Housing Tax Credit

2026

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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 8:30 am until approximately 4:30 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"

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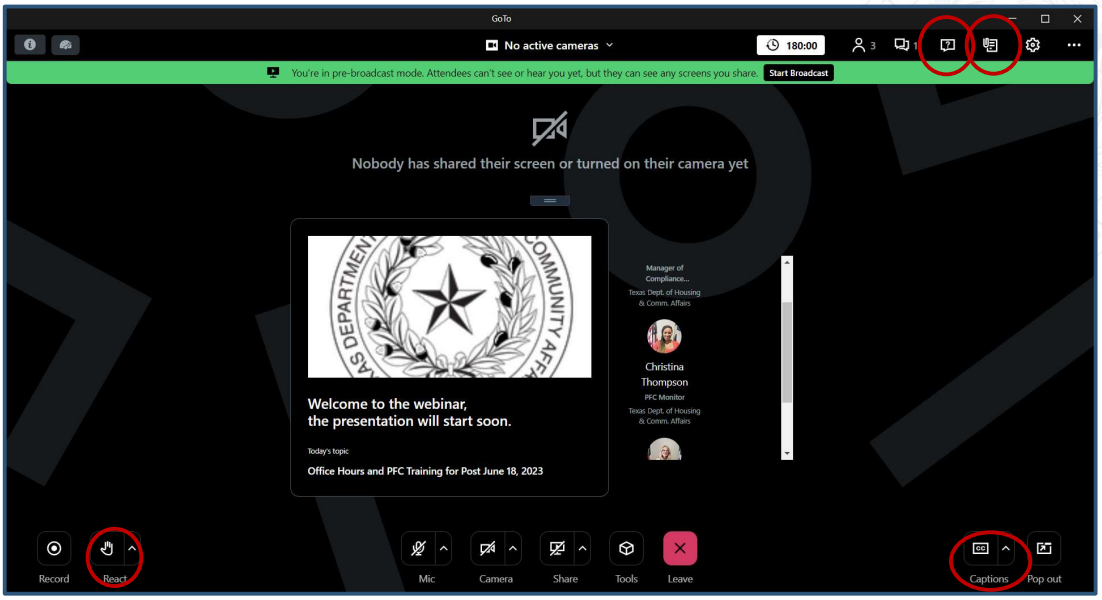
GoTo Meeting Platform



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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

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Resources

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6

Resources

- **Internal Revenue Service (IRS)**
  - https://www.irs.gov/
  - https://www.irs.gov/pub/irs-pdf/p5913.pdf
- **Housing and Urban Development (HUD)**
  - https://www.hud.gov/
  - https://www.hud.gov/hudclips/handbooks/housing-4350-3
- **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://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=10&interface=VIEW_TAC&part=1&subchapter=F&title=10

7

7

Module 1

The Tax Credit Program

8

8

Key Players: The IRS

Internal Revenue Service (IRS)

- Section 42 of Internal Revenue Code
- 8823 Audit Guide (revised January 2011)
- Treasury Regulation 1.42
  - 1.42-5 (Tax Credit Compliance Monitoring; updated February 2019)
  - 1.42-10 (Utility Allowance; updated March 2016)
- Revenue Rulings, Procedures and Notices
- Treasury Decisions
- Process Tax Returns
- Responsible for recapturing credits

9

9

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
- Publish Income Limits
- **Housing Opportunity Through Modernization Act of 2016 (HOTMA)**

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10

Key Players: The Department

Texas Department of Housing and Community Affairs (TDHCA)

- Housing Finance Agency (HFA) for Texas
- Allocates Tax Credits
- Publishes QAP and Multifamily Rules
- Compliance Monitoring Rules (Title 10, Chapter 10, Subchapter F of the Texas Administrative Code)
- Reports to The IRS
- Provides Technical Assistance

11

11

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

12

12

How it works

IRS Issues Credits

States Award Credits

13

13

Qualified Allocation Plan (QAP)

SUBCHAPTER B. SITE AND DEVELOPMENT REQUIREMENTS AND RESTRICTIONS

10 TAC §11.101

§11.101.Site and Development

(a) Site Requirements and Restrictio
requirements and restrictions relate
assistance from the Department.

(1) Floodplain. New Construction
floodplain as identified by the Fe

(4) Section 8
Housing Nee
up to four (4
that are una
for points un
Special Hous
available to

(5) Extended
and (c); 2306.6710(e)(2); and 42(m)(1)(B)(ii)(II)) An Applic
four (4) points for this item.

(A) Development Owners that agree to extend the Aff
Development to 45 years total. (4 points)

(B) Development Owners that agree to extend the Aff
Development to 40 years total. (3 points)

(C) Development Owners that agree to extend the Aff
Development to 35 years total. (2 points)

(6) Historic Preservation. (§2306.6725(a)(6); §42(m)(1)(C)

(A) An Application may qualify to receive two (2) point

(i) For Developments with under 100 total Units at
shall be constructed fully or partially within the Ce

(ii) For Developments with 100 total Units or more
Units shall be constructed fully or partially within the Certified Historic Structure.

(7) Resident Supportive Services. The resident 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. Tax Exempt Bond Developments must select a minimum of eight points; Direct Loan Applications not layered with Housing Tax Credits must include enough services to meet a minimum of four 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 title (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. A Development Owner may be required to substantiate such service(s) if requested by staff. Should the QAP in subsequent years provide different services than those listed in subparagraphs (A) - (E) of this paragraph, the Development Owner may request an Amendment as provided in §10.405(a)(2) of this chapter (relating to Amendments and Extensions). 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). Unless otherwise specified, 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

Page 112 of 217

§11.9.Competitive HTC Selection Criteria.

eneral Information. This section identifies the scoring criteria used in evaluating and
ng Applica
required
ner cons

(4) Mandatory Development Amenities. (§2306.187) New Construction, Reconstruction or Adaptive Reuse Units must include all of the amenities in subparagraphs (A) - (O) of this paragraph. Rehabilitation (excluding Reconstruction) Developments must provide the amenities in subparagraphs (D) - (L), (N), and (O) of this paragraph unless stated otherwise. Supportive Housing Developments are not required to provide the amenities in subparagraph (B), (E), (F), (G), (H) or (N) of this paragraph; however, access must be
rable amenity in a Common Area. All amenities listed below must be at
dents. Residents must be provided written notice of the applicable
or the Development. The Board may waive one or more of the
paragraph for Developments that will include Historic Tax Credits, with
with the request for amendment that the amenity has not been
as Historical Commission or National Park Service, as applicable.
amily Direct Loans should be aware that certain amenities are not
an funding, including without limitation, detached community spaces,
ng pools, athletic courts, and playgrounds, as more fully described at
lating to General Loan Requirements). Amenities include:

t have connections available using current technology for data and

ections;

fans (vented to the outside) in the bathrooms;

l operable windows;

required for USDA Rehabilitation);

r equivalently rated dishwasher; Rehabilitation Developments exempt
if one was not originally in the Unit;

r equivalently rated refrigerator;

ow coverings for all windows;

nergy-Star or equivalently rated ceiling fan per Unit;

Page 101 of 217

them on a regularly-scheduled basis to provide outreach services and education to the tenants. Applicants may contact service providers on the Department list, or contact other providers that serve the general area in which the Development is located. (1 point).

https://www.tdhca.texas.gov/multifamily-programs-qap-nofas-and-rules

14

14

Qualified Allocation Plan (QAP)

Texas Department of Housing and Community Affairs
2026 Qualified Allocation Plan
10 TAC Chapter 11

As Approved, with modifications, by the Governor of Texas
December 1, 2025

This Qualified Allocation Plan was approved by the Department's Board on November 6, 2025, and by Governor Greg Abbott, with a modification to §11.202(1)(O), on December 1, 2025. This version of the QAP is provided as a courtesy. The official version of the 2026 QAP, as a state-promulgated rule, will be posted on the Texas Administrative Code website. Non-substantive differences may exist between this version and the official version posted on the Texas Administrative Code website.

§11.8.Pre-Application Requirements (Competitive HTC Only).

(a) General Submission Requirements. The pre-application process allows Applicants interested in pursuing an Application to assess potential competition across the 13 state service regions, subregions, and set-asides. Based on an understanding of the potential competition they can make a more informed decision about whether they wish to proceed to prepare and submit an Application. A complete pre-application is a pre-application that meets all of the Department's criteria, as outlined in subsections (a) and (b) of this section.

(1) The pre-application must be submitted using the URL provided by the Department, as outlined in the Multifamily Programs Procedures Manual, along with the required pre-application fee as described in §11.901 of this chapter (relating to Fee Schedule), not later than the pre-application Final Delivery Date as identified in §11.2(a) of this chapter (relating to Competitive HTC Deadlines). If the pre-application and corresponding fee is not submitted on or before this deadline the Applicant will be deemed to have not made a pre-application.

(2) Only one pre-application may be submitted by an Applicant for each Development Site and for each Site Control document.

(3) Department review at this stage is limited, and not all issues of eligibility and threshold are reviewed or addressed at pre-application. Acceptance by staff of a pre-application does not ensure that an Applicant satisfies all Application eligibility, threshold or documentation requirements. While the pre-application is more limited in scope than the Application, pre-applications are subject to the same limitations, restrictions, or causes for disqualification or termination as Applications, and pre-applications will thus be subject to the same consequences for violation, including but not limited to loss of points and termination of the pre-application.

Page 56 of 217

https://www.tdhca.texas.gov/multifamily-programs-qap-nofas-and-rules

15

15

Qualified Allocation Plan (QAP)

(4) Section 811 Project Rental Assistance Program (811 PRA) and Residents with Special Housing Needs. (§2306.6710(b)(4); §42(m)(1)(C)(v)) An Application may qualify to receive up to four (4) points by serving Residents with Special Housing Needs. Only Applications that are unable to meet the requirements of subparagraph (A) of this paragraph may qualify for points under subparagraphs (B) or (C) of this paragraph relating to Residents with Special Housing Needs. The point available under subparagraph (D) of this paragraph is available to all Applications that qualify. The Units identified for this scoring item may not

Page 65 of 217

(5) Extended Affordability. (§§2306.6725(a)(5) and (7); 2306.111(g)(3)(C); 2306.185(a)(1) and (c); 2306.6710(e)(2); and 42(m)(1)(B)(ii)(II)) An Application may qualify to receive up to four (4) points for this item.

(A) Development Owners that agree to extend the Affordability Period for a Development to 45 years total. (4 points)

(B) Development Owners that agree to extend the Affordability Period for a Development to 40 years total. (3 points)

(C) Development Owners that agree to extend the Affordability Period for a Development to 35 years total. (2 points)

(6) Historic Preservation. (§2306.6725(a)(6); §42(m)(1)(C)(x)).

(A) An Application may qualify to receive two (2) points if:

(i) For Developments with under 100 total Units at least 55% of the residential Units shall be constructed fully or partially within the Certified Historic Structure.

(ii) For Developments with 100 total Units or more, at least 55 of the residential Units shall be constructed fully or partially within the Certified Historic Structure.

§11.9.Competitive HTC Selection Criteria.

(a) General Information. This section identifies the scoring criteria used in evaluating and ranking Applications. The criteria identified in subsections (b) - (e) of this section include those items required under Tex. Gov't Code, Chapter 2306, Code §42, and other criteria established in a manner consistent with Chapter 2306 and Code §42.

Page 60 of 217

(2) Rent Levels of Tenants. (§2306.6710(b)(1)(E)) An Application may qualify to receive up to thirteen (13) points for rent and income restricting a Development for the entire Affordability Period. If selecting points from paragraph (1)(A) or paragraph (1)(B) of this subsection, these levels are in addition to those committed under paragraph (1) of this subsection. If selecting points from paragraph (1)(C) or paragraph (1)(D) of this subsection, these levels are included in the income average calculation under paragraph (1) of this subsection. These units must be maintained at this rent level throughout the Affordability Period regardless of the Average Income calculation. Scoring options include:

(A) At least 20% of all Low-Income Units at 30% or less of AMGI for Supportive Housing Developments proposed by a Qualified Nonprofit (13 points);

(B) At least 10% of all Low-Income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5% of all Low-Income Units at 30% or less of AMGI (11 points); or

(C) At least 5% of all Low-Income Units at 30% or less of AMGI (7 points).

(3) Resident Supportive Services. (§2306.6710(b)(3) and (1)(G), and §2306.6725(a)(1)) A Development may qualify to receive up to eleven (11) points.

(A) The Applicant certifies that the Development will provide a combination of resident supportive services equaling at least ten points, which are listed in §11.101(b)(7) of this chapter (relating to Development Requirements and Restrictions) and meet the requirements of that section. (10 points).

(B) The Applicant certifies that the Development will contact local nonprofit and governmental providers of services that would support the health and well-being of the Department's residents, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants. Applicants may contact service providers on the Department list, or contact other providers that serve the general area in which the Development is located. (1 point).

https://www.tdhca.texas.gov/multifamily-programs-qap-nofas-and-rules

16

16

Qualified Allocation Plan (QAP)

SUBCHAPTER B. SITE AND DEVELOPMENT REQUIREMENTS AND RESTRICTIONS

10 TAC §11.101

§11.101.Site and Development Requirements and Restrictions.

(a) Site Requirements and Restrictions. The purpose of this section is to identify specific requirements and restrictions related to a Development Site seeking multifamily funding or assistance from the Department.

(1) Floodplain. New Construction or Reconstruction Developments located within a 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood

(4) Mandatory Development Amenities. (§2306.187) New Construction, Reconstruction or Adaptive Reuse Units must include all of the amenities in subparagraphs (A) - (O) of this paragraph. Rehabilitation (excluding Reconstruction) Developments must provide the amenities in subparagraphs (D) - (L), (N), and (O) of this paragraph unless stated otherwise. Supportive Housing Developments are not required to provide the amenities in subparagraph (B), (E), (F), (G), (H) or (N) of this paragraph; however, access must be provided to a comparable amenity in a Common Area. All amenities listed below must be at no charge to the residents. Residents must be provided written notice of the applicable required amenities for the Development. The Board may waive one or more of the requirements of this paragraph for Developments that will include Historic Tax Credits, with evidence submitted with the request for amendment that the amenity has not been approved by the Texas Historical Commission or National Park Service, as applicable. Applicants for Multifamily Direct Loans should be aware that certain amenities are not eligible for Direct Loan funding, including without limitation, detached community spaces, furnishings, swimming pools, athletic courts, and playgrounds, as more fully described at §13.3 of this title (relating to General Loan Requirements). Amenities include:

(A) All Units must have connections available using current 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 (not required for USDA Rehabilitation);

(F) Energy-Star or equivalently rated dishwasher; Rehabilitation Developments exempt from dishwasher if one was not originally in the Unit;

(G) Energy-Star or equivalently rated refrigerator;

(H) Oven/Range;

(I) Blinds or window coverings for all windows;

(J) At least one Energy-Star or equivalently rated ceiling fan per Unit;

Page 101 of 217

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17

17

Qualified Allocation Plan (QAP)

(7) Resident Supportive Services. The resident 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. Tax Exempt Bond Developments must select a minimum of eight points; Direct Loan Applications not layered with Housing Tax Credits must include enough services to meet a minimum of four 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 title (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. A Development Owner may be required to substantiate such service(s) if requested by staff. Should the QAP in subsequent years provide different services than those listed in subparagraphs (A) - (E) of this paragraph, the Development Owner may request an Amendment as provided in §10.405(a)(2) of this chapter (relating to Amendments and Extensions). 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). Unless otherwise specified, 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

Page 112 of 217

https://www.tdhca.texas.gov/multifamily-programs-qap-nofas-and-rules

18

18

Qualified Allocation Plan (QAP): Timeline

§11.2.Program Calendar for Housing Tax Credits.

(a) Competitive HTC Deadlines. Non-statutory deadlines specifically listed in the Program Calendar may be extended by the Department for a period of not more than 5 business days provided that the Applicant has, in writing, requested an extension prior to the date of the original deadline and has established to the reasonable satisfaction of the Department that there is good cause for the extension.

Deadline	Documentation Required
01/06/2026	Application Acceptance Period Begins. Public Comment period starts.
01/09/2026	Pre-Application Final Delivery Date (including waiver requests).
02/16/2026	Deadline for submission of Request for Preliminary Determination in accordance with §11.8(d) of this chapter.
02/16/2026	Deadline for submission of Application for .ftp access if pre-application not submitted.
Deadline	Documentation Required

02/27/2026	End of Application Acceptance Period and Full Application Delivery Date (including Quantifiable Community Participation documentation for Applications that were initially submitted as a pre-application; Environmental Site Assessments (ESAs), Scope and Cost Reviews (SCRs); Appraisals; Primary Market Area Map; Feasibility Report; all Resolutions necessary under §11.3 of this chapter related to Housing De- Concentration Factors). Final Input from Elected Officials Delivery Date (including Resolution for Local Government Support pursuant to §11.9(d)(1) of this chapter and State Representative Input pursuant to §11.9(d)(5) of this chapter.
04/06/2026	Market Analysis this chapter. Deadline for Qua documentation f submitted as a P
04/15/2026	Deadline for Thir Deficiency.
Early June 2026	Scoring Notices i Considered "Con
06/03/2026	Public comment included in the B presentation of a §1.10.
June 2026	On or before Jun Applications for
July 2026	On or before July

Page 34 of 217

Deadline	Documentation Required
August 2026	Commitments are Issued.
11/02/2026	Carryover Documentation Delivery Date.
07/01/2027	10% Test Documentation Delivery Date.
12/31/2028	Placement in Service.
Five business days after the date on the Deficiency Notice (without incurring point loss)	Administrative Deficiency Response Deadline (unless an extension has been granted).

19

19

Qualified Allocation Plan (QAP): State Housing Tax Credits

Deadline	Documentation Required
2/27/2026	Full Application Delivery Deadline, must include completed Intent to Request a State Housing Tax Credit Allocation
9/4/2026	State Housing Tax Credit Request Form due
December 2026	Allocation Certificates issued

§11.1008 State Housing Tax Credits for Tax-Exempt Bond Developments.

(a) The request for State Housing Tax Credits shall be reflected in the Uniform Multifamily Application, as prescribed by the Department and further explained in the Multifamily Programs Procedures Manual, and shall include a term sheet from a syndicator that includes the amount of State Housing Tax Credits requested and pricing information.

Page 217 of 217

§11.1003 State Housing Tax Credit Allocation Process Associated with Competitive HTC Applications.

(a) Intent to Request State Housing Tax Credit Allocation. Only those Applicants that elect to request an allocation of State Housing Tax Credits from the Department by the Full Application Delivery Date specified in §11.2(a) or (b) of this chapter (relating to Program Calendar) are eligible to submit a Request for State Housing Tax Credits.

(b) Requests for State Housing Tax Credits must be received by the deadline specified in §11.1002 of this subchapter (relating to Program Calendar for State Housing Tax Credits) in the format required by the Department.

(c) Minimum Request Amount. The minimum request amount is $3,000,000.

(d) Third Party Requests for Administrative Deficiency. Due to the nature of the State Housing Tax Credit process and reliance on the Original Application and scores, the Third Party Request for Administrative Deficiency process will not be utilized during the State Housing Tax Credit process under this subchapter.

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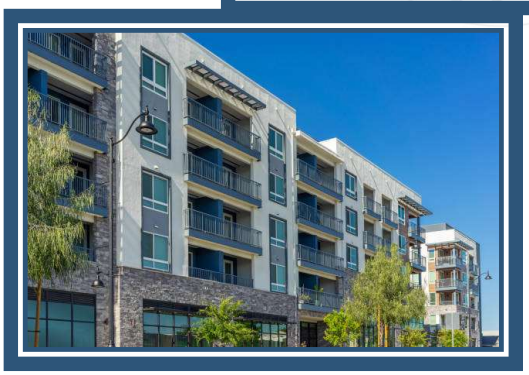
What's Next?



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Eligible Basis to Total Credit

Eligible Basis	×	Applicable Fraction	=	Qualified Basis
Qualified Basis	×	4% or 9%	=	Annual Credit
Annual Credit	×	10 Years	=	Total Credit

22

22

Credit Percentage: 9% versus 4%

9%
- New Construction
- Rehabilitation

4%
- Acquisition
- Financed with 50% Tax Exempt Bonds

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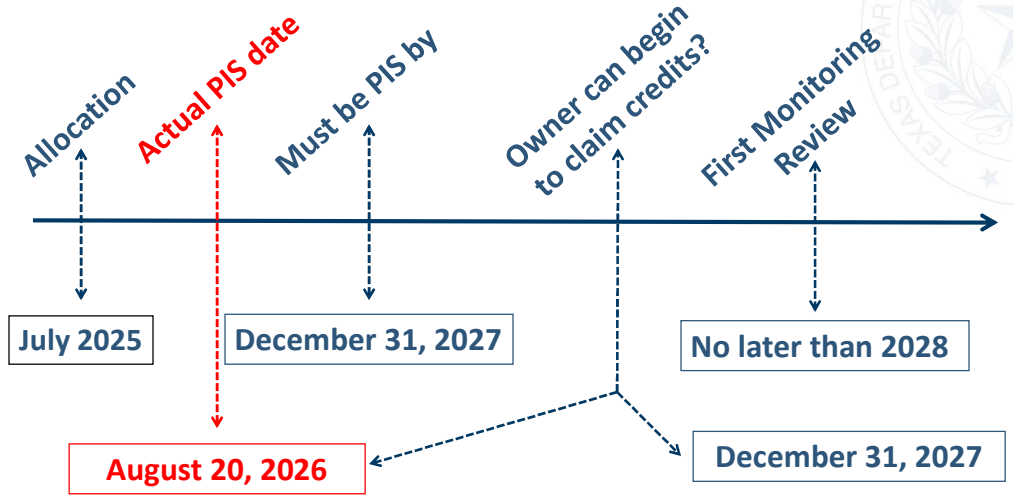
Timeline: From Allocation to First Monitoring Review



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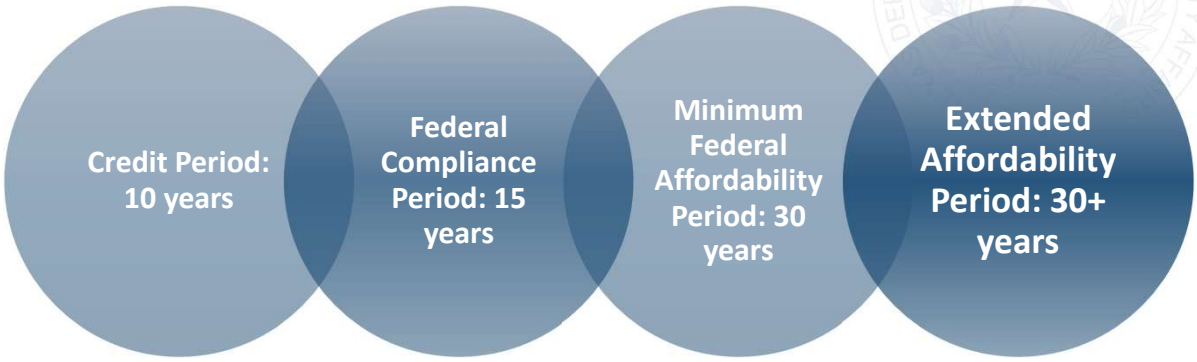
Timeline: LURA Requirements



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Module 2

The Land Use Restriction Agreement

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Land Use Restriction Agreement (LURA)

TDHCA #2[redacted] [redacted] GENERAL 9% NEW CONSTRUCTION

DECLARATION OF LAND USE RESTRICTIVE COVENANTS
LAND USE RESTRICTION AGREEMENT FOR LOW INCOME HOUSING TAX CREDITS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS/LAND USE RESTRICTION AGREEMENT FOR LOW-INCOME HOUSING TAX CREDITS (the "Declaration"), dated as of **OCTOBER 6, 2025**, is made by and between [redacted] LP, A **TEXAS LIMITED PARTNERSHIP** (together with its successors and assigns, the "Development Owner"), and the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (together with any successor to its rights, duties and obligations, the "Department"), and is given by Development Owner as an inducement to the Department to allocate tax credits as a condition precedent to the determination that the Development, as defined herein, satisfies the requirements of the State of Texas's Qualified Allocation Plan and the allocation of low-income housing tax credits (the "Tax Credits") by the Department, pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated pursuant thereto. This Declaration incorporates the extended low-income housing commitment required by Section 42(h)(6) of the Code and is entered into in accordance with the provisions of Chapter 2306 of the Texas Government Code, (the "Act"), as may be amended from time to time.

WITNESSETH:

WHEREAS, the Development Owner is or shall be the Development Owner of a low income rental housing development, known as or to be known as [redacted] (the "Development Improvements"), on real property located in the City of [redacted] County of [redacted], State of Texas, more particularly described in the "Legal Description" attached hereto as Exhibit A and incorporated herein by reference for all purposes (the "Development Land") (the Development Improvements and the Development Land being collectively referred to herein as the "Development");

WHEREAS, the Department has been designated by the Governor of the State of Texas as the housing credit agency for the State of Texas for the allocation of Tax Credits;

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "Qualified Allocation Plan" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "Department Rules"), that, among other things, the Development Owner shall lease **100%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **54%** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes;

WHEREAS, the Development Owner has represented to the Department in the Application that it will impose additional rent, occupancy, and ownership restrictions as shown in the "Additional Use Restrictions" attached hereto as Addendum B, "Additional Use Restrictions- Accessibility Requirements" attached hereto as Addendum C, "Additional Use Restrictions- Amenity Requirements" attached hereto as Addendum D, and "Additional Use Restrictions-Agreement to Offer a Right of First Refusal" attached hereto as Addendum E, each and all of which are incorporated herein by reference for all purposes;

WHEREAS, the Development Owner is subject to the regulatory and oversight powers of the Department and other terms and conditions of the Act;

WHEREAS, the Code requires, as a condition precedent to the allocation of Tax Credits, that the Development Owner execute, deliver, and record in the real property records of the county in which the Development is located this Declaration in order to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the Code by regulating and restricting the use, occupancy, and transfer of the Development as set forth herein; and

WHEREAS, the Development Owner, under this Declaration, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy, and transfer of the Development shall be and are covenants running with the

DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR HOUSING TAX CREDITS
[redacted] PAGE 1

Each Property will be issued a Land Use Restriction Agreement (LURA) which will drive the operations of the property under the Housing Tax Credit (HTC) Program. The LURA is attached to the land, so for the term of the LURA the land must operate under the requirements of the document and program.

27

27

The LURA Process

28

28

The LURA

What can you find in the LURA?

29

29

The LURA: Minimum Set-Aside

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the **"Application"**), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "**Qualified Allocation Plan**" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the **"Department Rules"**), that, among other things, the Development Owner shall lease **100%** of the Units in the Development to individuals or families whose income is sixty percent (60%) or less of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated by reference for all purposes;

100% HTC 40/60

Mixed Income 40/60

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "Qualified Allocation Plan" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "Department Rules"), that, among other things, the Development Owner shall lease **88.13%** of the Units in the Development to individuals or families whose income is 60% or less of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated by reference for all purposes;

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "Qualified Allocation Plan" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "Department Rules"), that, among other things, the Development Owner shall lease **100%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **54%** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes;

Average Income

30

30

The LURA: Low-Income Units Required – 100% HTC

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the **"Application"**), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "**Qualified Allocation Plan**" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the **"Department Rules"**), that, among other things, the Development Owner shall lease **100%** of the Units in the Development to individuals or families whose income is sixty percent (60%) or less of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated by reference for all purposes;

100% HTC 40/60

(c) The Development will contain a total of **164 UNITS** (including Units occupied by a resident manager or other employee, such that they are not treated as "residential rental units" for purposes of Section 42 of the Code), of which **164 UNITS** treated as residential rental Units will be Low-Income Units. The amount of Tax Credits allocated to the Development is based on the requirement that the Minimum Applicable Fraction for each building in the Development will be as specified, building-by-building, in "**Minimum Applicable Fraction by Building**" attached hereto as Addendum F. During the Term of this Declaration, Units at the Development shall be leased and rented or made available to members of the general public who qualify as Low-Income Tenants; such that each building in the Development shall at all times satisfy the Minimum Applicable Fraction for such building. The Development Owner's failure to ensure that each building in the Development complies with such requirement will cause the Department to report such fact to the Service and may result in the reduction or recapture by the Service of Tax Credits, as well as other enforcement action by the Service and/or the Department. After the Compliance Period, the Minimum Applicable Fraction will be monitored in accordance with Department Rules.

RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	0
40% OF AMI	40% OF AMI	0
50% OF AMI	50% OF AMI	16
60% OF AMI	60% OF AMI	148
MARKET	MARKET	0

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time

31

31

The LURA: Low-Income Units Required – Mixed Income

Mixed Income 40/60

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "Qualified Allocation Plan" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "Department Rules"), that, among other things, the Development Owner shall lease **88.13%** of the Units in the Development to individuals or families whose income is 60% or less of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated by reference for all purposes;

(c) The Development will contain a total of **146 UNITS** (including Units occupied by a resident manager or other employee, such that they are not treated as "**residential rental units**" for purposes of Section 42 of the Code), of which **115 LOW-INCOME UNITS** treated as "**residential rental Units**" will be Low-Income Units. The amount of Tax Credits allocated to the Development is based on the requirement that the Minimum Applicable Fraction for each building in the Development will be as specified, building-by-building, in "**Minimum Applicable Fraction by Building**" attached hereto as Addendum F. During the Term of this Declaration, Units at the Development shall be leased and rented or made available to members of the general public who qualify as Low-Income Tenants; such that each building in the Development shall at all times satisfy the Minimum Applicable Fraction for such building. The Development Owner's failure to ensure that each building in the Development complies with such requirement will cause the Department to report such fact to the Service and may result in the reduction or recapture by the Service of Tax Credits, as well as other enforcement action by the Service and/or the Department. After the Compliance Period, the Minimum Applicable Fraction will be monitored in accordance with Department Rules.

RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	6
40% OF AMI	40% OF AMI	0
50% OF AMI	50% OF AMI	22
60% OF AMI	60% OF AMI	24
MARKET	MARKET	7

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time

32

32

The LURA: Average Income Details

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "Qualified Allocation Plan" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "Department Rules"), that, among other things, the Development Owner shall lease **100%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **54%** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes;

Average Income

AVERAGE INCOME RESTRICTION
The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall lease **ONE HUNDRED PERCENT (100%)** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **SIXTY PERCENT (60%)** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes.

WHEREAS, the Development Owner has represented to the Department in the Development Owner's Low-Income Housing Tax Credit Application (the "**Application**"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules, also known as the Department's "**Qualified Allocation Plan**" (Title 10, Part 1, Chapter 11 of the Texas Administrative Code), the Department's Uniform Multifamily Rules (Title 10, Part 1, Chapter 10 of the Texas Administrative Code), the Department's Enforcement Rules (Title 10, Part 1, Chapter 2 of the Texas Administrative Code), and the Department's Administration Rules (Title 10, Part 1, Chapter 1 of the Texas Administrative Code) (collectively, the "**Department Rules**"), that, among other things, the Development Owner shall lease **78.76%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **54%** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes;

ESTRICTION
The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall lease **78.76%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **FIFTY-FOUR (54%)** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes.

INCREASE IN ELIGIBLE BASIS (30% BOOST) (10 TAC §11.4(c)(3)(D) OF THE 2022 QAP
The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall restrict 10% of the low income Units for households at or below 30% of AMGI. The following rent and occupancy restrictions will not be included in the income average calculation identified in the section above:

ADDITIONAL RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	12

33

33

The LURA: Marketing Requirements

ADDENDUM B TO DECLARATION – ADDITIONAL USE RESTRICTIONS

MARKETING (10 TAC §11.204(1)(G) OF THE 2022 QAP)
For affirmative marketing activities, all affirmative marketing plans must provide affirmative marketing to persons with disabilities. For general marketing activities, the Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will specifically market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved in writing by the Department.

ADDENDUM B TO DECLARATION – ADDITIONAL USE RESTRICTIONS

MARKETING (10 TAC §11.204(1)(G) OF THE 2023 QAP)
For affirmative marketing activities, all affirmative marketing plans must provide affirmative marketing to persons with disabilities. For general marketing activities, the Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations and will specifically market to the public housing authority (PHA) waitlists for any PHA in the city and/or county the Development is located within and the PHA of any City within five (5) miles of the Development. The Development Owner will be required to identify how they will specifically market to veterans and the PHA waiting lists and report to the Department in the annual housing report on the results of the marketing efforts to veterans and PHA waiting lists. Exceptions to this requirement must be approved in writing by the Department.

There are **two parts** to this requirement:

1. Affirmative marketing to persons with disabilities.
2. General marketing to veterans & public housing authorities through direct marketing or contracts with applicable organizations.

34

34

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

35

35

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

36

36

The LURA: Learning Point 1

What are the minimum set-asides available in Texas?

A 20/50

B 40/60

C Average Income

D Only B and C

E A, B and C

37

37

The LURA: Learning Point 2

All TDHCA monitored properties are required to market to veterans and public housing authorities?

A True

B False

38

38

The LURA: Learning Point 3

Marketing to veterans and public housing authorities is part of the property's affirmative marketing efforts?

A True

B False

39

39

The LURA: Additional State Rent and Occupancy Requirements

RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	0
40% OF AMI	40% OF AMI	0
50% OF AMI	50% OF AMI	16
60% OF AMI	60% OF AMI	148
MARKET	MARKET	0

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time

RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	6
40% OF AMI	40% OF AMI	0
50% OF AMI	50% OF AMI	22
60% OF AMI	60% OF AMI	24
MARKET	MARKET	7

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time

INCREASE IN ELIGIBLE BASIS (30% BOOST) (10 TAC §11.4(C)(3)(D) OF THE 2022 QAP

The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall restrict 10% of the low income Units for households at or below 30% of AMGI. The following rent and occupancy restrictions will not be included in the income average calculation identified in the section above:

ADDITIONAL RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	12

40

40

The LURA: Additional State Rent and Occupancy Requirements

☒ RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	6
50% OF AMI	50% OF AMI	52
60% OF AMI	60% OF AMI	57
80% OF AMI	80% OF AMI	3
MARKET	MARKET	26

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time.

RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	9
40% OF AMI	40% OF AMI	0
50% OF AMI	50% OF AMI	34
60% OF AMI	60% OF AMI	40
MARKET	MARKET	19

If at recertification the Tenant's household income exceeds the applicable limit, to maintain compliance, the owner agrees to follow recertification guidance in accordance with the Department Rules as amended from time to time

If the Development includes Units that are not Low-Income Units (i.e. market rate units), at least 10% of all the Units that are not Low-Income Units must be set aside with incomes at or below 80% of AMI. The Development will set aside 2 of the market rate units for households with income at or below 80% AMI with rents that do not exceed 30% of the income limitation.

- Certify at 80% AMI at move-in only
- No recertification requirement
- No student restrictions

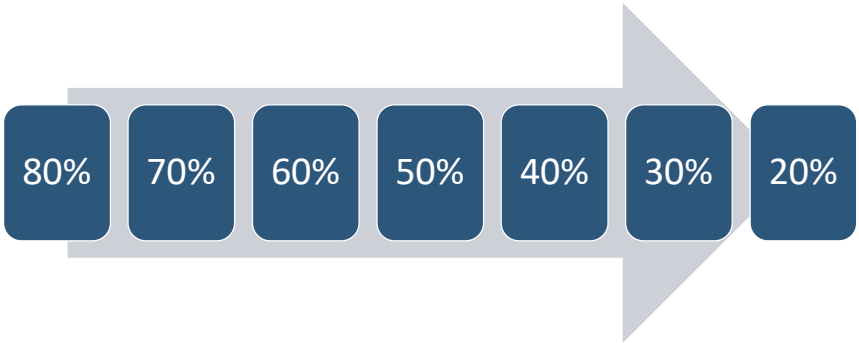
41

41

The LURA: Average Income Restriction – 100% HTC

AVERAGE INCOME RESTRICTION

The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall lease **ONE HUNDRED PERCENT (100%)** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **SIXTY PERCENT (60%)** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes.



The unit designations must be dispersed across all unit types and throughout the development.

42

42

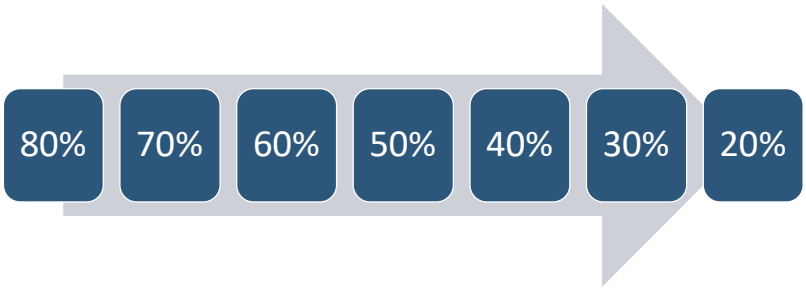
The LURA: Average Income Restriction – Mixed Income

AVERAGE INCOME RESTRICTION
The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall lease **78.76%** of the Units in the Development to individuals or families whose imputed incomes do not exceed an average of **FIFTY-FOUR (54%)** of the area median gross income (including adjustments for family size), as more specifically provided herein, such Application, and the representations and undertakings set forth therein, being incorporated herein by reference for all purposes.

INCREASE IN ELIGIBLE BASIS (30% BOOST) (10 TAC §11.4(C)(3)(D) OF THE 2022 QAP
The Development Owner has represented to the Department in the Development Owner's Application, authorized by the Department Rules, that among other things, the Development Owner shall restrict 10% of the low income Units for households at or below 30% of AMGI. The following rent and occupancy restrictions will not be included in the income average calculation identified in the section above:

ADDITIONAL RENT AND OCCUPANCY RESTRICTIONS

INCOME LIMIT	RENT LIMIT	NUMBER OF UNITS
30% OF AMI	30% OF AMI	12



The unit designations must be dispersed across all unit types and throughout the development.

43

43

LURA: Learning Point 4

Designations are attached to the unit and not the household?

A. False, the designations are attached to the household and can float property-wide

B. True, the designations, once designated at lease-up, are considered fixed and cannot change

C. False, the designations float, but only in the building

D. True, the LURA specifies a required leasing strategy that must be adhered to

44

44

LURA: Learning Point 5

For Average Income, all the 80% units can be prime locations and the largest floorplans?

A. True, the owner needs to make money on those prime units

B. False, designations must be spread throughout the property and unit types

C. True, but only if the owner asked Cara for approval

D. False, 80% is not a real designation, Cara made that up

45

45

The LURA: Longer Compliance Period and/or Extended Use Period

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 40 consecutive taxable years and the Extended Use Period shall be a period of 55 consecutive taxable years, each commencing with the first year of the Credit Period.

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 15 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years, each commencing with the first year of the Credit Period.

LONGER EXTENDED USE PERIOD (10 TAC §11.9(E)(5) OF THE 2022 QAP)

In accordance with the Code, each Development is required to maintain its affordability for a fifteen (15) year Compliance Period and, subject to certain exceptions, an additional fifteen (15) year period. Development Owner indicates below that the Development will extend the affordability period beyond the thirty (30) years required in the Code as follows:

The Development will extend its affordability for 15 years, resulting in an Extended Use Period of 45 years.

☒ LONGER COMPLIANCE PERIOD AND EXTENDED USE PERIOD

In accordance with the Code, each Development is required to maintain its affordability for a 15-year Compliance Period and, subject to certain exceptions, an additional 15-year period. Development Owner indicates below that the Development will extend the affordability period beyond the 30 years required in the Code as follows:

☒ Add 10 years affordability resulting in an Extended Use Period total affordability period of 40 years

If the LURA does not include this or the "box" is not checked, the development does not have an extended period.

46

46

The LURA: Historically Underutilized Business (HUB)

TDHCA notice: HUB Compliance Monitoring Suspension

TDHCA <do-not-reply@tdhca.state.tx.us>
To Cara Pollei

Reply | Reply All | Forward

Tue 11/25/2025 11:32 AM

The Texas Department of Housing and Community Affairs (TDHCA) would like to inform Owners and Agents of Housing Tax Credit developments that the provision for Historically Underutilized Business (HUB) participation will not be monitored due to the "freeze" of the HUB program by the Texas Comptroller of Public Accounts. If monitoring of this provision is reinstated by TDHCA in the future, Owners will be provided Corrective Action Periods in accordance with 10 TAC Section 10.602 to correct non-compliance.

For questions about compliance monitoring, please contact the Director of Multifamily Compliance, Wendy Quackenbush, at wendy.quackenbush@tdhca.texas.gov or by phone at (512) 305-8860.

47

47

The LURA: Material Participation by Nonprofit Organization

MATERIAL PARTICIPATION BY QUALIFIED NONPROFIT ORGANIZATION

Throughout the Compliance Period, the ownership structure of the Development Owner shall contain a Qualified Nonprofit Organization (as defined in Section 42(h)(5)(C) of the Code) with a greater than fifty percent (50%) controlling interest in the General Partner(in the case of a limited partnership, the Qualified Nonprofit Organization must be the Managing General Partner; in the case of a limited liability company, the Qualified Nonprofit Organization must be the controlling managing member). The Qualified Nonprofit Organization shall materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Development throughout the Compliance Period, shall have experience directly related to the housing industry, and shall otherwise meet the requirements of Section 42(h)(5) of the Code and Section 2306.6729 and 2306.6706(b) of the Texas Government Code. The Principals of the Qualified Nonprofit Organization cannot be a Related Party to any Principals of the Applicant or Developer unless the Related Party is a wholly-owned subsidiary of the Qualified Nonprofit Organization. At the time this Declaration is filed, the Qualified Nonprofit Organization which shall own such interest and shall so materially participate in the development and operation of the Development is _____. The Development Owner shall notify the Department (i) of any change in the status or role of such organization with respect to the Development and (ii) if such organization is proposed to be replaced by a different Qualified Nonprofit Organization, that Organization must meet the requirements of 42(h)(5) and Section 2306.6729 and 2306.6706(b) of the Texas Government Code at time of transfer; or

Throughout the Extended Use period, a Nonprofit Organization must be involved with the Development Services or in the provision of on-site tenant services but will not qualify the Development as part of the Nonprofit Set-Aside. A Principal of the Nonprofit Organization cannot be a Related Party to any Principal of the Applicant or Developer (excluding another Principal of the Nonprofit Organization). The Development Owner shall notify the Department (i) of any chang
organization is proposed to be replaced by a diff
Nonprofit Organization is _____.

MATERIAL PARTICIPATION BY NONPROFIT ORGANIZATION (10 TAC §11.9(B)(2)(C) OF THE 2022 QAP)

Throughout the Compliance Period, the ownership structure of the Development Owner shall contain a Nonprofit (as defined in Section 42(h)(5)(C) of the Code) with at least 51% ownership in the General Partner (in the case of a limited partnership, the Nonprofit Organization must be the manager of the Managing General Partner; in the case of a limited liability company, the Qualified Nonprofit Organization must be the Manager of the controlling Managing Member). The Nonprofit Organization shall maintain Control of the Development and materially participate (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the Compliance Period, and shall otherwise meet the requirements of Section 42(h)(5) of the Code. The Development Owner shall notify the Department (i) of any change in the status or role of such organization with respect to the Development and (ii) if such organization is proposed to be replaced by a different Nonprofit Organization, that Organization must meet the requirements of 42(h)(5) and must have at least 10 years' experience in the continuous operation of a Development that provides services similar to those of the Development.

48

48

Nonprofit Material Participation

Confirm Ownership
- Conduct a search on the Secretary of State website
- If unable to identify, will request documentation from owner

In Good Standing
- Secretary of State or IRS will confirm nonprofit status

Material Participation
- Owner must submit a narrative describing material participation
- Providing Supportive Services only is not always sufficient

49

49

The LURA: Elderly Limitation Development

ELDERLY LIMITATION DEVELOPMENT

Throughout the Term, unless otherwise permitted by the Department, this Development must meet the requirements of the Housing for Older Persons Act ("HOPA") under the Federal Fair Housing Act (42 U.S.C. §3601, as amended), receive no funding that requires leasing to persons other than the elderly (unless the funding is from a federal program for which the Secretary of HUD has confirmed that it may operate as a Development that meets the requirements of HOPA), and must be a Development which:

- As determined by the HUD Secretary, is specifically designed and operated to assist elderly persons as defined in and provided under any Federal, State, or local government programs; or
- Is intended for, and solely occupied by persons who are 62 or older; or
- 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 Development Owner and manager to provide housing for persons 55 years of age or older.

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The LURA: Elderly Development

ELDERLY DEVELOPMENT (10 TAC §11.1(D)(47) OF THE 2022 QAP)
This Development receives federal funding that has a requirement for a preference or limitation for elderly persons or households, but must accept qualified households with children. Throughout the Term, unless otherwise permitted by the Department in an amendment to this Declaration, this Development must operate as an Elderly Development as defined by the household definition and age restrictions imposed by the source of its federal assistance:

All **60** Units must contain an Elderly Household, which is defined as a household whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. This may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides. This includes otherwise qualifying households with minor children. If the Development ceases to receive federal assistance or if the restrictions of the federal assistance are changed, it must notify the Department and may be required to request an amendment to this Declaration.

If the LURA requires the development operate as an Elderly Development during the **Compliance Period**, the owner must contact the Asset Manager to process a LURA Amendment if they wish to continue operating as such. →

☒**Qualified Elderly Developments (2000 and later)**

Throughout the Compliance Period, unless otherwise permitted by the Department, this Development must conform to the Federal Fair Housing Act and must be a Development which:

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

(ii) 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 the owner and manager to provide housing for persons 55 years of age or older.

51

51

The LURA: Elderly Preference Development

ELDERLY PREFERENCE DEVELOPMENT

This Development is an elderly development with an "elderly preference" as defined herein, throughout the Term, unless and until the Project is no longer required to operate under the age restrictions imposed by federal assistance, this Project must operate as an Elderly Preference Development as defined below:

A Household must contain one member 62 years of age or older and accept qualifying Households with children. If the Development ceases to receive federal assistance, it must notify the Department and may be required to request an amendment to this Declaration.

ELDERLY PREFERENCE DEVELOPMENT

This Development is an elderly development with an "elderly preference" as defined herein, throughout the Term, unless and until the Development is no longer required to operate under the age restrictions imposed by federal assistance. This Development must operate as an Elderly Preference Development as defined:.

ELDERLY LIMITATION DEVELOPMENT

Throughout the Term, unless otherwise permitted by the Depar
Persons Act ("HOPA") under the Federal Fair Housing Act (42 U
other than the elderly (unless the funding is from a federal pro
Development that meets the requirements of HOPA), and mus

QUALIFIED ELDERLY DEVELOPMENTS[1]

☒**Qualified Elderly Projects (2000 and later)**

Throughout the Compliance Period, unless otherwise permitted by the Department, this project must conform to the Federal Fair Housing Act and must be a project which:

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

(ii) 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 the owner and manager to provide housing for persons 55 years of age or older.

52

52

The LURA: Mitigation for Schools

MITIGATION FOR SCHOOLS (10 TAC §11.101(A)(3)(D)(III) OF THE 2023 QAP)
Throughout the Affordability Period, the Development Owner commits to operating an after-school learning center that offers at a minimum fifteen (15) hours of weekly, organized, on-site educational services provided to elementary, middle and high school children by a dedicated service coordinator or Third-Party entity which includes at a minimum:

- Homework assistance,
- Tutoring, test preparation,
- Assessment of skill deficiencies and provision of assistance in remediation of those deficiencies (e.g., if reading below grade level is identified for a student, tutoring in reading skills is provided),
- Research and writing skills,
- Providing a consistent weekly schedule,
- Provides for the ability to tailor assistance to the age and education levels of those in attendance, and
- Other evidence-based approaches and activities that are designed to augment classroom performance.

Up to twenty percent (20%) of the activities offered may also include other enrichment activities such as music, art, or technology. The services above cannot be used to count for purposes of meeting the threshold requirements for Resident Supportive Services in 10 TAC §11.9(C)(3)(A) and 10 TAC §11.101(B)(7) of the 2023 QAP.

53

53

LURA: Supportive Services

RESIDENT SUPPORTIVE SERVICES (10 TAC §11.9(C)(3)(A) AND 10 TAC §11.101(B)(7) OF THE 2023 QAP)
The Development Owner has been awarded points based on providing a combination of supportive services appropriate for the proposed residents through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. **No fees may be charged to the tenant for providing these services.** Unless otherwise specified, services must be provided on-site or transportation to those off-site services identified on the list must be provided, the services should be those that directly benefit the Target Population of the Development, there must be adequate space for the intended services, and services offered should be accessible to all (e.g., exercise classes must be offered in a manner that would enable a person with a disability to participate). 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, courses and services must be offered by an onsite instructor(s). Tenants must be provided written notice of the resident services elections made by the Development Owner. Development Owner must provide at **a minimum eight (8) total points worth of services** from the following list (the same service may not be used for more than one (1) scoring item):

(A) Transportation Supportive Services include:
- Shuttle, at least three (3) days a week, to a grocery store and pharmacy 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); and
- Monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point).

(B) Children Supportive Services include:
- Twelve (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, 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:
- Four (4) hours of weekly, organized, in-person, hybrid, or virtual classes accessible to participants from a common area on site to an adult audience by persons skilled or trained in the subject matter being presented, such as English as a second language classes, computer training, financial literacy courses, homebuyer counseling, health education courses, certification courses, GED preparation classes, resume and interview preparatory classes, general presentations about community services and resources, and any other course, class, or presentation that may equip residents with new skills that they may wish to develop (3.5 points);
- Annual income tax preparation (offered by an income tax prep service) or IRS-certified VITA (Volunteer Income Tax Assistance) program (offered by a qualified individual) that also emphasizes how to claim the Earned Income Tax Credit (1 point);
- Contracted career training and placement partnerships with local work source offices, culinary programs, or vocational counseling services; may include resident training programs that train and hire residents for job opportunities inside the development in areas like leasing, tenant services, maintenance, landscaping, or food and beverage operation (2 points); and
- External partnerships for provision of weekly substance abuse meetings at the Development Site (1 point).
- For the duration of the Affordability Period, reporting rent payments to credit bureaus for any resident who affirmatively elects to participate (2 points).

(D) Health Supportive Services include:
- Food pantry consisting of an assortment of non-perishable food items and common household items (i.e., laundry detergent, toiletries, etc.) accessible to residents at least on a monthly basis or upon request by a resident. While it is possible that transportation may be provided to a local food bank to meet the requirement of this resident service, the resident must not be required to pay for the items they receive at the food bank (2 points);
- Annual health fair provided by a health care professional (1 point);
- Weekly exercise classes (offered at times when most residents would be likely to attend) (2 points); and
- Contracted onsite occupational or physical therapy services for Elderly Developments or Developments where the service is provided for Persons with Disabilities and documentation to that effect can be provided for monitoring purposes (2 points).

(E) Community Supportive Services include:
- Partnership with local law enforcement or local first responders 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.) (2 points);
- Notary Services during regular business hours (§2306.6710(b)(3)) (1 point);
- Twice monthly arts, crafts, and other recreational activities (e.g. Book Clubs and creative writing classes) (1 point);

DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR HOUSING TAX CREDITS
THE APARTMENT COMPLEX / TDHCA # 25001 PAGE 19

How can you bee successful with Supportive Services?

Read the LURA!

54

54

Who, What, Where and When of Supportive Services

- Who?
  - The LURA outlines **who** is required to conduct the Supportive Services.
- What?
  - The LURA outlines **what** services are required for the specific development and program.
- Where?
  - The LURA indicates **where** the services may be conducted.
    - Generally, this will be on-site at the development or require that transportation is provided at no cost when the services are offered off-site.
- When?
  - The LURA dictates **when** a service is to be offered; daily, weekly, monthly, quarterly, annually, etc.

55

55

Who provides the Supportive Services? continued

☒ **Tenant Supportive Services**

☒ Coordination with State Programs. **(2006 and 2007 allocations only)** The Development Owner agrees to coordinate their tenant services with those services provided through state workforce development and welfare programs.

☒ The Development Owner will provide a combination of special supportive services appropriate for the proposed tenants. The provision of supportive services will be selected from the list of services identified below. No fee may be charged to tenants for any of the services. Services will be provided on-site or transportation to off-site services must be provided. (2006, 2007 and 2008 allocations)

A. Number of Services. Owner must provide, at a minimum, six of the following number of services from the list in paragraph B:

B. Service options include: Child care; transportation; basic adult education; legal assistance; counseling services; GED preparation; English as a second language classes; vocational training; home buyer education; credit counseling; financial planning assistance or courses; health screening services; health and nutritional courses; organized team sports programs, youth programs; scholastic tutoring; any other programs described under Title IV-A of the Social Security Act (42 U.S.C. §§ 601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out of wedlock pregnancies; and encourages the formation and maintenance of two-parent families; any other services addressed by 2306.254 of Texas Government Code; or any other services approved in writing by the Department.

If your program was awarded in 2006 or 2007 your LURA may have the highlighted requirement to coordinate the tenant services through state workforce development and welfare programs.

You will need to reach out to those agencies in your area and coordinate the Supportive Services through those agencies to be compliant with the requirements of the LURA.

56

56

Where are the Supportive Services to be held?

PROVISION OF SUPPORTIVE SERVICES/PROVISION OF TENANT SERVICES

The Development Owner has been awarded points based on providing a combination of special supportive services appropriate for the proposed tenants through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. **No rent or fees may be charged to the tenant for providing these services.** Services must be provided on-site or transportation to off-site services must be provided, there must be adequate space for the intended services, and services offered should be accessible to all. Tenants must be provided written notice of the elections made by the Development Owner. Owner must provide at a **minimum _____ total points worth of services (maximum of 9 points; 10 for a Supportive Housing Development proposed by a Qualified Nonprofit)** from the following list (the same service may not be used for more than one scoring item):

RESIDENT SUPPORTIVE SERVICES (10 TAC §11.9(C)(3)(A) AND 10 TAC §11.101(B)(7) OF THE 2023 QAP)
The Development Owner has been awarded points based on providing a combination of supportive services appropriate for the proposed residents through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. **No fees may be charged to the tenant for providing these services.** Unless otherwise specified, services must be provided on-site or transportation to those off-site services identified on the list must be provided, the services should be those that directly benefit the Target Population of the Development, there must be adequate space for the intended services, and services offered should be accessible to all (e.g., exercise classes must be offered in a manner that would enable a person with a disability to participate). 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, courses and services must be offered by an onsite instructor(s). Tenants must be provided written notice of the resident services elections made by the Development Owner. Development Owner must provide at a **minimum 8 total points worth of services** from the following list (the same service may not be used for more than one (1) scoring item):

57

57

How Long do Supportive Services Have to be Provided?

- Supportive Services must be provided as long as the LURA requires.
  - Throughout the Compliance Period…
    - If the Compliance Period has been extended, then Services must be offered throughout.
  - Throughout the Extended Use Period…

PROVISION OF SUPPORTIVE SERVICES

The Development Owner has been awarded points based on providing a combination of special supportive services appropriate for the proposed tenants through the Extended Use Period. The Development Owner may change, from time to time, the services offered; however, the overall points must remain the same. **No rent or fees may be charged to the tenant for providing these services.**

☒ **Supportive Services**

Throughout the Compliance Period, unless otherwise permitted by the Department, a Local Tax Exempt Organization shall provide the following special supportive services that would not otherwise be available to the tenants: Health and wellness services.

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 25 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years, each commencing with the first year of the Credit Period.

58

58

LURA: Supportive Services – Outreach & Education

PROVISION OF SUPPORTIVE SERVICES – OUTREACH & EDUCATION

The Development Owner was awarded an additional point for certifying that the Development will contact local nonprofit and governmental providers of services that would support the health and well-being of the Department's tenants, and will make the Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants. The Development Owner may contact service providers on the Department list or contact other providers that serve the general area in which the Development is located.

59

59

LURA: Learning Point 6

If the residents do not attend the service offered, that supportive service no longer needs to be offered?

A True

B False

60

60

LURA: Learning Point 7

How long do Supportive Services need to be offered?

A. Throughout the Compliance Period

B. Throughout the Extended Use Period

C. Depends on the LURA

61

61

LURA: Learning Point 8

If the property's elderly election is for the compliance period, will we need a LURA Amendment to continue this election after the compliance period, Federal and Extended, to continue as elderly?

A. Yes, contact the asset manager

B. No, the owner can do what they want

C. The property can begin leasing to the general public after the compliance period

62

62

The LURA: Special Housing Needs

TENANT POPULATIONS WITH SPECIAL HOUSING NEEDS (10 TAC§11.9(c)(6) OF THE 2022 QAP)

At least five percent (5%) of Units must be initially set aside for households where one (1) individual meets the definition of "Persons with Special Needs". "Persons with Special Needs may not be the same Units participating in the Section 811 Project Rental Assistance program and include all of the following:

- a "person with disability," as defined in 24 CFR §5.403; or
- has alcohol or drug addictions; or
- is a Colonia resident; or
- is a victim of domestic violence, dating violence, sexual assault, or stalking (as defined by the Violence Against Women Reauthorization Act of 2013 (42 U.S.C. §13925 et seq.)); or
- has HIV/AIDS; or
- is homeless; or
- is a veteran; or
- is a farmworker.

- The Development must have an initial minimum twelve (12)-month period during which Units must either be occupied by Persons with Special Needs or held vacant unless the Unit receives HOME funds from any source. The twelve (12)-month period will begin on the date each building receives its certificate of occupancy. For buildings that do not receive a certificate of occupancy, the twelve (12) month period will begin on the placed in service date as provided in the Post Award Activities Manual. After the twelve (12)-month period, the Development Owner will no longer be required to hold Units vacant for Persons with Special Needs, but will be required to continue to specifically market Units to Persons with Special Needs throughout the Compliance Period, unless specifically allowed otherwise by the Department in writing;
- The Development must commit at least an additional 2% of the total Units to Persons referred from the Continuum of Care or local homeless services providers for persons experiencing homelessness. The Department requires an initial **12**-month period (beginning on the same date as defined in the preceding section) during which Units must either be occupied by households referred from the Continuum of Care or local homeless services providers or held vacant, unless the Unit receives HOME funds from any source. Rejection of an applicant's tenancy for those referred may not be for reasons of credit history or prior rental payment history. The Development Owner is required to continue to provide quarterly notifications throughout the Compliance Period regarding available Units at the Development to the Continuum of Care and other homeless service providers local to the Development, unless specifically otherwise allowed by the Department in writing (1 point).

63

63

The LURA: Learning Point 9

What is the correct statement about the Special Needs units and requirements?

A. May be the same as the Mobility and Visual Impaired Units

B. Must be held vacant, unless occupied by Special Needs Households, during the time period specified in the LURA

C. Must be affirmatively marketed during the entire affordability period

D. All of the above

E. None of the above

64

64

The LURA: Learning Point 10

The 12 months to hold special needs/CoC units vacant begins the day of the LURA execution?

A. No
B. It begins the date the building is placed in service
C. The 12-month period begins on the date each building receives its certificate of occupancy
D. I am not sure
E. None of the above

65

65

The LURA: Veteran Identification in Tenant Applications

Beginning January 1, 2021, all Applications were to include an option for applicants to indicate if they are a veteran and the statement as outlined below. The newest LURA version includes this as a LURA requirement; however, this is a requirement for all TDHCA developments.

VETERAN IDENTIFICATION IN TENANT APPLICATIONS (SECTION 434.214, TX GOV'T CODE)
The tenant applications must provide a space for applicants to indicate if they are a veteran. 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 Air Force, Army, Navy, Marines, Coast Guard, Reserves or National Guard, may be eligible for additional benefits and services. For more information please visit the Texas Veterans Portal at https://veterans.portal.texas.gov/.

66

66

LURA: Learning Point 11

The LURA for the development does not require Veteran Identification in Tenant Applications. This means the application for the development does not have to ask the question and have the statement?

A True

B False

67

67

The LURA: Applicable Fraction

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-23-20901		100%
2.	TX-23-20902		100%

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-22-27801		96.00%
1.	TX-22-27802		81.88%

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-23-45501		100%
2.	TX-23-45502		100%
3.	TX-23-45503		100%
4.	TX-23-45504		100%
5.	TX-23-45505		100%
6.	TX-23-45506		100%
7.	TX-23-45507		100%
8.	TX-23-45508		100%

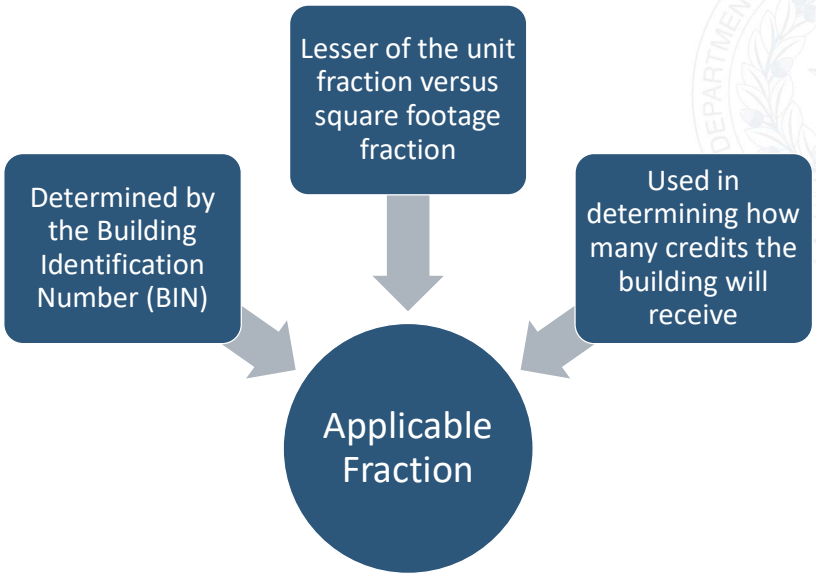
ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-22-05301		79.07%
2.	TX-22-05302		83.33%
3.	TX-22-05303		62.67%
4.	TX-22-05304		79.19%
5.	TX-22-05305		86.23%

68

68

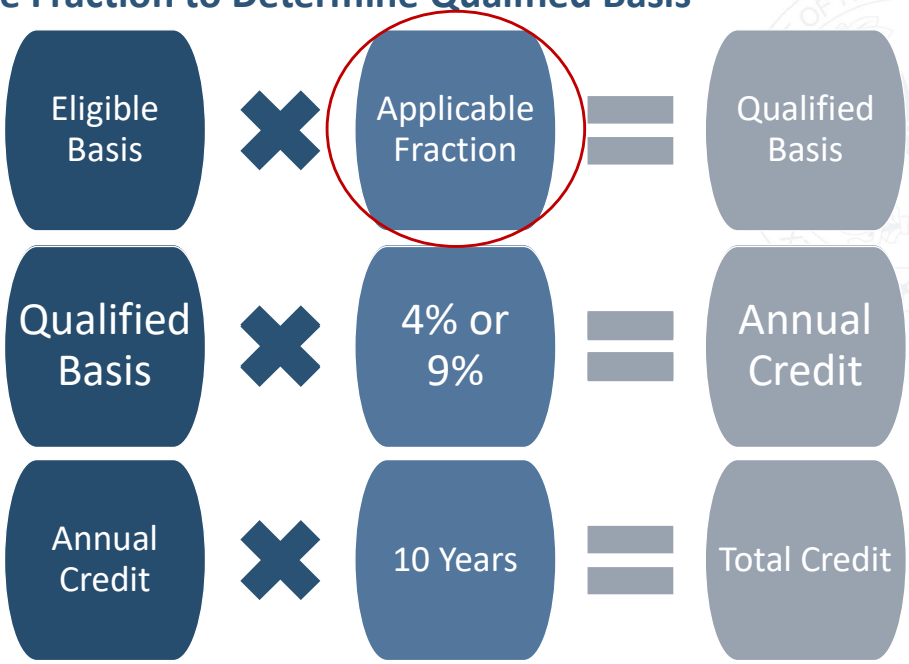
Applicable Fraction



69

69

Applicable Fraction to Determine Qualified Basis



70

70

How to Calculate Applicable Fraction

Unit Fraction

Number of Low-Income Units
Total Number of Units

Square Footage Fraction

Square Footage of Low-Income Units
Square Footage of Total Units

71

71

Applicable Fraction: 100% HTC

Unit Fraction

24
24

= 100%

Square Footage Fraction

15,600
15,600

= 100%

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1	TX-23-20901	100%
2	TX-23-20902	100%

Building Type	1	2
Floors/Stories	5	5
Number of Bldgs	1	1
Units per Bldg	24	54
Total Units	24	54

Building 1: All 1-bedroom units at 650 sq. feet
Building 2: 25 2-bedroom units at 800 sq. feet and 29 3-bedroom units at 1,000 sq. feet

Building 1: 24 x 650 sq. feet = **15,600 total**
Building 2: 25 x 800 sq. feet = 20,000 and 29 x 1,000 sq. feet = 29, 000
20,000 + 29,000 = **49,000 total**

72

72

Applicable Fraction: 100% HTC with an Exempt Unit

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-23-20901	100%
2.	TX-23-20902	100%

Building Type	1	2
Floors/Stories	5	5
Number of Bldgs	1	1
Units per Bldg	24	54
Total Units	24	54

Unit Fraction

53

53

Square Footage Fraction

48,000

48,000

Building 1: All 1-bedroom units at 650 sq. feet
Building 2: 25 2-bedroom units at 800 sq. feet and 29 3-bedroom units at 1,000 sq. feet

Building 1: 24 x 650 sq. feet = **15,600 total**
Building 2: 25 x 800 sq. feet = 20,000 and 29 x 1,000 sq. feet = 29, 000
20,000 + 29,000 = **49,000 total**

Maintenance Supervisor lives onsite in a 3-bedroom unit

73

73

Applicable Fraction: Mixed Income – Unit Fraction

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-27801	96.00%
1.	TX-22-27802	81.88%

LIHTC Units	Total Units	LIHTC Sq.Ft.	Total Sq.Ft.
24	25	18,424	19,124
28	34	20,818	25,424
52	59	39,242	44,548

Unit Fraction

24

25

Square Footage Fraction

18,424

19,124

Building 1: 25 Total Units; 24 HTC Units
Building 2: 34 Total Units; 28 HTC Units

Building 1: 18,424 HTC sq. feet & **19,124 total**
Building 2: 20,818 HTC sq. feet & **25,424 total**

74

74

Applicable Fraction: Mixed Income – Square Footage

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-27801	96.00%
1.	TX-22-27802	81.88%

LIHTC Units	Total Units	LIHTC Sq.Ft.	Total Sq.Ft.
24	25	18,424	19,124
28	34	20,818	25,424
52	59	39,242	44,548

Unit Fraction

28

34

Square Footage Fraction

20,818

25,424

Building 1: 25 Total Units; 24 HTC Units
Building 2: 34 Total Units; 28 HTC Units

Building 1: 18,424 HTC sq. feet & **19,124 total**
Building 2: 20,818 HTC sq. feet & **25,424 total**

75

75

Applicable Fraction: Mixed Income with Exempt Unit

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-27801	96.00%
1.	TX-22-27802	81.88%

LIHTC Units	Total Units	LIHTC Sq.Ft.	Total Sq.Ft.
24	25	18,424	19,124
28	34	20,818	25,424
52	59	39,242	44,548

Unit Fraction

22

23

Square Footage Fraction

16,618

17,318

Building 1: 25 Total Units; 24 HTC Units
Building 2: 34 Total Units; 28 HTC Units

Building 1: 18,424 HTC sq. feet & **19,124 total**

The Manager and Maintenance Supervisor live onsite, both in 2-bedrooms at 903 sq. feet

Building 2: 20,818 HTC sq. feet & **25,424 total**

76

76

Applicable Fraction: Building 5

75%

6

8

77.78%

7,000

9,000

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-05301	79.07%
2.	TX-22-05302	83.33%
3.	TX-22-05303	62.67%
4.	TX-22-05304	79.19%
5.	TX-22-05305	75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	HH SIZE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$ 57,600.00	$ 1,450.00	$ 327.00	4	4	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	512	10/26/2023		Beatle	$ 52,575.00	$ 1,500.00	$ 327.00	4	7	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	513	06/06/2025		Stone	$ 44,320.00	$ 1,199.00	$ 287.00	3	4	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$ 29,505.00	$ 1,200.00	$ 287.00	3	4	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$ 66,068.00	$ 1,351.00	$ 287.00	3	5	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	522	03/29/2025		Creedence	$ 55,295.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	01/02/2018		Byrd	$ 43,521.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	524	04/03/2025		Bread	$ 72,585.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: Market Rent LIHTC: Market

77

77

Applicable Fraction: Building 5 with an Over Income Unit

62.5%

5

8

66.67%

6,000

9,000

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-05301	79.07%
2.	TX-22-05302	83.33%
3.	TX-22-05303	62.67%
4.	TX-22-05304	79.19%
5.	TX-22-05305	75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	IC DATE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$57,600.00	$ 1,450.00	$327.00	4	07/03/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	512	10/26/2023		Beatle	$52,575.00	$ 1,500.00	$327.00	4	10/26/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	513	06/06/2025		Stone	$44,320.00	$ 1,199.00	$287.00	3	06/06/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$29,505.00	$ 1,200.00	$287.00	3	12/23/2024	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$66,068.00	$ 1,351.00	$287.00	3	02/16/2025	Income LIHTC: OI Rent LIHTC: OI
TX0020604	5	522	03/29/2025		Creedence	$55,295.00	$ 1,351.00	$287.00	3	03/29/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	01/02/2018		Byrd	$43,521.00	$ 1,351.00	$287.00	3	01/02/2025	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	524	04/03/2025		Bread	$72,585.00	$ 1,351.00	$287.00	3	04/03/2025	Income LIHTC: Market Rent LIHTC: Market

78

78

Applicable Fraction: Building 5 with an Over Income Unit

75%

6

8

77.78%

7,000

9,000

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)	MINIMUM APPLICABLE FRACTION
1.	TX-22-05301	79.07%
2.	TX-22-05302	83.33%
3.	TX-22-05303	62.67%
4.	TX-22-05304	79.19%
5.	TX-22-05305	75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	TIC DATE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$57,600.00	$ 1,450.00	$327.00	4	07/03/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	512	10/26/2023		Beatle	$52,575.00	$ 1,500.00	$327.00	4	10/26/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	513	06/06/2025		Stone	$44,320.00	$ 1,199.00	$287.00	3	06/06/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$29,505.00	$ 1,200.00	$287.00	3	12/23/2024	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$66,068.00	$ 1,351.00	$287.00	3	02/16/2025	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	522	03/29/2025		Creedence	$55,295.00	$ 1,351.00	$287.00	3	03/29/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	12/1/2025		Garfunkel	$19,632.00	$ 1,351.00	$287.00	3	12/1/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	524	04/03/2025		Bread	$72,585.00	$ 1,351.00	$287.00	3	04/03/2025	Income LIHTC: Market Rent LIHTC: Market

79

79

Module 3

Form 8609: Low-Income Housing Credit Allocation and Certification

80

80

Form 8609: When are they issued?

Forms 8609 are issued after:

→ Cost Certification is Completed

→ First Monitoring Review is Completed

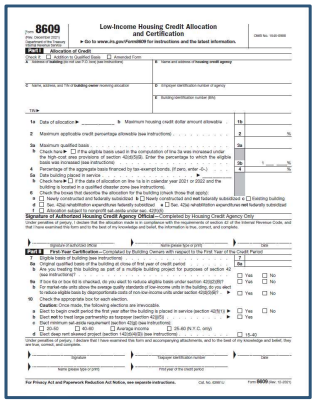
→ Final Construction is Completed

→ LURA is Recorded

81

81

Form 8609: When are they issued?



8609

Low-Income Housing Credit Allocation and Certification

Part I Allocation of Credit

Part II First-Year Certification

Owners must submit IRS Form(s) 8609 with Part II complete through CMTS by the second monitoring review. If an owner elects to group buildings together into one or more multiple building projects, the owner must attach a statement identifying the buildings within the project.

82

82

Forms 8609: Part I – Building Identification Number (BIN) & Allocation

Form **8609** (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I **Allocation of Credit**

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)

The Development
301 E Austin St
Austin, TX 78721

B Name and address of **housing credit agency**

Texas Dept. of Housing and Community Affairs
221 E 11th St
Austin, TX 78701

C Name, address, and TIN of **building owner** receiving allocation

Extraordinary Owner Person
3130 Beauregard Ave
Austin, TX 78725
TIN ▶ 75-0165960

D Employer identification number of agency

74-2919548

E Building identification number (BIN)

TX-24-21801

1a Date of allocation ▶ 12/16/2024 b Maximum housing credit dollar amount allowable . . 1b 274,327

2 Maximum applicable credit percentage allowable (see instructions) 2 9.00%

3a Maximum qualified basis 3a 2,740,327

b Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions) . . . . . 3b 1 3 0 %

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.) . . . 4 0.00%

5a Date building placed in service . . . . . ▶ 12/17/2025

b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and **not** federally subsidized c ☐ Existing building

d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized

f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Signature of authorized official ▶ for example purposes only - not real forms Name (please type or print) ▶ Date

83

83

Forms 8609: Date of Allocation

Determining Initial Date of Allocation

Activity	Initial Date of Allocation
9% Credit	Date Carryover Agreement signed by the Department
4% Credit	Effective date of the Determination Agreement
TCAP	Same date as accompanied credit
Exchange	Effective date of the Sub-Award Agreement

84

84

Forms 8609: Part I – Credit Percentage; 9%

Form **8609** (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I **Allocation of Credit**

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)
The Development
301 E Austin St
Austin, TX 78721

B Name and address of **housing credit agency**
Texas Dept. of Housing and Community Affairs
221 E 11th St
Austin, TX 78701

C Name, address, and TIN of **building owner** receiving allocation
Extraordinary Owner Person
3130 Beauregard Ave
Austin, TX 78725
TIN ▶ 75-0165960

D Employer identification number of agency
74-2610542

E Building identification number (BIN)
TX-24-21801

1a	Date of allocation ▶ 12/16/2024 b Maximum housing credit dollar amount allowable	1b	274,327
2	Maximum applicable credit percentage allowable (see instructions)	2	9.00%
3a	Maximum qualified basis	3a	2,740,327
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 3 0 %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	0.00%
5a	Date building placed in service ▶ 12/17/2025		
b	Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and **not** federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized
f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ _____ Signature of authorized official ▶ for example purposes only - not real forms Name (please type or print) ▶ _____ Date

85

85

Form 8609: Part I – Credit Percentage; 4%

1a	Date of allocation ▶ _____ b Maximum housing credit dollar amount allowable	1b	45,000
2	Maximum applicable credit percentage allowable (see instructions)	2	3.830%
3a	Maximum qualified basis	3a	500,000
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	51%
5a	Date building placed in service ▶ 1/15/2020		
b	Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and **not** federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized
f ☑ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

86

86

Forms 8609: Part I – Placed in Service Date (PISD)

Form **8609** (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I **Allocation of Credit**

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)

The Development
301 E Austin St
Austin, TX 78721

B Name and address of **housing credit agency**

Texas Dept. of Housing and Community Affairs
221 E 11th St
Austin, TX 78701

C Name, address, and TIN of **building owner** receiving allocation

Extraordinary Owner Person
3130 Beauregard Ave
Austin, TX 78725
TIN ▶ 75-0165960

D Employer identification number of agency: 74-2610542

E Building identification number (BIN): TX-24-21801

1a	Date of allocation ▶ 12/16/2024 b Maximum housing credit dollar amount allowable	1b	274,327
2	Maximum applicable credit percentage allowable (see instructions)	2	9.00%
3a	Maximum qualified basis	3a	2,740,327
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 3 0 %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter "-0-.")	4	0.00%
5a	Date building placed in service ▶ 12/17/2025		
b	Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and **not** federally subsidized c ☐ Existing building

d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized

f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ _____ Signature of authorized official ▶ for example purposes only - not real forms Name (please type or print) ▶ _____ Date

87

87

Forms 8609: Placed in Service Date

New Construction

- Certificate of Occupancy (CO)
- Including Temporary CO if issued

Acquisition

- Date Building is Acquired
- Settlement Statement for the Transfer of the Property (closing statement)

Rehab

- Accounting function based on aggregate expenditures over a 24-month period

88

88

Forms 8609: Part I – Building Type: New or Existing

Form **8609** (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of **building** (do not use P.O. box) (see instructions)
The Development
301 E Austin St
Austin, TX 78721

B Name and address of **housing credit agency**
Texas Dept. of Housing and Community Affairs
221 E 11th St
Austin, TX 78701

C Name, address, and TIN of **building owner** receiving allocation
Extraordinary Owner Person
3130 Beauregard Ave
Austin, TX 78725
TIN ▶ 75-0165960

D Employer identification number of agency
74-2610542

E Building identification number (BIN)
TX-24-21801

1a	Date of allocation ▶ 12/16/2024 b Maximum housing credit dollar amount allowable	1b	274,327
2	Maximum applicable credit percentage allowable (see instructions)	2	9.00%
3a	Maximum qualified basis	3a	2,740,327
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 3 0 %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	0.00%
5a	Date building placed in service ▶ 12/17/2025		
b	Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and **not** federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized
f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ _____ Signature of authorized official ▶ for example purposes only - not real forms Name (please type or print) ▶ _____ Date

89

89

Forms 8609: Part I – Nonprofit Set-Aside

6 Check the boxes that describes the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and not federally subsidized c ☐ Existing Building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized
f ☑ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

6 Check the boxes that describes the allocation for the building (check those that apply):
a ☑ Newly constructed and federally subsidized b ☐ Newly constructed and not federally subsidized c ☐ Existing Building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized
f ☐ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

90

90

Forms 8609: Part II – Eligible Basis

Part II **First-Year Certification**—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	2,470,327
8a	Original qualified basis of the building at close of first year of credit period	8a	2,470,327
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☑ Yes	☐ No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes	☐ No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶	☐ Yes	☑ No
10	Check the appropriate box for each election. **Caution:** Once made, the following elections are irrevocable.		
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	☑ Yes	☐ No
b	Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) ▶	☐ Yes	
c	Elect minimum set-aside requirement (section 42(g)) (see instructions): ☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)		
d	Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	☐ 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ 75-0165960 Taxpayer identification number ▶ Date

▶ For example purposes only - not real forms Name (please type or print) ▶ 2026 First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form **8609** (Rev. 12-2021)

91

91

Eligible Basis in the Calculation of Credit

$500,000 × 100% = $500,000

$500,000 × 9% = $45,000

$45,000 × 10 Years = $450,000

92

92

Forms 8609: Part II – Multiple Building Project; Yes or No

Part II **First-Year Certification**—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 7 2,470,327

8a Original qualified basis of the building at close of first year of credit period 8a 2,470,327

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? . . . . . ☑ Yes ☐ No

9a If box 8a or box 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? ☐ Yes ☐ No

b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportion

10 Check the appropriate box for each

Caution: Once made, the following

a Elect to begin credit period the first

b Elect **not** to treat large partnership a

c Elect minimum set-aside requirement

☐ 20-50 ☑ 40-60

d Elect deep rent skewed project (sec

Under penalties of perjury, I declare that I have e are true, correct, and complete.

Signature

For example purposes only - not real form

Name (please type or print)

Part II **First-Year Certification**-Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 7 3,080,254

8a Original qualified basis of the building at close of first year of credit period 8a 3,080,254

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? ☐ Yes ☒ No

9a If box 8a or box 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? ☐ Yes ☐ No

b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? ▶ ☐ Yes ☒ No

10 Check the appropriate box for each election:

Caution: Once made, the following elections are irrevocable.

a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ ☒ Yes ☐ No

b Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) ▶ ☐ Yes

c Elect minimum set-aside requirement (section 42(g)) (see instructions):

☐ 20-50 ☒ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) ☐ 15-40

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form **8609** (Rev. 12-2021)

93

93

Forms 8609: Part II – Multiple Building Project; The Attachment

Part II **First-Year Certification**—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 7 2,470,327

8a Original qualified basis of the building at close of first year of credit period 8a 2,470,327

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? ☑ Yes ☐ No

9a If box 8a or box 8d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? ☐ Yes ☐ No

b For market-rate units above the average quality standards of low-incom to reduce eligible basis by disproportionate costs of non-low-income un

10 Check the appropriate box for each election.

Caution: Once made, the following elections are irrevocable.

a Elect to begin credit period the first year after the building is plac

b Elect **not** to treat large partnership as taxpayer (section 42(j)(5))

c Elect minimum set-aside requirement (section 42(g)) (see instructions

☐ 20-50 ☑ 40-60 ☐ Average income

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instruct

Under penalties of perjury, I declare that I have examined this form and accomp are true, correct, and complete.

Signature Taxpay

For example purposes only - not real forms

Name (please type or print) First y

For Privacy Act and Paperwork Reduction Act Notice, see separate instructi

The Development
Tax ID 75-0165960

The projects listed below are intended to be one project for the purposes of the election made on line 8(b) of the attached Form 8609.

BIN	Address	Maximum Credit Allowable
TX-24-21801	301 E. Austin Street, Austin, TX 78721	$ 274,327.00
TX-24-21802	301 E. Austin Street, Austin, TX 78721	$ 274,327.00
TX-24-21803	301 E. Austin Street, Austin, TX 78721	$ 274,327.00
TX-24-21804	301 E. Austin Street, Austin, TX 78721	$ 274,327.00
	Total Credit	$1,097,308.00

94

94

Forms 8609: Part II – Credit Period

Part II **First-Year Certification**—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	2,470,327
8a	Original qualified basis of the building at close of first year of credit period	8a	2,470,327
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☑ Yes	☐ No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes	☐ No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶	☐ Yes	☑ No
10	Check the appropriate box for each election. **Caution:** Once made, the following elections are irrevocable.		
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	☑ Yes	☐ No
b	Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) ▶	☐ Yes	
c	Elect minimum set-aside requirement (section 42		
	☐ 20-50 ☑ 40-60 ☐ Averag		
d	Elect deep rent skewed project (section 142(d		

5a Date building placed in service ▶ 12/17/2025

b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

Under penalties of perjury, I declare that I have examined th
are true, correct, and complete.

▶ Signature ▶ 75-0165960 Taxpayer identification number ▶ Date

▶ For example purposes only - not real forms Name (please type or print) ▶ 2026 First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form **8609** (Rev. 12-2021)

95

95

Forms 8609: Part II – Minimum Set-Aside

Part II **First-Year Certification**—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	2,470,327
8a	Original qualified basis of the building at close of first year of credit period	8a	2,470,327
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☑ Yes	☐ No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes	☐ No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶	☐ Yes	☑ No
10	Check the appropriate box for each election. **Caution:** Once made, the following elections are irrevocable.		
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	☑ Yes	☐ No
b	Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) ▶	☐ Yes	
c	Elect minimum set-aside requirement (section 42(g)) (see instructions):		
	☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)		
d	Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	☐ 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ 75-0165960 Taxpayer identification number ▶ Date

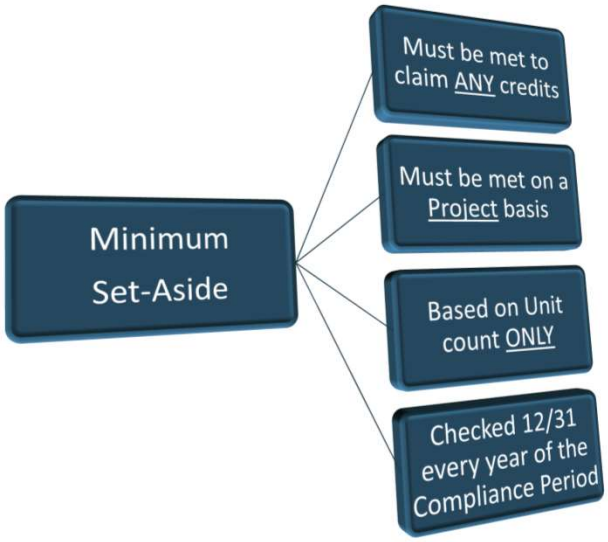
▶ For example purposes only - not real forms Name (please type or print) ▶ 2026 First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63981U Form **8609** (Rev. 12-2021)

96

96

Minimum Set-Aside



97

97

Minimum Set-Aside

20/50

20% of the units in Project must be occupied by households with an income AND rent at, or below, 50% AMI

40/60

40% of the units in the Project must be occupied by households with an income AND rent at, or below, 60% AMI

Average Income

40% of the units within the Project are both income and rent restricted and average at, or below, 60% AMI

98

98

Minimum Set-Aside: 20/50 Election

Form 8609 Elections:

8a Original qualified basis of the building at close of first year of credit period 8a 500,000

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? . . . . . ☐ Yes ☑ No

10 Check the appropriate box for each election.
Caution: Once made, the following elections are irrevocable.

a Elect to begin credit period the first year after the building is placed in service (section 42(

b Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) . . . . . .

c Elect minimum set-aside requirement (section 42(g)) (see instructions):

☑ 20-50 ☐ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

99

99

Minimum Set-Aside: 20/50 Election

m 8609 Elections:

8a 8a 500,000

poses of section 42

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Unit 301 Low-Income	Unit 302 Low-Income	Unit 303 Market Unit	Unit 304 Low-Income
Unit 201 Market Unit	Unit 202 Low-Income	Unit 203 Market Unit	Unit 204 Market Unit
Unit 101 Low-Income	Unit 102 Low-Income	Unit 103 Low-Income	Unit 104 Low-Income

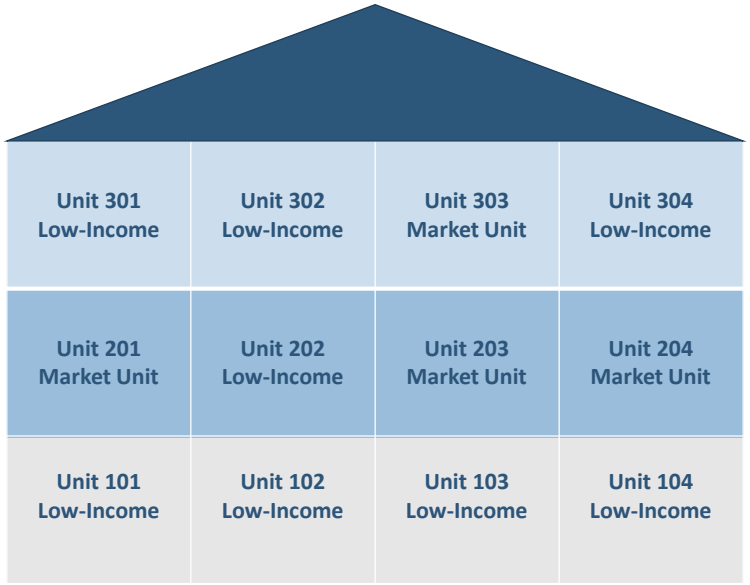
Form 8609 Elections: 20/50 Set-Aside Individual Building Project

20% of the building = 3 units (2.4 rounded up to the nearest whole unit)

100

100

Minimum Set-Aside: 20/50 Election



Form 8609 Elections:
20/50 Set-Aside
Individual Building Project

20% of the building = 3 units (2.4 rounded up to the nearest whole unit)

101

101

Minimum Set-Aside: 40/60 Election – Multiple Buildings

Form 8609 Elections:

8a	Original qualified basis of the building at close of first year of credit period	8a	500,000
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☑ Yes	☐ No

10 Check the appropriate box for each election.
Caution: Once made, the following elections are irrevocable.
a Elect to begin credit period the first year after the building is placed in service (section 42
b Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) . . . . . .
c Elect minimum set-aside requirement (section 42(g)) (see instructions):
☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

BIN	Addresses		Maximum Credit Allowable
TX-15-02101	1501 Circle S	Austin, TX 78611	$45,000.00
TX-15-02105	1501 Circle S	Austin, TX 78611	$60,750.00
		Total Credit for the Project:	$105,750.00

102

102

Minimum Set-Aside: 40/60 Election – Multiple Buildings

Form 8609 Elections:

Form 8609 Elections:
40/60 Set-Aside
Multiple Building Project

40% of the project = 4 units (3.2 rounded up to the nearest whole unit)

Unit 101 Low-Income	Unit 102 Low-Income
Unit 103 Low-Income	Unit 104 Market

Unit 101 Low-Income	Unit 102 Low-Income
Unit 103 Low-Income	Unit 104 Low-Income

103

103

Minimum Set-Aside: Average Income – Learning Point 1

40% + 40% + 50% + 60% + 60% = 250/5 = 50% average

Unit 301 Low-Income 50%	Unit 302 Low-Income 60%	Unit 303 Market Unit	Unit 304 Low-Income 70%
Unit 201 Market Unit	Unit 202 Low-Income 40%	Unit 203 Market Unit	Unit 204 Market Unit
Unit 101 Low-Income 40%	Unit 102 Low-Income 60%	Unit 103 Low-Income 60%	Unit 104 Low-Income 60%

Form 8609 Elections:
Average Income Set-Aside
Individual Building Project

40% of All Units must be both rent and income restricted = 5 units (4.8 rounded up to nearest unit)

104

104

Minimum Set-Aside: Average Income - Learning Point 2

60% + 60% + 70% + 50% + 70% = 310/5 = 62% average

Unit 301 Low-Income 60%	Unit 302 Low-Income 60%	Unit 303 Market Unit	Unit 304 Low-Income 70%
Unit 201 Market Unit	Unit 202 Low-Income 50%	Unit 203 Market Unit	Unit 204 Market Unit
Unit 101 Low-Income 70%	Unit 102 Low-Income 80%	Unit 103 Low-Income 80%	Unit 104 Low-Income 80%

Form 8609 Elections:
Average Income Set-Aside
Individual Building Project

40% of All Units must be both rent and income restricted = 5 units (4.8 rounded up to nearest unit)

105

105

Minimum Set-Aside: Average Income - Learning Point 3

60% + 60% + 70% + 50% + 60% = 300/5 = 60% average

Unit 301 Low-Income 60%	Unit 302 Low-Income 60%	Unit 303 Market Unit	Unit 304 Low-Income 70%
Unit 201 Market Unit	Unit 202 Low-Income 50%	Unit 203 Market Unit	Unit 204 Market Unit
Unit 101 Low-Income 60%	Unit 102 Low-Income 80%	Unit 103 Low-Income 80%	Unit 104 Low-Income 80%

Form 8609 Elections:
Average Income Set-Aside
Individual Building Project

We have established Minimum Set-Aside.

It is always crucial, but especially with Average Income, that the designations on the USR reported be accurately.

106

106

Minimum Set-Aside: Average Income - Learning Point 3 cont.

60% + 60% + 70% + 50% + 60% + 80% + 80% + 80% = 540/8 = 67.5% average

Unit 301 Low-Income 60%	Unit 302 Low-Income 60%	Unit 303 Market Unit	Unit 304 Low-Income 70%
Unit 201 Market Unit	Unit 202 Low-Income 50%	Unit 203 Market Unit	Unit 204 Market Unit
Unit 101 Low-Income 60%	Unit 102 Low-Income 80%	Unit 103 Low-Income 80%	Unit 104 Low-Income 80%

Form 8609 Elections:
Average Income Set-Aside
Individual Building Project

This is not a Minimum Set-Aside issue; this issue will trigger noncompliance for the most recent 80% move-in.

107

107

Module 4

Rent & Income Limits,
Utility Allowances,
Fees & Gross Rent

108

108

Income and Rent Limits

Income Limits

- Published annually by HUD
- **Project** specific
- Based on household size

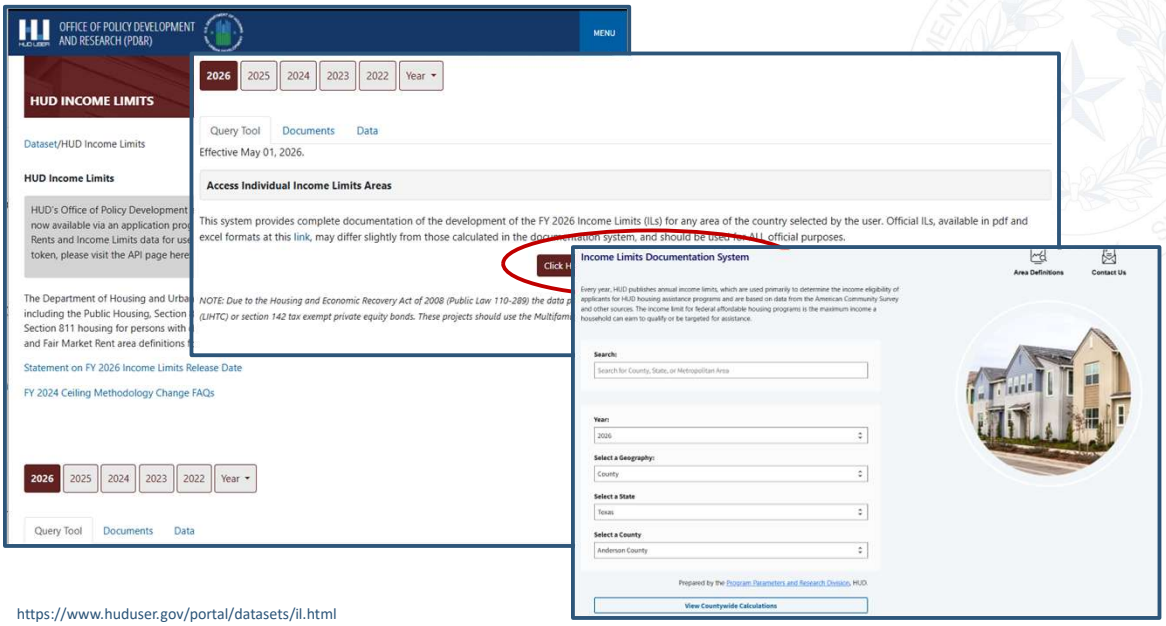
Rent Limits

- Calculated from Income Limits
- **Project** specific
- Based on unit size

109

109

Income and Rent Limits: HUD Report

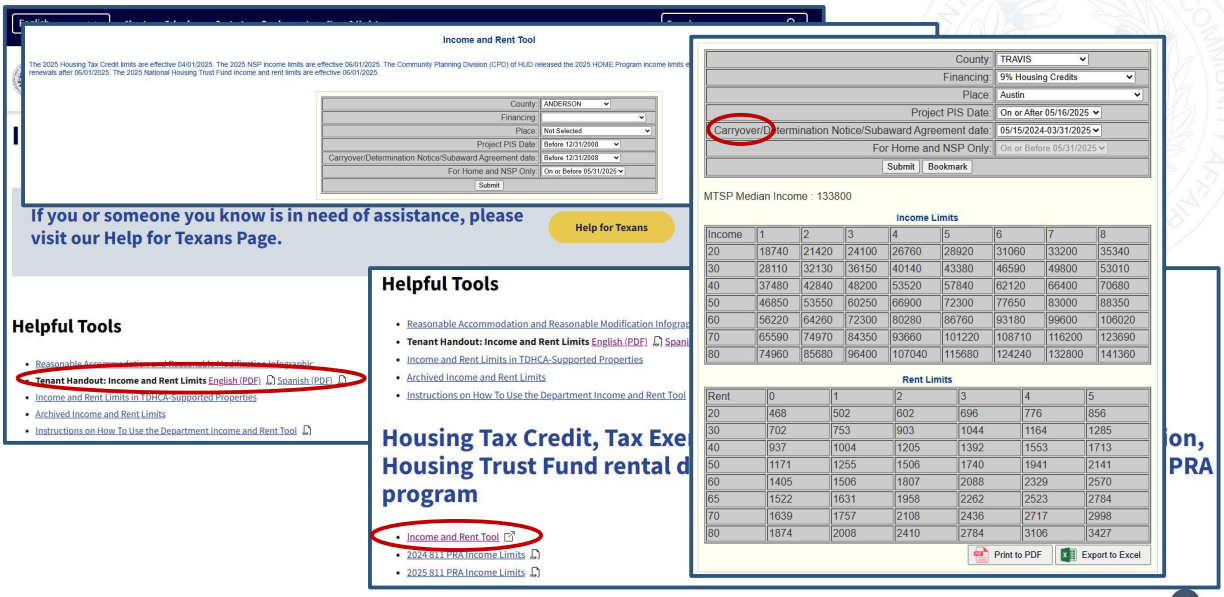


https://www.huduser.gov/portal/datasets/il.html

110

110

Income and Rent Limits: TDHCA Income & Rent Tool 9%

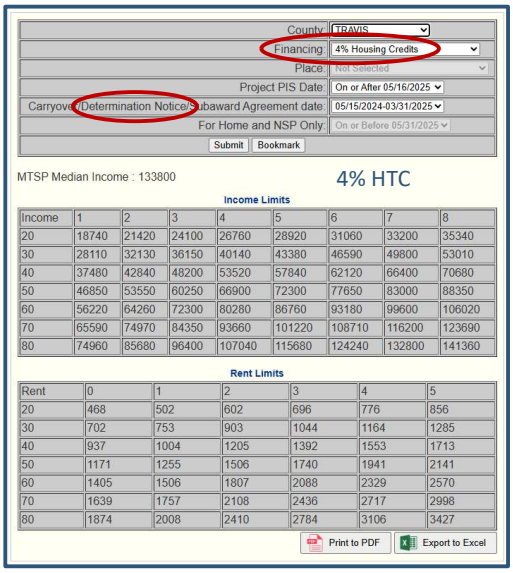


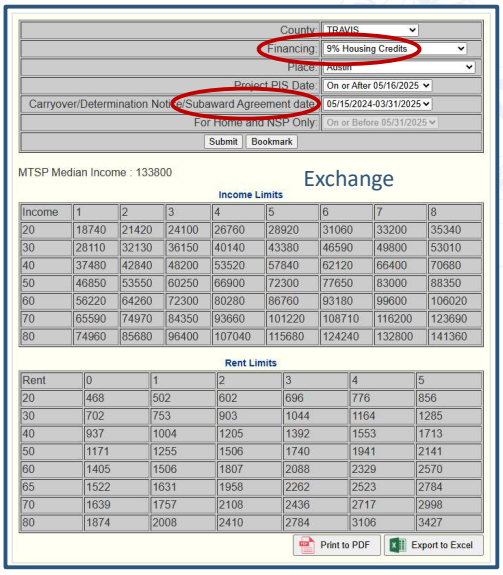
https://www.tdhca.texas.gov/income-and-rent-limits

111

111

Income and Rent Limits: TDHCA Income & Rent Tool 4% & Exchange





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

112

112

Income and Rent Limits: Project PIS Date – Multiple Buildings

8a Original qualified basis of the building at close of first year of credit period 8a 500,000

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? . . . . . ☑ Yes ☐ No

Pandora Springs, LTD.
Federal Tax ID #91-189333

New Construction:

BIN	Addresses		Maximum Credit Allowable
TX-15-02101	1501 Circle S	Austin, TX 78611	$45,000.00
TX-15-02105	1501 Circle S	Austin, TX 78611	$60,750.00
		Total Credit for the Project:	$105,750.00

5a Date building placed in service . . . . . ▶ 1/15/2020

b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

5a Date building placed in service . . . . . ▶ 4/15/2020

113

113

Income and Rent Limits: Learning Point 1

True or false, 9% HTC, 4% HTC and Tax Credit Exchange developments will all have the same Carryover date?

A True

B False

114

114

Income and Rent Limits: Learning Point 2

A 4% property and a 9% property in the same town/county will <u>always</u> have the same income and rent limits, true or false?

A True

B False

115

115

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

8823 Audit Guide, Chapter 18
- Identifies compliance and noncompliance

116

116

Utility Allowance: Application vs. LURA

If tenants will be required to pay any other mandatory fees (e.g. renter's insurance) please provide an estimate, description and documentation of those as well.

Utility	Who Pays	*Energy Source*	0BR	1BR	2BR	3BR	4BR	Source of Utility Allowance & Effective Date
Heating	Tenant							
Cooking	Tenant							
Other Electric	Tenant			$ 55.97	$ 70.88	$ 78.69		Enercon Consumption Model
Air Conditioning	Tenant							2/11/22
Water Heater	Tenant							Approved by TDHCA
Water	Tenant			$ 3.30	$ 7.34	$ 9.44		
Sewer	Tenant			$ 19.90	$ 21.46	$ 23.95		
Trash	Landlord							
Flat Fee	Tenant							
Other	Tenant							
Total Paid by Tenant			$ -	$ 80.00	$ 100.00	$ 113.00	$ -	

APPLICABLE PROGRAM RENT		
Gross Rent	Utility Allow	Max Net Program Rent
$417	$80	$337
$695	$80	$615
$834	$80	$754
$500	$100	$400
$833	$100	$733
$1,000	$100	$900
$1,000	$100	$900
$1,000	$100	$900
$578	$113	$465
$963	$113	$850
$963	$113	$850
$1,156	$113	$1,043
$1,156	$113	$1,043

Once a property is underwritten with a Utility Allowance, that UA is allowed to be used until the building reaches 90% occupied for a period of 90 days, the end of the first year of the Credit Period, <u>or the Owner requests a change from the underwritten UA</u>.

When the 1st building (BIN) hits the 90% occupied mark the Owner should submit a UA package to have it ready to implement after 90 days.

117

117

Utility Allowances: What's Included

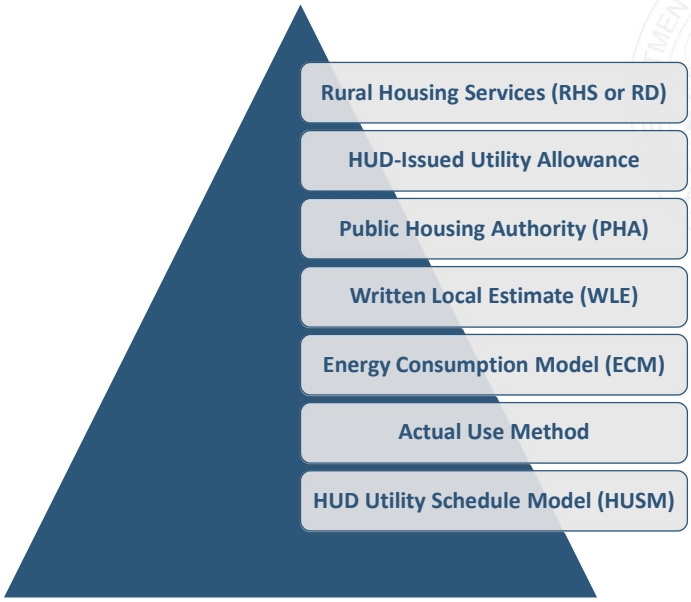
Include utilities paid by the resident

- Paid directly to the provider ✓
- Paid to, or through, the owner of the building
  - Is the billing based on actual consumption? ✓
  - Is the billing based on RUBS? ✗

118

118

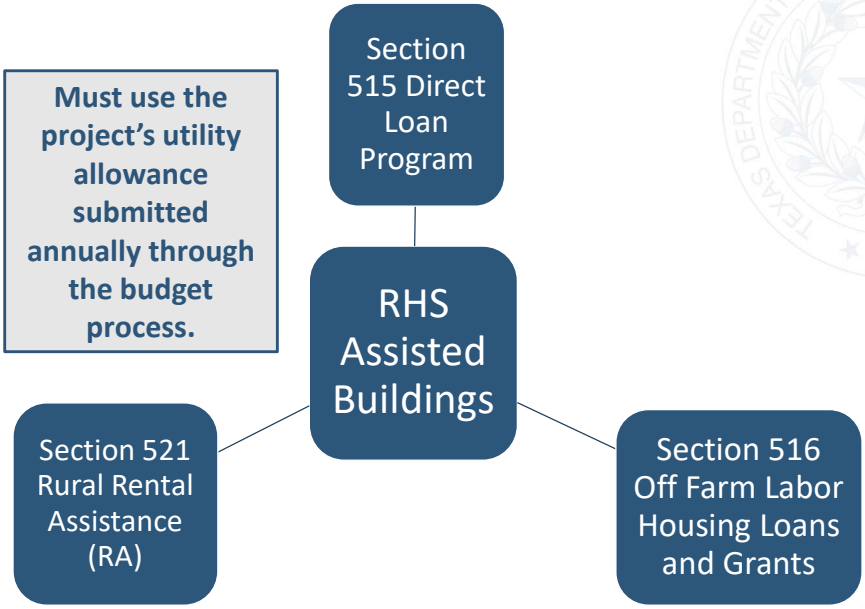
Utility Allowances: 7 Methodologies



119

119

Utility Allowances: USDA Rural Housing



120

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Utility Allowances: USDA Rural Housing – Approval

December 15, 2024

Greetings,

We have reviewed your proposed **01/01/2025 – 12/31/2025** budget including the rent and/or utility allowance for the above referenced property. The requested proposal is acceptable. We have enclosed a copy of the approved/signed proposed budget for your records. The rent and/or utility rates will become effective **January 1, 2025.**

You may file an appeal regarding the rate and utility allowance change as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of any adverse decision. The appeal should state what agency decision is being appealed and should include, if possible

copy of

You mu

utility a

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 01/01/2025

Unit Description					Utility Types							
Type	Size	HC	Rev	Unit	Elect	Gas		Sewer	Trash	Water	Other	Total Allow
N	1	Y			101		0	0	0	0	0	101
N	2	All			124		0	0	0	0	0	124
N	1	All			101		0	0	0	0	0	101

USDA Rural Development

PO Box 771340

St. Louis, MO 63177

All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

Effective Date: Indicated by RHS Approval

Posting: As required by RHS

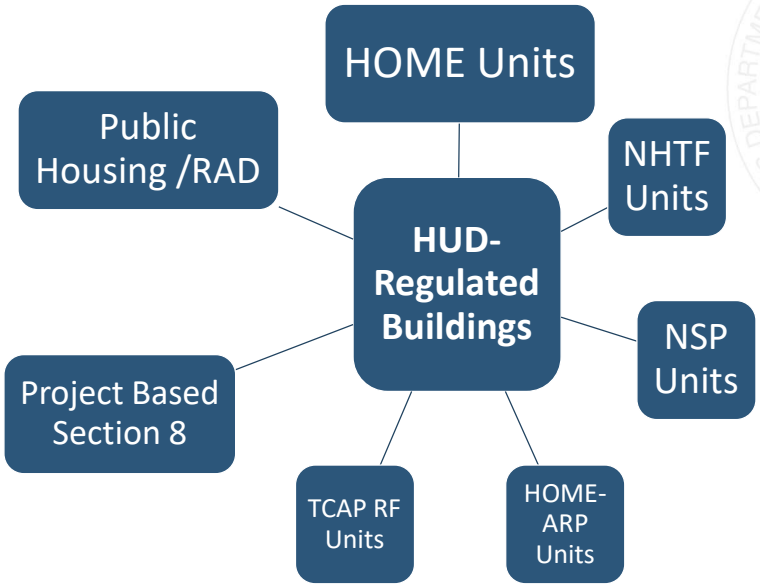
Annual Review: As required by RHS

Approval: From RHS

121

121

Utility Allowances: HUD-Regulated Buildings



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

122

122

Utility Allowances: HOME Funds from the Department

The Department has no jurisdiction over Utility Allowances for other entity's HOME Funds when there are not Department MFDL funds also.

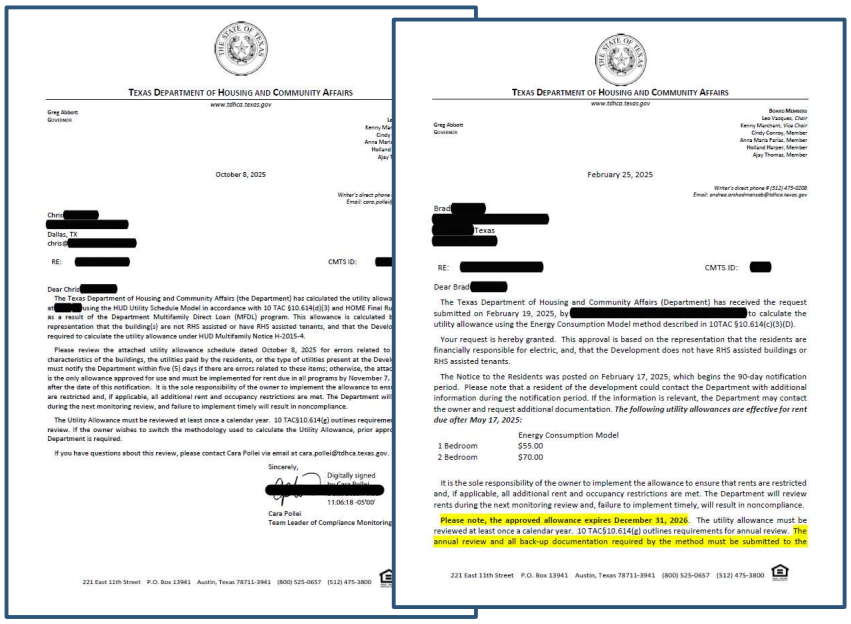
These methods are available for HOME funded developments

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

123

123

Utility Allowances: Department Issued MFDL Funds


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

Greg Abbott
Governor

October 8, 2025

Dear Chris

The Texas Department of Housing and Community Affairs (the Department) has calculated the utility allowa
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,

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

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Anna Maria Farias, Member
Holland Harper, Member
Ajay Thomas, Member

February 25, 2025

Brad
Texas

RE:
CMTS ID:

Dear Brad

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on February 19, 2025, by 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

124

124

Utility Allowances: HOME Funds from Another PJ Part 1

HOME funds in all buildings:

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

Greg Abbott
Governor

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September 29, 2025

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

Enrique [redacted]
[redacted]
Austin, TX
assetmanager@[redacted]

RE: [redacted] CMTS ID: [redacted]

Dear Enrique [redacted]

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on September 22, 2025, by [redacted] to calculate the utility allowance using the Energy Consumption Model method described in 10 TAC §10.614(c)(3)(D).

[redacted] In accordance with Treasury Regulation §1.42-10(b)(3), if neither a building nor any tenant in the building receives RHS housing assistance, and the rents and utility allowances of the building are reviewed by HUD on an annual basis (HUD-Regulated building), the applicable utility allowance for all rent-restricted units in the building is the applicable HUD utility allowance. The utility allowance is calculated on a building by building basis and, as every building at the development contains at least one HOME unit, the buildings at Avanti Legacy Parkview are considered to be HUD-regulated and the only allowable utility allowance for all rent-restricted units is the allowance prescribed under the HOME Program of the City of Killeen.

It is the sole responsibility of the owner to implement a properly calculated utility 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 rent monitoring review and, failure to properly calculate the allowance, will result in noncompliance.

Please be advised that the utility allowance must be reviewed at least once a calendar year. The review must take into account any changes to the building, including energy conservation measures that affect energy consumption and changes in utility rates. 10 TAC §10.614(g) outlines the requirements for an annual review.

If you have questions about this review, please contact Cara Polei at (512) 475-3821 or via email: cara.polei@tdhca.texas.gov.

Sincerely,
[redacted] Digitally signed 06:01:59 -05'00'
Cara Polei
Team Leader of Compliance Monitoring

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

From: [redacted]
To: [redacted]
Cc: [redacted]
Subject: RE: [redacted] - Utility Allowance
Date: Monday, October 27, 2025 10:39:12 AM
Attachments: image002.png
2025 Request approval ECM [redacted]

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

The City of Killeen, as the Participating Jurisdiction (PJ), approves the attached ECM Utility Allowance for [redacted] The ECM shall be updated annually, each September, to ensure compliance with HOME rent restrictions.

[redacted]
Executive Director of Community Development
City of Killeen
Phone: (254) [redacted]
[redacted]
www.killeentexas.gov

Dedicated Service – Every Day for Everyone!

Effective Date: Indicated by HOME PJ

Posting: As required by HOME PJ

Annual Review: As required by HOME PJ

Approval: From HOME PJ

125

125

Utility Allowances: HOME Funds from Another PJ Part 2

HOME funds in some buildings:

CITY OF SAN ANTONIO
NEIGHBORHOOD & HOUSING SERVICES DEPARTMENT

Utility Allowance for HOME Assisted Properties

Effective: June 1, 2025
Development: [redacted]
Street Address: [redacted] Rd
City, State Zip: San Antonio, TX [redacted]

Management Company: [redacted]
Method Used: Energy Consumption Model (Engineer)
Prepared by: [redacted]
Date prepared: July 10, 2025

The City of San antonio approves the following utility allowance estimates and maximum rents for HOME assisted units in [redacted]

Unit Size	Maximum Rent		Proposed Rent			
	Low HOME	High HOME	Low HOME	Approved	High HOME	Approved
0 bedroom	$846.00	$1,080.00				
1 bedroom	$906.00	$1,158.00	$906.00	Yes	$1,158.00	Yes
2 bedroom	$1,087.00	$1,392.00	$1,087.00	Yes	$1,392.00	Yes
3 bedroom	$1,256.00	$1,599.00	$1,256.00	Yes	$1,599.00	Yes
4 bedroom	$1,401.00	$1,764.00	$1,401.00	Yes	$1,764.00	Yes
5 bedroom	$1,546.00	$1,928.00				
6 bedroom	$1,690.00	$2,092.00				

Maximum rents effective date: June 1, 2025

NOTE:
Rents approved in the above table include utilities.

This means that the property owner must make deductions from approved rents if the tenant pays for utilities.

Unit Size	Utility Allowance					
	Electric	Water	Sewer	Gas	Trash	Total
0 bedroom						
1 bedroom	$87.00			$17.00		$74.00
2 bedroom	$66.00			$19.00		$85.00
3 bedroom	$73.00			$21.00		$94.00
4 bedroom	$84.00			$24.00		$108.00
5 bedroom						
6 bedroom						

Electric service is provided at no additional cost to the tenant: ☐
Water service is provided at no additional cost to the tenant: ☑
Gas service is provided at no additional cost to the tenant: ☐
Gas service is not available at this property: ☐
Trash service is provided at no additional cost to the tenant: ☐
Sewer service is provided at no additional cost to the tenant: ☐
All electric property: ☐

[redacted]
Approved by [redacted] for [redacted]
Quality Assurance Manager

Date

Revised: May 29, 2025

https://tools.huduser.gov/huam/uam.html
https://www.hudexchange.info/programs/home/home-rent-limits/

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
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Holland Harper, Member
Ajay Thomas, Member

June 20, 2025

Writer's direct phone # (512) 475-0208
Email: andrea.arnhaldmarcado@tdhca.texas.gov

Seth [redacted]
[redacted] NY
cmtsupdates@[redacted]

RE: [redacted] CMTS ID: [redacted]

Dear Seth [redacted]

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on June 13, 2025, by [redacted] LP dba [redacted] for [redacted] to calculate the utility allowance using the Energy Consumption Model method described in 10TAC §10.614(c)(3)(D).

The development has HOME funds from the City of San Antonio. In accordance with Treasury Regulation §1.42-10(b)(3), if neither a building nor any tenant in the building receives RHS housing assistance, and the rents and utility allowances of the building are reviewed by HUD on an annual basis (HUD-Regulated building), the applicable utility allowance for all rent-restricted units in the building is the applicable HUD utility allowance. The utility allowance is calculated on a building by building basis, and the only allowable utility allowance for all rent-restricted units in buildings which are HUD-regulated is the allowance prescribed under the HOME program of the City of San Antonio. As a result, your request is denied for these buildings.

For the buildings which are not HUD-regulated, your request is hereby granted. This approval is based on the representation that the residents are financially responsible for electric and gas, that the utilities are 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.

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

Effective Date: Indicated by HOME PJ/Posting

Posting: As required by HOME PJ/90-day Posting

Annual Review: As required by HOME PJ/TDHCA Required

Approval: From HOME PJ and TDHCA

126

126

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] TX5[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	18	$1,013	$18,234	$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

127

127

Utility Allowances: Other Buildings

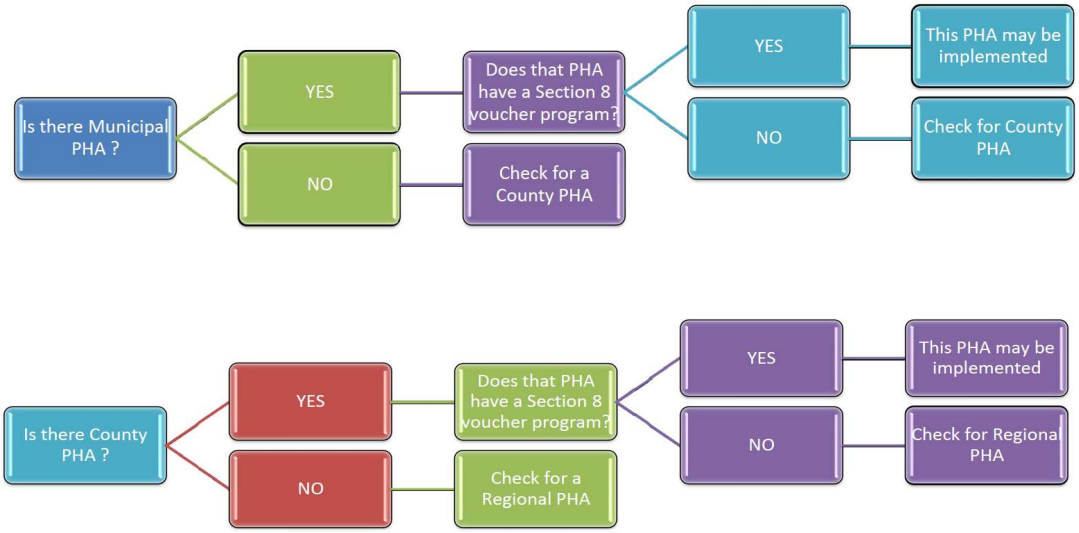
Methods for Other Buildings

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

128

128

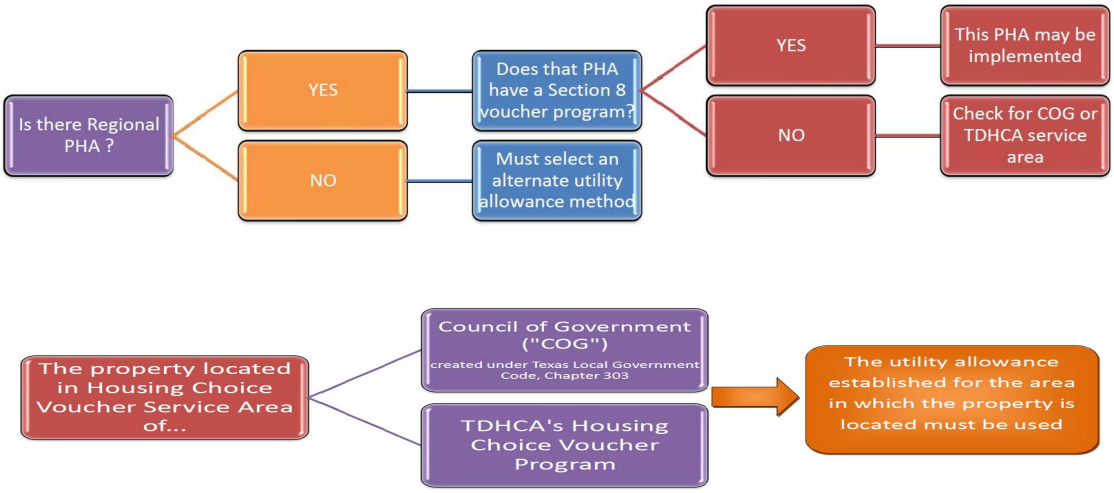
Utility Allowances: PHA Methodology – City and County



129

129

Utility Allowances: PHA Methodology – Regional, COG or TDHCA



130

130

Utility Allowances: PHA Methodology – City versus County

Allowance for Tenant-Furnished Utilities and Other Services

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

OMB Approval N. 2577-0169

LOCALITY: Houston Housing Authority HOUSTON, TX METROPOLITAN AREA	UNIT TYPE: APARTMENTS (5 OR MORE UNITS PER BUILDING)	Effective Date 1/1/2025

Utility or Service		Monthly Dollar Allowances								
		0BR	1BR	2BR	3BR	4BR	5BR	6BR	7BR	8BR
Heating	a. Natural Gas	$8	$8	$9	$10	$11	$12	$12	$13	$14
	b. Bottle Gas									
	c. Electric	$12	$14	$16	$19	$21	$24	$26	$28	$30
	d. Coal/Other									
Water		$36	$37	$48	$60	$71	$83	$91	$98	$106
Sewer		$53	$55	$71	$86	$102	$118	$128	$139	$149
Trash Collection										
Range/Microwave (if tenant supplies)		$11	$11	$11	$11	$11	$11	$11	$11	$11
Refrigerator (if tenant supplies)		$12	$12	$12	$12	$12	$12	$12	$12	$12
Other - Monthly Electric Fee		$15	$15	$15	$15	$15	$15	$15	$15	$15
Other - Monthly Gas Fee		$23	$23	$23	$23	$23	$23	$23	$23	$23

Actual Family Allowances To be used by the family to compute allowance
Complete Below for the actual unit rented.

		Utility or Service	Per Month Cost
Name of Family & Entity ID		Heating	-
		Cooking	-
		Other Electric	-
		Air Conditioning	-
		Water Heating	-
Address of Unit		Water	-
		Sewer	-
		Trash Collection	-
		Range/Microwave	-
		Refrigerator	-
Smaller of bedroom or voucher	0	Other (Elec Fee)	-
		Other (Gas Fee)	-
		Total	$0

Previous editions are obsolete — Page 1 of 1 — form HUD-52667(12/97) ref. Handbook 7420.8

City of Houston

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	Unit Type	Date (mm/dd/yyyy)
Harris County Housing Authority -TX441	Apartments (5 or more) /Low-Rise	04/01/2025

Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$7.00	$9.00	$9.00	$10.00	$11.00	$11.00
	Bottled Gas						
	Electric	$11.00	$13.00	$16.00	$18.00	$21.00	$24.00
	Electric – Heat Pump	$10.00	$11.00	$13.00	$15.00	$17.00	$18.00
	Fuel Oil						
	Other						
Cooking	Natural Gas	$2.00	$2.00	$3.00	$4.00	$5.00	$6.00
	Bottled Gas						
	Electric	$15.00	$18.00	$22.00	$27.00	$32.00	$37.00
	Electric – Heat Pump						
	Fuel Oil						
Water		$18.00	$18.00	$48.00	$75.00	$95.00	$114.00
Sewer		$43.00	$46.00	$67.00	$88.00	$109.00	$130.00
Trash Collection		N/A	N/A	N/A	N/A	N/A	N/A
Other – specify		$23.00	$23.00	$23.00	$23.00	$23.00	$23.00
Range/Microwave		$11.00	$11.00	$11.00	$11.00	$11.00	$11.00
Refrigerator		$12.00	$12.00	$12.00	$12.00	$12.00	$12.00

Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.	Utility/Service/Appliance	Allowance
Head of Household Name	Heating	
	Cooking	
	Other Electric	
	Air Conditioning	
Unit Address	Water Heating	
	Water	
	Sewer	
	Trash Collection	
	Other	
Number of Bedrooms	Range/Microwave	
	Refrigerator	
	Total	

Previous versions are obsolete. 1 Form HUD-52667 (04/2023)

Harris County

131

131

Utility Allowances: PHA Method – Different Building Types

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	Unit Type:	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Multi-Family -(Elevator)	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$16.00	$19.00	$21.00	$23.00	$25.00	$27.00
	Bottle Gas						

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	Unit Type:	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Semi-Detached/Duplex	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$23.00	$27.00	$29.00	$31.00	$33.00	$36.00
	Bottle Gas						

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	Unit Type	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Manufactured/Mobile Home	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$20.00	$24.00	$25.00	$28.00	$31.00	$33.00
	Bottle Gas						
	Electric	$20.00	$24.00	$24.00	$25.00	$25.00	$26.00
	Fuel Oil						

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	Unit Type:	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Row House/Townhouse	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$23.00	$27.00	$29.00	$31.00	$33.00	$36.00

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	Unit Type	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Single-Family (Detached House)	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$24.00	$28.00	$31.00	$33.00	$36.00	$39.00
	Bottle Gas						

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	Unit Type:	Date (mm/dd/yyyy)
Housing Authority of the City of Austin, TX	Multi-Family-Energy Efficient	06/01/2025

Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	$13.00	$16.00	$17.00	$19.00	$20.00	$23.00
	Bottle Gas						
	Electric	$8.00	$9.00	$11.00	$13.00	$15.00	$17.00
	Electric Heat Pump						
	Fuel Oil						

https://www.hacanet.org/landlords/

132

132

Utility Allowances: PHA Schedule

Allowance for Tenant-Furnished Utilities and Other Services

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

OMB Approval No. 2577-0169 (exp. 4/30/2014)

See Public Reporting Statement and Instructions on back

Locality	Unit Type	Date (mm/dd/yyyy)
DALLAS HOUSING AUTHORITY	APT / CONDO / TOWNHOUSE	01/01/2025

Utility or Service		Monthly Dollar Allowances					
		0BR	1BR	2BR	3BR	4BR	5BR
Heating	a. Natural Gas	$40	$43	$45	$47	$49	$52
	b. Bottle Gas	-	-	-	-	-	-
	c. Oil / Electric	$21	$24	$28	$32	$37	$41
	d. Coal/Other	-	-	-	-	-	-
Cooking	a. Natural Gas	$4	$4	$6	$8	$10	$12
	b. Bottle Gas	-	-	-	-	-	-
	c. Oil / Electric	$7	$9	$13	$17	$21	$24
	d. Coal/Other	-	-	-	-	-	-
Other Electric		$28	$33	$46	$59	$72	$85
Air Conditioning		$23	$27	$36	$45	$53	$62
Water Heating	a. Natural Gas	$8	$9	$13	$17	$22	$26
	b. Bottle Gas	-	-	-	-	-	-
	c. Oil / Electric	$17	$20	$26	$31	$36	$41
	d. Coal/Other	-	-	-	-	-	-
Water		$25	$28	$52	$110	$180	$250
Sewer		$43	$47	$74	$115	$156	$197
Trash Collection		$38	$38	$38	$38	$38	$38
Range (if tenant supplies)		$15	$15	$15	$15	$15	$15
Refrigerator (if tenant supplies)		$12	$12	$12	$12	$12	$12
Other – Microwave (if tenant suuplies)							

Actual Family Allowances To be used by the family to compute allowance. Complete Below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	Per Month Cost
Heating	
Cooking	
Other Electic	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	

Previous editions are obsolete — Page 1 of 1 — form HUD-52667(04/15) ref. Handbook 7420.8

Effective Date: Within 90 days

Posting: Not Required

Annual Review: When PHA publishes

Approval: Not required

133

133

Utility Allowances: Written Local Estimate

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

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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.pollo@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
[redacted]
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 the 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 elec (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

134

134

Utility Allowances: Energy Consumption Model

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

135

135

Utility Allowances: HUD Utility Schedule Model

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

136

136

Utility Allowances: Actual Use Method

Unit types are defined in this order:
Square Footage, Bedroom Size, Number of Bath

[redacted]

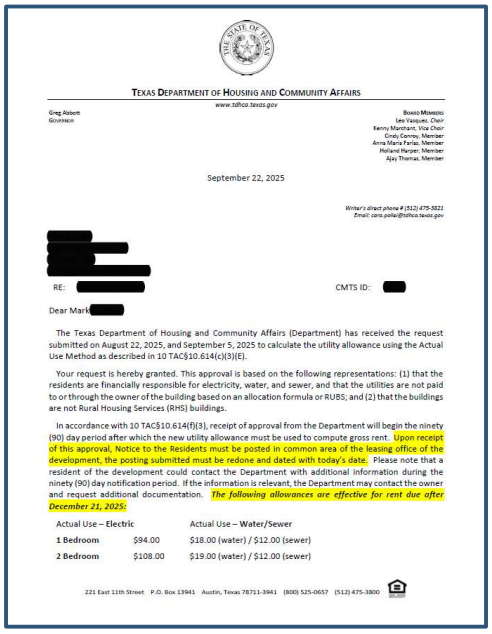
Unit Numbers	Bedrooms	Bathrooms	Square Footage	Move-In Date	Electric Provider	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
105	1	1	659	4/5/2018	AEP	550	559	376	382	304	275	383	313	225	349	389	437
107	1	1	659	3/23/2021	AEP	535	548	482	448	461	463	438	422	373	519	524	606
204	1	1	659	7/10/2012	AEP	1152	955	877	784	892	910	753	808	783	972	915	918
305	1	1	659	2/22/2020	AEP	275	304	217	170	162	197	229	199	158	217	291	295
306	1	1	659	7/11/2012	AEP	889	746	711	624	704	542	447	435	465	586	652	748

Total Usage	Current Average Rate	Usage Charges	12 Month Average	Customer Charge	Taxes/Fees	Unit Total
	0.148367			13.16	3.6637%	
4542	0.14836700	673.88	56.16	13.16	3.6637%	71.86
5819	0.14836700	863.35	71.95	13.16	3.6637%	88.22
10719	0.14836700	1590.35	132.53	13.16	3.6637%	151.03
2714	0.14836700	402.67	33.56	13.16	3.6637%	48.43
7549	0.14836700	1120.02	93.34	13.16	3.6637%	110.40
					Unit Type Total:	**469.93**
					Average Cost per Unit	**93.99**
					Monthly Electric Allowance:	**$94**

137

137

Utility Allowances: Actual Use Method



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
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Cindy Conroy, Member
Anna Maria Farias, Member
Mulland Harper, Member
Ajay Thomas, Member

September 22, 2025

Writer's direct phone # (512) 475-3821
Email: cara.palla@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

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

138

138

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.**

139

139

Utility Allowances: Annual Review Not Submitted

Except for MFDL developments, if an Owner fails to submit for annual review during the calendar year, the Development's Utility Allowance will default to the applicable PHA allowance. If the Development is in an area that does not have a PHA, the Development fails to have a properly calculated Utility Allowance.

140

140

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. ***

141

141

Utility Allowances: Combining Methodologies

- **In general, owners may combine any methodology described in §10.614 for each utility service type paid directly by the resident and not by or through the owner of the building**
  - Example: If residents are responsible for electricity and gas, an owner may use the appropriate PHA allowance to determine the gas portion of the allowance and use the HUD Model to determine the electric portion of the allowance
- **USDA/RD and HUD-Regulated buildings (including those HUD-Regulated by MFDL funds) are not allowed to combine methodologies**

Be careful… different methods have different annual review requirements and effective dates.

142

142

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 Owner is not required to review the utility allowances, or implement new allowances, until the building has achieved 90% occupancy for a period of 90 consecutive days, or the end of the first year of the Credit Period, if applicable, whichever is earlier.

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.

143

143

Utility Allowances: How to Submit

Application

- Must be submitted directly to UA-Application@tdhca.texas.gov
- Include the "Utility Allowance Questionnaire for Applications" along with all required back-up based on the methodology

Existing and Established

- Upload directly to the development's CMTS attachment system; select Utility Allowance as the TDHCA Contact
- Under "Type" for the drop-down box, select Utility Allowance Documents

144

144

Utility Allowances: How to Submit

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.

145

145

Utility Allowances: Learning Point 1

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

A True

B False

146

146

Utility Allowances: Learning Point 2

A Housing Choice Voucher (Section 8) household in the building makes the entire building HUD-regulated, true or false?

A True

B False

147

147

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

148

148

Utility Allowances: Learning Point 4

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

A. At household renewal
B. On the HUD Rent Schedule effective date
C. Whatever date the owner chooses
D. None of the above
E. Any of the above

149

149

Utility Allowances: Learning Point 5

A household that has a Section 8 Voucher, what is the Utility Allowance for that unit on a Tax Credit property?

A. The approved Utility Allowance methodology for the development
B. The approved Utility Allowance from the Public Housing Authority that issued the voucher
C. The most applicable PHA for the Development

150

150

Utility Allowances: Learning Point 6

When the UA goes into effect, does it affect households on the effective date of the UA or at household recertification?

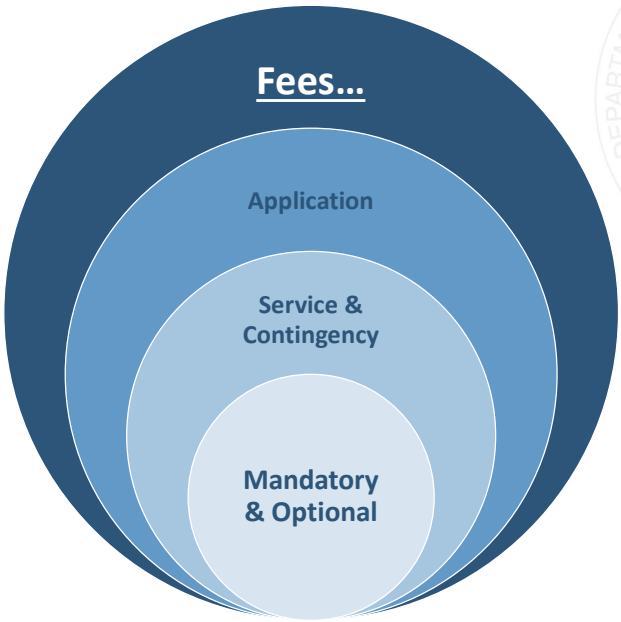
A. On the utility allowance effective date, the USR should be updated with the current UA and any rent adjustments made

B. At recertification the USR should be updated at that time with the current UA and any rent adjustments made

151

151

Fees



152

152

Fees: Included in Eligible Basis

Common Areas

Covered Parking

Garages

Swimming Pool

Storage Units

If these items are included in eligible basis the tenants cannot be charged for their use, even market rate households!

153

153

Fees: Application Fees

NO deposit or fee may be charged for a household to be placed on a waiting list.

Application fees are supported based on how the property is charged

- Flat fee per month regardless of how many applications are processed
- Cost per individual application processed
- Per household admin fee as outlined in 10 TAC §10.622(c)(1)

Application processing is limited to the actual out-of-pocket cost to the owner for checking household's credit history and landlord references

154

154

Fees: Application Fees – Flat Fee

Access Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
RealPage Certified Documents						
Monthly Fees; Unit Pricing; 144 Unit(s); Period 10/01/2025 to 10/31/2025 1.00 Qty(s),144 Unit(s),Total = $43.2000	144.00	0.3000	43.20	0.00	2.85	46.05
LeasingDesk Screening Enterprise						
Monthly Fees; Unit Pricing; 122 Unit(s); Period 10/01/2025 to 10/31/2025 144 Unit(s) is adjusted to 122 Qty. based on PPU of 85% Charged at $1.9600 per Unit	122.00	1.9600	239.12	0.00	19.73	258.85
EasyLMS & eSignManagement System						
Monthly Fees; Unit Pricing; 144 Unit(s); Period 10/01/2025 to 10/31/2025 1.00 Qty(s),144 Un Charged at $0.430	144.00	0.4300	61.92	0.00	4.09	66.01
Core Property Mana						
Monthly Fees; Unit Affordable Waitlist LOFT Living Esser ODE - Collections ODE-Blue Moon OneSite Central Ra OneSite Document OneSite Facilities						

OneSite Rents v3.0 — Page 8 of 8

10/23/2025 10:03:47AM — 120.080.324

RESIDENT ACTIVITY

10/01/2024 through 09/30/2025

Parameters: Sort by -Unit ; Resident Status -Cancelled/Denied,Move-ins ; Program - All

Continued from previous page

CANCELLED/DENIED

Name	Status	Bldg/Unit	Cancelled/Denied Date	Cancelled/Denied Reason	Leasing Consultant	Deposits On Hand	Ledger Balance
Jasmine; Isaiah	Former applicant	36-3601	11/12/2024	Rejected due to Criminal Background	Kimberly	0.00	0.00
Paula	Former applicant	36-3601	11/05/2024	Unacceptable Credit	Kimberly	0.00	0.00
Paula	Former applicant	36-3601	11/05/2024	Rejected due to lack of Information	Kimberly	0.00	0.00
Brandon; Kristina	Former applicant	36-3601	12/23/2024	Rejected due to lack of Information	Kimberly	0.00	0.00
Ahmad; Shabana	Former applicant	36-3602	03/06/2025	Insufficient Pay History	Connie	0.00	0.00
Natausha	Former applicant	36-3603	10/22/2024	Poor Rental History	Connie	0.00	0.00
Trevon; Isha	Former applicant	36-3604	12/19/2024	Poor Rental History	Connie	0.00	0.00

Totals = Move-Ins: 111 Cancelled/Denied: 106

155

155

Fees: Application Fees – Individual Fee

Example 1:

REALPAGE Outperform — LeasingDesk Resident Screening

Internal Use

January 5, 2024

TX

Dear

This letter is to confirm the current pricing for **All Properties** managed by located within the state of **Texas**. With respect to these properties, the pricing for the **Screening AI Enterprise** and **LeasingDesk Screening Business Credit** products is based on a fee of **$15.35 and $40.00** per applicant. This pricing is pursuant to the Addendum to Master Agreement, signed and dated 06/01/2020. Note: Invoices are reconciled periodically, and individual invoices may not represent all charges.

RealPage Screening Product	Item Charge
Screening AI Enterprise	$15.35*
LeasingDesk Screening Business Credit Report	$40.00*
*Total Price excluding taxes where applicable**	

Very truly yours,

Billing Analyst, LeasingDesk Screening

REALPAGE

Example 2:

REALPAGE — **INVOICE**

Invoice No	Account No	Ref. No	Invoice Date	Page No
			10/16/2025	2 of 2

Access Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
RealPage Payments RealPage Spend Management in Accounting SOE-NWP						
LOFT Loyalty						
Monthly Fees; Unit Pricing; 60 Unit(s); Period 11/01/2025 to 11/30/2025 1.00 Qty(s),60 Unit(s),Total = $0.0000 Charged at flat price of $0.0000 per Unit	60.00	0.0000	0.00	0.00	0.00	0.00
		Total	269.39	0.00	22.22	291.61

Transaction Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
Screening AI Enterprise	4.00	18.8200	75.28	0.00	6.21	81.49
09/04/2025 - AppID 30188 09/04/2025 - AppID 30189 09/08/2025 - AppID 30190 09/17/2025 - AppID 30191						
LeasingDesk Screening Identity Verification	4.00	4.0900	16.36	0.00	1.35	17.71
09/04/2025 - AppID 30188 09/04/2025 - AppID 30189 09/08/2025 - AppID 30190 09/17/2025 - AppID 30191						
		Total	91.64	0.00	7.56	99.20

156

156

Fees: Allowable Fees

Contingency Fees

- Late Rent Fee
- Re-letting Fee
- Fee to Repair Damages

Provisions of Service

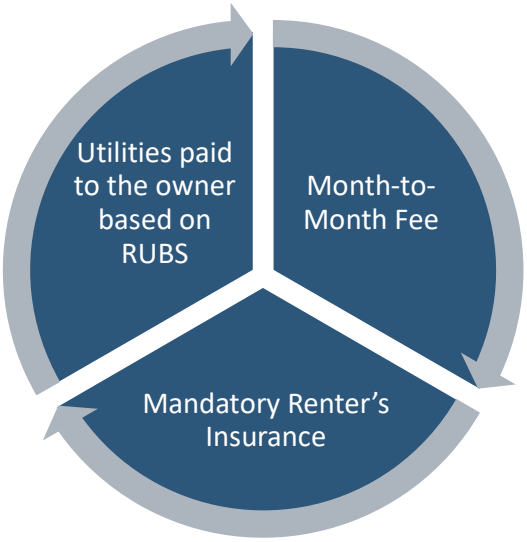
- Sure Deposit
- Meals
- Hair Salon

157

157

Fees: Mandatory Fees

Mandatory Fees: Fees as a Condition of Occupancy



158

158

Disallowed Fees

- Admin fees for submetered water and sewer billing for Housing Tax Credit households and households receiving Section 8 Vouchers
- Charges for copies of paperwork for the low-income unit
- Fees to use the clubhouse/amenities
- Fees for preparing a unit for occupancy
- Fees for assistance with application and tenancy paperwork
- Assistance animal fees and deposits
- Fees or Deposits to be placed on the waitlist
- Make-ready costs that are not beyond normal wear and tear
- Fees for third party verification methods (i.e. the Work Number)
- Fees to pay rent online when there is not a free option
- Section 811 PRA does not allow for any type of fee

159

159

Fees: Learning Point 1

Can a fee be charged for amenities after the Development has completed the Federal Compliance Period?

A. Yes, after the first 15 years, TDHCA and the IRS no longer monitor fees for amenities

B. No, if the cost of the amenity was included in the Eligible Basis, the property may never charge a fee for it

160

160

Fees: Learning Point 2

Can an owner impose 'visitor parking fees' since visitors are not Tax Credit tenants?

A. No, the parking lot was included in eligible basis and cannot be charged for, even to guests

B. Yes, operating a property is expensive and an owner must find avenues for ancillary income

161

161

Gross Rent

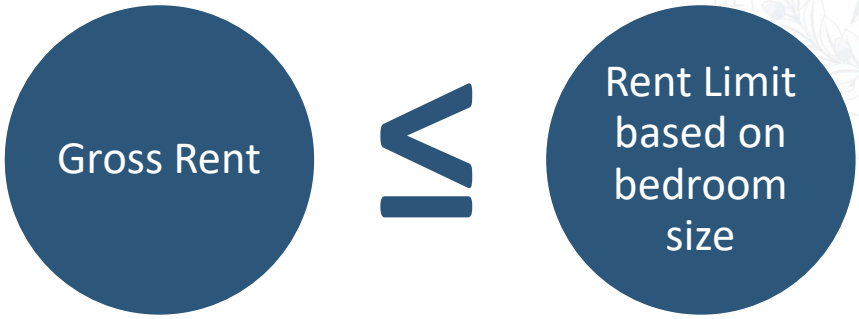
Calculating Gross Rent:

Tenant Paid Rent + Utility Allowance + Mandatory Fees = Gross Rent

162

162

Gross Rent and the Rent Limit



163

163

Gross Rent: Prohibition – Once in 12-Month Period

Per 10 TAC §10.622(k); Owners are not permitted to increase the household portion of rent more than once during a 12-month period, even if there are increases in rent limits or decreases in utility allowances, unless the Unit or household is governed by a federal housing program that requires such changes or the household transfers to a Unit with additional Bedrooms. If it is determined that the Development increases rent more than once in a 12-month period, the Department will require the Owner to refund or credit the affected household. 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 the absence of a tenant election, a full refund check must be presented to the household.

164

164

Gross Rent: Prohibition – $75 increase, or More

Per 10 TAC §10.622(l); 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 allows for such a change. If an Owner increases the household's rent $75 or more without providing a 75-day notice, any amounts in excess of $75 per month 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.

165

165

Gross Rent: Prohibition – No Fee to Pay Rent

Per 10 TAC §10.622(m); Owners must provide an option to pay rent in a manner that does not involve additional out of pocket costs to the household.

166

166

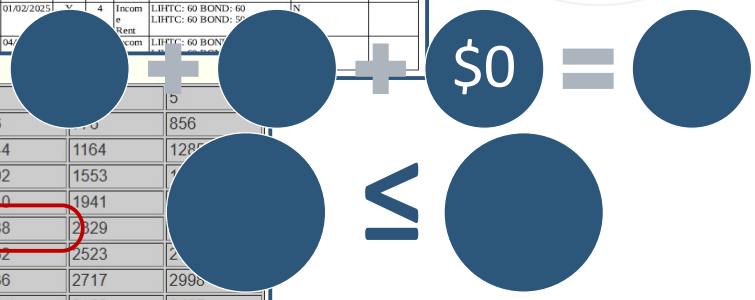
Gross Rent: Testing Example 1

Building #: 05

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.
0511	07/03/2025		[redacted]	57600	1450	327		4	07/03/2025	N	4	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	No
0512	10/26/2023		[redacted]	52575	1500	327		4	10/26/2025	Y	7	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	
0513	06/06/2025		[redacted]	44320	1199	287		3	06/06/2025	N	4	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	No
0514	12/23/2024		[redacted]	29505	1200	287		3	12/23/2024	N	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0521	02/16/2024		[redacted]	66068	1351	287		3	02/16/2025	Y	5	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	Yes
0522	03/29/2025		[redacted]	55299	1591	287		3	03/29/2025	N	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0523	01/02/2018		[redacted]	43521	1351	287		3	01/02/2025	Y	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0524	04/03/2025		[redacted]	72585	1351	287		3	04/			Income	LIHTC: 60 BOND		

Rent Limits

Rent	0	1	2	3		5
20	468	502	602	696		856
30	702	753	903	1044	1164	128
40	937	1004	1205	1392	1553	1
50	1171	1255	1506	1740	1941	
60	1405	1506	1807	2088	2329	
65	1522	1631	1958	2262	2523	2
70	1639	1757	2108	2436	2717	2998
80	1874	2008	2410	2784	3106	3427



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167

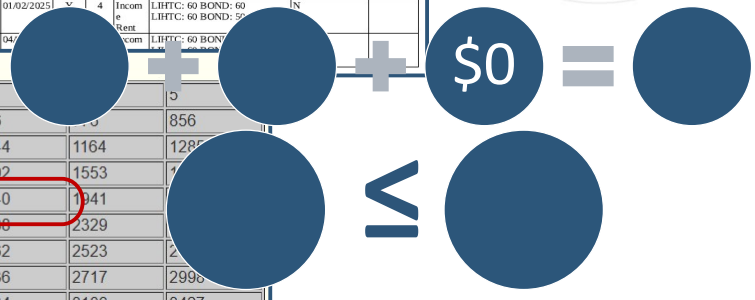
Gross Rent: Testing Example 1 with BOND

Building #: 05

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.
0511	07/03/2025		[redacted]	57600	1450	327		4	07/03/2025	N	4	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	No
0512	10/26/2023		[redacted]	52575	1500	327		4	10/26/2025	Y	7	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	
0513	06/06/2025		[redacted]	44320	1199	287		3	06/06/2025	N	4	Income Rent	LIHTC: 50 BOND: 60 LIHTC: 50 BOND: 50	N	No
0514	12/23/2024		[redacted]	29505	1200	287		3	12/23/2024	N	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0521	02/16/2024		[redacted]	66068	1351	287		3	02/16/2025	Y	5	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	Yes
0522	03/29/2025		[redacted]	55299	1591	287		3	03/29/2025	N	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0523	01/02/2018		[redacted]	43521	1351	287		3	01/02/2025	Y	4	Income Rent	LIHTC: 60 BOND: 60 LIHTC: 60 BOND: 50	N	
0524	04/03/2025		[redacted]	72585	1351	287		3	04/			Income	LIHTC: 60 BOND		

Rent Limits

Rent	0	1	2	3		5
20	468	502	602	696		856
30	702	753	903	1044	1164	128
40	937	1004	1205	1392	1553	1
50	1171	1255	1506	1740	1941	
60	1405	1506	1807	2088	2329	
65	1522	1631	1958	2262	2523	2
70	1639	1757	2108	2436	2717	2998
80	1874	2008	2410	2784	3106	3427



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168

Gross Rent: Testing Example 2

Building #: 06

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.
0611	04/01/2016		[redacted]	22835	1351	287		3	04/01/2025	Y	4	Income Rent	LIHTC: 50 LIHTC: 50 [redacted]	N	
0612	06/24/2024		[redacted]	64951	1851	287		3	06/24/2025	Y	3	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	
0621	01/21/2025		[redacted]	38871	1801	287		3	01/21/2025	N	5	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	Yes
0622	09/08/2023		[redacted]	49036	1351	287		3	09/08/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	

Rent Limits

Rent	0	1	2	3		5
20	468	502	602	696		856
30	702	753	903	1044	1164	128
40	937	1004	1205	1392	1553	
50	1171	1255	1506	1740	1941	
60	1405	1506	1807	2088	2329	
65	1522	1631	1958	2262	2523	
70	1639	1757	2108	2436	2717	299
80	1874	2008	2410	2784	3106	3427

$0

169

169

Gross Rent: Testing Example 3

Building #: 06

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.
0611	04/01/2016		[redacted]	22835	1351	287		3	04/01/2025	Y	4	Income Rent	LIHTC: 50 LIHTC: 50 [redacted]	N	
0612	06/24/2024		[redacted]	64951	1351	287		3	06/24/2025	Y	3	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	
0621	01/21/2025		[redacted]	38871	1801	287		3	01/21/2025	N	5	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	Yes
0622	09/08/2023		[redacted]	49036	1351	287		3	09/08/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	

Rent Limits

Rent	0	1	2	3		5
20	468	502	602	696		856
30	702	753	903	1044	1164	128
40	937	1004	1205	1392	1553	
50	1171	1255	1506	1740	1941	
60	1405	1506	1807	2088	2329	
65	1522	1631	1958	2262	2523	
70	1639	1757	2108	2436	2717	299
80	1874	2008	2410	2784	3106	3427

$20

170

170

Gross Rent: Testing Example 4 – Average Income

Building #: 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	811 Unit	MEETS SPECIAL NEEDS REQ.
2585	09/01/2022	08/21/2025	[redacted]	25135.2	601	81	873	1	09/01/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60	N	
2586	02/14/2025		[redacted]	29353.2	975	81		1	02/14/2025	N	1	Income Rent	LIHTC: 50 LIHTC: 50	N	No
2587	08/18/2022	03/31/2025	[redacted]	97094.14	1525	81		1	08/18/2025	Y	1	Income Rent	LIHTC: Mkt LIHTC: Mkt	N	
2588	01/24/2023		[redacted]	13378.8	271	106	1140	2	01/24/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60	N	No
2589	09/19/2025	08/31/2025		20764.8	590	71		0	09/19/2025	N	1	Income Rent	LIHTC: 30 LIHTC: 30	N	
2591	09/01/2022		[redacted]	46078.92	1904	106		2	09/01/2024	Y	1	Income	LIHTC: 80 LIHTC: 80	N	No

Rent Limits

Rent	0	1	2	3	4	
20	468	502	602	696	77	
30	702	753	903	1044	1164	1285
40	937	1004	1205	1392	1553	1713
50	1171	1255	1506	1740	1941	2141
60	1405	1506	1807	2088	2329	2570
65	1522	1631	1958	2262	2523	2784
70	1639	1757	2108	2436	2717	2998
80	1874	2008	2410	2784	3106	3427

$0

171

171

Gross Rent: Testing Example 5 – Average Income

Building #: 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	811 Unit	MEETS SPECIAL NEEDS REQ.
2585	09/01/2022	08/21/2025	[redacted]	25135.2	601	81	873	1	09/01/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60	N	
2586	02/14/2025		[redacted]	29353.2	975	81		1	02/14/2025	N	1	Income Rent	LIHTC: 50 LIHTC: 50	N	No
2587	08/18/2022	03/31/2025	[redacted]	97094.14	1525	81		1	08/18/2025	Y	1	Income Rent	LIHTC: Mkt LIHTC: Mkt	N	
2588	01/24/2023		[redacted]	13378.8	271	106	1140	2	01/24/2025	Y	1	Income Rent	LIHTC: 60 LIHTC: 60	N	No
2589	09/19/2025	08/31/2025		20764.8	590	71		0	09/19/2025	N	1	Income Rent	LIHTC: 30 LIHTC: 30	N	
2591	09/01/2022		[redacted]	46078.92	1904	106		2	09/01/2024	Y	1	Income	LIHTC: 80 LIHTC: 80	N	No

Rent Limits

Rent	0	1	2	3	4	
20	468	502	602	696	77	
30	702	753	903	1044	1164	1285
40	937	1004	1205	1392	1553	1713
50	1171	1255	1506	1740	1941	2141
60	1405	1506	1807	2088	2329	2570
65	1522	1631	1958	2262	2523	2784
70	1639	1757	2108	2436	2717	2998
80	1874	2008	2410	2784	3106	3427

$0

172

172

Gross Rent: How to Correct

In accordance with 10 TAC §10.622(a):

- If it is determined that an HTC Development, during the Compliance Period, collected rent more than the rent limit established by the minimum set-aside, the Owner must correct the violation by **reducing** the rent charged.
- The Department will report the violation as corrected on **January 1st** of the year following the violation.
- The refunding of overcharged rent does not avoid the disallowance of the credit by the IRS.

173

173

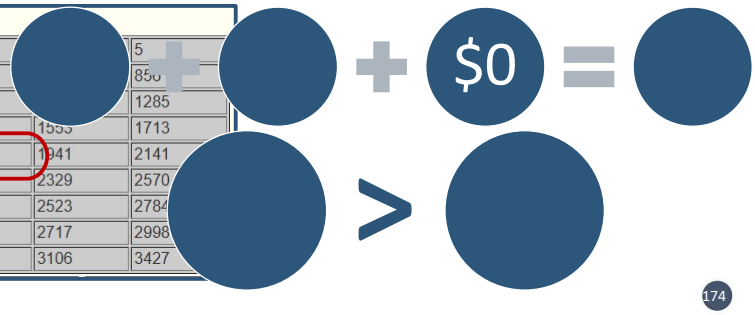
Additional Rent & Occupancy: Testing Example

Building #: 05

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.
0511	07/03/2025		[redacted]	57600	1450	327		3	07/03/2025	N	4	Income Rent	LIHTC: 50 LIHTC: 50 [redacted]	N	No
0512	10/26/2023		[redacted]	52575	1500	327		4	10/26/2025	Y	7	Income Rent	LIHTC: 50 LIHTC: 50 [redacted]	N	
0513	06/06/2025		[redacted]	44320	1199	287		3	06/06/2025	N	4	Income Rent	LIHTC: 50 LIHTC: 50 [redacted]	N	No
0514	12/23/2024		[redacted]	29505	1200	287		3	12/23/2024	N	4	Income Rent	LIHTC: 60 LIHTC: 60 [redacted]	N	

Rent Limits

Rent	0	1	2	3		5
20	468	502	602	696		850
30	702	753	903	1044		1285
40	937	1004	1205	1392	1555	1713
50	1171	1255	1506	1740	1941	2141
60	1405	1506	1807	2088	2329	2570
65	1522	1631	1958	2262	2523	2784
70	1639	1757	2108	2436	2717	2998
80	1874	2008	2410	2784	3106	3427



174

174

Additional Rent & Occupancy: Testing Example; How to Correct

In accordance with 10 TAC §10.622(b):

- **Refund** or **credit**, the excess amount collected to the affected household.
  - Calculate the amount of rent overage paid by the household,
  - Reduce the household's rent and refund/credit the excess amount collected,
  - Update the lease contract and notify the household in writing of the rent reduction, and
  - Submit evidence of the rent overage calculation, a copy of the cancelled check or evidence of the account credit, the updated lease contract and rent ledger to evidence the reduced rent has been implemented.
  - The noncompliance will be considered corrected on the date which the overcharged rent was refunded/credited to the resident and the date that the rent plus the utility allowance is equal to or less than the applicable limit.

175

175

Additional Rent & Occupancy: Testing Example; How to Correct

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 the absence of a tenant election, a full refund check must be presented to the household within thirty days.

176

176

Gross Rent: Learning Point 1

Where in the gross rent calculation does the housing assistance belong?

A Tenant Paid Portion of Rent

B Mandatory Fee

C Utility Allowance

D Not included

177

177

Gross Rent: Learning Point 2

Where in the gross rent calculation does the Pet Rent belong?

A Tenant Paid Portion of Rent

B Mandatory Fee

C Utility Allowance

D Not included

178

178

Gross Rent: Learning Point 3

Where in the gross rent calculation does the mandatory renter's insurance belong?

A Tenant Paid Portion of Rent

B Mandatory Fee

C Utility Allowance

D Not included

179

179

Gross Rent: Learning Point 4

If an owner is required to adjust rent for a gross rent issue of noncompliance during the compliance period, can they give a refund to the tenant to correct the noncompliance, true or false?

A True

B False

180

180

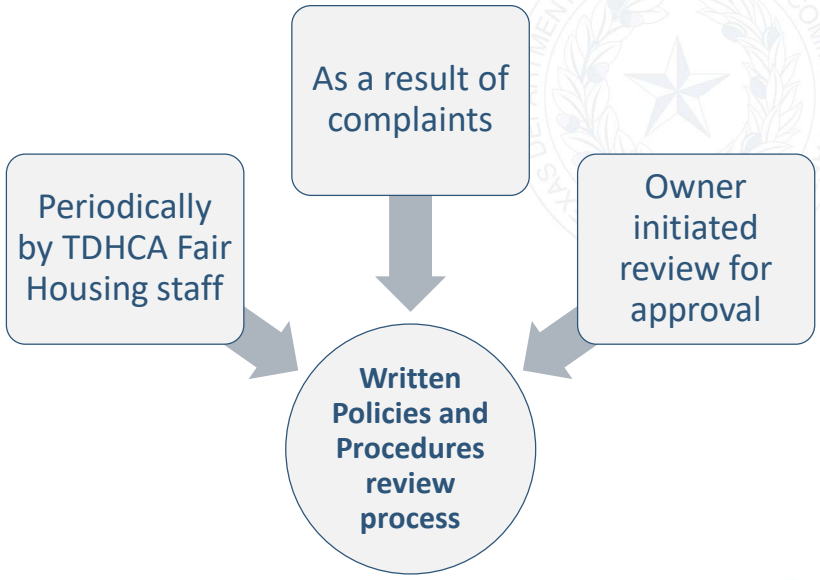
Module 5

Maintaining Compliance

181

181

Compliance: 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.

182

182

Eligibility: 5 Basic Steps

1. Screening through the application process
2. Determine the household composition
3. Document income & assets
4. Annualize income
5. Complete Income Certification

183

183

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

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

_____ _____
(Printed Name) (Title)

The Income Verification for Households with Section 8 Certificates may be used.

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

184

184

Eligibility: Students

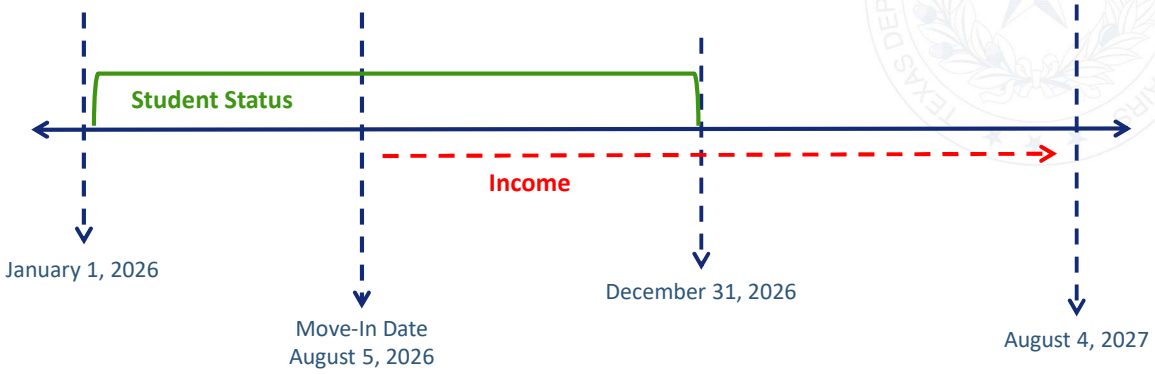
- All household members must be screened for student status:
  - Kindergarten through 12th grade
  - Higher Education

- Full-Time (FT) Status
  - As defined by the educational institution
  - 5 calendar months, months enrolled do not have to be consecutive

185

185

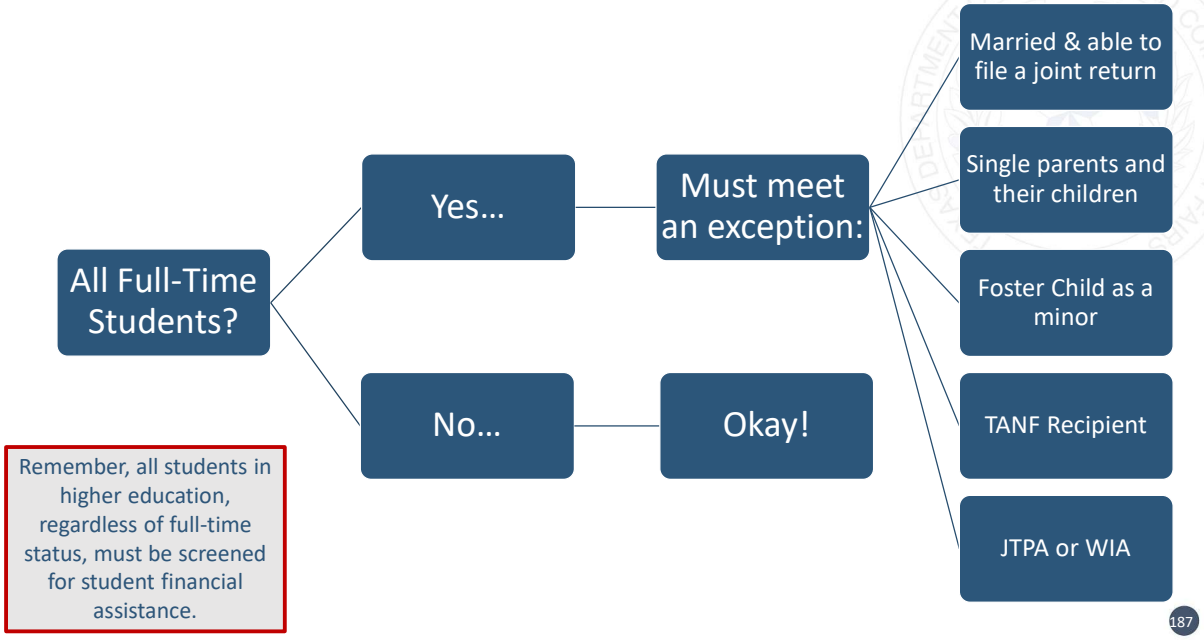
Student Status Screening vs. Income Screening



186

186

Eligibility: Student Households



Remember, all students in higher education, regardless of full-time status, must be screened for student financial assistance.

187

187

Lease Requirements; 10 TAC §10.613

- Cannot evict without good cause; must be 30-day written notice for nonpayment of rent
- Comply with VAWA
- Requirement to report student status and changes to the status
- Cannot lock-out or threaten to lock-out
- Tenant Rights and Resources Guide

188

188

Annual Data Collection vs. Annual Income Certification

Annual Data Collection

- 100% Low-Income **Projects**
- Must complete Annual Data Collection by anniversary of original move-in to **project**
- Can be executed within 120 days BEFORE the due/effective date

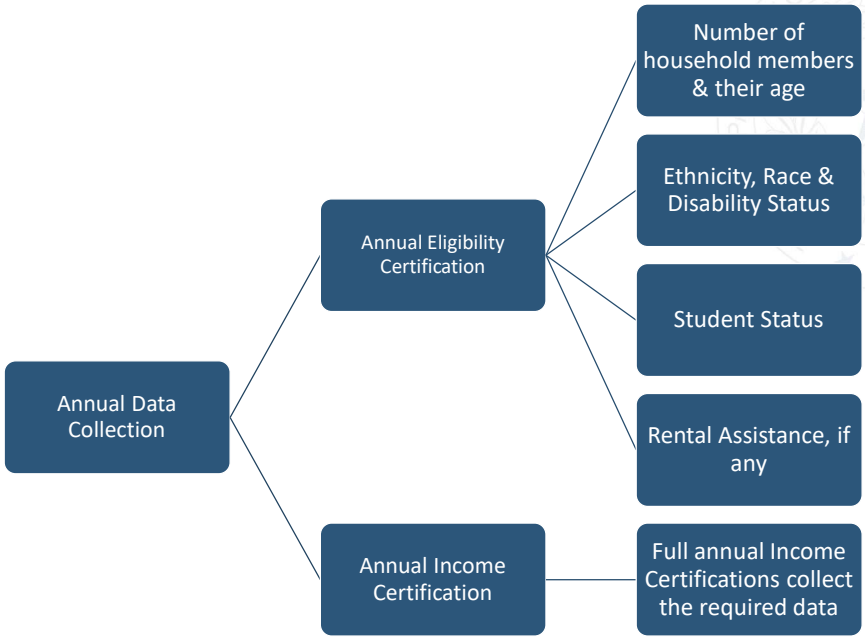
Annual Income Certification

- Same process as Initial Certification
- Use current household information and income limits
- Due by the anniversary of the household's original move-in date or initial certification date
- Can begin 120 days BEFORE the due/effective date

189

189

Annual Data Collection vs. Annual Income Certification



190

190

Project Elections and Annual Requirements: 100% Low-Income

All households must complete annual data collection, regardless of project election.

Unit 101 Low-Income	Unit 102 Low-Income
Unit 103 Low-Income	Unit 104 Low-Income

Unit 201 Low-Income	Unit 202 Low-Income
Unit 203 Low-Income	Unit 204 Low-Income

191

191

Project Elections and Annual Requirements: Mixed Income

All households must complete annual Income Certification, the both buildings are in the same project.

Bldg. 1

Unit 101 Low-Income	Unit 102 Low-Income
Unit 103 Low-Income	Unit 104 Low-Income

Bldg. 2

Unit 201 Market	Unit 202 Low-Income
Unit 203 Low-Income	Unit 204 Market

If each building is an individual project, then Building 1 can do Annual Data Collection and Building 2 must do full annual Income Certifications

192

192

Available Unit Rule (AUR)

When a household goes Over-Income (OI)

- Keep Rent Restricted
- Lease the next unit of smaller/comparable size to low-income household
- **The above items must continue until the Applicable Fraction is restored in the building**

Going over the designation does not make a household OI

The Available Unit Rule (AUR) is a building rule.

140% Threshold

- 60% AMI and below — 140% of 60% AMI
- 70% AMI — 140% of 70% AMI
- 80% AMI — 140% of 80% AMI

193

193

Next Available Unit Rule: Building 5

75%

6

8

77.78%

7,000

9,000

Addendum F To Declaration – Minimum Applicable Fraction By Building

Building Number	Building Identification Number (BIN)	Minimum Applicable Fraction
1.	TX-22-05301	79.07%
2.	TX-22-05302	83.33%
3.	TX-22-05303	62.67%
4.	TX-22-05304	79.19%
5.	TX-22-05305	75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	HH SIZE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$ 57,600.00	$ 1,450.00	$ 327.00	4	4	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	512	10/26/2023		Beatle	$ 52,575.00	$ 1,500.00	$ 327.00	4	7	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	513	06/06/2025		Stone	$ 44,320.00	$ 1,199.00	$ 287.00	3	4	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$ 29,505.00	$ 1,200.00	$ 287.00	3	4	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$ 66,068.00	$ 1,351.00	$ 287.00	3	5	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	522	03/29/2025		Creedence	$ 55,295.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	01/02/2018		Byrd	$ 43,521.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	524	04/03/2025		Bread	$ 72,585.00	$ 1,351.00	$ 287.00	3	4	Income LIHTC: Market Rent LIHTC: Market

194

194

Next Available Unit Rule: Building 5 with an Over Income Unit

62.5%

5

8

66.67%

6,000

9,000

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-22-05301		79.07%
2.	TX-22-05302		83.33%
3.	TX-22-05303		62.67%
4.	TX-22-05304		79.19%
5.	TX-22-05305		75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	TIC DATE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$57,600.00	$ 1,450.00	$327.00	4	07/03/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	512	10/26/2023		Beatle	$52,575.00	$ 1,500.00	$327.00	4	10/26/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	513	06/06/2025		Stone	$44,320.00	$ 1,199.00	$287.00	3	06/06/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$29,505.00	$ 1,200.00	$287.00	3	12/23/2024	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$66,068.00	$ 1,351.00	$287.00	3	02/16/2025	Income LIHTC: OI Rent LIHTC: OI
TX0020604	5	522	03/29/2025		Creedence	$55,295.00	$ 1,351.00	$287.00	3	03/29/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	01/02/2018		Byrd	$43,521.00	$ 1,351.00	$287.00	3	01/02/2025	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	524	04/03/2025		Bread	$72,585.00	$ 1,351.00	$287.00	3	04/03/2025	Income LIHTC: Market Rent LIHTC: Market

195

195

Next Available Unit Rule: Building 5 with an Over Income Unit

75%

6

8

77.78%

7,000

9,000

ADDENDUM F TO DECLARATION – MINIMUM APPLICABLE FRACTION BY BUILDING

BUILDING NUMBER	BUILDING IDENTIFICATION NUMBER (BIN)		MINIMUM APPLICABLE FRACTION
1.	TX-22-05301		79.07%
2.	TX-22-05302		83.33%
3.	TX-22-05303		62.67%
4.	TX-22-05304		79.19%
5.	TX-22-05305		75.00%

4-Bedroom units are 1,500 sq. feet and 3-Bedroom units are 1,000 sq. feet

Building BIN #	Building #	UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	# BRs	TIC DATE	UNIT QUALIFICATIONS
TX0020604	5	511	07/03/2025		Abba	$57,600.00	$ 1,450.00	$327.00	4	07/03/2025	Income LIHTC: 50 Rent LIHTC: 50
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TX0020604	5	513	06/06/2025		Stone	$44,320.00	$ 1,199.00	$287.00	3	06/06/2025	Income LIHTC: 50 Rent LIHTC: 50
TX0020604	5	514	12/23/2024		Santana	$29,505.00	$ 1,200.00	$287.00	3	12/23/2024	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	521	02/16/2024		Beach	$66,068.00	$ 1,351.00	$287.00	3	02/16/2025	Income LIHTC: Market Rent LIHTC: Market
TX0020604	5	522	03/29/2025		Creedence	$55,295.00	$ 1,351.00	$287.00	3	03/29/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	523	12/1/2025		Garfunkel	$19,632.00	$ 1,351.00	$287.00	3	12/1/2025	Income LIHTC: 60 Rent LIHTC: 60
TX0020604	5	524	04/03/2025		Bread	$72,585.00	$ 1,351.00	$287.00	3	04/03/2025	Income LIHTC: Market Rent LIHTC: Market

196

196

Available Unit Rule: Average Income – Learning Point

50 + 60 + 70 + 40 + 40 + 60 + 60 + 60 = 440/8 = 55% average

Unit 301 Low-Income 50%	Unit 302 Low-Income 60%	Unit 303 Market Unit	Unit 304 Market Unit
Unit 201 Market Unit	Unit 202 Low-Income 40%	Unit 203 Market Unit	Unit 204 Low-Income 70%
Unit 101 Low-Income 40%	Unit 102 Low-Income 60%	Unit 103 Low-Income 60%	Unit 104 Low-Income 60%

All units in this building are the same size. The Applicable Fraction is based on the unit count.

197

197

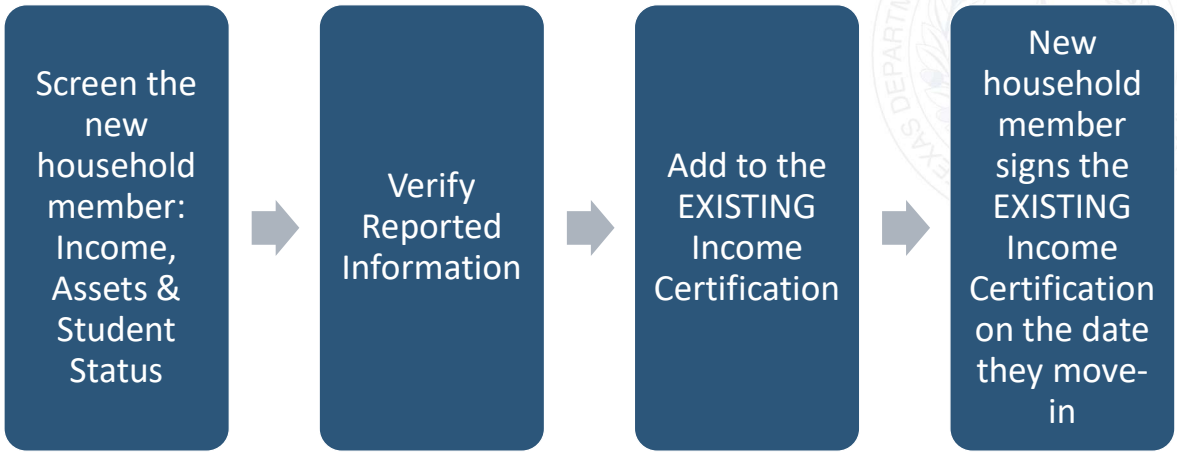
Household Additions

- The addition of new member(s) to an existing low-income household requires screening and income/asset verification for the new member of the household, including firsthand documentation and/or third-party verification. The treatment will depend on whether the building is a mixed-use or 100% LIHTC building.
- 100% HTC Projects
  - The new household member's income is added to the existing household's original Income Certification.
- Mixed-Use Projects
  - The new household member's income is added to the existing household's most recent Income Certification. The household continues to be income-qualified, and the income of the new member is taken into consideration with the income of the existing household for purposes of the Available Unit Rule under IRC §42(g)(2)(D).

198

198

Household Additions



199

199

Transfers: 100% Low-Income Multiple Building Projects

- Households may transfer to any unit in a 100% low-income multiple building project and retain their program designation.
  - The project election will be done on line 8(b) of Form 8609 for each BIN.
- The household does not need to be and **should not be certified** at the time of transfer.
  - The original certification which qualified the household for the program/project remains the applicable certification.
  - The original household qualifying documentation must be maintained in the new unit file.
- The move-in date remains the date the household was first designated under the program.
  - Annual certification requirements should be done within 120 days of the anniversary of the original move-in.
- **The Unit Status Report (USR) should retain the original move-in date and qualifying income from the time of move-in.**

200

200

Transfers: 100% Low-Income Multiple Building Projects

These two buildings are one project.

Can the household in unit 411 transfer to unit 122?

411 60%	**412 60%**	**413 50%**	**414 30%**	**421 60%**	**422 50%**	**423 50%**	**424 60%**
311 50%	312 50%	313 40%	314 60%	321 30%	322 40%	323 60%	324 60%
211 60%	212 40%	213 50%	214 60%	221 50%	222 50%	223 60%	224 60%
111 60%	112 60%	113 30%	114 50%	121 60%	122 Vacant 30%	123 40%	124 50%

201

201

Transfers: Mixed Income Multiple Building Projects

- Low-income households retain their program designation when they transfer to any unit in a multiple building project if at the last annual certification their income was less than 140% of area median income level set by the minimum set aside.

202

202

Transfers: Over Income Households

- A current household with an income exceeding 140% of the applicable limit is considered Over Income (OI).
- These households may transfer within the building but **may not transfer** to a unit outside of the building/BIN in which the household became OI.
  - The household may not transfer within a multiple building project, they must remain in the building/BIN where they certified as OI.
- When the household transfers within the building the statuses will swap, the newly occupied unit will continue to be considered OI (since the designation follows the household) and the newly vacated unit will have the status from the swapped unit.
- Over Income households impact the Next Available Unit Rule, which is a building rule.

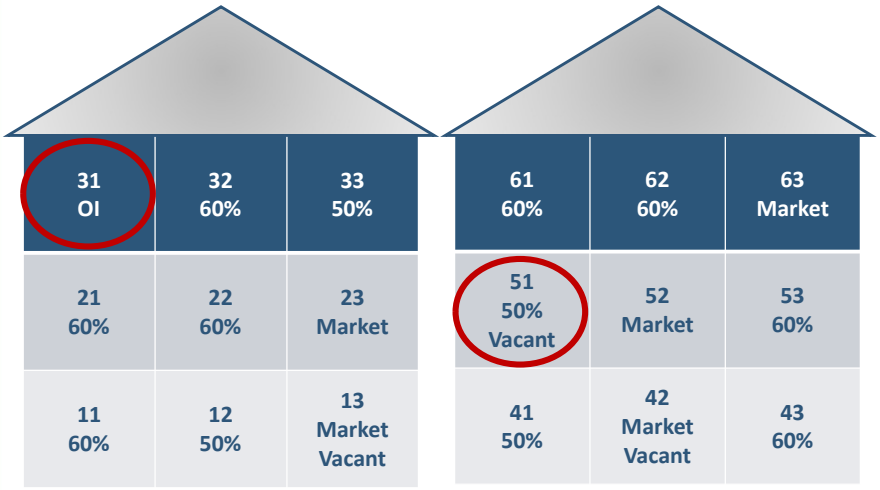
203

203

Transfers of an OI Household

The two buildings are one project.

Can the household in unit 31 transfer to unit 51?



204

204

Transfers: Individual Building Projects

- **Each building/BIN is its own project (100% low-income and mixed income projects)**
- Developments that made the 20/50 or 40/60 election: at the time of move-in to the new project, the household must be certified and have a current annual income less than the income limit established by the minimum set aside the Owner selected.
- Developments that elected the Average Income Test (AIT) under IRC §42(g): the household must be certified and their current designation averaged together with the designations of the other households in the project must be equal to or less than the percentage represented at the time of application.

205

205

Transfers within the Same Building/BIN

A household may transfer to a new unit within the same BIN. The unit designations will swap status.

Can the household in unit 301 transfer to unit 503?

501 Market	502 60%	503 Vacant 60%	504 Market	505 60%
401 60%	402 60%	403 60%	404 60%	405 60%
301 Market	302 Vacant Market	303 60%	304 60%	305 60%
201 60%	202 60%	203 Market	204 60%	205 60%

206

206

Transfers: Mixed Income Multiple Building Projects

These two buildings are one project.

Can the household in unit 31 transfer to unit 51?

31 Market	32 60%	33 50%
21 60%	22 60%	23 Market
11 60%	12 50%	13 Market Vacant

61 60%	62 60%	63 Market
51 50% Vacant	52 Market	53 60%
41 50%	42 Market Vacant	43 60%

207

207

Transfers: Mixed Income Multiple Building Projects

These two buildings are one project.

Can the household in unit 21 transfer to unit 51?

31 Market	32 60%	33 50%
21 60%	22 60%	23 Market
11 60%	12 50%	13 Market Vacant

61 60%	62 60%	63 Market
51 50% Vacant	52 Market	53 60%
41 50%	42 Market Vacant	43 60%

208

208

Transfers: Multiple Building Project; Average Income

These two buildings one project.

Can the household in unit 31 transfer to unit 51?

52.22% Average

31 30%	32 60%	33 50%
21 60%	22 60%	23 20%
11 60%	12 50%	13 80% Vacant

57.78% Average

61 60%	62 60%	63 20%
51 50% Vacant	52 80%	53 60%
41 50%	42 80% Vacant	43 60%

209

209

Transfers: Individual Building Projects; Average Income

These two buildings are individual projects.

Can the household in unit 21 move to unit 51?

56.67% Average

31 Market	32 60%	33 50%
21 60%	22 60%	23 Market
11 60%	12 50%	13 Market Vacant

56.67% Average

61 60%	62 60%	63 Market
51 50% Vacant	52 Market	53 60%
41 50%	42 Market Vacant	43 60%

210

210

Compliance: Learning Point 1

Nicole, age 33, is applying for a unit with her son Vince, age 8. She is attending community college full-time to finish her degree. She is divorced; per the court order her ex-husband is allowed to claim Vince on his tax return. Does the applicant household meet the student status requirements?

A. No, Nicole does not claim her son on her taxes

B. Yes, Nicole is a single parent & her child is claimed by a parent on their tax return

C. Yes, Nicole attends community college and this is exempt

D. Yes, Nicole is over the age of 23 so her student status is irrelevant

211

211

Compliance: Learning Point 2

Charles and Mike, both age 23, are applying for an HTC apartment in April. Charles is working on his Master's Degree and Mike has confirmed that he will graduate in May. The university has confirmed the full-time status for each applicant. Does the applicant household meet the student status?

A. Yes, Charles is working on his Master's, which is an exception

B. Yes, Mike is graduating a month after they move-in

C. No, Charles and Mike are both FT students and no exceptions are met

D. No, But they can re-apply in June, after Mike graduates and be okay

212

212

Compliance: Learning Point 3

Amy, age 40, is a part-time student at an online college. She has been attending part-time for the last 2 years. She is applying for an apartment. Does Amy qualify as eligible under the student status requirements?

A. Yes, Amy is only part-time
B. Yes, Amy is an independent student
C. No, Amy does not meet an exception
D. No, she might decide to be full-time, we cannot take that chance

Amy's student status should be verified each semester to make sure that she continues to meet this allowance.

213

213

Compliance: Learning Point 4

Ana and her daughter Kim moved into the development on March 12, 2025. On August 19, 2025, Ana requested to add a household member to her unit. Her partner Cho will be moving in, is this permissible?

A. This is allowable, complete the eligibility process for Cho, update the most current Income Certification and the Unit Status Report
B. This is not allowable, Ana has only occupied the unit for five months
C. A new household member may only be added during the annual recertification process

214

214

Compliance: Learning Point 5

Lisa and her son Will moved into the development on December 12, 2025. On January 19, 2026, Lisa requested to add a household member to their unit. Her adult daughter, Katie, will be moving in, is this permissible?

A. This is allowable, complete the eligibility process for Katie, update the most current Income Certification and the Unit Status Report

B. This is not allowable; Lisa has only occupied the unit for a month

C. A new household member may only be added during the annual recertification process

215

215

Compliance: Learning Point 6

When a household transfers within a multiple building project, the Unit Status Report should be updated to the date the household moves into the new unit. True or False?

T. True, the household moved into the unit on that date

F. False, the household move-in date should be the original qualifying date for the project

216

216

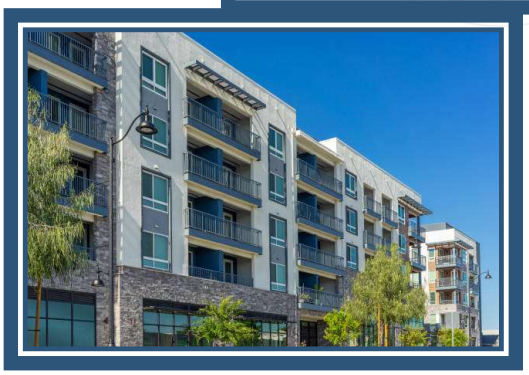
Module 6

Acquisition & Rehabilitation
and “Post 15”

217

217

Acquisition and Rehabilitation

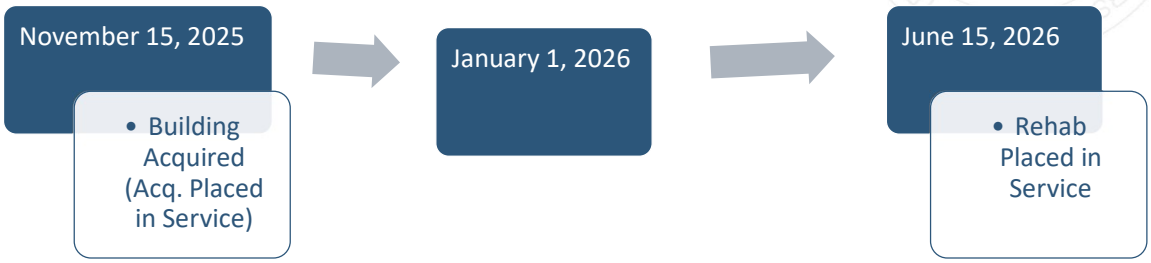


218

218

Acquisition and Rehabilitation: Timeline

2026 is the first year of the credit period for both the Acquisition and the Rehab.



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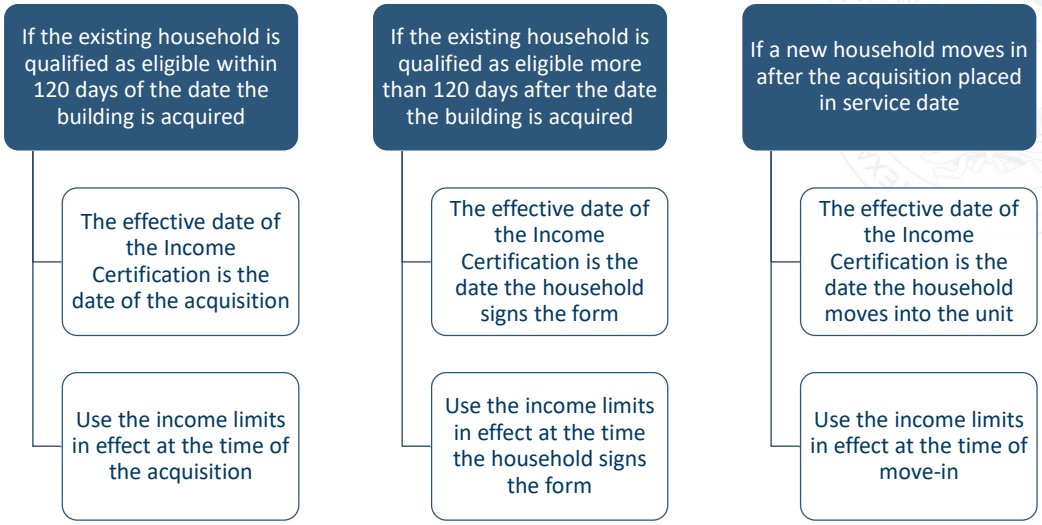
219

Acquisition and Rehabilitation: Certifications



220

220

Acquisition and Rehabilitation: Learning Point 1

What is the effective date of the Income Certification if the household is qualified on December 5th?

221

221

Acquisition and Rehabilitation: Learning Point 2

What is the effective date of the Income Certification if the household is qualified on December 18th?

222

222

Acquisition and Rehabilitation: The Credit Period

There is no requirement to qualify existing households as eligible within 120 days of the date of Acquisition, <u>but</u> all households must be qualified as eligible by the beginning of the first year of the credit period; this includes those that were tenants at the time of acquisition along with any new move-ins.

223

223

Acquisition and Rehabilitation: Certification Dates

Building Acquired: November 12, 2024
Credit Period began: January 1, 2026

120 days from November 12, 2024 Is March 12, 2025

Unit 301 **Low-Income Vacant** **Move-In: April 1, 2025**	**Unit 302** **Low-Income Occupied** **Certified: January 27, 2025**	**Unit 303** **Low-Income Occupied** **Certified: July 25, 2025**
Unit 201 **Market Occupied**	**Unit 202** **Low-Income Occupied** **Certified: December 10, 2024**	**Unit 203** **Low-Income Occupied** **Certified: November 11, 2025**
Unit 101 **Low-Income Vacant** **Move-In: January 18, 2026**	**Unit 102** **Low-Income Occupied** **Certified: October 4, 2025**	**Unit 103** **Low-Income Occupied** **Certified as ineligible on March 20, 2025**

224

224

Acquisition and Rehabilitation: Recertification Dates

Building Acquired: November 12, 2024
Credit Period began: January 1, 2026
120 days from November 12, 2024 is March 12, 2025

One year later at the recertification process:

100% Low-Income Project: Annual Data Collection by anniversary date

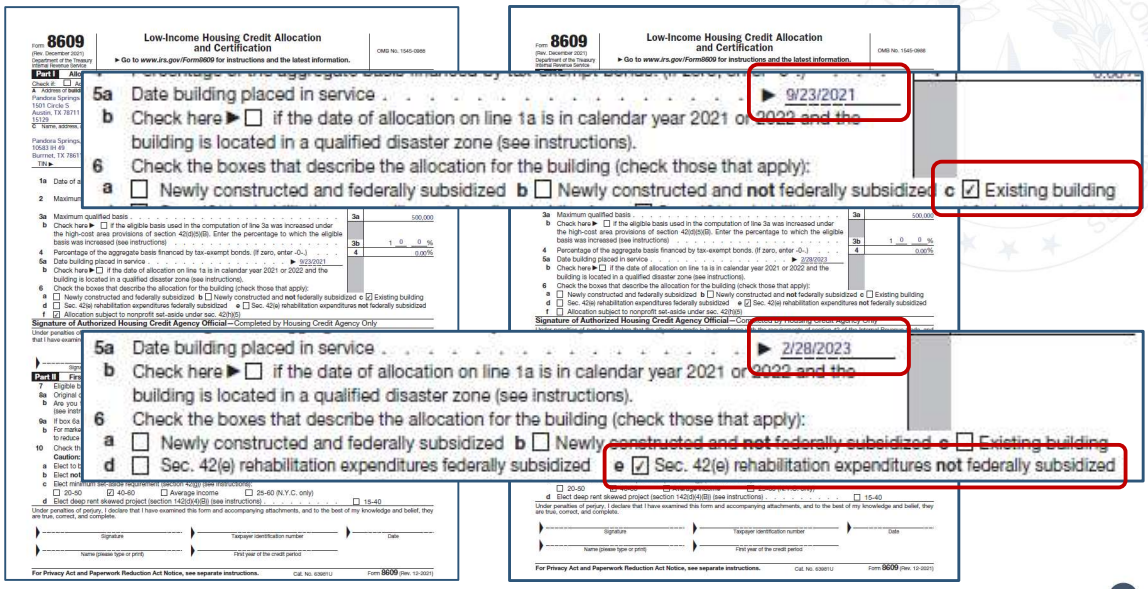
Mixed Income Project: Income Certification Must be completed on ineligible household to establish possible eligibility or convert to Market status when allowed

Unit 301 Low-Income Vacant Move-In: April 1, 2025 Annual: April 1: 2026	Unit 302 Low-Income Occupied Certified: January 27, 2025 Annual: November 12, 2025	Unit 303 Low-Income Occupied Certified: July 25, 2025 Annual: July 25, 2026
Unit 201 Market Vacant Low-Income household to move-in February 1, 2026	Unit 202 Low-Income Occupied Certified: December 10, 2024 Annual: November 12, 2026	Unit 203 Low-Income Occupied Certified: November 11, 2025 Annual: November 11, 2026
Unit 101 Low-Income Vacant Move-In: January 18, 2026 Annual: January 18, 2027	Unit 102 Low-Income Occupied Certified: October 4, 2025 Annual: October 4, 2026	Unit 103 Ineligible Low-Income Occupied – Convert to Market when 201 moves in

225

225

Acquisition and Rehabilitation: Form 8609



226

226

Acquisition and Rehabilitation: Income Limits

Form **8609** (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to *www.irs.gov/Form8609* for instructions and the latest information.

OMB No. 1545-0988

5a Date building placed in service . . . . . ▶ 9/23/2021

b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized b ☐ Newly constructed and **not** federally subsidized c ☑ Existing building

3a Maximum qualified basis 3a 500,000

b Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions) . . . . . 3b 1 0 0 %

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.) 4 0.00%

5a Date building placed in service . . . . . ▶ 9/23/2021

b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).

6 Check the boxes that describe the allocation for the building (check those that apply):

a ☐ Newly constructed and federally subsidized b ☐ Newly constructed and **not** federally subsidized c ☑ Existing building

d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures **not** federally subsidized

f ☑ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Signature of authorized official ▶ Name (please type or print) ▶ Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 7 500,000

8a Original qualified basis of the building at close of first year of credit period 8a 500,000

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? . . . . . ☐ Yes ☑ No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(b)(2)(B)? ☐ Yes ☐ No

b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? . ▶ ☐ Yes ☐ No

10 Check the appropriate box for each election.

Caution: Once made, the following elections are irrevocable.

a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ ☑ Yes ☐ No

b Elect **not** to treat large partnership as taxpayer (section 42(j)(5)) . . . . . ▶ ☑ Yes

c Elect minimum set-aside requirement (section 42(g)) (see instructions):

☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) . . . . . ☐ 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ Taxpayer identification number ▶ Date

▶ Name (please type or print) ▶ First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63601U Form **8609** (Rev. 12-2021)

227

227

Acquisition and Rehabilitation: Rent Limits

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING TAX CREDIT PROGRAM
DETERMINATION NOTICE

This Determination Notice (the "**Notice**") in connection with a conditional award of Housing Tax Credits associated with a Certificate of Reservation and/or Carryforward Designation Certificate from the 2020 Private Activity Bond Ceiling is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas, (the "**Department**"), and **Pandora Springs, LP**, (the "**Development Owner**"), herein collectively referred to as the "**Parties.**" This Notice does not constitute an allocation as defined by Section 42 of the Internal Revenue Code.

RECITALS

WHEREAS, the Development Owner has, by making an application for and accepting this Determination Notice and taking steps to provide for the issuance of related tax exempt bonds, undertaken and agreed to carry out the new construction, rehabilitation, and/or reconstruction of the Development as more fully described in application TDHCA number **20462** (the "Application") approved by the Governing Board of the Department on **NOVEMBER 5, 2020** and in accordance with all representations made in the Application, Chapter 2306 of the Texas Government Code ("Chapter 2306"), Title 10 of the Texas Administrative Code, Chapter 1, Chapter 2, Chapter 10, Chapter 12 (applicable only if TDHCA is the issuer) (all collectively referred to as "the Rules") and Chapter 11 Qualified Allocation Plan ("QAP"), Section 42 of the Internal Revenue Code ("Code") and all applicable Internal Revenue Service ("IRS") notices and revenue rulings, all applicable Treasury Regulations and Decisions, as may be amended from time to time, and Chapter 1372 of the Texas Government Code. All laws, rules, and requirements referenced in this recital paragraph as collectively referred to herein as the "Legal Authorities;"

WHEREAS, the Department has reviewed the Application, and the Governing Board of the Department approved the issuance of this Determination Notice for Housing Tax Credits in accordance with the Legal Authorities;

NOW, THEREFORE, for and in consideration of the promises herein made, and the mutual benefits derived and to be derived, the Parties hereto agree and by execution hereof are bound to the mutual obligations and to the performance and accomplishment of the tasks that are the substance of this Notice, and which may be more thoroughly set forth in the Application and a Land Use Restriction Agreement ("LURA") which will be entered into and recorded upon completion of the Development, its having been placed in service as contemplated in Section 42 of the Code, and it having completed cost certification.

2020 HTC Determination Notice | 15052 Pandora Springs Apartments

TERMS

Development	Pandora Springs APARTMENTS
Development Type	NEW CONSTRUCTION
Development Owner	Pandora Springs, LP
Development Address	502 Circle S DRIVE Austin, Travis COUNTY, TX 78701
Bond Issuer ("Issuer")	Travis COUNTY HOUSING FINANCE CORPORATION
Contact Address	221 East 11th St.
City, State, ZIP	Austin, TX 78721
Contact Phone/Email	(512) 475 - 3800 ahammond@pandora.com
Effective Date of Determination Notice	April 16, 2021
Expiration Date of Determination Notice	May 16, 2021

* The BIN numbers noted should be used in any future correspondence with the Department.

CONDITIONS

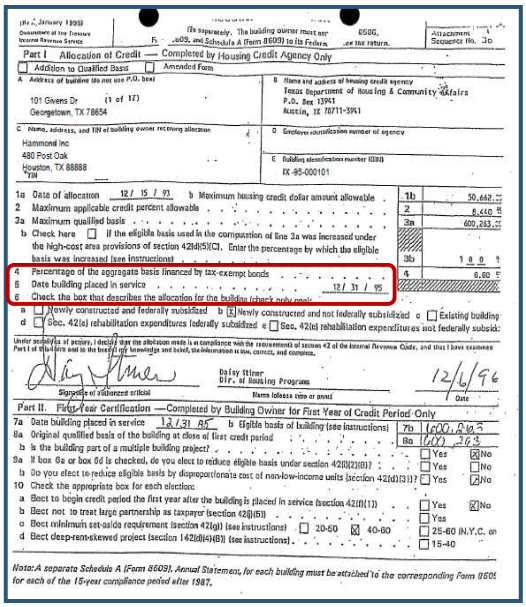
The Development may be eligible to claim Housing Tax Credits with respect to all or a portion of its qualified basis if, among other standards, the Development satisfies the requirements for an allocation of Housing Tax Credits under the Rules and QAP, as applicable. The Department is the sole housing credit agency for the State of Texas and has adopted the Rules and QAP, as amended in the Texas Administrative Code Title 10 Chapters 10 and 11. The Department has determined that the Development, as described in the Application, would satisfy the requirements of all applicable subchapters and sections of the Rules and QAP for an allocation of Housing Tax Credits. This does not preclude the possibility that the manner in which one or more aspects of the Development may be carried out may raise issues of compliance which will need to be addressed at the time, including but not limited to, the possibility of requested amendments, administrative deficiencies, or material deficiencies, which may be subject to rights of appeal as provided for in the Rules and QAP.

Page 2 of 8

228

228

Acquisition & Rehabilitation with Previous Tax Credit Allocation



(Rev. January 1995) Department of the Treasury Internal Revenue Service

(Rev. 8609, and Schedule A (Form 8609) to its Federal tax return.

Attachment Sequence No. 30

Part I Allocation of Credit — Completed by Housing Credit Agency Only

☐ Addition to Qualified Basis ☐ Amended Form

A Address of building (do not use P.O. box)
101 Givens Dr (1 of 17)
Georgetown, TX 78654

B Name and address of housing credit agency
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

C Name, address, and TIN of building owner receiving allocation
Hammond Inc
480 Post Oak
Houston, TX 88888
TIN

D Employer identification number of agency

E Building identification number (BIN)
TX-95-000101

1a Date of allocation 12 / 15 / 93 b Maximum housing credit dollar amount allowable 1b 30,662.
2 Maximum applicable credit percent allowable 2 8.440 %
3a Maximum qualified basis 3a 600,283.
b Check here ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(C). Enter the percentage by which the eligible basis was increased (see instructions) 3b 1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds 4 0.00 %
5 Date building placed in service 12 / 31 / 95
6 Check the box that describes the allocation for the building (check only one):
a ☐ Newly constructed and federally subsidized b ☒ Newly constructed and not federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized

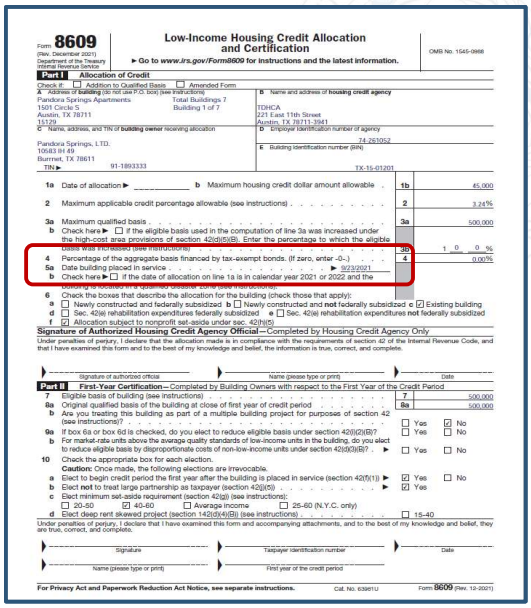
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined Part I of this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official — Daisy Stiner, Dir. of Housing Programs (Name (please type or print)) — 12/6/96 Date

Part II First-Year Certification — Completed by Building Owner for First Year of Credit Period Only

7a Date building placed in service 12/31/95 b Eligible basis of building (see instructions) 7b 600,283
8a Original qualified basis of the building at close of first credit period 8a 600,283
b Is the building part of a multiple building project? ☐ Yes ☒ No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(l)(2)(B)? ☐ Yes ☐ No
b Do you elect to reduce eligible basis by disproportionate cost of non-low-income units (section 42(d)(3))? ☐ Yes ☒ No
10 Check the appropriate box for each election:
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ☐ Yes ☒ No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ☐ Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions): ☐ 20-50 ☒ 40-60 ☐ 25-60 (N.Y.C. on
d Elect deep-rent-skewed project (section 142(d)(4)(B)) (see instructions) ☐ 15-40

Note: A separate Schedule A (Form 8609), Annual Statement, for each building must be attached to the corresponding Form 8609 for each of the 15-year compliance period after 1987.



Form 8609 (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of building (do not use P.O. box) (see instructions)
Pandora Springs Apartments
1501 Circle S
Austin, TX 78711
15129
Total Buildings 7
Building 1 of 7

B Name and address of housing credit agency
TDHCA
221 East 11th Street
Austin, TX 78711-3941

C Name, address, and TIN of building owner receiving allocation
Pandora Springs, LTD.
10683 IH 49
Burnet, TX 78611
TIN ▶ 91-1893333

D Employer identification number of agency
74-2610052

E Building identification number (BIN)
TX-15-01201

1a Date of allocation ▶ _____ b Maximum housing credit dollar amount allowable 1b 45,000
2 Maximum applicable credit percentage allowable (see instructions) 2 3.24%
3a Maximum qualified basis 3a 500,000
b Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions) 3b 1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.) 4 0.00%
5a Date building placed in service ▶ 9/23/2021
b Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).
6 Check the boxes that describe the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☐ Newly constructed and not federally subsidized c ☑ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized
f ☑ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Signature of authorized official ▶ Name (please type or print) ▶ Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 7 500,000
8a Original qualified basis of the building at close of first year of credit period 8a 500,000
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? ☐ Yes ☑ No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(l)(2)(B)? ☐ Yes ☐ No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶ ☐ Yes ☐ No
10 Check the appropriate box for each election.
Caution: Once made, the following elections are irrevocable.
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ ☑ Yes ☐ No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶ ☑ Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions): ☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) ☐ 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ Taxpayer identification number ▶ Date
▶ Name (please type or print) ▶ First year of the credit period

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63961U Form 8609 (Rev. 12-2021)

229

229

Re-Syndication of Tax Credits: Learning Point

Award Date: November 1, 2025

Do units 103 and 102 need to be certified as eligible?

Unit 101 **Low-Income Vacant**	**Unit 102** **Low-Income Occupied** **Moved in May 21, 2017**
Unit 103 **Low-Income Occupied** **Moved in July 3, 2021**	**Unit 104** **Low-Income Occupied** **Moved in December 5, 2025**

230

230

Re-Syndication: Learning Point continued

Award Date: November 1, 2025

Unit 101 **Low-Income Occupied** **Moving in February 6, 2026** **Recertification will be due February 6, 2027**	**Unit 102** **Low-Income Occupied** **Moved in May 21, 2017** **Recertification May 21, 2025**
Unit 103 **Low-Income Occupied** **Moved in July 3, 2021** **Recertification July 3, 2025**	**Unit 104** **Low-Income Occupied** **Moved in December 5, 2025** **Recertification will be due December 5, 2026**

231

231

Acquisition and Rehabilitation: Notes on Re-Syndication

Written Policies addressing credit, criminal history and occupancy standards cannot be applied retroactively

Existing HTC developments with a Land Use Restriction Agreement that require payment of a compliance monitoring fee that receive a second allocation of credit, will pay only one fee; the fee required by the original Land Use Restriction Agreement will be disregarded. For HTC Developments, the fee will be collected, retroactively if applicable, beginning with the first year of the credit period. This began with the 2020 QAP, it is not applied retroactively

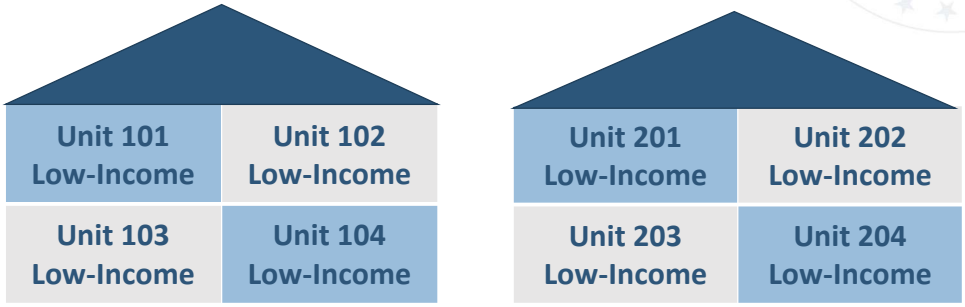
If the rehab combines Housing Tax Credits with any other Federal funds be sure to review the Uniform Relocation Act (URA) to ensure compliance

232

232

Acquisition/Rehabilitation or Re-Syndication: Transfers

- Transfers between projects prior to Forms 8609 line 8b election are not allowable
- Households must be moved out of one project and moved into the new project and must income qualify



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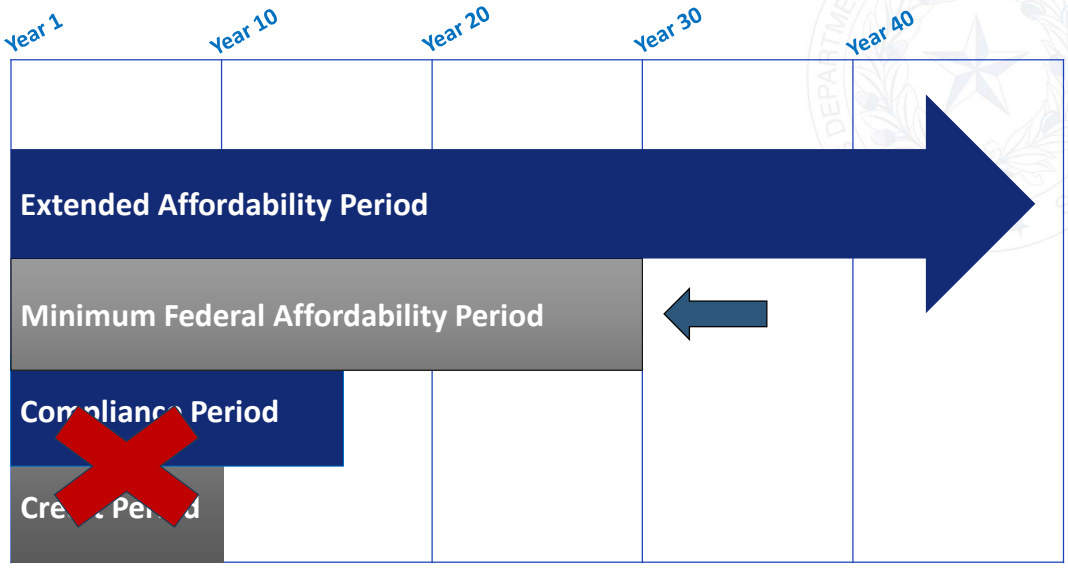
The End of the Federal Compliance Period



234

234

Post-15: Monitoring Requirements

Post-15: File Monitoring

- Frequency and depth based on risk assessment

Post-15: Physical Inspection

- Every 3 years

235

235

Post-15: Monitoring Requirements continued

Continue to Monitor For:

- All Reporting Requirements (§10.607) and Lease Requirements (§10.613)
- Income qualified households – Exempt/Employee Units
- Rent & Fee restrictions (including additional rent and occupancy restrictions)
- Total number of required low-income units (property wide)
- Annual Data Collection (once a calendar year)
- All affirmative marketing requirements will remain in place.
- Marketing to veterans, if required, will continue to be a requirement.
- Rent and Occupancy Restrictions will continue to be required and monitored.
- LURA requirements through full term or extended compliance period.
- Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA.

236

236

Post-15: Changes to Monitoring Requirements

No Longer Monitoring For:

- Documentation of Student Status **Restrictions Apply**
- Applicable Fraction by building
- Application fees
- 8609 elections
- Ratio Utility Billing Systems (RUBS) are now part of the UA calculation
- Annual Income Recertification

All provisions allowed for under 10 TAC §10.623 will no longer apply and the property will be expected to comply with all aspects of Section 42 with the award of new credits.

237

237

Post-15: LURA Requirements

LONGER EXTENDED USE PERIOD

In accordance with the Code, each Development is required to maintain its affordability for a 15-year Compliance Period and, subject to certain exceptions, an additional 15-year period. Development Owner indicates below that the Development will extend the affordability period beyond the 30 years required in the Code as follows:

LONGER EXTENDED USE PERIOD

In accordance with the Code, each Development is required to maintain its affordability for a 15-year Compliance Period and, subject to certain exceptions, an additional 15-year period. Development Owner indicates below that the Development will extend the affordability period beyond the 30 years required in the Code as follows:

Add 5 years affordability resulting in an Extended Use Period total affordability period of 35 years

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 25 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years, each commencing with the first year of the Credit Period.

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 15 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years, each commencing with the first year of the Credit Period.

If the LURA does not include this or the "box" is not checked, the development does not have an extended period.

238

238

Post-15: LURA Requirements

☒ **Longer Compliance Period and Extended Use Period**

The Compliance Period shall be a period of 25 consecutive taxable years and the Extended Use Period shall be a period of 40 consecutive taxable years, each commencing with the first year of the Credit Period.

☒ **Material Participation by Qualified Nonprofit Organization**

Throughout the Compliance Period, a "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall control th
materially participate (within the meaning of Sectio
operation of the Project. At the time this Declaratio
which shall own such interest and shall so ma
operation of the Project is Operation Relief Cent
Project Owner
organization wit
a different qualif

HISTORICALLY UNDERUTILIZED BUSINESSES (HUB)

Throughout the Compliance Period, unless otherwise permitted by the Department, the HUB shall hold some combination of ownership interest in the General Partner, cash flow from operations, and developer fee which taken together equal at least 80 percent and no less than 5 percent
the Development and operation of the Development throughout the
ng industry. The Development Owner must obtain prior approval from the
tion is filed, the HUB which holds such interest in the General Partner is

☒ **Supportive Services**

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project Owner has contracted for the provision of the following special supportive services that would not otherwise be available to Tenants: Onsite availability of services such as financial planning assistance and courses; health screening services; health and nutrition courses; Utility Assistance; GED information; energy conservation training; Head Start; and family planning. At the time this Declaration is filed, the organization(s) providing these services is Community Action Agency San Patricio County, Inc. The Project Owner shall notify the Department (i) of any change in the status or role of such organization with respect to the Project and (ii) if such organization is proposed to be replaced by a different qualified provider.

239

239

Post-15: LURA Requirements – Elderly Projects

ELDERLY DEVELOPMENT (10 TAC §11.1(D)(47) OF THE 2023 QAP)

This Development receives federal funding that has a requirement for a preference or limitation for elderly persons or households, but must accept qualified households with children. Throughout the Term, unless otherwise permitted by the Department in an amendment to this Declaration, this Development must operate as an Elderly Development as defined by the household definition and age restrictions imposed by the source of its federal assistance:

This Development meets the requirements of the Housing for Older Persons Act ("HOPA") under the Fair Housing Act (42 U.S.C. §3601, as amended). Throughout the term, unless otherwise permitted by the Department in an amendment to this Declaration, this Development must be a Development which:

- As determined by the HUD Secretary, is specifically designed and operated to assist elderly persons as defined in and provided under any Federal, State, or local government programs; or
- Is intended for, and solely occupied by pe
- Is intended and operated for occupancy b
  percent (80%) of the total housing Units
  adheres to policies and procedures whi
  persons fifty-five (55) years of age or olde

☐ **Qualified Elderly Projects (2000 and later)**

Throughout the Compliance Period, unless otherwise permitted by the Department, this project must conform to the Federal Fair Housing Act and must be a project which:

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

(ii) 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 the owner and manager to provide housing for persons 55 years of age or older.

240

240

Post-15: Annual Requirements

Once a calendar year, Owners must continue to collect and maintain current data on each household that includes the number of household members, age, ethnicity, race, disability status, student status, rental amounts and rental assistance (if any). This information can be collected on the Department's Annual Eligibility Certification (AEC) form or the Income Certification form or HUD Income Certification form or USDA Income Certification form.

There are other program requirements when the property is layered. All program requirement must be met, not just the Tax Credit requirements.

241

241

Post-15: Changes to Monitoring

- The student restrictions found in §42(i)(3)(D) of the Code are no longer monitored in the same way
  - An income-qualified household consisting entirely of full-time students may occupy a low-income unit; however, the development may not market to students
  - The development may not lease more than 15% of the total number of units to student households
- All households, regardless of income level or 8609 elections, will be allowed to transfer between buildings; however, the units will still “swap” status and the move-in date will remain the original move-in date to the development
- The Department will not monitor the development’s application fee after the Federal Compliance Period is over
  - The development should still maintain a reasonable application fee
- **Please remember, all student household members should be screened for student related income, i.e. financial aid**

242

242

Post-15: Mixed Income Developments

Mixed income developments are not required to conduct annual income recertification:

- Owners must continue to collect and report data on each household that includes the number of household members, age, ethnicity, race, disability status, student status, rental amounts and rental assistance (if any)
- This information can be collected on the Department's Annual Eligibility Certification form or the Income Certification form or HUD Income Certification form or Rural Housing Certification form
- If the property is layered with another program that requires annual income certifications the property must comply with the additional program requirements

243

243

Post-15: Monitoring Rules

Unless specifically noted in §10.623, all requirements of the 10 TAC, Chapter 10, Subchapter F, the LURA and §42 of the Code remain in effect for the Extended Use Period. These Post-15 Monitoring Rules apply only to the HTC Developments administered by the Department.

Participation in other programs administered by the Department may require additional monitoring to ensure compliance with the requirements of those programs.

244

244

Post-15: Maintaining Compliance

It is important to maintain compliance after the Compliance Period, even though issues of noncompliance are no longer reported to the IRS on Forms 8823. Issues of noncompliance, which are not corrected in the Corrective Action period are looked at during a Previous Participation Review and could be relevant with the new Enforcement/Debarment rule.

Additionally, if the Development is awarded Acquisition/Rehab or Re-syndication funds, it will be expected to comply with the new award and the existing LURA.

245

245

Post-15: Notification Requirements at End of Term

Per 10 TAC §10.607(j), within six (6) months but at least 90 days prior to the end of the Affordability Period and/or the end of the Land Use Restriction Term, the Owner **MUST** provide written notice to the current tenants and applicants. The Notice must contain the following: proposed new rents, any rehabilitation plans and information on how to access the Department's Vacancy Clearinghouse to locate other affordable housing options. Owners should ensure that there is a procedure in place to notify the tenants as required.

If the Development Owner has been approved for new funding, through the Department, and/or awarded new credits such notice is not required.

246

246

Acquisition and Rehab : Learning Point

The Acquisition date for the development is July 1, 2024. The first year of the Credit Period began January 1, 2025. The property's previous HTC LURA term expired on December 31, 2023. Which of these statements is true, more than one may apply?

A. Households do not need to be certified since they were previously eligible under an HTC LURA.

B. All households must be Income Certified by the start of the first year of the credit period.

C. All households must be Income Certified by June 30, 2024.

D. All households may be Income Certified within 120 days of July 1, 2024.

247

247

Post-15: Learning Point

The Wilson household moved into the development on September 15, 2025. The development has market units in every building and completed the Federal Compliance Period on December 31, 2025. When and what type of recertification is due for the Wilson household in 2026?

A. Full recertification is due by the anniversary date of September 15, 2026, since the development has market units

B. Annual Data Collection due by the household anniversary date of September 15, 2026

C. Annual Data Collection due once a calendar year and must be completed by December 31, 2026

D. Full recertification is due once a calendar year and must be completed by December 31, 2026

248

248

Module 7

Compliance Monitoring

249

249

Reporting Requirements: 10 TAC §10.607

Annual Owner's Compliance Report (AOCR)

- 3 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

Monitoring Reviews

- Due date is identified in the notification of the review

250

250

Notices to the Department: 10 TAC §10.609

Updating CMTS:

- Within 10 days of a change in the contact information (including contact persons, physical addresses, mailing addresses, email addresses, phone numbers, and/or the name of the property as know by the public) for the Ownership entity, management company, and/or Development the Department's CMTS must be updated.
- Separate contact information must be provided for Ownership entity, management company, and on-site manager at the Development. A single contact may be used for the owner and management if they are the same entity.
- Failure to comply is an issue of noncompliance.

251

251

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.

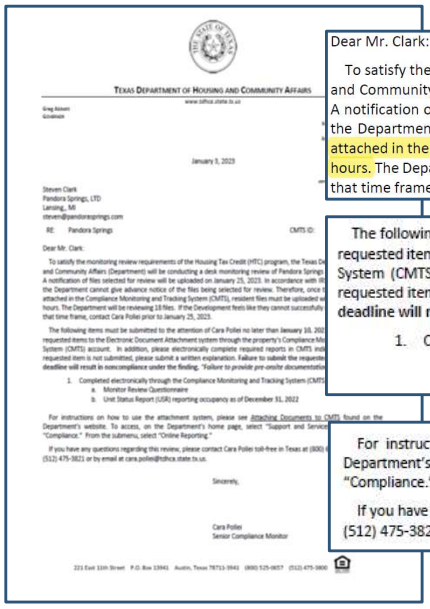
On the day of the monitoring visit, Department staff will need access to original resident files. If original resident files are not maintained at the development, please let the Department know immediately so that arrangements can be made.

Unfortunately, the Department is not able to reschedule or postpone monitoring visits. If you have any questions about the

252

252

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.

253

253

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.

254

254

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 the D

Login to CMTS

CMTS User Guidelines

To ensure that information is properly entered into CMTS, please

- Attaching Documents to CMTS (PDF) **NEW**

To use the CMTS Unit Upload feature for uploading household an
that document, the file layouts and field definitions for the CMTS

Visit the Compliance Reports page for additional information.

Visit the Trainings Presentation page for CMTS training.

CMTS Property Reporting System

Please log in to continue.

User ID :
Password:
Login

You are making a secure connection with our server.
All information that you submit is encrypted.

You are accessing a Texas Department of Housing and Community Affairs information system. Unauthorized use is prohibited, and usage may be subject to security testing and monitoring. Misuse of this system is subject to criminal prosecution. Users of this system should have no expectation of privacy except as otherwise provided by applicable privacy laws.

https://www.tdhca.texas.gov/compliance-monitoring-tracking-system

255

255

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.

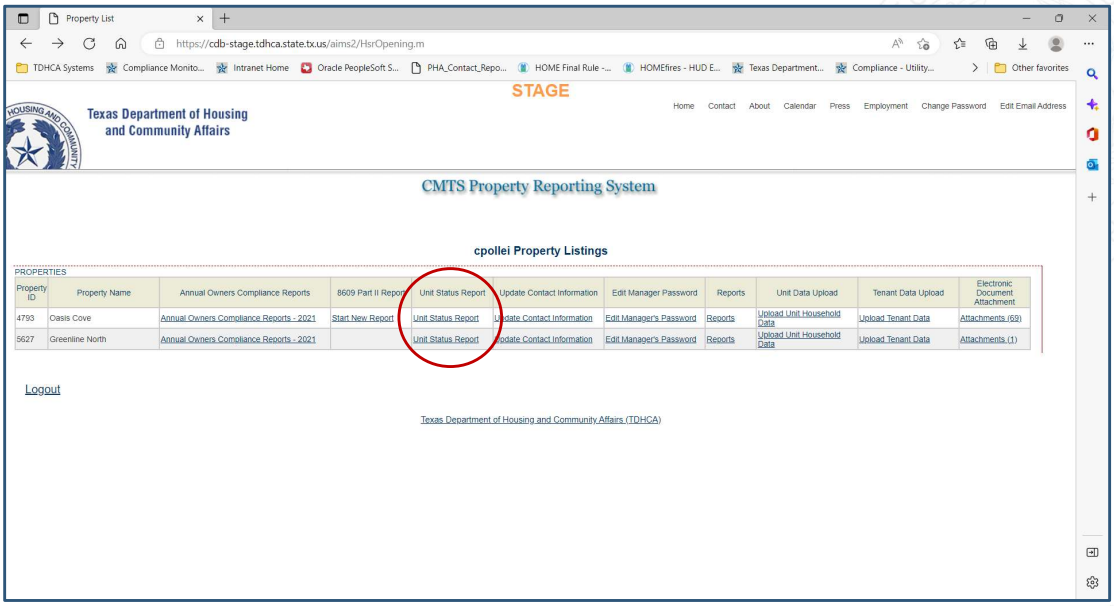
All TDHCA program designations must be reflected on the USR, programs from other entities should be reflected on the USR. If a property has Tax Credits and HOME, both would be listed on the USR for the applicable units.

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.

256

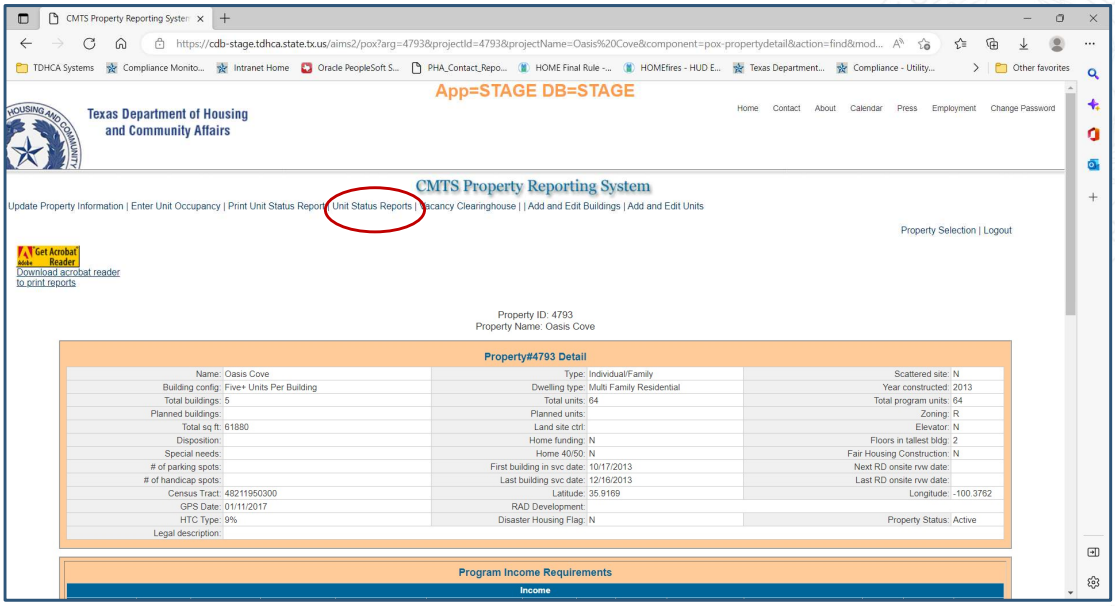
256

Monitor Review Questionnaire: Where is it?



257

Monitor Review Questionnaire: Where is it?



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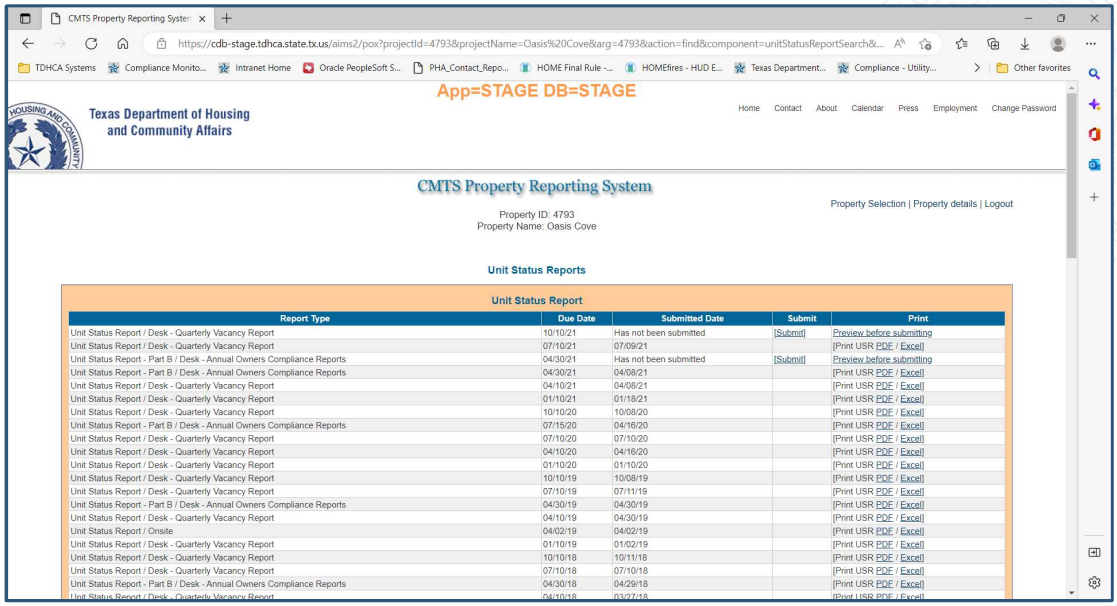
258

Monitor Review Questionnaire: Where is it?



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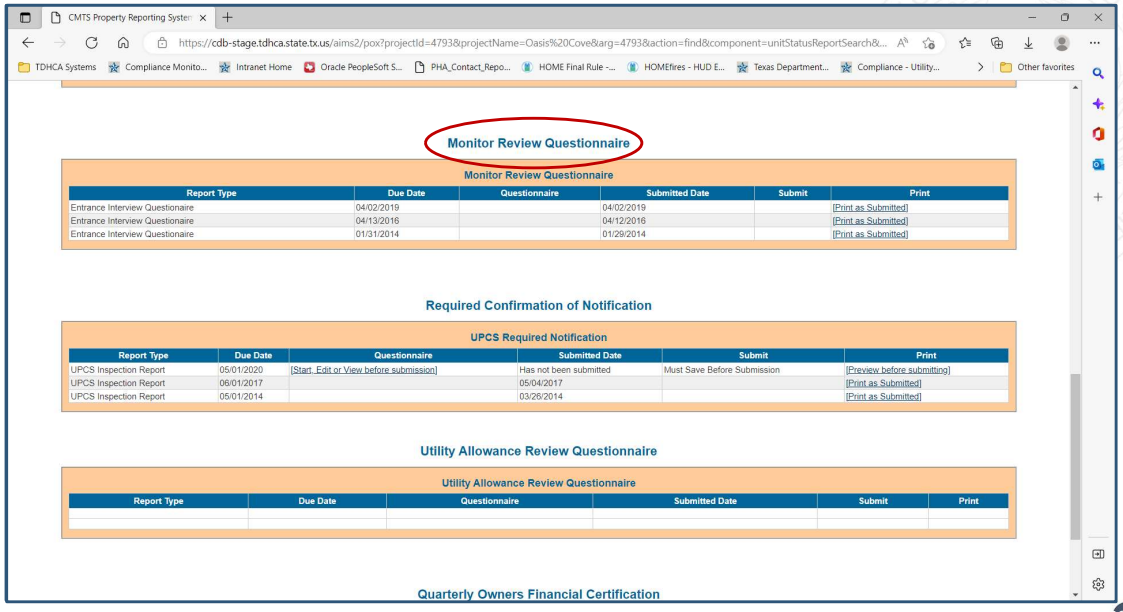
259

Monitor Review Questionnaire: Where is it?



260

260

Monitor Review Questionnaire: Where is it?

Monitor Review Questionnaire

Monitor Review Questionnaire

Report Type	Due Date	Questionnaire	Submitted Date	Submit	Print
Entrance Interview Questionnaire	03/30/2021		03/25/2021		[Print as Submitted]
Entrance Interview Questionnaire	04/23/2018		04/24/2018		[Print as Submitted]
Entrance Interview Questionnaire	05/26/2015		05/14/2015		[Print as Submitted]
Entrance Interview Questionnaire	06/25/2014		06/24/2014		[Print as Submitted]
Entrance Interview Questionnaire	06/10/2013		05/29/2013		[Print as Submitted]
Entrance Interview Questionnaire	07/16/2012		07/09/2012		[Print as Submitted]
Entrance Interview Questionnaire	06/30/2011		06/27/2011		[Print as Submitted]
Entrance Interview Questionnaire	05/27/2010		06/01/2010		[Print as Submitted]
Entrance Interview Questionnaire	07/08/2009	[Start, Edit or View before submission]	Has not been submitted	[Submit]	[Preview before submitting]

261

261

Monitoring Review: CMTS Attachment System

admtdhca2 Property Listings

PROPERTIES

Property ID	Property Name	Annual Owners Compliance Reports	8609 Part II Report	Unit Status Report	Update Contact Information	Edit Manager Password	Reports	Unit Data Upload	Tenant Data Upload	Electronic Document Attachment
1265	Hillcrest House	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (72)
1341	Island Palms Apartments	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (45)
3417	Villas on Sixth Street	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (59)
4609	Carson Marie Terrace	Annual Owners Compliance Reports - 2018		Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (41)
5263	Pathways at Gaston Place	Annual Owners Compliance Reports - 2018		Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (2)

Logout

The Attachment System is used by the Department for a number of purposes. This is the digital filing cabinet for the property and will be used by various divisions (Compliance, Physical Inspections, Asset Management, Fair Housing, Complaints, etc.) to communicate with the Development. It should be monitored regularly and anything uploaded into the system to the property's attention should be responded to accordingly.

262

262

Monitoring Review: CMTS Attachment System

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.

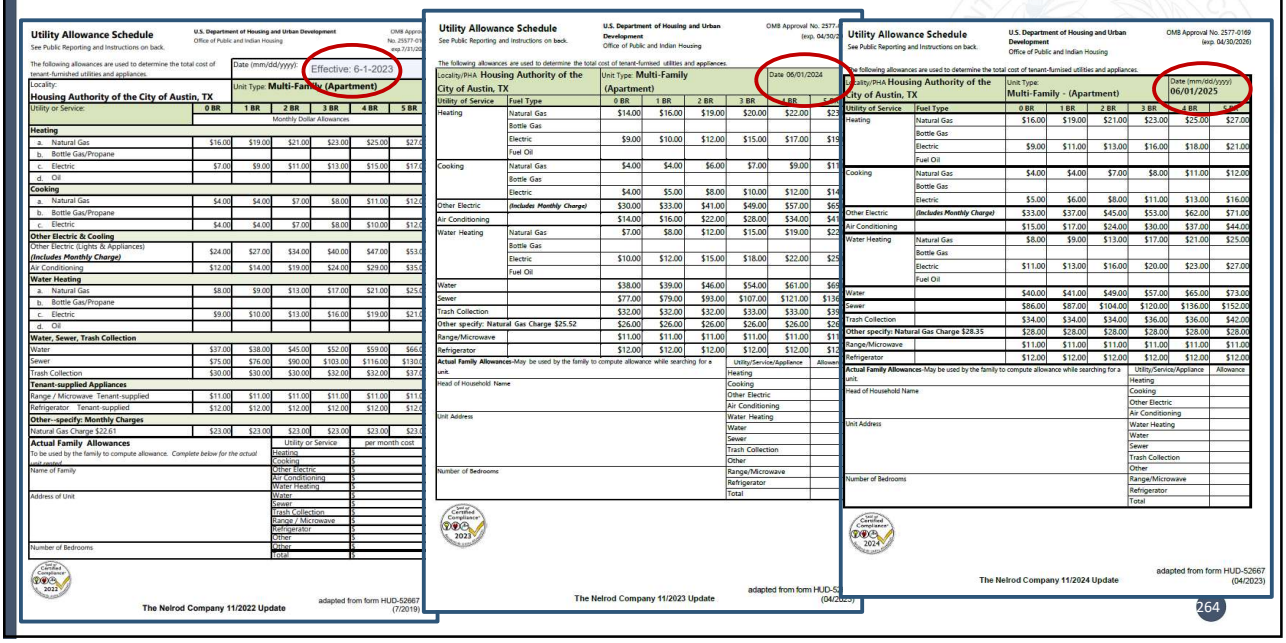
If the company/group would like more than one person notified of uploads into CMTS it is the company/group's responsibility to setup an email address that would allow more persons to be notified. Note: only one email address may be entered for each of these.

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.

263

263

Monitoring Review: Utility Allowance Submission



264

Monitoring Review: Forms 8609 and Certificates of Occupancy

Form 8609 (Rev. December 2021) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: ☐ Addition to Qualified Basis ☐ Amended Form

A Address of building (do not use P.O. box) (see instructions): Pandora Springs Apartments, 1501 Circle S, Austin, TX 78711, 15129; Total Buildings 7, Building 1 of 7

B Name and address of housing credit agency: TDHCA, 221 East 11th Street, Austin, TX 78701-3941

C Name, address, and TIN of building owner receiving allocation: Pandora Springs, LTD., 10503 IH 49, Burnet, TX 78611; TIN ▶ 91-1893333

D Employer identification number of agency: 74-261052

E Building identification number (BIN): TX-15-01201

1a	Date of allocation ▶ 4/1/2019 b Maximum housing credit dollar amount allowable	1b	45,000
2	Maximum applicable credit percentage allowable (see instructions)	2	9.00%
3a	Maximum qualified basis	3a	500,000
b	Check here ▶ ☐ if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	0.00%
5a	Date building placed in service ▶ 1/15/2020		
b	Check here ▶ ☐ if the date of allocation on line 1a is in calendar year 2021 or 2022 and the building is located in a qualified disaster zone (see instructions).		

6 Check the boxes that describe the allocation for the building (check those that apply):
a ☐ Newly constructed and federally subsidized b ☑ Newly constructed and not federally subsidized c ☐ Existing building
d ☐ Sec. 42(e) rehabilitation expenditures federally subsidized e ☐ Sec. 42(e) rehabilitation expenditures not federally subsidized
f ☑ Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Signature of authorized official ▶ pretend Department employee (Name (please type or print)) ▶ 3/23/2021 (Date)

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	500,000
8a	Original qualified basis of the building at close of first year of credit period	8a	500,000
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	☐ Yes ☑ No	
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	☐ Yes ☐ No	
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(5)(B)? ▶	☐ Yes ☐ No	

10 Check the appropriate box for each election.
Caution: Once made, the following elections are irrevocable.
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ ☑ Yes ☐ No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶ ☑ Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions): ☐ 20-50 ☑ 40-60 ☐ Average income ☐ 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) ☐ 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Signature ▶ 74-261052 (Taxpayer identification number) ▶ 2/15/2021 (Date)
▶ pretend owner - FAKE property (Name (please type or print)) ▶ 2021 (First year of the credit period)

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63961U Form 8609 (Rev. 12-2021)

City of Austin, Texas

Certificate of Occupancy

Issued to:

Name of Business: Pandora Springs
Address: 1501 Circle S, Austin TX 78711
Tenant Name: Steven Clark

To be used as/for : Multi-family apartment community;

The above property/structure/tenant space has been inspected for conformance with the City of Austin's building codes and zoning ordinance and is found to be compliant. No change in the occupant, occupancy or use may occur unless a new Certificate of Occupancy is obtained. The issuance of this Certificate of Occupancy may not be construed as an approval of violation of the ordinances of the pretend City of Austin.

Date of Issuance: 10/24/2021

Digitally signed by Cara Pollei Date: 2023.01.11 12:35:24 -06'00'

Special Conditions:
None (this is a pretend CO)

Cara Pollei, Pretend Official

This must be displayed in a conspicuous place on the premises and may not be removed without permission from the Building Official.

If you have received Temporary Certificates of Occupancy those must be submitted also. This will "drive" the Placed-in-Service Date.

This is an important date for special needs and CoC requirements.

265

265

Monitoring Review: Application Fees

REALPAGE

INVOICE

Invice No	Account No	Ref. No	Invoice Date	Page No
[redacted]			10/16/2025	2 of 2

Access Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
RealPage Payments RealPage Spend Management in Accounting SOE-NWP **LOFT Loyalty** Monthly Fees; Unit Pricing; 80 Unit(s); Period 11/01/2025 to 11/30/2025 1.00 Qty(s),80 Unit(s),Total = $0.0000 Charged at flat price of $0.0000 per Unit	80.00	0.0000	0.00	0.00	0.00	0.00
		Total	299.39	0.00	22.22	291.81

Transaction Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
Screening AI Enterprise 09/04/2025 - AppID 3018[redacted] 09/04/2025 - AppID 3018[redacted] 09/08/2025 - AppID 3019[redacted] 09/17/2025 - AppID 3019[redacted]	4.00	18.8200	75.28	0.00	6.21	81.49
LeasingDesk Screening Identity Verification 09/04/2025 - AppID 3018[redacted] 09/04/2025 - AppID 3018[redacted] 09/08/2025 - AppID 3019[redacted] 09/17/2025 - AppID 3019[redacted]	4.00	4.0900	16.36	0.00	1.35	17.71
		Total	91.64	0.00	7.56	99.20

This letter is to confirm the current pricing for **All Properties** managed by [redacted] located within the state of **Texas**. With respect to these properties, the pricing for the **Screening AI Enterprise** and **LeasingDesk Screening Business Credit** products is based on a fee of **$15.35 and $40.00** per applicant. This pricing is pursuant to the **Addendum to Master Agreement**, signed and dated 06/01/2020. Note: Invoices are reconciled periodically, and individual invoices may not represent all charges.

RealPage Screening Product	Item Charge
Screening AI Enterprise	$15.35*
LeasingDesk Screening Business Credit Report	$40.00*
*Total Price excluding taxes where applicable**	

REALPAGE

INVOICE

Invoice No	Account No	Ref. No
[redacted]	[redacted]	[redacted]

Account Name
[redacted]

Invoice Date	Total Due	Due	Page No
09/17/2025	1,130.77	NET 30	1 of 2

PO Box 842899 Dallas TX 75284-2899

[redacted]

RESIDENT ACTIVITY
10/01/2024 through 09/30/2025

[redacted] E [redacted] ST [redacted] MO [redacted]

Totals = Move-Ins: 111 Cancelled/Denied: 106

Access Fees	Qty	Item Charge	Net Charge	S&H	Tax	Ext Charge
RealPage Certified Documents Monthly Fees; Unit Pricing; 144 Unit(s); Period 10/01/2025 to 10/31/2025 1.00 Qty(s),144 Unit(s),Total = $43.2000 [illegible]	144.00	0.3000	43.20	0.00	2.85	46.05
LeasingDesk Screening Enterprise Monthly Fees; Unit Pricing; 122 Unit(s); Period 10/01/2025 to 10/31/2025 144 Unit(s) is adjusted to 122 Qty. based on PPU of 85% Charged at $1.9600 per Unit	122.00	1.9600	239.12	0.00	19.73	258.85
EquiMB @ aerialgManagement_Sys.com Monthly Fees; Unit Pricing; 144 Unit(s); Period 10/01/2025 to 10/31/2025 1.00 Qty(s),144 Unit(s),Total = $61.9200 Charged at $0.4300 per Unit	144.00	0.4300	61.92	0.00	4.09	66.01
Core Property Management Suite - Affordable (Tax Credits) Monthly Fees; Unit Pricing; 144 Unit(s); Period 10/01/2025 to 10/31/2025 Affordable Waitlist LOFT Living Essentials (OneSite) ODE - Collections ODE-Blue Moon OneSite Central Reporting OneSite Document Management OneSite Facilities	144.00	4.9500	712.81	0.00	47.05	759.86

If the development is billed a lump sum monthly, it is also necessary to include the above and a statement of how the application fee was calculated.

266

266

Monitoring Review: Material Participation

Qualified Non Profit Participation

Hammond Housing Community Services is the non-profit member of the general partner.

Pandora Management Group is responsible for directing the operation of the property.

The Non-Profit staff meets monthly with the management company staff about the property operation and issues. Regarding specific issues, the Non-Profit staff meet with whom ever is necessary, i.e. attorneys, accountants, consultants, government personnel, residents, management personnel, etc.

The Non-Profit reviews the budgets, management plans (including staffing, operating procedures, hours of operation, etc), site visits, financial reviews and audit reviews.

As part of the Non-Profit's oversight of the management company, the management company's operation, the property and the property's operation, Hammond Housing Community Services is actively involved in the operation of the property.

267

267

Monitoring Review: Supportive Services

If the LURA requires Supportive Service:

- 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: 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.

268

268

Desk Review: Files Requested

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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Ajay Thomas, Member

January 25, 2023

(512) 475-3821
cara.pollei@tdhca.state.tx.us

Steven Clark
Pandora Springs LTD
Lansing, MI
steven@pandorasprings.com

RE: Pandora Springs CMTS ID: 6223

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
36	40	42	45	47
50	58	61	63	70
73	75	78		

For each file that has been selected, please upload to CMTS the following:

1. Current Lease (all pages)
2. Lease Addendum for good cause and lockout requirements
3. Tenant's Rights and Resources Guide acknowledgment form
4. The Initial Tenant Application(s)
5. Initial Tenant Release and Consent form
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

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

Pandora Springs
Page 2

Additionally, upload the following:

- Tenant Rights and Resources Guide as posted, the pre-review documents only included a photo of the posted Guide.

Please submit each file separately, as one document and labeled as the unit number. ***Maximum file size is 15 MB. Before uploading files, please make sure that you are not creating files with file sizes that are unnecessarily large. For example, a 10 page file should be less than 200 KB in size, not 5 to 10 MB. If you scan to PDF, the resolution on your scanner should be set to 200 dots per inch (DPI) or less. If you convert files from Word or Excel to PDF, please research how to optimize file sizes with the PDF software you use.*

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.

Sincerely,

Cara Pollei
Senior Compliance Monitor

269

269

Desk 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
36	40	42	45	47
50	58	61	63	70
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4. The Initial Tenant Application(s)
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8. Initial Notes or Clarifications to the file
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10. Annual Recertification including application, verification of income, asset and student status or Annual Eligibility Certification
11. Rent Ledger

270

270

Desk Review: Files Requested

Pandora Springs
Page 2

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- Tenant Rights and Resources Guide as posted, the pre-review documents only included a photo of the posted Guide.

271

271

Desk Review: Files Requested

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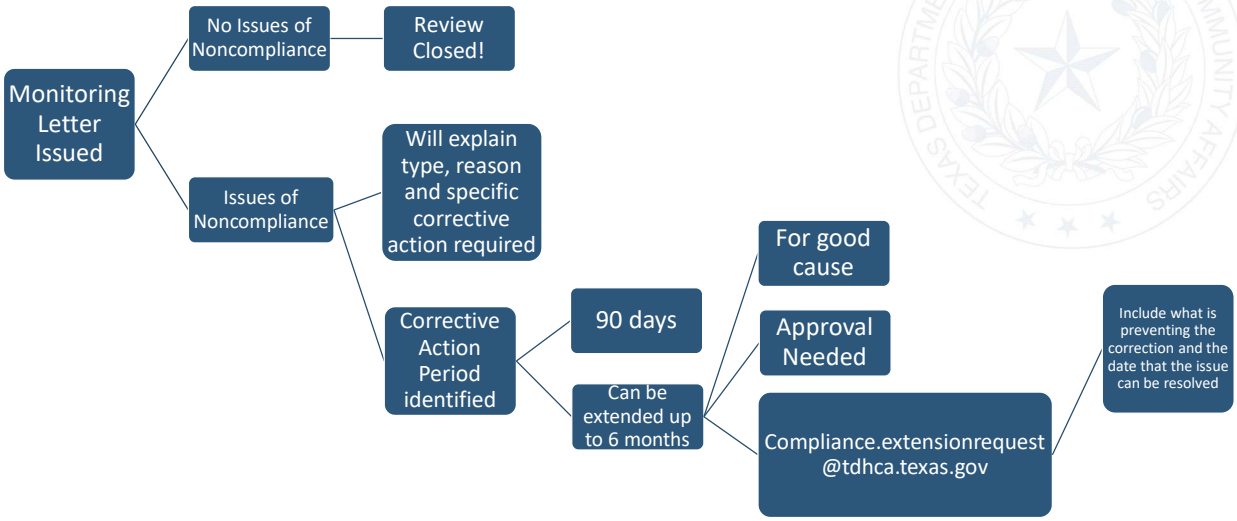
272

272

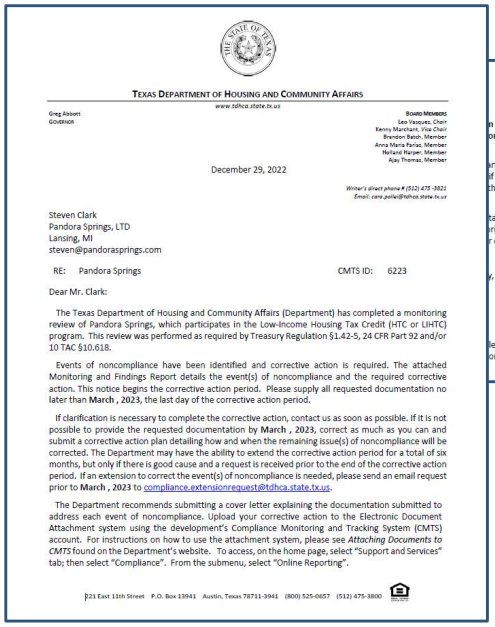
Monitoring Report



273

273

Monitoring Report: The Report



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
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Brandon Batch, Member
Anna Maria Farias, Member
Nelland Harper, Member
Ajay Thomas, Member

December 29, 2022

Writer's direct phone # (512) 475 -3922
Email: cara.pollei@tdhca.state.tx.us

Steven Clark
Pandora Springs, LTD
Lansing, MI
steven@pandorasprings.com

RE: Pandora Springs CMTS ID: 6223

Dear Mr. Clark:

The Texas Department of Housing and Community Affairs (Department) has completed a monitoring review of Pandora Springs, which participates in the Low-Income Housing Tax Credit (HTC or LIHTC) program. This review was performed as required by Treasury Regulation §1.42-5, 24 CFR Part 92 and/or 10 TAC §10.618.

Events of noncompliance have been identified and corrective action is required. The attached Monitoring and Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **March , 2023**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by **March , 2023**, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected. The Department may have the ability to extend the corrective action period for a total of six months, but only if there is good cause and a request is received prior to the end of the corrective action period. If an extension to correct the event(s) of noncompliance is needed, please send an email request prior to **March , 2023** to compliance.extensionrequest@tdhca.state.tx.us.

The Department recommends submitting a cover letter explaining the documentation submitted to address each event of noncompliance. Upload your corrective action to the Electronic Document Attachment system using the development's Compliance Monitoring and Tracking System (CMTS) account. For instructions on how to use the attachment system, please see *Attaching Documents to CMTS* found on the Department's website. To access, on the home page, select "Support and Services" tab; then select "Compliance". From the submenu, select "Online Reporting".

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

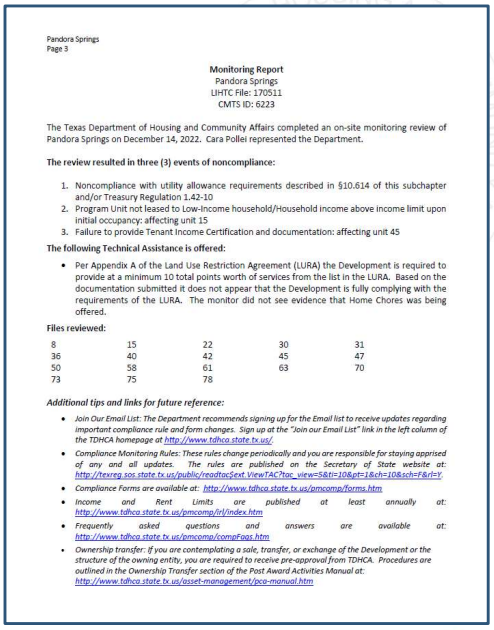
n or before the corrective action deadline
ommittee. Please see 10TAC §2.302 for a

artment to report all noncompliance under
f the noncompliance is corrected. Form(s)
th a copy to the owner, after the corrective

tality and cooperation extended during our
ring report, please contact Cara Pollei toll
r email: cara.pollei@tdhca.state.tx.us.

y,

lei
ompliance Monitor



Pandora Springs
Page 3

Monitoring Report
Pandora Springs
LIHTC File: 170511
CMTS ID: 6223

The Texas Department of Housing and Community Affairs completed an on-site monitoring review of Pandora Springs on December 14, 2022. Cara Pollei represented the Department.

The review resulted in three (3) events of noncompliance:

1. Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation 1.42-10
2. Program Unit not leased to Low-Income household/Household income above income limit upon initial occupancy: affecting unit 15
3. Failure to provide Tenant Income Certification and documentation: affecting unit 45

The following Technical Assistance is offered:

- Per Appendix A of the Land Use Restriction Agreement (LURA) the Development is required to provide at a minimum 10 total points worth of services from the list in the LURA. Based on the documentation submitted it does not appear that the Development is fully complying with the requirements of the LURA. The monitor did not see evidence that Home Chores was being offered.

Files reviewed:

8	15	22	30	31
36	40	42	45	47
50	58	61	63	70
73	75	78		

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 at the "Join our Email List" link in the left column of the TDHCA homepage at http://www.tdhca.state.tx.us/.*
- *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: http://www.tdhca.state.tx.us/pmcomp/forms.htm*
- *Income and Rent Limits are published at least annually at: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm*
- *Frequently asked questions and answers are available at: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm*
- *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.state.tx.us/asset-management/pca-manual.htm*

274

274

Monitoring Report: The Report

Events of noncompliance have been identified and corrective action is required. The attached Monitoring and Findings Report details the event(s) of noncompliance and the required corrective action. This notice begins the corrective action period. Please supply all requested documentation no later than **March 29, 2023**, the last day of the corrective action period.

If clarification is necessary to complete the corrective action, contact us as soon as possible. If it is not possible to provide the requested documentation by **March 29, 2023**, correct as much as you can and submit a corrective action plan detailing how and when the remaining issue(s) of noncompliance will be corrected. The Department may have the ability to extend the corrective action period for a total of six months, but only if there is good cause and a request is received prior to the end of the corrective action period. If an extension to correct the event(s) of noncompliance is needed, please send an email request prior to **March 29, 2023** to compliance.extensionrequest@tdhca.state.tx.us.

275

275

Monitoring Report: The Report

The Texas Department of Housing and Community Affairs completed an on-site monitoring review of Pandora Springs on December 14, 2022. Cara Pollei represented the Department.

The review resulted in three (3) events of noncompliance:

1. Noncompliance with utility allowance requirements described in §10.614 of this subchapter and/or Treasury Regulation 1.42-10
2. Program Unit not leased to Low-Income household/Household income above income limit upon initial occupancy: affecting unit 15
3. Failure to provide Tenant Income Certification and documentation: affecting unit 45

The following Technical Assistance is offered:

- Per Appendix A of the Land Use Restriction Agreement (LURA) the Development is required to provide at a minimum 10 total points worth of services from the list in the LURA. Based on the documentation submitted it does not appear that the Development is fully complying with the requirements of the LURA. The monitor did not see evidence that Home Chores was being offered.

276

276

Monitoring Report: The Report

Files reviewed:

8	15	22	30	31
36	40	42	45	47
50	58	61	63	70
73	75	78		

277

277

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 at the "Join our Email List" link in the left column of the TDHCA homepage at http://www.tdhca.state.tx.us/.*
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- *Compliance Forms are available at: http://www.tdhca.state.tx.us/pmcomp/forms.htm*
- *Income and Rent Limits are published at least annually at: http://www.tdhca.state.tx.us/pmcomp/irl/index.htm*
- *Frequently asked questions and answers are available at: http://www.tdhca.state.tx.us/pmcomp/compFaqs.htm*
- *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.state.tx.us/asset-management/pca-manual.htm*

278

278

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

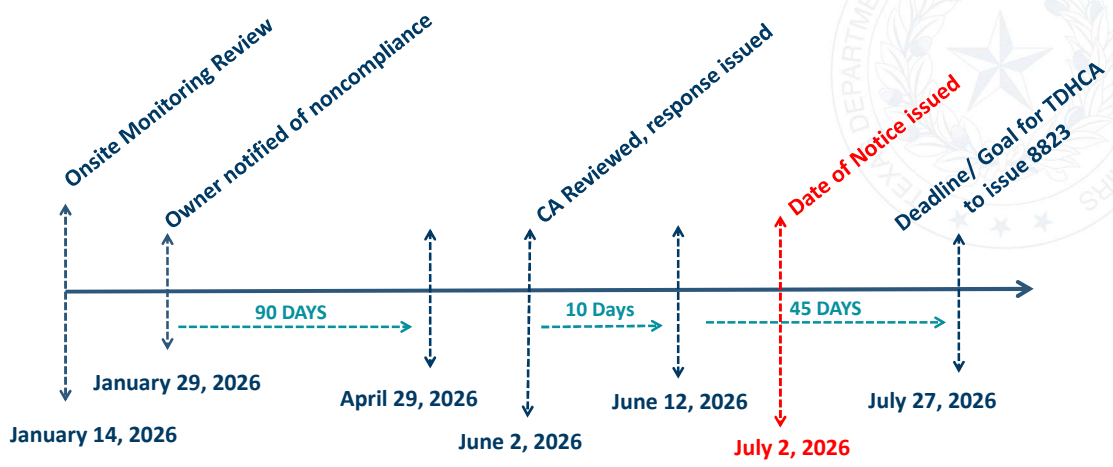
Unit # 15 **Bldg. #** 03 **BIN #** TX175101103

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

279

279

Monitoring Report: The Timeline



280

280

Form 8823: Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition

Form **8823** (Rev. June 2011) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition

Note: *File a separate Form 8823 for each building that is disposed of or goes out of compliance.*

OMB No. 1545-1204

Check here if this is an amended return ▶ ☐

IRS Use Only

1 Building name (if any). Check if item 1 differs from Form 8609 ▶ ☐

Street address

City or town, state, and ZIP code

2 Building identification number (BIN)

3 Owner's name. Check if item 3 differs from Form 8609 ▶ ☐

Street address

City or town, state, and ZIP code

4 **Owner's** taxpayer identification number ☐ EIN ☐ SSN

5 Total credit allocated to this BIN ▶ $

6 If this building is part of a multiple building project, enter the number of buildings in the project ▶

7a Total number of residential units in this building ▶

b Total number of low-income units in this building ▶

c Total number of residential units in this building determined to have noncompliance issues ▶

d Total number of units reviewed by agency (see instructions) ▶

8 Date building ceased to comply with the low-income housing credit provisions (see instructions) (MMDDYYYY)

9 Date noncompliance corrected (if applicable) (see instructions) (MMDDYYYY)

10 Check this box if you are filing only to show correction of a previously reported noncompliance problem ▶ ☐

11 Check the box(es) that apply:	Out of compliance	Noncompliance corrected
a Household income above income limit upon initial occupancy	☐	☐
b Owner failed to correctly complete or document tenant's annual income recertification	☐	☐
c Violation(s) of the UPCS or local inspection standards (see instructions) (attach explanation)	☐	☐
d Owner failed to provide annual certifications or provided incomplete or inaccurate certifications	☐	☐
e Changes in Eligible Basis or the Applicable Percentage (see instructions)	☐	☐
f Project failed to meet minimum set-aside requirement (20/50, 40/60 test) (see instructions)	☐	☐
g Gross rent(s) exceed tax credit limits	☐	☐
h Project not available to the general public (see instructions) (attach explanation)	☐	☐
i Violation(s) of the Available Unit Rule under section 42(g)(2)(D)(ii)	☐	☐
j Violation(s) of the Vacant Unit Rule under Reg. 1.42-5(c)(1)(ix)	☐	☐
k Owner failed to execute and record extended-use agreement within time prescribed by section 42(h)(6)(J)	☐	☐
l Low-income units occupied by nonqualified full-time students	☐	☐
m Owner did not properly calculate utility allowance	☐	☐
n Owner has failed to respond to agency requests for monitoring reviews	☐	☐
o Low-income units used on a transient basis (attach explanation)	☐	☐
p Building is no longer in compliance nor participating in the section 42 program (attach explanation)	☐	
q Other noncompliance issues (attach explanation)	☐	☐

12 Additional information for any item above. Attach explanation and check box ▶ ☐

13a Building disposition by ☐ Sale ☐ Foreclosure ☐ Destruction ☐ Other (attach explanation)

b Date of disposition (MMDDYYYY)

c New owner's name

d **New owner's** taxpayer identification number ☐ EIN ☐ SSN

Street address

14 Name of contact person

City or town, state, and ZIP code

15 Telephone number of contact person Ext.

Under penalties of perjury, I declare that I have examined this report, including accompanying statements and schedules, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of authorizing official ▶ Print name and title ▶ Date (MMDDYYYY)

For Paperwork Reduction Act Notice, see instructions. Cat. No. 12300D Form **8823** (Rev. 6-2011)

This form is completed by the Department

This is the mechanism used by the State Housing Finance Agency (SHFA or HFA) to report noncompliance in a building to the Internal Revenue Service (IRS)

281

281

Form 8823: Types of Noncompliance

Form **8823** **Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition** OMB No. 1545-1204

11 Check the box(es) that applies:	Out of compliance	Noncompliance corrected
a Household income above income limit upon initial occupancy	☐	☐
b Owner failed to correctly complete or document tenant's annual income recertification	☐	☐
c Violation(s) of the UPCS or local inspection standards including casualty losses (see instructions) (attach explanation)	☐	☐
d Owner failed to provide annual certifications or provided incomplete or inaccurate certifications	☐	☐
e Changes in Eligible Basis or the Applicable Percentage (see instructions)	☐	☐
f Project failed to meet minimum set-aside requirement (20/50, 40/60, average income test) (see instructions)	☐	☐
g Gross rent(s) exceeds limits	☐	☐
h Project not available to the general public (see instructions) (attach explanation)	☐	☐
i Violation(s) of the Available Unit Rule under section 42(g)(2)(D)(ii)	☐	☐
j Violation(s) of the Vacant Unit Rule under Reg. 1.42-5(c)(1)(ix)	☐	☐
k Owner failed to execute and record extended-use agreement within time prescribed by section 42(h)(6)(J)	☐	☐
l Low-income units occupied by nonqualified full-time students	☐	☐
m Owner did not properly calculate utility allowance	☐	☐
n Owner has failed to respond to agency requests for monitoring reviews	☐	☐
o Low-income units used on a transient basis (attach explanation)	☐	☐
p Building is no longer in compliance nor participating in the section 42 program. (Attach explanation.)	☐	
q Other noncompliance issues (attach explanation)	☐	☐

12 Additional information for any line above. Attach explanation and check box ▶ ☐

▶ Signature of authorizing official ▶ Print name and title ▶ Date (MMDDYYYY)

For Paperwork Reduction Act Notice, see instructions. Cat. No. 12300D Form **8823** (Rev. 6-2011)

282

282

Form 8823: Types of Noncompliance

Form **8823** (Rev. June 2011) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition

Note: File a separate Form 8823 for each building that is disposed of or goes out of compliance.

OMB No. 1545-1204

Check here if this is an amended return ▶ ☐

IRS Use Only

1 Building name (if any). Check if item 1 differs from Form 8609 ▶ ☐

Street address

City or town, state, and ZIP code

2 Building identification number (BIN)

3 Owner's name. Check if item 3 differs from Form 8609 ▶ ☐

Street address

City or town, state, and ZIP code

4 **Owner's** taxpayer identification number ☐ EIN ☐ SSN

5 Total credit allocated to this BIN ▶ $

6 If this building is part of a multiple building project, enter the number of buildings in the project ▶

7a Total number of residential units in this building ▶

b Total number of low-income units in this building ▶

c Total number of residential units in this building determined to have noncompliance issues ▶

d Total number of units reviewed by agency (see instructions) ▶

8 Date building ceased to comply with the low-income housing credit provisions (see instructions) (MMDDYYYY)

9 Date noncompliance corrected (if applicable) (see instructions) (MMDDYYYY)

10 Check this box if you are filing only to show correction of a previously reported noncompliance problem ▶ ☐

11 Check the box(es) that apply:	Out of compliance	Noncompliance corrected
a Household income above income limit upon initial occupancy	☐	☐
b Owner failed to correctly complete or document tenant's annual income recertification	☐	☐
c Violation(s) of the UPCS or local inspection standards (see instructions) (attach explanation)	☐	☐
d Owner failed to provide annual certifications or provided incomplete or inaccurate certifications	☐	☐
e Changes in Eligible Basis or the Applicable Percentage (see instructions)	☐	☐
f Project failed to meet minimum set-aside requirement (20/50, 40/60 test) (see instructions)	☐	☐
g Gross rent(s) exceed tax credit limits	☐	☐
h Project not available to the general public (see instructions) (attach explanation)	☐	☐
i Violation(s) of the Available Unit Rule under section 42(g)(2)(D)(ii)	☐	☐
j Violation(s) of the Vacant Unit Rule under Reg. 1.42-5(c)(1)(ix)	☐	☐
k Owner failed to execute and record extended-use agreement within time prescribed by section 42(h)(6)(J)	☐	☐
l Low-income units occupied by nonqualified full-time students	☐	☐
m Owner did not properly calculate utility allowance	☐	☐
n Owner has failed to respond to agency requests for monitoring reviews	☐	☐
o Low-income units used on a transient basis (attach explanation)	☐	☐
p Building is no longer in compliance nor participating in the section 42 program (attach explanation)	☐	
q Other noncompliance issues (attach explanation)	☐	☐

12 Additional information for any item above. Attach explanation and check box ▶ ☐

13a Building disposition by ☐ Sale ☐ Foreclosure ☐ Destruction ☐ Other (attach explanation)

b Date of disposition (MMDDYYYY)

c New owner's name

d **New owner's** taxpayer identification number ☐ EIN ☐ SSN

Street address

14 Name of contact person

City or town, state, and ZIP code

15 Telephone number of contact person Ext.

Under penalties of perjury, I declare that I have examined this report, including accompanying statements and schedules, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of authorizing official ▶ Print name and title ▶ Date (MMDDYYYY)

For Paperwork Reduction Act Notice, see instructions. Cat. No. 12368D Form **8823** (Rev. 6-2011)

Each category has a corresponding Chapter in the *Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit Technique Guide: Guide for Completing Form 8823*

283

283

Noncompliance Status System

Is it corrected?

- YES!
  - Corrected in the corrective action period?
    - YES
    - NO…
      - Considered in future funding decisions
- NO…
  - Considered in future funding decisions

284

284

Monitoring: Learning Point 1

Failure to submit the Annual Owner Compliance Report (AOCR) by April 30th will result in an issue of noncompliance. True or false?

A True

B False

285

285

Monitoring: Learning Point 2

If the Development has Certificates of Occupancy and Temporary Certificates; which should be submitted?

A Both

B Neither

286

286

Monitoring: Learning Point 3

When there are issues of noncompliance the development will be given a 6-month Corrective Action Period?

A True

B False

287

287

Monitoring: Learning Point 4

All issues of noncompliance, including violations of State specific requirements, are reported to the IRS on Form 8823?

A True

B False

288

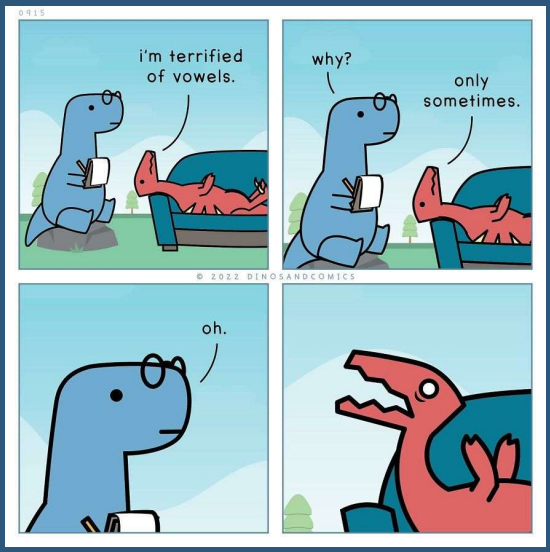
288

What happens if you do not agree?

Contact the Monitor and/or the Director of Compliance Monitoring	
National Center for Housing Management (NCHM)	• Income/Asset • Inclusion/Exclusions
Internal Revenue Service (IRS)	• HTC Specific Program concerns

289

289



THANK YOU!

Housing Tax Credit 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

290