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Contact Information

<p>Mailing Address: TDHCA PO Box 13941 Austin, TX 78711-3941</p>	<p>Physical Address: TDHCA 221 East 11th Street Austin, TX 78701</p>
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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)

A faint, light-colored watermark of the TDHCA seal is visible in the background of the contact information section.

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Announcements

Schedule:

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

Housekeeping:

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



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GoTo Meeting Platform

GoTo

No active cameras

18:00

You're in pre-broadcast mode. Attendees can't see or hear you yet, but they can see any screens you share.

Start Broadcast

Nobody has shared their screen or turned on their camera yet

Welcome to the webinar,
the presentation will start soon.

Today's topic:
Office Hours and PFC Training for Post June 18, 2023

Manager of Compliance...
Texas Dept. of Housing
& Comm. Affairs

Christina
Thompson
PFC Monitor
Texas Dept. of Housing
& Comm. Affairs

Record React Mic Camera Share Tools Leave Captions Pop out

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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>



Resources



Resources

- **Housing and Urban Development (HUD)**

- <https://www.hud.gov/>
- <https://www.hud.gov/hudclips/handbooks/housing-4350-3>
- https://www.hud.gov/program_offices/public_indian_housing/hotmaresources
- <https://www.hudexchange.info/programs/home-arp/>
- <https://www.ecfr.gov/current/title-24/subtitle-A/part-92?toc=1>

- **Texas Department of Housing and Community Affairs (TDHCA)**

- <https://www.tdhca.texas.gov/>
- <https://www.tdhca.texas.gov/compliance>
- <https://www.tdhca.texas.gov/compliance-manuals-and-rules>
- <https://www.tdhca.texas.gov/compliance-division-staff>
- <https://www.tdhca.texas.gov/programs/multifamily-housing-programs>
- <https://www.tdhca.texas.gov/programs/home-american-rescue-plan>
- https://texas-sos.appianportalsgov.com/rules-and-meetings?chapter=10&interface=VIEW_TAC&part=1&subchapter=F&title=10



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Module 1

Multifamily Direct Loan Programs



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Multifamily Direct Loan (MFDL) Programs

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

Multifamily Direct Loan (MFDL) Documents

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

MFDL Program Details

HOME/TCAP-RF

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

NSP

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

NHTF

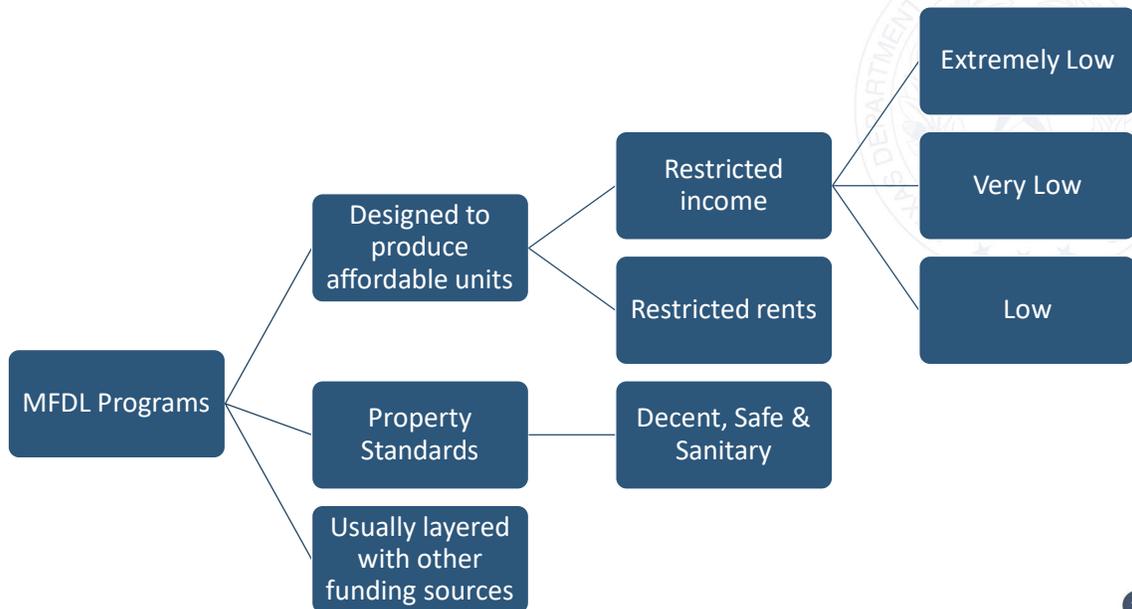
- 24 CFR Part 93
- Housing Trust Fund Interim Rule
- Title 10 of the Texas Administrative Code, Chapter 10

HOME-ARP

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



MFDL Program Overview



MFDL Program Project Completion

Completion for Rental

All construction work is completed and property standards achieved

Final draw of MFDL funds disbursed

Rental units are available for occupancy and marked vacant in IDIS

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Key Players: HUD

US Department of Housing and Urban Development (HUD)

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



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Key Players: The Department

Texas Department of Housing and Community Affairs (TDHCA)

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



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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



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Module 2



Income and Rent Limits

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Income and Rent Limits



Income Limits	Rent Limits
Published by HUD Annually	Applicable Rent Limits
County/MSA	County/MSA
Based on household size	Based on unit size
	Gross Rent Floor

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

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Income and Rent Limits: Key Points

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

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Annual Review of Rents

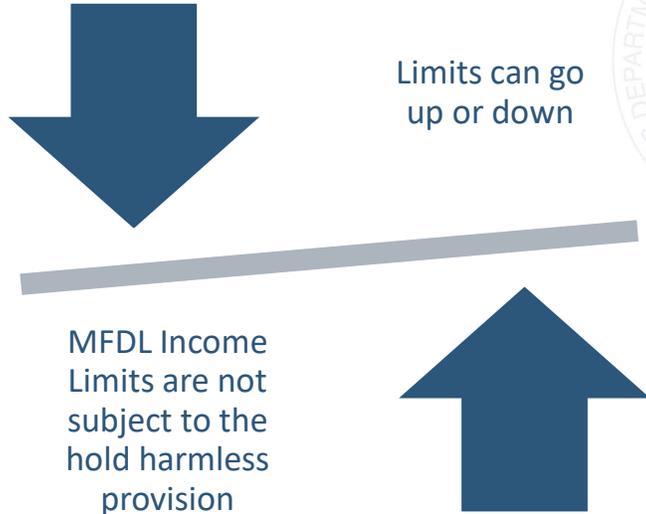
10 TAC §10.403(a)-(d) Annual Review of MFDL Rents

- **Commitment of funds occurred on or after August 23, 2013**
- The Asset Management Division will annually approve or deny rents
- Owner must submit documentation no later than **August 1st** of each year in accordance with the rule
 - Provide a current rent roll and Department approved Utility Allowance
- Review process is completed within 30 days
- A signed letter will be provided to the owner and uploaded into CMTS
- Failure to submit as required is an issue of noncompliance

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Income Limit Changes



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

Income and Rent Limits

If you or someone you know is interested in learning more about the 2025 HOME Program income limits and rent limits that are effective for all new leases and lease renewals after 06/01/2025, visit our Help for...

The 2025 Housing Tax Credit limits are effective 04/01/2025. The 2025 NSP income limits are effective 06/01/2025. The Community Planning Division (CPD) of HUD released the 2025 HOME Program income limits effective 06/01/2025 and rent limits that are effective for all new leases and lease renewals after 06/01/2025. The 2025 National Housing Trust Fund income and rent limits are effective 06/01/2025.

County	TRAVIS
Financing	Home - TCAP/RF - Home ARP
Place	Not Selected
Project PIS Date	Before 12/31/2008
Carryover/Determination Notice/Subaward Assessment Date	Before 12/31/2008
For Home and NSP Only	On or After 06/01/2025
Submit	

Helpful Tools

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

Housing Tax Credit, Tax Exempt Bond, HOME, Neighborhood Stabilization and Housing Trust Fund rental development programs

[Income and Rent Tool](#)

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

County: TRAVIS
 Financing: Home - TCAP/RF - Home ARP
 Place: Not Selected
 Project PIS Date: Before 12/31/2008
 Carryover/Determination Notice/Subaward Agreement date: Before 12/31/2008
 For Home and NSP Only: On or After 06/01/2025

Submit Bookmark

MTSP Median Income : 133800

Income Limits

Income	1	2	3	4	5	6	7	8
30	28150	32150	36150	40150	43400	46600	49800	53000
40	37480	42840	48200	53520	57840	62120	66400	70680
50	46850	53550	60250	66900	72300	77650	83000	88350
60	56220	64260	72300	80280	86760	93180	99600	106020
80	72950	83400	93800	104200	112550	120900	129250	137550

Rent Limits

Rent	0	1	2	3	4	5
30	703	753	903	1044	1165	1285
40	937	1004	1205	1392	1553	1713
HIGH	1503	1611	1936	2227	2465	2701
LOW	1171	1255	1506	1740	1941	2141

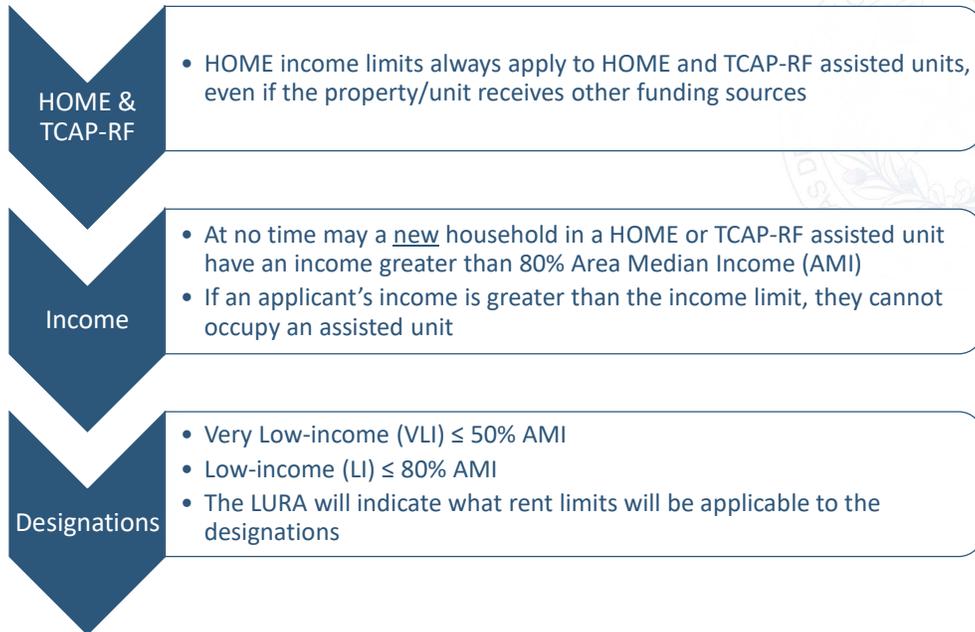
Print to PDF Export to Excel

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

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Income and Rent Limits: HOME & TCAP-RF



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Income and Rent Limits: HOME-ARP

HOME-ARP

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

Income

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

Designations

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

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Income and Rent Limit Tool: Neighborhood Stabilization Program

Income and Rent Limits

If you or someone you know is in need of a visit our [Help for Texans Page](#).

Helpful Tools

- [Reasonable Accommodation and Reasonable Modification Info](#)
- [Tenant Handout: Income and Rent Limits](#) [English \(PDF\)](#) [Spanish \(PDF\)](#)
- [Income and Rent Limits in TDHCA-Supported Properties](#)
- [Archived Income and Rent Limits](#)

Housing Tax Credit, Tax Exempt Bond and Housing Trust Fund rental development

Income and Rent Tool

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

County:	TRAVIS
Financing:	NSP
Place:	Not Selected
Project PIS Date:	Before 12/31/2008
Carryover/Determination Notice/Subaward Agreement date:	Before 12/31/2008
For Home and NSP Only:	On or After 06/01/2025

Submit Bookmark

MTSP Median Income : 133800

Income Limits

Income	1	2	3	4	5	6	7	8
30	28110	32130	36150	40140	43380	46590	49800	53010
40	37480	42840	48200	53520	57840	62120	66400	70680
50	46850	53550	60250	66900	72300	77650	83000	88350
60	56220	64260	72300	80280	86760	93180	99600	106020
80	74960	85680	96400	107040	115680	124240	132800	141360
120	112400	128450	144500	160550	173400	186250	199100	211950

Rent Limits

Rent	0	1	2	3	4	5
30	703	753	903	1044	1165	1285
40	937	1004	1205	1392	1553	1713
HIGH	1503	1611	1936	2227	2465	2701
LOW	1171	1255	1506	1740	1941	2141

Print to PDF Export to Excel

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Income and Rent Limits: NSP

NSP

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

Income

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

Designations

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

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Income and Rent Limit Tool: National Housing Trust Fund

Income and Rent Limits

If you or someone you know is in need visit our [Help for Texans Page](#).

Helpful Tools

- [Reasonable Accommodation and Reasonable Modification InfoGraphic](#)
- [Tenant Handout: Income and Rent Limits](#) [English \(PDF\)](#) [Spanish \(PDF\)](#)
- [Income and Rent Limits in TDHCA-Supported Properties](#)
- [Archived Income and Rent Limits](#)

Housing Tax Credit, Tax Exempt and Housing Trust Fund rental

Income and Rent Tool

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

County:	TRAVIS
Financing:	National Housing Trust Fund
Place:	Not Selected
Project PIS Date:	Before 12/31/2008
Carryover/Determination Notice/Subaward Agreement date:	Before 12/31/2008
For Home and NSP Only:	On or Before 05/31/2025

MTSP Median Income : 133800

Income Limits

Income	1	2	3	4	5	6	7	8
15	14075	16075	18075	20075	21700	23300	24900	27075
30	28150	32150	36150	40150	43400	46600	49800	54150

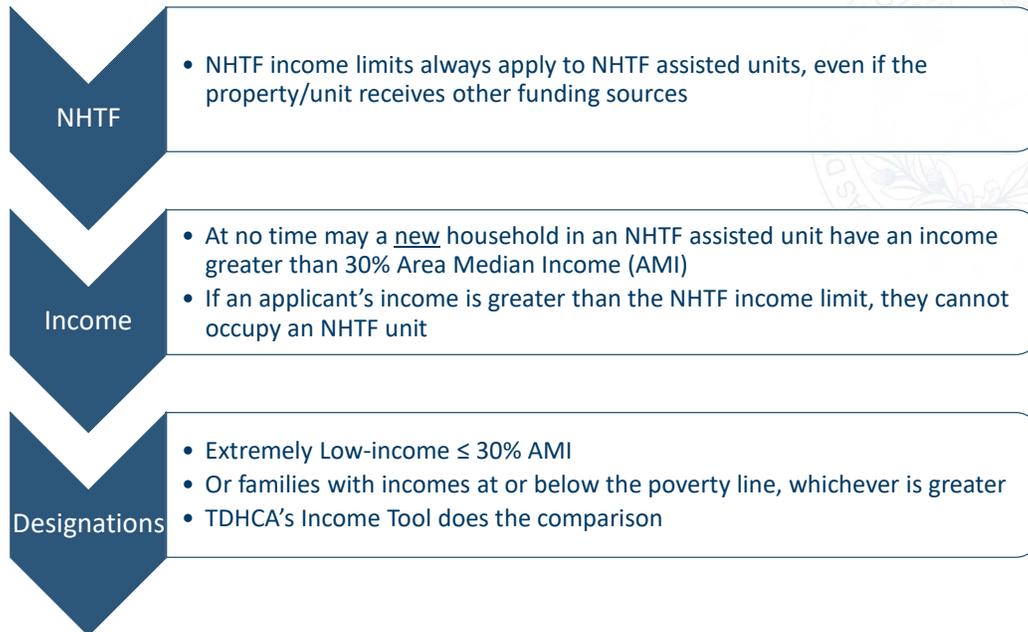
Rent Limits

Rent	0	1	2	3	4	5	6
HTF-15	352	377	452	522	583	643	746
HTF-30	703	753	903	1044	1165	1285	1491

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Income and Rent Limits: NHTF



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Rent and Income Limits: Learning Point 1

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

- A** No, that is not fair!
- B** Yes, HUD does not hold MFDL limits harmless.
- C** They may decrease, but it is up to the owner to decide if they want to implement them.

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Rent and Income Limits: Learning Point 2

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

- A True
- B False

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Rent and Income Limits: Learning Point 3

The development received a commitment of funds on January 18, 2012; the owner must submit rents to asset management annually by August 1st?

- A True
- B False

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Module 3

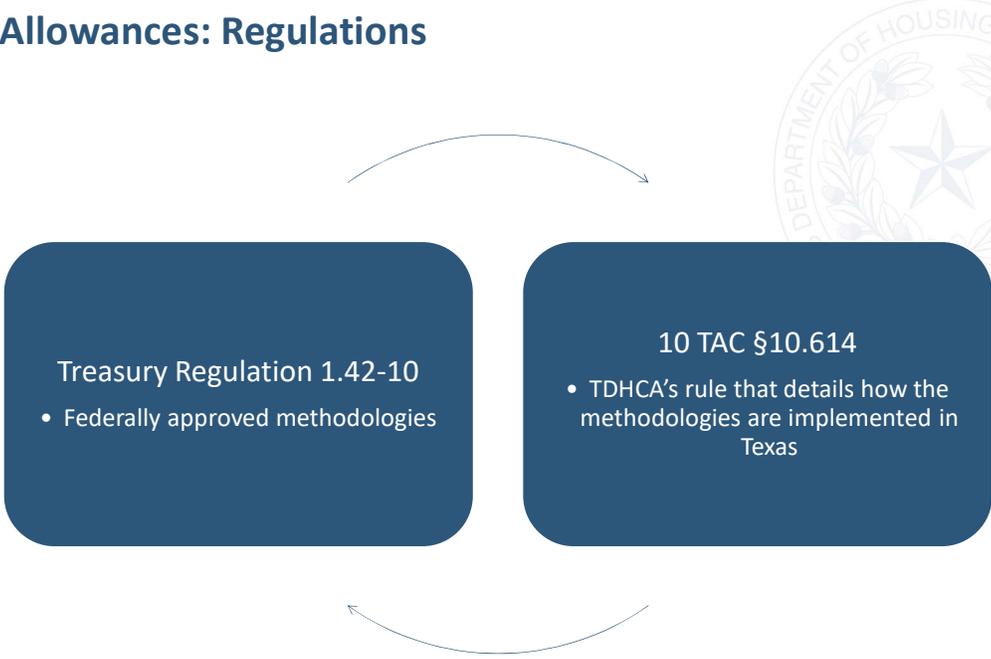
Utility Allowances, Fees and Rent



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Utility Allowances: Regulations



Treasury Regulation 1.42-10

- Federally approved methodologies

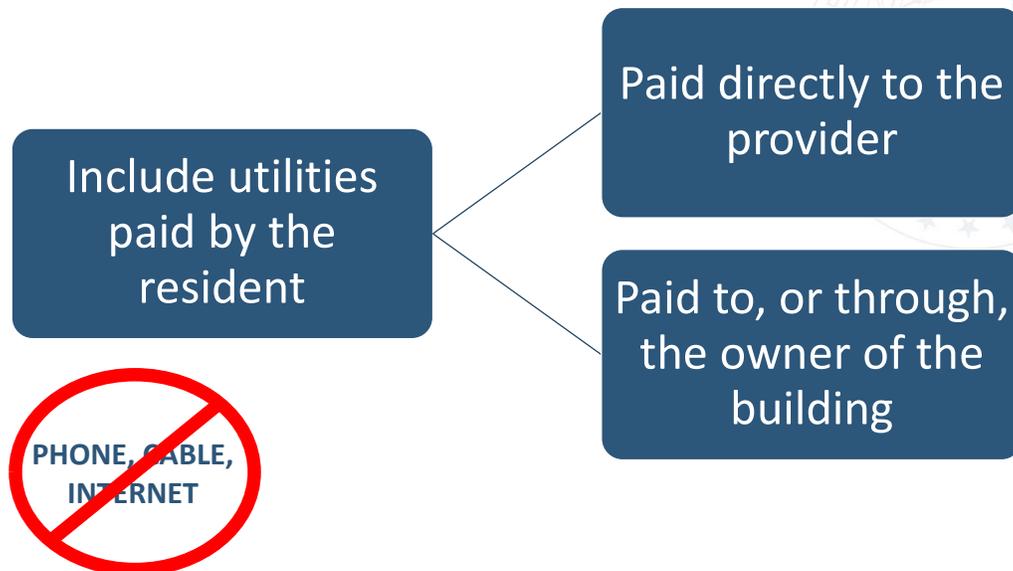
10 TAC §10.614

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

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Utility Allowances: What's Included



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Utility Allowances: Multifamily Notice H-2015-4

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

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

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Utility Allowances: Multifamily Notice H-2015-4



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

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Utility Allowances: MFDL without Federal Funds

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

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

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

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

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Utility Allowances: Methodologies

The PHA Method can be used at HOME-ARP properties only, without other MFDL funds, annual submission requirements must be met.

- Rural Housing Services (RHS or RD)
- HUD-Issued Utility Allowance
- Public Housing Authority (PHA)**
- Written Local Estimate (WLE)
- Energy Consumption Model (ECM)
- Actual Use Method
- HUD Utility Schedule Model (HUSM)

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Utility Allowances: USDA Rural Housing

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

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

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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, a copy of the decision.

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

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Utility Allowances: HUD-Regulated Buildings

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

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Utility Allowances: HUD Rent Schedule

HUD Project Based Program:

RECEIVED
10/2/2025
SHCC

OMB Approval No. 2000-0012
(exp. 11/30/2025)

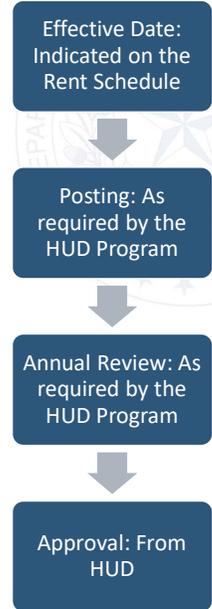
U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

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

Project Name: [REDACTED] PHA Project Number: [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. 8 Utility Allowances (Effective Date) 8/1/2025	Col. 8 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)	Col. 5 Monthly Contract Rent Potential (Effective Date) 8/1/2025			Col. 7 Rent Per Unit	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	\$1,154	\$50,776	\$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)			



Utility Allowances: Department Issued MFDL Funds

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Greg Abbott, Governor

October 8, 2025

Dear Chris [REDACTED]:

The Texas Department of Housing and Community Affairs (the Department) has calculated the utility allowance for your building in accordance with 10 TAC §10.614(d)(3) and HOME Final Rule as a result of the Department Multifamily Direct Loan (MFDL) program. This allowance is calculated in representation that the building(s) are not RHC assisted or have RHC assisted tenants, and that the Department required to calculate the utility allowance under HUD Multifamily Notice H-2025-4.

Please review the attached utility allowance schedule dated October 8, 2025, for errors related to characteristics of the building(s), the utilities paid by the residents, or the type of utilities provided at the Development. If there are errors related to these items, otherwise, the attached utility allowance schedule is the only allowance approved for use and must be implemented for all units in all programs by November 7, 2025, after the date of this notification. It is the sole responsibility of the owner to implement the allowance for units as 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 requirements for annual review. If the owner wishes to switch the methodology used to calculate the Utility Allowance, prior approval from the Department is required.

If you have questions about this review, please contact Cara Politi via email at cara.politi@dhcca.texas.gov.

Sincerely,
Cara Politi, Team Leader of Compliance Monitoring

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Greg Abbott, Governor

February 25, 2025

Dear Brad [REDACTED]:

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on February 19, 2025, by [REDACTED] to calculate the utility allowance using the Energy Consumption Model method described in 10TAC §10.614(d)(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 RHC assisted buildings or RHC 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



Utility Allowances: HOME Funds from the Department

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

Written Local Estimate (WLE)

Energy Consumption Model (ECM)

These methods are available for HOME funded developments

HUD Utility Schedule Model (HUSM)

Actual Use Method

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

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Utility Allowances: PHA Schedule

Effective Date: Within 90 days

↓

Posting: Not Required

↓

Annual Review: When PHA publishes

↓

Approval: Not required

HOME-ARP
only

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Utility Allowances: Written Local Estimate

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

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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

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Utility Allowances: HUD Utility Schedule Model

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

October 2, 2025

Dear [REDACTED]:

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

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

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

The Notice to the Residents was posted on September 29, 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. Otherwise, the attached utility allowance schedule is effective for rent due after December 27, 2025.

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

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

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

Allowances for Tenant-Furnished Utilities and Other Services

Utility or Service	Green Discount			Single Family Attached Monthly Dollar Allowance		
	None	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas					
	Bottled Gas					
	Electric Resistance	\$17.46	\$19.80	\$23.20	\$26.61	
	Electric Heat Pump					
Fuel Oil						
Cooking	Natural Gas					
	Bottled Gas					
Electric		\$4.05	\$4.70	\$6.89	\$9.02	\$11.15
						\$13.28
Other Electric		\$10.33	\$22.74	\$31.64	\$40.54	\$46.44
					\$47.04	\$58.34
Air Conditioning		\$10.30	\$12.12	\$20.73	\$29.34	
						\$46.64
Water Heating	Natural Gas					
	Bottled Gas					
Electric		\$11.72	\$13.79	\$17.60	\$21.41	
Fuel Oil						
Water						
Sewer						
Trash Collection						
Range/Microwave						
Refrigerator						
Other - specify						
Total		\$52.86	\$73.21	\$100.07	\$126.92	\$153.78
Total Allowance (Rounded Up)		\$53.00	\$74.00	\$101.00	\$127.00	\$154.00

Effective Date: 90 days from the "Form Date"

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

Annual Review: Once per calendar year

Approval: From TDHCA

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Utility Allowances: Actual Use Method

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

Unit Numbers	Bedrooms	Bathroom
105	1	1
107	1	1
204	1	1
305	1	1
306	1	1

Total Usage

4542
5819
10719
2714
7549

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

September 22, 2025

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(c)(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 23, 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

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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.**

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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. *****

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Utility Allowances: Combining Methodologies

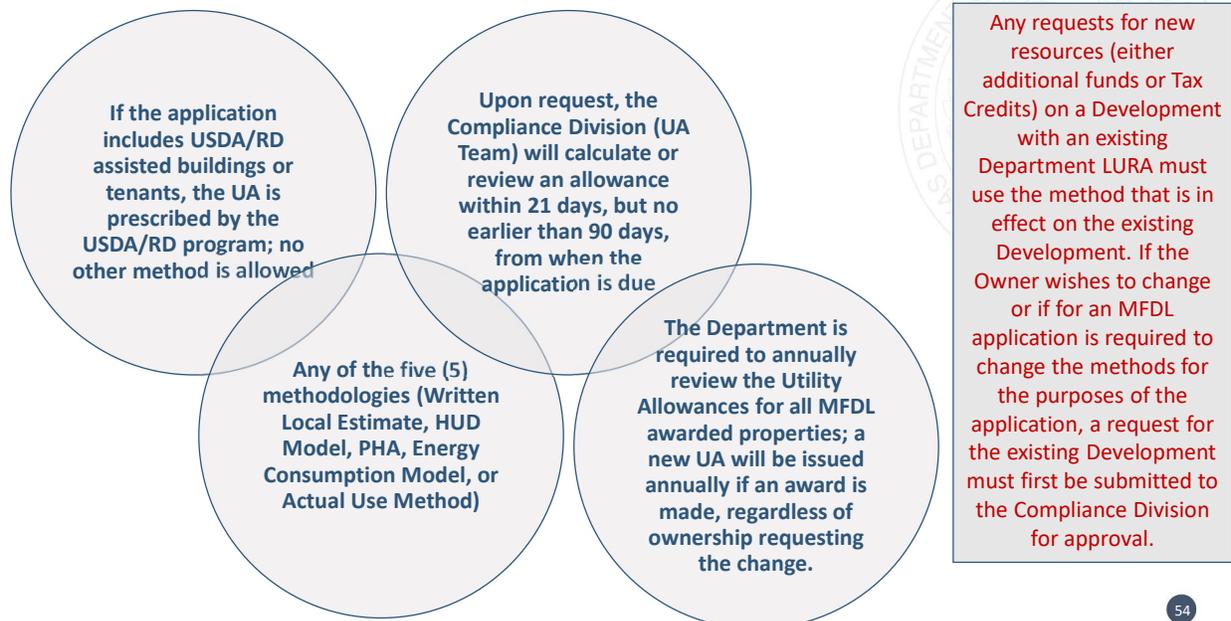
USDA/RD and HUD-Regulated buildings (including those HUD-Regulated by MFDL funds) are not allowed to combine methodologies

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

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Utility Allowances: At Application



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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

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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.

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Utility Allowances: Learning Point 1

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

- A True
- B False

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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

58

58

Utility Allowances: Learning Point 3

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

- A True
- B False

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Utility Allowances: Learning Point 4

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

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Utility Allowances: Learning Point 5

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

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

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Utility Allowances: Learning Point 6

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

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

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Utility Allowances: Learning Point 7

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

- A True
- B False

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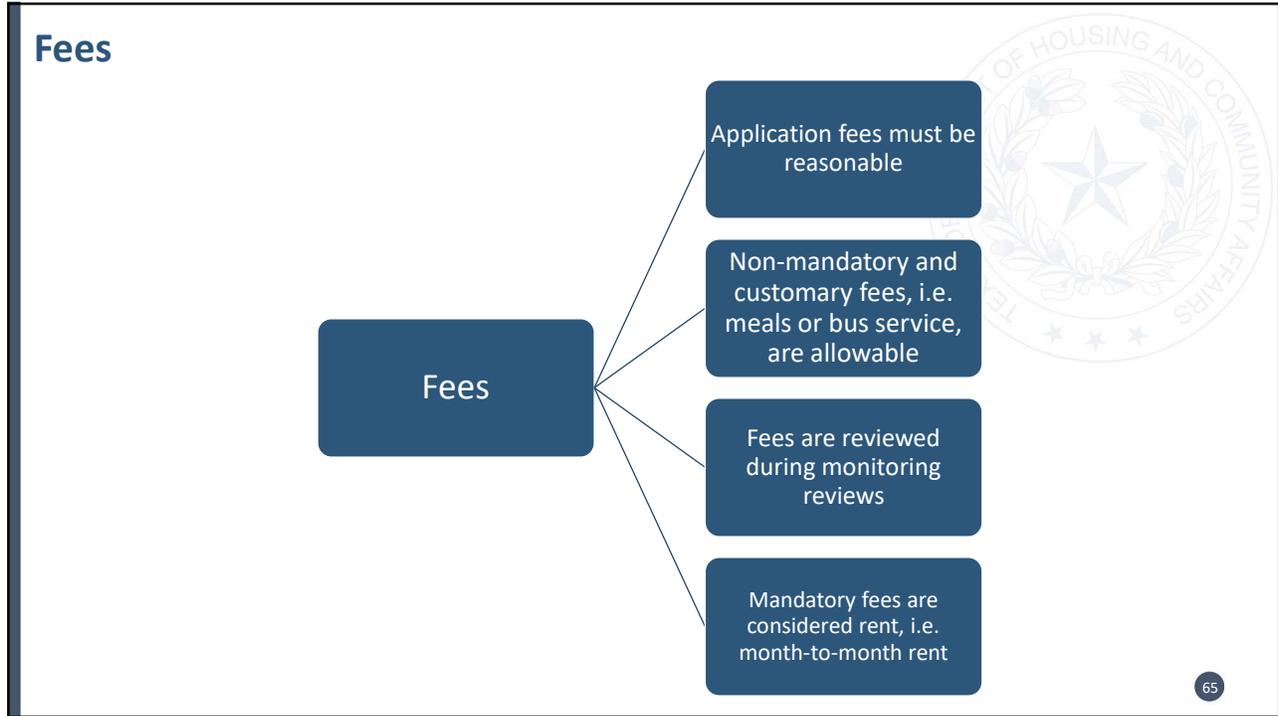
Utility Allowances: Learning Point 8

The development has MFDL funds from the Department. Annual review of the Utility Allowance is not required?

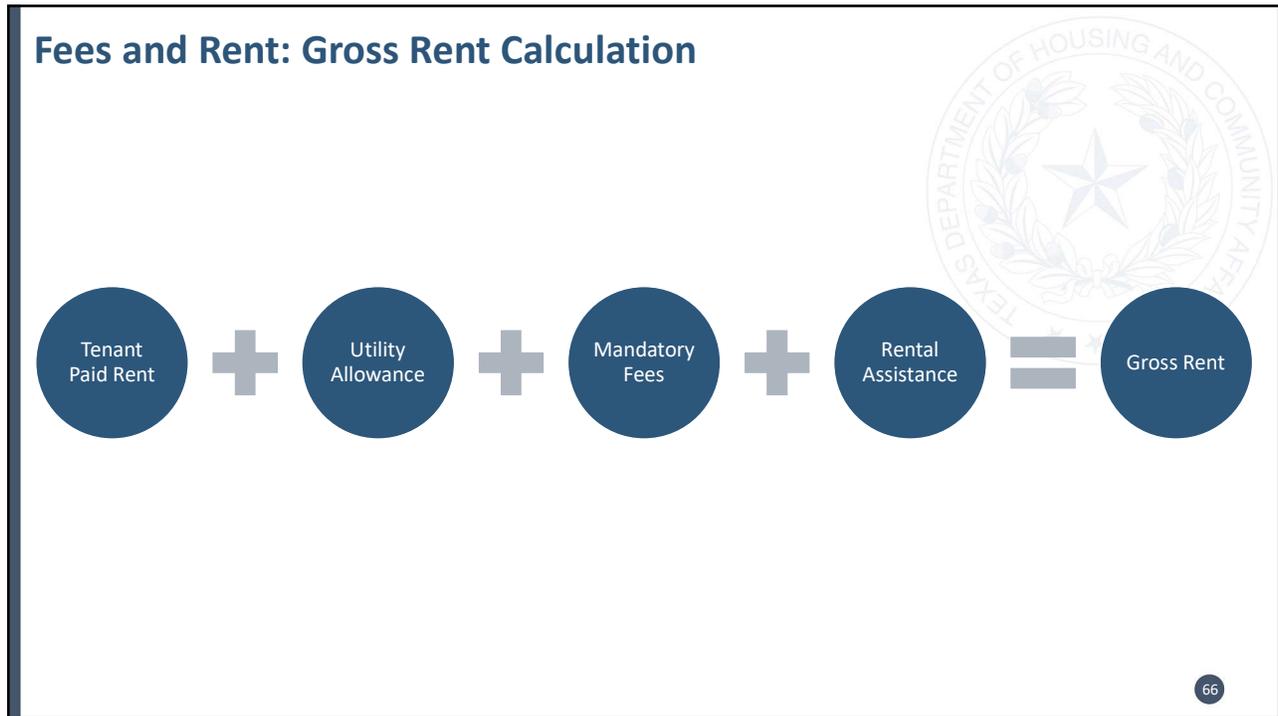
- A No, keep using what you received at initial funding
- B Yes, the UA must be submitted by October 1st each year
- C Yes, UA is due by October 1st, but if not received the Department will calculate
- D No, the UA is good for two years
- E I don't know

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Rent

A diagram consisting of two dark blue circles. The left circle contains the text "Gross Rent". To its right is a large less-than-or-equal-to symbol (\leq). To the right of the symbol is another dark blue circle containing the text "MFDL Rent Limit for the bedroom size". In the background, there is a faint circular seal of the Department of Housing and Community Affairs.

Gross Rent \leq **MFDL Rent Limit for the bedroom size**

67

67

Rent: 10 TAC §10.622

A diagram with a central 3D-style box on the left and two arrows pointing up and down on the right. The box contains the text "MFDL funds have always required no rent increase until the end of the lease term". The upward arrow points to the text "Owners are not permitted to increase the tenant portion of rent more than once during a 12-month period, even if there are increases in rent limits or decreases in utility allowances". The downward arrow points to the text "Unless the household or unit receives assistance governed by a Federal Housing Program that requires such changes". In the background, there is a faint circular seal of the Department of Housing and Community Affairs.

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

Owners are not permitted to increase the tenant 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 household or unit receives assistance governed by a Federal Housing Program that requires such changes

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Rent: 10 TAC §10.622



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

Rent: Example 1

Building #: 3

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

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



Rent: Example 1 with Rental Assistance

Building #: 3

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

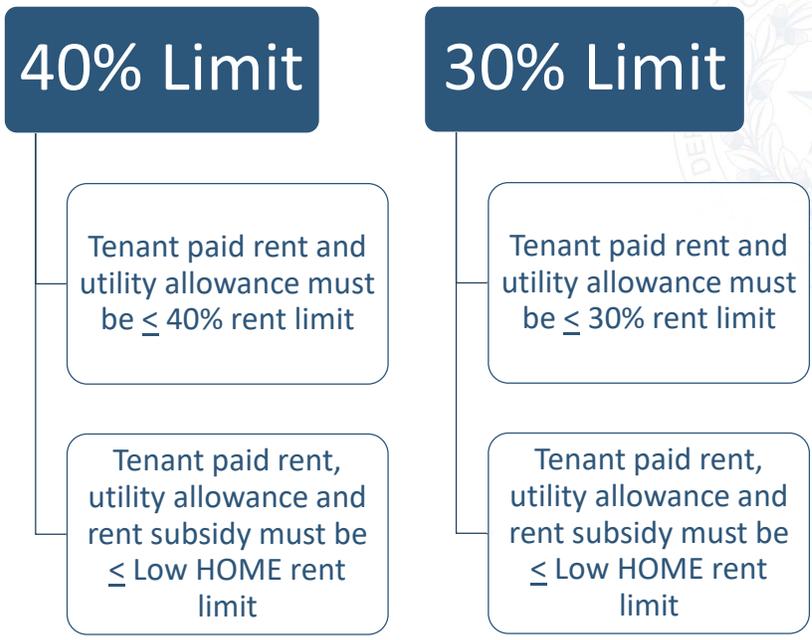
Uh oh, We have noncompliance!

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



71

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

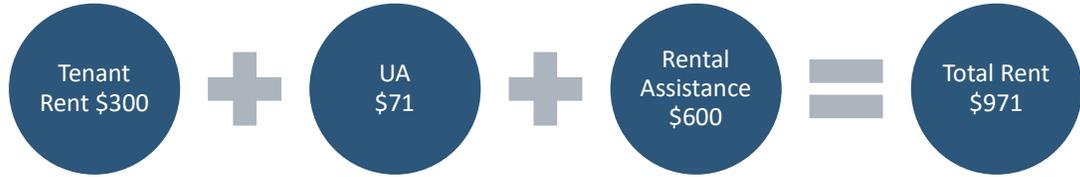


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Rent: Example 2

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

RENT LIMITS						
AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
20						
30	\$613	\$657	\$788	\$911	\$1,017	\$1,122
40	\$818	\$876	\$1,052	\$1,215	\$1,355	\$1,495
Low	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
High	\$1,253	\$1,306	\$1,626	\$1,940	\$2,144	\$2,347
65						
70						
80						



73

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Rent: Example 2

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

RENT LIMITS						
AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
20						
30	\$613	\$657	\$788	\$911	\$1,017	\$1,122
40	\$818	\$876	\$1,052	\$1,215	\$1,355	\$1,495
Low	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
High	\$1,253	\$1,306	\$1,626	\$1,940	\$2,144	\$2,347
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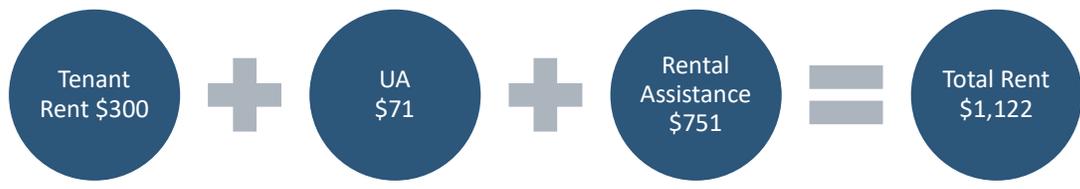
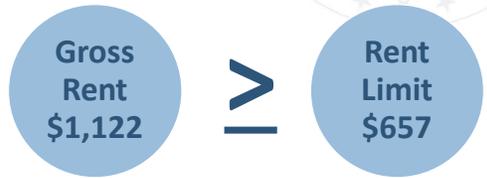
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Rent: Example 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BR S	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	MEETS SPECIAL NEEDS REQ.	
66	01/02/2023		Hammon	18134	1,024	71		1	01/07/2023	N	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
67	03/01/2022		Williams	10092	300	71	751	1	03/01/2023	Y	1	Income Rent	Income: HOME 30% Rent: HOME 30%	Yes
68	08/01/2023		Williams	22711	1,024	71		1	08/01/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
69	05/22/2022		Hillin	24460	1,024	71		1	05/22/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes

RENT LIMITS						
AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
20						
30	\$613	\$657	\$788	\$911	\$1,017	\$1,122
40	\$818	\$876	\$1,052	\$1,215	\$1,355	\$1,495
Low	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
High	\$1,253	\$1,306	\$1,626	\$1,940	\$2,144	\$2,347
65						
70						
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Rent: Example 3

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BR S	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	MEETS SPECIAL NEEDS REQ.	
66	01/02/2023		Hammon	18134	1,024	71		1	01/07/2023	N	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
67	03/01/2022		Williams	10092	300	71	751	1	03/01/2023	Y	1	Income Rent	Income: HOME 30% Rent: HOME 30%	Yes
68	08/01/2023		Williams	22711	1,024	71		1	08/01/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes
69	05/22/2022		Hillin	24460	1,024	71		1	05/22/2023	Y	1	Income Rent	Income: HOME 50% Rent: HOME 50%	Yes

RENT LIMITS						
AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
20						
30	\$613	\$657	\$788	\$911	\$1,017	\$1,122
40	\$818	\$876	\$1,052	\$1,215	\$1,355	\$1,495
Low	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
High	\$1,253	\$1,306	\$1,626	\$1,940	\$2,144	\$2,347
65						
70						
80						



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Rent: Correcting the Noncompliance

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

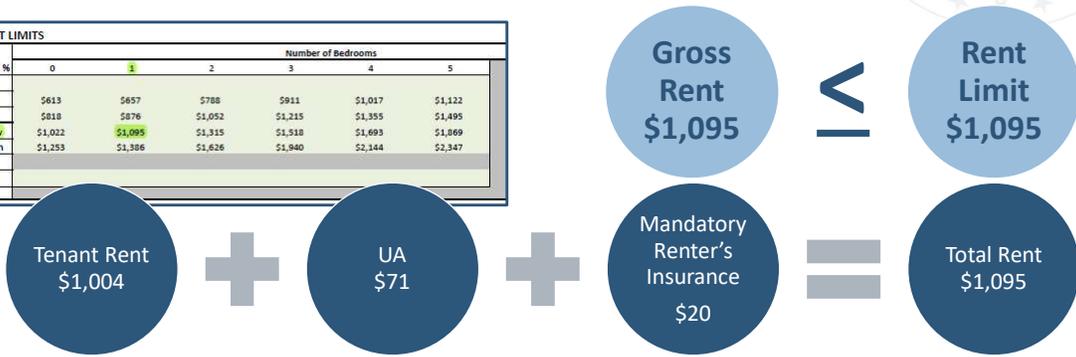
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Rent: Example 4

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

RENT LIMITS		Number of Bedrooms				
AMFI %	0	1	2	3	4	5
20						
30	5613	5657	5788	5911	\$1,017	\$1,122
40	5818	5876	\$1,052	\$1,215	\$1,355	\$1,495
Low	\$1,022	\$1,095	\$1,315	\$1,518	\$1,693	\$1,869
High	\$1,253	\$1,306	\$1,626	\$1,940	\$2,144	\$2,347
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Rent: Exception to the Rule

- Exception: The rent may be exceeded if three (3) conditions exist!
- If the unit receives Federal or State project-based rental assistance (i.e. USDA/RD or PBS8)
- The household's income is Very Low Income (VLI or 50% AMI) or less
- The rent does not exceed 30% of the household's adjusted income

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Rent: Exception to the Rule Example

Three-person household's income at move-in \$16,350
Very Low HOME income limit \$42,600

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

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

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

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

80

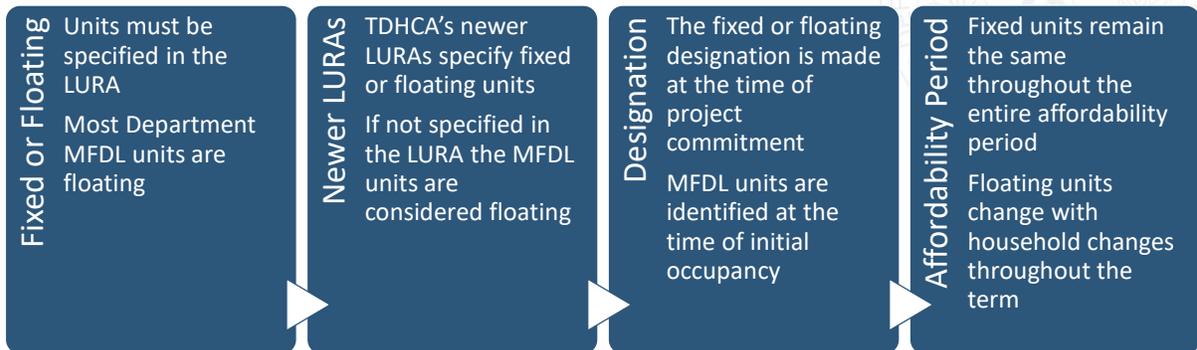
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Module 4

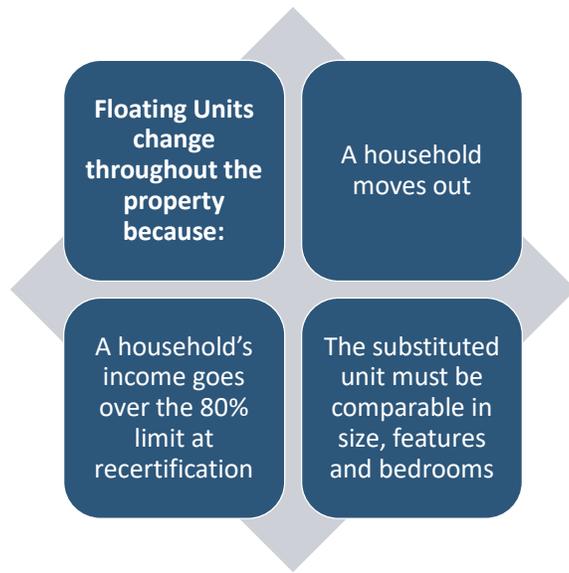


Land Use Restriction Agreement (LURA)

LURA: Fixed versus Floating



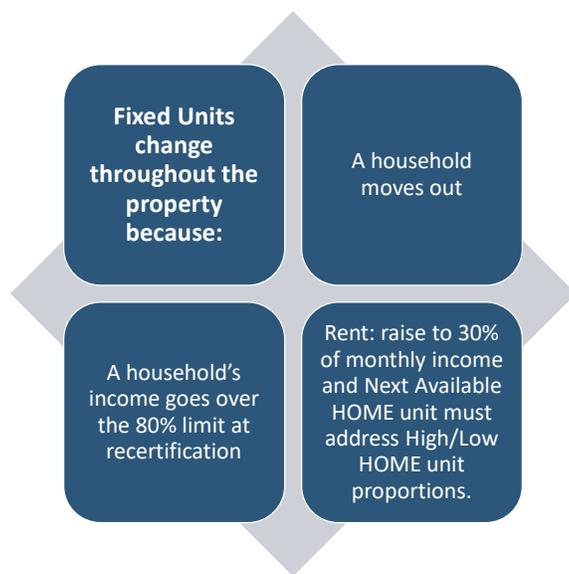
LURA: Floating Units



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LURA: Fixed Units



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LURA: HOME Investment Partnership Program

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program

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

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
COUNTY OF NUECES §

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

RECITALS:

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

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

Pursuant to the conditions to the Department's restrictions under the (hereinafter defined) as Extended Affordability evidence Owner's agreement.

NOW THEREFORE, the receipt and sufficient

T:\NAME\Loan Docs\HOME\HOME - RENTAL\Q1 [REDACTED]
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§92.252: All HOME assisted units, within 6 months following project completion must be occupied by an income eligible household and meet all requirements. If not:

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

Section 2.3. Occupancy Requirements.

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

LURA: HOME Occupancy Requirements

- (b) **Long Term Occupancy Requirements.** Subject to subsection (a) of this Section 2.3, during the Term, following the initial occupancy period, Owner will make available for occupancy to:
- (1) Low Income Families whose Annual Incomes do not exceed sixty percent (60%) of the Area Median Income not less than ten (10) floating Units of the fourteen (14) Qualifying Units; and
 - (2) Very Low Income Families whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income not less than four (4) floating Units of the fourteen (14) Qualifying Units;
- (c) **Elderly Development:** Not applicable.

Section 2.3. Occupancy Requirements.

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

- (1) at least ten (10) floating Units of the fourteen (14) Qualifying Units constructed with funds provided under the HOME Program must be occupied by Low Income Families whose Annual Incomes do not exceed sixty percent (60%) of the Area Median Income;
- (2) at least four (4) floating Units of the fourteen (14) Qualifying Units constructed with funds provided under the HOME Program must be occupied by Very Low Income Families whose Annual Incomes do not exceed fifty percent (50%) of the Area Median Income;

LURA: HOME Unit Mix Requirements

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

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

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

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

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

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

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

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LURA: HOME Match-Eligible Unit

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

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

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

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

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

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LURA: HOME Rent Limitations

ARTICLE III Rent

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

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

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LURA: HOME Lease Provisions

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

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

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LURA: HOME CHDO Requirement

the owner or developer who occupies a housing unit as the project manager or maintenance worker. Neither the Owner, nor Owner's officers, employees, agents, consultants or elected or appointed officials may occupy a Qualifying Unit in the Project except an individual living in Unit in the Project where he or she is a project manager or a maintenance worker in that Project.

(i) **Debarment and Suspension.** Neither Owner nor any of its principals are presently debarred, suspended, proposed for debarment, suspension, declared ineligible, or voluntarily excluded from participation in this transaction of the HOME Program by any federal department or agency.

(j) **Faith-Based Activities.** If Owner is a religious or faith-based organization, Owner may not engage in explicitly religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under the Loan pursuant to 24 CFR §92.257.

(k) **Flood Insurance.** Except to the extent Owner has previously notified the Department in writing to the contrary, the Property is not located in an area identified by the Federal Emergency Management Agency ("FEMA") as having special flood hazards in accordance with 10 TAC §10.101(c) and Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. §4106 et seq.). In the event the Property is in such an area, Owner warrants and represents to the Department that (i) such area is participating in The National Flood Insurance Program (NFIP) or less than one (1) year has passed since FEMA notification regarding such hazards; and (ii) Owner has obtained flood insurance for the Property in an amount and form satisfactory to the Department.

(l) **Reserve Account.** Owner covenants that the deposits to the Reserve Account required under Section 4.17 hereof, if applicable, and the repairs and maintenance of the Project required under Section 6.7 hereof, if applicable, shall be made in accordance with the 2006 LRA of the State Act and the implementing regulations (10 TAC §10.40) does not apply to a Project for which an Owner is required to maintain a reserve other provision of federal or state law.

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

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

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

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

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

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

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

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

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

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

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

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

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

LURA: HOME Amenity Requirements

EXHIBIT "B"

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

CONTRACT

ADDENDUM C
Amenity Requirements

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

MANDATORY DEVELOPMENT AMENITIES

The Mandatory Development Amenities listed in (A) through (N) below are required for Construction, Reconstruction or Adaptive Reuse Units and the Mandatory Development Amenities listed in (B), (E), (F), (G), (H), (I), (J), (K), (L), (M) or (N) below; however, access must be comparable amenity in a Common Area. All the Mandatory Development Amenities listed below are at no charge to the residents. Residents must be provided written notice of the amenities for the Development. The Board may waive one or more of the requirements of Amenities that will include Historic Tax Credits, with evidence that the amenity approved by the Texas Historical Commission.

(A) All bedrooms, the dining room and living room in Units must be wired with current technology for data and phone.

(B) Laundry connections;

(C) Exhaustion fans (vented to the outside) in the bathrooms;

(D) Screens on all operable windows;

(E) Disposal and Energy-Star rated dishwasher (not required for USDA Rehabilitation exempt from dishwasher if one was not originally in the Unit);

(F) Energy-Star rated refrigerator;

(G) Oven/Range;

(H) Blinds or window coverings for all windows;

(I) At least one Energy-Star rated ceiling fan per Unit;

(J) Energy-Star rated lighting in all Units;

(K) All areas of the Unit (excluding exterior storage space on an outdoor patio/balcony) must heating and air-conditioning;

(L) Adequate parking spaces consistent with local code, unless there is no local code, in which the requirement would be one and a half (1.5) spaces per Unit for non-Elderly Developments, one (1) space per Unit for Elderly Developments. The minimum number of required spaces available to the residents at no cost. If parking requirements under local code relating or similar arrangements, the LURA will require the Owner to provide the service cost to the tenants throughout its term;

(M) Energy-Star rated windows (for Rehabilitation Developments, only if windows are planned replaced as part of the scope of work); and

(N) Adequate accessible parking spaces consistent with the requirements of the 2010 ADA Standards with the exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Programs and Activities" 79 FR 29671, and covered by the Fair Housing Act, HUD's Fair Act Design Manual.

COMMON AMENITIES

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

(i) Community Space for Resident Supportive Services

(ii) Except in Applications where more than 10% of the units in the proposed Development are Supportive Housing (SHO) units, an Application may qualify to receive half of the required under 30 TAC §11.102(b)(5)(A)(i)-(iv) by electing to provide a High Quality Kindergarten ("HQ Pre-K") program and associated educational space at the Development Site. To receive the points the Applicant must commit to all of subparagraphs (a) through (e) below:

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

(iii) Community laundry room with at least one washer and dryer for every 40 Units (2 points);

(iv) Barbecue grill and picnic table with at least one of each for every 50 Units (1 point). Grill must be permanently installed (no portable grill);

(v) Business center with workstations and seating internet access, 1 printer and at least one scanner which may be integrated with the printer, and either 2 desktop computers or laptops available to check-out upon request (2 points);

(vi) Furnished Community room (2 points);

(vii) Library with an accessible sitting area (separate from the community room) (1 point);

(viii) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points);

(ix) Community Dining Room with full or warming kitchen furnished with adequate tables and seating (3 points);

(x) Community Theater Room equipped with a 52 inch or larger screen or projection with surround sound equipment, DVD player or a streaming service at no cost to residents; and seating (3 points);

(xi) High-speed Wi-Fi of 30 Mbps download speed or more with coverage throughout the clubhouse and/or community building (1 point);

(xii) High-speed Wi-Fi of 10 Mbps download speed or more with coverage throughout the Development (2 points);

(xiii) Bicycle parking that allows for, at a minimum, 3 bicycle for every 5 Units, within reasonable proximity to each residential building that allows for bicycles to be secured with lock (lock not required to be provided to tenant) (1 point);

(xiv) Package lockers. Automated Package Lockers provided at a location within the complex that can be accessed by residents 24/7 and at no charge to the resident. To qualify, there would need to be at least 1 locker for every 8 residential units (2 points).

UNIT AMENITIES

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

(i) Unit Features

(a) Covered entries (0.5 point);

(b) Nine foot ceilings in living room and all bedrooms (at minimum) (1 point);

(c) Microwave ovens (0.5 point);

(d) Self-cleaning or convectional dishwashers (0.5 point);

(e) Refrigerator with icemaker (0.5 point);

LURA: HOME Resident Supportive Services

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

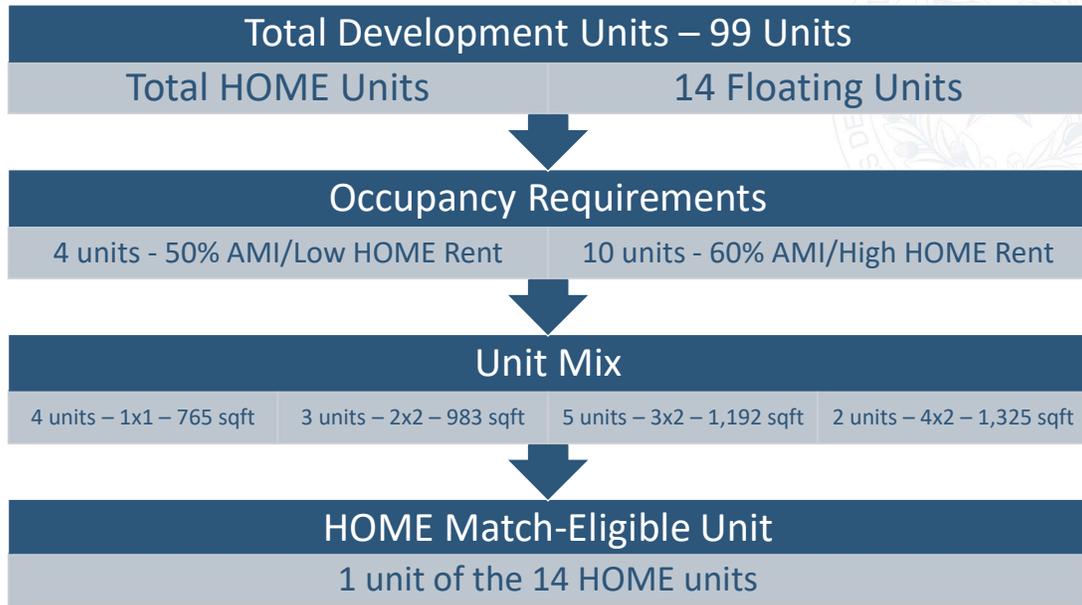
Resident SUPPORTIVE SERVICES

The Development Owner must provide a minimum of ten (10) points, nine (9) of which must be from the list of services in A through Z of this section. One (1) point must be met in accordance with 10 TAC §11.9(c)(3)(B), with the Development Owner required to contact local nonprofit and governmental providers of services that would support the health and well-being of the Department's tenants. The Development Owner will make 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. 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 TAC §10.619 (relating to Monitoring for Social Services) and maintained throughout the Affordability Period.

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

- (i) Transportation Supportive Services
 - (I) Shuttle, at least three days a week, to a grocery store and pharmacy and/or a major, big-box retailer that includes a grocery store and pharmacy, OR a daily shuttle, during the school year, to and from nearby schools not served by a school bus system for children who live at the Development (3.5 points);
 - (II) Monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point);
- Children Supportive Services
 - (I) Provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site meeting the requirements of 10 TAC §11.101(b)(5)(C)(II). (Half of the points required under 10 TAC §11.101(b)(7));
 - (II) 12 hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity. Services include after-school and summer care and tutoring, recreational activities, mentee opportunities, test preparation, and similar activities that promote the betterment and growth of children and young adults (3.5 points);

LURA: HOME Recap



HOME American Rescue Plan (HOME-ARP)

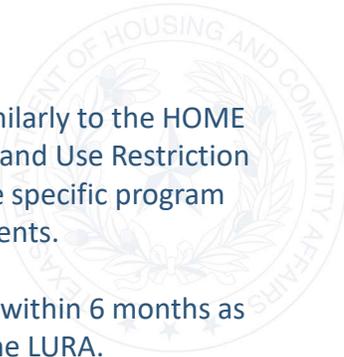


HOME-ARP is based on HUD’s HOME Investment Partnerships Program annual funding infrastructure.

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

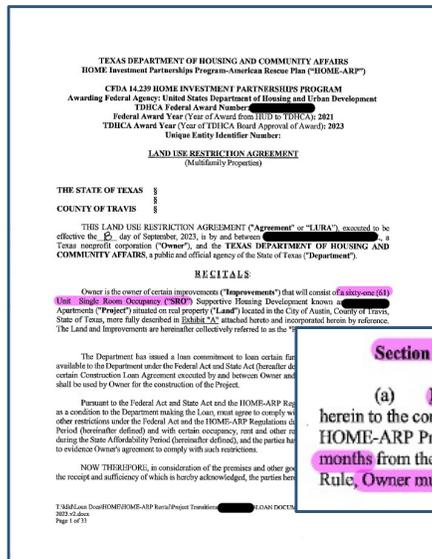
The differences include waivers of certain federal regulations and waivers to create new activities, as described on HUD Exchange at <https://www.hudexchange.info/programs/home-arp/>.

LURA: HOME-American Rescue Plan



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

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



Section 2.3. Occupancy Requirements.

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

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

LURA: HOME-ARP Terms

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

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

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

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

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LURA: HOME-ARP Occupancy Requirements

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

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

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

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

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

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

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LURA: HOME-ARP Qualifying Population

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

- (1) Thirty-one (31) Units, of the thirty-one (31) Qualifying Units constructed with funds provided under the HOME-ARP Program must be occupied by a Qualifying Population of which includes persons: experiencing Homeless per 24 CFR §91.5; formerly homeless but housed with temporary resources per HUD CPD Notice 21-10; at risk of homelessness category 1 per 24 CFR §91.5 and whose Annual Incomes are less than thirty percent (30%) of the AMI; at risk of homelessness category 2 and 3 per 24 CFR §91.5; At Greatest Risk of Housing Instability as Extremely Low Income if income is thirty percent (30%) of the AMI; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or Veterans and families that include a veteran member that meet one of the above criteria are also a qualified population, but veteran status alone is not.
- (2) in no case can a Qualifying Population be less than thirty percent (30%) of the AMI.

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

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

(d) **Elderly Development.** Not applicable.

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

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LURA: HOME-ARP Qualifying Populations

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

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

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LURA: HOME-ARP Unit Mix Requirements

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

- (1) **Eighteen (18)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **426 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (2) **Three (3)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **405 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (3) **Two (2)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **468 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (4) **One (1)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **437 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (5) **Two (2)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **399 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (6) **One (1)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **404 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;
- (7) **Four (4)** floating Units of the Qualifying Units with SRO Unit including one (1) bath and Net Rentable Area (NRA) of **271 square feet** (sq. ft.) plus or minus (+/-) 10 sq. ft. ;and

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LURA: HOME-ARP Rent Limitations

ARTICLE III Rent

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

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

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

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

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LURA: HOME-ARP Resident Supportive Services

RESIDENT SUPPORTIVE SERVICES

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

The Owner may change, from time to time, the supportive services at Application must remain the same as those requested by staff. Show services than those listed in (A) - (E) provided in 10 TAC §10.405(a)(2).

(A) Transportation Supportive Services include:

- (i) shuttle, at least three days a week, to a grocery store and pharmacy and/or a major, big-box retailer that includes a grocery store and pharmacy, OR a daily shuttle, during the school year, to and from nearby schools not served by a school bus system for children who live at the Development (3.5 points);
- (ii) monthly transportation to community/social events such as mall trips, community theatre, bowling, organized tours, etc. (1 point);

(B) Children Supportive Services include:

- (i) provide a High Quality Pre-Kindergarten (HQ Pre-K) program and associated educational space at the Development Site meeting the requirements of 10 TAC §11.101(b)(5)(C)(i)(i). (Half of the points required under 10 TAC §11.101(b)(7));
- (ii) Twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity. Services include after-school and summer care and tutoring, recreational activities, character building programs, mentee opportunities, test preparation, and similar activities that promote the betterment and growth of children and young adults (3.5 points);

(C) Adult Supportive Services include:

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

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LURA: HOME-ARP Requirement Options

Marketing to Homeless Service Providers

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

Mitigation Factors

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

All Bills Paid

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

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LURA: HOME-ARP Holding Units Vacant Option

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

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LURA: HOME-ARP Requirements

Qualified Population (QP) Criteria

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

Tenant portion payment for QP households

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

Project based waitlist and preferences

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

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HOME-ARP Program Resources

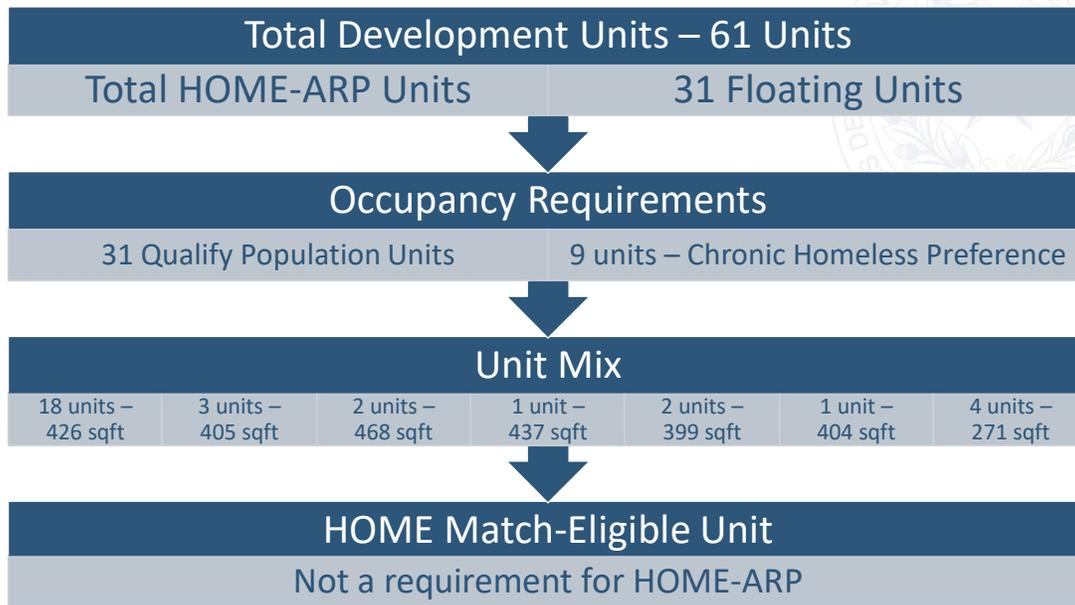
- **HOME-ARP Trainings:** <https://www.youtube.com/playlist?list=PLIW-C-0ioJwSHsNVWN2gYOkTdySmjwOFS>
- **Qualified Population Training:** https://www.youtube.com/watch?v=m_0QSKUGiQk
- **HOME-ARP Department Website:** <https://www.tdhca.texas.gov/programs/home-american-rescue-plan>
- For updates, please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



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LURA: HOME-ARP Recap



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

THIS DOCUMENT HAS BEEN
ELECTRONICALLY RECORDED

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

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
COUNTY OF HARRIS §

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

RECITALS

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

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

Pursuant to the State Act and the TCAP Program, the Department making the Loans, must agree to comply with the State Act during the Affordability Period of this Agreement to evidence Owner's agreement to comply with the State Act.

NOW THEREFORE, in consideration of the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following terms and conditions:

ARTICLE I
DEFINITIONS

Section 1.1. **General.** Capitalized terms used in this Agreement but not otherwise defined clearly requires otherwise, the meanings specified herein shall apply.

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

[REDACTED]
STEWART TITLE

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

Section 2.3. Occupancy Requirements.

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

LURA: TCAP-RF Occupancy Requirements

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

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

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

Section 2.3. Occupancy Requirements.

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

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

LURA: TCAP-RF Unit Mix Requirements

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

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

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

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

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

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

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LURA: TCAP-RF Match-Eligible Unit

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

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

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LURA: TCAP-RF Rent Limitations

ARTICLE III Rent

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

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



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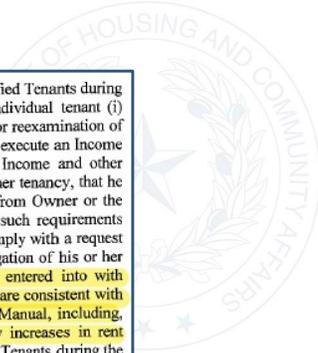
115

LURA: TCAP-RF Lease Provisions

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

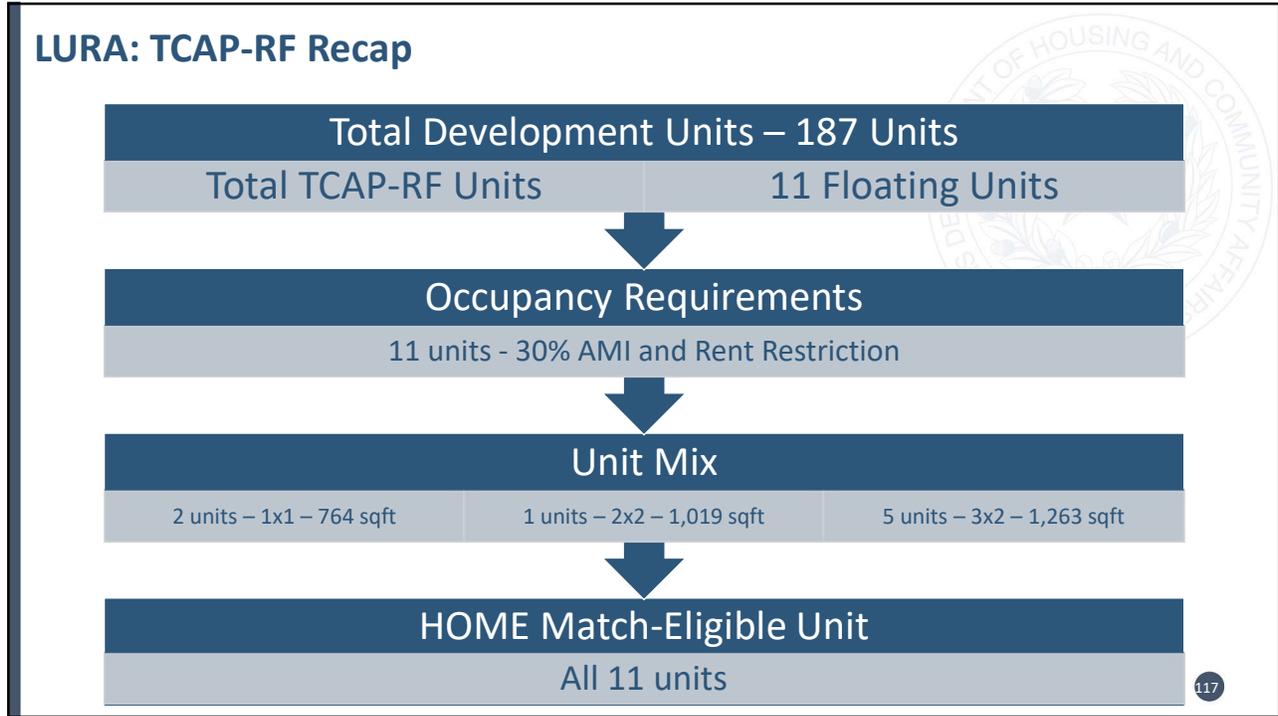
Lease terms must be for one year unless mutually agreed upon by the Owner and the tenant. Owner may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violations of the terms and conditions of the lease, for violation of applicable federal state or local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

to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination.



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LURA: NSP Occupancy Requirements

The screenshot shows a legal document with several key provisions highlighted in pink. The document is titled 'Page 1 of 24' and is an electronically recorded instrument from Tarrant County, Texas, dated February 2011. It is a Neighborhood Stabilization Program (NSP) agreement between the Texas Department of Housing and Community Affairs and the State of Texas. The highlighted sections define the requirements for an Eligible Tenant and an Eligible Unit.

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

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

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

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

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LURA: NSP Rent Limitations



ARTICLE III Rent

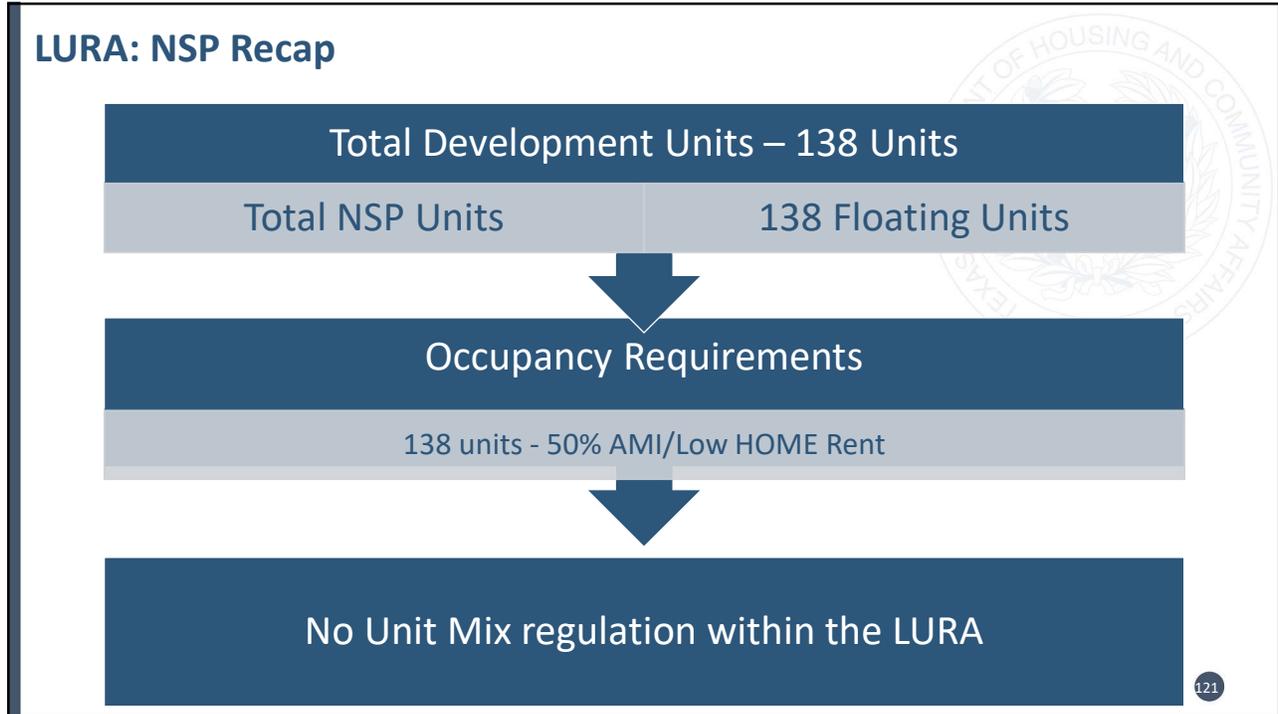
Section 3.1. Rent Limitations. The maximum monthly rent charged by Owner for Units occupied by Eligible Tenants shall not exceed the low HOME rents including the costs determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR §92.252, as may be amended from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

LURA: NSP Lease Provisions



Section 4.1. Lease Provisions. All tenant leases entered into with Eligible Tenant during the Term shall be in writing and contain provisions wherein each individual tenant (i) certifies the accuracy of the information provided in connection with the examination or reexamination of annual income of the household of such lessee, and in connection therewith, agrees to execute an Income Certification form prescribed by the Department, and (ii) agrees that the other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or the Department, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy. All tenant leases entered into with Eligible Tenant during the Affordability Period shall also contain provisions which are consistent with the NSP Rules, including, without limitation, the provisions provided herein and allowing for necessary increases in rent pursuant to the NSP Rules, as may be amended or modified from time to time, and which are prohibited by the 24 CFR §92.253, as may be amended or modified from time to time.

- § 92.253 Tenant protections and selection.**
- (a) **Lease.** There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified. The lease must incorporate the VAWA lease term/addendum required under § 92.359(e), except as otherwise provided by § 92.359(b).
 - (b) **Prohibited lease terms.** The lease may not contain any of the following provisions:
 - (1) **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (2) **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - (3) **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;



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LURA: National Housing Trust Fund (NHTF)

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

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

LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

THIS LAND USE RESTRICTION AGREEMENT ("Agreement") is effective the 29th day of October, 2019, is by and between [REDACTED], a limited liability company ("Owner"), and the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas ("Department").

RECITALS:

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

The Department has issued a loan commitment to loan certain funds available to the Department under the Federal Act and State Act (together, "Funds") to the Project, subject to the terms and conditions of the Construction Loan Agreement executed by and between the Department and Owner for the acquisition of the Property.

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

T:\HML\Loan Dev\20191111
Page 1 of 31

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

Section 2.3. Occupancy Requirements.

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

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LURA: NHTF Occupancy Requirements

(c) Elderly Limitation Development.

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

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

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

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

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

- (i) as determined by the Secretary of HUD, is specifically designed and operated to assist elderly persons as defined in and provided under any State or Federal program;
- (ii) is intended for, and solely occupied by persons 62 years of age or older; or
- (iii) is intended and operated for occupancy by at least one person 55 years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one person who is 55 years of age or older; and adheres to policies and procedures which demonstrate an intent by Owner and manager to provide housing for persons 55 years of age or older.

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LURA: NHTF Unit Mix Requirements

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

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

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

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

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

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

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

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

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LURA: NHTF Match-Eligible Unit

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

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

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

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

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LURA: NHTF Rent Limitations

ARTICLE III Rent

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

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LURA: NHTF Lease Provisions

ARTICLE III Rent

Section 3.1. Rent Limitations for Extremely Low Income Families. The maximum monthly rent charged by Owner for Qualifying Units occupied by Extremely Low Income Families shall not exceed the limits determined by the applicable calculations required by HUD or the Department in accordance with 24 CFR 893.302(b), as may be amended or modified, from time to time. In general, tenant's portion of rent, plus an allowance for utilities, plus rental assistance payments cannot exceed the greater of thirty percent (30%) of the federal poverty line or thirty percent (30%) of the income of a family whose annual income equals thirty percent (30%) of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms.

ARTICLE IV Administration

Section 4.1. Lease Provisions. All tenant leases entered into by a HOME Match-Eligible Unit during the Term shall be in accordance with the terms and conditions of the lease set forth in the Attachment to the Lease. The Attachment to the Lease shall be in accordance with the Attachment to the Lease and shall be deemed a violation of a substantial obligation of his or her lease if the tenant fails to comply with a request for information with respect thereto from Owner or the Department, provide accurate information regarding such requirements (regardless of intentional or unintentional) or refusal to comply with a request for information with respect thereto from Owner or the Department, immediate termination thereof. All tenant leases entered into with a HOME Match-Eligible Unit during the Federal Affordability Period which are consistent with the 10 FAC 310.6.1 NHTF Regulations and including, without limitation, the rent restrictions provided herein increases in rent pursuant to Section 2.4(b) herein. All tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall not contain provisions prohibited by 24 CFR 892.253. In addition, all tenant leases entered into with Qualified Tenants during the Federal Affordability Period shall be supplemented and amended by an addendum to lease in a form prescribed by the Department.

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

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

LURA: NHTF Amenity Requirements

EXHIBIT "C"

ADDITIONAL USE REQUIREMENTS: AMENITY REQUIREMENTS

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

CONTRACT

ADDENDUM C

Additional Use Requirements: AMENITY REQUIREMENTS

The undersigned Development Owner hereby represents that the Property will be consistent throughout the State Affordability Period. No unit or fees may be charged to tenants throughout the State Affordability Period. The Development Owner will comply with the following section identifies the amenities elected at the time of application for which point the amenities selected must be made available for the benefit of all tenants.

MANDATORY DEVELOPMENT AMENITIES

The Mandatory Development Amenities listed in (A) through (M) below are required for all units in the project. The Mandatory Amenities listed in (N) through (S) below are required for Rehabilitation (excluding Reconstruction) units, stated otherwise. Supportive Housing Developments are not required to provide Mandatory Development Amenities listed in (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M) below, however, they may be provided at a reasonable amount in a common area. All Mandatory Development Amenities listed below must be provided to tenants. Tenants must be provided written notice of the required amenities for the Development.

- (A) All bedrooms, the living room and living room in Units must be wired with coax technology for data and phone.
- (B) Laundry connections.
- (C) Exhaust fans (vented to the outside) in the bathrooms.
- (D) Screens on all operable windows.
- (E) Disposal and Energy-Star rated dishwasher (not required for USDA Rehabilitation Development exempt from dishwasher if not installed in the kitchen).
- (F) Energy-Star rated refrigerator.
- (G) Over-range.
- (H) Energy-Star rated covers for all windows.
- (I) At least one Energy-Star rated ceiling fan per Unit.
- (J) Energy-Star rated lighting in all Units which may include compact fluorescent or LED.

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

COMMON AMENITIES

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

- (i) Full perimeter fencing that includes parking areas and all amenities (except parking areas) (2 points).
- (ii) Controlled gate access for entrance and exit areas, intended to provide access to Development's grounds (2 points).
- (iii) Geodesic or covered picnic/writing area (seating must be provided) (1 point).
- (iv) Accessible walking jogging path separate from a sidewalk and in addition to routes to Units or other amenities (1 point).
- (v) Community laundry room with at least one washer and dryer for every 40 Units.
- (vi) Business grill and picnic table with at least one of each for every 50 Units (1 point).
- (vii) Permanently installed four portable toilets.
- (viii) Swimming pool (3 points).
- (ix) Splash pad/water feature/play area (1 point).
- (x) Furnished fitness center. Equipped with a variety of fitness equipment that is the following for every 40 Units: stationary bicycle, elliptical trainer, treadle universal gym, multi-functional weight bench, stair-climber, or other equipment shall be commercial use grade or quality. Fitness center must be a designated area with climate control. (2 points).
- (xi) Equipped business computer center. Must be equipped with 1 computer for every 40 units (minimum of 5 computers needed) (loaded with basic applications), email internet access, word processing, Excel, etc., 1 hour printer per computer room which may be integrated with printer (2 points).
- (xii) Furnished community room (2 points).
- (xiii) 1 library with an accessible sitting area (separate from the community room) (1 point).
- (xiv) Enclosed community sun porch or covered community porch/patio (1 point).
- (xv) Service provider office in addition to leasing office (1 point).
- (xvi) Regularly staffed service provider office in addition to leasing office (1 point).
- (xvii) Activity Room stocked with supplies (Arts and Crafts, board games, etc.) (2 points).

necessary to obtain a LEED Certification, regardless of the rating level achieved (i.e., Certified Silver, Gold or Platinum).

- (iii) ICC 700 National Green Building Standard. The Development must maintain, at a minimum, all of the applicable criteria necessary to obtain a National Green Building Standard, regardless of the rating level achieved (i.e., Bronze, Silver, Gold or Emerald).

UNIT AMENITIES

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

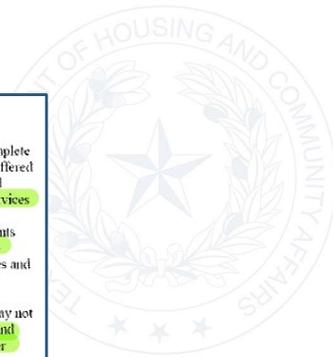
- (i) Covered entries (0.5 point).
- (ii) Nine foot ceilings in living room and all bedrooms (at minimum) (0.5 point).
- (iii) Microwave oven (0.5 point).
- (iv) Self-cleaning or continuous cleaning oven (0.5 point).
- (v) Refrigerator with freezer (0.5 point).
- (vi) Storage room or closet, of approximately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

LURA: NHTF Resident Supportive Services

TENANT SUPPORTIVE SERVICES

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

- (A) partnership with local law enforcement to provide quarterly on-site social and interactive activities intended to foster relationships with residents (such activities could include playing sports, having a cook-out, swimming, card games, etc.) (3 points).
- (B) weekday character building program (shall include at least on a monthly basis a curriculum based character building presentation on relevant topics, for example teen dating violence, drug prevention, bullying, teambuilding, internet/social media dangers, stranger danger, etc.) (2 points);
- (C) daily transportation such as bus passes, cab vouchers, specialized van on-site (4 points);
- (D) Food pantry consisting of an assortment of non-perishable food items and common household items (i.e. laundry detergent, toiletries, etc.) accessible to residents at least on a monthly basis or upon request by a tenant. While it is possible that transportation may be provided to a local food bank to meet the requirement of this tenant service, the tenant must not be required to pay for the items they receive at the food bank (1 point);



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LURA: NHTF Recap

Total Development Units – 279 Units

Total NHTF Units

15 Floating Units

↓

Occupancy Requirements

15 units - 30% AMI/30% Rent Limit

Elderly Limitation Development

↓

Unit Mix

2 units – 0x1 – 544 sqft

1 unit – 0x2 – 577 sqft

5 units – 1x1 – 711 sqft

6 units – 1x1 – 735 sqft

1 unit – 2x2 – 1,073 sqft

↓

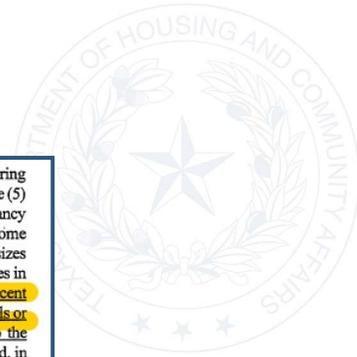
HOME Match-Eligible Unit

1 floating unit

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LURA: Special Needs



LAND USE RESTRICTION AGREEMENT
(Multifamily Properties)
(HOME)

THE STATE OF TEXAS §
COUNTY OF YOUNG §

THIS LAND USE RESTRICTION AGREEMENT, made this 29th day of June, 2018, is by and between the State of Texas, Department of Housing and Community Affairs, public and official capacity ("Department"), and the Landowner, [Name], ("Landowner").

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

Of even date herewith, the Department made available to the Department under the Federal Housing Administration ("FHA") Title II Loan which funds shall be used by Owner for the construction of the Project.

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

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

ARTICLE I
Definitions

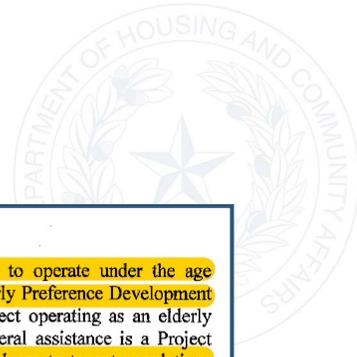
Section 1.1. General. Capitalized terms used in this Agreement shall have the meanings specified in this Article I. Certain terms shall be defined elsewhere in this Agreement.

(a) "Adjusted Income" means "adjusted income" as defined in 24 C.F.R. § 982.201.

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

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

LURA: Elderly Preference Development



ELECTRONICALLY RECORDED 2018103627
TRV 36 PGS

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

CFDA: 14.275 HOUSING TRUST FUND
Awarding Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: F5-16-SO-48-0109
Federal Award Year: 2016

Pass Through Entity: Texas Dept. of Housing and Community Affairs
HUD Era
TDHCA
Unique Entity ID: [ID]

16/03/2018 10:30:47 AM / COM/DPF LAND USE RES (MULTIFAMILY)

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

THIS LAND USE RESTRICTION AGREEMENT, made this 29th day of June, 2018, is by and between the State of Texas, Department of Housing and Community Affairs, public and official capacity ("Department"), and the Landowner, [Name], ("Landowner").

Landowner is the landowner (or co-owner) of a 174-unit multifamily rental development ("Project") situated on real property ("Land") of Texas, more fully described in Exhibit "A" Land and Improvements are hereinafter called "Property".

The Department has issued a loan to Landowner, made available to the Department under the Federal Housing Administration ("FHA") Title II Loan which funds shall be used by Landowner for the construction of the Project.

As a condition to the Department making the Loan, Landowner must agree to comply with certain other restrictions, and the parties have entered into this Agreement to evidence Landowner's agreement to comply with such restrictions during the Term (hereinafter defined).

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

T:\NHTF\Loan Docs\NHTF\Land\OMA\Housing\2018\2018103627\LURA_LandUseRes_20181011.doc
Page 1 of 36

(c) Elderly Preference Development.

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

LURA: Learning Point 1

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

- A True
- B False

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LURA: Learning Point 2

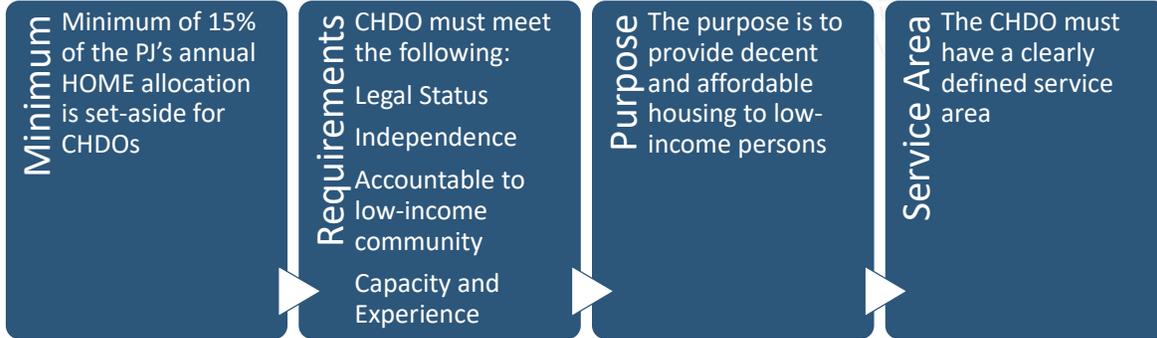
You are leasing a new MFDL development with both market and low-income units. The property is comprised of a total of 50 units, 25 are low-income and the rest are market units. What units should be leased first and why?

- A Any unit that I can, leasing is hard!
- B Market units, that's where the money is!
- C MFDL units as the LURA requires them to be leased within 6 months.

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LURA: CHDO Outline

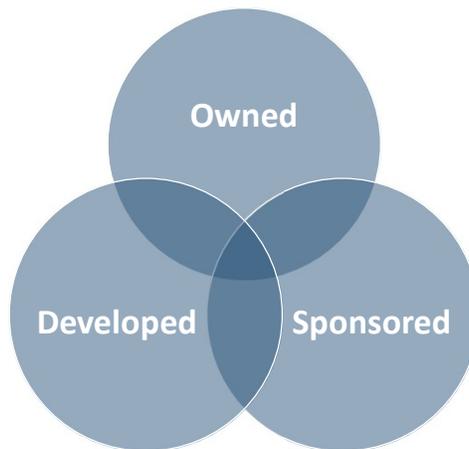


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LURA: CHDO Roles

CHDO roles are defined in the HOME LURA and Contract



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LURA: CHDO Participation

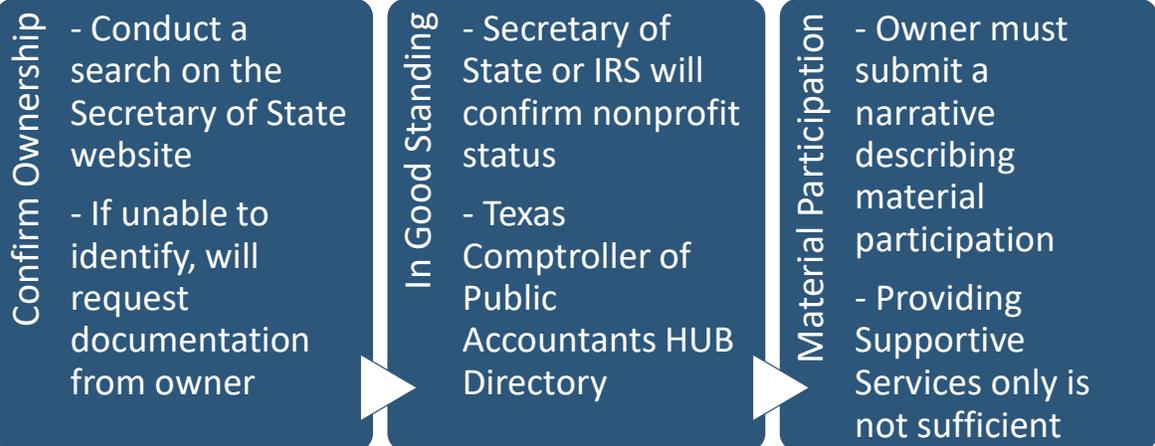
CHDO Participation

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

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LURA: CHDO Participation Reviewed



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Manager/Exempt Unit

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

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Conflict of Interest

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

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Uniform Relocation Act (URA)

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

[Visit the Department website for additional details](#)

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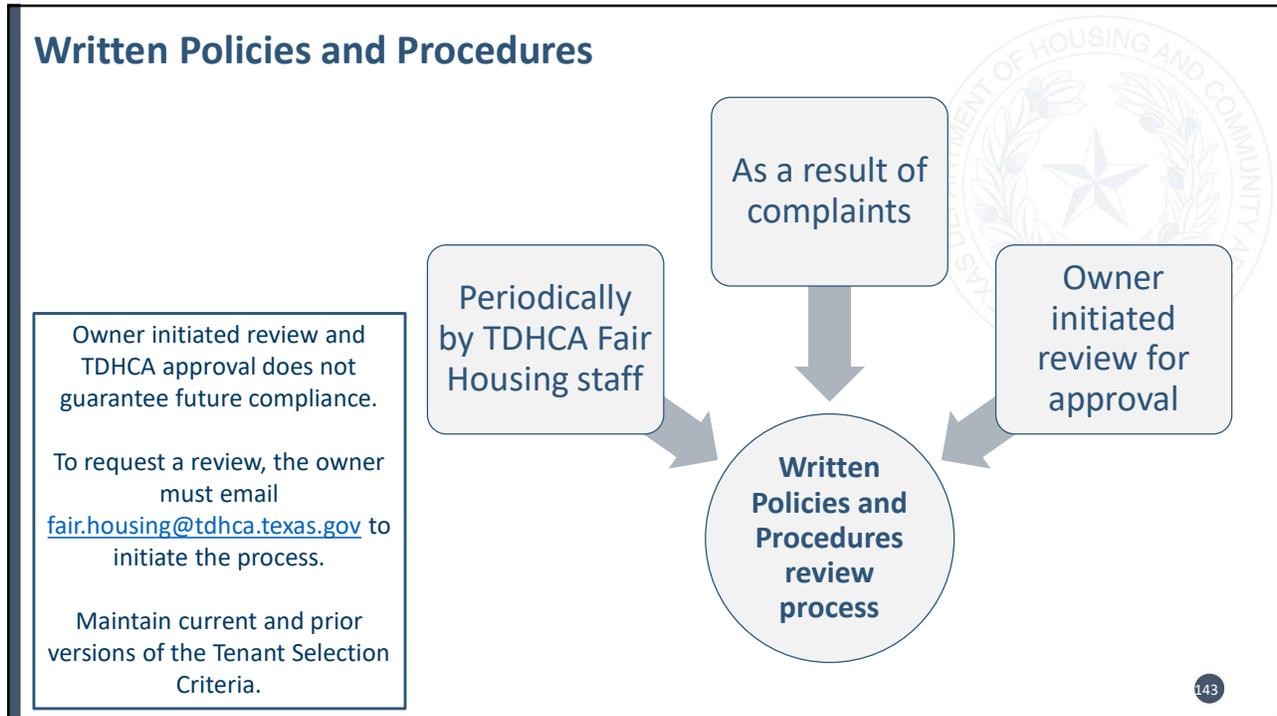
Module 5

Written Policies and
Procedures; Eligibility and
Students

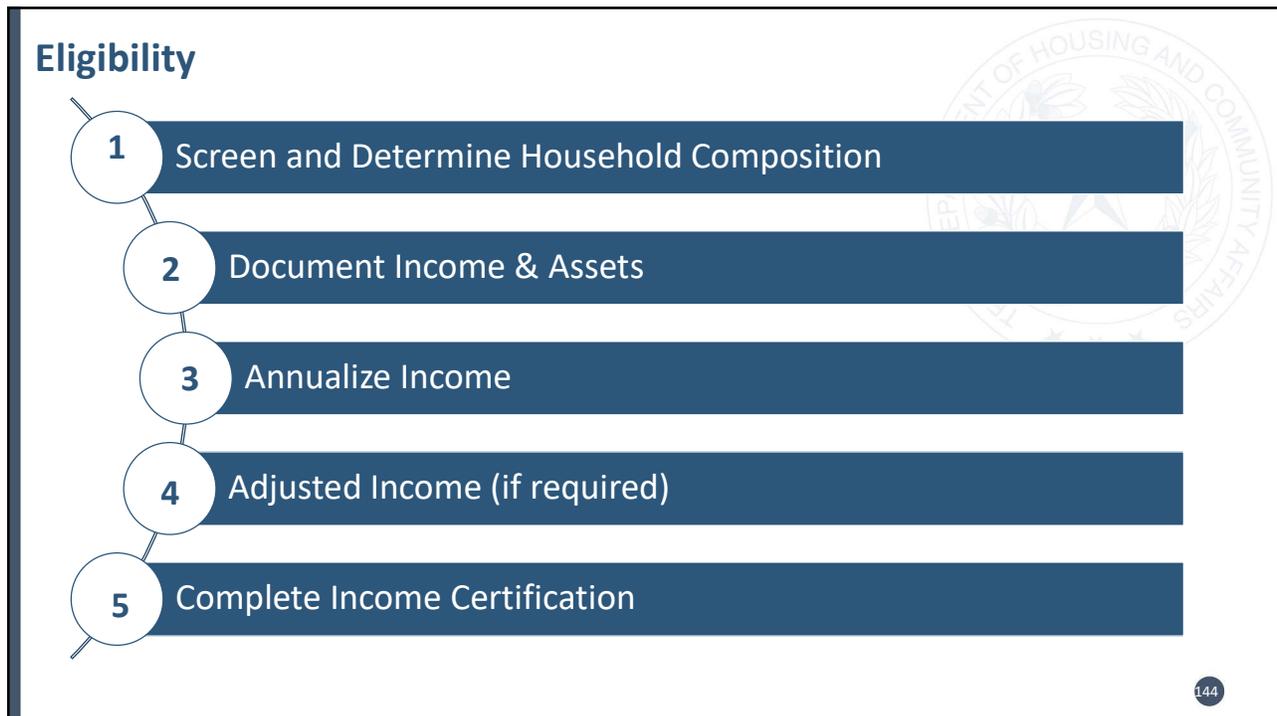


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Eligibility: The Application

There is no required form

Must screen for ALL sources of income & assets

Must screen all household members for student status

Must provide a space for applicants to indicate if they are a veteran.

Electronic Applications are acceptable

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

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Eligibility: Determine Household Size

Who counts as a Household Member

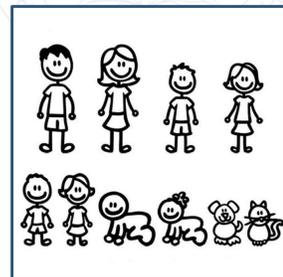
Head

Spouse

Co-Head

Dependents

- Unborn Children (self-certified)
- Joint custody - Present 50% or more of the time
- Away at school but live with family during breaks
- In the process of being adopted
- Temporarily absent due to placement in foster care



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Eligibility: Whose Income Counts?

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

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Eligibility: Types of Verification

Three (3) Acceptable verification methods:

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

Maintain Verification Documentation

- All tenant files must maintain verification documentation

Verification Documentation

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

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Income: Section 8 Verification

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

(The Section 8 Tenant/Resident)

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

Housing: 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.

Address: _____
 City, State: _____

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)

Printed Name: _____ (Signature) _____ (Date) _____ (Phone #)
 _____ (Printed Name) _____ (Title)



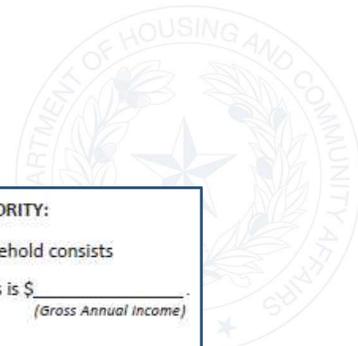
This form may not be used if the verifying Housing Authority has any ownership, management, consulting agreement, or any involvement in the property operations.

Income: Section 8 Verification continued

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

Students: Types of Financial Assistance Under Title IV of HEA

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

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Students: Student Eligibility HAS NOT Changed

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

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

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Income: Financial Aid



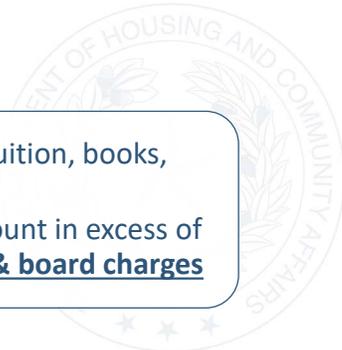
If the household contains a student:

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

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Students: Financial Aid, Included or Excluded



Included

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

Excluded

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

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Students: MFDL Restrictions

The Rule:

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

Applicability:

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

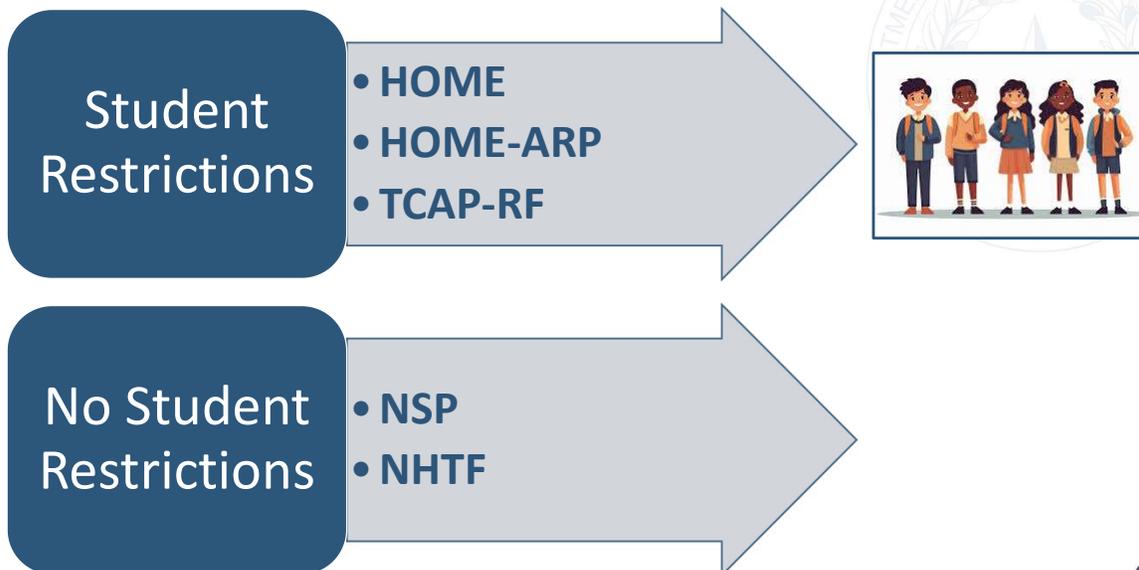
Determination:

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

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Students: Restrictions by Program



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Students: Certification of Eligibility

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

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

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

Applicant/Resident Name: _____

PART A: STUDENT STATUS

Are you enrolled in an institution of higher education? **** HOME/TCAP RF Program – Certification of Student Eligibility ****

PART B: ELIGIBLE STUDENTS

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

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

PART C: INDEPENDENT STUDENTS

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

Circle One:

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

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

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

Circle One:

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

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

- Are you a veteran of the U.S. armed forces? Yes No
- Do you have a legal dependent(s) (i.e. child or parent)? Yes No
- At any time since you turned 13 years old, were you:
 - An orphan? Yes No
 - In Foster Care? Yes No
 - A dependent/ward of the court? Yes No
- Prior to turning 18, were you an emancipated minor? Yes No

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

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

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

Signature of Applicant/Resident: _____ Date: _____

January 24, 2022

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

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Students: MFDL Restrictions continued

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

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Students: Eligibility Flow Chart

Are you 18 to 23 years old?

- No – Eligible
- Yes – Continue...

Are you a student?

- No – Eligible
- Yes – Continue...

Do you live with parent/guardian?

- Yes – Eligible
- No – Must prove eligibility

To evidence independence from your parent(s)/legal guardian, each of the following must be met

- Must be of legal contract age under Texas State law
- Must have established a separate household from parent(s)/legal guardian for no less than one year
- Must NOT be claimed on parent(s)/legal guardian on their last tax return as a dependent

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

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Students: Independent Student Requirements

If independence from your parent(s)/legal guardian cannot be established, one of the following exceptions MUST be met to qualify:

- Be at least 24 years old by December 31st of the current year
- Be legally married
- Be working on a master's or doctorate degree program (such as M.A., M.B.A, Ph.D., graduate certificate, etc.)
- Currently serving on active duty in the U.S. armed forces for purposes other than training
- Be a veteran of the U.S. armed forces
- Have a legal dependent(s) (i.e. child or parent)
- At any time since turning 13 been an orphan, in Foster Care, or a dependent/ward of the court
- Be an emancipated minor prior to turning 18, or in legal guardianship
- Homeless, or self-supporting and at risk of being homeless

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Students: Dependent Students

Individual 18-23 who is a student

Not a dependent of the household occupying the unit

Cannot evidence independence from parent(s)/legal guardian

Does not meet one of the Independent Student exceptions

Is considered a Dependent Student

Dependent Student:

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

If the parents are not income eligible:

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

If the parents refuse to provide documentation of income :

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

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Students: Learning Point 1

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

A

Bryan qualifies since they are also working

B

Bryan lives with their parents and does not qualify

C

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

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Students: Learning Point 2

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

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

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Students: Learning Point 3

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

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

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Students: Learning Point 4

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

- A True
- B False

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Students: Learning Point 5

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

- A Yes, He is an independent student
- B N/A, NHTF does not have student restrictions

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Students: Learning Point 6

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

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

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Students: Learning Point 9

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

- A** True
- B** False

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Students: Learning Point 10

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

- A** Yes, Josephine meets the requirement under the definition of Independent Student
- B** Yes, being in Foster Care after the age of 13 is one of the student criteria
- C** Neither of these
- D** Both A and B

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Students: Learning Point 12

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

- A** Yes
- B** No

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Module 6



Recertification Requirements

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Recertification Requirements: MFDL Programs

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

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Recertification Requirements: Tenant Recertification

6th year annual recertification

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

Intervening year self-certification

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

Both Requirements

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

Can begin the process up to 120 days before due date

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Recertification Requirements: Learning Point 1

The Lopez household moved in on March 1, 2023

When is the annual recertification due?

If the tenant recertification was not completed until June 15, 2025. When is the next annual recertification due?

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Recertification Requirements: Term and 6th Year

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

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

THE STATE OF TEXAS
COUNTY OF NUECES
THIS LAND USE RESTRICTION AGREEMENT, effective the 25th day of November, 2019, is by and between [REDACTED], a Texas limited partnership ("Owner"), and the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas ("Department").

RECITALS

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

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

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

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

T:\MktLoan Doc\HOME\HOME - RENTAL\ [REDACTED]
Page 1 of 48

HOME/TCAP RF/NHTF 6th Year Recertifications			
What is the effective date of the Regulatory Agreement?			11/25/19
What is the term/affordability period?			30
Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

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Recertification Requirements: 6th Year

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

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

HOME/TCAP RF/NHTF 6th Year Recertifications			
What is the effective date of the Regulatory Agreement?			11/25/19
What is the term/affordability period?			30
Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

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

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

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Recertification Requirements: Income Certification

INCOME CERTIFICATION

Initial Certification Recertification Other*

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

PART I. DEVELOPMENT DATA

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

PART II. HOUSEHOLD COMPOSITION

HH Member #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Y/N)	Last 4 digits of Social Security Number
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Member #	(A) Employment/Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1				
2				
3				
4				
5				
6				
7				
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D) above. TOTAL INCOME (E) \$ _____

PART IV. INCOME FROM ASSETS

HH Member #	(A) Type of Asset	(B) Cash Value of Asset	(C) Annual Income from Asset
1			
2			
3			
4			
5			
6			
7			
TOTALS		\$	\$

Enter Column (B) Total: \$ _____
Enter Column (C) Total: \$ _____
Enter the greater of the total of column (B), or 1. Imputed Income + (2) Imputed Income \$ _____
TOTAL INCOME FROM ASSETS (G) \$ _____
(H) Total Annual Household Income from all Sources [Add (E) + (G)] \$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine eligibility. Use this provided for each person(s) who is in that household who is a member of the household during the term of the unit or any new member moving in. Use again for each household member who is not a member of the household during the term of the unit.

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

Signature: _____ Date: _____
Signature: _____ Date: _____
Signature: _____ Date: _____

Revised January 24, 2022

PART VIII. HOUSEHOLD DEMOGRAPHICS

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

STATUS OF PROGRAM ELIGIBILITY

RE-CERTIFICATION ONLY:
Designated Income Limit x 140%
\$ _____

That this household satisfies the property's occupancy requirements: (see under #42(g), this unit is designated by the payor as (please see: _____)

40% 50% 60% 70% 80% 90% 100% 110% 120% 130% 140% 150% 160% 170% 180% 190% 200% 210% 220% 230% 240% 250% 260% 270% 280% 290% 300% 310% 320% 330% 340% 350% 360% 370% 380% 390% 400% 410% 420% 430% 440% 450% 460% 470% 480% 490% 500% 510% 520% 530% 540% 550% 560% 570% 580% 590% 600% 610% 620% 630% 640% 650% 660% 670% 680% 690% 700% 710% 720% 730% 740% 750% 760% 770% 780% 790% 800% 810% 820% 830% 840% 850% 860% 870% 880% 890% 900% 910% 920% 930% 940% 950% 960% 970% 980% 990% 1000%

APPLICABLE RENT LIMIT: \$ _____

No Yes. If yes, identify the type of Federal Rental Assistance:

(PRA) HUD Housing Choice Voucher (HCV) (tenant based)
 HUD Project-Based Voucher (PBV)
 USDA Section 514, 515, 511 Rental Assistance Program
 Section 811 Project Rental Assistance (PRA)
 Other Federal Rental Assistance

ADDITIONAL (HOME, TCAP, Exchange, and BOND only)

ADDITIONAL INFORMATION: Student Equities:
1. TANF assistance
2. Intentionally state foster care system
3. Job Training Program
4. Single parent dependent child
5. Married/Spouse status

TOWNE/REPRESENTATIVE
If documentation required to be submitted, the individual(s) named on the provisions of program's rules, regulations and the Land Use Project.

Signature: _____ Date: _____
Signature: _____ Date: _____

Revised January 24, 2022

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

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

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Recertification Requirements: Learning Point 2



The Lopez household moved in on March 1, 2024

HOME/TCAP RF/NHTF 6th Year Recertifications			
What is the effective date of the Regulatory Agreement?		11/25/19	
What is the term/affordability period?		30	
Year	Start of Year	thru	End of Year
1	11/25/19	thru	11/24/20
6	11/25/24	thru	11/24/25
12	11/25/30	thru	11/24/31
18	11/25/36	thru	11/24/37
24	11/25/42	thru	11/24/43
30	11/25/48	thru	11/24/49
36	11/25/54	thru	11/24/55
42	11/25/60	thru	11/24/61
48	11/25/66	thru	11/24/67
54	11/25/72	thru	11/24/73
60	11/25/78	thru	11/24/79

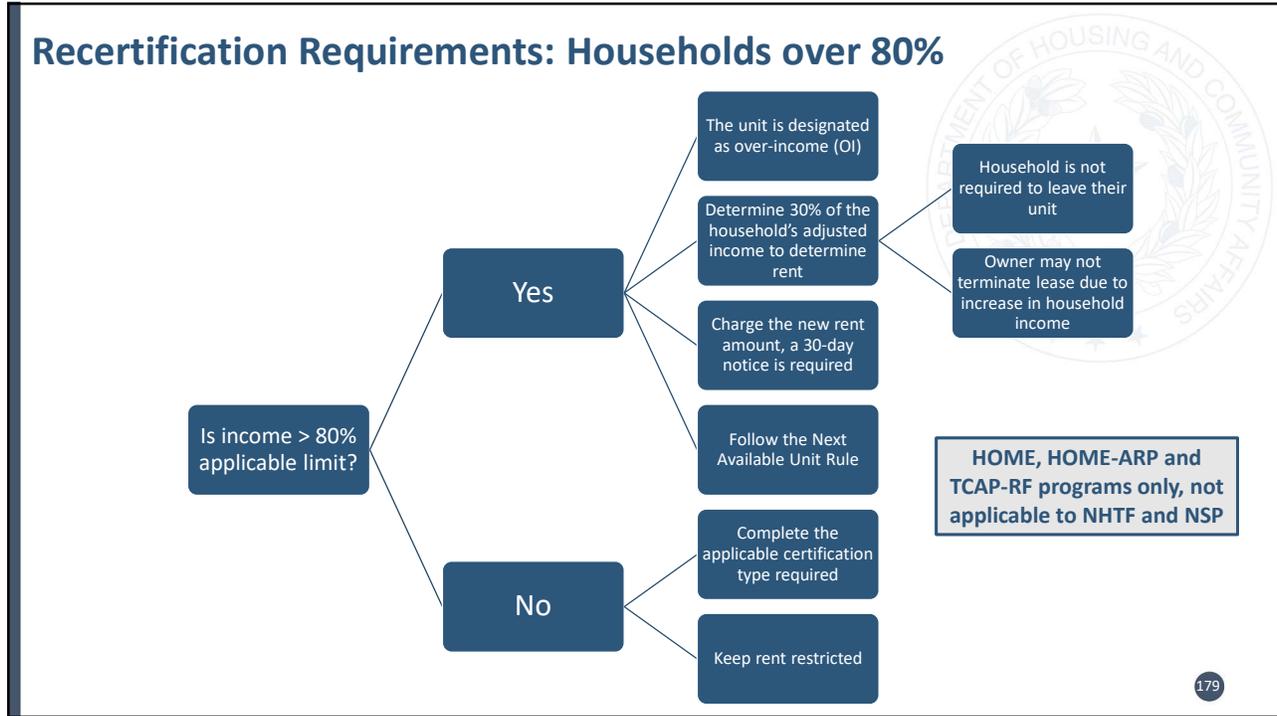
What type of recertification will be completed in 2025?

What type of recertification will be completed in 2026?



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

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Recertification Requirements: Households over 80% continued

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

Building #: 3

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

Submit Bookmark

MTSP Median Income : 67100

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

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

Now the adjusted income and rent must be determined.

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Recertification Requirements: Screening for Deductions

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

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

Applicant/Resident Name: _____

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

B. CHILD CARE EXPENSES DEDUCTION
 Is the household paying for the care of children age 13 or under? NO YES, for whom? _____
 IF YES, Please answer the following questions:
 1. Does the child care enable an adult household member to (check) Seek employment OR Be gainfully employed OR Further his/her education (residence or vocational)? NO YES, who? _____
 2. Is there an adult household member capable of providing care during the hours care is needed? NO YES
 3. Is the child care provided by a member who comprises the household? NO YES, who? _____
 4. Is the household reimbursed by an outside Agency or individual? NO YES, who? _____

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

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

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

Identify age of the following medical expense:	Estimated Annual Cost	Can support for expense be provided?
Medicare <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Disen Co-Pays <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Medical Deduction Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Other <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES

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

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

Applicant/Resident Printed Name _____ Signature _____ Date _____

Warning: Filing this form is a criminal offense to make willful false statements or misrepresentations to any Department or Agency in the United States or to any agency within its jurisdiction.

TDHCA Page 1 of 1 May 2010

The household must be screened for deductions

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

Developments may develop and utilize their own version of screening tool

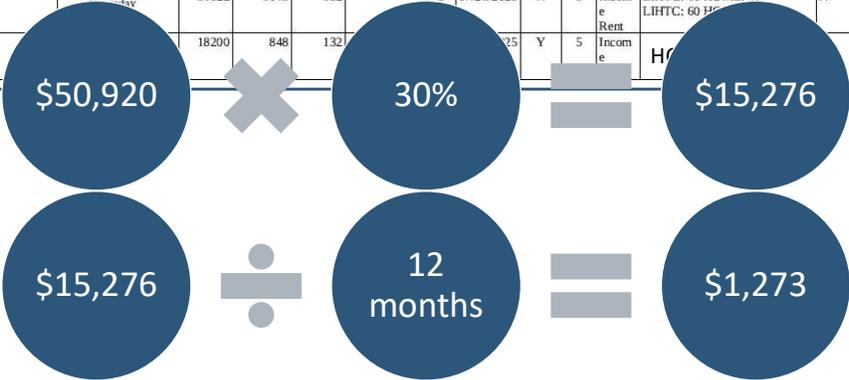
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Recertification Requirements: Rent at 100% HOME Property

Building #: 3

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



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Recertification Requirements: Rent at Mixed Income HOME Property

Building #: 3

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



Rent	0	1	2	3	4	5
30	417	446	536	619	691	762
40	556	596	746	826	922	1017
HIGH	640	843	933	1243	1440	1570
LOW	640	745	895	1032	1152	1271

Lesser of adjusted rent vs. market rent

Recertification Requirements: OI Units Redesignated

Building #: 3

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

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

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

Recertification Requirements: Layered Developments

UNIT #	MOVE IN DATE	MOVE OUT DATE	LAST NAME	ANNUAL INCOME	TENANT PAID RENT	UTILITY ALLOW.	HOUSING ASSIST. PAYMENT	# BRs	TIC DATE	RE CERT	HH SIZE	UNIT QUALIFICATIONS	MEETS SPECIAL NEEDS REQ.
2215	06/01/2022		Yi	8400	499	57	0	1	06/01/2023	Y	2	Income Rent LIHTC: 50 LIHTC: 50	
2216	08/01/2022		Mulkins	20809.92	443	57	832	1	08/01/2022	N	1	Income Rent LIHTC: 50 LIHTC: 50	
2217	06/01/2022		Savage	9328	210	57	1065	1	06/01/2023	Y	1	Income Rent LIHTC: 60 LIHTC: 60	
2219	06/01/2022		Maki	10254	232	49	936	0	06/01/2023	Y	1	Income Rent LIHTC: 30 LIHTC: 30	
2221	06/01/2022		Wright	42650	234	49	934	0	06/01/2023	Y	1	Income Rent HOME: 50 HOME: 50 LIHTC: 50 LIHTC: 50	
2223	06/01/2022		Rose Slane	63229	1426	57		1	06/01/2023	Y	1	Income Rent HOME: Market HOME: Market LIHTC: Market LIHTC: Market	
2301	06/01/2022										2		
2302													

AMFI %	1	2	3	4	5	6	7	8
20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	\$ 24,550	\$ 28,050	\$ 31,550	\$ 35,050	\$ 37,900	\$ 40,700	\$ 45,420	\$ 50,560
40	\$ 32,720	\$ 37,400	\$ 42,080	\$ 46,720	\$ 50,480	\$ 54,180	\$ 58,820	\$ 63,100
50	\$ 40,900	\$ 46,750	\$ 52,600	\$ 58,400	\$ 63,100	\$ 67,600	\$ 72,100	\$ 75,720
60	\$ 49,080	\$ 56,100	\$ 63,120	\$ 70,080	\$ 75,720	\$ 80,280	\$ 84,480	\$ 88,680
70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80	\$ 65,450	\$ 74,800	\$ 84,150	\$ 93,450	\$ 100,950	\$ 108,450	\$ 115,950	\$ 123,450
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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

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

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Recertification Requirements: 100% HTC with NHTF

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

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

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Recertification Requirements: HTC and NHTF with Market Units

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

INCOME LIMITS

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

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

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

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Recertification Requirements: Highlights

If an OI unit is at a property with both Low & High HOME units, the owner must replace Low HOME units first to maintain compliance

A household may choose not to renew their lease because of the "new" rent amount, this is a tenant's right

The owner may not terminate the lease because a household's income has increased at recertification and the household is not required to move to another unit

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Adjusted Income: When does it apply?

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

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Adjusted Income: Deductions and Purpose

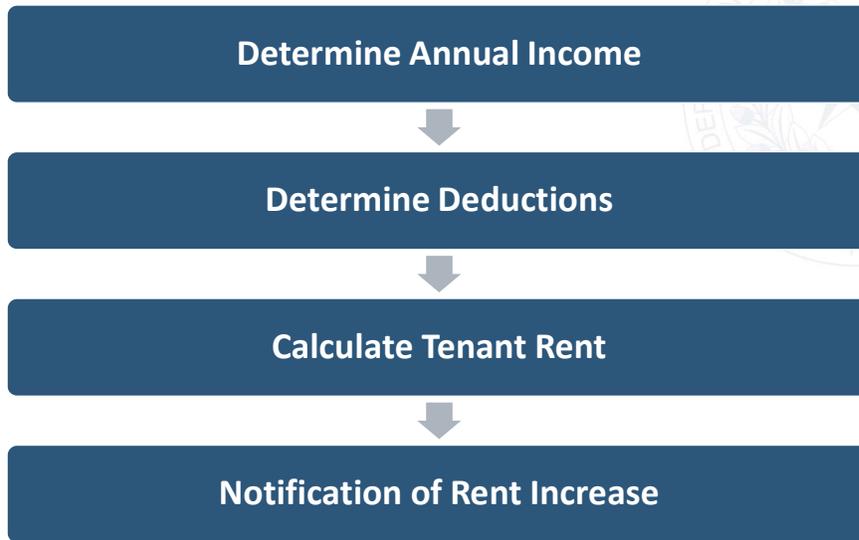
Annually, HUD will issue an Adjustment for Inflation to be used for deductions

- The HOME, TCAP-RF and HOME-ARP programs (when household goes over 80%) must use the deductions to calculate adjusted income to determine tenant rent
 - HOME-ARP will have certain households that require this at initial certification to determine tenant rent
- **Dependent Deduction** will correlate to the earned income counted for full-time students and adoption assistance – 2026 amount is \$500
- **Childcare Deduction** has excluded foster children with HOTMA unless the childcare is paid for with the household's income and not the foster care payments received from the welfare agency
- Reasonable **Attendant Care and Auxiliary Apparatus**; formerly Disabled Deduction – 10% test
- **Elderly/Disabled Deduction** – 2026 amount is \$550
- **Unreimbursed Health and Medical Care expenses** for elderly/disabled households – 10% test

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Adjusted Income: The Process



Adjusted Income: Screening for Deductions

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

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

Applicant/Resident Name: _____

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

Is the household comprised of a family member under the age of 18? NO YES, who? _____

Is the household comprised of a family member with disabilities? NO YES, who? _____

Is the household comprised of a family member who is a full-time student? NO YES, who? _____

B. CHILD CARE EXPENSES DEDUCTION

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

If YES, please answer the following questions:

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

C. DISABILITY ASSISTANCE EXPENSES DEDUCTION

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

If YES, please answer the following questions:

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

D. ELDERLY OR DISABLED FAMILY DEDUCTION

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

Is the head of household, spouse, or co-head a person with a disability? NO YES, who? _____

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

Identify any of the following medical expenses?	Estimated Annual Costs	Can Support for expenses be provided?
Medicare <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Doctor Co-Pays <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Medical Deduction Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Other: <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES

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

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

F. APPLICANT/RESIDENT CERTIFICATION

I certify that the above information is true and correct.

Applicant/Resident Printed Name: _____ Signature: _____ Date: _____

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

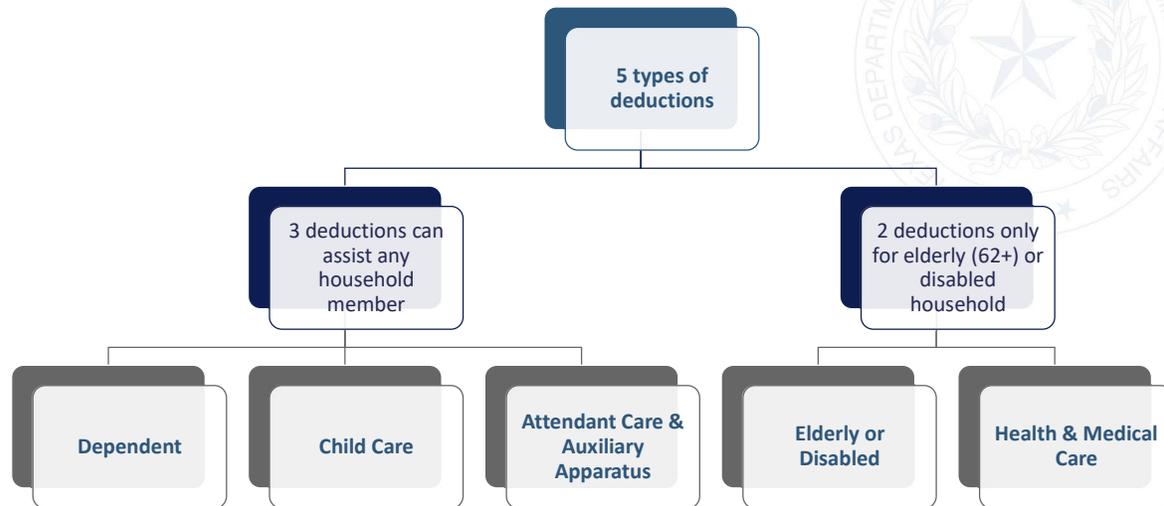
TDHCA Page 1 of 2 May 2010

The household must be screened for deductions

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

Developments may develop and utilize their own version of screening tool

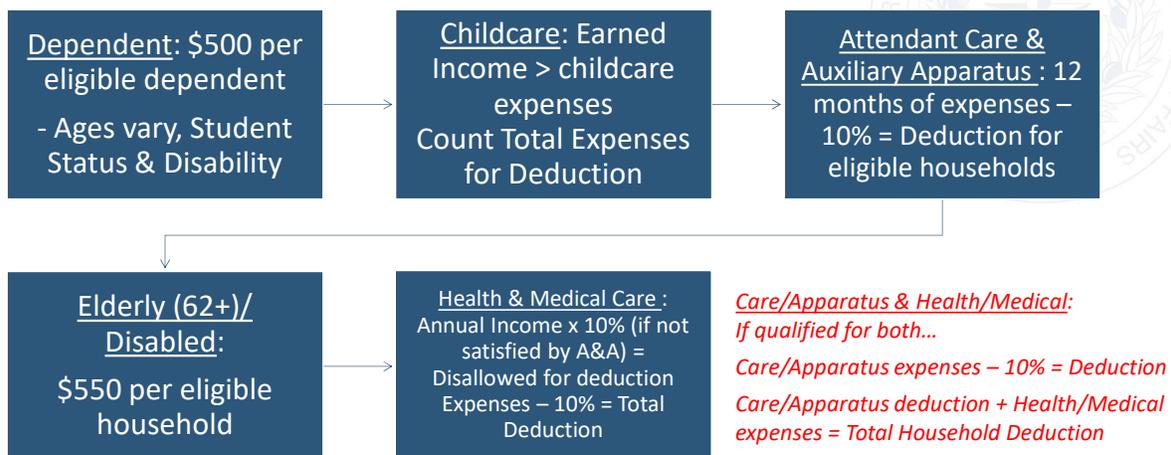
Adjusted Income: Available Deductions



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Adjusted Income: Deductions Cheat Sheet



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Cruz Household: Screening for Deductions

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

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

Applicant Resident Name: Esther Cruz

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

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

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

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

B. CHILD CARE EXPENSES DEDUCTION

Is the household paying for the care of children age 13 or under? NO YES, for whom? _____

IF YES, Please answer the following questions:

1. Does the child care enable an adult household member to (check) Be gainfully employed OR Further his/her education (volunteer or vocational)? NO YES, who? _____

2. Is there an adult household member capable of providing care during the hours care is needed? NO YES

3. Is the child care provided by a member who comprises the household? NO YES, who? _____

4. Is the household reimbursed by an outside Agency or Individual? NO YES, who? _____

C. ATTENDANT CARE AND AUXILIARY APPARATUS EXPENSE DEDUCTION

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

IF YES, Please answer the following questions:

1. Does the care and/or use of the auxiliary apparatus enable an adult household member to work? NO YES, who? _____

2. Is the household reimbursed by an Agency and/or Individual for these costs? NO YES, who? _____

3. Identify the type of care and/or apparatus paid for: Live-in Aide

D. ELDERLY OR DISABLED FAMILY DEDUCTION

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

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

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

Identify any of the following medical expenses?	Estimated Annual Cost	Can Support for expense be provided?
Medicare <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	140.00 per month	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Dentist Co-Pays <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$100.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$1025.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Medical Deduction Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Other <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES

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

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

F. APPLICANT RESIDENT CERTIFICATION

I certify that the above information is true and correct.

Applicant Resident Printed Name: Esther Cruz Date: January 6, 2024

Signature: _____

Warning: Title 16, Section 201 of the U.S. Code makes it a criminal offense to make a false statement or misrepresentation to any Department or Agency in the United States in any matter within its jurisdiction.

TDHCA Page 1 of 1 Revised September 8, 2023

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

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

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

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Adjusted Income: Dependent Deduction

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

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Cruz Household: Dependent Deduction Certification

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

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

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

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

Is the Cruz household eligible for a dependent deduction?

How much is their deduction?

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Adjusted Income: Learning Point 1

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

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Adjusted Income: Childcare Deduction

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

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

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Adjusted Income: Childcare Deduction continued

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

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Cruz Household: Child Care Deduction

B. CHILD CARE EXPENSES DEDUCTION

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

If YES, Please answer the following questions:

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

Is the Cruz household eligible for a childcare deduction?

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Learning Point: Childcare Deduction

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

Is the Robles household eligible for a childcare deduction?

204

204

Learning Point: Childcare Deduction continued

How much is the childcare deduction for the Robles household?

- Step 1: Determine Eric's annual income:

$$\begin{array}{c} \$18.00 \\ \text{an hour} \end{array} \times \begin{array}{c} 1,140 \\ \text{hours} \\ \text{annually} \end{array} = \begin{array}{c} \$20,520 \\ \text{gross} \\ \text{income} \end{array}$$

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

$$\begin{array}{c} \$18 \text{ an} \\ \text{hour} \end{array} \times \begin{array}{c} 5 \text{ days} \\ \text{a week} \end{array} \times \begin{array}{c} 3 \text{ hours} \\ \text{a day} \end{array} \times \begin{array}{c} 38 \\ \text{weeks} \\ \text{a year} \end{array} = \begin{array}{c} \$10,260 \\ \text{earned} \\ \text{income} \end{array}$$

205

205

Learning Point: Child Care Deduction completed

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

$$\begin{array}{c} \$14.00 \\ \text{an hour} \end{array} \times \begin{array}{c} 5 \text{ days} \\ \text{a week} \end{array} \times \begin{array}{c} 3 \text{ hours} \\ \text{a day} \end{array} \times \begin{array}{c} 38 \\ \text{weeks} \end{array} = \begin{array}{c} \$7,980 \\ \text{total} \\ \text{expense} \end{array}$$

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

\$10,260 Eric's earned income

\$7,980 total after-school childcare expense

Childcare does not exceed employment income

206

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Adjusted Income: Attendant Care & Auxiliary Apparatus Expense Deduction

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

207

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Attendant Care & Auxiliary Apparatus Expense Deduction Items

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

208

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Cruz Household: Care and Apparatus Expense Deduction

C. ATTENDANT CARE AND AUXILIARY APPARATUS EXPENSE DEDUCTION

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

If YES, Please answer the following questions:

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

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

209

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Learning Point: Attendant Care & Auxiliary Apparatus Expense Deduction

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

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



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Learning Point: Attendant Care & Auxiliary Apparatus Expense Deduction continued

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



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



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Adjusted Income: Elderly or Disabled Deduction

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

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Cruz Household: Elderly or Disabled Deduction

D. ELDERLY OR DISABLED FAMILY DEDUCTION

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

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

Esther Cruz, Head of Household, is a person with disabilities.

Does this mean that the Cruz household is eligible for the
Elderly/Disabled Deduction?

How much is the deduction?

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Adjusted Income: Learning Point 3

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

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

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Adjusted Income: Health & Medical Care Expense Deduction

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

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Adjusted Income: Health & Medical Care Expense Deduction Continued

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

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Cruz Household: Health & Medical Care Expense Deduction

E. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION (If your household qualifies for the deduction listed in "D" then medical expenses for ALL household members may be eligible for deduction)		
Identify any of the following medical expenses?	Estimated Annual Costs	Can Support for expenses be provided?
Medicare <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	148.50 per month	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Doctor Co-Pays <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$1600.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Prescription Costs <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$1825.00 for the year	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
Medical Deduction Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Over the Counter Costs <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES
Other: <input type="checkbox"/> NO <input type="checkbox"/> YES		<input type="checkbox"/> NO <input type="checkbox"/> YES

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

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

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

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Cruz Household: Health & Medical Care Expense Back-up

Information About Current Social Security Benefits

Beginning January 2024, the full monthly Social Security benefit before any deductions is \$2,479.90.
 We deduct \$148.50 for medical insurance premiums each month.
 The regular monthly Social Security payment is \$2,331.00.
 (We must round down to the whole dollar.)

Dear Esther Cruz:

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

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

Sincerely,

Carrie Williams

Carrie Williams, Office Manager

Dear Esther Cruz:

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

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

Sincerely,

John Williams

John Williams, Office Manager

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

Insurance: \$148.50 x 12 = \$1,782 +
Prescriptions: \$1,825 +
Doctor Visits: \$1,600 = \$5,207 total

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Cruz Household: Health & Medical Care Expense Deduction Calculated

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



- Step 2: Determine the medical expense deduction amount:



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

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Adjusted Income: Medical Expense Deduction

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

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

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

L.J., from slides 206 & 207, has the Attendant Care & Auxiliary Apparatus expense deduction of \$6,020. In addition, L.J. also has Health & Medical Care expenses in the amount of \$1,500 that are not reimbursed by insurance. Since L.J.'s Care & Apparatus expense has already been calculated, which is required to be determined first, then the medical is just added.



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Adjusted Income: Calculating Rent

Step 1:



Step 2:



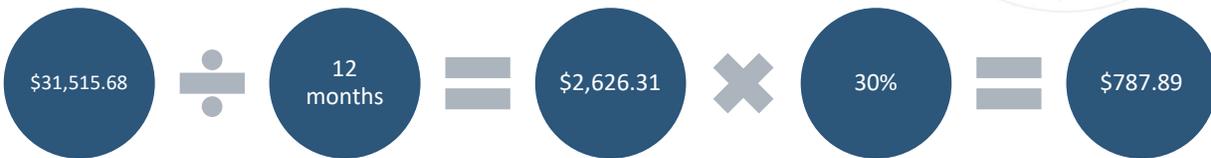
222

222

Cruz Household: Calculating Rent

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

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



The calculated rent is rounded to **\$789** because you don't, generally, collect change in rent. **Don't forget to deduct the Utility Allowance.**

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Learning Point: Adjusted Income

Bryan, Head of Household, age 63
 Nicole, Co-Head, age 52
 Casen, Dependent, age 14, disabled – requires attendant care

Bryan's annual income	\$25,000
Nicole's annual income	+ \$23,000
Total Annual Income	\$48,000

Bryan's out-of-pocket Health & Medical Care expenses	\$2,000
Nicole's out-of-pocket Health & Medical Care expenses	\$1,000
Casen's out-of-pocket Attendant Care expenses	+ \$6,000
Total Health & Medical Care and Attendant Care expenses	\$9,000

Less 10% required deduction: **\$4,800** (\$48,000 x 10%)

Annual Income	\$48,000
Medical Deduction	\$4,200 (\$9,000 - \$4,800)
Dependent Deduction	\$500
Elderly/Disabled Ded.	\$550

To calculate rent:

Adjusted annual income
\$42,750

Divided by 12 months
\$3,562.50

Multiplied by 30%
\$1,068.75

Total Tenant Payment

Adjusted Annual Income \$42,750

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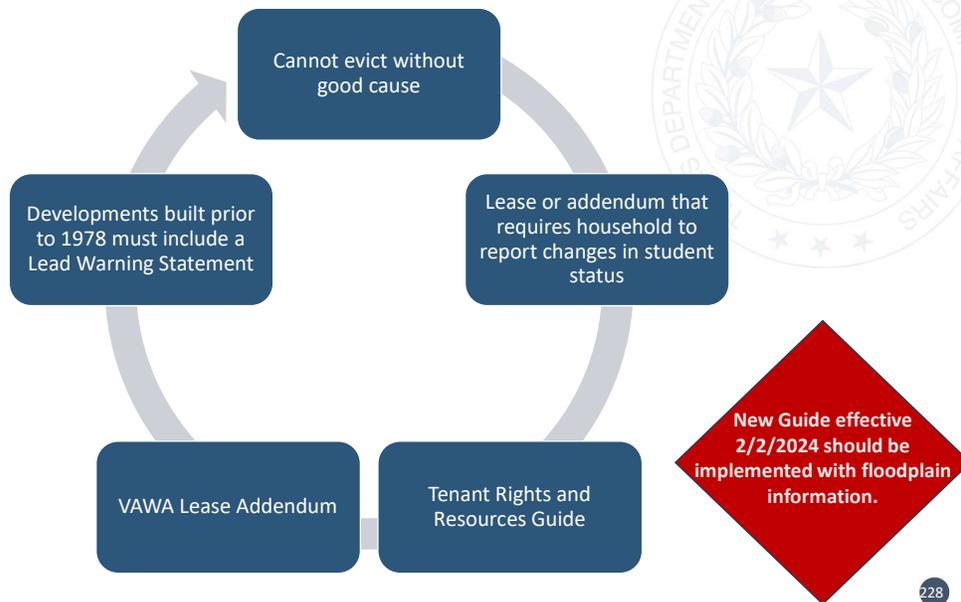
Lease Requirements



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Lease Requirements: General Prohibitions & Requirements



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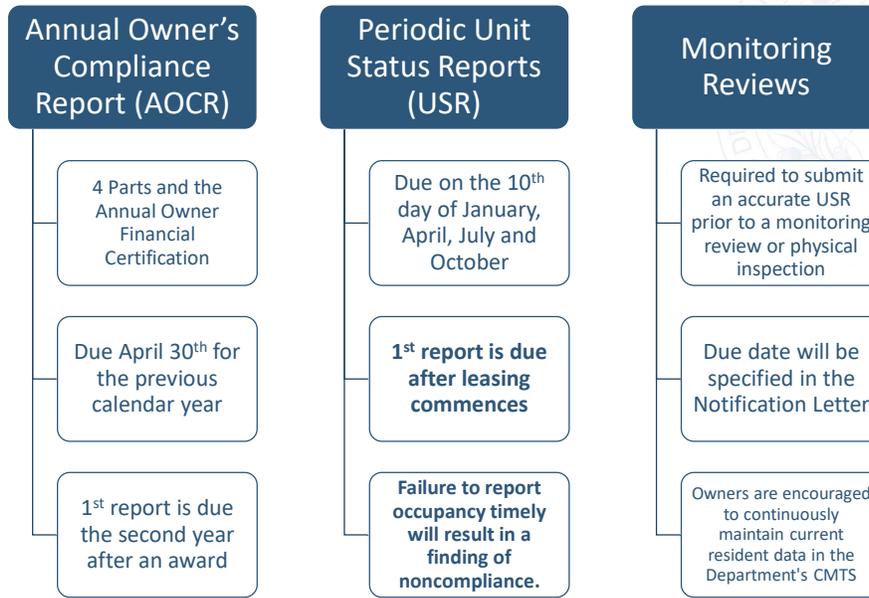
Lease Requirements: 10 TAC §10.613

- **§10.613(b)**
 - HOME, TCAP RF, NHTF, NSP, and HOME-ARP Developments are prohibited from evicting low income residents or refusing to renew a lease except for good cause.
 - To terminate or refuse to renew tenancy in HOME, TCAP RF, NSP, and HOME-ARP Developments, the Owner must serve written notice to the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
- **§10.613(h)**
 - All NHTF, TCAP RF, NSP, HOME, and HOME-ARP Developments for which the contract is executed on or after December 16, 2016, must use the Department created VAWA lease addendum which provides the ability for the tenant to terminate the lease without penalty if the Department determines that the tenant qualifies for an emergency transfer under 24 CFR §5.2005(e).
 - Within three (3) calendar days of a tenant request, management / owner will notify TDHCA via email address: VAWA.Transfer@tdhca.texas.gov that a transfer request has been made.
- **§10.613(i)**
 - Leasing of HOME, HOME Match, TCAP RF, or NHTF Units to an organization that, in turn, rents those Units to individuals is not permissible for Developments with contracts dated on or after August 23, 2013. Leases must be between the Development and an eligible household. NSP and HOME-ARP Developments may only utilize Master Leases, if specifically allowed in the Development's LURA.

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Reporting Requirements: 10 TAC §10.607

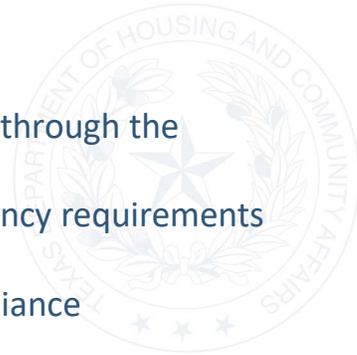


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Reporting Requirements: Desk Reviews

- Desk reviews are conducted quarterly and/or annually through the submission of the Quarterly USR
- Quarterly desk reviews are required until initial occupancy requirements and all compliance requirements are met
- Desk reviews test for the following events of noncompliance
 - Income and Rent restrictions
 - MFDL Designations Met
 - Recertification (TIC Date) Requirements Met
 - Special Needs Requirements Met
- **Failure to submit required reports will result in noncompliance**
- Desk review response letters to the Owner are a helpful tool that can be used to avoid noncompliance on future reviews
- If you are in lease-up and do not see this report as an option, you must email cmts.requests@tdhca.texas.gov



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Notices to the Department: 10 TAC §10.609

Within 10 days of a change in the contact information for the Ownership entity, management company, and/or Development the Department's CMTS must be updated.

- Including contact persons, physical addresses, mailing addresses, email addresses, phone numbers, and/or the name of the property as know by the public.
- Separate contact information must be provided for Ownership entity, management company, and onsite manager at the Development.
- A single contact may be used for the owner and management if they are the same entity.



MFDL must initially sign up for the Compliance Monitoring Tracking System (CMTS) by September 1st following the year of the award!

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Transfer Requirements: 10 TAC §10.616

- (b) Household transfers for NHTF, HOME, TCAP-RF, HOME Match, NSP, and HOME-ARP with **floating** units
 - Households may transfer to any unit within the development, a certification is not required at the time of transfer; allowed regardless of the household’s income at the most recent certification
 - If the household transfers to a different unit type, the development must maintain the unit type dispersion as reflected in its LURA, by re-leasing the vacated unit to an eligible household
 - If the development is required to perform annual income recertifications, it is due on the anniversary date the household **originally** moved into the development
- (c) Household transfers for NHTF, HOME, TCAP-RF, HOME Match, NSP, and HOME-ARP with **fixed** units
 - Households may transfer to any unit and do not need to be certified at the time of the transfer
 - If the household transfers to a unit that is not fixed, the Development must re-lease the vacated unit to an eligible household
 - If the Development is required to perform annual income recertifications, the recertification is due on the anniversary date the household **originally** moved into the Development.
- If the development is layered with Housing Tax Credits, use the transfer guidelines for the Housing Tax Credit Program

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Transfers Requirements: Learning Point

Unit 111 30% AMI	Unit 112 Market Unit	Unit 113 50% AMI	Unit 114 OI
TIC Date 1/2/2025		Vacant	TIC Date 2/5/2025
Unit 211 50% AMI	Unit 212 60% AMI	Unit 213 80% AMI	Unit 214 30% AMI
TIC Date 2/23/2025	TIC Date 12/3/2025	TIC Date 10/15/2025	TIC Date 6/1/2025

Can unit 114 transfer to unit 211?

When is the recertification for unit 211 due?

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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>

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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

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Special Rules Regarding Rent: 10 TAC §10.622

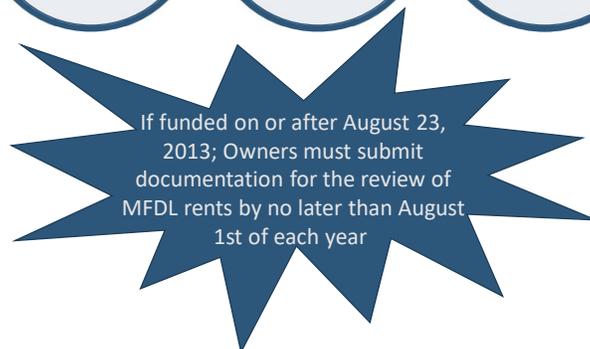
MFDL programs require the amount of rent paid by the household plus an allowance for utilities, plus any mandatory fees and any rental assistance (unless otherwise described in the LURA) cannot exceed the designated applicable limit published by the Department.

If it is determined that the Development collected rent in excess of the allowable limit, the Department will require the Owner to refund or credit the affected residents the amount of rent that was overcharged. The Owner must obtain in writing, from the household, the election to receive a full refund check or to have the entire overpaid amount credited to their household's account. In the absence of a household's election, a full refund check must be presented to the household within thirty days.

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Special Rules Regarding Rent: 10 TAC §10.622 continued



If household has already vacated, a trust account must be established and remain open for 4 years.

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Module 9

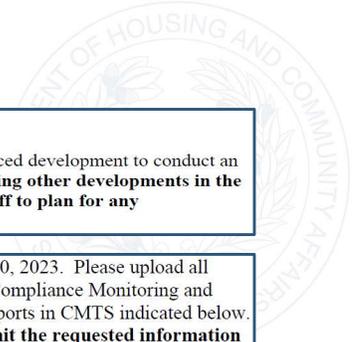


Compliance Monitoring

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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

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Notification of Monitoring Review: Desk



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
www.tdhca.state.tx.us

January 9, 2023

Steven Clark
Pandora Springs, LTD
Lansing, MS
stevenc@pandorasprings.com
RE: Pandora Springs

CMTS ID:

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. 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-on-site 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" 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 or (512) 475-3821 or by email at carapollei@tdhca.state.tx.us.

Sincerely,

Cara Pollei
Senior Compliance Monitor

221 East 12th Street P.O. Box 22942 Austin, Texas 78713-2942 (800) 643-8207 (512) 475-3821

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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.

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Monitoring Review: CMTS Reporting

Overview

Welcome to the Compliance Monitoring and Tracking System (CMTS). This system allows owners to submit required reports, such as the Unit Status Report (USR) and the Annual Owners Compliance Report (AOCR) and submit documentation directly to the Department.

Login to the CMTS

If you have already received your user id and password from

[Login to CMTS](#)

CMTS User Guidelines

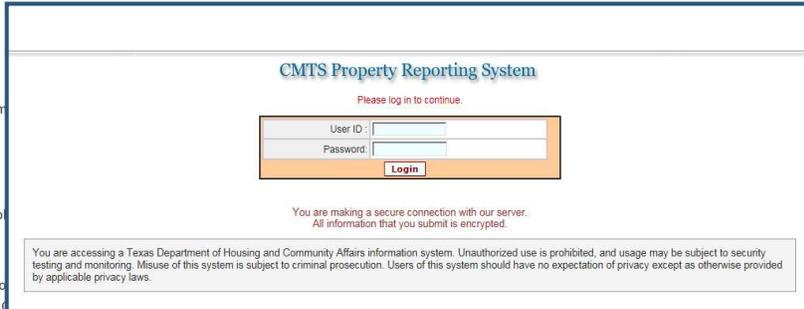
To ensure that information is properly entered into CMTS, p

- [Attaching Documents to CMTS \(PDF\) ***NEW***](#)

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

Visit the [Compliance Reports](#) page for additional information.

Visit the [Trainings Presentation](#) page for CMTS training.



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Monitoring Review: CMTS Reporting continued

admtdhca2 Property Listings

ID	Property Name	Annual Owners Compliance Reports	Unit Status Report	Unit Status Report	Unit 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	Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (2)
1947	Waves on Smith Street	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (6)
4639	Carroll Marie Terrace	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (5)
5283	Pathways at Garson Place	Annual Owners Compliance Reports - 2018	Start New Report	Unit Status Report	Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (4)

Logout

Texas Department of Housing and Community Affairs (TDHCA)

CMTS Property Reporting System

Update Property Information | Enter Unit Occupancy | Print Unit Status Report | Submit Reports | View/ack | Check/issue | Add and Edit Buildings | Add and Edit Units

Property Selection | Logout

Property 1265 Detail

Name: Hillcrest House	Type: Single-Dwelling	Sustained info: N
Building name: Single House Community	Ownership: Multi Family (apartment)	Year constructed: 1994
Total Outbuildings: 1	Total units: 64	Total property units: 64
Planned units:	Land area (sq ft):	Address: N
Total sq ft: 20749	Home funding: N	Phase in status: 1
Construction:	Home status: N	Pre-heating construction: N
Special events:	Home status: N	Phase in status: 1
# of planning reports:	Home status: N	Phase in status: 1
# of hardware reports:	Home status: N	Phase in status: 1
License type: 481 (30000000)	Home status: N	Phase in status: 1
SFS Date: 01/11/2017	Home status: N	Phase in status: 1
ATC Type: 1%	Home status: N	Phase in status: 1
Large construction:	Home status: N	Phase in status: 1
	Consider Heating Plug:	Property Status: Active

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Monitoring Review: CMTS Reporting continued



Your Property Listings

Property ID	Property Name	Annual Owners Compliance Reports	8609 Part I Report	Unit Status Report	Update Contact Information	Edit Manager Password	Reports	Electronic Document Attachment
4651	Beverly Garden Apartments			Unit Status Report	Update Contact Information		Reports	Attachments (0)

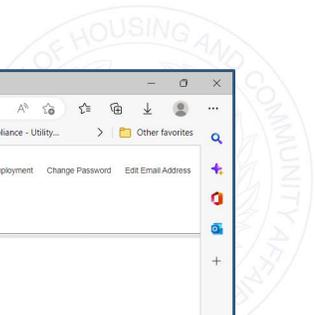
[Logout](#) **Manager's View of CMTS**

Texas Department of Housing and Community Affairs (TDHCA)

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Monitor Review Questionnaire: Where is it?



Property List <https://cdb-stage.tdhca.state.tx.us/aiims2/HsrOpening.m>

STAGE

CMTS Property Reporting System

cpollei Property Listings

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
4793	Oasis Cove	Annual Owners Compliance Reports - 2021	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (69)
5627	Greenline North	Annual Owners Compliance Reports - 2021		Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (1)

[Logout](#)

Texas Department of Housing and Community Affairs (TDHCA)

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Monitor Review Questionnaire: Where is it?

The screenshot shows the CMTS Property Reporting System interface. The 'Unit Status Reports' link in the navigation menu is circled in red. Below the navigation, the 'Property#4793 Detail' table is visible, containing various property attributes such as Name, Type, Dwelling type, and Total units.

Property#4793 Detail		
Name: Oasis Cove	Type: Individual/Family	Scattered site: N
Building config: Five+ Units Per Building	Dwelling type: Multi Family Residential	Year constructed: 2013
Total buildings: 5	Total units: 64	Total program units: 64
Planned buildings: Total sq ft: 61680	Planned units: Land site cfm:	Zoning: R
Disposition:	Home funding: N	Elevator: N
Special needs:	Home 40/50: N	Floors in tallest bldg: 2
# of parking spots:	First building in svc date: 10/17/2013	Fair Housing Construction: N
# of handicap spots:	Last building svc date: 12/16/2013	Next RD onsite rww date:
Census Tract: 48211950300	Latitude: 35.9169	Last RD onsite rww date:
GPS Date: 01/11/2017	RAD Development:	Longitude: -100.3762
HTC Type: 9%	Disaster Housing Flag: N	Property Status: Active
Legal description:		

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Monitor Review Questionnaire: Where is it?

The screenshot shows the 'Unit Status Reports' table in the CMTS Property Reporting System. The table lists various report types, due dates, submitted dates, and actions like 'Submit' and 'Print'.

Report Type	Due Date	Submitted Date	Submit	Print
Unit Status Report / Desk - Quarterly Vacancy Report	10/10/21	Has not been submitted	[Submit]	[Preview before submitting]
Unit Status Report / Desk - Quarterly Vacancy Report	07/10/21	07/09/21		[Print USR EDE / Excel]
Unit Status Report - Part B / Desk - Annual Owners Compliance Reports	04/30/21	Has not been submitted	[Submit]	[Preview before submitting]
Unit Status Report - Part B / Desk - Annual Owners Compliance Reports	04/30/21	04/08/21		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	04/10/21	04/05/21		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	01/10/21	01/18/21		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	10/10/20	10/08/20		[Print USR EDE / Excel]
Unit Status Report - Part B / Desk - Annual Owners Compliance Reports	07/16/20	04/16/20		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	07/10/20	07/10/20		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	04/10/20	04/16/20		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	01/10/20	01/10/20		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	10/10/19	10/08/19		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	07/10/19	07/11/19		[Print USR EDE / Excel]
Unit Status Report - Part B / Desk - Annual Owners Compliance Reports	04/30/19	04/30/19		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	04/10/19	04/30/19		[Print USR EDE / Excel]
Unit Status Report / Onsite	04/02/19	04/02/19		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	01/10/19	01/02/19		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	10/10/18	10/11/18		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	07/10/18	07/10/18		[Print USR EDE / Excel]
Unit Status Report - Part B / Desk - Annual Owners Compliance Reports	04/30/18	04/29/18		[Print USR EDE / Excel]
Unit Status Report / Desk - Quarterly Vacancy Report	04/30/18	03/27/18		[Print USR EDE / Excel]

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Monitor Review Questionnaire: Where is it?

Monitor Review Questionnaire

Report Type	Due Date	Questionnaire	Submitted Date	Submit	Print
Entrance Interview Questionnaire	04/02/2019		04/02/2019		[Print as Submitted]
Entrance Interview Questionnaire	04/13/2016		04/12/2016		[Print as Submitted]
Entrance Interview Questionnaire	01/31/2014		01/29/2014		[Print as Submitted]

Required Confirmation of Notification

Report Type	Due Date	Questionnaire	Submitted Date	Submit	Print
UPCS Inspection Report	05/01/2020	[Start, Edit or View before submission]	Has not been submitted	Must Save Before Submission	[Preview before submitting]
UPCS Inspection Report	06/01/2017		05/04/2017		[Print as Submitted]
UPCS Inspection Report	05/01/2014		03/26/2014		[Print as Submitted]

Utility Allowance Review Questionnaire

Report Type	Due Date	Questionnaire	Submitted Date	Submit	Print

[Quarterly Owners Financial Certification](#)

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Monitor Review Questionnaire: Where is it?

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	05/25/2014		05/24/2014		[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	07/06/2009	[Start, Edit or View before submission]	Has not been submitted	[Submit]	[Preview before submitting]

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Monitor Review Questionnaire: What does it look like?

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MONITOR REVIEW QUESTIONNAIRE

Printed Date 03/01/24
Page 1 of 14

Project# [REDACTED] Project Name [REDACTED] Project Type Elderly Only

CR#: [REDACTED] Fiscal Year: [REDACTED]

Ques#	Question	Answer
Please answer the following questions. Based on your response, if instructed below, please submit through the attachment system in CMTS the indicated documentation to evidence compliance with the requirement.		
Contact Information		
1	In CMTS, is the contact information for the Owner representative, management company, and onsite manager true and correct? If not, please update the contact information in CMTS.	Yes
2	If the Department is conducting the monitoring review onsite, has onsite staff been made aware of the visit? If not, please notify onsite staff that the date and time in the notice are approximate.	Yes
3	In CMTS, is the name of the development the same as it is known to the public? If not, please update the development's address in CMTS.	Yes
4	In CMTS, is the physical address correct for the development? If not, please update the development's address in CMTS.	Yes
5	Does the development have a leasing office at the physical address provided in CMTS?	Yes
6	If not, please indicate where the files are kept by providing a full physical address (street number, street name, city, state, and ZIP). Reporting Please submit electronically in CMTS an accurate and up-to-date Unit Status Report.	
7	Have Forms 8609 been issued by the Department? If not, please submit through the attachment system in CMTS copies of the Certificates of Occupancy.	Yes



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Monitor Review Questionnaire: What does it look like?

Ques#	Question	Answer
17	Does a LURA for the development require marketing to veterans through direct marketing or contracts with veteran's organizations? If so, submit through the attachment system in CMTS evidence, such as marketing flyers, letters, contracts, etc.	Yes
18	Does the LURA require setting aside and marketing to a certain number of units for Continuum of Care (COC)/Homeless?	No
19	If so, what units are current occupied by referred Persons from a COC/Homeless? Submit through the attachment system in CMTS evidence, such as marketing flyers, letters, contacts, etc.	

44	Are any units at the development assisted with a HUD program (such as project-based Section-8, public housing units, etc.)?	Yes
45	If so, please provide here a list of buildings with HUD-assisted units. If so, please submit through the attachment system in CMTS documentation of the three most current years' worth of utility allowances from HUD.	BUILDING 1 THROUGH 6



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Monitor Review Questionnaire: What does it look like?



Social Services	
87	Does a LURA for the development require the provision of supportive services to tenants? Yes If so, please answer questions lines between 88 through 120. If not, please skip questions lines between 88 through 120.
88	If this is the development's first monitoring review and not all services can be provided at this time, does the development have a plan to provide services with specific dates?
89	If so, please submit through the attachment system in CMTS the plan.
90	Does a LURA for the development require an onsite Notary Public? Yes If so, please submit through the attachment system in CMTS evidence of the Notary Public.
91	Does a LURA for the development require the community to make No available on a regularly-schedule basis, to a local nonprofit or government provider of services, space to provide outreach services and education to tenants regarding their health and well-being?
92	If so, please submit evidence through the attachment system in CMTS.

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Monitor Review Questionnaire: What does it look like?



Please provide information on supportive services as required per a LURA for the development, including required providers. For each services, please submit through the attachment system in CMTS sufficient documentation to evidence the required frequency and scope as indicated in a LURA.	
Service 1	
95	Provide the name of the service as listed in the LURA. BASIC ADULT EDUCATION
96	What events are being provided? COOKING CLASSES NATURAL GROCERS, BOOK CLUB, KNITTING GROUP
Service 2	
97	Provide the name of the service as listed in the LURA. HEALTH SCREENING
98	What events are being provided? BLOOD PRESSURE AND BLOOD SUGAR CHECKS MONTHLY WITH WALGREENS
Service 3	
99	Provide the name of the service as listed in the LURA. HEALTH AND NUTRITION CLASSES
100	What events are being provided? YOGA, QUARTERLY TOPICS ON SUBJECTS SUCH AS MEDICATION MANGEMENT AND VITAMEN INTERACTIONS, FOOD PANTRY
Service 4	
101	Provide the name of the service as listed in the LURA. COUNSELING SERVICES
102	What events are being provided? BIBLE STUDY - WEEKLY PEER SUPPORT GROUP/COFFEE CLUB

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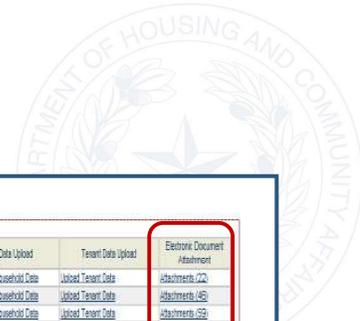
Monitor Review Questionnaire: What does it look like?



121 Non-Profits, Historically Underutilized Businesses (HUB), and Community Housing Development Organizations (CHDO)
 If a LURA for the development requires ongoing material participation of a non-profit, Historically Underutilized Business (HUB), and/or Community Housing Development Organization (CHDO) entity, please provide here a written narrative explaining how that entity materially participates in the on-going operations of the development.

Rents, Fees, and Units		
122	Do tenants pay to use any amenities (garages, carports, parking spots, storage units, pools, fitness rooms, business centers, hairdressing spaces, etc.)?	No
123	If so, please list here the amenity type and the amount of the fee for each.	
124	Do tenants pay any fees that are a condition of occupancy (month-to-month rent, laundry hookup fees, cable, internet, renter's insurance, etc.)?	No
125	If so, please list here the type of fee and the amount of the fee for each.	

Monitoring Review: CMTS Attachment System



admt0ha2 Property Listings

Property ID	Property Name	Annual Owners Compliance Reports	8006 Part II Report	Unit Status Report	Update Contact Information	Edit Manager Password	Reports	Unit Data Upload	Tenant Data Upload	Electronic Document Attachment
1265	Hilcrest House	Annual Owners Compliance Reports - 2019	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (22)
1341	Island Palms Apartments	Annual Owners Compliance Reports - 2019	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (46)
3417	Village on Sixth Street	Annual Owners Compliance Reports - 2019	Start New Report	Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (52)
4839	Darson Marie Terrace	Annual Owners Compliance Reports - 2019		Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (41)
5303	Pathways at Gaston Place	Annual Owners Compliance Reports - 2019		Unit Status Report	Update Contact Information	Edit Manager's Password	Reports	Upload Unit Household Data	Upload Tenant Data	Attachments (24)

[Logout](#)

Make sure you select the correct property for the reports you are submitting.

Monitoring Review: CMTS Attachment System continued



TDHCA Compliance Monitoring & Tracking

SEARCH / CREATE: [Organization](#) | [Person](#) SEARCH: [Address](#) | [Property](#) CREATE: [Property](#) REPORTS: [Project Inventory](#) | [811 Project Rental Assistance](#) | [Asset Manager](#)

- The attachment was successfully uploaded, but please note that there is no email address associated to the selected TDHCA Contact (From Compliance Monitoring), so the TDHCA Contact did not receive an attachment notification email.
- Record updated successfully.

Electronic Document Attachments for Pandora Springs

[Refresh] [Attach a Document]

ATTACHMENTS [1 RECORDS FOUND]	Type	Description	TDHCA Contact	Path	Date	Read?	Created By	
1	TDHCA Correspondence	Testing - no action required	From Compliance Monitoring	20211130125623-CMTS-Attachment-Test-Page.docx	11/30/21	N	cpolle1	✕ Edit View

[Return to Property Detail](#)

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Monitoring Review: CMTS Attachment System continued



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.

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Monitoring Review: Supportive Services

If the LURA requires Supportive Service:

- Newer MFDL LURAs require Tenant Supportive Services
- Documentation evidencing compliance with all Supportive Service requirements in the Land Use Restriction Agreement (LURA).
 - For example: sign-in-sheets, notices, calendars, schedule of planned/upcoming services, invoices, contracts and ledgers, and the provider’s tax-exempt status, if applicable.
- **Upload into CMTS evidence of two current consecutive services for each service provided (example: annually = most current service and next scheduled, monthly = 2 months, quarterly =2 quarters, weekly = 2 weeks’ worth, weekday = 2 weeks’ worth).**
- The development may also submit an outline showing the planned services in addition to the back-up for services already held.

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Desk Monitoring Review: Files Requested



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

January 25, 2023

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 13944 Austin, Texas 78711-3944 (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) 475-3523 or by email at cara.pollei@tdhca.state.tx.us.

Sincerely,

Cara Pollei
Senior Compliance Monitor

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Desk Monitoring Review: Files Requested

Dear Mr. Clark:

In regards to the Desk Monitoring Review required for the above referenced development, the following files have been selected for review:

8	15	22	30	31
36	40	42	45	47
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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
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Desk Monitoring Review: Files Requested

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.

264

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Desk Monitoring Review: Files Requested

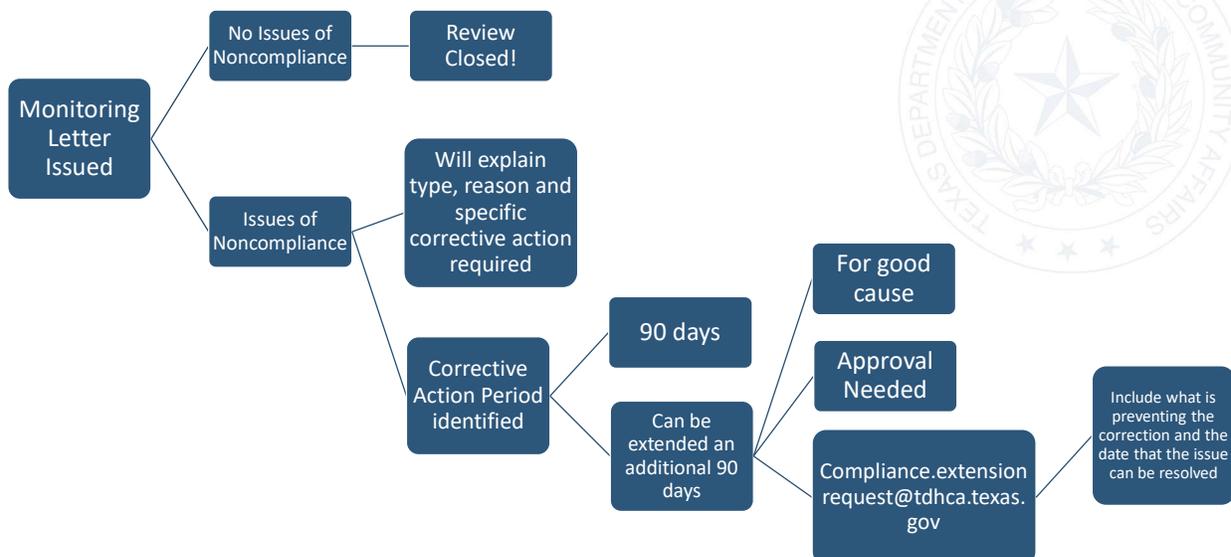


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Monitoring Report



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Monitoring Report: The Report

Pandora Springs
Page 3

The Texas Department of Housing and Community Affairs completed an on-site monitoring review of

Additional tips and links for future reference:

- **Join Our Email List:** The Department recommends signing up for the Email list to receive updates regarding important compliance rule and form changes. Sign up by selecting "Subscribe" at the "Subscribe to our Mailing List" section at the bottom of the TDHCA homepage at <http://www.tdhca.texas.gov/>.
- **Compliance Monitoring Rules:** These rules change periodically and you are responsible for staying apprised of any and all updates. The rules are published on the Secretary of State website at: [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=10&pt=1&ch=10&sch=F&rl=Y).
- **Compliance Forms** are available at: <https://www.tdhca.texas.gov/compliance-forms>
- **Income and Rent Limits** are published at least annually at: <https://hrc-ic.tdhca.state.tx.us/hrc/IncomeAndRentTool.m>
- **Frequently asked questions and answers** are available at: <https://www.tdhca.texas.gov/compliance-frequently-asked-questions-faqs>
- **Ownership transfer:** If you are contemplating a sale, transfer, or exchange of the Development or the structure of the owning entity, you are required to receive pre-approval from TDHCA. Procedures are outlined in the Ownership Transfer section of the Post Award Activities Manual at: <http://www.tdhca.texas.gov/asset-management/pca-manual.htm>.

offered.

221 East 15th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0057 (512) 475-3800

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Monitoring Report: The Details

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS Printed Date: 12/29/22
Page 4 of 6

Property ID
Property File
Address 150

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
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.		

PROPERTY Finding

Noncompliance

Reason

Corrective

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
Reason	In accordance with Title 10 of the Texas Administrative Code §10.612, HTC projects (as defined on Part II question, 8b of IRS Form 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	

UNIT FINDING

Unit # 15

Finding

Noncompliance

Reason

Potential Administrative Penalty

Corrective Action The household completed the annual re-certification on December 9, 2022. No further action is required.

Potential Administrative Penalty \$250 per violation

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Monitoring Report: Learning Point

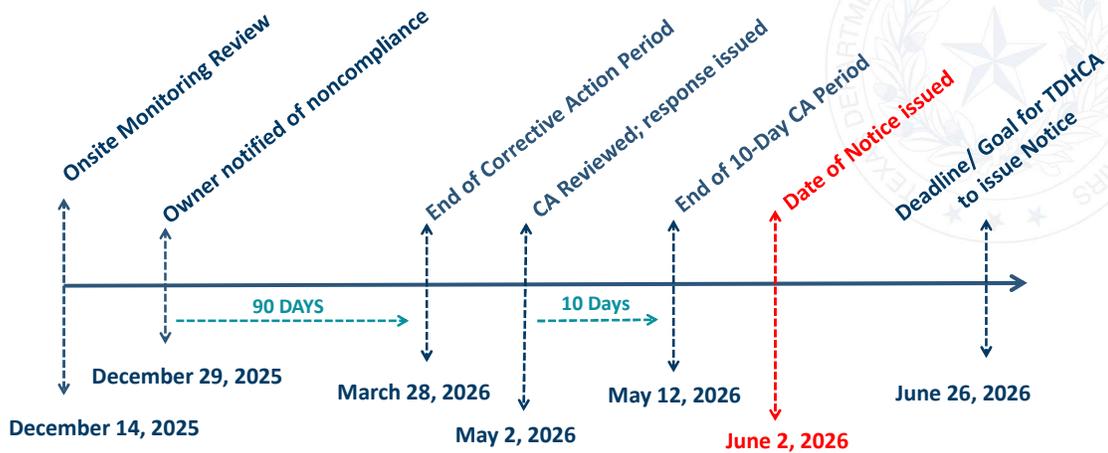
When there are issues of noncompliance the development will be given a 6-month Corrective Action Period?

- A True
- B False**

269

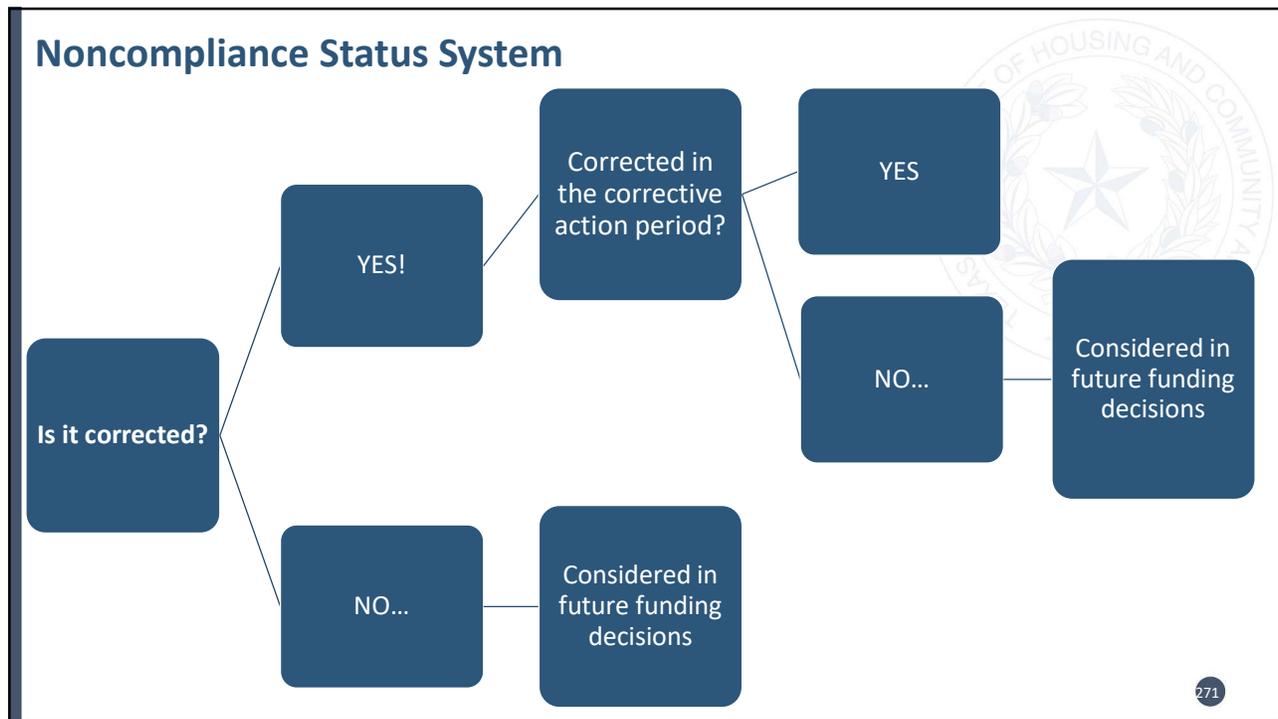
269

Monitoring Report: The Timeline

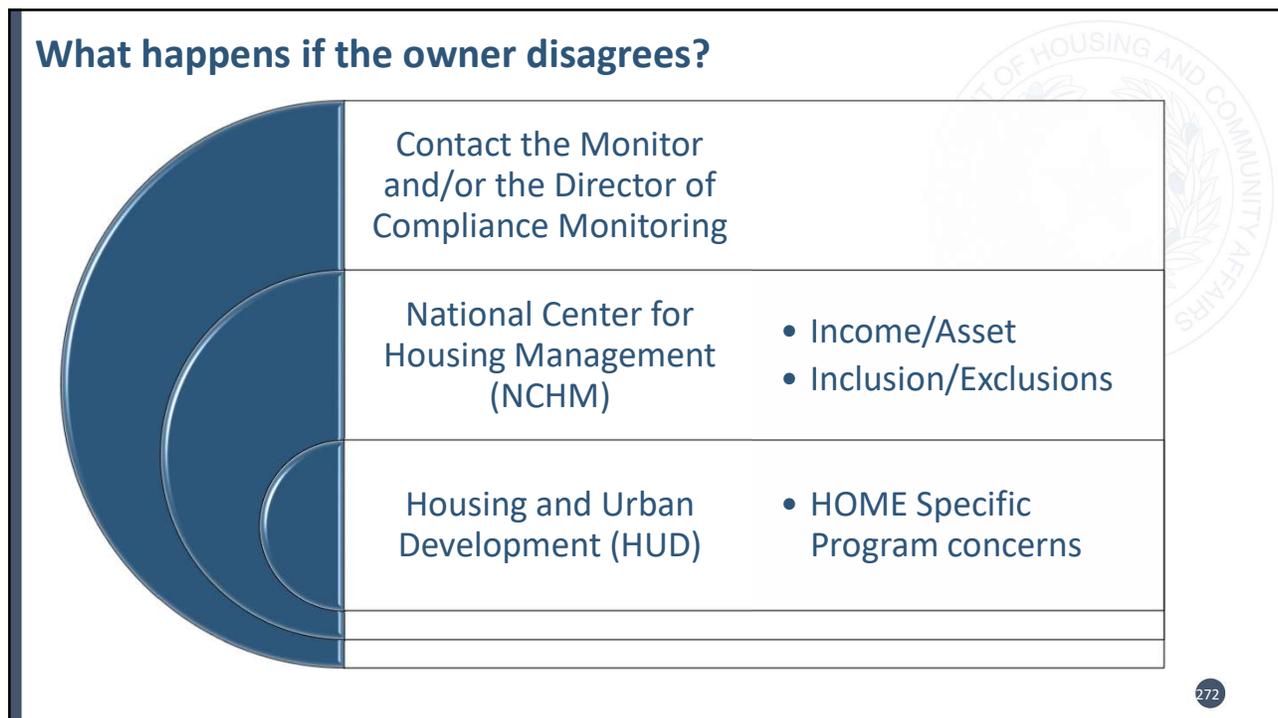


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HOME 2025: What is changing – Objectives and Applicability

This rule is applicable to any HOME LURA effective April 30, 2026, or any HOME LURA before April 30, 2026, that has been amended.

PLEASE NOTE: The rules we are talking about today are in Public Comment Period. We will go over all final changes after the rule is adopted.

Compliance Monitoring Objectives and Applicability

- A Development with one or more HOME, TCAP-RF or HOME Match Units is subject to the 2025 HOME Final rule if a Contract with the Department is executed by both Parties on or after April 30, 2026;
- A Development with HOME, TCAP-RF and HOME Match Units with a Contract or a LURA executed prior to April 30, 2026, that has executed the applicable amendment(s) to opt-in the entirety of rule (to the extent allowed under federal or state law determined by the Department's Legal Division) are also subject to the HOME Final Rule.
- A Development with one or more NSP Units with a Contract executed on or after April 30, 2026, may be subject to elements of the HOME Final rule as further described in the Department's Consolidated Plan Amendment, and as outlined in the Contract and the LURA.
- A Development with one or more NSP Units with a Contract executed prior to April 30, 2026, that also has one or more Units subject to the 2025 HOME Final Rule may be allowed to opt into elements of the HOME Final rule, as determined by the Department's Legal Division.

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HOME 2025: What is changing - Reporting

This rule is applicable to any HOME LURA effective April 30, 2026, or any HOME LURA before April 30, 2026, that has been amended.

PLEASE NOTE: The rules we are talking about today are in Public Comment Period. We will go over all final changes after the rule is adopted.

Reporting Requirements

- For Developments subject to the 2025 HOME Final Rule, within five (5) business days of a change to the Development Owner or management company, the new Owner or management company shall issue a written notice to all households of such a change.

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HOME 2025: What is changing – Lease Requirements

This rule is applicable to any HOME LURA effective April 30, 2026, or any HOME LURA before April 30, 2026, that has been amended.

PLEASE NOTE: The rules we are talking about today are in Public Comment Period. We will go over all final changes after the rule is adopted.

Lease Requirements

- Owners of HTC, TCAP, and Exchange Developments and Developments subject to the 2025 HOME Final Rule Developments are prohibited from locking out or threatening to lock out any Development resident, except by judicial process, unless the exclusion is necessary for the purpose of performing repairs or construction work, or in cases of emergency. Owners are further prohibited from seizing or threatening to seize the personal property of a resident except by judicial process unless the resident has abandoned the premises. These prohibitions must be included in the lease or lease addendum.
- A Development subject to the 2025 HOME Final Rule must comply with all provisions outlined within this section and the following:
 - (1) Surety bonds, security deposit insurance, and instruments similar to surety bonds or security deposit insurance may not be used in lieu of or in addition to a security deposit for any Unit in a Development with floating Units or for fixed Units in the Designated Units. All security deposits must be fully refundable and may not be greater than two months' rent.
 - (2) A Designated Unit must use the HOME tenancy addendum published by HUD. If HUD does not publish a tenancy addendum, then the Department's version must be used.

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HOME 2025: What is changing – Lease Requirements cont.

Lease Requirements continued

- (3) Leases for Designated Units:
 - (A) A copy of the lease template must be submitted to the Department prior to being implemented or upon any revision;
 - (B) The lease must provide more than one method to communicate directly with the Owner and the property management, including in person, by telephone, email or through a web portal;
 - (C) For a Development with one or more floating Units, if the Development is not using the same lease template for all Units in the Development, the lease must provide the provisions that will go into effect upon the Unit becoming a Designated Unit; and
 - (D) The lease must provide the following Department contact information: mail: TDHCA P.O. Box 13941 Austin, TX 78711 phone: 512-475-3800 email: info@tdhca.texas.gov.
- (4) All Notices to Vacate must be submitted to the Department no later than 14 days after the notice is issued (in the case of a 30-day notice). In cases where a shorter Notice to Vacate is issued due to imminent threats to other tenants, employees, or property, a copy of the notice must be provided to the Department upon issuance.
- For all Developments that have or had direct loan funds from the Department, surety bonds, security deposit insurance, and instruments similar to surety bonds or security deposit insurance may not be used in lieu of or in addition to a security deposit for any Unit in a Development with floating Units or for fixed Units in the Designated Units.

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HOME 2025: What is changing – Utility Allowances

This rule is applicable to any HOME LURA effective April 30, 2026, or any HOME LURA before April 30, 2026, that has been amended.

PLEASE NOTE: The rules we are talking about today are in Public Comment Period. We will go over all final changes after the rule is adopted.

Utility Allowances

- The following options are available to establish a Utility Allowance for all programs except most Developments funded with MFDL funds, which are addressed in subsection (d) of this section. A Development with HOME-ARP Units or Units subject to the 2025 HOME Final Rule, and that does not have Units subject to the 2013 HOME Rule, may use methods in this subsection or subsection (d) of this section, but cannot combine two methods in one building.
- The Utility Allowance may be initiated by the Owner using the methodologies described in subsection (c)(3)(B), (C), (D), or (E) of this section related to Methods. Buildings for which the only source of MFDL funding is HOME-ARP and which contain no Units subject the 2013 HOME Rule may calculate the Utility Allowance using the methodology described in subsection (c)(3)(A) of this section. A Development that is subject to the 2025 HOME Final Rule may also use the methodology described in subsection (c)(3)(A) of this section, if the Development does not also contain Units subject to the 2013 HOME rule. The methodology must be annually reviewed and approved by the Department.
- (c)(3)(A) Public Housing Authority (PHA).

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HOME 2025: What is changing – Special Rules Regarding Rents & Rent Limits

This rule is applicable to any HOME LURA effective April 30, 2026, or any HOME LURA before April 30, 2026, that has been amended.

PLEASE NOTE: The rules we are talking about today are in Public Comment Period. We will go over all final changes after the rule is adopted.

Special Rules Regarding Rents and Rent Limit Violations

- 10.622 (g) Rent Adjustments for HOME, TCAP RF, and HOME-ARP Units:
 - (1) 100% HOME/TCAP-RF/HOME-ARP assisted Developments and that contain no HTC Units. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to 30% of the household's adjusted income;
 - (2) HOME/TCAP-RF/HOME-ARP Units in Developments with any Market Rate Units and where the Unit is not layered with HTC. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to the least of 30% of the household's adjusted income, or the comparable Market rent, or the rent being charged for the same Unit Type on a Market Rate Unit; and
 - (3) HOME/TCAP-RF/HOME-ARP Units layered with HTC Units. If a household's income exceeds 80% at recertification, the Owner must charge a gross rent equal to or less than the applicable HTC limit.

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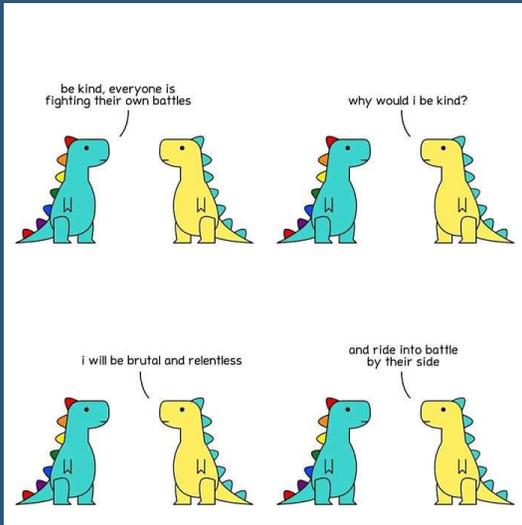
HOME 2025: What is changing – Special Rules Regarding Rents & Rent Limits

Special Rules Regarding Rents and Rent Limit Violations continued

- A Development subject to the 2025 HOME Final Rule that contains one or more floating Units must provide all households a 60-day written notice before implementing any rent increase. A Development with Units subject to the 2025 HOME Final Rule with one or more fixed Units must provide a 60-day written notice to the Designated Units. If an Owner increases the household's rent without providing a 60-day notice, any increases must be refunded or credited to the affected household(s). The Owner must obtain in writing, from the household, the election to receive a full refund check or to have the entire overpaid amount credited to their household account. In absence of a tenant election, a full refund check must be presented to the household.

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Thank you!

Multifamily Direct Loan 2026

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