT STATUS

Are you enroll

If you answere
form.

PART B: ELIGIBLE STUDENTS

	Circle One:
Are you a dependent of this household (e.g. you live with your parent(s)/legal guardian in this unit)?	Yes No

If you answered "Yes," STOP and proceed to the signature line on page 2 of this form. Do not complete the rest of the form.

PART C: INDEPENDENT STUDENTS

Part 1- To evidence independence from your parent(s)/legal guardian, each of the following three (3) criteria must be met **AND** you must submit a signed certification documenting if (and how much) financial assistance your parent(s)/legal guardian give you.

	Circle One:
1. Are you of legal contract age under Texas State law?	Yes No
2. Have you established a separate household from your parent(s)/legal guardian for no less than one (1) year from today?	Yes No
3. Did your parent(s)/legal guardian claim you on their last tax return as a dependent?	Yes No

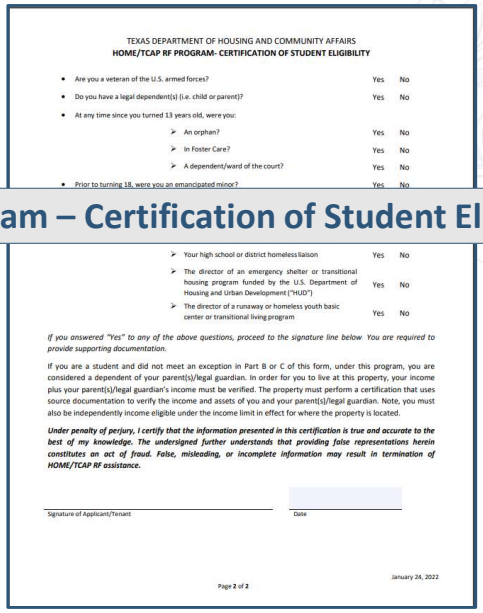
If you answered "Yes" to # 1 and #2 and "No" to #3, STOP and proceed to the signature line on page 2. You are required to provide supporting documentation. Otherwise, proceed to Part 2.

Part 2- To evidence independence from your parent(s)/legal guardian, one (1) of the below exceptions under the U.S. department of Education's definition of an independent student must be met:

	Circle One:
• Will you be at least 24 years old by December 31st of the current year?	Yes No
• Are you legally married?	Yes No
• Are you working on a master's or doctorate degree program (such as M.A., M.B.A, Ph.D., graduate certificate, etc.)?	Yes No
• Are you currently serving on active duty in the U.S. armed forces for purposes other than training?	Yes No

January 24, 2022

Page 1 of 2



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME/TCAP RF PROGRAM- CERTIFICATION OF STUDENT ELIGIBILITY

• Are you a veteran of the U.S. armed forces?	Yes No
• Do you have a legal dependent(s) (i.e. child or parent)?	Yes No
• At any time since you turned 13 years old, were you:	
➢ An orphan?	Yes No
➢ In Foster Care?	Yes No
➢ A dependent/ward of the court?	Yes No
• Prior to turning 18, were you an emancipated minor?	Yes No
➢ Your high school or district homeless liaison	Yes No
➢ The director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development ("HUD")	Yes No
➢ The director of a runaway or homeless youth basic center or transitional living program	Yes No

If you answered "Yes" to any of the above questions, proceed to the signature line below. You are required to provide supporting documentation.

If you are a student and did not meet an exception in Part B or C of this form, under this program, you are considered a dependent of your parent(s)/legal guardian. In order for you to live at this property, your income plus your parent(s)/legal guardian's income must be verified. The property must perform a certification that uses source documentation to verify the income and assets of you and your parent(s)/legal guardian. Note, you must also be independently income eligible under the income limit in effect for where the property is located.

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading, or incomplete information may result in termination of HOME/TCAP RF assistance.

Signature of Applicant/Tenant _____ Date _____

January 24, 2022

Page 2 of 2

**** HOME/TCAP RF Program – Certification of Student Eligibility ****

147

https://www.tdhca.state.tx.us/pmcdocs/HOME-StudentEligible.pdf

147

Students: MFDL Restrictions continued

- §92.2
  - An **individual** does not qualify as a low-income or very low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612
    - Treated the same regardless if it is a one (1) person household or the individual is part of a larger household
    - The individual would make the larger household ineligible
- Existing households are not "grandfathered in" and must be screened for student status during recertification
- If a HOME/HOME-ARP/TCAP-RF assisted unit is occupied by an ineligible student(s) household, then the over-income household rules will apply

148

148

Students: Eligibility Flow Chart

Are you 18 to 23 years old?
- No – Eligible
- Yes – Continue…

Are you a student?
- No – Eligible
- Yes – Continue…

Must also provide a signed certification from parent(s) or legal guardian if and how much financial assistance is provided.

Do you live with parent/guardian?
- Yes – Eligible
- No – Must prove eligibility

To evidence independence from your parent(s)/legal guardian, each of the following must be met
- Must be of legal contract age under Texas State law
- Must have established a separate household from parent(s)/legal guardian for no less than one year
- Must NOT be claimed on parent(s)/legal guardian on their last tax return as a dependent

149

149

Students: Independent Student Requirements

If independence from your parent(s)/legal guardian cannot be established, one of the following exceptions MUST be met to qualify:
- Be at least 24 years old by December 31st of the current year
- Be legally married
- Be working on a master's or doctorate degree program (such as M.A., M.B.A, Ph.D., graduate certificate, etc.)
- Currently serving on active duty in the U.S. armed forces for purposes other than training
- Be a veteran of the U.S. armed forces
- Have a legal dependent(s) (i.e. child or parent)
- At any time since turning 13 been an orphan, in Foster Care, or a dependent/ward of the court
- Be an emancipated minor prior to turning 18, or in legal guardianship
- Homeless, or self-supporting and at risk of being homeless

150

150

Students: Dependent Students

- Individual 18-23 who is a student
- Not a dependent of the household occupying the unit
- Cannot evidence independence from parent(s)/legal guardian
- Does not meet one of the Independent Student exceptions
- Is considered a Dependent Student

Dependent Student:

- Qualify the student as income eligible for the HOME/TCAP RF/HOME-ARP Unit, and
- Qualify the parents as income eligible for the HOME/TCAP RF/HOME-ARP Unit

If the parents are not income eligible:

- The student is not eligible for the HOME/TCAP RF/HOME-ARP Unit

If the parents refuse to provide documentation of income :

- The student is not eligible for the HOME/TCAP RF/HOME-ARP Unit

151

151

Students: Learning Point 1

Bryan is 22 years old and applies for a HOME assisted unit. They are attending the community college full-time and were recently discharged from the armed forces. They are moving out of their parent's house. Does Bryan meet the student eligibility requirements?

A. Bryan qualifies since they are also working

B. Bryan lives with their parents and does not qualify

C. Bryan is a veteran of the US Armed Forces and meets the student requirements

152

152

Students: Learning Point 2

Domanik is 19 years old and a single parent. They have a 1-year-old child named Anaya. Domanik is a full-time student at the local college and receives TANF payments. They are also receiving Social Security payments for their child. Domanik is moving out of their parent's house, but their parents are not income eligible under the HOME program. Does the applicant meet the student eligibility requirements?

A. Yes, the household receives TANF
B. No, most likely they are still being claimed on their parent's tax returns
C. No, their parents are not income eligible
D. Yes, because they have a dependent

153

153

Students: Learning Point 3

Julie, age 20, and Ginny, age 21, are roommates. They have applied for a TCAP-RF assisted unit but are both part-time students. They are both dependents on their parents' tax returns and receive income from their parents. Neither set of parents are income eligible under the program requirements. Do the roommates meet the student eligibility requirements?

A. Yes, they are both part-time
B. No, they are still being claimed on their parent's tax returns
C. No, their parents are not income eligible
D. Both B and C

154

154

Students: Learning Point 4

Peter, MJ and Ned have applied for a 3-bedroom HOME assisted unit. Peter and MJ are both 21, married and full-time students. Ned, their roommate, is 20 years old, attends the university part-time and works at the local dry-cleaners. The applicants meet the student eligibility requirement, true or false?

Peter and MJ are married and do meet the student eligibility requirements; however, Ned does not meet any of the criteria. Since this is one household, they must all meet the student eligibility requirements.

A True

B False

155

155

Students: Learning Point 5

Manuel is 19 years old and applying for an NHTF unit. They are a full-time student at the local university studying to be an engineer. They are a dependent of their parents, and they provide him monthly monetary contributions. Manuel also works part-time at an engineering firm. Does the applicant meet the student eligibility requirements?

A Yes, He is an independent student

B N/A, NHTF does not have student restrictions

156

156

Students: Learning Point 6

Esther, age 50, and her 20-year-old daughter, Nicole, are applying for a HOME assisted unit. Nicole is Esther's dependent and a full-time student. Nicole also works part-time at HEB and Esther is receiving worker's compensation. Does the applicant household meet the student eligibility requirements?

A. Yes, Nicole is living with a parent and is a dependent of the household
B. No, Nicole is only 20 and is a full-time student
C. Yes, Esther is 50 and the entire household is not full-time students
D. No, Esther is receiving worker's compensation and is not employed

157

157

Students: Learning Point 9

Benjamin is 45 years old, single and applying for a HOME assisted unit. They have decided on a career change and quit their job to go back to college. They are full-time and studying to be a nurse. They recently went through a divorce. The applicant meets the student eligibility requirements, true or false?

Benjamin is over the age of 24 so the full-time student status does not matter for the HOME program. They must still be income eligible though. If the program unit is layered with another funding source, there may be further requirements to be met.

A. True
B. False

158

158

Students: Learning Point 10

Josephine is 19 years old and came out of the foster care program when they turned 18. They are a full-time student at the local college and work part-time at Target. They are not a dependent of anyone but are in a serious relationship. They are moving into the HOME unit by themselves, does the applicant meet the student eligibility requirements?

A. Yes, Josephine meets the requirement under the definition of Independent Student

B. Yes, being in Foster Care after the age of 13 is one of the student criteria

C. Neither of these

D. Both A and B

159

159

Students: Learning Point 12

Jasmine is 18 and attending college full-time. They have been self-supporting since they were 16 and were previously experiencing homelessness. They are currently in a great transitional housing program funded by HUD and are seeking permanent housing. They want to lease a TCAP-RF unit. Do they meet the student eligibility requirements, yes or no?

Jasmine is self-supporting and is at risk of being homeless. They can obtain documentation from the director of the housing program. This might also meet the requirements for a QP under the HOME-ARP program.

A. Yes

B. No

160

160

Module 6

Recertification Requirements

161

161

Recertification Requirements: MFDL Programs

Program	Initial Eligibility Certification or QP Declaration	6th Year Annual Recertification or QP Declaration	Intervening Year Self-Certification	Adjusted Income at Recertification if over 80%
HOME	Yes	Yes	Yes	Yes
HOME-ARP	Yes	Yes	Yes	Yes
TCAP-RF	Yes	Yes	Yes	Yes
NSP	Yes	No	No	No
NHTF	Yes	Yes	Yes	No
HOME-Match	Yes	Yes	Yes	Yes

162

162

Recertification Requirements: Tenant Recertification

6th year annual recertification

- Completed every 6th year of the affordability period
- Can use the Section 8 verification
- Must use two (2) months (60 days) of source documentation to verify household income if source documents are used

Intervening year self-certification

- The Department's Income Certification, HUD 50059, 50058 or RD Certification must be completed by the household
- Section 8 verification form allowed
- Must complete a full annual recertification if the household discloses income above the 80% AMI limit

Both Requirements

Due by the anniversary of the household's move-in date

Can begin the process up to 120 days before due date

163

163

Recertification Requirements: Learning Point 1



The Lopez household moved in on March 1, 2025

When is the 2026 annual recertification due?

March 1, 2026

If the tenant recertification was not completed until June 15, 2026. When is the next annual recertification due?

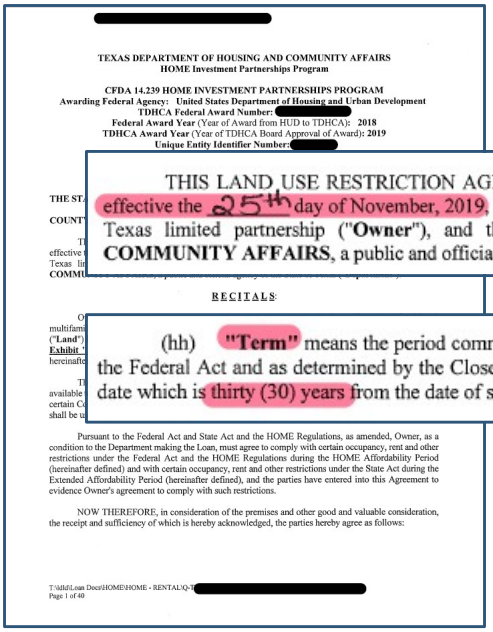
March 1, 2027



164

164

Recertification Requirements: Term and 6th Year



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program

CFDA 14.239 HOME INVESTMENT PARTNERSHIPS PROGRAM
Awarding Federal Agency: United States Department of Housing and Urban Development
TDHCA Federal Award Number: [redacted]
Federal Award Year (Year of Award from HUD to TDHCA): 2018
TDHCA Award Year (Year of TDHCA Board Approval of Award): 2019
Unique Entity Identifier Number: [redacted]

THIS LAND USE RESTRICTION AGREEMENT ("**Agreement**" or "**LURA**"), executed to be effective the 25th day of November, 2019, is by and between [redacted], a Texas limited partnership ("**Owner**"), and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official

RECITALS:

(hh) "**Term**" means the period comm
the Federal Act and as determined by the Closed
date which is thirty (30) years from the date of su

Pursuant to the Federal Act and State Act and the HOME Regulations, as amended, Owner, as a condition to the Department making the Loan, must agree to comply with certain occupancy, rent and other restrictions under the Federal Act and the HOME Regulations during the HOME Affordability Period (hereinafter defined) and with certain occupancy, rent and other restrictions under the State Act during the Extended Affordability Period (hereinafter defined), and the parties have entered into this Agreement to evidence Owner's agreement to comply with such restrictions.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

T:\Mdl\Loan Docs\HOME\HOME - RENTAL\Q-[redacted]
Page 1 of 40

HOME/TCAP RF/NHTF
6th Year Recertifications

What is the effective date of the Regulatory Agreement?	11/25/19
What is the term/affordability period?	30

Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

165

165

Recertification Requirements: 6th Year

THIS LAND USE RESTRICTION AGREEMENT ("**Agreement**" or "**LURA**"), executed to be effective the 25th day of November, 2019, is by and between [redacted], a Texas limited partnership ("**Owner**"), and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas ("**Department**").

(hh) "**Term**" means the period commencing on the date the Project is completed as defined by the Federal Act and as determined by the Closed Final Development Inspection Letter and ending on the date which is thirty (30) years from the date of such Project Completion.

HOME/TCAP RF/NHTF
6th Year Recertifications

What is the effective date of the Regulatory Agreement?	11/25/19
What is the term/affordability period?	30

Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

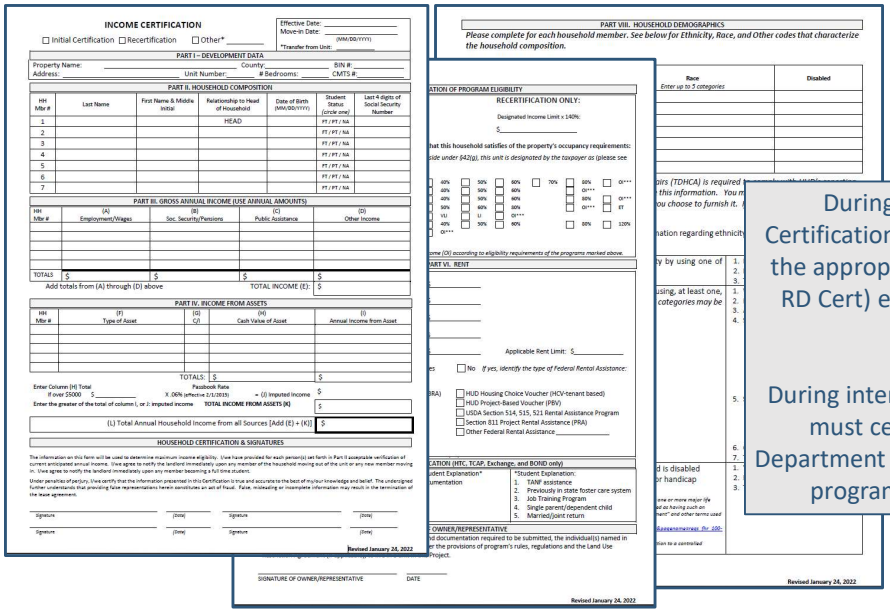
All households must be fully certified during the year from November 25, 2024, thru November 24, 2025.

6th year requirements are based on the program affordability period, not the tenant's move-in date.

166

166

Recertification Requirements: Income Certification


INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other* _____

Effective Date: _____
Move-in Date: _____ (MM/DD/YYYY)
*Transfer from Unit: _____

PART I – DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
Address: _____ Unit Number: _____ # Bedrooms: _____ CMTS #: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (circle one)	Last 4 digits of Social Security Number
1			HEAD		FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	$	$	$	$

Add totals from (A) through (D) above — TOTAL INCOME (E): $

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
		TOTALS:	$	$

Enter Column (H) Total If over $5000 $_____ Passbook Rate X .06% (effective 2/1/2019) = (J) Imputed Income $

Enter the greater of the total of column I, or J: Imputed Income — TOTAL INCOME FROM ASSETS (K) $

(L) Total Annual Household Income from all Sources [Add (E) + (K)] $

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature (Date) Signature (Date)

Signature (Date) Signature (Date)

Revised January 24, 2022

PART VIII. HOUSEHOLD DEMOGRAPHICS

Please complete for each household member. See below for Ethnicity, Race, and Other codes that characterize the household composition.

Race (Enter up to 5 categories)	Disabled

RECERTIFICATION ONLY:

Designated Income Limit x 140%:

$_____

PART VI. RENT

Applicable Rent Limit: $_____

HUD Housing Choice Voucher (HCV-tenant based)
HUD Project-Based Voucher (PBV)
USDA Section 514, 515, 521 Rental Assistance Program
Section 811 Project Rental Assistance (PRA)
Other Federal Rental Assistance _____

*Student Explanation:
1. TANF assistance
2. Previously in state foster care system
3. Job Training Program
4. Single parent/dependent child
5. Married/joint return

SIGNATURE OF OWNER/REPRESENTATIVE DATE

Revised January 24, 2022

Revised January 24, 2022

During 6th years, a full Income Certification (IC) must be completed and the appropriate form (IC, 50058/50059, RD Cert) executed with actual income information.

During intervening years, the household must certify their income on the Department Income Certification, or other program (HUD/RD) certification.

167

167

Recertification Requirements: Learning Point 2



The Lopez household moved in on November 1, 2024

HOME/TCAP RF/NHTF
6th Year Recertifications

What is the effective date of the Regulatory Agreement?	11/25/19
What is the term/affordability period?	30

Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

What type of recertification will be completed in 2025?

Full Annual Income Certification

What type of recertification will be completed in 2026?

Self-Certification of Income

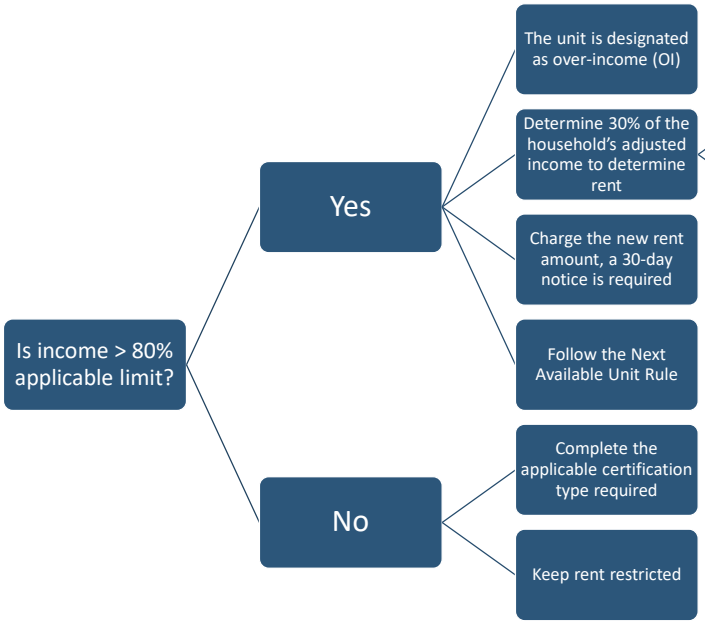


Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31

168

168

Recertification Requirements: Households over 80%



HOME, HOME-ARP and TCAP-RF programs only, not applicable to NHTF and NSP

169

169

Recertification Requirements: Households over 80% continued

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	50920	700	110		2	06/01/2025	Y	2	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent LIHTC: Mkt LIHTC: Mkt	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income Rent LIHTC: Mkt LIHTC: Mkt	N	
327	07/26/2025		Thursday	36822	1043	132		3	07/26/2025	N	3	Income R... LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
328	09/10/2024		Friday	18200	848	132		3	09/10/2025	Y	5	I... e R...		

For Home and NSP Only: On or After 06/01/2025

Submit Bookmark

MTSP Median Income : 67100

Income Limits

Income	1	2	3	4	5	6	7	8
30	16700	19050	21450	23800	25750	27650	29550	31450
40	22240	25440	28600	31760	34320	36880	39400	41960
50	27800	31800	35750	39700	42900	46100	49250	52450
60	33360	38160	42900	47640	51480	55320	59100	62940
80	44450	50800	57150	63500	68600	73700	78750	83850

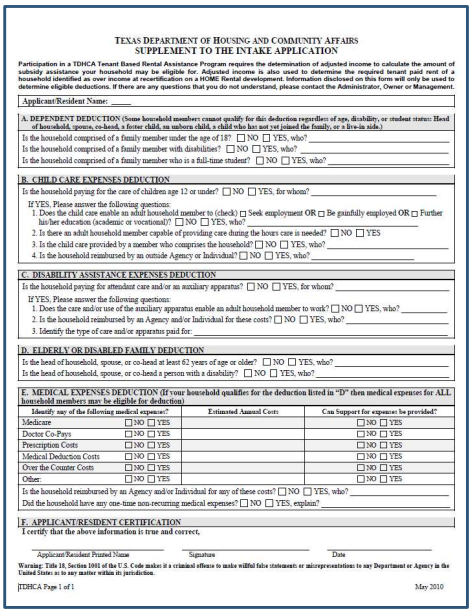
At the June 1, 2025, certification the household self-certified that their income was over the 80% AMI limit, so we have conducted a full annual recertification to determine the household income…

Now the adjusted income and rent must be determined.

170

170

Recertification Requirements: Screening for Deductions



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant/Resident Name: ____

A. DEPENDENT DEDUCTION (Some household members cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide.)
Is the household comprised of a family member under the age of 18? ☐ NO ☐ YES, who? _____
Is the household comprised of a family member with disabilities? ☐ NO ☐ YES, who? _____
Is the household comprised of a family member who is a full-time student? ☐ NO ☐ YES, who? _____

B. CHILD CARE EXPENSES DEDUCTION
Is the household paying for the care of children age 12 or under? ☐ NO ☐ YES, for whom? _____
If YES, Please answer the following questions:
1. Does the child care enable an adult household member to (check) ☐ Seek employment OR ☐ Be gainfully employed OR ☐ Further his/her education (academic or vocational)? ☐ NO ☐ YES, who? _____
2. Is there an adult household member capable of providing care during the hours care is needed? ☐ NO ☐ YES
3. Is the child care provided by a member who comprises the household? ☐ NO ☐ YES, who? _____
4. Is the household reimbursed by an outside Agency or Individual? ☐ NO ☐ YES, who? _____

C. DISABILITY ASSISTANCE EXPENSES DEDUCTION
Is the household paying for attendant care and/or an auxiliary apparatus? ☐ NO ☐ YES, for whom? _____
If YES, Please answer the following questions:
1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? ☐ NO ☐ YES, who? _____
2. Is the household reimbursed by an Agency and/or Individual for these costs? ☐ NO ☐ YES, who? _____
3. Identify the type of care and/or apparatus paid for: _____

D. ELDERLY OR DISABLED FAMILY DEDUCTION
Is the head of household, spouse, or co-head at least 62 years of age or older? ☐ NO ☐ YES, who? _____
Is the head of household, spouse, or co-head a person with a disability? ☐ NO ☐ YES, who? _____

E. MEDICAL EXPENSES DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)

Identify any of the following medical expenses?		Estimated Annual Costs	Can Support for expenses be provided?
Medicare	☐NO ☐ YES		☐NO ☐ YES
Doctor Co-Pays	☐NO ☐ YES		☐NO ☐ YES
Prescription Costs	☐NO ☐ YES		☐NO ☐ YES
Medical Deduction Costs	☐NO ☐ YES		☐NO ☐ YES
Over the Counter Costs	☐NO ☐ YES		☐NO ☐ YES
Other:	☐NO ☐ YES		☐NO ☐ YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? ☐ NO ☐ YES, who? _____
Did the household have any one-time non-recurring medical expenses? ☐ NO ☐ YES, explain? _____

F. APPLICANT/RESIDENT CERTIFICATION
I certify that the above information is true and correct,

_____ _____ _____
Applicant/Resident Printed Name Signature Date

Warning: Title 18, Section 1001 of the U.S. Code make it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA Page 1 of 1 May 2010

The household must be screened for deductions

TDHCA has a Supplement to the Intake Application available on the website

Developments may develop and utilize their own version of screening tool

171

171

Recertification Requirements: Rent at 100% HOME Property

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS		811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	50920	700	110		2	06/01/2025	Y	2	Income Rent	LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent	HOME Unit	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income Rent	HOME Unit	N	
327	07/26/2025		[illegible]day	36822	1043	132		3	07/26/2025	N	3	Income Rent	LIHTC: 60 HOME: 60 LIHTC: 60 H[illegible]	N	
328	09/10/2024			18200	848	132			[illegible]25	Y	5	Income	H[illegible]		

$50,920 × 30% = $15,276

$15,276 ÷ 12 months = $1,273

172

172

Recertification Requirements: Rent at Mixed Income HOME Property

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	50920	700	110		2	06/01/2025	Y	2	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent LIHTC: Mkt LIHTC: Mkt	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income Rent LIHTC: Mkt LIHTC: Mkt	N	
327	07/26/2025		Thursday	36822	1043	132		3	07/26/2025	N	3	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
328	09/10/2024		Friday	18200	848	132		3						

Rent Limits

Rent	0	1	2	3	4	5
30	417	446	536	619	691	762
40	556	596	715	826	922	1017
HIGH	640	843	933	1243	1440	1570
LOW	640	745	883	1032	1152	1271

$50,920 × 30% = $15,276

$15,276 ÷ 12 months = $1,273

Lesser of adjusted rent vs. market rent

173

173

Recertification Requirements: OI Units Redesignated

Building #: 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	811 Unit	MEETS SPECIAL NEEDS REQ.
324	06/01/2024		Monday	50920	700	110		2	06/01/2025	Y	2	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
325	08/01/2022		Tuesday		940	0		2		N	2	Income Rent LIHTC: Mkt LIHTC: Mkt	N	No
326	07/01/2025		Wednesday	67000	940			2		N	3	Income Rent LIHTC: Mkt LIHTC: Mkt	N	
327	07/26/2025		Thursday	36822	1043	132		3	07/26/2025	N	3	Income Rent LIHTC: 60 HOME: 60 LIHTC: 60 HOME: 60	N	
328	09/10/2024		Friday	18200	848	132		3	09/10/2025	Y	5	Income Rent LIHTC: 50 LIHTC: 50	N	

When a household vacates the property, move-in a household qualified at the HOME applicable limit to reestablish the HOME set-asides. Once the HOME set-asides are met the OI unit may be re-designated as a market unit.

If your LURA requires a specific Unit Mix you will need to make sure you are meeting those requirements also.

174

174

Recertification Requirements: Layered Developments

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE		UNIT QUALIFICATIONS	MEETS SPECIAL NEEDS REQ.
2215	06/01/2022		Yi	8400	499	57	0	1	06/01/2023	Y	2	Income Rent	LIHTC: 50 LIHTC: 50	
2216	08/01/2022		Mulkins	20809.92	443	57	832	1	08/01/2022	N	1	Income Rent	LIHTC: 50 LIHTC: 50	
2217	06/01/2022		Savage	9328	210	57	1065	1	06/01/2023	Y	1	Income Rent	LIHTC: 60 LIHTC: 60	
2219	06/01/2022		Maki	10254	232	49	936	0	06/01/2023	Y	1	Income Rent	LIHTC: 30 LIHTC: 30	
2221	06/01/2022		Wright	42650	234	49	934	0	06/01/2023	Y	1	Income Rent	HOME: 50 HOME: 50 LIHTC: 50	
2223	06/01/2022		Rose Slane	63229	1426	57		1	06/01/2023	Y	1	Income Rent	HOME: Market LIHTC: Market HOME: Market LIHTC: Market	

The rent stays restricted at the Low HOME limit until a replacement unit is occupied by a VLI household

Once replacement unit is occupied, rent may be adjusted to High HOME rent with a 30-day notice

Unit is now designated as a High/80% HOME unit

INCOME LIMITS

AMFI %						
20	$					
30	$	24,550	$ 28,050	$ 31,550	$ 35,050	$ 37,900
40	$	32,720	$ 37,400	$ 42,080	$ 46,720	$ 50,480
50	$	40,900	$ 46,750	$ 52,600	$ 58,400	$ 63,100
60	$	49,080		$ 63,120	$ 70,080	$ 75,720
70	$	-		$ -	$ -	$ -
80	$	65,450	$ 74,800	$ 84,150	$ 93,450	$ 100,950
120	$	-	$ -	$ -	$ -	$ -

$42,650

175

175

Recertification Requirements: 100% HTC with NHTF

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE		UNIT QUALIFICATIONS	MEETS SPECIAL NEEDS REQ.
2215	06/01/2022		Yi	8400	499	57	0	1	06/01/2023	Y	2	Income Rent	LIHTC: 50 NHTF: 30 LIHTC: 50 NHTF: 30	
2216	08/01/2022		Mulkins	20809.92	443	57	157	1	08/01/2022	N	1	Income Rent	LIHTC: 50 NHTF: 30 LIHTC: 50 NHTF: 30	
2217	06/01/2022		Savage	29328	600	57		1	06/01/2023	Y	1	Income Rent	LIHTC: 60 NHTF: 30 LIHTC: 60 NHTF: 30	
2219	06/01/2022		Maki	10254	232	49	332	0	06/01/2023	Y	1	Income Rent	LIHTC: 30 LIHTC: 30	

INCOME LIMITS

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	$ 12,275	$ 14,025	$ 15,775	$ 17,525	$ 18,950	$ 20,350	$ 22,710	$ 25,280
30	$ 24,550	$ 28,050	$ 31,550	$ 35,050	$ 37,900	$ 40,700	$ 45,420	$ 50,560
70	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

176

176

Recertification Requirements: HTC and NHTF with Market Units

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS		MEETS SPECIAL NEEDS REQ.
2215	06/01/2022		Yi	8400	499	57	0	1	06/01/2023	Y	2	Income Rent	LIHTC: 50 NHTF: 30 LIHTC: 50 NHTF: 30	
2216	08/01/2022	08/01/2023	Mulkins	60809.92	1443	57	0	1	08/01/2022	N	1	Income Rent	LIHTC: Market NHTF: Market LIHTC: Market NHTF: Market	
2217	06/01/2022		Savage	29328	600	57	.	1	06/01/2023	Y	1	Income Rent	LIHTC: 60 NHTF: OI LIHTC: 60 NHTF: 30	
2219	06/01/2022		Maki	10254	232	49	332	0	06/01/2023	Y	1	Income Rent	LIHTC: 30 LIHTC: 30	

INCOME LIMITS

AMFI %	Number of Household Members 1	2	3	4	5	6	7	8
20	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	$ 12,275	$ 14,025	$ 15,775	$ 17,525	$ 18,950	$ 20,350	$ 22,710	$ 25,280
30	$ 24,550	$ 28,050	$ 31,550	$ 35,050	$ 37,900	$ 40,700	$ 45,420	$ 50,560
70	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The market unit is of comparable size, or smaller, and is vacant. The development has a written policy regarding changes in income at recertification.

Replace the market unit with a 30% NHTF qualified household (the unit can remain market under the HTC program, or another designation other than 30%). Once you have replaced unit 2216 you should give unit 2217 a 30-day notice of rent change to the HTC 60% limit and then remove the NHTF designation for the unit.

177

177

Recertification Requirements: Highlights

- If an OI unit is at a property with both Low & High HOME units, the owner must replace Low HOME units first to maintain compliance
- A household may choose not to renew their lease because of the "new" rent amount, this is a tenant's right
- The owner may not terminate the lease because a household's income has increased at recertification and the household is not required to move to another unit

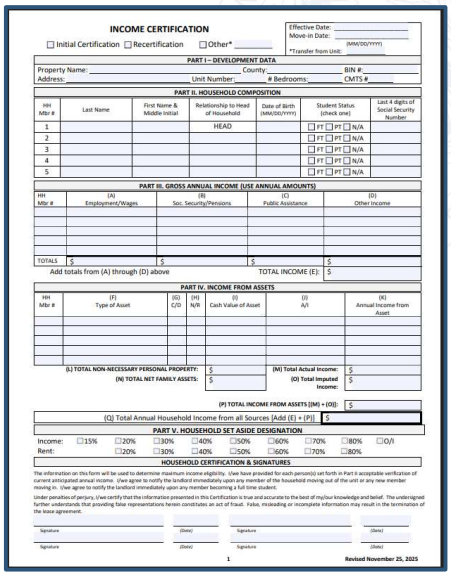
178

178

The Income Certification

Must Use the Department Approved Form:

- Income Certification
- Available on TDHCA Website
- Completed after all verifications are gathered
- Executed by all adult household members
- Executed by staff (Owner/Representative)
- **Keep an eye on the website for updates: https://www.tdhca.texas.gov/compliance-forms**



INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other* _____

Effective Date: _____
Move-in Date: _____ (MM/DD/YYYY)
*Transfer from Unit: _____

PART I – DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
Address: _____ Unit Number: _____ # Bedrooms: _____ CMTS #: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (check one)	Last 4 digits of Social Security Number
1			HEAD		☐ FT ☐ PT ☐ N/A	
2					☐ FT ☐ PT ☐ N/A	
3					☐ FT ☐ PT ☐ N/A	
4					☐ FT ☐ PT ☐ N/A	
5					☐ FT ☐ PT ☐ N/A	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	$	$	$	$

Add totals from (A) through (D) above — TOTAL INCOME (E): $

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/D	(H) N/R	(I) Cash Value of Asset	(J) A/I	(K) Annual Income from Asset

(L) TOTAL NON-NECESSARY PERSONAL PROPERTY: $ — (M) Total Actual Income: $
(N) TOTAL NET FAMILY ASSETS: $ — (O) Total Imputed Income: $

(P) TOTAL INCOME FROM ASSETS [(M) + (O)]: $

(Q) Total Annual Household Income from all Sources [Add (E) + (P)] $

PART V. HOUSEHOLD SET ASIDE DESIGNATION

Income: ☐15% ☐20% ☐30% ☐40% ☐50% ☐60% ☐70% ☐80% ☐O/I
Rent: ☐20% ☐30% ☐40% ☐50% ☐60% ☐70% ☐80%

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature _____ (Date) _____ Signature _____ (Date) _____
Signature _____ (Date) _____ Signature _____ (Date) _____

1 Revised November 25, 2025

179

179

Module 7

Adjusted Income

180

180

Adjusted Income: When does it apply?

Program	Initial Eligibility Certification or QP Declaration	6th Year Annual Recertification or QP Declaration	Intervening Year Self-Certification	Adjusted Income at Recertification if over 80%
HOME	Yes	Yes	Yes	Yes
HOME-ARP	Yes	Yes	Yes	Yes
TCAP-RF	Yes	Yes	Yes	Yes
NSP	Yes	No	No	No
NHTF	Yes	Yes	Yes	No
HOME-Match	Yes	Yes	Yes	Yes

181

181

Adjusted Income: The Process

Determine Annual Income

↓

Determine Deductions

↓

Calculate Tenant Rent

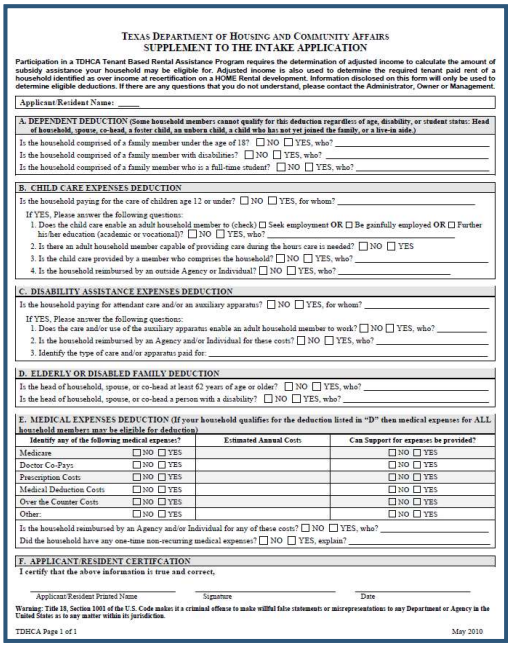
↓

Notification of Rent Increase

182

182

Adjusted Income: Screening for Deductions



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant/Resident Name: _____

A. DEPENDENT DEDUCTION (Some household members cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide.)

Is the household comprised of a family member under the age of 18? ☐ NO ☐ YES, who? _____
Is the household comprised of a family member with disabilities? ☐ NO ☐ YES, who? _____
Is the household comprised of a family member who is a full-time student? ☐ NO ☐ YES, who? _____

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? ☐ NO ☐ YES, for whom? _____

If YES, Please answer the following questions:
1. Does the child care enable an adult household member to (check) ☐ Seek employment **OR** ☐ Be gainfully employed **OR** ☐ Further his/her education (academic or vocational)? ☐ NO ☐ YES, who? _____
2. Is there an adult household member capable of providing care during the hours care is needed? ☐ NO ☐ YES
3. Is the child care provided by a member who comprises the household? ☐ NO ☐ YES, who? _____
4. Is the household reimbursed by an outside Agency or Individual? ☐ NO ☐ YES, who? _____

C. DISABILITY ASSISTANCE EXPENSES DEDUCTION

Is the household paying for attendant care and/or an auxiliary apparatus? ☐ NO ☐ YES, for whom? _____

If YES, Please answer the following questions:
1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? ☐ NO ☐ YES, who? _____
2. Is the household reimbursed by an Agency and/or Individual for these costs? ☐ NO ☐ YES, who? _____
3. Identify the type of care and/or apparatus paid for: _____

D. ELDERLY OR DISABLED FAMILY DEDUCTION

Is the head of household, spouse, or co-head at least 62 years of age or older? ☐ NO ☐ YES, who? _____
Is the head of household, spouse, or co-head a person with a disability? ☐ NO ☐ YES, who? _____

E. MEDICAL EXPENSES DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)

Identify any of the following medical expenses?		Estimated Annual Costs	Can Support for expenses be provided?
Medicare	☐ NO ☐ YES		☐ NO ☐ YES
Doctor Co-Pays:	☐ NO ☐ YES		☐ NO ☐ YES
Prescription Costs	☐ NO ☐ YES		☐ NO ☐ YES
Medical Deduction Costs	☐ NO ☐ YES		☐ NO ☐ YES
Over the Counter Costs	☐ NO ☐ YES		☐ NO ☐ YES
Other:	☐ NO ☐ YES		☐ NO ☐ YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? ☐ NO ☐ YES, who? _____
Did the household have any one-time non-recurring medical expenses? ☐ NO ☐ YES, explain? _____

F. APPLICANT/RESIDENT CERTIFICATION

I certify that the above information is true and correct,

_____ Applicant/Resident Printed Name _____ Signature _____ Date

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA Page 1 of 1 May 2010

The household must be screened for deductions

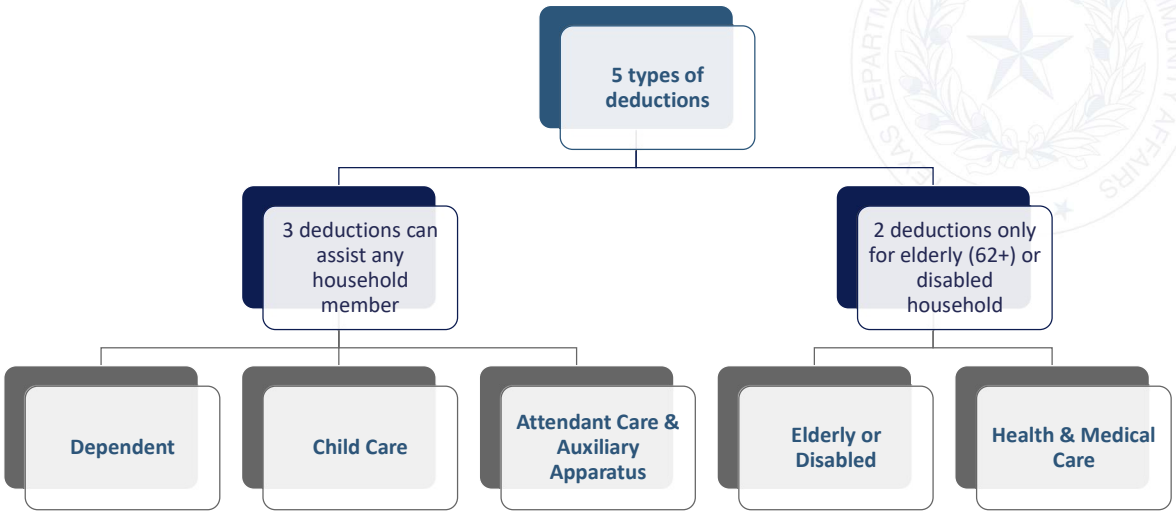
TDHCA has a Supplement to the Intake Application available on the website

Developments may develop and utilize their own version of screening tool

183

183

Adjusted Income: Available Deductions



184

184

Adjusted Income: Deductions Cheat Sheet

Dependent: $500 per eligible dependent
- Ages vary, Student Status & Disability

→ **Childcare**: Earned Income > childcare expenses
Count Total Expenses for Deduction

→ **Attendant Care & Auxiliary Apparatus**: 12 months of expenses – 10% = Deduction for eligible households

Elderly (62+)/ Disabled:
$550 per eligible household

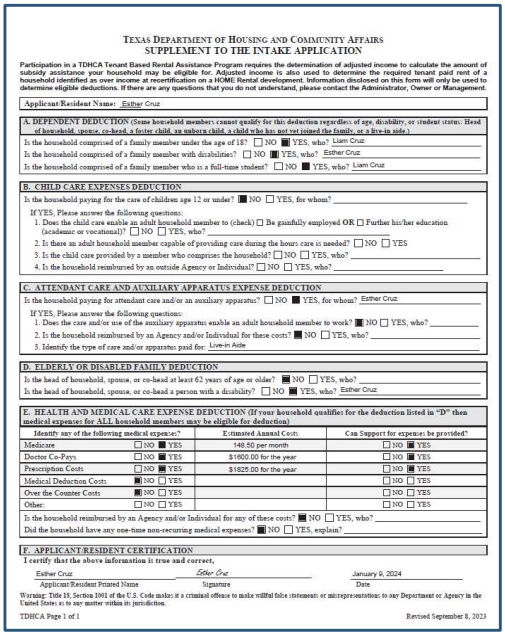
→ **Health & Medical Care**: Annual Income x 10% (if not satisfied by A&A) = Disallowed for deduction Expenses – 10% = Total Deduction

Care/Apparatus & Health/Medical:
If qualified for both…
Care/Apparatus expenses – 10% = Deduction
Care/Apparatus deduction + Health/Medical expenses = Total Household Deduction

185

185

Cruz Household: Screening for Deductions



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
SUPPLEMENT TO THE INTAKE APPLICATION

Participation in a TDHCA Tenant Based Rental Assistance Program requires the determination of adjusted income to calculate the amount of subsidy assistance your household may be eligible for. Adjusted income is also used to determine the required tenant paid rent of a household identified as over income at recertification on a HOME Rental development. Information disclosed on this form will only be used to determine eligible deductions. If there are any questions that you do not understand, please contact the Administrator, Owner or Management.

Applicant/Resident Name: Esther Cruz

A. DEPENDENT DEDUCTION (Some household member; cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide.)

Is the household comprised of a family member under the age of 18? ☐ NO ■ YES, who? Liam Cruz
Is the household comprised of a family member with disabilities? ☐ NO ■ YES, who? Esther Cruz
Is the household comprised of a family member who is a full-time student? ☐ NO ■ YES, who? Liam Cruz

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? ■ NO ☐ YES, for whom? _____
If YES, Please answer the following questions:
1. Does the child care enable an adult household member to (check) ☐ Be gainfully employed **OR** ☐ Further his/her education (academic or vocational)? ☐ NO ☐ YES, who? _____
2. Is there an adult household member capable of providing care during the hours care is needed? ☐ NO ☐ YES
3. Is the child care provided by a member who comprises the household? ☐ NO ☐ YES, who? _____
4. Is the household reimbursed by an outside Agency or Individual? ☐ NO ☐ YES, who? _____

C. ATTENDANT CARE AND AUXILIARY APPARATUS EXPENSE DEDUCTION

Is the household paying for attendant care and/or an auxiliary apparatus? ☐ NO ■ YES, for whom? Esther Cruz
If YES, Please answer the following questions:
1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? ■ NO ☐ YES, who? _____
2. Is the household reimbursed by an Agency and/or Individual for these costs? ■ NO ☐ YES, who? _____
3. Identify the type of care and/or apparatus paid for: Live-in Aide

D. ELDERLY OR DISABLED FAMILY DEDUCTION

Is the head of household, spouse, or co-head at least 62 years of age or older? ■ NO ☐ YES, who? _____
Is the head of household, spouse, or co-head a person with a disability? ☐ NO ■ YES, who? Esther Cruz

E. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)

Identify any of the following medical expenses?		Estimated Annual Costs	Can Support for expenses be provided?
Medicare	☐ NO ■ YES	148.50 per month	☐ NO ■ YES
Doctor Co-Pays	☐ NO ■ YES	$1600.00 for the year	☐ NO ■ YES
Prescription Costs	☐ NO ■ YES	$1625.00 for the year	☐ NO ■ YES
Medical Deduction Costs	■ NO ☐ YES		☐ NO ☐ YES
Over the Counter Costs	■ NO ☐ YES		☐ NO ☐ YES
Other:	☐ NO ☐ YES		☐ NO ☐ YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? ■ NO ☐ YES, who? _____
Did the household have any one-time non-recurring medical expenses? ■ NO ☐ YES, explain? _____

F. APPLICANT/RESIDENT CERTIFICATION

I certify that the above information is true and correct,

Esther Cruz — Esther Cruz — January 9, 2024
Applicant/Resident Printed Name — Signature — Date

Warning: Title 18, Section 1001 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentation to any Department or Agency in the United States as to any matter within its jurisdiction.

TDHCA Page 1 of 1 — Revised September 8, 2023

The Cruz household is applying for a program that requires adjusted income.

We have completed the income and asset screening portion of the process, now we need to adjust their income to determine the rent.

← The Supplement to the Intake Application tells us what we need for the next steps.

186

186

Adjusted Income: Dependent Deduction

- Dependent Deduction of $500 per eligible dependent in the household
- Dependents are defined as household members who are not head, spouse, co-head and are:
  - Under 18 years of age
  - A person with disabilities at any age
  - A full-time student, 18 years of age or older
    - Full-time student status is defined by the institution of higher education, with a degree or certificate program, where the student is enrolled
  - *To qualify for the deduction, verification of disability or student status is required*
- A foster child, foster adult, unborn child, a child that has not joined the household yet, or dependent of a live-in aide will never qualify for the deduction
- A household does not have to have legal custody of a dependent to receive the deduction; however, the dependent must live in the unit
- A household may not receive a double dependent deduction for one member
  - For example, a 19-year-old, disabled, full-time student would not be eligible for two dependent deductions

187

187

Cruz Household: Dependent Deduction Certification

A. DEPENDENT DEDUCTION (Some household members cannot qualify for this deduction regardless of age, disability, or student status: Head of household, spouse, co-head, a foster child, an unborn child, a child who has not yet joined the family, or a live-in aide.)

Is the household comprised of a family member under the age of 18? ☐ NO ■ YES, who? Liam Cruz

Is the household comprised of a family member with disabilities? ☐ NO ■ YES, who? Esther Cruz

Is the household comprised of a family member who is a full-time student? ☐ NO ■ YES, who? Liam Cruz

Is the Cruz household eligible for a dependent deduction?

Yes

How much is their deduction?

The household is eligible for a $500 deduction for the one dependent

188

188

Adjusted Income: Learning Point 1

The Martin household is comprised of Paul who is disabled, his wife Christy and their 19-year-old daughter Jude. Is the Martin household eligible for a dependent deduction?

No

Jude is over the age of 18, not a full-time student, nor disabled.

Paul is disabled; however, he does not qualify for the deduction because he is the head of the household.

189

189

Adjusted Income: Childcare Deduction

- The Child Care Deduction is available for anticipated expenses to any household paying for childcare. The deduction is available to all children under the age of 13 living in the unit ~~(including foster children)~~ when childcare enables a family member to…
  - Work
  - Look for work
  - Go to school (academic or vocational)
- The household must evidence that there is no adult family member capable of providing care during the hours care is needed
- Childcare expenses cannot be reimbursed by an outside agency or individual
- Childcare expenses deducted must be reasonable

Foster children are eligible for this deduction if the childcare expense is paid by the household income and not a welfare stipend.

190

190

Adjusted Income: Childcare Deduction continued

- Childcare expenses are not paid to someone living in the unit
- Childcare expenses cannot exceed the work income generated by the household member during the period in which care is provided
- The childcare expenses are not restricted when seeking employment or attending school
- To document anticipated childcare expenses, the household must:
  - Identify the child(ren) who will be cared for
  - Identify the family member who is enabled to work, look for work, and/or go to school because of the childcare
  - Evidence that no other adult household member in the unit is available to care for the child
  - Identify the childcare provider
  - Provide documentation of cost

191

191

Cruz Household: Child Care Deduction

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 12 or under? ■ NO ☐ YES, for whom? _____

If YES, Please answer the following questions:

1. Does the child care enable an adult household member to (check) ☐ Be gainfully employed **OR** ☐ Further his/her education (academic or vocational)? ☐ NO ☐ YES, who? _____
2. Is there an adult household member capable of providing care during the hours care is needed? ☐ NO ☐ YES
3. Is the child care provided by a member who comprises the household? ☐ NO ☐ YES, who? _____
4. Is the household reimbursed by an outside Agency or Individual? ☐ NO ☐ YES, who? _____

Is the Cruz household eligible for a childcare deduction?

No, Liam is not in childcare.

192

192

Learning Point: Childcare Deduction

Eric and Ariel Robles work and their dependents attend an after-school program. Their 10-year-old and 6-year-old children, Melody and Max, attend the YMCA program after school from 3pm to 6pm each day during the school year. They pay the YMCA $14.00 an hour for the care of their children. They receive no reimbursement for the childcare expenses. Eric does not work in the summer; the children spend the summer with their father and the household does not have any childcare expenses during this time. Ursula is an adult in the household but is unable to watch the children due to her disability and Sebastian is a full-time adult student in the household but is unable to care for his younger siblings.

Is the Robles household eligible for a childcare deduction?

Yes

193

193

Learning Point: Childcare Deduction continued

How much is the childcare deduction for the Robles household?

- Step 1: Determine Eric's annual income:



- Step 2: Determine what Eric's earned income is while his children attend after-school care:



194

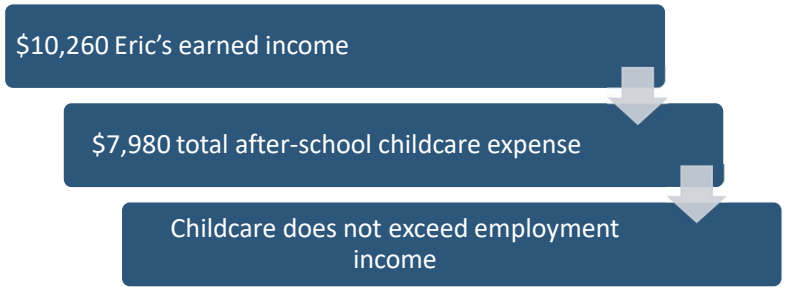
194

Learning Point: Child Care Deduction completed

- Step 3: Determine the after-school childcare expenses for Melody and Max:



- Step 4: Determine that after-school childcare expenses do not exceed Eric's earned income generated during the period in which care is provided:



195

195

Adjusted Income: Attendant Care & Auxiliary Apparatus Expense Deduction

- Attendant Care & Auxiliary Apparatus Expense Deduction is available for unreimbursed, anticipated costs for attendant care and/or an auxiliary apparatus
- The care or apparatus enables a household member, 18 years or older, including the disabled member to work
- The amount claimed is the difference in total expenses for attendant care and/or auxiliary apparatus that exceeds 10% of annual income and earned income of the adult household member enabled to work by the attendant care or auxiliary apparatus
- If the disability assistance enables more than one household member to be employed, the allowance cannot exceed the combined income of both

196

196

Attendant Care & Auxiliary Apparatus Expense Deduction Items

- Auxiliary apparatus includes items that are directly related to permitting the disabled person or other family member to work
- Includes items such as, but not limited to, the following:
  - Wheelchairs, ramps, adaptations to vehicles (one-time allowances);
  - Cost of maintenance and upkeep of an auxiliary apparatus (i.e. veterinarian and food costs of service animal)
  - Attendant care includes, but is not limited to, reasonable expenses for home medical care, nursing services, interpreters for hearing impaired persons and readers for persons with visual impairments

197

197

Cruz Household: Care and Apparatus Expense Deduction

C. ATTENDANT CARE AND AUXILIARY APPARATUS EXPENSE DEDUCTION

Is the household paying for attendant care and/or an auxiliary apparatus? ☐ NO ■ YES, for whom? Esther Cruz

If YES, Please answer the following questions:

1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? ■ NO ☐ YES, who? _____
2. Is the household reimbursed by an Agency and/or Individual for these costs? ■ NO ☐ YES, who? _____
3. Identify the type of care and/or apparatus paid for: Live-in Aide

Is the Cruz household eligible for the Attendant Care & Auxiliary Apparatus Expense Deduction?

No, even though there is a live-in aide, Esther is not able to work because of this care.

198

198

Learning Point: Attendant Care & Auxiliary Apparatus Expense Deduction

L.J. is an individual with disabilities that works full-time and has an annual income of $24,800. He requires a motorized wheelchair and special transportation to get to his job. The eligible disability expense is $8,500 for his transportation to and from his job. Is L.J. eligible for a disability expense deduction? If yes, how much?

- Step 1: Determine 10% of L.J.'s employment income:



199

199

Learning Point: Attendant Care & Auxiliary Apparatus Expense Deduction continued

- Step 2: Determine L.J.'s eligible disability deduction:



- Step 3: Ensure L.J.'s allowable deduction does not exceed his annual income:



200

200

Adjusted Income: Elderly or Disabled Deduction

- Elderly or Disabled Deduction is a one-time $550 deduction
  - HUD will evaluate and adjust, if necessary, this amount annually
- The deduction is available to a household if the head, spouse, or co-head (or the sole member) is at least 62 years of age or older, or is a person with disabilities
- A household is entitled to only one deduction regardless of how many household members qualify as elderly or disabled

201

201

Cruz Household: Elderly or Disabled Deduction

D. ELDERLY OR DISABLED FAMILY DEDUCTION

Is the head of household, spouse, or co-head at least 62 years of age or older? ■ NO ☐ YES, who? _____

Is the head of household, spouse, or co-head a person with a disability? ☐ NO ■ YES, who? Esther Cruz

Esther Cruz, Head of Household, is a person with disabilities. Does this mean that the Cruz household is eligible for the Elderly/Disabled Deduction?

Yes

How much is the deduction?

$550

202

202

Adjusted Income: Learning Point 3

Ted is 29 years old and a person with disabilities. Is Ted eligible for the elderly or disabled deduction? If yes, how much is the deduction?

Yes, $550

Carolyn is 62 and lives with her husband, Jeff, who is 35 and disabled. Is the household eligible for the elderly or disabled deduction? If yes, how much is the deduction?

Yes, $550

203

203

Adjusted Income: Health & Medical Care Expense Deduction

- Health & Medical Care Expense Deduction is the portion of total medical expenses that exceeds 10% of annual income and is only permitted for households in which the head, spouse, or co-head is elderly or disabled
- If the household is eligible, include the unreimbursed anticipated medical expenses of ALL household members
  - Including non-elderly and dependent children
    - Foster persons are not eligible for this deduction
  - Medical expenses include medically necessary apparatus, services and medications
- Include ongoing expenses paid in the past 12 months to project the upcoming year's expenses
- Ongoing payments toward existing, unpaid medical bills are eligible for inclusion for the upcoming year
  - NOTE: Must only include the amount of payments to be made, not the total balance due

204

204

Adjusted Income: Health & Medical Care Expense Deduction Continued

- Examples of eligible medical expenses include, but are not limited to:
  - Services of doctors and healthcare professionals
  - Services of healthcare facilities
  - Medical insurance premiums or cost of an HMO
  - Prescription/Nonprescription medicines that have been prescribed by a physician
  - Dental expenses
  - Eyeglasses
  - Hearing aids

205

205

Cruz Household: Health & Medical Care Expense Deduction

E. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)

Identify any of the following medical expenses?		Estimated Annual Costs	Can Support for expenses be provided?
Medicare	☐ NO ■ YES	148.50 per month	☐ NO ■ YES
Doctor Co-Pays	☐ NO ■ YES	$1600.00 for the year	☐ NO ■ YES
Prescription Costs	☐ NO ■ YES	$1825.00 for the year	☐ NO ■ YES
Medical Deduction Costs	■ NO ☐ YES		☐ NO ☐ YES
Over the Counter Costs	■ NO ☐ YES		☐ NO ☐ YES
Other:	☐ NO ☐ YES		☐ NO ☐ YES

Is the household reimbursed by an Agency and/or Individual for any of these costs? ■ NO ☐ YES, who? _____

Did the household have any one-time non-recurring medical expenses? ■ NO ☐ YES, explain? _____

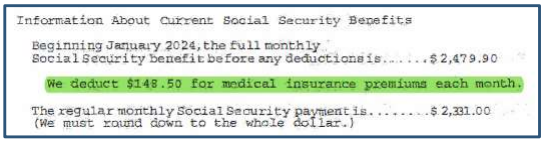
Is the Cruz Household eligible for the Health & Medical Care Expense Deduction?

Yes

206

206

Cruz Household: Health & Medical Care Expense Back-up

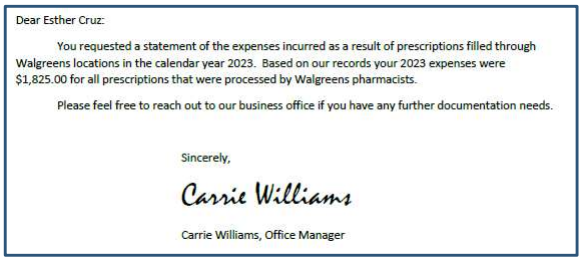


Information About Current Social Security Benefits

Beginning January 2024, the full monthly Social Security benefit before any deductions is.....$2,479.90

We deduct $148.50 for medical insurance premiums each month.

The regular monthly Social Security payment is.....$2,331.00
(We must round down to the whole dollar.)



Dear Esther Cruz:

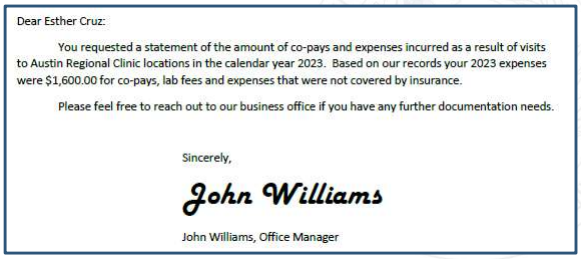
You requested a statement of the expenses incurred as a result of prescriptions filled through Walgreens locations in the calendar year 2023. Based on our records your 2023 expenses were $1,825.00 for all prescriptions that were processed by Walgreens pharmacists.

Please feel free to reach out to our business office if you have any further documentation needs.

Sincerely,

Carrie Williams

Carrie Williams, Office Manager



Dear Esther Cruz:

You requested a statement of the amount of co-pays and expenses incurred as a result of visits to Austin Regional Clinic locations in the calendar year 2023. Based on our records your 2023 expenses were $1,600.00 for co-pays, lab fees and expenses that were not covered by insurance.

Please feel free to reach out to our business office if you have any further documentation needs.

Sincerely,

John Williams

John Williams, Office Manager

Insurance: **$148.50 x 12 = $1,782 +**

Prescriptions: **$1,825 +**

Doctor Visits: **$1,600 = $5,207 total**

We have confirmed the information required to back-up the amounts claimed for the Health and Medical Care Expense Deduction.

207

207

Cruz Household: Health & Medical Care Expense Deduction Calculated

- Step 1: Determine 10% of the Cruz household's annual income:

$34,338.80 annual income × 10% calculation factor = $3,433.88 is 10% of annual income

- Step 2: Determine the medical expense deduction amount:

$5,207 medical expense − $3,433.88 10% of income = $1,773.12 medical deduction

The Cruz household is eligible for a medical expense deduction of $1,773.12

208

208

Adjusted Income: Medical Expense Deduction

If the household is eligible for both the Attendant Care & Auxiliary Apparatus deduction and the Health & Medical Care deduction, the following must be considered:

- Ensure that the household's 10% of income test is applied only one time
- The Attendant Care & Auxiliary Apparatus expense deduction must be calculated before the Health & Medical Care Expense deduction is determined
- The Attendant Care & Auxiliary Apparatus expense deduction is limited by the amount earned by the person enabled to work
- Expenses cannot be included in both categories (no double-dipping)

209

209

Learning Point: Care/Apparatus & Health/Medical Expense Disability

L.J., from slides 199 & 200, has the Attendant Care & Auxiliary Apparatus expense deduction of $6,020. In addition, L.J. also has Health & Medical Care expenses in the amount of $1,500 that are not reimbursed by insurance. Since L.J.'s Care & Apparatus expense has already been calculated, which is required to be determined first, then the medical is just added.

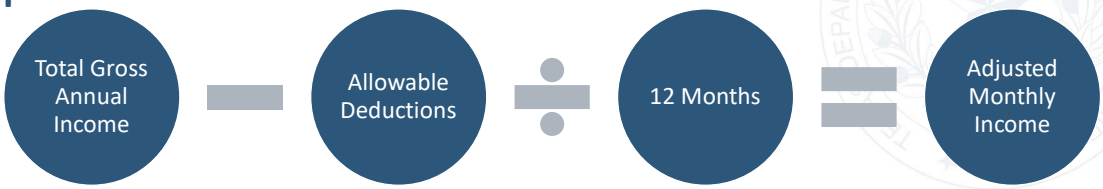


210

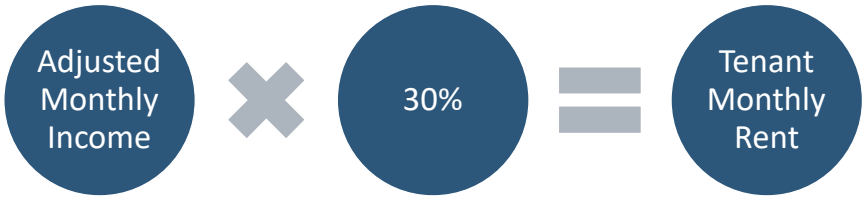
210

Adjusted Income: Calculating Rent

Step 1:



Step 2:



211

211

Cruz Household: Calculating Rent

The Cruz household's gross annual income is $34,338.80 and their adjusted income after deductions is $31,515.68.

$500 Dependent + $550 Disabled + $1,773.12 Health & Medical Expense = $2,823.12 total deductions



The calculated rent is rounded to $789 because you don't, generally, collect change in rent.

Don't forget to deduct the Utility Allowance.

212

212

Learning Point: Adjusted Income

Bryan, Head of Household, age 63
Nicole, Co-Head, age 52
Casen, Dependent, age 14, disabled – requires attendant care

Bryan's annual income	$25,000
Nicole's annual income	+ $23,000
Total Annual Income	**$48,000**

Bryan's out-of-pocket Health & Medical Care expenses	$2,000
Nicole's out-of-pocket Health & Medical Care expenses	$1,000
Casen's out-of-pocket Attendant Care expenses	+ $6,000
Total Health & Medical Care and Attendant Care expenses	**$9,000**

Less 10% required deduction: **$4,800** ($48,000 x 10%)

Annual Income	**$48,000**
Medical Deduction	**$4,200** ($9,000 - $4,800)
Dependent Deduction	**$500**
Elderly/Disabled Ded.	**$550**

To calculate rent:
Adjusted annual income
$42,750
Divided by 12 months
$3,562.50
Multiplied by 30%
$1,068.75
Total Tenant Payment

Adjusted Annual Income $42,750

213

213

Adjusted Income: Send Notification of Rent Increase

A 30-day written notice is required to implement a rent increase.



Rent Increase Notification

Date: __/__/____

RE: Change in Rent Notice

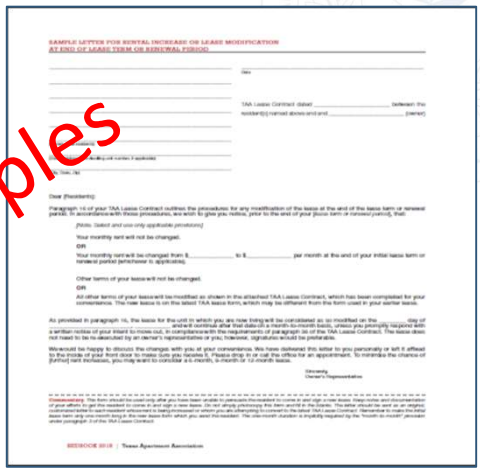
Tenant's Name:_____

Please be advised that effective __/__/____ the monthly rent for the unit located at _____, where you are a currently a tenant, will be increase to $_____ per month payable in advance on/or before the ____ of each month.

Sincerely,

Landlord/Property manager:_____

Signature: _____



Examples

214

214

Adjusted Income: Annual Inflationary Adjustments

For certifications with effective dates on, or after 1/1/2027

Items Adjusted for Inflation Annually by HUD

	2023	2024	2025	2026	2027	2028	2029	2030
Adjustment to $5.50 Admin Fee				$ 5.65				
Student Income Allowance	$ 480.00	$ 480.00	$ 480.00	$ 500.00	$ 525.00			
Dependent Deduction	$ 480.00	$ 480.00	$ 480.00	$ 500.00	$ 525.00			
Adoption Assistance Allowance	$ 480.00	$ 480.00	$ 480.00	$ 500.00	$ 525.00			
Elderly Deduction	$ 400.00	$ 525.00	$ 525.00	$ 550.00	$ 575.00			
Asset Limitation Threshold	$ 5,000.00	$ 50,000.00	$ 51,600.00	$ 52,787.00	$ 54,898.00			
Threshold for Medical Deduction*	3%	10%	10%	10%	10%			
Cost of Living Allowance (COLA)	8.70%	3.20%	2.50%	2.80%				
Passbook Savings Rate	0.06%	0.40%	0.45%	0.40%	0.38%			

* Does not include the hardship allowance applicable to some households

This chart was developed by Department staff for use as a courtesy. All items should be confirmed by ownership and implemented in accordance to the requirements of the program under which the development operates. In accordance with 10 TAC §10.626, full compliance with all applicable program requirements is the responsibility of the development Owner.

215

215

Module 8

Lease Requirements and Compliance Rules

216

216

Lease Requirements

§92.253(a)(b)(1-9)&(c)

A written lease between the household and the owner is required for all households

Tri-Party leases are not allowed for MFDL units

§92.253(a)(b)(1-9)&(c)

MFDL leases must be for a period of not less than one year, unless mutually agreed upon

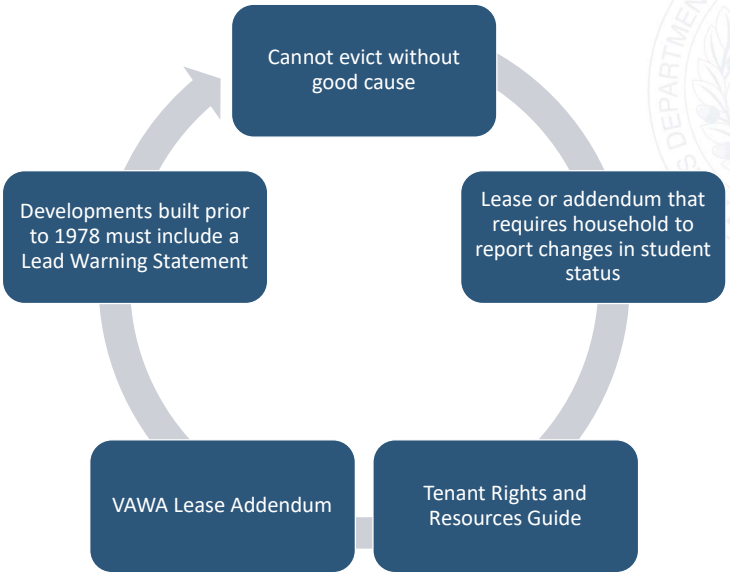
§92.253(a)(b)(1-9)&(c)

There is no required format, but the lease must not contain prohibited provisions

217

217

Lease Requirements: General Prohibitions & Requirements



218

218

Lease Requirements: 10 TAC §10.613

- **§10.613(b)**
  - MFDL Developments are prohibited from evicting low-income residents or refusing to renew a lease except for serious or repeated violations of the terms and conditions of the lease, for violations of applicable federal, state or local law, for completion of the tenancy period for Transitional Housing (if applicable), for households that were found to never have income qualified for the highest income designation under the program or for other good cause.
    - It must be specifically stated in the lease or in an addendum attached to the lease that evictions or non-renewal of leases for other than good cause are prohibited (24 CFR §92.253 and 24 CFR §93.303).
  - Owners must also comply with all other lease requirements and prohibitions stated in 24 CFR §92.253 or 24 CFR §93.303, as applicable.
  - To terminate or refuse to renew tenancy in HOME, TCAP RF, NSP, and HOME-ARP Developments, the Owner must serve written notice to the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
  - For HOME-ARP, Owners may not terminate the tenancy or refuse to renew the lease of the Qualifying Household in any Unit that is supported by capitalized operating costs because of the household's inability to pay rent of more than 30% of the qualifying household's income toward rent during the longer of the federal affordability period or the time period identified in the Contract.

219

219

Lease Requirements: 10 TAC §10.613

- **§10.613(d)**
  - A Development must use a lease or lease addendum that requires households to report changes in student status; this does not apply for NHTF Units when NHTF Units are fixed and not layered with HTC or another program with a student rule, or when NHTF Units are floating but under the LURA cannot be layered with HTC or another program with a student rule.
- **§10.613(f)**
  - For HOME, TCAP, TCAP RF, NHTF, 811 PRA, NSP, ERA and HOME-ARP Developments, properties that were initially built for occupancy prior to 1978 must include in their lease or lease addendum a Lead Warning Statement.
- **§10.613(h)**
  - All NHTF, TCAP RF, NSP, HOME, ERA, and HOME-ARP Developments for which the Contract is executed on or after December 16, 2016, must use the Department created VAWA lease addendum which provides the ability for the tenant to terminate the lease without penalty if the Department determines that the tenant qualifies for an emergency transfer under 24 CFR §5.2005(e).
- **§10.613(i)**
  - Leasing of HOME, TCAP RF, or NHTF Units to an organization that, in turn, rents those Units to individuals is not permissible for Developments with Contracts dated on or after August 23, 2013. Leases must be between the Development and an eligible household. NSP and HOME-ARP Developments may only utilize Master Leases, if specifically allowed in the Development's LURA.

220

220

Lease Requirements: 10 TAC §10.613

- **§10.613(k)**
  - It is a Development Owner's responsibility at all times to know what it has agreed to provide by way of common amenities, Unit amenities, and services.
- **§10.613(h)**
  - A Development Owner shall post in a common area of the leasing office a copy and provide each household, during the application process and upon a subsequent change to the items described in paragraph (2) of this subsection, the brochure made available by the Department, A Tenant Rights and Resources Guide
- **§10.613(n)**
  - Except as identified in federal or state statute or regulation for Direct Loans, or as otherwise identified in this Chapter, the Department does not determine if an Owner has good cause or if a resident has violated the lease terms. Challenges to evictions or terminations of tenancy must be determined by a court of competent jurisdiction or an agreement of the parties (including an agreement made in arbitration), and the Department will rely on that determination.
- **§10.613(p)**
  - For all Developments that have or had direct loan funds from the Department, surety bonds, security deposit insurance, and instruments similar to surety bonds or security deposit insurance may not be used in lieu of or in addition to a security deposit for any Unit in a Development with floating Units or for fixed Units in the Designated Units.

221

221

Lease Requirements: 10 TAC §10.613(o)

- A Development subject to the 2025 HOME Final Rule must comply with all provisions outlined within this section and the following:
  - (1) Surety bonds, security deposit insurance, and instruments similar to surety bonds or security deposit insurance may not be used in lieu of or in addition to a security deposit for any Unit in a Development with floating Units or for fixed Units in the Designated Units. All security deposits must be fully refundable and may not be greater than two months' rent.
  - (2) A Designated Unit must use the HOME tenancy addendum published by HUD. If HUD does not publish a tenancy addendum, then the Department's version must be used.
  - (3) Leases for Designated Units:
    - (A) A copy of the lease template must be submitted to the Department prior to being implemented or upon any revision;
    - (B) The lease must provide more than one method to communicate directly with the Owner and the property management, including in person, by telephone, email, or through a web portal;
    - (C) For a Development with one or more floating Units, if the Development is not using the same lease template for all Units in the Development, the lease must provide the provisions that will go into effect upon the Unit becoming a Designated Unit; and
    - (D) The lease must provide the following Department contact information: mail: TDHCA P.O. Box 13941 Austin, Texas 78711 phone: (512) 475-3800 email: info@tdhca.texas.gov.
  - (4) All Notices to Vacate must be submitted to the Department no later than 14 days after the notice is issued (in the case of a 30-day notice). In cases where a shorter Notice to Vacate is issued due to imminent threats to other tenants, employees, or property, a copy of the notice must be provided to the Department upon issuance.

222

222

Reporting Requirements: 10 TAC §10.607

Annual Owner's Compliance Report (AOCR)

- 4 Parts and the Annual Owner Financial Certification
- Due April 30th for the previous calendar year
- 1st report is due the second year after an award

Periodic Unit Status Reports (USR)

- Due on the 10th day of January, April, July and October
- 1st report is due after leasing commences
- **Failure to report occupancy timely will result in a finding of noncompliance.**

Monitoring Reviews

- Required to submit an accurate USR prior to a monitoring review or physical inspection
- Due date will be specified in the Notification Letter
- Owners are encouraged to continuously maintain current resident data in the Department's CMTS

223

223

Reporting Requirements: Desk Reviews

- Desk reviews are conducted quarterly and/or annually through the submission of the Quarterly USR
- Quarterly desk reviews are required until initial occupancy requirements and all compliance requirements are met
- Desk reviews test for the following events of noncompliance
  - Income and Rent restrictions
  - MFDL Designations Met
  - Recertification (TIC Date) Requirements Met
  - Special Needs Requirements Met
- **Failure to submit required reports will result in noncompliance**
- Desk review response letters to the Owner are a helpful tool that can be used to avoid noncompliance on future reviews
- If you are in lease-up and do not see this report as an option, you must email cmts.requests@tdhca.texas.gov

224

224

Notices to the Department: 10 TAC §10.609

Within 10 days of a change in the contact information for the Ownership entity, management company, and/or Development the Department's CMTS must be updated.

- Including contact persons, physical addresses, mailing addresses, email addresses, phone numbers, and/or the name of the property as know by the public.
- Separate contact information must be provided for Ownership entity, management company, and onsite manager at the Development.
- A single contact may be used for the owner and management if they are the same entity.

MFDL must initially sign up for the Compliance Monitoring Tracking System (CMTS) by September 1st following the year of the award!

225

225

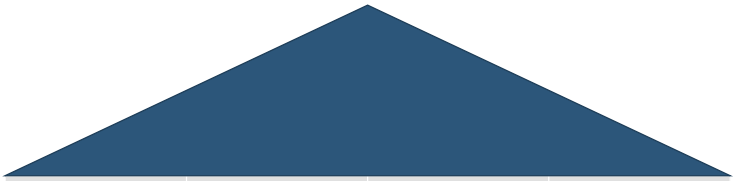
Transfer Requirements: 10 TAC §10.616

- (b) Household transfers for NHTF, HOME, TCAP-RF, HOME Match, NSP, and HOME-ARP with **floating** units
  - Households may transfer to any unit within the development; a certification is not required at the time of transfer; allowed regardless of the household's income at the most recent certification
  - If the household transfers to a different unit type, the development must maintain the unit type dispersion as reflected in its LURA, by re-leasing the vacated unit to an eligible household
  - If the development is required to perform annual income recertifications, it is due on the anniversary date the household **originally** moved into the development
- (c) Household transfers for NHTF, HOME, TCAP-RF, HOME Match, NSP, and HOME-ARP with **fixed** units
  - Households may transfer to any unit and do not need to be certified at the time of the transfer
  - If the household transfers to a unit that is not fixed, the Development must re-lease the vacated unit to an eligible household
  - If the Development is required to perform annual income recertifications, the recertification is due on the anniversary date the household **originally** moved into the Development.
- **If the development is layered with Housing Tax Credits, use the transfer guidelines for the Housing Tax Credit Program**

226

226

Transfers Requirements: Learning Point



Unit 111 30% AMI TIC Date 1/2/2025	Unit 112 Market Unit	Unit 113 50% AMI Vacant	Unit 114 50% AMI TIC Date 2/23/2026
Unit 211 OI TIC Date 2/5/2026	Unit 212 60% AMI TIC Date 12/3/2025	Unit 213 80% AMI TIC Date 10/15/2025	Unit 214 30% AMI TIC Date 6/1/2025

Can unit 114 transfer to unit 211?

Yes – transfer regardless of income

When is the recertification for unit 211 due?

Annually on February 5th

227

227

Affirmative Marketing Requirements

The purpose of affirmative marketing is to specifically identify potentially eligible tenants and homebuyers who are "least likely to apply" for housing and ensure they are aware of available housing opportunities.

- Marketing efforts must begin 90 days prior to the first building Placed in Service date
- Update the Affirmative Marketing Plan every 5 years
- Conduct Outreach Marketing annually, unless waitlist is closed
- Exception to Affirmative Marketing: Wait List Closed
- Find more information online: https://www.tdhca.texas.gov/fair-housing-tdhca-monitored-properties

228

228

§ 92.253 Tenant protections and selection

- Tenant selection
  - An owner of rental housing assisted with HOME funds must comply with the affirmative marketing requirements established by the participating jurisdiction pursuant to § 92.351(a).
  - The owner must adopt and follow written tenant selection policies and criteria that follow the requirements outlined in the rule at the link below.

https://www.ecfr.gov/current/title-24/section-92.253

229

229

Affirmative Marketing Training and Technical Assistance

For training and technical assistance, or to have your Affirmative Fair Housing Marketing Plan reviewed, please contact the Texas Department of Housing and Community Affairs Fair Housing Division.

Phone: (512) 475-0306
Email: Fair.Housing@tdhca.texas.gov

230

230

Special Rules Regarding Rent: 10 TAC §10.622

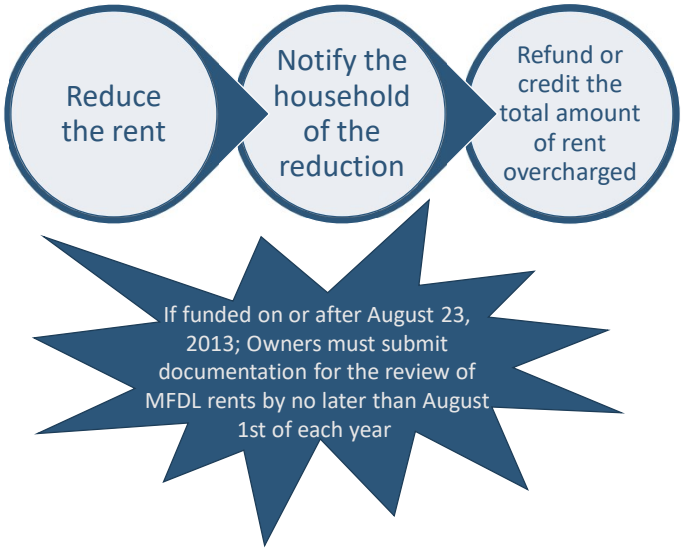
MFDL programs require the amount of rent paid by the household plus an allowance for utilities, plus any mandatory fees and any rental assistance (unless otherwise described in the LURA) cannot exceed the designated applicable limit published by the Department.

If it is determined that the Development collected rent in excess of the allowable limit, the Department will require the Owner to refund **or** credit the affected residents the amount of rent that was overcharged. The Owner must obtain in writing, from the household, the election to receive a full refund check or to have the entire overpaid amount credited to their household's account. In the absence of a household's election, a full refund check must be presented to the household within thirty days.

231

231

Special Rules Regarding Rent: 10 TAC §10.622 continued



If household has already vacated, a trust account must be established and remain open for 4 years.

232

232

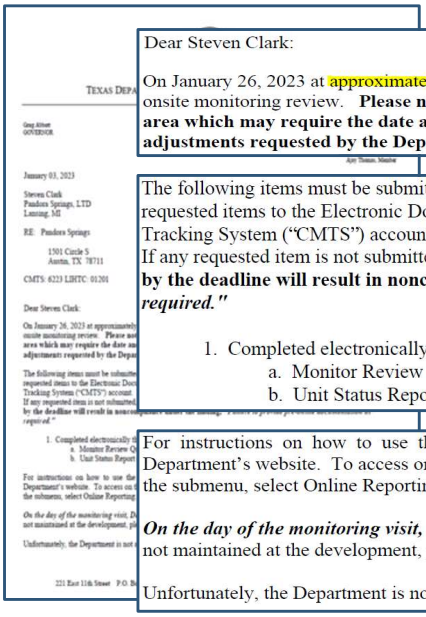
Module 9

Compliance Monitoring

233

233

Notification of Monitoring Review: On-Site



Dear Steven Clark:

On January 26, 2023 at approximately 12:30 pm, monitor(s) will be visiting the above referenced development to conduct an onsite monitoring review. **Please note that the Department representative(s) may be visiting other developments in the area which may require the date and/or time of the onsite to change. Please ask your staff to plan for any adjustments requested by the Department.**

The following items must be submitted to the attention of Cara Pollei no later than January 10, 2023. Please upload all requested items to the Electronic Document Attachment system through the development's Compliance Monitoring and Tracking System ("CMTS") account. In addition, please electronically complete required reports in CMTS indicated below. If any requested item is not submitted, please submit a written explanation. **Failure to submit the requested information by the deadline will result in noncompliance under the finding, *"Failure to provide pre-onsite documentation as required."***

1. Completed electronically through the CMTS:
   a. Monitor Review Questionnaire
   b. Unit Status Report (USR) reporting occupancy as of December 31, 2022

For instructions on how to use the attachment system, please see Attaching Documents to CMTS found on the Department's website. To access on the home page, select the Support and Services tab and then select Compliance. From the submenu, select Online Reporting.

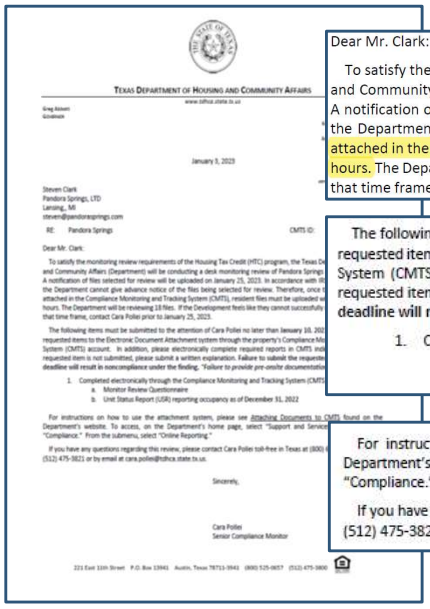
On the day of the monitoring visit, Department staff will need access to original resident files. If original resident files are not maintained at the development, please let the Department know immediately so that arrangements can be made.

Unfortunately, the Department is not able to reschedule or postpone monitoring visits. If you have any questions about the

234

234

Notification of Monitoring Review: Desk



Dear Mr. Clark:

To satisfy the monitoring review requirements of the Housing Tax Credit (HTC) program, the Texas Department of Housing and Community Affairs (Department) will be conducting a desk monitoring review of Pandora Springs on January 26, 2023. A notification of files selected for review will be uploaded on January 25, 2023. In accordance with IRS Regulation §1.42-5, the Department cannot give advance notice of the files being selected for review. Therefore, once the unit list has been attached in the Compliance Monitoring and Tracking System (CMTS), resident files must be uploaded within twenty four (24) hours. The Department will be reviewing 18 files. If the Development feels like they cannot successfully upload 18 files within that time frame, contact Cara Pollei prior to January 25, 2023.

The following items must be submitted to the attention of Cara Pollei no later than **January 10, 2023.** Please upload all requested items to the Electronic Document Attachment system through the property's Compliance Monitoring and Tracking System (CMTS) account. In addition, please electronically complete required reports in CMTS indicated below. If any requested item is not submitted, please submit a written explanation. **Failure to submit the requested information by the deadline will result in noncompliance under the finding.** ***"Failure to provide pre-onsite documentation as required."***

1. Completed electronically through the Compliance Monitoring and Tracking System (CMTS)
   a. Monitor Review Questionnaire
   b. Unit Status Report (USR) reporting occupancy as of **December 31, 2022**

For instructions on how to use the attachment system, please see Attaching Documents to CMTS found on the Department's website. To access, on the Department's home page, select "Support and Services" tab, then select "Compliance." From the submenu, select "Online Reporting."

If you have any questions regarding this review, please contact Cara Pollei toll-free in Texas at (800) 643-8204, directly at (512) 475-3821 or by email at cara.pollei@tdhca.state.tx.us.

235

235

Electronic Files

All required records must be made available and accessible for a monitoring review, physical inspection, and whenever requested by the Department. The Department permits electronic records. Digital signatures of both property management and household are acceptable. Developments should have policies in place that allow the household to choose between electronic or hard copy documents. It is the responsibility of the Development Owner to maintain policies and procedures that mitigate fraud, waste, and abuse on an ongoing basis.

236

236

Monitoring Review: CMTS Reporting

Overview

Welcome to the Compliance Monitoring and Tracking System (CMTS). This system allows owners to submit required reports, such as the Unit Status Report (USR) and the Annual Owners Compliance Report (AOCR) and submit documentation directly to the Department.

Login to the CMTS

If you have already received your user id and password from

Login to CMTS

CMTS User Guidelines

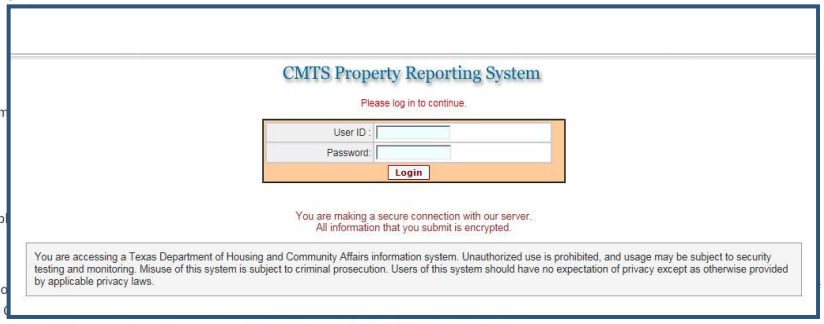
To ensure that information is properly entered into CMTS, pl

- Attaching Documents to CMTS (PDF) **NEW**

To use the CMTS Unit Upload feature for uploading household
that document, the file layouts and field definitions for the

Visit the Compliance Reports page for additional information.

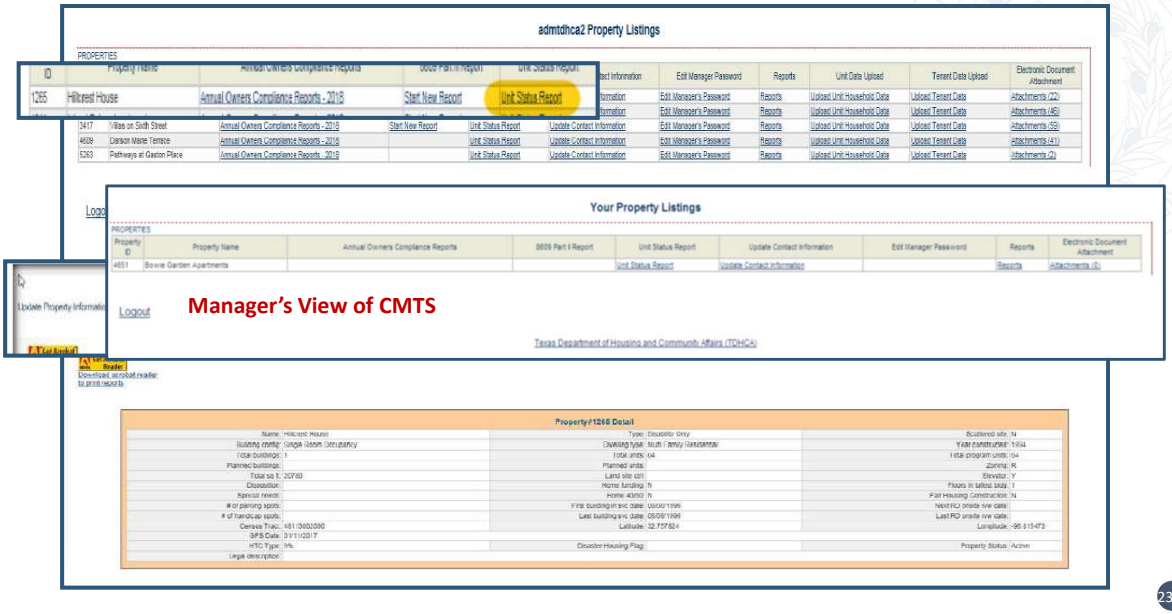
Visit the Trainings Presentation page for CMTS training.



237

237

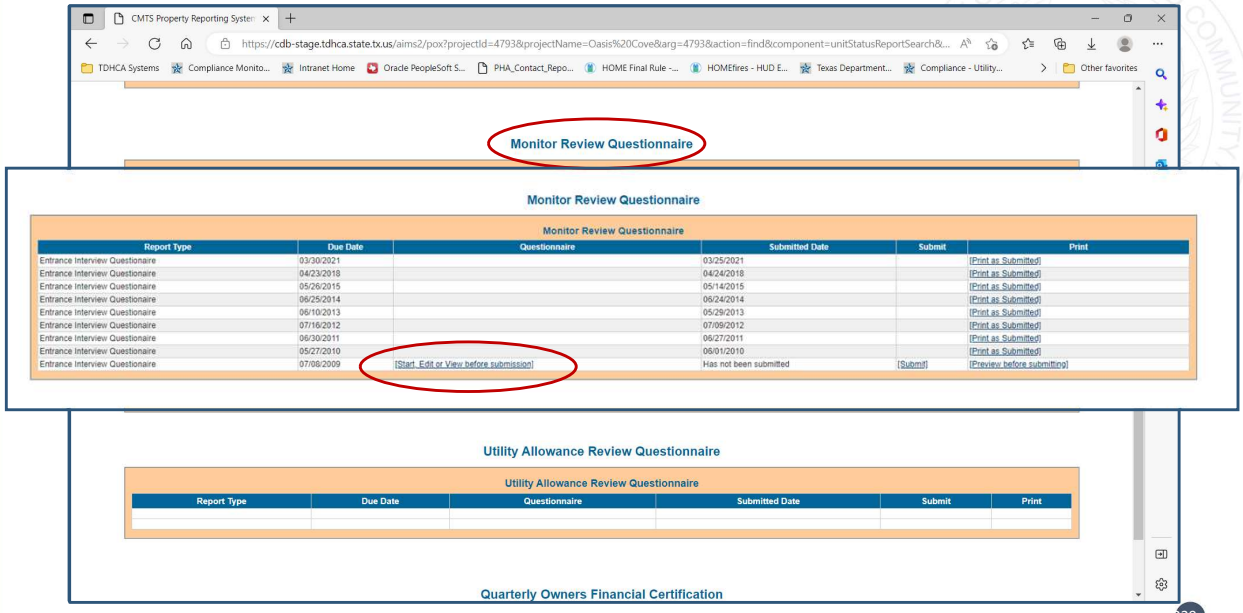
Monitoring Review: CMTS Reporting continued



238

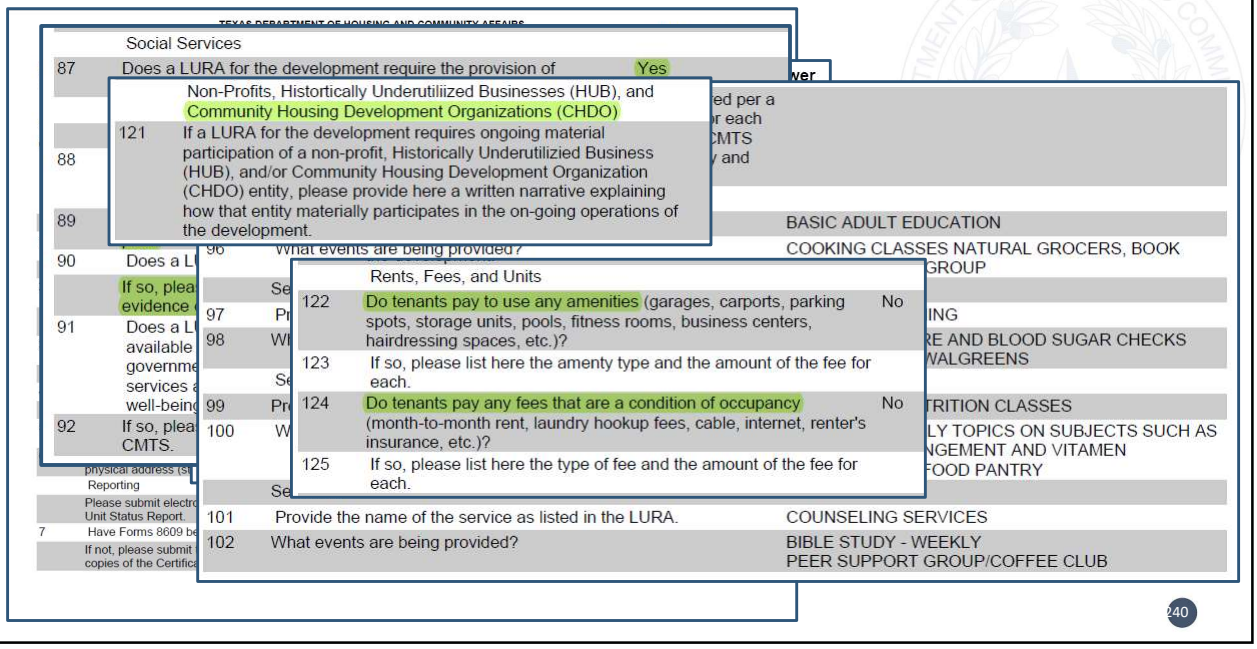
238

Monitor Review Questionnaire: Where is it?



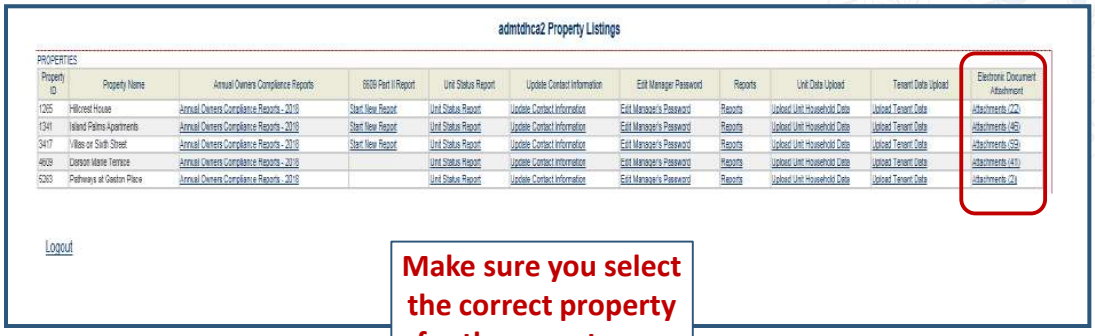
239

Monitor Review Questionnaire: What does it look like?



240

Monitoring Review: CMTS Attachment System

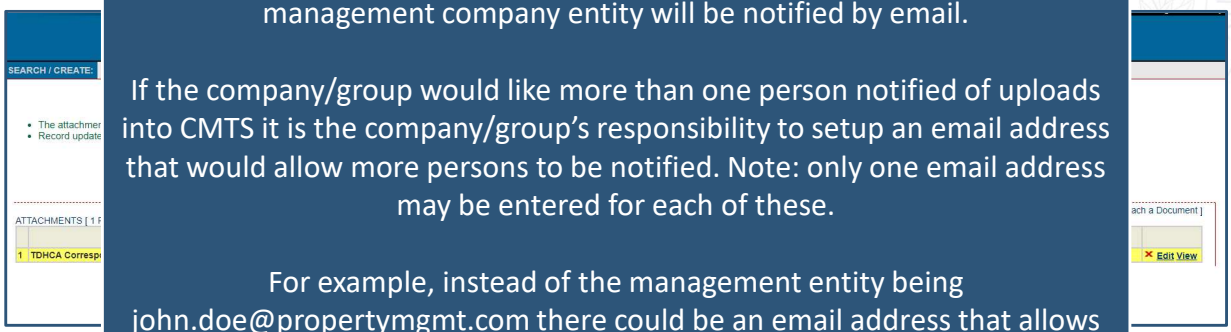


Make sure you select the correct property for the reports you are submitting.

241

241

Monitoring Review: CMTS Attachment System continued



When documentation is uploaded into CMTS by the Department, only the email addresses associated with the property, ownership entity and management company entity will be notified by email.

If the company/group would like more than one person notified of uploads into CMTS it is the company/group's responsibility to setup an email address that would allow more persons to be notified. Note: only one email address may be entered for each of these.

For example, instead of the management entity being john.doe@propertymgmt.com there could be an email address that allows emails to multiple persons, like compliance@propertymgmt.com. You should work with your IT staff to set this up. The Department does not offer this resource.

242

242

Monitoring Review: CMTS Reporting on the Unit Status Report (USR)

From: TDHCA
To: Cara Pollei
Subject: TDHCA Compliance Notice: action required on unit designations
Date: Tuesday, August 18, 2026 9:19:23 AM

The Texas Department of Housing and Community Affairs (TDHCA) is requesting that property owners review their development's unit designations in the Compliance Monitoring and Tracking System (CMTS). The unit designations should only reflect funding administered by TDHCA.

For example, if a development has Low Income Housing Tax Credit (LIHTC) funding plus municipal HOME funding, CMTS should show the LIHTC designation only, not the municipality's HOME funding.

Please complete the necessary updates by October 10, 2026, which is also the due date for Quarterly Vacancy Reports.

Questions can be directed to Amy Hammond, Manager of Compliance Monitoring, at amy.hammond@tdhca.texas.gov.

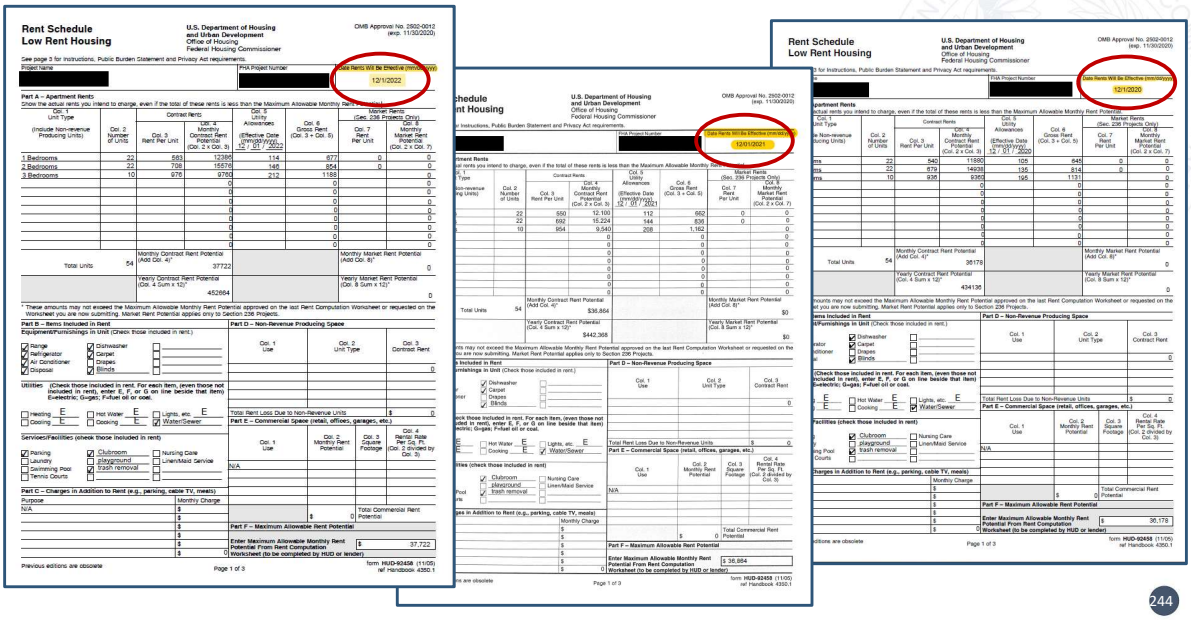
All TDHCA program designations must be reflected on the USR, programs from other entities should be reflected on the USR. If a property has Tax Credits and HOME, both would be listed on the USR for the applicable units.

Another CMTS enhancement which will impact all users. CMTS will require a 2-point authentication and validation process. All users will need to have access to the email tied to their login information.

243

243

Monitoring Review: Utility Allowance Submission



244

244

Monitoring Review: Supportive Services

If the LURA requires Supportive Service:

- Newer MFDL LURAs require Tenant Supportive Services
- Documentation evidencing compliance with all Supportive Service requirements in the Land Use Restriction Agreement (LURA).
  - For example: sign-in-sheets, notices, calendars, schedule of planned/upcoming services, invoices, contracts and ledgers, and the provider's tax-exempt status, if applicable.
- **Upload into CMTS evidence of two current consecutive services for each service provided (example: annually = most current service and next scheduled, monthly = 2 months, quarterly = 2 quarters, weekly = 2 weeks' worth, weekday = 2 weeks' worth).**
- The development may also submit an outline showing the planned services in addition to the back-up for services already held.

245

245

Desk Monitoring Review: Files Requested

Dear Mr. Clark:

In regards to the Desk Monitoring Review required for the above referenced development, the following files have been selected for review:

8 15 22 30 31

Pandora Springs

The deadline for submission is January 26, 2023 at 10:00 am. Failure to submit the requested documentation will result in noncompliance. If you have any further questions, please contact Cara Pollei toll-free in Texas at (800) 643-8204, directly at (512) 475-3821 or by email at cara.pollei@tdhca.state.tx.us.

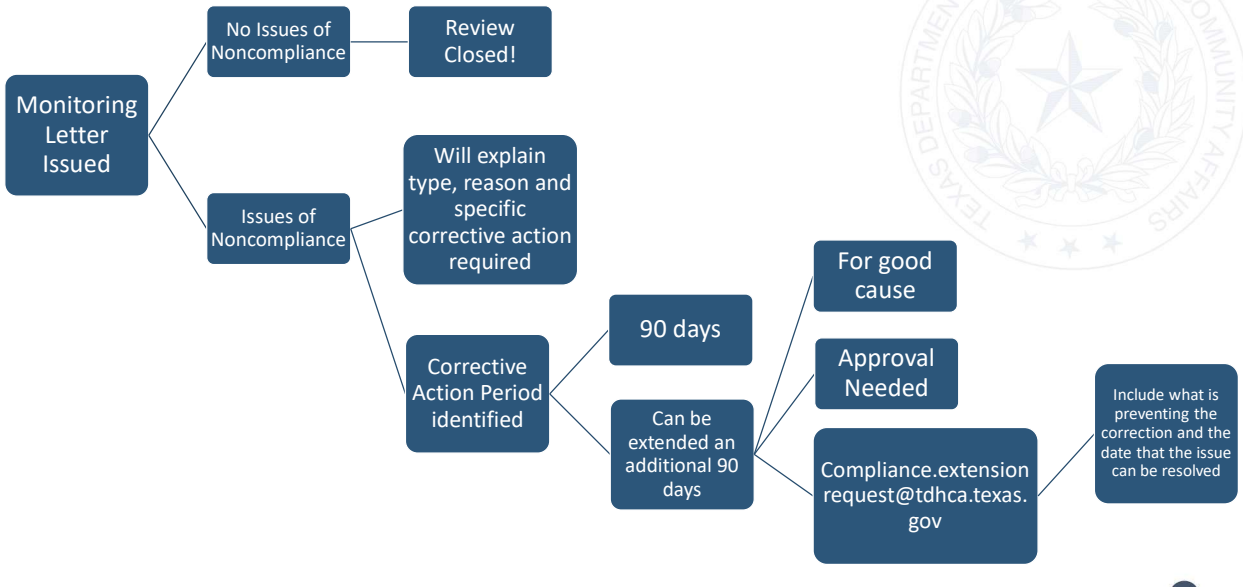
of the posted Guide.

6. Initial Income Certification form
7. Initial Income, Asset and Student Status Verifications
8. Initial Notes or Clarifications to the file
9. Any additional documentation demonstrating initial eligibility
10. Annual Recertification including application, verification of income, asset and student status or Annual Eligibility Certification
11. Rent Ledger

246

246

Monitoring Report



247

247

Monitoring Report: The Report

Additional tips and links for future reference:

- *Join Our Email List: The Department recommends signing up for the Email list to receive updates regarding important compliance rule and form changes. Sign up by selecting "Subscribe" at the "Subscribe to our Mailing List" section at the bottom of the TDHCA homepage at http://www.tdhca.texas.gov/.*
- *Compliance Monitoring Rules: These rules change periodically and you are responsible for staying apprised of any and all updates. The rules are published on the Secretary of State website at: http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y.*
- *Compliance Forms are available at: https://www.tdhca.texas.gov/compliance-forms*
- *Income and Rent Limits are published at least annually at: https://hrc-ic.tdhca.state.tx.us/hrc/IncomeAndRentTool.m*
- *Frequently asked questions and answers are available at: https://www.tdhca.texas.gov/compliance-frequently-asked-questions-faqs*
- *Ownership transfer: If you are contemplating a sale, transfer, or exchange of the Development or the structure of the owning entity, you are required to receive pre-approval from TDHCA. Procedures are outlined in the Ownership Transfer section of the Post Award Activities Manual at: http://www.tdhca.texas.gov/asset-management/pca-manual.htm.*

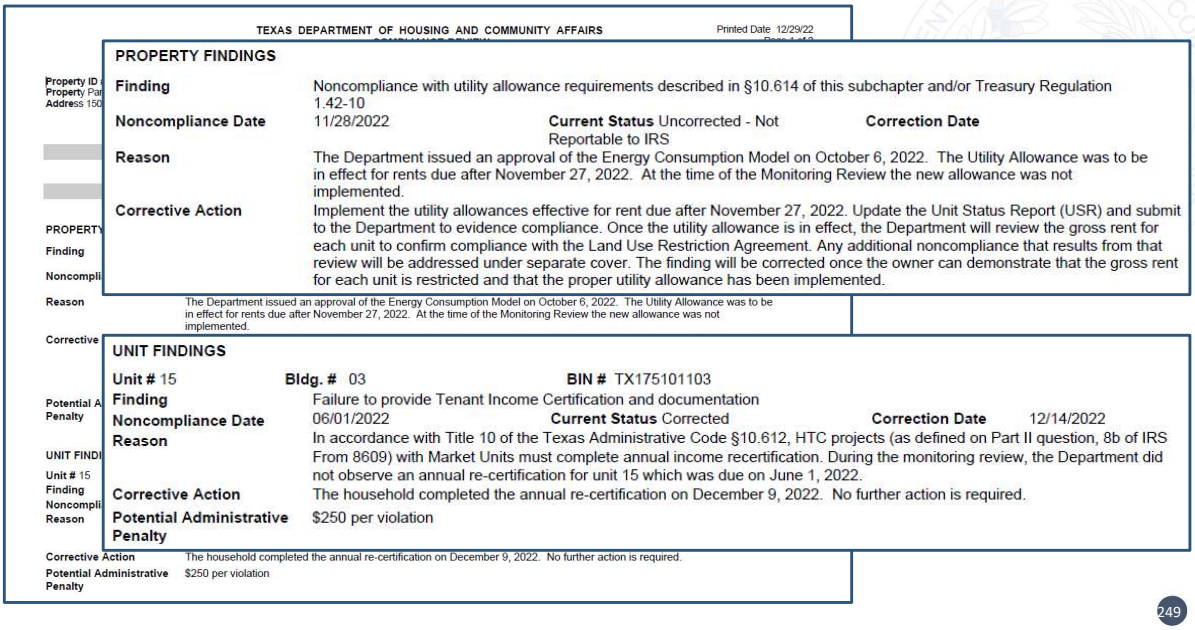
offered.

221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800

248

248

Monitoring Report: The Details



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS — Printed Date 12/29/22

PROPERTY FINDINGS

Finding	Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation 1.42-10
Noncompliance Date	11/28/2022 **Current Status** Uncorrected - Not Reportable to IRS **Correction Date**
Reason	The Department issued an approval of the Energy Consumption Model on October 6, 2022. The Utility Allowance was to be in effect for rents due after November 27, 2022. At the time of the Monitoring Review the new allowance was not implemented.
Corrective Action	Implement the utility allowances effective for rent due after November 27, 2022. Update the Unit Status Report (USR) and submit to the Department to evidence compliance. Once the utility allowance is in effect, the Department will review the gross rent for each unit to confirm compliance with the Land Use Restriction Agreement. Any additional noncompliance that results from that review will be addressed under separate cover. The finding will be corrected once the owner can demonstrate that the gross rent for each unit is restricted and that the proper utility allowance has been implemented.

UNIT FINDINGS

Unit # 15 **Bldg. #** 03 **BIN #** TX175101103

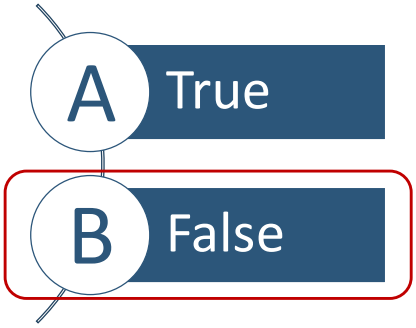
Finding	Failure to provide Tenant Income Certification and documentation
Noncompliance Date	06/01/2022 **Current Status** Corrected **Correction Date** 12/14/2022
Reason	In accordance with Title 10 of the Texas Administrative Code §10.612, HTC projects (as defined on Part II question, 8b of IRS From 8609) with Market Units must complete annual income recertification. During the monitoring review, the Department did not observe an annual re-certification for unit 15 which was due on June 1, 2022.
Corrective Action	The household completed the annual re-certification on December 9, 2022. No further action is required.
Potential Administrative Penalty	$250 per violation

249

249

Monitoring Report: Learning Point

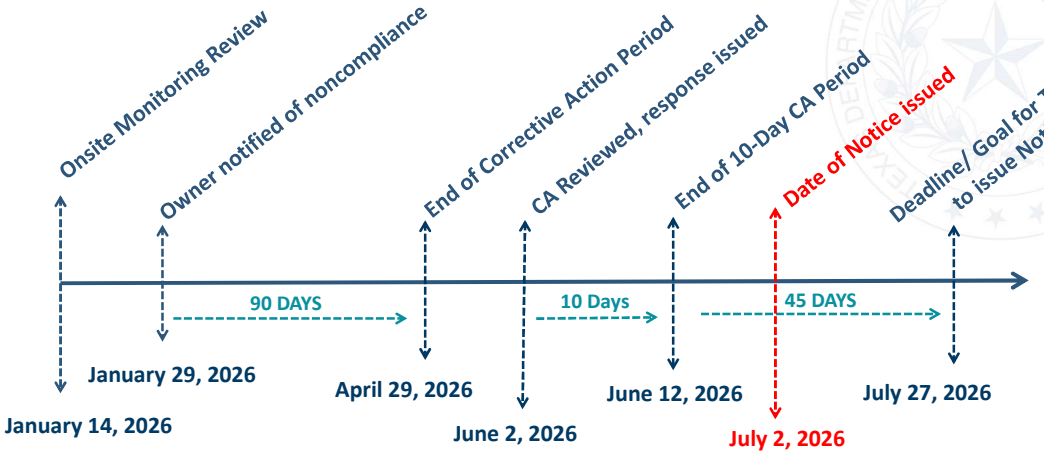
When there are issues of noncompliance the development will be given a 6-month Corrective Action Period?



250

250

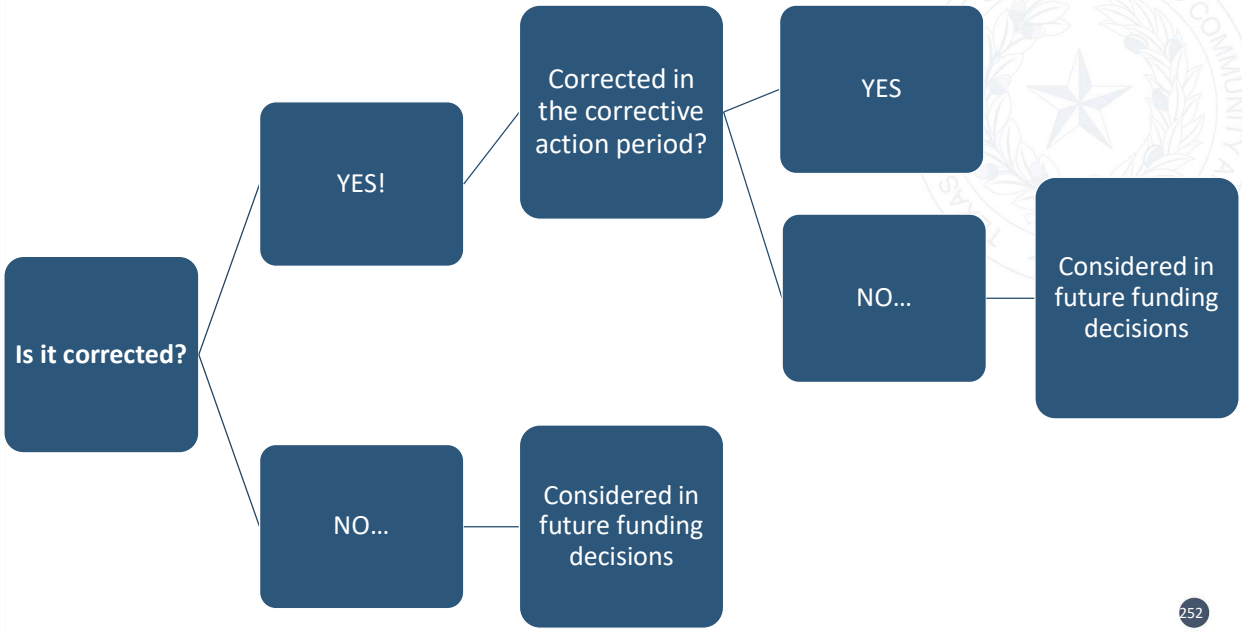
Monitoring Report: The Timeline



251

251

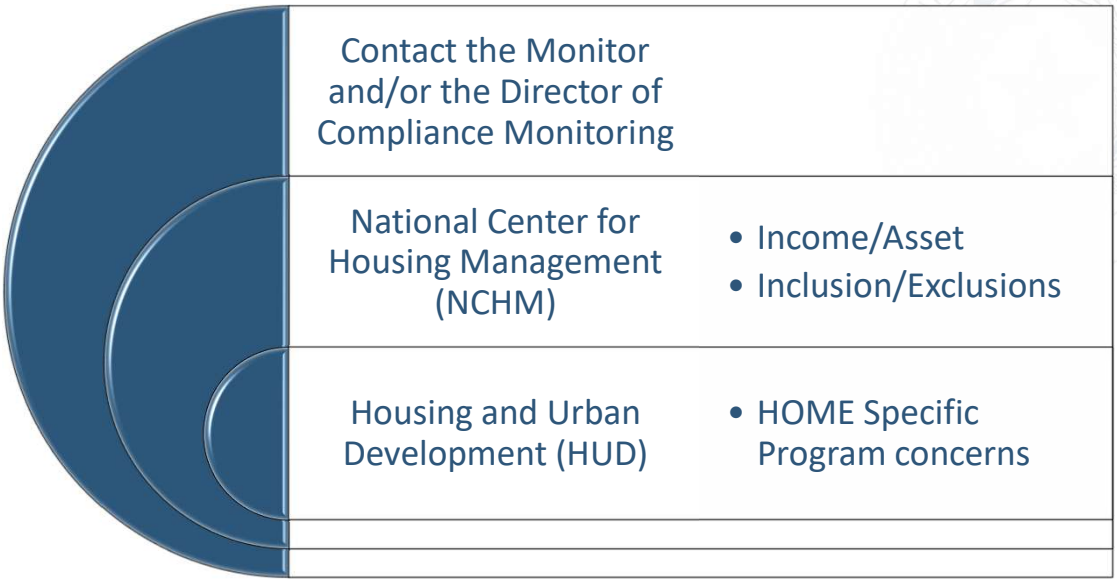
Noncompliance Status System



252

252

What happens if the owner disagrees?



253

253

HOME Final Rule 2025 & PRWORA-SAVE

254

254

HOME 2025: Table of Applicability

TABLE 1 TO PARAGRAPH (e)—SUMMARY OF EFFECTIVE DATES AND COMPLIANCE DEADLINES

2025 Rule effective date	April 20, 2025
Applicability	Rule applies to projects for which HOME funds are committed on or after April 20, 2025.
Compliance Date	Participating jurisdictions must set compliance date: as early as April 20, 2025, and no later than April 20, 2026.
Exceptions for Income Determinations	Participating jurisdictions must set compliance date: as early as April 20, 2025, and no later than April 20, 2026. Participating jurisdictions may continue to calculate income in accordance with the provisions that were being implemented by the participating jurisdiction on April 19, 2025 until compliance date set by the participating jurisdiction, or longer as determined by HUD.
Applicability Limitations	Listed provisions are not applicable to commitments made to projects prior to April 20, 2025. Participating jurisdictions may not amend written agreements of projects with commitments existing prior to April 20, 2025 to incorporate any of the following provisions: § 92.206(d)(1) and (2). § 92.250(c). §§ 92.252 and 92.254. § 92.253. § 92.300.

255

255

§10.601(g) Compliance Monitoring Objectives and Applicability

A Development with one or more HOME, TCAP-RF or HOME Match Units is subject to the 2025 HOME Final rule if a Contract with the Department is executed by both Parties on or after April 30, 2026; a Development with HOME, HOME-ARP, TCAP-RF and HOME Match Units with a Contract or a LURA executed prior to April 30, 2026, that has executed the applicable amendment(s) to opt-in the entirety of rule (to the extent allowed under federal or state law determined by the Department's Legal Division) are also subject to the 2025 HOME Final Rule.

A Development with one or more NSP Units with a Contract executed on or after April 30, 2026, may be subject to elements of the HOME Final rule as further described in the Department's Consolidated Plan Amendment, and as outlined in the Contract and the LURA. A Development with one or more NSP Units with a Contract executed prior to April 30, 2026, that also has one or more Units subject to the 2025 HOME Final Rule may be allowed to opt into elements of the 2025 HOME Final rule, as determined by the Department's Legal Division.

256

256

§10.607(k) Reporting Requirements

For Developments subject to the 2025 HOME Final Rule, within five (5) Department business days of a change to the Development Owner or management company, the new Owner or management company shall issue a written notice to all households of such a change and contemporaneously update this information via the CMTS Attachment system.

257

257

§10.614 Utility Allowances

(c) Methods. The following options are available to establish a Utility Allowance for all programs except most Developments funded with MFDL funds, which are addressed in subsection (d) of this section. **A Development with HOME-ARP Units or Units subject to the 2025 HOME Final Rule, and that does not have Units subject to the 2013 HOME Rule**, may use methods in this subsection or subsection (d) of this section, but cannot combine two methods in one building.

(d) In accordance with 24 CFR §§92.252 and 93.302, for an MFDL in which the Department is the funding source, the Utility Allowance will be established in the following manner: (3) Other Buildings. The Utility Allowance may be initiated by the Owner using the methodologies described in subsection (c)(3)(B), (C), (D), or (E) of this section related to Methods. Buildings for which the only source of MFDL funding is HOME-ARP, and which contain no Units subject to the 2013 HOME Rule may calculate the Utility Allowance using the methodology described in subsection (c)(3)(A) of this section. **A Development that is subject to the 2025 HOME Final Rule may also use the methodology described in subsection (c)(3)(A) of this section, if the Development does not also contain Units subject to the 2013 HOME rule. The methodology must be annually reviewed and approved by the Department.**

258

258

§10.614 Utility Allowances

(k) Utility Allowances for Applications:

(3) If the application includes MFDL funds from the Department, Applicants may calculate the utility allowance in accordance with subsection (c)(3)(B), (C), (D) or (E) of this section related to Methods. **A Development with HOME-ARP Units that is subject to the 2025 HOME Final Rule may use subsection (c)(3)(A) of this section, if the Development does not also contain one or more Units subject to the 2013 HOME Final Rule.** Applicants must submit their utility allowance to the Compliance Division prior to full application submission. If the application has an MFDL from the Department and receives federal funds from a unit of local government, the Department will require the use of the allowance approved by the Department. [HOME-ARP may use subsection (c)(3)(A) of this section.]

259

259

§10.622 Special Rules Regarding Rents and Rent Limit Violations

(g) Rent Adjustments for HOME, TCAP RF, and HOME-ARP Units:

(1) 100% HOME/TCAP-RF/HOME-ARP assisted Developments and that contain no HTC Units. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to 30% of the household's adjusted income;

(2) HOME/TCAP-RF/HOME-ARP Units in Developments with any Market Rate Units and where the Unit is not layered with HTC. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to the least of 30% of the household's adjusted income, the comparable Market rent, or the rent being charged for the same Unit Type on a Market Rate Unit; and

(3) HOME/TCAP-RF/HOME-ARP Units layered with HTC Units. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to or less than the applicable HTC limit.

260

260

§10.622 Special Rules Regarding Rents and Rent Limit Violations

(m) **A Development subject to the 2025 HOME Final Rule that contains one or more floating Units must provide all households a 60-day written notice before implementing any rent increase.** A Development with Units subject to the 2025 HOME Final Rule with one or more fixed Units must provide a 60-day written notice to the Designated Units. If an Owner increases the household's rent without providing a 60-day notice, any increases must be refunded or credited to the affected household(s). The Owner must obtain in writing, from the household, the election to receive a full refund check or to have the entire overpaid amount credited to their household account. In absence of a tenant election, a full refund check must be presented to the household.
(n) **An Owner must provide an option to pay rent in a manner that does not involve additional out of pocket costs to the household.**
(o) An Owner may not refuse to accept rental payment made on time and in full if the household does not have any outstanding previous rent balances due.
(p) An Owner that controls utilities, may not stop service on utilities during the longer of the required period identified by the applicable federal program, or as directed by state law.

261

261

HOME, HOME-ARP, NHTF: PRWORA-SAVE

https://www.tdhca.texas.gov/prwora-save

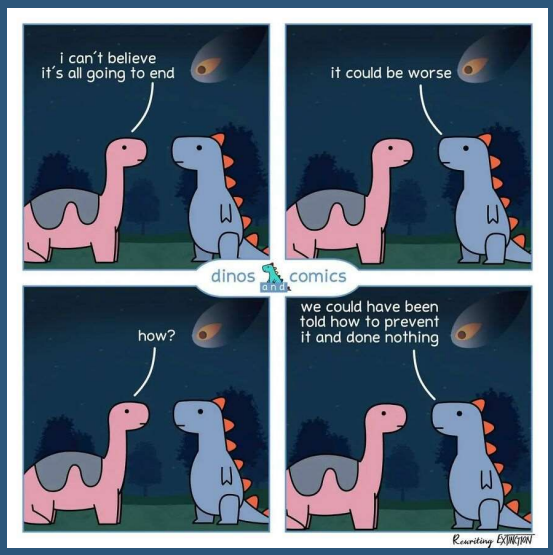
Information on this page provides guidance, forms and tools necessary for the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the use of the Systematic Alien Verification for Entitlements (SAVE) system across applicable programs at TDHCA.

Rule §10.628
Verification of Occupant Legal Status for HOME, HOME ARP Rental, and NHTF Developments

Rule §10.802
Written Policies and Procedures: Notice Requirements

262

262



Thank you!

Multifamily Direct Loan 2026

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 EAST 11TH STREET, AUSTIN, TEXAS 78701
PO BOX 13941, AUSTIN, TEXAS 78711

(512) 475-3800 OR (800) 525-0657

WWW.TDHCA.TEXAS.GOV
MULTIFAMILYCOMPLIANCE@TDHCA.TEXAS.GOV

EQUAL HOUSING OPPORTUNITY

263