

**SUPPLEMENTAL BOARD BOOK
OF
MAY 23, 2019**



J. B. Goodwin, Chair

Leslie Bingham Escareño, Vice-Chair

Paul Braden, Member

Asusena Reséndiz, Member

Sharon Thomason, Member

Leo Vasquez, III, Member

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
8:00 AM
MAY 23, 2019

Dewitt C. Greer State Highway Building
Ric Williamson Hearing Room
125 E. 11th Street
Austin, Texas 78701

CALL TO ORDER

ROLL CALL

J.B. Goodwin, Chair

CERTIFICATION OF QUORUM

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

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

Resolution recognizing June as *Homeownership Month*

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Tex. Gov't Code, Texas Open Meetings Act. Action may be taken on any item on this agenda, regardless of how designated.

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

EXECUTIVE

- a) Presentation, discussion, and possible action on Board meeting minutes summary for January 17, 2019

J. Beau Eccles
General Counsel

FINANCIAL ADMINISTRATION

- b) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions in this regard

Ernie Palacios
Director of Financial
Administration

LEGAL

- c) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Northwood Apartments (HTC 11081 / HOME 1001590 / CMTS 1303)

Jeffrey T. Pender
Deputy General Counsel

HOUSING RESOURCE CENTER

- d) Presentation, discussion, and possible action on the final 2019 State of Texas Consolidated Plan: One-Year Action Plan

Elizabeth Yevich
Director of
Housing Resource Center

HOME AND HOMELESSNESS PROGRAMS

- e) Presentation, discussion, and possible action to authorize the issuance of the 2019 Emergency Solutions Grants Program Notice of Funding Availability and publication in the *Texas Register*

Abigail Versyp
Director of
HOME and
Homelessness Programs

COMMUNITY AFFAIRS

- f) Presentation, discussion, and possible action on the reprogramming of Program Year 2018 Community Services Block Grant Administrative and Discretionary funds

Michael DeYoung
Director of
Community Affairs

OCI-HTF-NSP DIVISION

- g) Presentation, discussion, and possible action authorizing extensions to Neighborhood Stabilization Program 3 Contract and Program Income Reservation Agreement
- h) Presentation, discussion, and possible action to amend the 2019 Amy Young Barrier Removal Program Statewide Allocation Notice of Funding Availability and publication of the Notice of Funding Availability in the *Texas Register*

Raul Gonzales
Director of
OCI/HTF/NSP

BOND FINANCE

- i) Presentation, discussion, and possible action on Resolution No. 19-033 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject

Monica Galuski
Director of
Bond Finance

MULTIFAMILY FINANCE

- j) Presentation, discussion, and possible action on the Second Amendment to the 2019-1 Multifamily Direct Loan Notice of Funding Availability
- k) Presentation, discussion and possible action on an extension for AHA! at Briarcliff, Application #17511
- l) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer

Marni Holloway
Director of
MF Finance

19421	Hampton Homes	Texarkana
19422	HATT Scattered Sites	Texarkana
19423	Robison Terrace	Texarkana
19424	Williams Homes	Texarkana
19425	Bright Street	Texarkana
19403	Mesa West	San Antonio
19404	Legacy Ranch at Dessau East	Austin

ASSET MANAGEMENT

- m) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement

97104	Oak Meadows Townhomes	Commerce
98191	Casa Pointe Villas	San Antonio
99147	Ridgecrest Inn Apartments	Livingston
- n) Presentation, discussion, and possible action regarding waiver

15251	Casa Verde Apartments	Laredo
16197	Taylor Senior Village	Mission
- o) Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application

16098	Parkdale Villas	Denison
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- p) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and changes to the Direct Loan

18036	Clyde Ranch	Clyde
18040	Farmhouse Row	Slaton
- q) Presentation, discussion, and possible action regarding an increase to the Housing Tax Credit amount

13428	Village at Palm Center	Houston
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Rosalio Banuelos
Director of
Asset Management

e) Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds Series 2019 Resolution No. 19-035, a Determination Notice of Housing Tax Credits, and on an Award of Direct Loan Funds for McMullen Square Apartments (#19601) in San Antonio

f) Presentation, discussion, and possible action on staff recommendations regarding Application disclosure under 10 TAC §11.101(a)(2) related to Undesirable Site Features

19180	St. Elmo Commons	Austin
19185	Edgewood Villas	Killeen
19225	Rosewood Senior Villas	Tyler

g) Presentation, discussion and possible action on staff recommendations regarding Application disclosure under 10 TAC §11.101(a)(3) related to Neighborhood Risk Factors

19013	Our Lady of Charity Apartments	San Antonio
19050	Wayman Manor	Temple
19125	Alice Lofts	Alice
19133	Alazan Lofts	San Antonio
19227	Reserve at Risinger	Fort Worth
19299	2222 Pierce	Houston

h) Presentation, discussion and possible action on timely filed appeals

19368	Sweetwater Springs	Sweetwater
19229	Hacienda Santa Barbara	Socorro
19189	Lakewood Crossing	Granbury

i) Report on Requests for Administrative Deficiency

19013	Our Lady of Charity Apartments	San Antonio
19063	Residences at Lake Waco	Waco
19079	Provision at Patriot Parkway	Venus
19100	Carver Ridge Apartments	Midland
19189	Lakewood Crossing	Granbury
19225	Rosewood Senior Villas	Tyler
19244	Mariposa Apartment Homes at Harris Road	Arlington
19250	Cypress Creek Apartment Homes at Waxahachie	Waxahachie
19266	County Line Lofts	Venus
19277	Cielo Place	Fort Worth
19301	Prince Hall	Port Arthur
19307	Briarwest Apartments	Houston
19315	Hammack Creek Apartments	Kennedale
19319	Bardin Apartments	Arlington
19365	Heritage Estates at Huntsville	Huntsville

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

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public):

J.B. Goodwin
Chair

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

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

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

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

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

OPEN SESSION

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

ADJOURN

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

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Terri Roeber, ADA Responsible Employee, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado, al siguiente número 512-475-3814 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

NONE OF THESE RESTRICTIONS EXTEND BEYOND THIS ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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BOARD ACTION REQUEST
BOND FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds Series 2019 Resolution No. 19-034 and a Determination Notice of Housing Tax Credits for Northgate Village Apartments in Dallas

RECOMMENDED ACTION

WHEREAS, the recommended amount of 4% Housing Tax Credits, as originally posted in the Board materials on May 16, 2019, is amended, based on the Real Estate Analysis Underwriting Memo attached hereto, to reflect \$1,142,704;

WHEREAS, the Board adopted an inducement resolution for Northgate Village Apartments at the Board meeting on February 21, 2019;

WHEREAS, a 4% Housing Tax Credit application for the Northgate Village Apartments, sponsored by the Related Companies, was submitted to the Department on February 15, 2019;

WHEREAS, a Certification of Reservation was issued, in the amount of \$20,000,000, on March 11, 2019, with a bond delivery deadline of August 8, 2019; and

WHEREAS, EARAC recommends the issuance of Multifamily Housing Revenue Bonds for Northgate Village Apartments Series 2019 and the issuance of a Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the issuance of up to \$20,000,000 in Tax-Exempt Multifamily Housing Revenue Bonds for Northgate Village Apartments Series 2019, Resolution No. 19-034 is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of \$1,142,704 in 4% Housing Tax Credits for Northgate Village Apartments, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department's website, is hereby approved in the form presented to this meeting; and

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

BACKGROUND

General Information: The Bonds will be issued in accordance with Texas Government Code Chapter 1372 and Chapter 2306, the Department's Enabling Statute (the Statute), which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.

Northgate Village Apartments is located at 12303 North Plano Road in Dallas, Dallas County, and proposes the acquisition and rehabilitation of 168 units. The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Gross Income (AMGI) that must be served. The application reflected an intent to elect the income averaging set-aside which will involve 56 units rent and income restricted at 50% of AMGI, 84 units rent and income restricted at 60% AMGI and 27 units rent and income restricted at 80% AMGI. There will be one employee-occupied unit. The development will serve the general population, and conforms to current zoning.

Organizational Structure and Previous Participation: The Borrower is Northgate Preservation, LP and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 1 and the previous participation was deemed acceptable by EARAC.

Public Hearing/Public Comment: A public hearing for the proposed development was conducted by staff on April 2, 2019, and there was one person in support in attendance. A copy of the hearing transcript is included herein. There have been no letters of support or opposition submitted to the Department.

Summary of Financial Structure

This transaction utilizes a Fannie Mae Multifamily Pass-Through Mortgage-Backed Security (MBS). The mortgage loan will be originated by the Department to the Borrower on the closing date and funded with bond proceeds. Simultaneously with the closing, the loan will be assigned to the Fannie Mae lender (Regions Bank), and the funds used by the lender by which to acquire the loan will be deposited into the collateral account to secure the bonds. In this respect, the transaction mirrors prior FHA 221(d)(4) multifamily transactions where the project will be 100% cash collateralized at all times, which offers protection for the bondholders. Approximately 10-15 days from the closing date Regions Bank will assign the loan to Fannie Mae and in exchange, Fannie will deliver the MBS to the trustee. The trustee will use the funds (loan proceeds from Regions) in the collateral account to purchase the MBS which will be used to secure the bonds from that point forward. Payments on the bonds will be guaranteed by Fannie Mae.

Under the proposed structure, the Department will issue tax-exempt fixed rate bonds in an amount not to exceed \$20,000,000, but currently sized at \$19,000,000. The bonds will have an interest rate that mirrors the pass-through rate on the MBS, currently estimated to be 3.55%, which does not

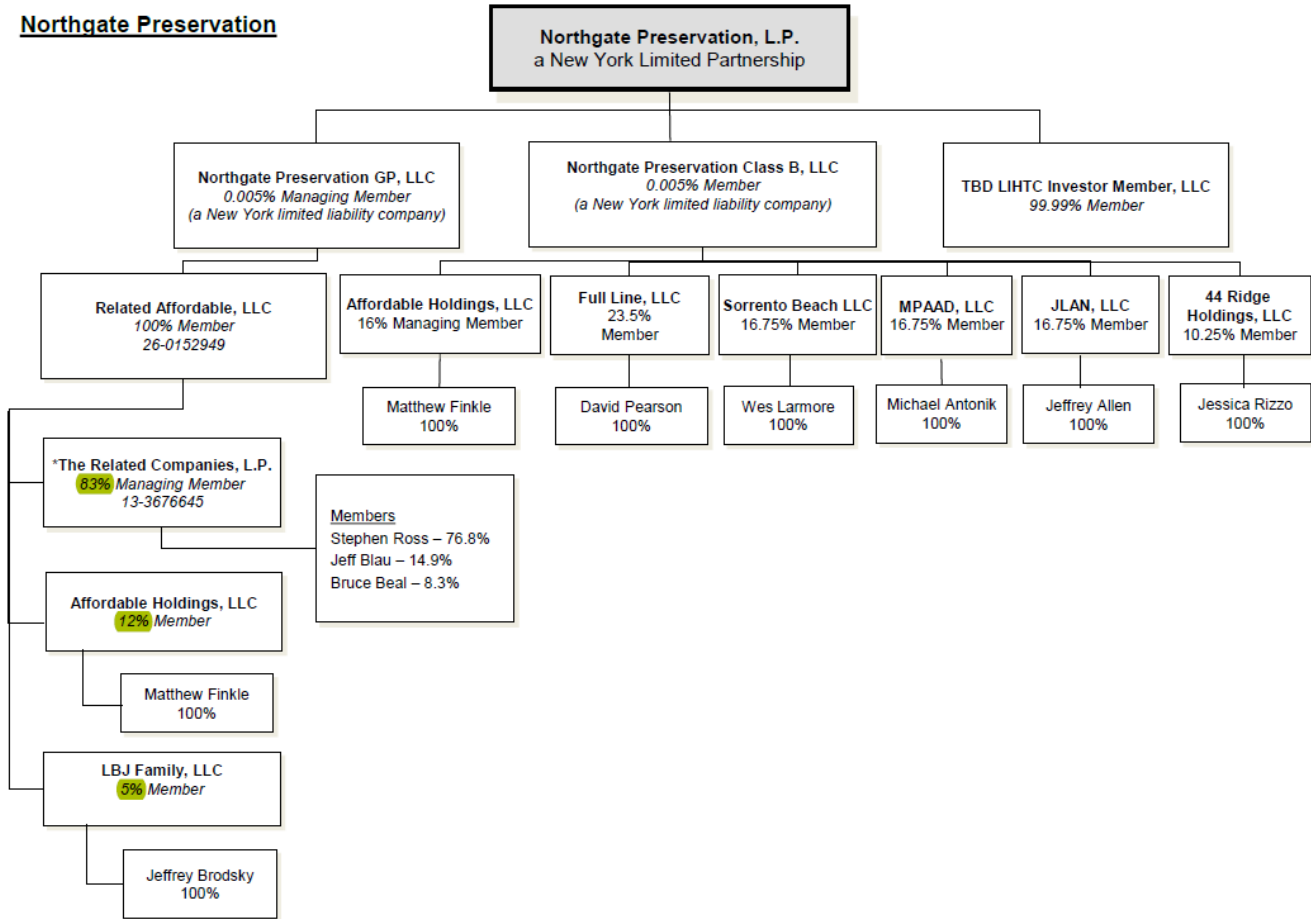
* AMENDED BOARD ACTION REQUEST *

include servicing (0.345%) or guarantee (0.615%) fees, for an estimated all-in rate of 4.510%. The loan will have a term of 17 years and a 35-year amortization. The bonds will have an outside maturity date of June 1, 2040, and are estimated to have a Aaa rating by Moody's.

A copy of the Exhibits recommend to be approved by the Board as referenced in Resolution No. 19-034 can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

Exhibit A

Northgate Preservation





Addendum to Underwriting Report

TDHCA Application #: **19603** Program(s): **TDHCA Bonds/4% HTC**

Northgate Village Apartments

Address/Location: 12303 North Plano Road

City: Dallas Dallas Zip: 75243

APPLICATION HISTORY	
Report Date	PURPOSE
05/20/19	Correction of reserve amount and credit allocation
05/16/19	Initial Underwriting Report

ALLOCATION

TDHCA Program	Previous Allocation				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Private Activity Bonds	\$19,000,000	4.48%	35	17	\$19,000,000	4.48%	35	17	1
LIHTC (0% Credit)	\$1,135,422				\$1,142,704				

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

- 1 Receipt and acceptance before Determination Notice:
 - a: New 20-year Section 8 HAP Contract with approved rents consistent with underwritten pro forma.
Status: Revised - HUD approval of the proposed rents will be sufficient to issue the Determination Notice.
 - b: A revised ESA that includes definitive statements responsive to §11.305(b)(1), (5), (7), and (8) as described herein.
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that a Mold & Moisture Minimization Plan discussed in the ESA has been implemented.
 - b: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c: Certification that any recommendations from the Phase 1 ESA, including any related to noise, lead in drinking water, or pipelines and explosive hazards, have been fully implemented.

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

ANALYSIS

Applicant's Schedule of Sources included \$560K Operating Reserve as an Interim Source of Funds, but did not include with Permanent Sources.

The underwriting analysis treated this as an existing reserve account which would be used to fund the Reserves listed on the Cost Schedule, and therefore added it to the Permanent Sources. This resulted in an over-sourcing of the project and a reduction to the credit allocation based on the need for funds.

After the Underwriting Report was posted, the Applicant clarified that there are no existing reserve accounts transferring with the property. The Reserves will not actually be funded during the interim phase. The amount was listed as an Interim Source as a method of balancing Interim Sources and Permanent Sources. The reserves will be funded from HTC equity at the permanent phase.

The underwriting analysis has been revised to remove the operating reserves from the sources of funds. As a result, the recommended credit allocation increases to \$1,142,704.

Manager of Real Estate Analysis: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

DEBT / GRANT SOURCES																
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE							
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative		
		UW	App											DCR	LTC	
Regions Bank / Fannie Mae	0.10%	1.32	1.23	1,107,437	4.70%	35	17	\$19,000,000	\$19,000,000	17	35	4.48%	\$1,095,203	1.33	58.7%	
CASH FLOW DEBT / GRANTS																
Seller Note		1.32	1.23		5.00%	0	0	\$2,000,000	\$2,000,000	0	0	5.00%		1.33	6.2%	
Operating Reserve		1.32	1.23		0.00%	0	0	\$0	\$0	0	0	0.00%		1.33	0.0%	
				\$1,107,437	TOTAL DEBT / GRANT SOURCES			\$21,000,000	\$21,000,000	TOTAL DEBT SERVICE			\$1,095,203	1.33	64.9%	
NET CASH FLOW		\$353,056	\$253,268					TDHCA	NET OPERATING INCOME		\$1,460,493	\$365,290	NET CASH FLOW			

EQUITY SOURCES												
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE						
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method	
Regions Bank	LIHTC Equity	33.6%	\$1,142,704	0.95	\$10,854,604	\$10,854,605	\$0.95	\$1,142,704	33.6%	\$6,802	Applicant Request	
Northgate Preservation Developer, LLC	Deferred Developer Fees	1.5%	(26% Deferred)		\$491,619	\$491,617	(26% Deferred)		1.5%	Total Developer Fee:	\$1,915,626	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%			
TOTAL EQUITY SOURCES		35.1%			\$11,346,223	\$11,346,223			35.1%			
TOTAL CAPITALIZATION					\$32,346,223	\$32,346,223					15-Yr Cash Flow after Deferred Fee:	\$7,110,129

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$			
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition							
Land Acquisition			\$10,000 / Unit	\$1,680,000	\$1,680,000	\$10,000 / Unit			0.0%	\$0			
Building Acquisition	\$14,320,000		\$85,238 / Unit	\$14,320,000	\$14,320,000	\$85,238 / Unit		\$14,320,000	0.0%	\$0			
Site Work		\$735,000	\$4,375 / Unit	\$735,000	\$735,000	\$4,375 / Unit	\$735,000		0.0%	\$0			
Site Amenities		\$290,000	\$1,726 / Unit	\$290,000	\$290,000	\$1,726 / Unit	\$290,000		0.0%	\$0			
Building Cost		\$7,033,000	\$36.83 /sf	\$41,863/Unit	\$7,033,000	\$7,033,000	\$41,863/Unit	\$36.83 /sf	\$7,033,000	0.0%	\$0		
Contingency		\$805,800	10.00%	10.00%	\$805,800	\$805,800	10.00%	10.00%	\$805,800	0.0%	\$0		
Contractor Fees		\$1,240,932	14.00%	14.00%	\$1,240,932	\$1,240,932	14.00%	14.00%	\$1,240,932	0.0%	\$0		
Soft Costs	0	\$1,319,000	\$9,589 / Unit	\$1,611,000	\$1,611,000	\$9,589 / Unit	\$1,319,000	\$0	0.0%	\$0			
Financing	0	\$1,347,105	\$12,522 / Unit	\$2,103,670	\$2,103,670	\$12,522 / Unit	\$1,347,105	\$0	0.0%	\$0			
Developer Fee	\$0	\$1,915,626	15.00%	15.00%	\$1,915,626	\$1,915,626	15.00%	15.00%	\$1,915,626	0.0%	\$0		
Reserves			3 months	\$611,195	\$611,195	3 months			0.0%	\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$14,320,000	\$14,686,463	\$192,537 / Unit	\$32,346,223	\$32,346,223	\$192,537 / Unit	\$14,686,463	\$14,320,000	0.0%	\$0		
Acquisition Cost	\$0			\$0	\$0								
Contingency		\$0		\$0	\$0								
Contractor's Fee		\$0		\$0	\$0								
Financing Cost		\$0		\$0	\$0								
Developer Fee	\$0	\$0		\$0	\$0								
Reserves				\$0	\$0								
ADJUSTED BASIS / COST		\$14,320,000	\$14,686,463	\$192,537/unit	\$32,346,223	\$32,346,223	\$192,537/unit	\$14,686,463	\$14,320,000	0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY PCA/CNA					\$32,346,223								

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$14,320,000	\$14,686,463	\$14,320,000	\$14,686,463
TOTAL ELIGIBLE BASIS	\$14,320,000	\$14,686,463	\$14,320,000	\$14,686,463
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$14,320,000	\$19,092,401	\$14,320,000	\$19,092,401
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$14,320,000	\$19,092,401	\$14,320,000	\$19,092,401
Applicable Percentage	3.42%	3.42%	3.42%	3.42%
ANNUAL CREDIT ON BASIS	\$489,744	\$652,960	\$489,744	\$652,960
CREDITS ON QUALIFIED BASIS	\$1,142,704		\$1,142,704	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9499	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,142,704	\$10,854,605	----	---	---
Needed to Fill Gap	\$1,194,458	\$11,346,223	----	---	---
Applicant Request	\$1,142,704	\$10,854,605	\$1,142,704	\$0	\$0

50% Test for Bond Financing for 4% Tax Credits					
Tax-Exempt Bond Amount	\$19,000,000		Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
Aggregate Basis Limit for 50% Test	\$38,000,000			65.4%	65.4%
	<u>Applicant</u>	<u>TDHCA</u>			
Land Cost	\$1,680,000	\$1,680,000			
Depreciable Bldg Cost	\$27,382,837	\$27,382,837			
Aggregate Basis for 50% Test	\$29,062,837	\$29,062,837			
			amount aggregate basis can increase before 50% test fails	\$8,937,163 30.8%	\$8,937,163 30.8%

19603 Northgate Village Apartments - Application Summary

REAL ESTATE ANALYSIS DIVISION
May 16, 2019

PROPERTY IDENTIFICATION			RECOMMENDATION						KEY PRINCIPAL / SPONSOR		
Application #	19603		TDHCA Program	Request	Recommended						
Development	Northgate Village Apartments		LIHTC (4% Credit)	\$1,142,704	\$1,135,422	\$6,758/Unit	\$0.95				
City / County	Dallas / Dallas								Mathew Finkle, President & Wes Larmore, Vice President of Related Affordable		
Region/Area	3 / Urban										
Population	General										
Set-Aside	General										
Activity	Acquisition/Rehab (Built in 1980)		Private Activity Bonds	\$19,000,000	4.48%	35	17	1			
Related Parties			Contractor - TBD			Seller - 0					

TYPICAL BUILDING ELEVATION/PHOTO

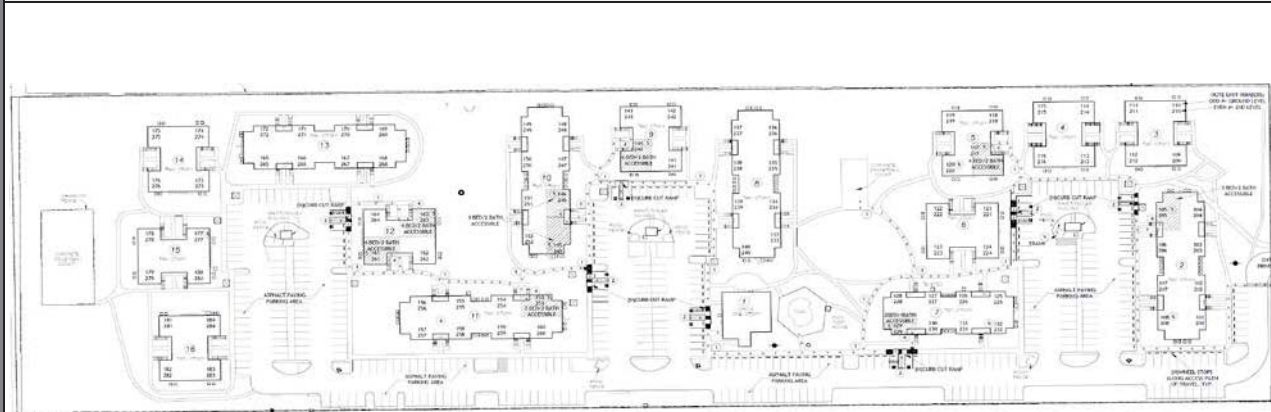


UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	-	0%	30%	-	0%
1	-	0%	40%	-	0%
2	16	10%	50%	56	34%
3	80	48%	60%	84	50%
4	72	43%	80%	27	16%
TOTAL	168	100%	TOTAL	167	99%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten		TDHCA's Pro Forma	
Debt Coverage	✓ 1.33	Expense Ratio	✓ 42.0%
Breakeven Occ.	✓ 81.2%	Breakeven Rent	\$1,118
Average Rent	\$1,308	B/E Rent Margin	✓ \$191
Property Taxes	\$1,406/unit	Exemption/PILOT	0%
Total Expense	\$6,306/unit	Controllable	\$3,361/unit

SITE PLAN



MARKET FEASIBILITY INDICATORS

Gross Capture Rate (10% Maximum)	✓ 0.0%
Highest Unit Capture Rate	✓ 7% 4 BR/50% #N/A
Dominant Unit Cap. Rate	✓ 4% 3 BR/50% 80
Premiums (↑60% Rents)	N/A N/A
Rent Assisted Units	167 99% Total Units

DEVELOPMENT COST SUMMARY

Costs Underwritten		TDHCA's Costs - Based on PCA	
Avg. Unit Size	1,137 SF	Density	12.8/acre
Acquisition	\$95K/unit		\$16,000K
Building Cost	\$36.83/SF		\$42K/unit \$7,033K
Hard Cost			\$53K/unit \$8,864K
Total Cost			\$193K/unit \$32,346K
Developer Fee	\$1,916K (0% Deferred)	Paid Year: 1	
Contractor Fee	\$1,241K	30% Boost	Yes

REHABILITATION COSTS / UNIT

Site Work	\$5K 9%	Finishes/Fixtures	\$18K 34%
Building Shell	\$17K 32%	Amenities	\$3K 6%
HVAC	\$4K 7%	Total Exterior	\$25K 52%
Appliances	\$1K 3%	Total Interior	\$23K 48%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Regions Bank / Fannie Mae	17/35	4.48%	\$19,000,000	1.33						Regions Bank	\$10,785,428
					Seller Note	0/0	5.00%	\$2,000,000	1.33	Northgate Preservation Developer, LLC	
					Operating Reserve	0/0	0.00%	\$560,795	1.33		
TOTAL DEBT (Must Pay)			\$19,000,000		CASH FLOW DEBT / GRANTS			\$2,560,795		TOTAL EQUITY SOURCES	\$10,785,428
										TOTAL DEBT SOURCES	\$21,560,795
										TOTAL CAPITALIZATION	\$32,346,223

CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - a: New 20-year Section 8 HAP Contract with approved rents consistent with underwritten pro forma.
 - b: A revised ESA that includes definitive statements responsive to §11.305(b)(1), (5), (7), and (8) as described herein.
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that a Mold & Moisture Minimization Plan discussed in the ESA has been implemented.
 - b: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c: Certification that any recommendations from the Phase 1 ESA, including any related to noise, lead in drinking water, or pipelines and explosive hazards, have been fully implemented.

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

BOND RESERVATION / ISSUER

Issuer	TDHCA
Expiration Date	8/8/2019
Bond Amount	\$20,000,000
BRB Priority	3
Close Date	TBD
Bond Structure	Fannie Mae MBS M.TEB
% Financed with Tax-Exempt Bonds	65.4%

RISK PROFILE

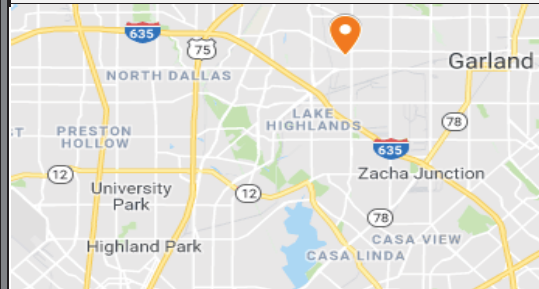
STRENGTHS/MITIGATING FACTORS

- HAP Contract on 100% of the units.
- Developer experienced with Texas Housing Tax Credit properties.
- 97% occupied with majority of tenants expected to stay.
- Recent Capital Expenditures include \$100K Exterior painting (2016) & \$200K Roof Replacement (2015)

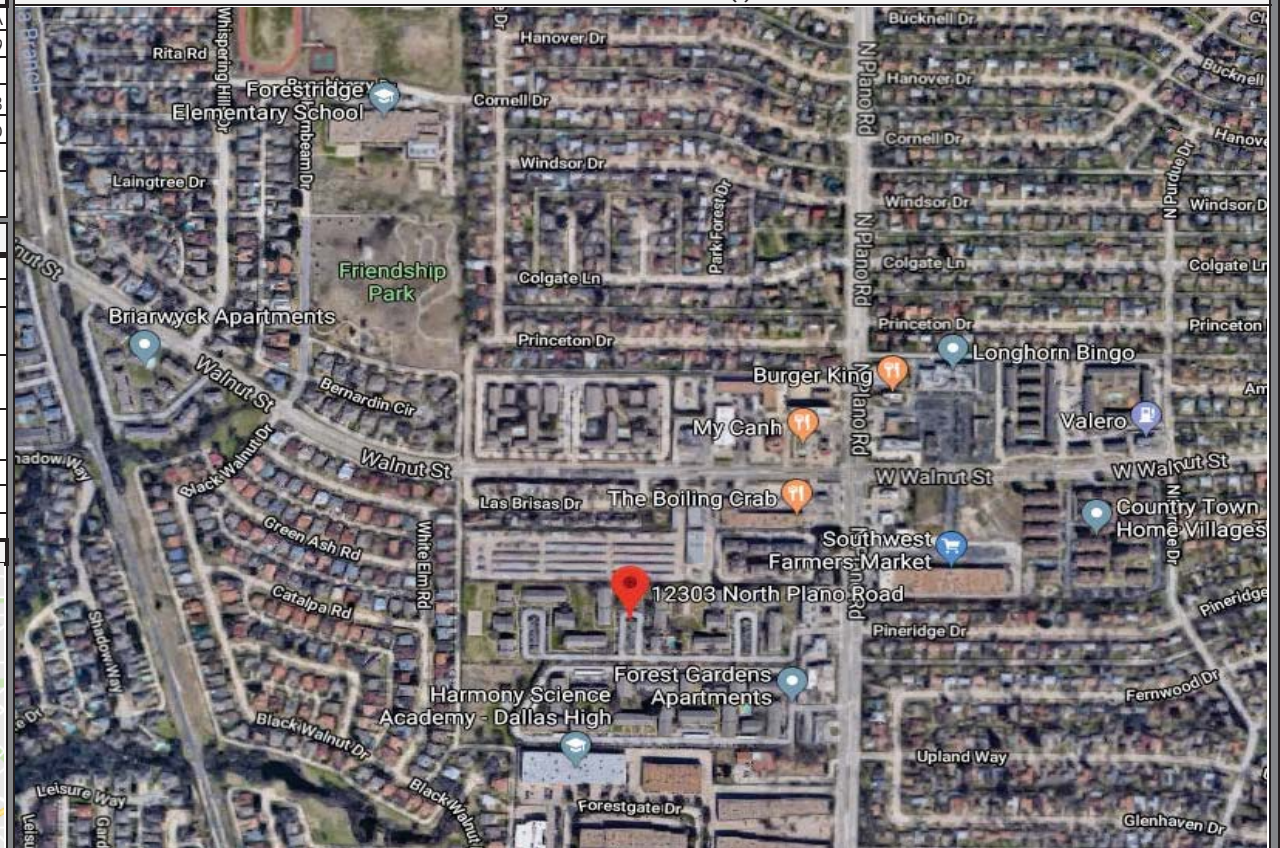
WEAKNESSES/RISKS

- Reliance on Section 8 HAP rental assistance.
- Not visible from a major thoroughfare.

AREA MAP



AERIAL PHOTOGRAPH(S)





DEVELOPMENT IDENTIFICATION

TDHCA Application #: 19603 Program(s): TDHCA Bonds/4% HTC

Northgate Village Apartments

Address/Location: 12303 North Plano Road

City: Dallas Dallas Zip: 75243

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

Activity: Acquisition/Rehab Building Type: Garden (Up to 4-story) Region: 3

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	Lien
Private Activity Bonds	\$19,000,000	4.48%	35	17	\$19,000,000	4.48%	35	17	1
LIHTC (4% Credit)	\$1,142,704				\$1,135,422				

Comments:

Bond resolution reflects an amount not to exceed \$20,000,000; however, the loan is currently only \$19,000,000.

CONDITIONS

- 1 Receipt and acceptance before Determination Notice:
 - a: New 20-year Section 8 HAP Contract with approved rents consistent with underwritten pro forma.
 - b: A revised ESA that includes definitive statements responsive to §11.305(b)(1), (5), (7), and (8) as described herein.

- 2 Receipt and acceptance by Cost Certification:
 - a: Certification that a Mold & Moisture Minimization Plan discussed in the ESA has been implemented.
 - b: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented; and that any remaining asbestos-containing materials are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - c: Certification that any recommendations from the Phase 1 ESA, including any related to noise, lead in drinking water, or pipelines and explosive hazards, have been fully implemented.

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

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	56
60% of AMI	60% of AMI	85
80% of AMI	80% of AMI	27

DEVELOPMENT SUMMARY

Northgate Village Apartments is a 168-unit multifamily affordable housing property located in Dallas, TX. This property consists of two, three, and four-bedroom apartments in 16 (15 residential and 1 amenities building) two-story buildings situated on approximately 13 acres of land with 388 surface parking spaces. The Property benefits from a project-based Section 8 HAP Contract covering 100% of the units. The Contract expires in 2020, however an extension and renewal of the contract should occur prior to closing of the bonds. It is anticipated that the new rents will be 27% higher on average than current rents, with new rents used in this underwriting. This increase will not affect rent paid by the tenants.

The Applicant plans to fund the acquisition and substantial renovation by (i) working with HUD to obtain a new 20 year contract through an Option 1b mark up to market renewal (not impacting tenant rents) and (ii) obtaining an allocation of tax-exempt bonds and an allocation of 4% tax credits from TDHCA.

Applicant is electing Income Averaging set-aside with twenty-seven (27) units designated HTC 80%, offset by fifty-six (56) units designated as HTC 50%. The Applicant indicates that a number of existing tenants were expected to be over-income. Designating some units at 80% will maintain tax credit eligibility for units occupied by tenants that do not qualify for the 60% limit.

RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	HAP Contract on 100% of the units.
▫	Developer experienced with Texas Housing Tax Credit properties.
▫	97% occupied with majority of tenants expected to stay.
▫	Recent Capital Expenditures include \$100K Exterior painting (2016) & \$200K Roof Replacement (2015)

WEAKNESSES/RISKS	
▫	Reliance on Section 8 HAP rental assistance.
▫	Not visible from a major thoroughfare.
▫	
▫	

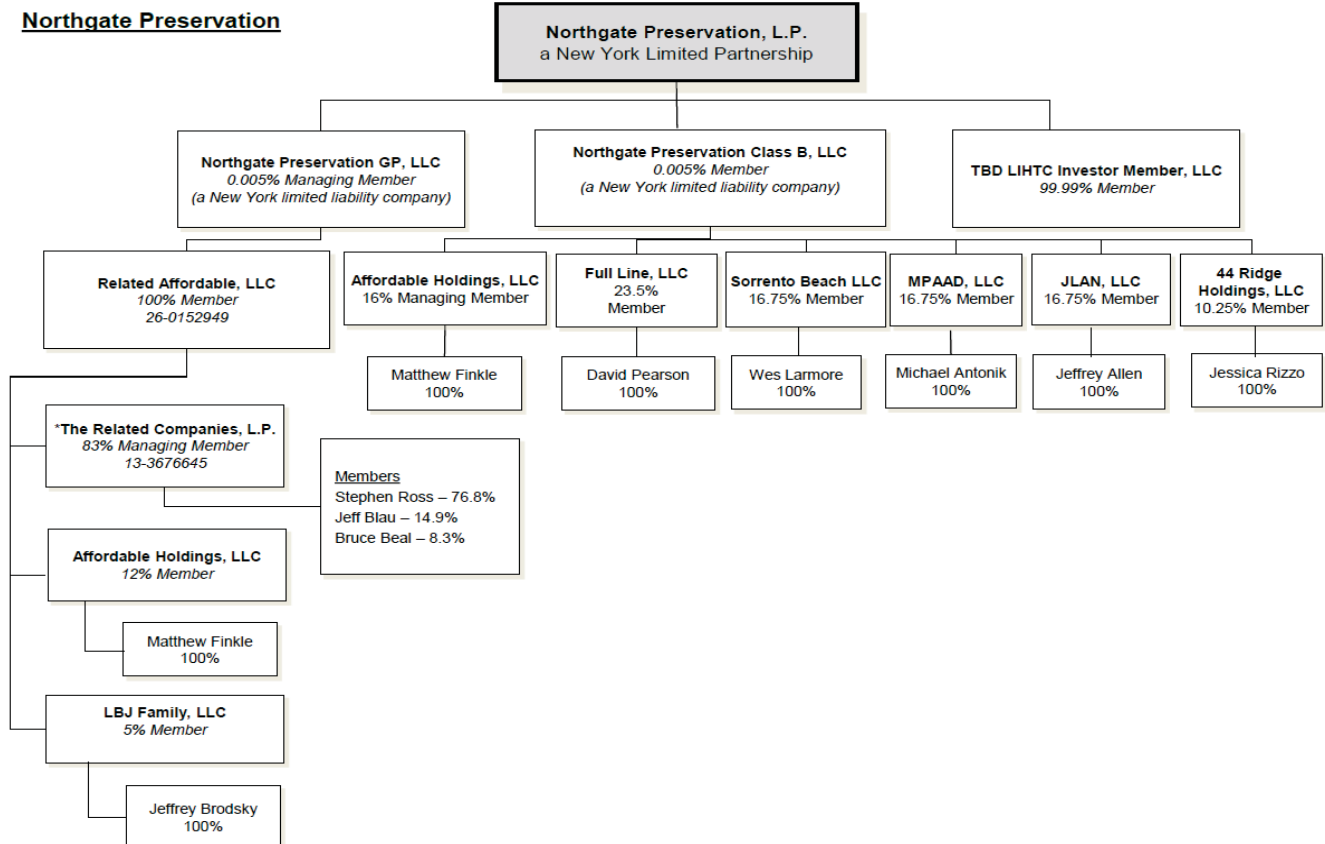
DEVELOPMENT TEAM

PRIMARY CONTACTS

Name: Wes Larmore, Related Affordable
 Phone: 213-634-1566
 Relationship: Vice President

OWNERSHIP STRUCTURE

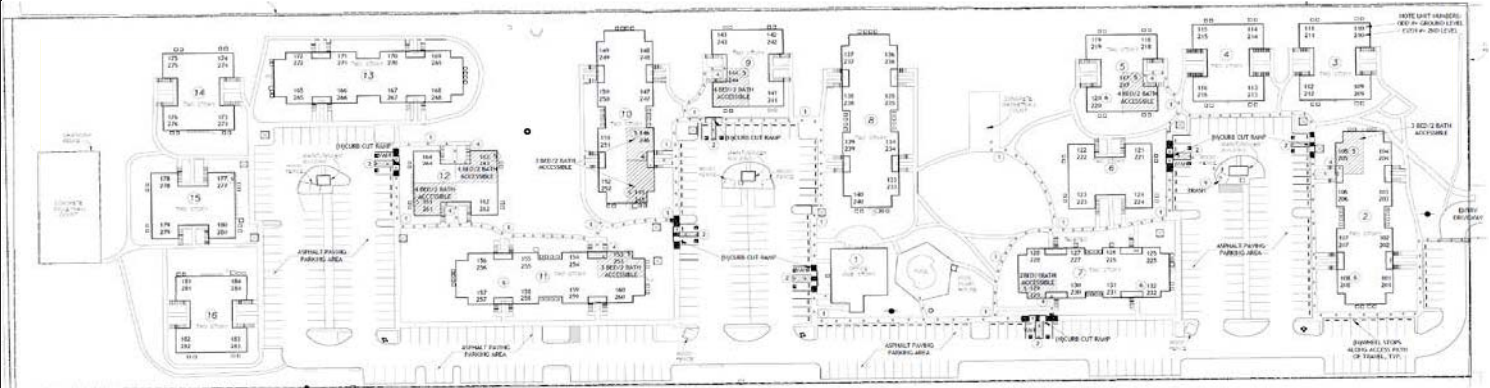
Northgate Preservation



- Developer, The Related Companies, L.P. is the Guarantor of more than 20 Texas Housing Tax Credit deals in the past two years. TDHCA financed a pooled Bond transaction of 9 USDA properties in 2018, and another five 9% HTC awards in 2017. (<https://www.related.com/our-company/businesses/affordable-and-workforce-housing>) LBJ Family, LLC is a member of the LBJ Family Holding Company.

DEVELOPMENT SUMMARY

SITE PLAN



Comments:

Single point of ingress/egress via a driveway between a gas station with street retail and a tire center.
Concrete volleyball court, and significant open space for an urban development.

APPRAISED VALUE

Appraiser: The Gill Group Date: 1/26/2019

Land as Vacant: 13.16 acres	<u>\$1,680,000</u>	Per Unit:	<u>\$10,000</u>
Existing Buildings: (as-is)	<u>\$14,650,000</u>	Per Unit:	<u>\$87,202</u>
Total Development: (as-is)	<u>\$16,330,000</u>	Per Unit:	<u>\$97,202</u>

Comments:

The Applicant originally submitted an appraisal indicating an \$18.5M value based on market rents. Since the underwritten transfer price is limited by rule to the "as-is, as-restricted" value, a revised appraisal concluded an as-is value of \$16,330,000 based on the current HAP rents capitalized at 5.0%.

GENERAL INFORMATION

Flood Zone:	<u>X</u>	Scattered Site?	<u>No</u>
Zoning:	<u>MF-2</u>	Within 100-yr floodplain?	<u>No</u>
Re-Zoning Required?	<u>No</u>	Utilities at Site?	<u>Yes</u>
Year Constructed:	<u>1980</u>	Title Issues?	<u>No</u>

Surrounding Uses:

North: Public Storage, a multi-tenant retail building, and Waterchase Apartments
 South: Forest Garden Apartments
 East: Speedy Coin Wash, Shukrani Market Texaco, Big D Tires, Express Car Wash beyond which is N. Plano Rd.
 West: Alley beyond which are single-family residential homes.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Partner Engineering and Science, Inc. Date: 10/4/2018

Recognized Environmental Conditions (RECs) and Other Concerns:

- None

Comments:

The ESA provides a Mold & Moisture Minimization Plan due to evidence of mold and water damage.
 §11.305(b)(1) requires that the ESA provider "state if a noise study is recommended for a property in accordance with current HUD guidelines and identify its proximity to industrial zones, major highways, active rail lines, civil and military airfields, or other potential sources of excessive noise". The ESA submitted at application does not discuss noise. A revised ESA must be provided that includes a definitive statement responsive to §11.305(b)(1).

§11.305(b)(5) requires that the ESA provider "state if testing for lead in the drinking water would be required pursuant to local, state, and federal laws, or recommended due to any other consideration such as the age of pipes and solder in existing improvements. For buildings constructed prior to 1980, a report on the quality of the local water supply does not satisfy this requirement". The ESA reports that the development was constructed in 1979, but it does not discuss the existing plumbing as a potential source of lead in drinking water. A revised ESA must be provided that includes a definitive statement responsive to §11.305(b)(5).

§11.305(b)(7) requires that the ESA provider "identify and assess the presence of oil, gas or chemical pipelines, processing facilities, storage facilities or other potentially hazardous explosive activities on-site or in the general area of the site that could potentially adversely impact the Development. Location of these items must be shown on a drawing or map in relation to the Development Site and all existing or future improvements. The drawing must depict any blast zones (in accordance with HUD guidelines) and include HUD blast zone calculations". The ESA submitted at application does not address these issues. A revised ESA must be provided that includes a definitive statement responsive to §11.305(b)(7).

§11.305(b)(8) requires that the ESA "include a vapor encroachment screening in accordance with Vapor Intrusion E2600-10". The ESA submitted at application does not discuss issue. A revised ESA must be provided that includes a definitive statement responsive to §11.305(b)(8).

MARKET ANALYSIS

Provider: Gill Group Date: 1/7/2019
 Contact: Samuel T. Gill Phone: 573-624-2942

Primary Market Area (PMA): 15 sq. miles 2.2 mile equivalent radius
 The PMA in northern Dallas is just north of I-635, west of Garland Ave and south of Buckingham Rd.

ELIGIBLE HOUSEHOLDS BY INCOME								
Dallas County Income Limits								
HH Size		1	2	3	4	5	6	7+
50% AMGI	Min	\$1	\$1	\$1	\$1	\$1	\$1	\$1
	Max	\$27,050	\$30,900	\$34,750	\$38,600	\$41,700	\$44,800	\$51,000
60% AMGI	Min	---	\$35,250	\$35,250	\$35,250	\$41,040	\$41,040	\$44,520
	Max	---	\$37,080	\$41,700	\$46,320	\$50,040	\$53,760	\$61,200
80% AMGI	Min	\$35,250	\$35,250	\$35,250	\$35,250	\$41,040	\$41,040	\$44,520
	Max	\$43,280	\$49,440	\$55,600	\$61,760	\$66,720	\$71,680	\$81,600

AFFORDABLE HOUSING INVENTORY		
Competitive Supply (Proposed, Under Construction, and Unstabilized)		
Other Affordable Developments in PMA since 2015		
Stabilized Affordable Developments in PMA (pre-2015)	Total Units	318
	Total Developments	2

Proposed, Under Construction, and Unstabilized Competitive Supply:
 None

OVERALL DEMAND ANALYSIS				
	Market Analyst		Underwriter	
	HTC	Assisted	HTC	Assisted
Total Households in the Primary Market Area		27,252		27,252
Potential Demand from the Primary Market Area		12,292		11,406
10% External Demand		1,229		1,141
Potential Demand from Other Sources		0		0
GROSS DEMAND		13,521		12,547
Subject Affordable Units		168		168
Unstabilized Competitive Units		0		0
RELEVANT SUPPLY		168		168
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE		1.2%		1.3%

Population:	General	Market Area:	Urban	Maximum Gross Capture Rate:	10%
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Market study and Underwriter's analysis both based on original application with all units designated 60% AMI with respect to the HTC program. All units are restricted to 50% AMI by the HAP Contract. The application was revised to elect the Income Averaging, with 56 units designated HTC 50% and 27 units designated HTC 80%. Income Averaging was elected because some existing residents have incomes exceeding 60% AMI. This will have no impact on the capture rates since all units are still limited to 50% AMI by the HAP restrictions.

UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND

* N/A due to all units qualifying from \$1 up.

Demand Analysis:

Capture rate limits do not apply to existing affordable housing that is at least 50% occupied and that provides a leasing preference to existing tenants. The Subject property is covered by a Housing Assistance Program contract, meaning that all households below the maximum income level are eligible and incomes are limited to 50% AMI and below. Property is 97% occupied upon last report.

Market Analyst qualified demand at 60% AMGI based upon the tax credit designation. Underwriter qualified demand from \$1 to maximum qualifying 50% income due to the expected HAP Contract.

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE										
Unit Type	Market Analyst					Underwriter				
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate
2 BR/50%						2,670	267	16	0	1%
2 BR/60%	2,716	272	16	0	1%					
3 BR/50%						1,792	179	80	0	4%
3 BR/60%	1,817	182	80	0	4%					
4 BR/50%						957	96	72	0	7%
4 BR/60%	1,135	114	72	0	6%					

Market Analyst Comments:

An affordable housing vacancy rate of 0.4% was determined [in the market area]. (pg. 136)

The proposed rents for the subject are below the determined market rents. (pg. 137)

Underwriter Comments:

Population of this PMA is expected to grow just over 1% per year, however a disproportionate share (2/3) of this PMA growth is the senior population; 90% of the units at the subject property are three- and four-bedroom, with no one-bedroom units. The existence of a HAP contract mitigates market occupancy and rent risks.

Revisions to Market Study:	1
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OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (TDHCA Pro Forma)					
NOI:	\$1,460,493	Avg. Rent:	\$1,308	Expense Ratio:	42.0%
Debt Service:	\$1,095,203	B/E Rent:	\$1,118	Controllable Expenses:	\$3,361
Net Cash Flow:	\$365,290	UW Occupancy:	95.0%	Property Taxes/Unit:	\$1,406
Aggregate DCR:	1.33	B/E Occupancy:	81.2%	Program Rent Year:	2018

Underwriter's expense pro forma based on historical expenses for this property.

General & Administrative estimates are meaningfully higher than TDHCA estimates. However, applicant's G&A estimate includes additional Social Services resulting from a new full-time coordinator, as well as free in-unit WiFi for tenants.

Feasibility dependent on HUD approval of large mark-up-to-market HAP Renewal, which is supported by the applicant's Rent Comparability Study. Approval expected by applicant in May 2019, and is currently a condition to issuance of the Determination Notice.

Significant increase in Property Taxes resulting from expected value increase at reassessment.

Although applicant requested a MUTM increase of 27%, they need a 15% increase to remain above 1.15 DCR.

Unit mix with an average of 3.33 Bedrooms / unit could have a substantial impact on operating expenses.

Related-Party Property Management Company: Yes

Revisions to Rent Schedule:	1	Revisions to Annual Operating Expenses:	0
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DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (TDHCA's Costs- Based on PCA)					
Acquisition	\$127,757/ac	\$95,238/unit	\$16,000,000	Contractor Fee	\$1,240,932
Off-site + Site Work		\$6,101/unit	\$1,025,000	Soft Cost + Financing	\$3,714,670
Building Cost	\$36.83/sf	\$41,863/unit	\$7,033,000	Developer Fee	\$1,915,626
Contingency	10.00%	\$4,796/unit	\$805,800	Reserves	\$611,195
Total Development Cost	\$192,537/unit	\$32,346,223	Rehabilitation Cost	\$47,964/unit	
Qualified for 30% Basis Boost?	Located in OCT with < 20% HTC units/HH				

Acquisition:

Identity of Interest acquisition price is consistent with as-is appraisal based on current HAP rents.

Building Cost:

Painting & decorating budget includes unit and common area interior painting, some exterior paint on new siding, and building signage. The majority of the exterior was recently repainted in 2016.

Finishes/Fixtures have allocated substantial work for flooring, cabinets, and painting.

All windows will be upgraded to double-pane windows.

48% of total costs budgeted for interior improvements.

REHABILITATION COSTS / UNIT / % HARD COST							
Site Work	\$785,000	\$4,673/unit	9%	Finishes/Fixtures	\$2,972,490	\$17,693/unit	34%
Building Shell	\$2,837,110	\$16,888/unit	32%	HVAC	\$650,800	\$3,874/unit	7%
Amenities	\$569,000	\$3,387/unit	6%	Appliances	\$243,600	\$1,450/unit	3%
Total Exterior	\$4,191,110	\$24,947/unit	52%	Total Interior	\$3,866,890	\$23,017/unit	48%

Contingency:

In addition to stated contingency, \$1.9M of repayable non-deferred developer fee exists that could cover cost overruns.

Ineligible Costs:

\$252K relocation expenses not included in eligible basis.

Reserves:

Current reserves will transfer with the property. Budgeted reserves equal approximately 3 months operating expenses and debt service.

Comments:

Many systems reported to be in good condition (e.g. HVAC's), however they are older and will require higher maintenance costs in the short term. Applicant has opted to fully replace most systems during this rehabilitation to bring all systems and finishes to new conditions.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$32,346,223	\$29,006,463	\$1,142,704

Related-Party Contractor: Yes

Related-Party Cost Estimator: Yes

Revisions to Development Cost Schedule:	0
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UNDERWRITTEN CAPITALIZATION

BOND RESERVATION			
Issuer	Amount	Reservation Date	Priority
TDHCA	\$20,000,000	3/11/2019	3
Closing Deadline	Expected Closing	Bond Structure	
8/8/2019	TBD	Fannie Mae MBS M.TEB	

Percent of Cost Financed by Tax-Exempt Bonds	65.4%
-----------------------------------------------------	--------------

Comments:

Permanent loan is to be provided by FNMA ("Fannie Mae") under their M.TEB Program (Mortgage Backed Securities ("MBS") as Tax Exempt Bond Collateral). The Loan will close simultaneously with the Tax-Exempt Bonds transaction. At closing, the Loan proceeds, and any additional eligible funds that may be required will be remitted to the Bond Trustee to hold as collateral for the Bonds. After the Loan is closed and delivered to Fannie Mae, Fannie Mae will certify the Loan for purchase and issue its MBS to the Bond Trustee. The Bond Trustee will simultaneously remit the Loan proceeds to Fannie Mae to purchase the MBS.

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Regions Bank / Fannie Mae		\$19,000,000	4.70%	59%
Regions Bank	HTC	\$9,226,413	0.00%	29%
Northgate Preservation Developer, LLC	Developer Fee	\$1,559,014		5%
Seller Note		\$2,000,000	5.00%	6%
Operating Reserve		\$560,795		2%
		\$32,346,223	Total Sources	

PERMANENT SOURCES

Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Regions Bank / Fannie Mae	\$19,000,000	4.70%	35	17	\$19,000,000	4.48%	35	17	59%
Seller Note	\$2,000,000	5.00%	0	0	\$2,000,000	5.00%	0	0	6%
Operating Reserve	\$0				\$560,795				2%
Total	\$21,000,000				\$21,560,795				

Comments:

The interest rate is indexed off of the 10yr Treasury, and the Debt Letter expected the locked rate to fall between 4.48%-4.60%. The applicant expected higher increases and submitted 4.70%. Rates since have substantially dropped, and underwriter is using the lowest rate in the Debt Letter.

Applicant listed \$560,795 transferred reserve account as an interim source of funds. Underwriter included the reserves as a permanent source as well.

Equity & Deferred Fees	PROPOSED			UNDERWRITTEN			
	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Regions Bank	\$10,854,604	\$0.95		\$10,785,428	\$0.95	33%	
Northgate Preservation Developer, LLC	\$491,619		26%	\$0		0%	0%
Total	\$11,346,223			\$10,785,428			
				\$32,346,223	Total Sources		

Comments:

With the transferred Operating Reserves shown as a source, the Deferred Development Fee was eliminated.

Credit Price Sensitivity based on current capital structure	
\$0.944	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.776	Minimum Credit Price below which the Development would be characterized as infeasible

Revisions to Sources Schedule:	0
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CONCLUSIONS

Gap Analysis:	
Total Development Cost	\$32,346,223
Permanent Sources (debt + non-HTC equity)	\$21,560,795
Gap in Permanent Financing	\$10,785,428

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$10,854,605	\$1,142,704
Needed to Balance Sources & Uses	\$10,785,428	\$1,135,422
Requested by Applicant	\$10,854,605	\$1,142,704

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$10,785,428	\$1,135,422

	Amount	Interest Rate	Amort	Term	Lien
TDHCA-Issued Bonds	\$19,000,000	4.48%	35	17	1

Deferred Developer Fee	\$0	(% deferred)
Repayable in	N/A	

Comments:

Credit allocation is limited to \$1,135,422 based on the need for funds. The project is over-sourced with the inclusion of the transferred reserve account as a permanent source of funds by the underwriter.

Underwriter:	<u>Greg Stoll</u>
Manager of Real Estate Analysis:	<u>Thomas Cavanagh</u>
Director of Real Estate Analysis:	<u>Brent Stewart</u>

UNIT MIX/RENT SCHEDULE

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

LOCATION DATA	
CITY:	Dallas
COUNTY:	Dallas
Area Median Income	\$77,200
PROGRAM REGION:	3

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	20%	-	0.0%
1	-	0.0%	0	0	30%	-	0.0%
2	16	9.5%	16	0	40%	-	0.0%
3	80	47.6%	79	0	50%	56	33.5%
4	72	42.9%	72	0	60%	84	50.3%
5	-	0.0%	0	0	70%	-	0.0%
					80%	27	16.2%
					MR	-	0.0%
TOTAL	168	100.0%	167	-	TOTAL	167	99.4%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.42%
APP % Construction	3.42%
Average Unit Size	1,137 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 50%	\$868	Section 8	\$1,175	6	2	1	940	\$1,175	\$60	\$1,115	\$0	\$1.19	\$1,115	\$6,690	\$6,690	\$1,115	\$1.19	\$0	\$1,115	\$1.19	\$1,115
TC 50%	\$1,003	Section 8	\$1,368	26	3	1.5	1,119	\$1,368	\$83	\$1,285	\$0	\$1.15	\$1,285	\$33,410	\$33,410	\$1,285	\$1.15	\$0	\$1,285	\$1.15	\$1,285
TC 50%	\$1,120	Section 8	\$1,484	24	4	2	1,200	\$1,484	\$89	\$1,395	\$0	\$1.16	\$1,395	\$33,480	\$33,480	\$1,395	\$1.16	\$0	\$1,395	\$1.16	\$1,395
TC 60%	\$1,042	Section 8	\$1,175	8	2	1	940	\$1,175	\$60	\$1,115	\$0	\$1.19	\$1,115	\$8,920	\$8,920	\$1,115	\$1.19	\$0	\$1,115	\$1.19	\$1,115
TC 60%	\$1,204	Section 8	\$1,368	40	3	1.5	1,119	\$1,368	\$83	\$1,285	\$0	\$1.15	\$1,285	\$51,400	\$51,400	\$1,285	\$1.15	\$0	\$1,285	\$1.15	\$1,285
TC 60%	\$1,344	Section 8	\$1,484	36	4	2	1,200	\$1,484	\$89	\$1,395	\$0	\$1.16	\$1,395	\$50,220	\$50,220	\$1,395	\$1.16	\$0	\$1,395	\$1.16	\$1,395
TC 80%	\$1,390	Section 8	\$1,175	2	2	1	940	\$1,175	\$60	\$1,115	\$0	\$1.19	\$1,115	\$2,230	\$2,230	\$1,115	\$1.19	\$0	\$1,115	\$1.19	\$1,115
TC 80%	\$1,606	Section 8	\$1,368	13	3	1.5	1,119	\$1,368	\$83	\$1,285	\$0	\$1.15	\$1,285	\$16,705	\$16,705	\$1,285	\$1.15	\$0	\$1,285	\$1.15	\$1,285
TC 80%	\$1,792	Section 8	\$1,484	12	4	2	1,200	\$1,484	\$89	\$1,395	\$0	\$1.16	\$1,395	\$16,740	\$16,740	\$1,395	\$1.16	\$0	\$1,395	\$1.16	\$1,395
EO		0		1	3	1.5	1,119	\$1,368	\$83	\$1,285		\$0.00	\$0	\$0		\$1,285		NA	\$0	\$0.00	
TOTALS/AVERAGES:				168			190,960				\$0	\$1.15	\$1,308	\$219,795	\$219,795	\$1,308	\$1.16	\$0	\$1,308	\$1.15	\$1,308

ANNUAL POTENTIAL GROSS RENT:	\$2,637,540	\$2,637,540
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Unit Type	HAP Rents Effective 2/1/2018 - 1/31/2019	Current HAP Rents	Projected Rents	Projected Rent Increase	Projected % Increase
2 Bd	\$885	\$907	\$1,115	\$208	23%
3 Bd	\$980	\$990	\$1,285	\$295	30%
4 Bd	\$1,150	\$1,161	\$1,395	\$234	20%

STABILIZED PRO FORMA

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

STABILIZED FIRST YEAR PRO FORMA												
COMPARABLES			APPLICANT				TDHCA				VARIANCE	
Database	Subject '18 Expenses		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT				\$1.15	\$1,308	\$2,637,540	\$2,637,540	\$1,308	\$1.15		0.0%	\$0
Laundry Income / Tenant Charges					\$7.44	\$15,000						
Total Secondary Income					\$7.44		\$15,000	\$7.44			0.0%	\$0
POTENTIAL GROSS INCOME						\$2,652,540	\$2,652,540				0.0%	\$0
Vacancy & Collection Loss					5.0% PGI	(132,627)	(132,627)	5.0% PGI			0.0%	-
Rental Concessions						-					0.0%	-
EFFECTIVE GROSS INCOME						\$2,519,913	\$2,519,913				0.0%	\$0

General & Administrative	\$80,389	\$479/Unit	\$76,363	\$455	3.90%	\$0.51	\$585	\$98,209	\$76,363	\$455	\$0.40	3.03%	28.6%	21,846
Management	\$79,172	4.3% EGI	\$96,464	\$574	3.84%	\$0.51	\$576	\$96,768	\$96,768	\$576	\$0.51	3.84%	0.0%	-
Payroll & Payroll Tax	\$214,524	\$1,277/Unit	\$232,976	\$1,387	8.81%	\$1.16	\$1,321	\$222,000	\$232,976	\$1,387	\$1.22	9.25%	-4.7%	(10,976)
Repairs & Maintenance	\$120,786	\$719/Unit	\$122,268	\$728	3.24%	\$0.43	\$485	\$81,531	\$109,200	\$650	\$0.57	4.33%	-25.3%	(27,669)
Electric/Gas	\$41,445	\$247/Unit	\$37,633	\$224	1.35%	\$0.18	\$202	\$34,000	\$37,633	\$224	\$0.20	1.49%	-9.7%	(3,633)
Water, Sewer, & Trash	\$124,207	\$739/Unit	\$108,502	\$646	3.57%	\$0.47	\$536	\$90,000	\$108,502	\$646	\$0.57	4.31%	-17.1%	(18,502)
Property Insurance	\$47,130	\$0.25 /sf	\$44,062	\$262	1.63%	\$0.21	\$244	\$41,000	\$44,062	\$262	\$0.23	1.75%	-6.9%	(3,062)
Property Tax (@ 100%) 2.8272	\$148,464	\$884/Unit	\$189,005	\$1,125	15.08%	\$1.99	\$2,262	\$380,000	\$236,256	\$1,406	\$1.24	9.38%	60.8%	143,744
Reserve for Replacements	\$80,919	\$482/Unit	\$0	\$0	2.00%	\$0.26	\$300	\$50,400	\$50,400	\$300	\$0.26	2.00%	0.0%	-
Supportive Services			\$0	\$0	1.44%	\$0.19	\$217	\$36,380	\$36,380	\$217	\$0.19	1.44%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)			\$0	\$0	0.27%	\$0.04	\$40	\$6,720	\$6,680	\$40	\$0.03	0.27%	0.6%	40
TDHCA Bond Compliance Fee			\$0	\$0	0.17%	\$0.02	\$25	\$4,200	\$4,200	\$25	\$0.02	0.17%	0.0%	-
Bond Trustee Fees			\$0	\$0	0.12%	\$0.02	\$18	\$3,000	\$5,000	\$30	\$0.03	0.20%	-40.0%	(2,000)
Security			\$15,743	\$94	0.60%	\$0.08	\$89	\$15,000	\$15,000	\$89	\$0.08	0.60%	0.0%	-
TOTAL EXPENSES					46.00%	\$6.07	\$6,900	\$1,159,208	\$1,059,420	\$6,306	\$5.55	42.04%	9.4%	\$ 99,788
NET OPERATING INCOME ("NOI")					54.00%	\$7.13	\$8,099	\$1,360,705	\$1,460,493	\$8,693	\$7.65	57.96%	-6.8%	\$ (99,788)

CONTROLLABLE EXPENSES	\$3,129/Unit	\$3,361/Unit
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

DEBT / GRANT SOURCES															
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App											DCR	LTC
Regions Bank / Fannie Mae	0.10%	1.32	1.23	1,107,437	4.70%	35	17	\$19,000,000	\$19,000,000	17	35	4.48%	\$1,095,203	1.33	58.7%
CASH FLOW DEBT / GRANTS															
Seller Note		1.32	1.23		5.00%	0	0	\$2,000,000	\$2,000,000	0	0	5.00%		1.33	6.2%
Operating Reserve		1.32	1.23		0.00%	0	0	\$0	\$560,795	0	0	0.00%		1.33	1.7%
				\$1,107,437	TOTAL DEBT / GRANT SOURCES			\$21,000,000	\$21,560,795	TOTAL DEBT SERVICE			\$1,095,203	1.33	66.7%
NET CASH FLOW		\$353,056	\$253,268					TDHCA NET OPERATING INCOME	\$1,460,493	\$365,290	NET CASH FLOW				

EQUITY SOURCES											
APPLICANT'S PROPOSED EQUITY STRUCTURE						AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Northgate Preservation Developer, LLC	Deferred Developer Fees	1.5%	(26% Deferred)		\$491,619	\$0	(0% Deferred)		0.0%	Total Developer Fee:	\$1,915,626
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		35.1%			\$11,346,223	\$10,785,428			33.3%		
TOTAL CAPITALIZATION						\$32,346,223	\$32,346,223	15-Yr Cash Flow after Deferred Fee:			\$7,601,747

DEVELOPMENT COST / ITEMIZED BASIS													
APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs	Total Costs	Eligible Basis		Total Costs	Total Costs	%	\$			
	Acquisition	New Const. Rehab			New Const. Rehab	Acquisition							
Land Acquisition			\$10,000 / Unit	\$1,680,000	\$1,680,000	\$10,000 / Unit			0.0%	\$0			
Building Acquisition	\$14,320,000		\$85,238 / Unit	\$14,320,000	\$14,320,000	\$85,238 / Unit	\$14,320,000		0.0%	\$0			
Site Work		\$735,000	\$4,375 / Unit	\$735,000	\$735,000	\$4,375 / Unit	\$735,000		0.0%	\$0			
Site Amenities		\$290,000	\$1,726 / Unit	\$290,000	\$290,000	\$1,726 / Unit	\$290,000		0.0%	\$0			
Building Cost		\$7,033,000	\$36.83 /sf	\$41,863/Unit	\$7,033,000	\$7,033,000	\$41,863/Unit	\$36.83 /sf	\$7,033,000	0.0%	\$0		
Contingency		\$805,800	10.00%	10.00%	\$805,800	\$805,800	10.00%	10.00%	\$805,800	0.0%	\$0		
Contractor Fees		\$1,240,932	14.00%	14.00%	\$1,240,932	\$1,240,932	14.00%	14.00%	\$1,240,932	0.0%	\$0		
Soft Costs	0	\$1,319,000	\$9,589 / Unit	\$1,611,000	\$1,611,000	\$9,589 / Unit	\$1,319,000	\$0	0.0%	\$0			
Financing	0	\$1,347,105	\$12,522 / Unit	\$2,103,670	\$2,103,670	\$12,522 / Unit	\$1,347,105	\$0	0.0%	\$0			
Developer Fee	\$0	\$1,915,626	15.00%	15.00%	\$1,915,626	\$1,915,626	15.00%	15.00%	\$1,915,626	0.0%	\$0		
Reserves			3 months	\$611,195	\$611,195	3 months			0.0%	\$0			
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$14,320,000	\$14,686,463	\$192,537 / Unit	\$32,346,223	\$32,346,223	\$192,537 / Unit	\$14,686,463	\$14,320,000	0.0%	\$0		
Acquisition Cost	\$0			\$0	\$0								
Contingency		\$0		\$0	\$0								
Contractor's Fee		\$0		\$0	\$0								
Financing Cost		\$0		\$0	\$0								
Developer Fee	\$0	\$0		\$0	\$0								
Reserves				\$0	\$0								
ADJUSTED BASIS / COST		\$14,320,000	\$14,686,463	\$192,537/unit	\$32,346,223	\$32,346,223	\$192,537/unit	\$14,686,463	\$14,320,000	0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY PCA/CNA					\$32,346,223								

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$14,320,000	\$14,686,463	\$14,320,000	\$14,686,463
TOTAL ELIGIBLE BASIS	\$14,320,000	\$14,686,463	\$14,320,000	\$14,686,463
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$14,320,000	\$19,092,401	\$14,320,000	\$19,092,401
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$14,320,000	\$19,092,401	\$14,320,000	\$19,092,401
Applicable Percentage	3.42%	3.42%	3.42%	3.42%
ANNUAL CREDIT ON BASIS	\$489,744	\$652,960	\$489,744	\$652,960
CREDITS ON QUALIFIED BASIS	\$1,142,704		\$1,142,704	

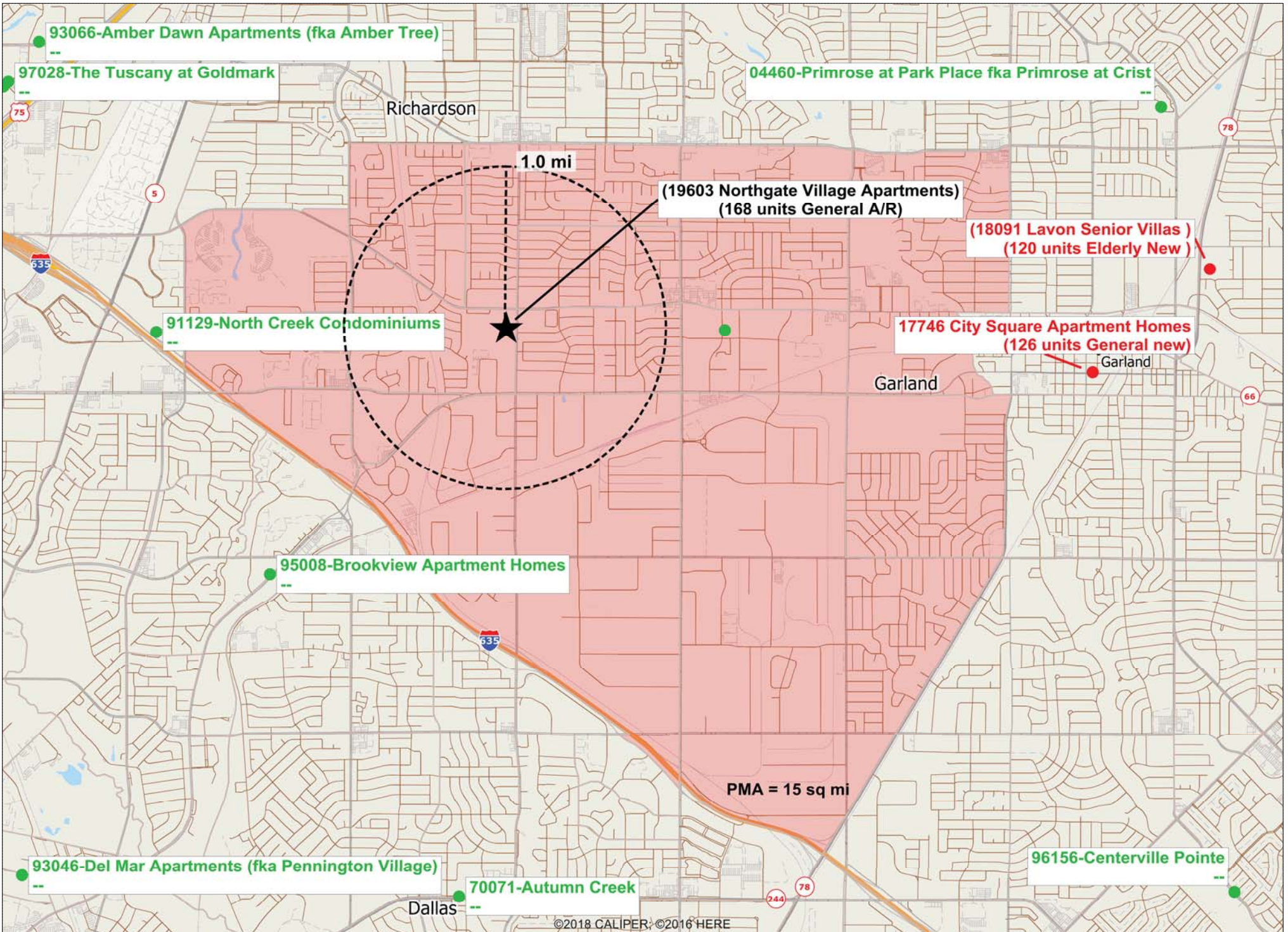
Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9499	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$1,142,704	\$10,854,605	----	---	---
Needed to Fill Gap	\$1,135,422	\$10,785,428	\$1,135,422	(\$7,283)	(\$69,178)
Applicant Request	\$1,142,704	\$10,854,605	----	---	---

50% Test for Bond Financing for 4% Tax Credits					
Tax-Exempt Bond Amount	\$19,000,000		Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
Aggregate Basis Limit for 50% Test	\$38,000,000				
	<u>Applicant</u>	<u>TDHCA</u>			
Land Cost	\$1,680,000	\$1,680,000			
Depreciable Bldg Cost	\$27,382,837	\$27,382,837			
Aggregate Basis for 50% Test	\$29,062,837	\$29,062,837			
			amount aggregate basis can increase before 50% test fails	\$8,937,163 30.8%	\$8,937,163 30.8%

Long-Term Pro Forma

Northgate Village Apartments, Dallas, TDHCA Bonds/4% HTC #19603

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	\$2,519,913	\$2,570,311	\$2,621,717	\$2,674,152	\$2,727,635	\$3,011,529	\$3,324,972	\$3,671,037	\$4,053,122	\$4,474,974	\$4,940,733
TOTAL EXPENSES	3.00%	\$1,059,420	\$1,090,235	\$1,121,955	\$1,154,607	\$1,188,218	\$1,371,690	\$1,583,781	\$1,828,989	\$2,112,519	\$2,440,398	\$2,819,605
NET OPERATING INCOME ("NOI")		\$1,460,493	\$1,480,076	\$1,499,762	\$1,519,545	\$1,539,416	\$1,639,840	\$1,741,190	\$1,842,048	\$1,940,603	\$2,034,576	\$2,121,128
EXPENSE/INCOME RATIO		42.0%	42.4%	42.8%	43.2%	43.6%	45.5%	47.6%	49.8%	52.1%	54.5%	57.1%
MUST -PAY DEBT SERVICE												
TOTAL DEBT SERVICE		\$1,095,203	\$1,094,973	\$1,094,733	\$1,094,482	\$1,094,219	\$1,092,715	\$1,090,833	\$1,088,479	\$1,085,536	\$1,081,856	\$1,077,254
DEBT COVERAGE RATIO		1.33	1.35	1.37	1.39	1.41	1.50	1.60	1.69	1.79	1.88	1.97
ANNUAL CASH FLOW		\$365,290	\$385,103	\$405,029	\$425,063	\$445,197	\$547,125	\$650,358	\$753,569	\$855,066	\$952,720	\$1,043,874
Deferred Developer Fee Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$365,290	\$750,392	\$1,155,421	\$1,580,484	\$2,025,681	\$4,556,704	\$7,601,747	\$11,163,486	\$15,236,899	\$19,807,219	\$24,847,487



RESOLUTION NO. 19-034

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (PASS-THROUGH – NORTHGATE VILLAGE), SERIES 2019; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of its Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Pass-Through – Northgate Village), Series 2019 (the “Bonds”) pursuant to and in accordance with the terms of an Indenture of Trust (the “Indenture”) between the Department and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Northgate Preservation, L.P., a New York limited partnership (the “Borrower”) in order to finance the cost of acquisition, equipping and rehabilitation of a qualified residential rental

development described in Exhibit A attached hereto (the “Development”) located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on February 21, 2019, declared its intent to issue its revenue bonds to provide financing for the Development; and

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

WHEREAS, it is anticipated that the Department, the Trustee, the Lender (defined below) and the Borrower will execute and deliver a Financing Agreement (the “Financing Agreement”) pursuant to which (i) the Department will agree to make a mortgage loan (the “Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition, equipping and rehabilitation of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the “Note”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount sufficient to pay the interest on the Bonds in accordance with the terms of a Multifamily Loan and Security Agreement (Non-Recourse) (the “Loan Agreement”) by and between the Borrower and the Department and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Mortgage”) from the Borrower for the benefit of the Department; and

WHEREAS, it is anticipated that the obligations of the Borrower under the Financing Agreement (other than for the repayment of principal and interest) will be secured by a Subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing (the “Subordinate Mortgage”) from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Borrower will obtain a loan from, Regions Bank, as lender (the “Lender”), and the Lender will deposit the proceeds of such loan with the Trustee, to be held by the Trustee as security for the Bonds in accordance with the Indenture; and

WHEREAS, the Board has determined that the Department, the Trustee, and the Borrower will execute a Tax Exemption Certificate and Agreement (the “Tax Exemption Agreement”) to set forth various facts, certifications, covenants, representations, and warranties regarding the Bonds and the Development and to establish the expectations of the Department, the Trustee, and the Borrower as to future events regarding the Bonds, the Development, and the use and investment of proceeds of the Bonds; and

WHEREAS, the Board has determined that the Department, the Trustee, and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the “Regulatory

Agreement”) with respect to the Development, which will be filed of record in the real property records of Dallas County, Texas; and

WHEREAS, the Lender has agreed to permit the Loan and to allow the lien of the Subordinate Mortgage in accordance with the terms of a Subordination Agreement (the “Subordination Agreement”) among the Lender, the Department, the Trustee and the Borrower; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of an Official Statement (the “Official Statement”) and to authorize the authorized representatives of the Department to deem the Official Statement “final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statement as may be required to provide a final Official Statement for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Purchase Contract (the “Bond Purchase Agreement”) with RBC Capital Markets, LLC (the “Underwriter”), and the Borrower, setting forth certain terms and conditions upon which the Underwriter will purchase all of the Bonds from the Department and the Department will sell the Bonds to the Underwriter; and

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

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

ARTICLE 1

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, and Chapter 1371, Texas Government Code, all under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the

Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the initial purchaser thereof pursuant to the Bond Purchase Agreement.

Section 1.2 Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chair of the Board or the Executive Director or Acting Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption and tender provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by an Authorized Representative (as defined below) of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the interest rate set forth in the Bond Purchase Agreement in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 6.00%; (ii) the aggregate principal amount of the Bonds shall not exceed \$20,000,000; (iii) the final maturity of the Bonds shall occur not later than June 1, 2040; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Bond Purchase Agreement shall not exceed 100% of the principal amount thereof.

Section 1.3 Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the Authorized Representatives (as defined below) are each hereby authorized to execute the Indenture, and to deliver the Indenture to the Trustee.

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

Section 1.5 Approval, Execution and Delivery of the Tax Exemption Agreement. That the form and substance of the Tax Exemption Agreement relating to the Bonds are hereby approved and the Authorized Representatives are each hereby authorized to execute the Tax Exemption Agreement and to deliver the Tax Exemption Agreement to the Borrower and the Trustee.

Section 1.6 Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives are each hereby authorized to execute, attest and affix the Department's seal to the Regulatory Agreement, and to deliver the Regulatory Agreement to

the Borrower and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Dallas County, Texas.

Section 1.7 Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter, and/or any other parties to the Bond Purchase Agreement, as appropriate.

Section 1.8 Acceptance of the Note, the Mortgage and the Subordinate Mortgage. That the form and substance of the Note, the Mortgage and the Subordinate Mortgage are hereby accepted by the Department and that the Authorized Representatives are each hereby authorized to endorse and deliver the Note without recourse.

Section 1.9 Approval, Execution and Delivery of the Subordination Agreement. That the form and substance of the Subordination Agreement are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Subordination Agreement, and to deliver the Subordination Agreement to the Lender and the Borrower and to cause the Subordination Agreement to be filed of record in the real property records of Dallas County, Texas.

Section 1.10 Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chair of the Board and the Executive Director or Acting Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934; that the Authorized Representatives named in this Resolution are each authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the Authorized Representatives named in this Resolution are each authorized hereby to accept the Official Statement, as required; and that the use and distribution of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director or Acting Director of the Department and the Department's counsel.

Section 1.11 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them

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

Section 1.12 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell LLP, Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.13 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Financing Agreement
- Exhibit D - Loan Agreement
- Exhibit E - Tax Exemption Agreement
- Exhibit F - Regulatory Agreement
- Exhibit G - Bond Purchase Agreement
- Exhibit H - Note
- Exhibit I - Mortgage
- Exhibit J - Subordinate Mortgage
- Exhibit K - Subordination Agreement
- Exhibit L - Official Statement

Section 1.14 Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director or Acting Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of

state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2 Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

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

Section 2.4 Approval of Requests for Rating from Rating Agency. That the action of the Executive Director or Acting Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc., and its successors and assigns, is approved, ratified and confirmed hereby.

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

Section 2.6 Underwriter. That the underwriter with respect to the issuance of the Bonds will be RBC Capital Markets, LLC, or any other party identified in the Bond Purchase Agreement.

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

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

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1 Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower,

independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

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

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

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

(b) Findings with Respect to the Borrower.

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

(ii) that the Borrower is financially responsible, and

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

(c) Public Purpose and Benefits.

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

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low, very low and extremely low income and families of moderate income in the State to obtain

decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

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

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

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

ARTICLE 4

GENERAL PROVISIONS

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

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

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

Section 4.4 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Governing Board that was noticed, convened, and conducted in full compliance

with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Governing Board.

[Execution page follows]

PASSED AND APPROVED this 23rd day of May, 2019.

[SEAL]

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

EXHIBIT A

Description of Development

Borrower: Northgate Preservation, L.P., a New York limited partnership

Development: The Development is a 168-unit (including 1 superintendent unit) affordable, multifamily housing development known as Northgate Village Apartments, located at 12303 North Plano Road, Dallas, Dallas County, Texas 75243. It consists of fifteen (15) residential apartment buildings with approximately 190,960 net rentable square feet. The unit mix will consist of:

16	two-bedroom/one-bath units
80	three-bedroom/one-and-one-half-bath units
72	four-bedroom/two-bath units
<hr/>	
168	Total Units

Unit sizes will range from approximately 940 square feet to approximately 1,200 square feet.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TEFRA HEARING

NORTHGATE VILLAGE APARTMENTS

Dallas Public Library
Forest Green Branch
9015 Forest Lane
Dallas, Texas

Tuesday,
April 2, 2019
1:05 p.m.

BEFORE:

SHANNON ROTH, Hearing Officer

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>SPEAKER</u>	<u>PAGE</u>
Shannon Roth	3
Joanne Lao	9
Iraiz Hernandez	10

P R O C E E D I N G S

1
2 MS. ROTH: My name is Shannon Roth. I'm with
3 the Texas Department of Housing and Community Affairs.
4 The role of the Department in this process is allow all
5 interested persons in the surrounding community the
6 opportunity to provide comments on the development we will
7 be discussing today.

8 First I'm going to present the program and the
9 developer. Second, we'll let the developer give a
10 presentation on the specifics of the development, and then
11 last I'll read the speech required by the IRS. And the
12 conclusion of the speech, the floor will be opened up for
13 public comment.

14 There are handouts on the table, a couple of
15 multifamily affordable rental housing handouts, handouts
16 regarding the development specifics, which include the
17 income level; a handout containing deadlines for the input
18 and how to submit your input.

19 We have a handout regarding the email listserv
20 subscription, which allows you the opportunity to sign up
21 and receive emails on applications that we receive for
22 funding; handouts regarding fair housing basics; and then
23 we have some business cards for contact information.

24 If you'd like to speak, there are witness
25 affirmation forms available on the table. Please fill out

1 the form and hand it to me prior to speaking. There's a
2 sign-in sheet on the table. Please be sure you sign in.
3 That is the only way we have of knowing exactly how many
4 people are in attendance.

5 Please check whether you are in support or
6 opposition of this development. If neither box is
7 checked, then we will consider your opinion as being
8 neutral, so please be sure you make your selection.

9 The entire hearing and the comments made here
10 will be transcribed by a court reporter. It is important
11 that you make your comment at the microphone so she can
12 record your comment. Any comments or questions made from
13 the audience may not be picked up on the record.

14 To allow everyone the opportunity to speak, we
15 will answer questions or concerns that were raised at the
16 end, after all public comment has been made. I'd ask that
17 the developer keep a list of questions that come up as
18 they relate to the development, and I will keep a list of
19 questions as they come up as they relate to the Department
20 or the process.

21 According to the IRS Code, the Department is
22 required to hold a public hearing and take public
23 comments.

24 The mission of the Department is to help Texans
25 achieve an improved quality of life through the

1 development of other communities.

2 The two programs the developer has applied for
3 include the Private Activity Bond Program, as well as the
4 Housing Tax Credit Program. Both programs were created by
5 the federal government to encourage private industry to
6 build quality housing that is affordable to individuals
7 and families with lower than average incomes.

8 The Private Activity Bond Program refers to the
9 issuance of tax-exempt bonds. The tax exemption is not an
10 exemption of the property tax but rather an exemption to
11 the purchaser of the bonds, and the bond purchaser does
12 not have to pay taxes on their investment and the income
13 they make on that investment.

14 The bond purchaser accepts a lower rate of
15 return, therefore, the lender that is involved will charge
16 a lower interest rate for the mortgage that will be placed
17 on the property to the developer. Therefore the developer
18 can build a market-rate property at a lower cost to the
19 development.

20 No decisions regarding the development will be
21 made at this hearing. The Department's Board is scheduled
22 to meet to consider this transaction on April 25, 2019.

23 The Housing Tax Credit is another program that
24 goes along with the bond program. The Housing Tax Credit
25 Program was created as a result of the Tax Reform Act of

1 1986. The tax credit is credit or reduction in tax
2 liability each year for 10 years for the investors in
3 affordable rental housing.

4 By providing a credit against the tax
5 liability, the housing tax credit is an incentive for
6 individuals and corporations to invest in the construction
7 or rehabilitation of housing for low-income families.

8 The housing tax credit provides additional
9 financing to the development, lowers the building cost,
10 which allows the developer to provide lower rents for
11 affordable tenants.

12 In conclusion, with both of these programs, the
13 tax benefit goes to the investors that help finance the
14 development. These two programs result in the developer
15 being able to bring something of higher quality to your
16 area, and all of these properties are privately owned and
17 privately managed.

18 There are ongoing oversight responsibilities
19 between the affordable-housing developments and the
20 Department. This includes regular monitoring to ensure
21 the development is complying with all the rules of the
22 Housing Tax Credit and Private Activity Bond Programs.

23 The term that the developments will be
24 monitored is for the greater of 30 years or as long as the
25 bonds are outstanding. Oversight responsibilities include

1 making sure the units are occupied by eligible households,
2 the physical appearance of the property, the rents are
3 capped at appropriate levels, and repair reserve accounts
4 are established and funded.

5 Tenant background checks are established by the
6 developer but apply to all tenants equally. The developer
7 can establish procedures up to and including eviction for
8 various reasons consistent with state eviction laws that
9 would be applicable to any other apartment complex. TDHCA
10 does not set these requirements.

11 The Department's Compliance Division monitors
12 the development. Desk reviews are done either quarterly
13 or annually by the Department and are a modified version
14 of an onsite visit. The Department verifies that the set-
15 asides are met and that the units are income and rent
16 restricted.

17 After lease-up, a survey is usually done to
18 determine what the tenant profile is and the types of
19 services that would be of interest to the tenants.

20 Okay. So I'm going to go ahead and read the
21 speech that the IRS requires us to read.

22 Good afternoon. My name is Shannon Roth. I'd
23 like to proceed with the public hearing. Let the record
24 show that it is 1:10 p.m., Tuesday, April 2, 2019, and we
25 are at the Forest Green branch of the City of Dallas

1 Public Library located at 9015 Forest Lane, Dallas, Texas.

2 I'm here to conduct the public hearing on
3 behalf of the Texas Department of Housing and Community
4 Affairs with respect to an issue of tax-exempt multifamily
5 revenue bonds for a residential rental community.

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

11 No decisions regarding the development will be
12 made at this hearing. The Department's Board is scheduled
13 to meet to consider this transaction on April 25, 2019.

14 In addition to providing your comments at the
15 hearing, the public is also invited to provide comment
16 directly to the Board at any of its meetings. The
17 Department staff will also accept written comments from
18 the public up to 5:00 p.m. on April 16, 2019.

19 The bonds for the Northgate Village Apartments
20 will be issued as tax-exempt multifamily revenue bonds in
21 the aggregate principal amount not to exceed \$20 million
22 and taxable bonds, if necessary, in an amount to be
23 determined and issued in one or more series by the Texas
24 Department of Housing and Community Affairs, the Issuer.

25 The proceeds of the bonds will be loaned to

1 Northgate Preservation, LP, or a related person or
2 affiliate entity thereof, to finance the acquisition and
3 rehabilitation of a multifamily housing development
4 described as follows: a 168-unit multifamily residential
5 rental development to be constructed on approximately
6 13.16 acres of land located at 12303 North Plano Road,
7 Dallas, Dallas County, Texas. The proposed multifamily
8 rental housing community will be initially owned and
9 operated by the borrower, or a related person or affiliate
10 thereof.

11 So now I'd like to go ahead and open the floor
12 for public comment. Actually, first let me -- Joanne, do
13 you want to go ahead and give your little presentation?

14 MS. LAO: Sure. I'll be pretty brief. My name
15 is Joanne Lao. I represent Related Affordable, who is the
16 development owner of this project.

17 Our project proposes to acquire and renovate
18 all 168 units. There is a Section 8 -- a project-based
19 Section 8 contract that covers all the units now, and we
20 intend to renew that so that tenants -- everything will
21 stay the same. It will remain affordable for up to 20
22 years.

23 From the tenants' perspective, they will
24 continue to pay 30 percent of their income. So it's
25 effectively no change for tenants. Our project -- part of

1 the project will also renovate all 168 units. The
2 renovation plan focuses on improving energy efficiencies,
3 putting in fixtures and new appliances, fixing the floors
4 and the vanity sets in the bathrooms, in addition to
5 adding new amenities for the residents that are already
6 there.

7 So we're very excited about the project and
8 we're looking forward to it.

9 MS. ROTH: Okay. Thank you.

10 So now we're going to open up for public
11 comments.

12 MS. HERNANDEZ: My name is Iraiz Hernandez, and
13 I am with the Aging and Disability Resource Center, called
14 Connect To Care. We're located at Metro Care Services
15 here in Dallas County.

16 And I just wanted to -- mine is more of a
17 question, if any of the units were going to be proposed as
18 accessible for individuals that, you know, are either on
19 wheelchairs or can't get from one room to the next room.

20 MS. LAO: Yes. We are required to -- and I
21 need to check the codes, but as far as the project, we are
22 required to at least deliver 5 percent of the units that
23 will be accessible. And there are additional
24 requirements, but we will do that.

25 MS. HERNANDEZ: Thanks. That's all.

1 MS. ROTH: Okay. Well, thank you for your
2 comment and your question.

3 Let the record show that we have -- thank you
4 for attending the hearing. Your comment has been
5 recorded. We have one attendee, and the meeting is now
6 adjourned. The time is 1:15 p.m.

7 (Whereupon, at 1:15 p.m., the hearing was
8 adjourned.)

C E R T I F I C A T E

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IN RE: Northgate Village Apartments
LOCATION: Dallas, Texas
DATE: April 2, 2019

I do hereby certify that the foregoing pages, numbers 1 through 13, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Donna Boardman before the Texas Department of Housing and Community Affairs.

DATE: April 8, 2019


(Transcriber)

On the Record Reporting &
Transcription, Inc.
7703 N. Lamar Blvd., Ste 515
Austin, Texas 78752

7d

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer, an Award of Direct Loan Funds, and a waiver of 10 TAC §10.613(i) (#19409/#18454 Grim Hotel, Texarkana)

RECOMMENDED ACTION

WHEREAS, an application for 4% Housing Tax Credits for Grim Hotel, sponsored by The Premier Texarkana Development and Management Facility Corporation and Cohen-Esrey Development Group, LLC was submitted on September 21, 2018;

WHEREAS, Grim Hotel, which requested \$4,000,000 in Direct Loan funds under the General set-aside in the 2019-1 Multifamily Direct Loan Notice of Funding Availability (2019-1 NOFA), is a Priority 1 application that has received complete reviews for compliance with program and underwriting requirements;

WHEREAS, it was determined that, despite the proposed Development Site not being in a Participating Jurisdiction, HOME funds could not be used on this Development due to the applicant's unique ownership structure that do not meet the statutory requirements of the HOME program;

WHEREAS, in accordance with 10 TAC §13.5(g) the Department is recommending an award of Neighborhood Stabilization Program Round 1 Program Income (NSP1 PI) funds to this applicant subject to conditions as further described;

WHEREAS, at the Board meeting of April 25, 2019, the Board approved the proposed update to the NSP Substantial Amendment of the State's 2008 Action Plan, which was open for public comment April 29, 2019, through May 13, 2019;

WHEREAS, no public comment was received and the update to the Substantial Amendment has been submitted to the Department of Housing and Urban Development (HUD) for its review;

WHEREAS, HUD's acceptance of the update to the Substantial Amendment is required before this NSP1 PI Contract can be executed;

WHEREAS, match is required of all Multifamily Direct Loan Developments as described in 10 TAC §13.2(8);

WHEREAS, the Department will also request a waiver of certain aspects of 24 CFR §92.219(b)(2) regarding HOME Match requirements for affordable housing that is not HOME-assisted;

WHEREAS, the Department must receive HUD's approval of this waiver of certain aspects of 24 CFR §92.219(b)(2), or the owner must provide the Department with an eligible commitment of HOME match units on another Development in the Department's portfolio before an NSP1 PI Contract can be executed;

WHEREAS, the applicant has provided the Department information about which entity will be performing functions typically performed by the Owner of Direct Loan Developments, but this information has not been fully reviewed by Department's Legal Division nor have contractual documents been drafted that reflect this unique ownership structure;

WHEREAS, 10 TAC §13.11(c) requires Direct Loan awardees to submit a fully completed environmental review within 90 days after Board approval date and 10 TAC §13.11(d) requires Direct Loan awardees to execute a Contract within 60 days of environmental clearance;

WHEREAS, staff recommends granting an extension to the Contract execution deadline in 10 TAC §13.11(d) as the property received environmental clearance for the NSP1 PI funds on April 16, 2019 to six months beyond the 60 days after environmental clearance, resulting in a Contract execution deadline of December 16, 2019;

WHEREAS, staff recommends a waiver of 10 TAC §10.613(i) regarding lease requirements for NSP units because a Master Tenant will be a party on the lease with the households who will ultimately occupy the NSP units.

WHEREAS, this particular ownership structure is necessary in order to take advantage of the historic tax credit equity, which is the only way this project is feasible;

WHEREAS, the Certification of Reservation from the Texas Bond Review Board was issued on January 10, 2019, and will expire on June 9, 2019;

WHEREAS, the proposed issuer of the bonds is the Premier Texarkana Development and Management Facility Corporation;

WHEREAS, pursuant to 10 TAC §11.101(a)(3)(B) of the 2019 Qualified Allocation Plan related to Neighborhood Risk Factors, applicants are required to disclose to the Department the existence of certain characteristics of a proposed development site;

WHEREAS, the applicant disclosed that the poverty rate for the census tract containing the development site exceeds 40%, which is the threshold in the rule;

WHEREAS, staff has conducted a further review of the proposed development site and surrounding neighborhood, and based on the documentation provided and discussed herein describing mitigation efforts, along with income trends over the past five years, staff recommends the proposed site be found eligible under 10 TAC §11.101(a)(3)(B) of the 2019 Qualified Allocation Plan; and

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 2 and deemed acceptable by the Executive Award and Review Advisory Committee (EARAC);

NOW, therefore, it is hereby

RESOLVED, that the site for Grim Hotel is hereby found to be eligible pursuant to 10 TAC §11.101(a)(3)(B);

RESOLVED, that the waiver of 10 TAC §10.613(i) is granted;

RESOLVED, that the Contract for NSP1 funds must be executed with the Department or the applicant must request for a Board approved extension and to be placed on the January 2020 Board agenda by December 19, 2019, or this award will expire; and

FURTHER RESOLVED, that the issuance of a Determination Notice of \$1,006,241 in 4% Housing Tax Credits and \$4,000,000 in NSP1 PI funds, subject to HUD's acceptance of the update to the 2008 Action Plan, and subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website for Grim Hotel, is hereby approved as presented to this meeting.

BACKGROUND

General Information: Grim Hotel is a proposed redevelopment of an historic hotel located at 301 North State Line, in Texarkana, Bowie County. The development will be comprised of 93 units, all of which will be rent and income restricted at 60% of the Area Median Family Income (AMFI). Layered among the 60% HTC-restricted units will be 22 NSP restricted units at 60% AMI/High HOME and six NSP restricted units at 50% AMI/Low HOME. The applicant plans to utilize 22 project-based vouchers from the Housing Authority of Texarkana, which may only be used on non-NSP restricted units as a result of the Department's subsidy layering analysis. The development will serve a general population and the site conforms to current zoning requirements. The original eight-story structure was constructed in the 1920s and operated as a hotel until the 1990s. It has been vacant and left to decline since that time.

The \$4,000,000 Direct Loan award will be sourced with NSP1 PI funds and structured as a repayable construction-to-permanent loan at 2.0% interest with a 30-year amortization and 30-year term that will maintain first lien position during the permanent period. The unique ownership structure being utilized for this development, as a result of receiving equity from both low income housing tax credits and

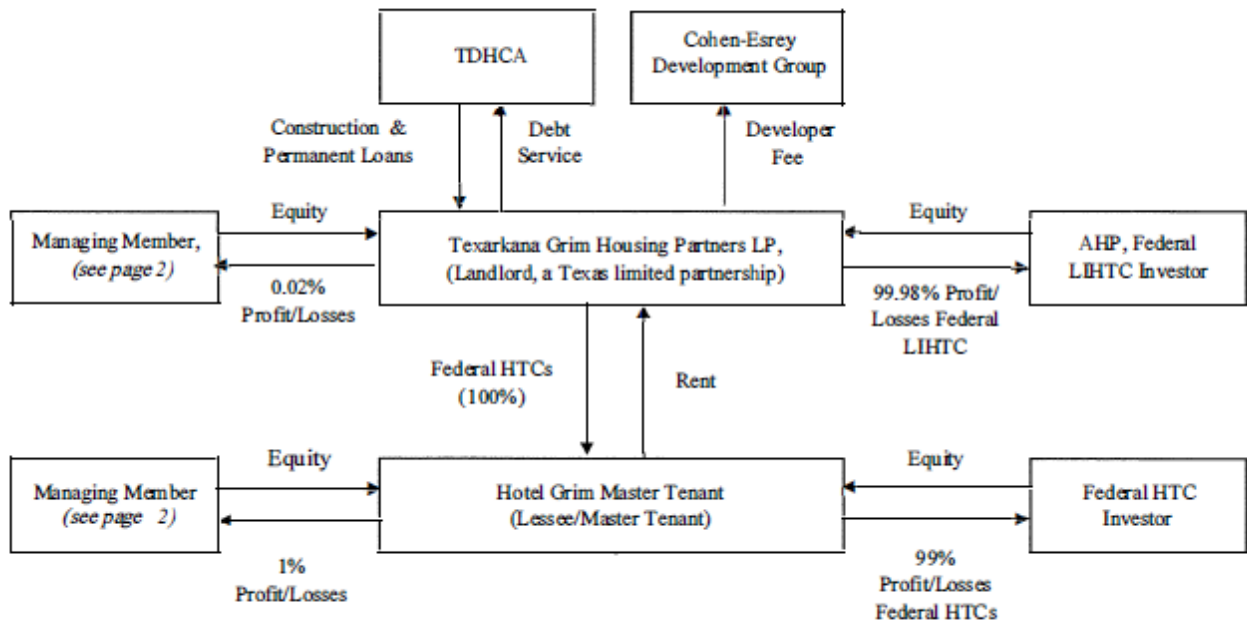
historic tax credits, requires the Department to use a structure to secure our loan that differs from what we have used in the past. In addition to having the standard security interest in the land by way of the fee title owner and leasehold owner, the Department will have a security interest in the Master Tenant's lease with the leasehold owner, acting as the landlord. Additionally, as a condition to closing the NSP1 PI loan, staff will need to review the substantially final draft of the Master Tenant Lease Agreement between the Master Tenant and the Owner that identifies who will be responsible for the various activities and duties required in 24 CFR §92.252, 92.253, Tex. Gov't Code Chapter 2306, and 10 TAC Chapters 1, 2, 10, 11, and 13 is required. Staff will need to determine that this distribution of duties described in this document meets all requirements.

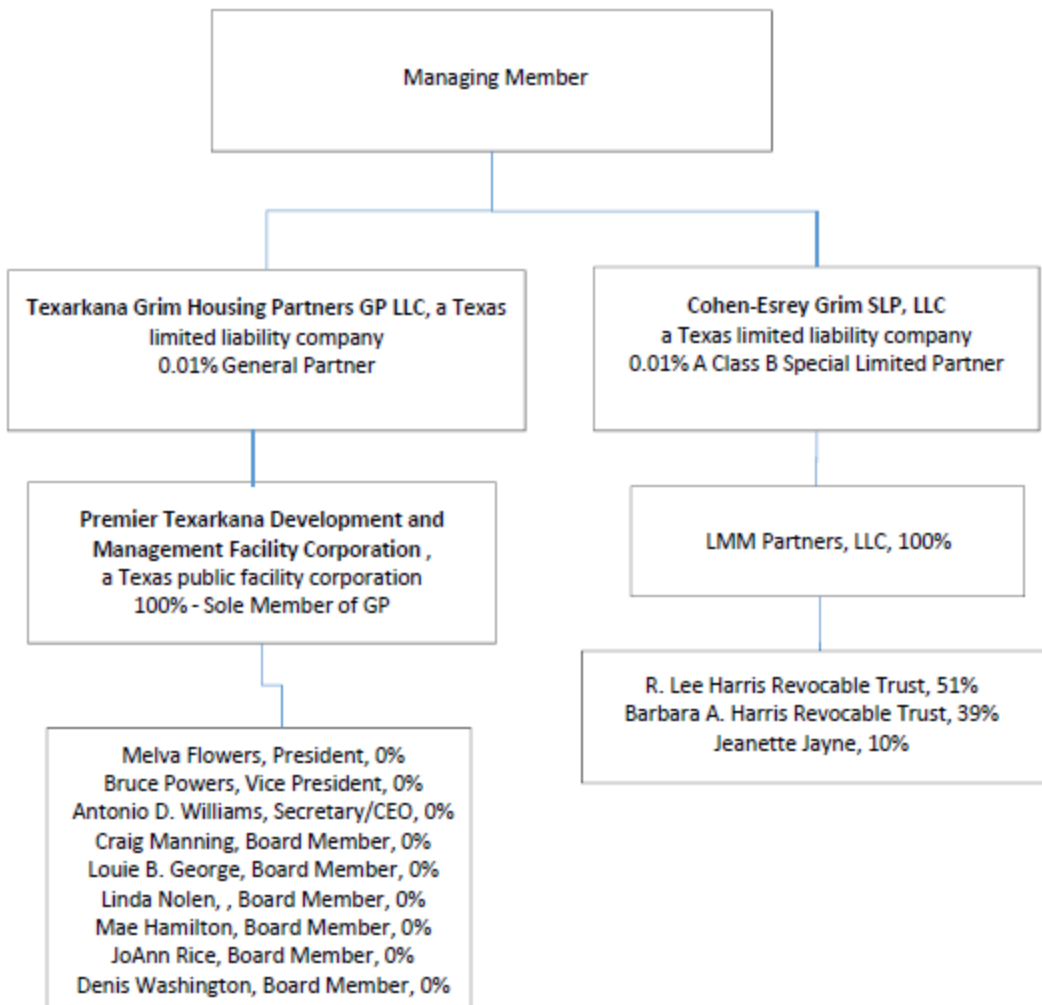
On May 14, 2019, the Department submitted the update to the Substantial Amendment to the NSP1 Action Plan to HUD that was previously approved by the Board. The update allows for NSP1 funds to be used in the manner prohibited by 10 TAC §10.613(i), which prohibits NSP units from being leased to an organization that, in turn, rents those units to individuals. Staff is optimistic that HUD will accept the update to the Substantial Amendment. Parallel to HUD's acceptance, in order to move forward with this Application's unique ownership structure, the Applicant has requested and staff has recommended a waiver of 10 TAC §10.613(i). The need for the waiver was not reasonably foreseeable or preventable in accordance with 10 TAC §11.207, in that this unique ownership structure must be utilized to take advantage of both the low income housing tax credit and historic tax credit equity – thereby resulting in a feasible and viable development.

Site Analysis: The applicant disclosed that the poverty rate for the census tract containing the development site is 51%, which exceeds the threshold in the rule of 40%. Included in the application was information indicating that the Texarkana City Council adopted the Renew Texarkana Comprehensive Plan and Downtown Master Plan in March 2018, which focused revitalization efforts in downtown. According to the applicant, there has been private investment of approximately \$48 million over the past five years, and approximately \$10 million in public infrastructure over the next five years is planned. Moreover, as reflected in the financing of the Grim Hotel, the city has committed funding to the development and the redevelopment efforts of the Grim Hotel is also intended to revitalize the downtown area. The percentage of households residing in the census tract with incomes greater than \$40,000 (median income for the Texarkana MSA is \$43,753) increased by approximately 6% over the most recent five-year period. Based on this, staff recommends the proposed site be found eligible under 10 TAC §11.101(a)(3) of the 2019 Qualified Allocation Plan.

Organizational Structure and Previous Participation: The NSP1 Borrower is Texarkana Grim Housing Partners, LP, and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 2 and the previous participation was deemed acceptable by EARAC. It has not yet been definitively determined, but it is likely that the NSP1 Contract will need to be a triparty agreement between the Texarkana Grim Housing Partners LP, the Hotel Grim Master Tenant, and the Department, in order to meet all requirements.

Public Comment: There have been no letters of support or opposition submitted to the Department.





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A PROFESSIONAL CORPORATION

PAIGE MEBANE
ASSOCIATE

PMI@BANE@COATSROSE.COM
DIRECT: (972) 419-4727
FAX: (713) 890-3977

April 15, 2019

Mr. Andrew Sinnott
Multi Family Loan Programs Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: The Grim Hotel (the “Project”) – Application #19409;
Texarkana Grim Housing Partners LP, Applicant

Dear Mr. Sinnott:

In connection with the above captioned matter, we would like to respectfully request a waiver of 10 TAC 10.613(i) in connection with our application for TCAP or NSP funding under the Multifamily Direct Loan Program.

10 TAC 10.613(i) prohibits a master lease structure where NSP or TCAP units are leased to an organization that, in turn, rents those units to individuals and requires that leases must be between the Development and an eligible household. As you know, our Project is an historic development involving the use of state and federal Historic Tax Credits (“HTC”) as well as Low Income Housing Tax Credits (“LIHTC”).

While projects in prior years may have used both HTC and LIHTC without a master lease structure, the Internal Revenue Service (IRS) has recently adopted guidance related to Section 50(d) of the Internal Revenue Code that has changed the treatment of the master lease structure.

Under a single-tier structure, a project utilizing both LIHTC and HTC is subject to reduction in the rehabilitation basis which also reduces the LIHTC eligible basis. In the case of our project, that basis reduction would result in a reduction of the equity in the Project by approximately \$1.5 million. Under the new regulations, a master lease structure can be utilized to avoid the reduction in the basis of the building, maximizing the eligible basis for the LIHTC. Without the master lease structure, the resulting \$1.5 million gap would make the Project financially infeasible, and the Project would be unable to move forward. There are no additional

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financing sources that are available to fill this gap. The IRS ruling on §50(d) income treatment prompting the need for a master lease structure was outside of our control and was neither reasonably foreseeable nor preventable.

Furthermore, it is our belief that this is not the scenario that was envisioned when 10 TAC 10.613 was adopted. Under this structure, the project owner will master lease the project to a partnership controlled by the HTC investor who will then lease the units to eligible low-income families. In our opinion, this is different from the scenario that was intended to be prohibited by 10 TAC 10.613(i) as the Master Tenant will not be an "Organization" but rather a necessary actor under the HTC and LIHTC rules currently in place, as discussed above.

By granting this waiver, it is our belief that TDHCA will better serve its purpose in both (a) providing for the housing needs of individuals and families of low, very low, and extremely low-income families and families of moderate income and (b) contributing to the preservation, development, and redevelopment of neighborhoods and communities. The Grim Hotel is a historic structure that is in dire need of rehabilitation and granting this waiver is necessary to the financial viability of the Project, allowing for the needed rehabilitation as well as providing much-needed housing for low- and moderate-income families. This waiver and these funds are critical to the completion of this Project.

Please accept this letter as the waiver request. If another form of request is required, please advise. I may be reached at 972-982-8453 or at mjones@coatsrose.com.

Very truly yours,



Paige Mebane

cc:

Jay Johnson
Jon Atlas
Cliff Blount
Kelly Longwell
Mattye Jones

19409 Grim Hotel Apartments - Application Summary

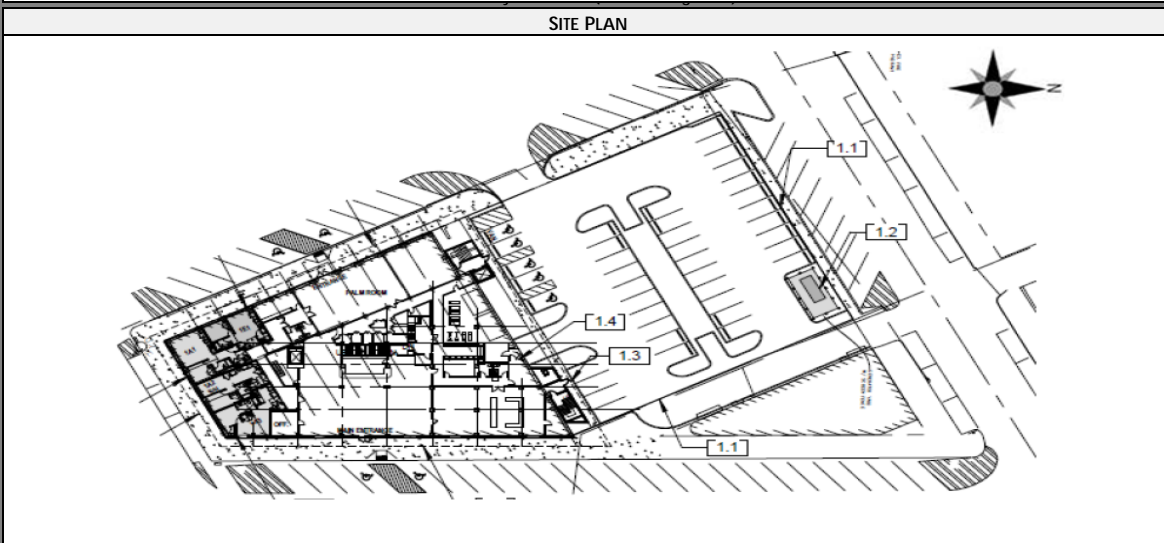
REAL ESTATE ANALYSIS DIVISION
May 16, 2019

PROPERTY IDENTIFICATION		RECOMMENDATION					KEY PRINCIPAL / SPONSOR		
Application #	19409	TDHCA Program		Request			Recommended		
Development	Grim Hotel Apartments	LIHTC (4% Credit)		\$1,006,241	\$1,006,241	\$10,820/Unit	\$0.88		
City / County	Texarkana / Bowie		Amount	Rate	Amort	Term	Lien		
Region/Area	4 / Urban	Multifamily Direct Loan (Repayable)		\$4,000,000	2.00%	30	30	1	
Population	General								
Set-Aside	General								
Activity	Adaptive Re-Use (Built in 1925)								
Related Parties		Contractor - Yes		Seller - No					

UNIT DISTRIBUTION		INCOME DISTRIBUTION	
# Beds	# Units % Total	Income	# Units % Total
Eff	22 24%	30%	- 0%
1	48 52%	40%	- 0%
2	23 25%	50%	- 0%
3	- 0%	60%	93 100%
4	- 0%	MR	- 0%
TOTAL	93 100%	TOTAL	93 100%



PRO FORMA FEASIBILITY INDICATORS			
Pro Forma Underwritten		Applicant's Pro Forma	
Debt Coverage	1.23	Expense Ratio	60.0%
Breakeven Occ.	86.2%	Breakeven Rent	\$559
Average Rent	\$605	B/E Rent Margin	\$46
Property Taxes	Exempt	Exemption/PILOT	0%
Total Expense	\$4,159/unit	Controllable	\$2,899/unit



MARKET FEASIBILITY INDICATORS			
Gross Capture Rate (10% Maximum)		2.1%	
Highest Unit Capture Rate	22%	0 BR/60%	20
Dominant Unit Cap. Rate	8%	1 BR/60%	33
Premiums (↑60% Rents)			
Rent Assisted Units	22	24% Total Units	

DEVELOPMENT COST SUMMARY			
Costs Underwritten		TDHCA's Costs - Based on PCA	
Avg. Unit Size	656 SF	Density	110.6/acre
Acquisition		\$06K/unit	\$555K
Building Cost	\$231.71/SF	\$152K/unit	\$14,137K
Hard Cost		\$171K/unit	\$15,906K
Total Cost		\$266K/unit	\$24,779K
Developer Fee	\$3,056K	(23% Deferred)	Paid Year: 13
Contractor Fee	\$2,024K	30% Boost	Yes

REHABILITATION COSTS / UNIT			
Site Work	\$8K	5%	Finishes/Fixtures \$60K 35%
Building Shell	\$75K	44%	Amenities \$1K 1%
HVAC	\$13K	8%	Total Exterior \$84K 54%
Appliances	\$2K	1%	Total Interior \$74K 48%

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES		
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount	
TDHCA	30/30	2.00%	\$4,000,000	1.45	EPA Brownfield Loan	40/0	1.70%	\$650,000		Affordable Housing Partners, Inc.	\$8,854,924	
Horizon Bank	16/40	4.00%	\$650,000	1.23	City Affordable Housing Fund	40/0	1.50%	\$260,000		Clocktower Tax Credits, LLC	\$3,240,574	
					HUD 108 Loan	20/0	1.70%	\$1,429,000		Cohen-Esrey Development Group	\$701,154	
					Preserving US, Inc. Loan	20/0	0.50%	\$4,993,803		TOTAL EQUITY SOURCES	\$12,796,652	
TOTAL DEBT (Must Pay)			\$4,650,000		CASH FLOW DEBT / GRANTS			\$7,332,803		TOTAL DEBT SOURCES	\$11,982,803	
											TOTAL CAPITALIZATION	\$24,779,455

CONDITIONS

- 1 Receipt and acceptance before Direct Loan Closing
 - a: Substantially final construction contract with Schedule of Values as approved by LIHTC Equity Partner.
 - b: Updated term sheets with substantially final terms from all lenders
 - c: Substantially final draft of Limited Partnership Agreement.
 - d: Substantially final draft of Master Tenant Agreement.
 - e: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.
 - f: Documentation that the HUD 108 loan term has provisions to be extended up to 10 years beyond the stated 20-year maturity.
 - f: Documentation of environmental studies and identified remediation costs as approved by LIHTC Equity Partner.
- 2 Receipt and acceptance by Cost Certification:
 - a: Certification of comprehensive testing for asbestos and lead-based paint; that any necessary abatement measures were properly implemented; and that any remaining asbestos-containing materials and lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.
 - b: Certification that any necessary abatement measures for hazardous mold were properly implemented.
 - c: Certification of comprehensive testing of potable water in the building to identify possible lead contamination from any pre-existing plumbing, and that any necessary abatement measures were implemented.
 - d: Certification that a GPR (ground penetrating radar) Survey of the northern portion of the property was completed to identify the possible existence of underground storage tanks, and that any necessary abatement measures were implemented.

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

BOND RESERVATION / ISSUER

Issuer	Premier Texarkana Development & Management Facility Corp
Expiration Date	6/9/2019
Bond Amount	\$15,000,000
BRB Priority	Priority 3
Close Date	TBD
Bond Structure	Private Placement
% Financed with Tax-Exempt Bonds	70.4%

RISK PROFILE

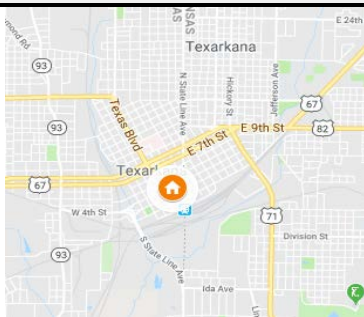
STRENGTHS/MITIGATING FACTORS

- High debt coverage ratio on Direct Loan as senior debt
- Ample break-even rent margin
- Low capture rates
- Partnership with Housing Authority
- 24% of units supported by project-based vouchers
- Experience of Developer and Equity Partner

WEAKNESSES/RISKS

- Potential for cost overruns in excess of standard
- Complex financial structure
- Financial feasibility dependent on tax exemption
- Insufficient parking; less than 1 space / unit
- Small average unit sizes

AREA MAP



AERIAL PHOTOGRAPH(S)



7e

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action regarding the Issuance of Multifamily Housing Revenue Bonds Series 2019 Resolution No. 19-035, a Determination Notice of Housing Tax Credits, and an award of Direct Loan Funds for McMullen Square Apartments in San Antonio

RECOMMENDED ACTION

WHEREAS, the Board adopted the most recent inducement resolution for McMullen Square Apartments at the Board meeting on December 6, 2018;

WHEREAS, the Board adopted Resolution No. 19-021 at the Board meeting of January 17, 2019, relating to the issuance of Multifamily Housing Revenue Bonds and also approved the issuance of a Determination Notice of Housing Tax Credits in the amount of \$425,285;

WHEREAS, underwriting changes as described herein originated by the financing partners in the transaction necessitated the need for additional funding;

WHEREAS, in conjunction with the Determination Notice, the Board granted an exception pursuant to the rule, relating to proximity to high voltage transmission lines, an Undesirable Site Feature pursuant to 10 TAC §11.101(a)(2) of the Qualified Allocation Plan, on the basis of the existing federal assistance in the form of a Housing Assistance Payment contract that is expected to continue;

WHEREAS, on March 12, 2019, an application for Direct Loan funds under the Supportive Housing/ Soft Repayment (SH/SR) set-aside of the 2019-1 Multifamily Direct Loan Notice of Funding Availability (2019-1 NOFA) was submitted to the Department;

WHEREAS, a new Certification of Reservation was issued, in the amount of \$10,000,000, on May 8, 2019, with a bond delivery deadline of October 5, 2019;

WHEREAS, in accordance with 10 TAC §1.301(d)(1), the compliance history is designated as a Category 1 (based on the 2019 rules) and subject to the conditions originally imposed by the Board as a result of the Category 3 designation (based on the 2018 rules) as noted herein after review and discussion by the Executive Award and Review Advisory Committee (EARAC);

WHEREAS, 10 TAC §13.5(h)(2) requires Applications for Developments previously awarded funds by the Department such as this Application to be found eligible by the Board;

WHEREAS, this Application has provided evidence of adverse factors, including a \$350,000 reduction to the senior permanent debt and increased hard and soft costs – both resulting from the equity provider’s underwriting in order to move forward with the transaction – beyond the applicant’s control that could materially impair their ability to provide affordable housing as a criteria for the Board to consider in affirming their eligibility;

WHEREAS, staff recommends that the Board find this Application eligible due to increased project costs required by the investor post-award as well as a reduction in the permanent loan due to the investor’s conservative underwriting and impact that this had on the standards used in the construction lender’s underwriting;

WHEREAS, the Direct Loan Land Use Restriction Agreement will have priority over all financing, and the TCAP-RF loan will be subordinate to only the Bond financing, in a third lien position; and

WHEREAS, EARAC recommends the issuance of Multifamily Housing Revenue Bonds (Series 2019) and \$500,000 in Tax Credit Assistance Program Repayment Funds (TCAP RF) for McMullen Square Apartments and the issuance of a Determination Notice;

NOW, therefore, it is hereby

RESOLVED, that the Board re-affirms the previously granted exception based on the ongoing and existing federal assistance and the site is considered eligible pursuant to 10 TAC §11.101(a)(2) of the Qualified Allocation Plan;

FURTHER RESOLVED, that the issuance of unrated Tax-Exempt Multifamily Housing Revenue Bonds Series 2019 (McMullen Square Apartments) for \$10,000,000, Resolution No. 19-035 is hereby approved in the form presented to this meeting;

FURTHER RESOLVED, the issuance of a Determination Notice of \$460,738 in 4% Housing Tax Credits for McMullen Square, and \$500,000 in TCAP RF, subject to underwriting conditions that may be applicable as found in the Real Estate Analysis report posted to the Department’s website, and conditioned upon the following, is hereby approved in the form presented to this meeting; and

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

1. Triton Community Development will ensure that the Finance Manager (Don Herrman, CPA) and the Compliance Manager (Carmen Johnston), complete the trainings listed and provide TDHCA with a certification of attendance and/or completion no later than **May 31, 2019**.
 - a. Housing Tax Credit Training sponsored by the Texas Apartment Association; and
 - b. Income Determination Training conducted by TDHCA
2. The Acting Director, for good cause, may grant one extension of these conditions for up to six months if requested prior to the deadline; any subsequent extensions, or extensions requested after the deadline, must be approved by the Board.

BACKGROUND

General Information: The Bonds will be issued in accordance with Tex. Gov't. Code Chapter 2306, as amended, the Department's Enabling Statute, which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt or liability of the State of Texas or a pledge or loan of faith, credit or taxing power of the State of Texas.

McMullen Square Apartments is located at 537 N. General McMullen Drive in San Antonio, Bexar County, and proposes the acquisition and rehabilitation of 100 units. The Certificate of Reservation from the Bond Review Board was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Gross Income (AMGI) that must be served. The application reflected an intent to elect the income averaging set-aside, and under the Low-Income Housing Tax Credit (HTC) Land Use Restriction Agreement (LURA) 44 of the units will be rent and income restricted at 50% of AMGI, 46 will be restricted at 60% of AMGI, and 10 will be restricted at 80% of AMGI. However, the Bond LURA will have 40 of the units rent and income restricted at 60% AMGI. The development will serve the general population, and conforms to current zoning. The Development received an award of housing tax credits in 2001, and currently has a LURA in place that requires 75% of the units to be restricted (38 units at 50% of AMGI and 37 units at 60% of AMGI), and the remaining 25% of the units are at market rate, with no restrictions. As a result of the TCAP RF investment under the Supportive Housing/ Soft Repayment set-aside, four of the 50% AMGI HTC units will be further restricted to 30% AMGI. The proposed rent and income restrictions do not conflict with the existing restrictions.

Site Analysis: Pursuant to 10 TAC §11.101(a)(2) of the Qualified Allocation Plan related to Undesirable Site Features, Development Sites in which any of the buildings or designated recreational areas are to be located within 100 feet of the nearest line or structural element of any overhead high voltage transmission line, support structures for high voltage transmission lines, or other similar structures may be considered ineligible unless an exemption is requested. McMullen Square, a development that was originally constructed in 1969, is within 100 feet of high voltage transmission towers that were installed in 2014. The rule allows for developments with ongoing and existing federal assistance to be granted an exception by the Board and such exception was granted at the Board meeting of January

17, 2019 and based on the existing Housing Assistance Payment (HAP) contract that is expected to continue staff recommends the Board re-affirm their finding of eligibility.

Changes since Prior Award: After the January Board meeting and as Hunt Capital Partners (equity investor) continued their underwriting and due diligence, the assumption on the amount of permanent debt the transaction could support changed. Instead of underwriting to a \$7,950,000 permanent loan, it was resized to \$7,600,000 which increased the deferral of developer fee. The increased deferral impacted the underwriting of the construction loan provided by JPMorgan Chase Bank who was requiring a lesser percentage being deferred to provide more cushion in the event the transaction doesn't stabilize at the expected loan amount. Including the requested \$500,000 in TCAP RF reduces the deferred developer fee to a level that is more palatable for JPMorgan Chase. The proceeds of the Direct Loan funds will be used to replace part of the permanent loan debt, additional rehab to the units that was being required by Hunt, and to cover construction cost increases that have occurred since the transaction was originally bid back in January. The \$500,000 TCAP RF loan will be structured as a surplus cash flow loan with an annual calculation for the required payment at 0% interest, 40-year amortization, and 15-year term. The TCAP RF Land Use Restriction Agreement will have priority over all financing, and the TCAP-RF loan will be subordinate to only the Bond financing, in a third lien position.

Organizational Structure and Previous Participation: The Borrower is TCD MCM, LP and includes the entities and principals as illustrated in Exhibit A. The applicant's portfolio is considered a Category 1 and the previous participation was deemed acceptable by EARAC.

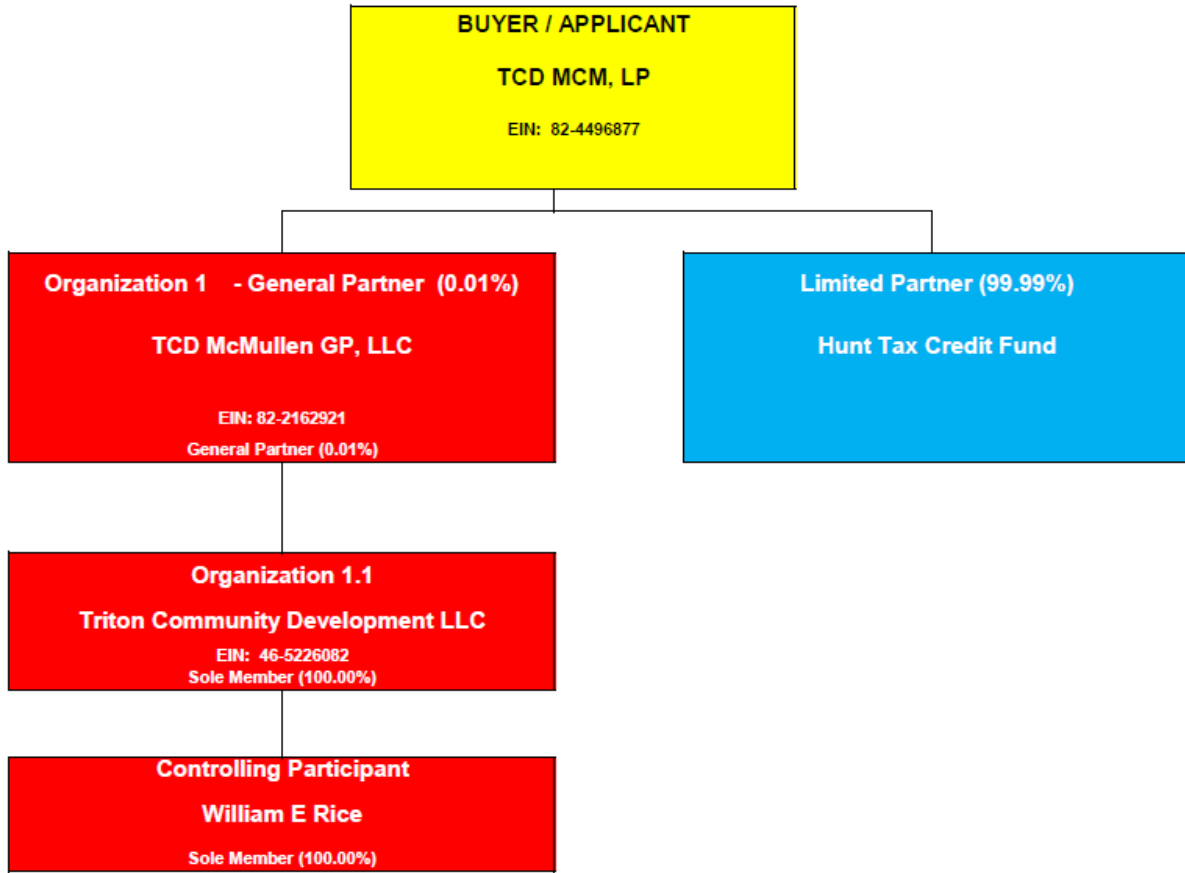
Public Hearing/Public Comment: A public hearing for the proposed development was conducted by staff on December 20, 2018, and there was no one in attendance. A copy of the hearing transcript is included herein along with the public comment received. There have been no letters of support or opposition submitted to the Department.

Summary of Financial Structure

The Department will issue unrated tax-exempt bonds in the amount of \$10,000,000 that will be underwritten by Fallbrook Loan Fund, and ultimately purchased by Cedar Rapids Bank and Trust. The bonds will be fixed rate for 18 months (during construction), at a rate of approximately 4.41%. There will be a forward starting swap in place at closing that will commence once the property has reached stabilization, or approximately January, 2021 and terminate 15 years later in January, 2036. The borrower will pay a fixed interest rate to the swap counterparty and the counterparty will pay a variable rate in return. While the Department is not a party to the swap agreement, the swap payments will flow through the indenture to the trustee. The interest rate on the bonds is anticipated to be the current index plus 2.00%, carry a 15-year term and 40-year amortization. The final maturity date is January 9, 2036.

A copy of the Exhibits recommend to be approved by the Board as referenced in Resolution No. 19-035 can be found online at TDHCA's Board Meeting Information Center website at <http://www.tdhca.state.tx.us/board/meetings.htm>.

Exhibit A





Addendum to Underwriting Report

TDHCA Application #: 19601 Program(s): TDHCA Bonds/4% HTC

McMullen Square Apartments

Address/Location: 537 N. General McMullen Drive

City: San Antonio County: Bexar Zip: 78228

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

Activity: Acquisition/Rehab Building Type: Garden/Townhome Region: 9

Report Date	PURPOSE
05/15/19	MDL Application
01/10/19	Initial Underwriting Report

ALLOCATION

TDHCA Program	Request				RECOMMENDATION				
	Amount	Rate	Amort	Term	Amount	Rate	Amort	Term	Lien
Multifamily Direct Loan (Soft Repayable)	\$500,000	0.00%	0	40	\$500,000	0.00%	0	40	2
Private Activity Bonds	\$10,000,000				\$10,000,000				
LIHTC (0% Credit)	\$481,000	(\$425,285 Previous Recommendation)			\$460,738				

* Bond amount requested and recommended has not changed from prior award.

* Multifamily Direct Loan Terms:

* Pursuant to 10 TAC §13.8(a), the term of a Multifamily Direct Loan should match the term of any superior loan (within 6 months).

* Lien position after conversion to permanent. The Department's lien position during construction may vary.

CONDITIONS STATUS

General Condition

No funds drawn from the TDHCA Direct Loan are to be used to pay legal fees.

Status: To be monitored by TDHCA Staff.

A Receipt and acceptance before Direct Loan Closing

- a: Substantially final construction contract with Schedule of Values.
- b: Updated term sheets with substantially final terms from all lenders
- c: Substantially final draft of limited partnership agreement.
- d: Documentation identifying any required matching funds, and confirming that the source is eligible to be counted as matching funds under HUD and TDHCA requirements.

1 Receipt and acceptance by Cost Certification:

- a: Renewed HAP Contract with rent increases large enough to support feasibility.

Status: **Satisfied. Applicant provided an approved 20-year Renewal HAP Contract effective 7/1/2019 with approved rents equal to those underwritten.**

b: Certification of comprehensive testing for asbestos; that any appropriate abatement procedures were implemented by a qualified abatement company; and that any remaining asbestos-containing materials or lead-based paint are being managed in accordance with an acceptable Operations and Maintenance (O&M) program.

Status: pending

c: Certification of comprehensive testing of on-site plumbing for lead in drinking water, and that any appropriate abatement measures were implemented.

Status: pending

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
50% of AMI	50% of AMI	44
60% of AMI	60% of AMI	46
80% of AMI	80% of AMI	10

TDHCA SET-ASIDES for DIRECT LOAN LURA		
Income Limit	Rent Limit	Number of Units
30% of AMFI	30% of AMFI	4

ANALYSIS

Applicant was awarded \$425,285 in 4% housing tax credits in January 2019. Applicant has since applied for a Multifamily Direct Loan to address adverse issues related to cost and financing. Total underwritten cost has increased by \$539K, and total permanent debt decreased by \$350K.

Operating Pro Forma

Applicant is requesting a Direct Loan under the Soft Repayment set-aside at 0% interest. To qualify for this set-aside, the Applicant will restrict four units (one each of one-, two-, three-, and four-bedrooms) at 30% AMI. Since the affected units are supported by a HAP Contract, the additional restrictions have no impact on the operating pro forma.

Development Cost

Acquisition cost is still based on the appraisal submitted with the original application. But the allocation of value to land and buildings has been reconsidered. The Appraiser concluded the as-vacant land value to be \$750K based on three comparable land sales with values of \$21K per unit, \$5K per unit, and \$4.5K per unit. Treating the \$21K value as a non-comparable outlier decreases the concluded land value to \$479K. This increases the eligible building value from \$4,250,000 to \$4,521,000.

Hard Cost on Applicant's current cost schedule is updated based on the General Contractor's budget. Numerous line items have been revised including approximately \$150K of additional rehabilitation to the interior of some units as needed. The net increase in Hard Cost is \$262K.

Soft cost increased \$170K, including \$150K for legal fees and closing costs. Applicant states these increased costs will be absorbed primarily through increased deferred developer fee.

Recommendation for approval of the Direct loan is contingent on the requirement that no draws from Direct loan funds are to be used to pay legal fees.

Underwriter held the total Developer Fee at \$1,431,993, the value from the original award.

As underwritten, the net increase in Total Development Cost is \$539,090.

Sources of Funds

The original application and Hunt Capital equity LOI from last year had a potential \$7,950,000 loan on the permanent side which was in the original bond application. Hunt's underwriting subsequently has capped the permanent loan at \$7,600,000.

Also modified with this request was the interest rate hedge in two tranches at conversion to permanent. It is now contemplated that the interest rate on the full \$7.6M will be hedged with a swap based on LIBOR plus 2.00%.

Applicant's sources include a \$500,000 Seller Note, reduced from \$1,000,000 at the original application. This Note was included to support the Applicant's stated acquisition cost of \$6,000,000 (now reduced to \$5,500,000).

But the GP of the Applicant actually acquired the property in November 2017 for \$5,000,000. As in the previous award, the Underwriter's analysis only acknowledges the original \$5,000,000 acquisition cost. The Applicant's stated increase in cost and the supporting Seller Note are netted out.

Equity has increased \$324,359 as a result of increased eligible basis.

With a \$500,000 Direct Loan, the Applicant must defer \$648,100 of the Developer Fee, an increase of \$64,731.

Conclusion

Due to the increase in eligible basis, the analysis supports an increase in the LIHTC award to \$460,738.

The analysis also supports the award of a \$500,000 Direct Loan at 0% interest with soft repayment subject to available cash flow. With this capital structure, the Developer Fee is 44% deferred.

If the Direct Loan is not awarded, the development would remain feasible with the Developer Fee 77% deferred.

Manager of Real Estate Analysis: Thomas Cavanagh

Director of Real Estate Analysis: Brent Stewart

UNIT MIX/RENT SCHEDULE

McMullen Square Apartments, San Antonio, TDHCA Bonds/4% HTC #19601

LOCATION DATA	
CITY:	San Antonio
COUNTY:	Bexar
Area Median Income	\$66,800
PROGRAM REGION:	9

4.35 0.975 0.325

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	40%	-	0.0%
1	8	8.0%	6	1	50%	44	44.0%
2	52	52.0%	48	1	60%	46	46.0%
3	32	32.0%	27	1	80%	10	10.0%
4	8	8.0%	6	1	MR	-	0.0%
TOTAL	100	100.0%	87	4	TOTAL	100	100.0%

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.42%
APP % Construction	3.42%
Average Unit Size	841 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		TDHCA Direct Loan Program		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten	Mrkt Analyst	
TC 00%				0		0	0	0	0	\$0	\$0	\$0		#DIV/0!	\$0	\$0		\$0			\$720	#DIV/0!	\$720
TC 50%	\$626	30%/30%	\$376	Section 8	\$730	1	1	1	618	\$730	\$0	\$730	\$0	\$1.18	\$730	\$730	\$730	\$730	\$1.18	\$0	\$720	\$1.17	\$720
TC 50%	\$626	0%		Section 8	\$730	2	1	1	618	\$730	\$0	\$730	\$0	\$1.18	\$730	\$1,460	\$1,460	\$730	\$1.18	\$0	\$720	\$1.17	\$720
TC 60%	\$752			0		1	1	1	618	\$752	\$0	\$752	\$0	\$1.22	\$752	\$752	\$720	\$720	\$1.17	(\$32)	\$720	\$1.17	\$720
TC 60%	\$752	0%		Section 8	\$730	3	1	1	618	\$730	\$0	\$730	\$0	\$1.18	\$730	\$2,190	\$2,190	\$730	\$1.18	\$0	\$720	\$1.17	\$720
TC 80%	\$1,003			0		1	1	1	618	\$1,003	\$0	\$1,003	(\$251)	\$1.22	\$752	\$752	\$720	\$720	\$1.17	(\$283)	\$720	\$1.17	\$720
TC 50%	\$752	30%/30%	\$451	Section 8	\$895	1	2	1	772	\$895	\$0	\$895	\$0	\$1.16	\$895	\$895	\$895	\$895	\$1.16	\$0	\$870	\$1.13	\$870
TC 50%	\$752	0%		Section 8	\$895	23	2	1	772	\$895	\$0	\$895	\$0	\$1.16	\$895	\$20,585	\$20,585	\$895	\$1.16	\$0	\$870	\$1.13	\$870
TC 60%	\$903	0%		Section 8	\$895	24	2	1	772	\$895	\$0	\$895	\$0	\$1.16	\$895	\$21,480	\$21,480	\$895	\$1.16	\$0	\$870	\$1.13	\$870
TC 80%	\$1,204			0		4	2	1	772	\$1,204	\$0	\$1,204	(\$301)	\$1.17	\$903	\$3,612	\$3,480	\$870	\$1.13	(\$334)	\$870	\$1.13	\$870
TC 50%	\$868	30%/30%	\$521	Section 8	\$1,065	1	3	2	940	\$1,065	\$0	\$1,065	\$0	\$1.13	\$1,065	\$1,065	\$1,065	\$1,065	\$1.13	\$0	\$1,025	\$1.09	\$1,025
TC 50%	\$868	0%		Section 8	\$1,065	13	3	2	940	\$1,065	\$0	\$1,065	\$0	\$1.13	\$1,065	\$13,845	\$13,845	\$1,065	\$1.13	\$0	\$1,025	\$1.09	\$1,025
TC 60%	\$1,042			0		1	3	2	940	\$1,042	\$0	\$1,042	\$0	\$1.11	\$1,042	\$1,042	\$1,025	\$1,025	\$1.09	(\$17)	\$1,025	\$1.09	\$1,025
TC 60%	\$1,042	0%		Section 8	\$1,065	13	3	2	940	\$1,065	\$0	\$1,065	\$0	\$1.13	\$1,065	\$13,845	\$13,845	\$1,065	\$1.13	\$0	\$1,025	\$1.09	\$1,025
TC 80%	\$1,390			0		4	3	2	940	\$1,390	\$0	\$1,390	(\$348)	\$1.11	\$1,042	\$4,168	\$4,100	\$1,025	\$1.09	(\$365)	\$1,025	\$1.09	\$1,025
TC 50%	\$968	30%/30%	\$582	Section 8	\$1,300	1	4	2	1,122	\$1,300	\$0	\$1,300	\$0	\$1.16	\$1,300	\$1,300	\$1,300	\$1,300	\$1.16	\$0	\$1,250	\$1.11	\$1,250
TC 50%	\$968	0%		Section 8	\$1,300	2	4	2	1,122	\$1,300	\$0	\$1,300	\$0	\$1.16	\$1,300	\$2,600	\$2,600	\$1,300	\$1.16	\$0	\$1,250	\$1.11	\$1,250
TC 60%	\$1,162			0		1	4	2	1,122	\$1,162	\$0	\$1,162	(\$70)	\$0.97	\$1,092	\$1,092	\$1,162	\$1,162	\$1.04	\$0	\$1,250	\$1.11	\$1,250
TC 60%	\$1,162	0%		Section 8	\$1,300	3	4	2	1,122	\$1,300	\$0	\$1,300	\$0	\$1.16	\$1,300	\$3,900	\$3,900	\$1,300	\$1.16	\$0	\$1,250	\$1.11	\$1,250
TC 80%	\$1,550			0		1	4	2	1,122	\$1,550	\$0	\$1,550	(\$458)	\$0.97	\$1,092	\$1,092	\$1,250	\$1,250	\$1.11	(\$300)	\$1,250	\$1.11	\$1,250
TOTALS/AVERAGES:						100			84,144				(\$34)	\$1.15	\$964	\$96,405	\$96,352	\$964	\$1.15	(\$34)	\$938	\$1.11	\$938

ANNUAL POTENTIAL GROSS RENT:		\$1,156,860	\$1,156,224
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STABILIZED PRO FORMA

McMullen Square Apartments, San Antonio, TDHCA Bonds/4% HTC #19601

5.25%

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES		APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database	01165 CMTS OpEx	% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT			\$1.15		\$964	\$1,156,860	\$1,156,860	\$1,156,224	\$1,156,224	\$964	\$1.15		0.1%	\$636
Laundry and Vending					\$17.92	\$21,504	21,504							
Total Secondary Income		\$25,665			\$17.92			21,504	\$21,504	\$17.92			0.0%	\$0
POTENTIAL GROSS INCOME						\$1,178,364	\$1,178,364	\$1,177,728	\$1,177,728				0.1%	\$636
Vacancy & Collection Loss				5.3% PGI		(62,453)	(61,864)	(61,831)	(62,420)	5.3% PGI			0.1%	(34)
Rental Concessions						-	0	0	-				0.0%	-
EFFECTIVE GROSS INCOME						\$1,115,911	\$1,116,500	\$1,115,897	\$1,115,308				0.1%	\$602

General & Administrative	\$38,593	\$386/Unit	26,299	\$263	2.02%	\$0.27	\$225	\$22,500	\$22,500	\$26,299	\$26,299	\$263	\$0.31	2.36%	-14.4%	(3,799)
Management	\$40,370	4.6% EGI	46,707	\$467	4.52%	\$0.60	\$504	\$50,423	\$50,423	\$50,396	\$50,396	\$504	\$0.60	4.52%	0.1%	27
Payroll & Payroll Tax	\$125,599	\$1,256/Unit	160,322	\$1,603	12.10%	\$1.60	\$1,350	\$135,000	\$135,000	\$135,000	\$135,000	\$1,350	\$1.60	12.10%	0.0%	-
Repairs & Maintenance	\$71,101	\$711/Unit	70,372	\$704	5.56%	\$0.74	\$621	\$62,100	\$52,100	\$65,000	\$65,000	\$650	\$0.77	5.83%	-4.5%	(2,900)
Electric/Gas	\$20,035	\$200/Unit	111,763	\$1,118	4.10%	\$0.54	\$458	\$45,788	\$45,788	\$55,882	\$55,882	\$559	\$0.66	5.01%	-18.1%	(10,094)
Water, Sewer, & Trash	\$66,055	\$661/Unit	104,557	\$1,046	7.46%	\$0.99	\$832	\$83,232	\$83,232	\$94,101	\$94,101	\$941	\$1.12	8.44%	-11.6%	(10,869)
Property Insurance	\$28,183	\$0.33/sf	65,174	\$652	4.48%	\$0.59	\$500	\$50,000	\$39,868	\$39,868	\$50,000	\$500	\$0.59	4.48%	0.0%	-
Property Tax (@ 100%) 2.6902	\$65,914	\$659/Unit	95,624	\$956	10.30%	\$1.37	\$1,149	\$114,907	\$114,907	\$95,624	\$95,624	\$956	\$1.14	8.57%	20.2%	19,283
Reserve for Replacements	\$31,502	\$315/Unit	22,680	\$227	3.14%	\$0.42	\$350	\$35,000	\$35,000	\$35,000	\$35,000	\$350	\$0.42	3.14%	0.0%	-
Supportive Services			4,000	\$40	0.36%	\$0.05	\$40	\$4,000	\$4,000	\$4,000	\$4,000	\$40	\$0.05	0.36%	0.0%	-
TDHCA LIHTC/HOME Compliance Fees			5,000	\$50	0.36%	\$0.05	\$40	\$4,000	\$4,000	\$4,000	\$4,136	\$41	\$0.05	0.37%	-3.3%	(136)
TDHCA Bond Compliance Fee			2,000	\$20	0.67%	\$0.09	\$75	\$7,500	\$2,500	\$7,500	\$7,500	\$75	\$0.09	0.67%	0.0%	-
Security			-	\$0	0.09%	\$0.01	\$10	\$1,000	\$1,000	\$1,000	\$1,000	\$10	\$0.01	0.09%	0.0%	-
MDL compliance			-	\$0	0.02%	\$0.00	\$2	\$170	\$0	\$0	\$170	\$2	\$0.00	0.02%	0.0%	-
describe			-	\$0	0.00%	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00	0.00%	0.0%	-
TOTAL EXPENSES					55.17%	\$7.32	\$6,156	\$ 615,620	\$590,318	\$613,670	\$624,108	\$6,241	\$7.42	55.96%	-1.4%	\$ (8,488)
NET OPERATING INCOME ("NOI")					44.83%	\$5.95	\$5,003	\$500,291	\$526,182	\$502,228	\$491,201	\$4,912	\$5.84	44.04%	1.9%	\$ 9,090

CONTROLLABLE EXPENSES							\$3,486/Unit					\$3,763/Unit				
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
McMullen Square Apartments, San Antonio, TDHCA Bonds/4% HTC #19601

DEBT / GRANT SOURCES																	
APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									Prior Underwriting		AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
DEBT (Must Pay)	Fee	Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Applicant	TDHCA	Principal	Term	Amort	Rate	Pmt	Cumulative	
		UW	App													DCR	LTC
CRBT/Fallbrook Loan Fund	0.10%	1.15	1.17	427,752	4.80%	40	15	\$7,600,000	\$7,950,000	\$7,950,000	\$7,600,000	15	40	4.73%	\$431,181	1.16	55.4%
CASH FLOW DEBT / GRANTS																	
TDHCA		1.15	1.17		0.00%	0	40	\$500,000			\$500,000	40	0	0.00%		1.16	3.6%
Seller Loan		1.15	1.17		3.00%	30	15	\$500,000	\$1,000,000		\$500,000	0	0	0.00%		1.16	0.0%
NOI during Construction		1.15	1.17		0.00%	0	0	\$525,000	\$525,000	\$525,000	\$525,000	0	0	0.00%		1.16	3.8%
				\$427,752	TOTAL DEBT / GRANT SOURCES			\$9,125,000	\$9,475,000	\$8,475,000	\$8,625,000	TOTAL DEBT SERVICE			\$431,181	1.16	62.8%
NET CASH FLOW		\$63,449	\$72,539					APPLICANT NET OPERATING INCOME			\$500,291	\$69,109	NET CASH FLOW				

EQUITY SOURCES													
APPLICANT'S PROPOSED EQUITY STRUCTURE						Prior Underwriting		AS UNDERWRITTEN EQUITY STRUCTURE					
EQUITY / DEFERRED FEES	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Applicant	TDHCA	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
Hunt Capital	LIHTC Equity	32.1%	\$481,000	0.91	\$4,400,000	\$3,902,786	\$3,890,992	\$4,215,351	\$0.915	\$460,738	30.7%	\$4,607	Eligible Basis
Hunt Capital (solar Tax Credits)		1.7%			\$238,794	\$238,794	\$238,794	\$238,794	\$0.915		1.7%		
Triton Community Development LLC	Deferred Developer Fees	4.5%	(41% Deferred)		\$612,622	\$534,172	\$583,369	\$648,100	(44% Deferred)		4.7%	Total Developer Fee:	\$1,488,163
0		0.0%			\$0	\$0	\$0	\$0			0.0%		
Additional (Excess) Funds Req'd		0.0%					\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		38.3%			\$5,251,416	\$4,675,752	\$4,713,156	\$5,102,245			37.2%		
TOTAL CAPITALIZATION						\$14,376,416	\$14,150,752	\$13,188,156	\$13,727,245	15-Yr Cash Flow after Deferred Fee:			\$806,606

DEVELOPMENT COST / ITEMIZED BASIS															
APPLICANT COST / BASIS ITEMS						Prior Underwriting		TDHCA COST / BASIS ITEMS						COST VARIANCE	
	Eligible Basis		Total Costs			Applicant	TDHCA	Total Costs	Eligible Basis						
	Acquisition	New Const. Rehab							New Const. Rehab	Acquisition			%	\$	
Land Acquisition			\$2,500 / Unit	\$250,000	\$524,500	\$750,000	\$479,000	\$4,790 / Unit				-47.8%	(\$229,000)		
Building Acquisition	\$4,750,000		\$52,500 / Unit	\$5,250,000	\$5,475,500	\$4,250,000	\$4,521,000	\$45,210 / Unit			\$4,521,000	16.1%	\$729,000		
Site Work		\$283,450	\$2,835 / Unit	\$283,450	\$271,000	\$271,000	\$283,450	\$2,835 / Unit		\$283,450		0.0%	\$0		
Site Amenities		\$241,200	\$2,412 / Unit	\$241,200	\$241,200	\$165,000	\$241,200	\$2,412 / Unit		\$241,200		0.0%	\$0		
Building Cost	\$3,314,600	\$39.39 /sf	\$33,146/Unit	\$3,314,600	\$2,852,800	\$3,141,440	\$3,314,600	\$33,146/Unit	\$39.39 /sf	\$3,314,600		0.0%	\$0		
Contingency		\$383,925	10.00%	10.00%	\$383,925	\$383,610	\$357,744	\$383,925	10.00%	10.00%	\$383,925		0.0%	\$0	
Contractor Fees		\$591,246	14.00%	14.00%	\$591,246	\$471,100	\$471,100	\$591,245	14.00%	14.00%	\$591,245		0.0%	\$2	
Soft Costs	0	\$453,178	\$6.682 / Unit	\$668,178	\$498,178	\$498,178	\$668,178	\$6.682 / Unit		\$453,178	\$0	0.0%	\$0		
Financing	42,500	\$521,844	\$14.677 / Unit	\$1,467,655	\$1,461,490	\$1,461,490	\$1,467,655	\$14.677 / Unit		\$521,844	\$42,500	0.0%	\$0		
Developer Fee	\$761,604	\$868,416	15.40%	14.12%	\$1,488,163	\$1,488,163	\$1,431,993	\$1,431,993	13.83%	13.83%	\$868,416	\$563,576	3.9%	\$56,170	
Reserves			\$3,450 / Unit	\$345,000	\$390,211	\$390,211	\$345,000	\$3,450 / Unit				0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)				\$5,554,104	\$6,657,859	\$142,834 / Unit	\$14,283,417	\$14,057,752	\$13,188,156	\$13,727,245	\$137,272 / Unit	\$6,657,858	\$5,127,076	4.1%	\$556,172
Acquisition Cost		(\$229,000)													
Contingency		\$0													
Contractor's Fee		(\$2)													
Financing Cost		\$0													
Developer Fee		(\$40,954)													
Reserves															
ADJUSTED BASIS / COST				\$5,284,150	\$6,657,858	\$137,834/unit	\$13,783,416	\$12,954,472	\$13,188,156	\$13,727,245	\$137,272/unit	\$6,657,858	\$5,127,076	0.4%	\$56,170
TOTAL HOUSING DEVELOPMENT COSTS BASED ON 3RD PARTY PCA/CNA						\$13,727,245									

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

McMullen Square Apartments, San Antonio, TDHCA Bonds/4% HTC #19601

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	\$5,284,150	\$6,657,858	\$5,127,076	\$6,657,858
Deduction of Federal Grants	\$0	(\$238,794)	\$0	(\$238,794)
TOTAL ELIGIBLE BASIS	\$5,284,150	\$6,419,064	\$5,127,076	\$6,419,064
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$5,284,150	\$8,344,783	\$5,127,076	\$8,344,783
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	\$5,284,150	\$8,344,783	\$5,127,076	\$8,344,783
Applicable Percentage	3.42%	3.42%	3.42%	3.42%
ANNUAL CREDIT ON BASIS	\$180,718	\$285,392	\$175,346	\$285,392
CREDITS ON QUALIFIED BASIS	\$466,109		\$460,738	

Method	ANNUAL CREDIT CALCULATION BASED ON TDHCA BASIS		FINAL ANNUAL LIHTC ALLOCATION		
	Annual Credits	Proceeds	Credit Price \$0.9149	Variance to Request	
			Credit Allocation	Credits	Proceeds
Eligible Basis	\$460,738	\$4,215,351	\$460,738	(\$20,262)	(\$185,384)
Needed to Fill Gap	\$531,575	\$4,863,451	----	----	----
Applicant Request	\$481,000	\$4,400,735	----	----	----

50% Test for Bond Financing for 4% Tax Credits					
Tax-Exempt Bond Amount	\$10,000,000		Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
Aggregate Basis Limit for 50% Test	\$20,000,000				
	Applicant	TDHCA			
Land Cost	\$250,000	\$479,000	amount aggregate basis can increase before 50% test fails	\$8,453,057 73.2%	\$8,953,059 81.0%
Depreciable Bldg Cost	\$11,296,943	\$10,567,942			
Aggregate Basis for 50% Test	\$11,546,943	\$11,046,942			

Long-Term Pro Forma

McMullen Square Apartments, San Antonio, TDHCA Bonds/4% HTC #19601

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$1,115,911	\$1,138,229	\$1,160,994	\$1,184,213	\$1,207,898	\$1,333,617	\$1,472,420	\$1,625,671	\$1,794,872	\$1,981,684	\$2,187,939	\$2,415,662
TOTAL EXPENSES	3.00%	\$615,620	\$633,584	\$652,078	\$671,115	\$690,714	\$797,714	\$921,443	\$1,064,533	\$1,230,031	\$1,421,467	\$1,646,862	\$1,909,165
NET OPERATING INCOME ("NOI")		\$500,291	\$504,645	\$508,916	\$513,098	\$517,184	\$535,903	\$550,977	\$561,138	\$564,841	\$560,217	\$541,077	\$506,497
EXPENSE/INCOME RATIO		55.2%	55.7%	56.2%	56.7%	57.2%	59.8%	62.6%	65.5%	68.5%	71.7%	75.3%	79.0%
CRBT/Fallbrook Loan Fund													
balance	4.73%	\$7,600,000	\$7,534,491	\$7,465,815	\$7,393,819	\$7,318,343	\$6,882,579	\$6,330,806	\$5,632,142	\$4,747,479	\$3,627,303	\$2,208,915	\$412,925
annual debt service	40	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581	\$423,581
annual Fees	0.10%	7,600	7,534	7,466	7,394	7,318	6,883	6,331	5,632	4,747	3,627	\$2,209	\$413
MUST -PAY DEBT SERVICE													
CRBT/Fallbrook Loan Fund		\$431,181	\$431,116	\$431,047	\$430,975	\$430,900	\$430,464	\$429,912	\$429,213	\$428,329	\$427,209	\$425,790	\$423,994
Adjustment to Debt Per §10.302(c)(2)													
TOTAL DEBT SERVICE		\$431,181	\$431,116	\$431,047	\$430,975	\$430,900	\$430,464	\$429,912	\$429,213	\$428,329	\$427,209	\$425,790	\$423,994
DEBT COVERAGE RATIO		1.16	1.17	1.18	1.19	1.20	1.24	1.28	1.31	1.32	1.31	1.27	1.19
ANNUAL CASH FLOW													
		\$69,109	\$73,529	\$77,869	\$82,123	\$86,284	\$105,439	\$121,065	\$131,925	\$136,512	\$133,008	\$115,287	\$82,503
Deferred Developer Fee Balance		\$578,990	\$505,462	\$427,593	\$345,470	\$259,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$230,892	\$806,606	\$1,446,697	\$2,122,930	\$2,798,625	\$3,417,311	\$3,901,708

Andrew Sinnott

From: William Rice <brice@tritoncommunity.com>
Sent: Monday, April 08, 2019 5:19 PM
To: Andrew Sinnott
Subject: Fwd: McMullen - Terms/Numbers

Andrew,

Here is the email I received from Hunt.

Kind regards,

Bill Rice

PLEASE NOTE OUR NEW ADDRESS

Triton Community Development LLC

Triton Development Services LLC

14131 Yorba St., Suite 104

Tustin CA 92780

818-371-4789

Begin forwarded message:

From: Jacob Wahlenmaier <jacob.wahlenmaier@huntcompanies.com>
Subject: McMullen - Terms/Numbers
Date: April 1, 2019 at 11:26:05 AM PDT
To: William Rice <brice@tritoncommunity.com>
Cc: Dana Mayo <dana.mayo@huntcompanies.com>

Bill,

Thanks for your message this morning. Our responses follow.

Based on our underwriting to-date, neither our committee nor our investor would approve a permanent loan in excess of \$7,600,000.

We understand that the purchase price has increased, and that the increased purchase price is supported by an independent, qualified appraiser's valuation. To offset the increase, Hunt agrees that the Partnership will take a note for \$500,000 from the seller, which will be secured by a junior mortgage and will be paid-off from future distributions of cash flow and/or capital transactions.

Jacob R. Wahlenmaier | Senior Director
Phone: 818.380.6135
15910 Ventura Blvd., Suite 1100 | Encino, CA | 91436
Hunt Capital Partners, LLC | jacob.wahlenmaier@huntcompanies.com
www.huntcapitalpartners.com

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Andrew Sinnott

From: William Rice <brice@tritoncommunity.com>
Sent: Wednesday, April 03, 2019 5:02 PM
To: Andrew Sinnott
Cc: Don Herrman CPA; Teresa Morales
Subject: Fwd: McMullen Square

Andrew,

This was received from Chase today.

Kind regards,

Bill Rice

PLEASE NOTE OUR NEW ADDRESS

Triton Community Development LLC

Triton Development Services LLC

14131 Yorba St., Suite 104

Tustin CA 92780

818-371-4789

Begin forwarded message:

From: "Junior, Raymond" <raymond.junior@chase.com>
Subject: McMullen Square
Date: April 3, 2019 at 2:59:29 PM PDT
To: "William Rice" <brice@tritoncommunity.com>
Cc: "Vossoughi, James S" <james.s.vossoughi@chase.com>

Bill per our earlier conversation:

Chases original underwriting assumed total permanent sources of \$12.9MM (excluding deferred developer fee) and total costs of \$12.5MM (excluding developer fees), with a construction loan need of \$10.0MM based on the timing availability of the permanent sources. Latest underwriting reflects total permanent sources of \$12.75MM (excluding deferred developer fee) and total costs of \$12.67MM (excluding developer fees), with a construction loan need of \$10.4MM based on the timing availability of the permanent sources. Chase's comfort with the deal originally was based on sufficient funds to repay its construction loan, as well as not providing a construction loan greater than \$10.0MM. The deal, as it stands, needs additional funds available for Chase to be comfortable

with moving forward on the deal. Our preference would be to have, at a minimum, total sources be at least \$400M higher than total costs excluding developer fees.

Raymond Junior | Executive Director | Community Development Real Estate | Commercial Banking | **Chase** | 300 S. Grand Ave., Suite 300, Los Angeles, CA 90071 | T: 213 621 8392 | F: 213.621.8125 | raymond.junior@chase.com | chase.com/cdb
Alternate contact: Linda Quemena | T: 213-621-8395 | F: 213-621-8125 | linda.maria.quemena@chase.com

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RESOLUTION NO. 19-035

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY HOUSING REVENUE BONDS (MCMULLEN SQUARE), SERIES 2019; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of its Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (McMullen Square), Series 2019 (the "Bonds") pursuant to and in accordance with the terms of an Indenture of Trust (the "Indenture") between the Department and Wilmington Trust, National Association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to TCD MCM, LP, a Texas limited partnership (the "Borrower") in order to finance the cost of the acquisition, rehabilitation and equipping of a qualified residential rental development described in Exhibit A attached hereto (the "Development") located within the State and required

by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by a resolution adopted on January 18, 2018, as such resolution was amended by a resolution adopted on December 6, 2018, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, the Board adopted Resolution No. 19-021 on January 17, 2019 (the "Original Resolution") authorizing and approving the issuance, sale and delivery of the Bonds, which Original Resolution is amended and superseded in full by this Resolution; and

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

WHEREAS, it is anticipated that the Department, the Borrower and JPMorgan Chase, a national banking association, as bondholder representative (the "Bondholder Representative") will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the cost of the acquisition, rehabilitation and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

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

WHEREAS, the Board has determined that the Department, the Trustee, and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") with respect to the Development, which will be filed of record in the real property records of Bexar County, Texas; and

WHEREAS, the Board has determined that the Department, the Trustee, the Bondholder Representative, and the Borrower will enter into one or more Subordination Agreements (collectively, the "Subordination Agreement"), setting forth certain terms and procedures related to the Loan; and

WHEREAS, the Board has determined that the Department, the Trustee, and the Borrower will execute a Tax Exemption Certificate and Agreement (the "Tax Exemption Agreement") to set forth various facts, certifications, covenants, representations, and warranties regarding the Bonds and the Development and to establish the expectations of the Department, the Trustee,

and the Borrower as to future events regarding the Bonds, the Development, and the use and investment of Proceeds of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower and Cedar Rapids Bank and Trust Company or another purchaser selected by JPMorgan Chase Bank, N.A. (the "Purchaser"), setting forth certain terms and conditions upon which the Purchaser will purchase all of the Bonds from the Department and the Department will sell the Bonds to the Purchaser; and

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

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

ARTICLE 1

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized pursuant to the Act, including particularly Section 2306.353 thereof, all under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the Authorized Representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State (the "Attorney General") for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to or upon the order of the initial purchaser thereof pursuant to the Bond Purchase Agreement.

Section 1.2 Interest Rate, Principal Amount, Maturity and Price. The Series 2019 Bonds shall bear interest at the Applicable Rate, as defined in the Indenture and subject to adjustment as described in the Indenture; provided that (i) in no event shall the interest rate (including any default rate) exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall be \$10,000,000; (iii) the final maturity of the Bonds shall be January 9, 2036; and (iv) the price at which the Bonds are sold to the Purchaser shall be the principal amount thereof.

Section 1.3 Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the Authorized Representatives (as defined in Section 1.12 below) each are hereby authorized to execute the Indenture, and to deliver the Indenture to the Trustee.

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

Section 1.5 Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute, attest and affix the Department's seal to the Regulatory Agreement, and to deliver the Regulatory Agreement to the Borrower and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Bexar County, Texas.

Section 1.6 Approval, Execution and Delivery of the Tax Exemption Agreement. That the form and substance of the Tax Exemption Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Tax Exemption Agreement, and to deliver the Tax Exemption Agreement to the Borrower and the Trustee.

Section 1.7 Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Purchaser is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the Authorized Representatives each are hereby authorized to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower and the Purchaser.

Section 1.8 Acceptance of the Note and the Mortgage. That the form and substance of the Note and the Mortgage are hereby accepted by the Department and that the Authorized Representatives each are hereby authorized to endorse and deliver the Note to the order of the Trustee without recourse.

Section 1.9 Approval, Execution and Delivery of the Subordination Agreement. That the form and substance of the Subordination Agreement are hereby approved, and that the Authorized Representatives are each hereby authorized to execute the Subordination Agreement, and to deliver the Subordination Agreement to the Bondholder Representative and the Borrower and to cause the Subordination Agreement to be filed of record in the real property records of Bexar County, Texas.

Section 1.10 Taking of Any Action; Execution and Delivery of Other Documents. That the Authorized Representatives are each hereby authorized to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and

other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11 Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the Authorized Representatives are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such Authorized Representative, and in the opinion of Bracewell LLP, Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the Authorized Representatives.

Section 1.12 Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit A - Description of Development
- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Subordination Agreement
- Exhibit F - Tax Exemption Agreement
- Exhibit G - Bond Purchase Agreement
- Exhibit H - Note
- Exhibit I - Mortgage

Section 1.13 Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director or Acting Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1 Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state

bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2 Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

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

Section 2.4 Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and the Tax Exemption Agreement and to enter into any agreements relating thereto only to the extent permitted by the Indenture and the Tax Exemption Agreement.

Section 2.5 Engagement of Other Professionals. That the Executive Director or Acting Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

Section 2.6 Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE 3

CERTAIN FINDINGS AND DETERMINATIONS

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

(a) Need for Housing Development.

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

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

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

(b) Findings with Respect to the Borrower.

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

(ii) that the Borrower is financially responsible, and

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

(c) Public Purpose and Benefits.

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

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

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

income, with the income limits as set forth in the Tax Exemption Agreement and the Regulatory Agreement.

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

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

ARTICLE 4

GENERAL PROVISIONS

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

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

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

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

[Execution page follows]

PASSED AND APPROVED this 23rd day of May, 2019.

[SEAL]

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

EXHIBIT A

Description of Development

Borrower: TCD MCM, LP, a Texas limited partnership

Development: The Development is a 100-unit affordable, multifamily housing development known as McMullen Square Apartments, located at 537 N. General McMullen Drive, San Antonio, Texas 78228. It consists of eight (8) residential apartment buildings with approximately 84,144 net rentable square feet. The unit mix will consist of:

8	one-bedroom/one-bath units
52	two-bedroom/one-bath units
32	three-bedroom/two-bath units
8	four-bedroom/two-bath units
<hr/>	
100	Total Units

Unit sizes will range from approximately 618 square feet to approximately 1,122 square feet.

7f

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on staff determinations regarding Application disclosure under 10 TAC §11.101(a)(2) related to Applicant Disclosure of Undesirable Site Features for 19180 St. Elmo Commons

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan related to Undesirable Site Features, Development Sites within the applicable distance of any of the identified undesirable features will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility;

WHEREAS, for the items requiring disclosure under 10 TAC §11.101(a)(2), staff received disclosure for St. Elmo Commons (19180) and discovered another undesirable site feature that was indirectly disclosed through the Environmental Site Assessment but not by the Applicant for the purposes of 10 TAC §11.101(a)(2); and

WHEREAS, staff has conducted a further review of the proposed site and the surrounding neighborhood pursuant to 10 TAC §11.101(a)(3) and prepared a summary for the Board;

NOW, therefore, it is hereby,

RESOLVED, that the Board find the site ineligible in accordance with 10 TAC §11.101(a)(2) of the Qualified Allocation Plan for St. Elmo Commons (19180).

BACKGROUND

Pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan (QAP) related to Undesirable Site Features, Development Sites within the applicable distance of any of the undesirable features identified in the paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility.

Per 10 TAC §11.101(a)(2), the Department's Governing Board has final decision making authority in making an affirmative determination or finding the site ineligible. Development Sites within the applicable distance of any of the undesirable features identified in the rule will be considered ineligible unless it is determined by the Board that information regarding mitigation of the

applicable undesirable site feature(s) is sufficient and supports Site eligibility. Should the Board make the determination that a Development Site is ineligible based on this report, the termination of the Application resulting from such Board action is final and not subject to further appeal.

TDHCA ID#	Dev. Name	Region	City	Review Status
19180	St. Elmo Commons	7	Austin	Non-Priority

Summary of Disclosure: The proposed Development Site is located within 500 feet of two concrete batching plants. Centex Materials, located at 817 St. Elmo Road, is located approximately 470 feet from the Development Site. Custom-Crete is located approximately 100 feet from the Development Site. For both plants, the batching hoppers and mixers are greater than 500 feet from the Development Site but less than 440 yards from the Development Site.

Mitigation Efforts: 10 TAC §11.101(a)(2)(F) states that a Development Site will be found ineligible if the Site is "located within 500 feet of heavy industry (i.e., facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations))."

A concrete batch plant may constitute 'heavy industry'. Further, through previous Application reviews, staff had learned that, sometimes, a 440-yard separation between permanent residences and a concrete batch plant may apply, per the requirements of the Texas Commission on Environmental Quality (TCEQ). Regarding 10 TAC §11.101(a)(2) related to Undesirable Site Features, the rule includes the following language:

"Development Sites within the applicable distance of any of the undesirable features identified in subparagraphs (A) - (K) of this paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and support Site eligibility.... Where there is a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below, then such smaller distances may be used and documentation such as a copy of the local ordinance identifying such distances relative to the Development Site must be included in the Application. ***If a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility.***"(emphasis added)

Facilities like Centex Materials and Custom Crete are under the purview of the Texas Commission on Environmental Quality (TCEQ), whose rules are found in the Texas Health and Safety Code at Title 5, Subtitle C, Chapter 382, the Texas Clean Air Act. This statute includes the following prohibition regarding locating certain concrete plants and concrete crushing plants near residential structures:

Sec. 382.05198. STANDARD PERMIT FOR CERTAIN CONCRETE PLANTS. (a) The commission shall issue a standard permit for a permanent concrete plant that performs wet batching, dry batching, or central mixing and that meets the following requirements: (19) the central baghouse must be located at least 440 yards from any building used as a single or multifamily residence, school, or place of worship at the time the application to use the permit is filed with the commission if the plant is located in an area that is not subject to municipal zoning regulation.

The statute allows for an exception to the minimum distance requirement of 440 yards to a residence if the plant is located in an area with municipal zoning. According to the Applicant, the City of Austin confirmed that it does not mandate minimum distances for permanent residences from operations like concrete batch plants, and instead defers to whatever the zoning allows. The two parcels being combined to form the proposed Development Site are zoned CS-MU-CO-NP, which permits multifamily residential development according to Christopher Johnson, Division Manager of the City of Austin Development Services Department.

Staff Recommendation:

Though zoning regulations may constitute a municipal ordinance, zoning regulates what purpose or use may be developed on the zoned area of land. It does not regulate the proximity of an off-site feature to the zoned property. Accordingly, zoning for multifamily, or zoning that allows for building multifamily residential development, is not “a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below.”

However, 10 TAC §11.101(a)(2) states “[i]f a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility.” Tex. Health & Safety Code §382.05198(a)(19) references the 440 yard distance requirement being applicable “if the plant is located in an area that is not subject to municipal zoning regulation.” Indeed, though a hearing is required for numerous other aspects of a new permanent concrete bagging facility, for purposes of determining whether TCEQ “would require a new facility under its jurisdiction to have a minimum separation from housing,” and if TDHCA is to “defer” to its regulation, then it is clear that TCEQ would not require such separation if the plant is located in an area subject to municipal zoning regulation.

Accordingly, the existence of zoning that would allow for multifamily residential development, generally, does not constitute a local ordinance that regulates the proximity of an undesirable feature to a multifamily development. But, in the case of a concrete bagging facility nearby a development site, both of which are subject to municipal zoning regulation, Tex. Health & Safety Code §382.05198(a)(19) does not prescribe a minimum distance requirement.

This leaves the issue of the development site being within the 500 feet from heavy industry minimum distance in 10 TAC §11.101(a)(2)(F), where “heavy industry” is exemplified as “facilities that require extensive use of land and machinery, produce high levels of external noise such as

manufacturing plants, or maintain fuel storage facilities, excluding gas stations.” Applicant has responded to the description of the Custom Crete facility as “heavy industry” by including an aerial photograph and map of the two nearby concrete batching facilities in relation to the proposed development site, and a report from JE Acoustics, who concluded that the concrete facilities generated moderate noise levels less than 60 decibels relative to the development site. It was noted that the truck entrance is less than 500 feet from the development site. The aerial photographs and maps submitted by the applicant leave a significant question as to whether the two concrete batching plants constitute “heavy industry” relative to the proposed development site. Dozens of large trucks appear in the photograph and seem to use the road entrance and exit to the Custom Crete facility some 490 feet from the entrance to the development site. Whether the use of land and machinery is “extensive” is compounded by the fact that there are two concrete batching plants next to each other (Custom Crete and Centex Materials). Lastly, there appears to be no residential development closer to these facilities than the proposed development site.

Staff presents to the Board for its determination whether the Development Site is eligible regarding this issue.

Summary of Disclosure: Per 10 TAC §11.101(a)(2) of the QAP, if Department staff identifies what it believes would constitute an undesirable site feature not listed in that paragraph or covered under subparagraph (K) of that paragraph, staff may request a determination from the Board as to whether such feature is acceptable or not. Staff has identified the following language included in the ESA:

“Phase Engineering, Inc. has the opinion that based on laboratory results from the user provided Phase II report, the subject property exhibits impact from arsenic and lead in the soils evaluated. This represents a recognized environmental condition.”

Phase Engineering’s conclusion is that “the user provided prior Phase II ESA identified elevated metals in the near surface soils at concentrations greater than appropriate state environmental regulatory agency reporting limits.” The ESA states that the testing conducted in 2014 used an incorrect standard, but is not clear on the levels detected or mitigation requirements. The ESA does not state that no mitigation is necessary, and recommends further testing. There is no mention in the Application or Site Design and Feasibility Report of soil contamination, or of further testing and potential remediation costs. It is noteworthy that the Applicant stated there were no known chemicals present or spills on the property, despite providing the current ESA provider with the historic report that triggers this concern. Staff believes that such a disclosure constitutes an environmental factor that may adversely affect the health and safety of residents.

Staff Recommendation: Staff is recommending that the Board determine that the Development Site risks exposure to an environmental factor that may adversely affect the health and safety of the residents, pursuant to the requirements of 10 TAC §11.101(a)(2)(K), and finds the Site ineligible:

(K) Any other Site deemed unacceptable, which would include, without limitation, those with exposure to an environmental factor that may adversely affect the health and safety of the residents or render the Site inappropriate for housing use and which cannot be adequately mitigated.

19180

St. Elmo Commons

Application Disclosure

19180 – St. Elmo Commons
4510 & 4514 Terry-O Lane, Austin, TX 78745

Disclosure of Undesirable Site Feature – 11.101(a)(2)(F):

Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations));

The Development Site for St. Elmo Commons, located at 4510 & 4514 Terry-O Lane in Austin, Texas, is located within 500 feet of the property boundary line of Centex Materials located at 817 St. Elmo Road and Custom-Crete located at 4433 Terry-O Lane. As confirmed by TCEQ, both of these sites are permitted as concrete batch plants. Please see Attachment A containing a map of the two locations and their distance from the proposed Development Site. Please see Attachment B containing correspondence from TCEQ confirming the two plants as concrete batch plants. Please see Attachment C containing the air quality permits and back-up documentation per conversations with TCEQ.

The first course of mitigation for this Undesirable Site Feature was to identify whether the plants would adversely affect the health and safety of our future residents or render the Development Site inappropriate for housing use. Focusing on health and safety, we researched the impact these two sites would have on noise and air quality.

We engaged JEAcoustics -an experienced vibration, acoustic and noise engineer - to perform a noise study incorporating all nearby industrial sources. The noise study conclusions are detailed in the attached report as Attachment D. Summarily, the measurements and noise model indicate the industrial sources generate noise exposure less than 60 dBA (DNL) and pose no direct impact to the project.

JEAcoustics field research found the Custom-Crete plant operations generate moderate noise on the southwest part of the plant, as the louder parts of the operation such as batching hoppers and mixers are greater than 500 feet northeast of the site, and the main truck entrance is 490 feet north. The nearest parts of the plant are being used for storage and parking. The most common noises are compressed air puffs and truck traffic, which do not result in noise levels any greater than that of Terry-O Lane traffic.

Indirectly, there may be some plant contribution to the truck traffic on Terry-O Lane, but future 2029 traffic noise volume for cars, medium trucks, and heavy trucks indicate DNL 65, which is within the “acceptable” category. For comparison, a site 250 feet to 75 feet from interstate frontage lanes would be around 70 to 75 DNL, respectively, 5 to 10 dB louder than the site location for St. Elmo Commons.

The site location is zoned to allow multifamily development, and that zoning was already in place at the time of development site selection. Texas Commission on Environmental Quality (TCEQ) regulations mandate that safety and air quality controls be in place for industry and be maintained for the safety, security, and health of residential neighbors. We confirmed with TCEQ that the neighboring concrete batch plants do not pose an air quality risk to future residents. Centex Materials and Custom-Crete operations are in compliance with the TCEQ requirements and regulations and their associated permits.

TCEQ has verified that the two plant operations, operating under their standard exemptions, do not have a minimum distance requirement to any off-site receptors such as permanent residential or schools. TCEQ further clarified that, if a permit did require minimum distances from off-site receptors, that those distances would be applied at initial permit application, but once permit is issued, the distance to off-site receptors such as housing is no longer valid. A demonstration of how the facility would meet all state and federal air quality requirements was audited and verified by TCEQ staff prior to making a final decision on the permit applications for these two plants and no deterioration of air quality or health effects is expected.

We have also confirmed with the City of Austin that they do not mandate minimum distances from these types of operations – or vice versa - as long as zoning allows. This site is currently zoned multifamily and therefore this site is entitled to be developed as multifamily housing. Conversely, the two plant sites are zoned Industrial and therefore those sites could be developed as new concrete batch plants.

After completing our due diligence, we have concluded there is neither a noise nor air quality issue posed by the facilities, nor is there a question of conduciveness of the Development Site to housing. As further mitigation, the structures and entrances for our Development will be greater than 500 feet away from the hoppers on both of these sites – the main source of any potential air quality or noise generation. We will take additional measures to make sure all outdoor amenities and spaces are screened from the facilities by buildings or landscaping. We will also incorporate any measures recommended by the sound engineer to ensure quiet enjoyment of residential units.

We respectfully ask that the Board consider the above documentation and evidence of research and mitigation more than sufficient to find this Development Site eligible.

Attachment A Location Map



mo Rd

Gentex Materials

Custom-Crete

490 feet

620 feet

919 feet

Terry-O Ln

Google Earth™
Sheraton Ave

© 2018 Google

500 ft



Attachment B
TCEQ Correspondence

From: [Don Nelon](#)
To: jennifer@truecasa.net
Cc: [John Guttman](#); [Beryl Thatcher](#); [Bonnie Evridge](#)
Subject: RE: 4510 and 4514 Terry O-Lane
Date: Wednesday, February 06, 2019 8:54:51 AM

Ms. Hicks,

Please see the responses below. If you have any additional questions please contact me directly.

Don Nelon
512-239-0894

How is my customer service? Fill out our customer satisfaction survey at
www.tceq.texas.gov/customersurvey

From: jennifer@truecasa.net <jennifer@truecasa.net>
Sent: Tuesday, February 5, 2019 4:43 PM
To: AIRPERM <AIRPERM@tceq.texas.gov>
Cc: 'John Guttman' <jguttman@jesholdings.com>
Subject: 4510 and 4514 Terry O-Lane

I am seeking information on the requirements imposed on concrete batch plants as far as acceptable distances from residential. I am a consultant working with a developer who is proposing multifamily affordable housing on the vacant parcels located at 4510 and 4514 Terry-O Lane in Austin, Texas. The site is located near two different permitted locations:

1. 817 E. St. Elmo Road, Austin, TX – Centex Materials
Concrete Batch Plant
RN100250273
Permits: 13122 and 14416
2. 4433 Terry-O Lane, Austin, TX – RediMix (Custom Crete)
Proposed Concrete Batch Plant
Permit: 81085

Can you confirm the following?

- Does a Standard permit apply? The standard permit lists the only stipulated distance as the required 100 feet of hopper from property line? Any other residential distance requirements? (i.e. are there any TCEQ protocols specific to plan construction that disallows plant construction within a certain proximity to residential or single family?) **The two concrete batch plants operating under standard exemptions 13122 and 14416 do not have a minimum distance requirement to any off site receptors such as a permanent residence or school.**
- We found the attached in our research, but are not thinking it applies to either one of these plant facilities? **The attachment referencing statute 382.05198 is for a specific concrete batch plant authorized by that statute and does not apply to either of these sites.**
- For 4433 Terry-O Lane, do you know if there is a plan to build a concrete batch plant on that

site as it doesn't appear that there is one in operation there right now? We do not have any pending applications for this location and any possible future additions would be a decision made by the owner/operator. This site is considered a bulk mineral handling facility authorized by construction permit 81085. There are no off site distance requirements for this permit. During the application review the applicant was required to demonstrate how this facility would meet all state and federal air quality requirements. This demonstration was audited and verified by TCEQ staff prior to making a final decision on the application.

In both cases, if the owner/operator operates their facilities in accordance to the requirements of their respective authorization, we would not expect any deterioration of air quality or health effects. If there were any off site distance requirements for a specific permit, those distance requirements would had to be met at the time of permit application. Once a permit has been issued, the distance requirement is no longer valid for any new off site receptors such as housing.

Please let me know if I have not answered your questions or if you have additional questions.

We very much appreciate your help in answering these questions or providing additional guidance. We not only want to make sure our site is a safe location for families, but also ensure that we understand what the plant location requirements are (even if they are in existence already.) The Texas Dept of Housing and Community Affairs will be a funder for this project and will ask all of these questions and therefore we are trying to be prepared with our due diligence.

We thank you much!

You can reach me per the contact info below.

Best,
Jennifer Hicks

Jennifer Hicks, Founder
True Casa Consulting, LLC
512.203.4417 mobile
www.truecasa.net

No details were identified in connection with this finding during interviews and/or inquiries conducted for this assessment.
See Section 7.0 for more information regarding interviews and inquiries conducted during this assessment.

OPINION

Phase Engineering, Inc. has the opinion that based on direction and lack of reported releases, this facility has not likely impacted the subject property.
This does not represent a recognized environmental condition at this time.

FINDING

The subject property contains miscellaneous debris.

Standard Environmental Record Sources, Federal, State & Tribal

No regulatory agency listings were found in connection with this finding.
See Section 5.1 for more information regarding the regulatory agency documentation reviewed during this assessment.

Records Review

A Limited Phase II was conducted on the subject property on July 9, 2014 by URS Corporation. This investigation was conducted to address two environmental concerns; drainage onto the subject property from adjacent industrial sites; and potential contamination from uncharacterized fill material and widespread material dumping onsite which was observed during a prior 2004 site investigation. Two surficial soil samples were collected from the western portion of the subject property to evaluate the possible impact of surface water runoff from adjacent industrial parcels and two soil samples were collected centrally on the subject property to evaluate the potential impacts from unidentified fill materials. No VOCs or PAHs were detected above the laboratory method reporting limits in the soil samples collected. Elevated concentrations of certain heavy metals including lead and arsenic were detected in the soil samples collected. No additional assessments activities were recommended by the consultant.

It should be noted that the consultant (URS) compared the laboratory results for the heavy metals detected during the assessment to incorrect TRRP PCLs. The TRRP PCLs utilized by URS were for the Class 3 Groundwater Soil to Groundwater exposure pathway (^{GW}SOIL_{CLASS3}). The appropriate TRRP PCLs that the results must be initially compared to is the generic Soil to Groundwater pathway (^{GW}SOIL_{ING}). The Class 3 TRRP Soil PCLs used are 100 times the generic Soil to Groundwater PCLs. The TCEQ must approve designation of a property to utilize Class 3 PCLs that would include groundwater sampling / analysis, demonstration of a limited daily yield less than 150 gallons per day and/or presence of undesirable groundwater characteristics such as highly elevated total dissolved solids. No indication of groundwater analysis was identified in the URS Phase II report and the lead and arsenic concentrations were detected at levels well above the appropriate PCLs (5.0 or 5.9 mg/Kg for arsenic and 3.0 or 15.0 mg/Kg for lead).

See Section 5.4 for more information regarding historical sources reviewed during this assessment.

Site Reconnaissance

Used tires and miscellaneous trash was observed at the subject property during the site visit.
See Section 6.0 for more information regarding observations noted during the site reconnaissance.

Interviews and/or Inquiries

No details were identified in connection with this finding during interviews and/or inquiries conducted for this assessment.

See Section 7.0 for more information regarding interviews and inquiries conducted during this assessment.

OPINION

Phase Engineering, Inc. has the opinion that based laboratory results from the user provided Phase II report, the subject property exhibits impact from arsenic and lead in the soils evaluated. This represents a recognized environmental condition.

1.4 Conclusions

Phase Engineering, Inc. has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of subject property and more fully described within the report. Any exception to, or deletions from, this practice are described in Section 2.0 of the report.

Recognized environmental condition is defined in ASTM Standard E 1527-13 as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.” Phase Engineering, Inc. has considered all migration pathways including soil, groundwater and vapor during evaluation of all identified environmental conditions. This assessment has revealed no evidence of recognized environmental conditions in connection with the property., except for the following:

- The user provided prior Phase II ESA identified elevated metals in the near surface soils at concentrations greater than appropriate state environmental regulatory agency reporting limits.

A controlled recognized environmental condition (CREC) is defined in ASTM Standard E 1527-13 as “a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.” Controlled recognized environmental conditions are recognized environmental conditions. This assessment has revealed no evidence of controlled recognized environmental conditions in connection with the property.

A historical recognized environmental condition (HREC) is defined in ASTM Standard E 1527-13 as “a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.” A historical recognized environmental condition is not a recognized environmental condition. This assessment has revealed no evidence of historical recognized environmental conditions in connection with the property.

De minimis conditions are defined in ASTM Standard E 1527-13 as conditions “that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.” *De minimis* conditions are not recognized environmental conditions. This assessment has revealed no evidence of *de minimis* conditions in connection with the property.

1.5 Recommendations

Recommendations
<p>The following recommendation is made with respect to the environmental aspects of the subject property:</p> <p>A Phase II Environmental Site Assessment is recommended to investigate the potential soil and groundwater impact due to the identified recognized environmental condition(s).</p>

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on staff determinations regarding Application disclosure under 10 TAC §11.101(a)(2) related to Undesirable Site Features for 19185 Edgewood Villas

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan related to Undesirable Site Features, Development Sites within the applicable distance of any of the identified undesirable features will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility;

WHEREAS, for the items requiring disclosure under 10 TAC §11.101(a)(2), staff received such a disclosure for Edgewood Villas (19185); and

WHEREAS, staff has conducted a further review of the proposed Site and the surrounding neighborhood pursuant to 10 TAC §11.101(a)(3) and prepared a summary for the Board;

NOW, therefore, it is hereby,

RESOLVED, that the Board determine that the site is ineligible in accordance with 10 TAC §11.101(a)(2) of the Qualified Allocation Plan for Edgewood Villas (19185).

BACKGROUND

Pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan (QAP) related to Undesirable Site Features, Development Sites within the applicable distance of any of the undesirable features identified in the paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility.

Per 10 TAC §11.101(a)(2), the Department's Governing Board has final decision making authority in making an affirmative determination or finding the site ineligible. Development Sites within the applicable distance of any of the undesirable features identified in the rule will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility. Should the Board make the determination that a Development Site is ineligible, the termination of the Application resulting from such Board action is final and not subject to further appeal.

The following describes staff's review and recommendation for 2019 Competitive Housing Tax Credit (HTC) Application 19185 Edgewood Villas. A brief summary of the disclosure is followed by Department staff's analysis of the Site and the proposed mitigation from the Applicant.

TDHCA ID#	Dev. Name	Region	City	Review Status
19185	Edgewood Villas	8	Killeen	Not Priority

Summary of Disclosure: The Applicant has disclosed neighboring noise associated with military exercises at Fort Hood. Edgewood Villas is a proposed Elderly development that will be located near the northeast corner of Bills Road and N. 60th Street in Killeen. The Development Site is proximate to training areas on Fort Hood. Per the ESA, "the Phantom Run Range is located just to the north of the subject property and impacts the property."

The Applicant retained Phase Engineering to conduct the Environmental Site Assessment for the Development Site. Phase Engineering found levels of noise that are from close proximity to Fort Hood. According to the ESA, the army uses different, but comparable, noise measures to HUD's Day Night Noise Levels (DNL). First, Fort Hood has both a Larger Caliber Noise ("CDNL") contour map and, second, Fort Hood has a noise measure pertaining to small caliber firing ranges, commonly referred to as "Small Arms PK 15."

Because these two military-based noise measures are comparable to HUD's standards, it is helpful to review HUD's noise standards in 24 CFR Part 51, Subpart B. For proposed new construction in high noise areas, the project must incorporate noise mitigation features. Consideration of noise applies to the acquisition of undeveloped land and an existing Development as well. All sites whose environmental or community noise exposure exceeds the DNL of 65 decibels (dB) are considered noise-impacted areas. The "Normally Unacceptable" noise zone includes community noise levels from above 65 decibels to 75 decibels. Proposed Development Sites that fall within this zone must mitigate that excess noise. Locations with DNLs above 75 dB have "Unacceptable" noise exposure. In "Unacceptable" noise zones, HUD strongly encourages conversion of noise-exposed sites to land uses compatible with the high noise levels and not to develop residential housing.

For the military standard CDNL noise, the proposed Development Site is outside of the 65-70 dB CDNL noise contour, meaning that the proposed Development Site is acceptable for housing. However, for Small Arms PK-15 noise, the proposed Development Site, according to the ESA, lies within a zone where decibels can range from 87 to as high as 104 dB which is 60% above the acceptable HUD levels. The ESA notes that the Department of Defense uses a higher threshold for determining the effects of PK-15 noise, but does note that residents will hear gunfire when military training is occurring:

"According to guidance tables by the U.S. Army Public Health Command, PK15 sound levels less than 115dB are audible, however there is low potential for annoyance to the local community. Noise exposure at the subject property may

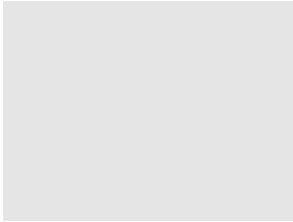
vary in duration and/or loudness; however, future residents will likely be aware when active training is underway” (Page 48 of the ESA).

The ESA states that “[t]he noise environment for the subject property is likely to be considered "Normally Unacceptable" due to the proximity to Fort Hood and would benefit from noise mitigation measures such as an increase in sound attenuation within the proposed building envelope.” To reduce the high estimate of possible dB from 104 to the acceptable level of 64, the Applicant would have to achieve a noise level reduction ("NLR") of 40 dB, which may be infeasible, given that the Applicant's ESA states that "normal permanent construction can be expected to provide a NLR of 20 dB . . ." (page 17 of the Full Application).

Staff has attached an article describing the activities held at Phantom Run, which implies that the purpose of Phantom Run is to replicate real-world battles and gun fights that soldiers may face in conflict. Using Google Earth, staff determined that the edge of the proposed Development Site is approximately 1,440 feet from the first noticeable structure of Phantom Run. It is approximately 1,750 feet from the center of the training facility.

Staff Recommendation: Staff is recommending that due to the risk of the excessive noise associated with gunfire and explosives that ranges from 87 to 104 dB, the Board determine that the Development Site risks exposure to an environmental factor that may adversely affect the health and safety of the residents, pursuant to the requirements of 10 TAC §11.101(a)(2)(K), and finds the Site ineligible:

(K) Any other Site deemed unacceptable, which would include, without limitation, those with exposure to an environmental factor that may adversely affect the health and safety of the residents or render the Site inappropriate for housing use and which cannot be adequately mitigated.



410th MPs demonstrate Phantom Run IED lanes

Pfc. Candace Mundt, 89th MP Bde. PAO Feb 12, 2009

Soldiers of the 410th Military Police Company participated in a training demonstration Jan. 30 at the Phantom Run Improvised Explosive Device Lanes in preparation for their upcoming deployment

The demonstration, attended by more than 30 Texas legislators and their staff members touring Fort Hood, displayed the police transitions team's escalation of force, counter attack and station defense skills.

"The training is being used to show the legislators what kind of capabilities for training Fort Hood has, and it was our pleasure to show them," said 2nd Lt. Alan Schano, platoon leader, 410th MP Co. "This Military Operations on Urban Terrain site is a prime example with a lot of details."

"They've got a little Iraqi village setup and good pyrotechnics for the explosions," said 1st Lt. Jon Walter, plans officer for 720th Military Police Battalion.

Walter coordinated the training between 410th MP Co., 720th MP Bn., 89th Military Police Brigade and III Corps.

The 410th MP Co. was the first group to run on the brand new training site, named "Basrah Baghdad," Schano said.

From the Iraqi actors and explosions to a fully-stocked town market, the realism of the training reminded many

of what they had seen overseas.

“Soldiers already deployed said it is very reminiscent of the environment down range,” Schano said. “It is designed very well for the fulfillment of MP missions in Iraq.”

“Besides the bullets, it’s pretty dead on,” said Spc. Antonio McCullen, combat medic with 410th MP Co., who has previously deployed. “I wish I had it before my first deployment.”

Soldiers who have not yet deployed felt the training’s accurateness will help them a lot during deployment.

“With the big scenarios, explosions going off, and the civilians dressed up, it really got my adrenaline pumping,” said Cpl. Curtis Derrick, 410th MP Co.

It took a lot of preparation to get the training as realistic as possible.

“We started planning for this range right before Christmas,” said Ben Davis, Fort Hood Training Integrator.

“We are starting on a smaller village a week from this Monday.”

“We sit down with unit commanders , design and develop training for the Global War on Terrorism,” Davis said.

Training coordinators are passionate about giving Soldiers the best practice time they can get before they do the real thing.

“The first 100 days down range are the most intense as the Soldiers are trying to climatize and get used to the area,” Davis said. “We try to take those 100 days and let them make mistakes here instead of Iraq or Afghanistan. It’s an eye opener.”

“As they go along, they’ve gotten better,” Davis said. “Mistakes that they make, they’re not making them again.”

Overall, with the week they spent at the IED lanes, soldiers of the 410th MP Co. learned a lot about completing their mission overseas and about working as a team.

“It’s an outstanding learning experience as pretty much everything is,” Schano said. “It’s exciting to see the platoon develop, mature and become more capable.”

19185
Edgewood Villas

Application #19185 Edgewood Villas

Undesirable Site Features Disclosure

Edgewood Villas (the “**Apartment Development**”) is a proposed Elderly development that will be located near the NEC of Bills Rd and N. 60th St., Killeen, Texas 76543 (the “**Development Site**”). Pursuant to §11.101(a)(2) of the Multifamily Rules, Edgewood Villas 19, LP (the “**Applicant**”) is disclosing the following Undesirable Site Features:

(K) Any other Site deemed unacceptable, which would include, without limitation, those with exposure to an environmental factor that may adversely affect the health and safety of the residents or render the Site inappropriate for housing use and which cannot be adequately mitigated.

Phase Engineering has completed the Environmental Site Assessment for the Development Site and found levels of noise that are from the close proximity to Fort Hood. TDHCA has adopted HUD standards for noise studies as well as the levels that make a site unacceptable for housing. Phase Engineering has concluded that the noise levels at the Development Site would fall into the HUD category of normally unacceptable. This noise description by HUD allows for housing as long as noise mitigation measures are undertaken. The Applicant commits to noise mitigation to bring the Apartment Development into compliance with federal guidelines.

Noise Measurements

When HUD uses noise levels to evaluate the suitability of housing at a site they employ Day Night Noise Levels (“DNL”) which not only evaluates the decibel (“db”) level of the sound but also the frequency and the timing, giving more weight to noise that occurs at night. When measuring sound from munitions the army uses two different measures, Concussive Day Night Noise Levels (“CDNL”) and decibel peak (“PK 15”). CDNL is a similar measure to DNL because it is weighted and it is specific to concussive noises. HUD allows CDNL measures to be used in evaluating site suitability. PK 15 is a measure of a loud noise that does not last more than a second. HUD does not use this measure because it does not take into account frequency which is an important aspect in evaluating site suitability. The Fort Hood Joint Land Use Study measures both large caliber artillery noise and small caliber firearms noise as it relates to the Development Site.

Large Caliber Noise

The 2017 Fort Hood Joint Land Use Study includes a CDNL noise contour map for large caliber noise (**See 2017 ICUS Large Caliber Noise Zones (CDNL) attached- Exhibit 1**). This CDNL noise contour map shows the Development Site is far outside the 65-70 db CDNL noise contour. For HUD purposes anything below the 65 db DNL is acceptable for housing. This contour map shows that the Development Site is suitable for housing.

Small Caliber Firing Range-Phantom Run

The noise from Fort Hood attributed to Small Caliber firing is harder to measure using HUD standards because no CDNL contour maps are available. The only available data is db PK 15 noise contour mapping. HUD does not have guidance on the effects of db PK 15 sound levels on the suitability of

housing. This is because db PK noise is unweighted so it does not have a strong correlation to quality of life as frequency is not taken into account. As TDHCA and HUD both do not have guidance on this issue it is difficult to evaluate the Development Site. However, §11.101(a)(2) allows the Applicant to utilize the guidance from a state or federal agency when dealing with the required separation from an undesirable site feature.

If a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility. In addition to these limitations, a Development Owner must ensure that the proposed Development Site and all construction thereon comply with all applicable state and federal requirements regarding separation for safety purposes.

Our site falls into the 87-104 dB Small Arms PK 15 which places it into Noise Zone II for the purposes of small caliber noise. **(See Small Arms Noise Contour Map attached- Exhibit 2)** The federal guidelines do not specify a specific distance for separation, however they establish Noise Zones that are defined by the db PK 15 noise contour maps. The Noise Zones have guidance on land use and development that is acceptable within their boundaries. The Development Site falls into Small Arms Noise Zone II which allows housing but recommends mitigation. We request that this standard be used when evaluating the Development Site. Below are the Department of Defense guidelines for land use in Noise Zone II:

Where the community determines that these uses [housing] must be allowed, measures to achieve an outdoor to indoor noise level reduction (NLR) of at least 25 dB to 30 dB in Noise Zone II, from small arms and aviation noise, should be incorporated into building codes and be in individual approvals. The NLR for communities' subject to large caliber weapons and weapons system noise is lacking scientific studies to accomplish the recommended NLR. For this reason, it is strongly discouraged that noise-sensitive land uses be allowed in Noise Zone II from large caliber weapons. Normal permanent construction can be expected to provide a NLR of 20 dB, for aircraft and small arms, thus the reduction requirements are often stated as 5, 10 or 15 dB over standard construction and normally assume mechanical ventilation, upgraded Sound Transmission Class (STC) ratings in windows and doors and closed windows year round...
...However, building location and site planning, and design and use of berms and barriers, can help mitigate outdoor noise exposure NLR particularly from ground level aircraft sources. **(See Department of Defense Environmental Protection and Enhancement EBook attached- Exhibit 3).**

In the case of our site in Killeen it becomes a community decision whether to move the site forward, and since the city has put a priority on development on the north side of town, with proper noise mitigation, this site is a vital step forward in development in that area. Also, because of the particularly low density of the development, 7.5 units per acre, this development should be able to meet all necessary requirements.

Conclusion

As our site does not fall into Noise Zone II for small arms there is nothing that should preclude its development as multifamily housing. Further, the city council has identified our site as a community need by issuing their resolution of support in favor of this site and its use as elderly affordable housing. Finally, there are many single-family homes on small lots that fall into the same Noise Zone II category from Fort Hood, which shows that we are a compatible use as well. The Applicant is committed to noise mitigation at the Development Site and has designed the Apartment Development to place the pool and outdoor congregation areas in the interior courtyard of our two-story apartment buildings. Also, the placement of the structures is to the south of the Development Site, further away from Fort Hood. The Applicant will provide noise attenuation through certain building designs and construction techniques which are approved by HUD such as use of triple-pane windows, higher density insulated frame material, enhanced wall construction (i.e. a second layer of drywall) on exterior walls and staggered stud wall design.

Exhibit 1: Large Caliber CDNL Noise Contours

2017 ICUZ
Large Caliber Noise Zones
(CDNL)

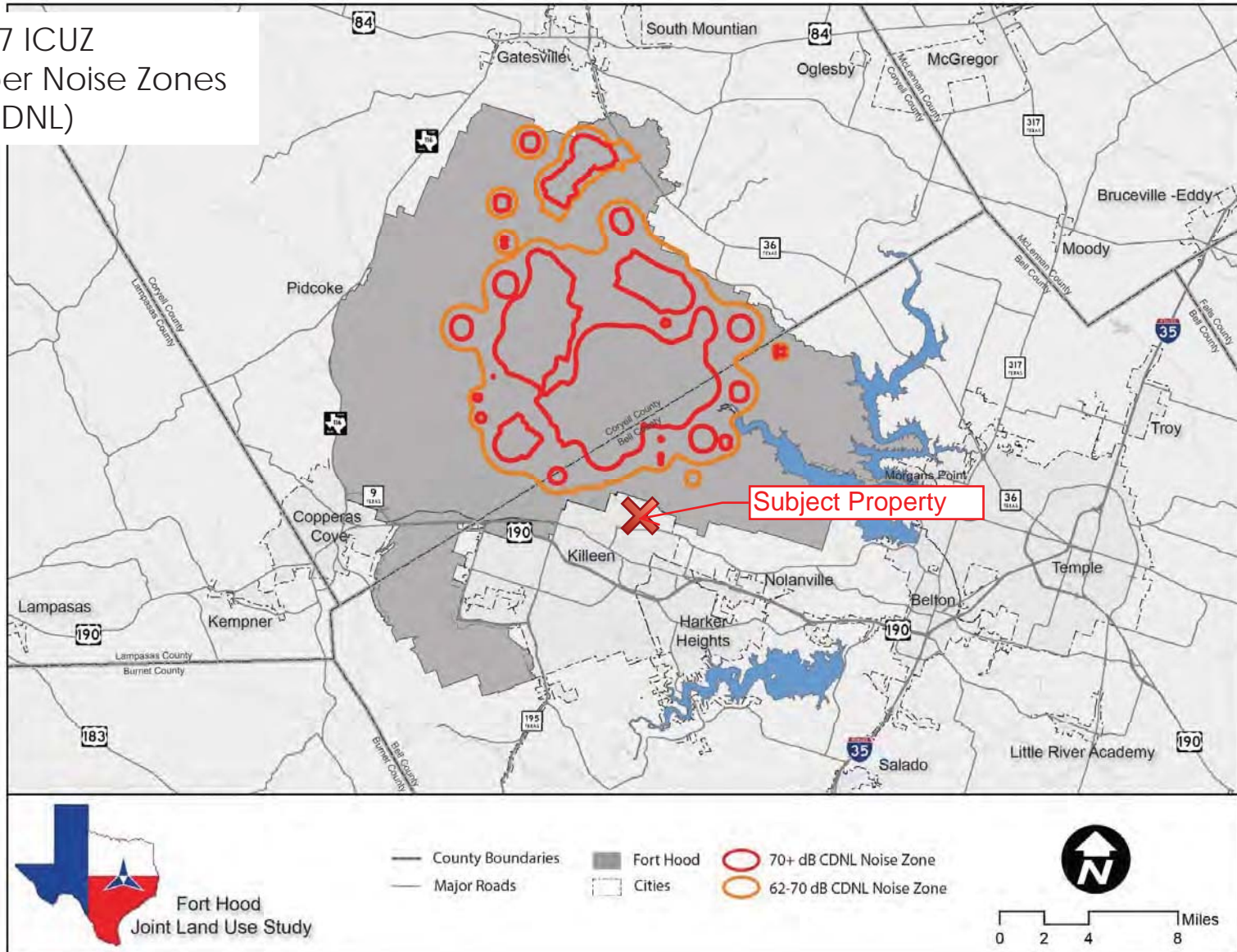


Exhibit 2: Small Arms PK 15 Noise Contours

FORT HOOD PROFILE

▼ MAP 3.5 TA-40 AND PHANTOM RUN SMALL ARMS NOISE CONTOURS

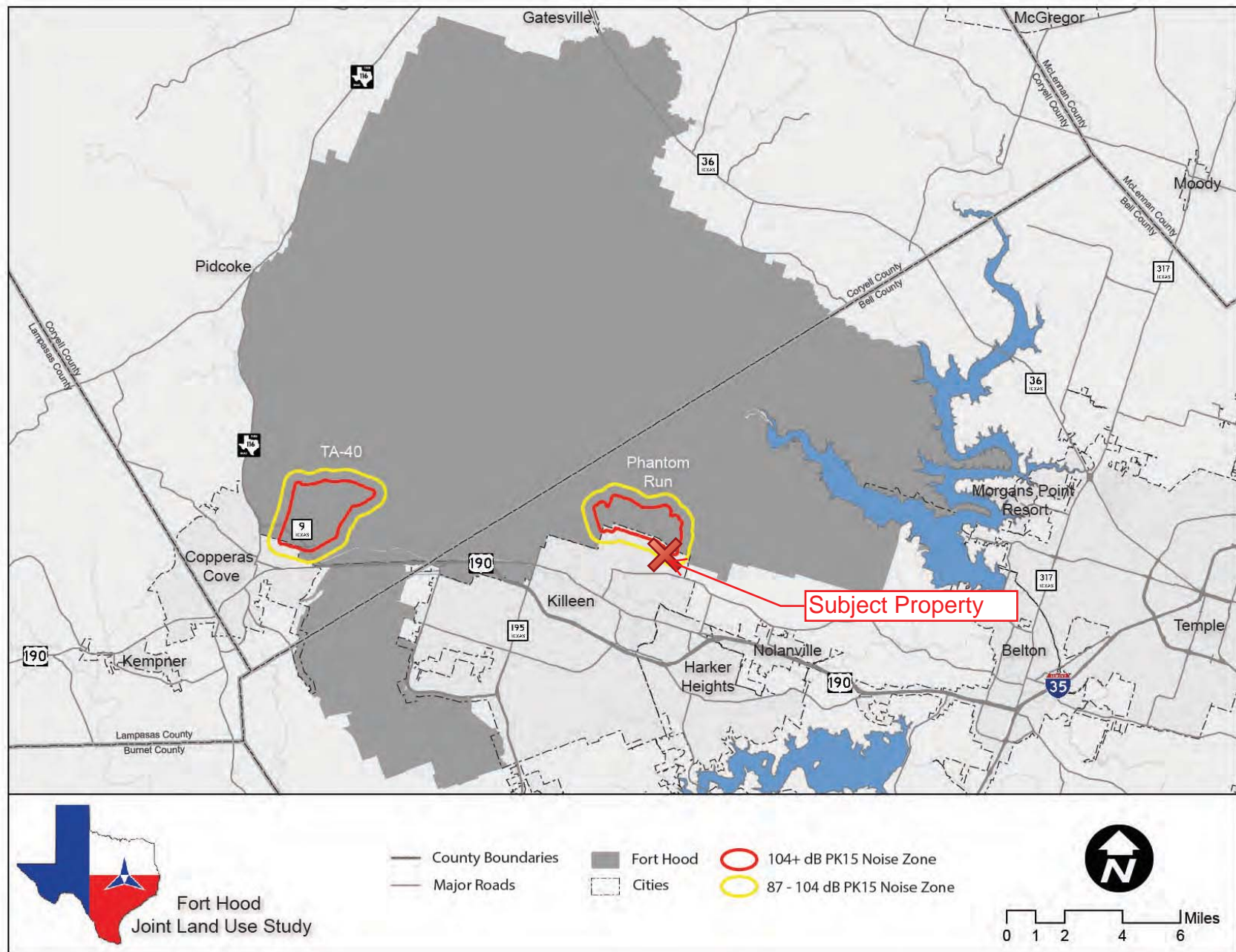


Exhibit 3: Department of Defense EBook

- b. Address issues concerning building vibration and rattle due to weapons blast through the appropriate subject matter experts and legal counsel.
- c. Address noise impacts on domestic animals and wildlife, as required, through the study of each species' response or a surrogate response to noise. The noise levels set forth herein apply to humans only and do not apply to domestic animals or wildlife.

**Table 14-1
Noise Limits for Noise Zones**

Noise zone	Noise limits (dB) Aviation ADNL	Noise limits (dB) Impulsive CDNL	Noise limits (dB) Small arms — PK 15(met)
LUPZ	60 - 65	57 - 62	N/A
I	< 65	< 62	<87
II	65 - 75	62 - 70	87 - 104
III	>75	>70	>104

Legend for Table 14-1:
 dB=decibel
 LUPZ=land use planning zone
 ADNL=A-weighted day-night levels
 CDNL=C-weighted day-night levels
 PK 15(met)=Single event peak level exceeded by 15 percent of events
 <=less than
 >=greater than
 N/A=Not Applicable

Table 14–2
Risk of Noise Complaints by Level of Noise

Risk of Noise complaints	Large caliber weapons noise limits (dB) PK 15(met)
Low	< 115
Medium	115 - 130
High	130 - 140
Risk of physiological damage to unprotected human ears and structural damage claims	> 140

Legend for Table 14-2:

dB = decibel

PK 15(met) = Single event peak level exceeded by 15 percent of events

Notes:

¹ Although local conditions regarding the need for housing may require noise-sensitive land uses in Noise Zone II, on or off post, this type of land use is strongly discouraged. The absence of viable alternative development options should be determined and an evaluation should be conducted locally prior to local approvals indicating that a demonstrated community need for the noise-sensitive land use would not be met if development were prohibited in Noise Zone II.

² Where the community determines that these uses must be allowed, measures to achieve an outdoor to indoor noise level reduction (NLR) of at least 25 dB to 30 dB in Noise Zone II, from small arms and aviation noise, should be incorporated into building codes and be in individual approvals. The NLR for communities subject to large caliber weapons and weapons system noise is lacking scientific studies to accomplish the recommended NLR. For this reason it is strongly discouraged that noise-sensitive land uses be allowed in Noise Zone II from large caliber weapons.

³ Normal permanent construction can be expected to provide a NLR of 20 dB, for aircraft and small arms, thus the reduction requirements are often stated as 5, 10 or 15 dB over standard construction and normally assume mechanical ventilation, upgraded Sound Transmission Class (STC) ratings in windows and doors and closed windows year round. Additional consideration should be given to modifying NLR levels based on peak noise levels or vibrations.

⁴ NLR criteria will not eliminate outdoor noise problems. However, building location and site planning, and design and use of berms and barriers, can help mitigate outdoor noise exposure NLR particularly from ground level aircraft sources. Barriers are generally not effective in noise reduction for large arms such as artillery and armor, large explosions, or from high-level aircraft sources.

Chapter 15

Program Management and Operation

15–1. Structure and resourcing

a. Army Environmental Funding Policy.

(1) Army organizations are responsible for addressing environmental requirements for activities under their purview to ensure timely compliance with legal mandates, and for sustaining environmental stewardship.

(2) Environmental requirements must be funded from the appropriate account of the proponent who has the

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §11.101(a)(2) related to Applicant Disclosure of Undesirable Site Features for 19225 Rosewood Senior Villas

RECOMMENDED ACTION

WHEREAS, pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan related to Undesirable Site Features, Development Sites within the applicable distance of any of the identified undesirable features will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility;

WHEREAS, for the items requiring disclosure under 10 TAC §11.101(a)(2), staff received such a disclosure for Rosewood Senior Villas (19225); and

WHEREAS, staff has conducted a review of the disclosure pursuant to 10 TAC §11.101(a)(2) and prepared a summary for the Board;

NOW, therefore, it is hereby,

RESOLVED, that the Board determine whether the information regarding mitigation of the undesirable site features is sufficient and supports site eligibility under the requirements of 10 TAC §11.101(a)(2) of the Qualified Allocation Plan for Rosewood Senior Villas (19225).

BACKGROUND

Pursuant to 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan (QAP) related to Undesirable Site Features, Development Sites within the applicable distance of any of the undesirable features identified in the paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility.

Per 10 TAC §11.101(a)(2), Development Sites within the applicable distance of any of the undesirable features identified in the rule will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility. Should the Board make the determination that a Development Site is ineligible, the termination of the Application resulting from such Board action is final and not subject to further appeal.

Staff has reviewed the Application and Disclosure, and makes the following recommendations for 2019 Competitive Housing Tax Credit (HTC) Application 19225 Rosewood Senior Villas. A brief summary of the Disclosures has been included along with Department staff's analysis of the Disclosures for the Site and the proposed mitigation from the Applicant.

TDHCA ID#	Dev. Name	Region	City	
19225	Rosewood Senior Villas	4	Tyler	

Summary of Disclosure: Development Site is located less than 15 feet from a railroad track.

Mitigation Efforts: Applicant has certified that they have engaged a qualified Third Party to perform a noise assessment and that the proposed Development will incorporate any necessary sound mitigation according to HUD standards, as if these HUD standards applied directly to the Development. The noise study revealed that the Day Night Noise Level ("DNL") is 66 dB. Because HUD allows a 1-dB window when conducting noise surveys, the calculated noise value can be read as 65 dB, which is considered "acceptable for housing" by HUD. This proposed mitigation meets the requirement of 10 TAC 11.101(a)(2)(E)(ii) of the QAP.

Staff Recommendation: Staff is recommending that the Board find the Development Site eligible, in regard to this issue.

Summary of Disclosure: The proposed Development Site is located within 500 feet of a concrete batch plant. Martin Marietta Tyler Ready Mix, located at 4200 Old Troup Highway, is located approximately 310 feet from the proposed Development Site. The actual batching hopper and mixer is approximately 1,000 feet from the Development Site but less than 440 yards from the Development Site.

Mitigation Efforts: 10 TAC §11.101(a)(2)(F) states that a Development Site will be found ineligible if the Site is "located within 500 feet of heavy industry (i.e., facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations))."

A concrete batch plant may constitute 'heavy industry'. Through previous Application reviews, staff has learned that, sometimes, a 440 yard separation between permanent residences and a concrete batch plant may apply, per the requirements of the Texas Commission on Environmental Quality (TCEQ). Regarding 10 TAC §11.101(a)(2) related to Undesirable Site Features, the rule includes the following language:

"Development Sites within the applicable distance of any of the undesirable features identified in subparagraphs (A) - (K) of this paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and support Site eligibility.... Where there is a local ordinance that regulates the proximity of such undesirable

feature to a multifamily development that has smaller distances than the minimum distances noted below, then such smaller distances may be used and documentation such as a copy of the local ordinance identifying such distances relative to the Development Site must be included in the Application. ***If a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility.*** (emphasis added)

The Development Site is near Martin Marietta Tyler Ready Mix. Such facilities are under the purview of the Texas Commission on Environmental Quality (TCEQ), whose rules are found in the Texas Health and Safety Code at Title 5, Subtitle C, Chapter 382, the Texas Clean Air Act. This statute includes the following prohibition regarding locating certain concrete plants and concrete crushing plants near residential structures:

Sec. 382.05198. STANDARD PERMIT FOR CERTAIN CONCRETE PLANTS. (a) The commission shall issue a standard permit for a permanent concrete plant that performs wet batching, dry batching, or central mixing and that meets the following requirements: (19) the central baghouse must be located at least 440 yards from any building used as a single or multifamily residence, school, or place of worship at the time the application to use the permit is filed with the commission if the plant is located in an area that is not subject to municipal zoning regulation.

According to the Applicant, the city of Tyler allows multifamily zoned land adjacent to industrial zoned land, as is evidenced by the proposed Development Site. The proposed Development Site lies just across the train tracks from Martin Marietta Tyler Ready Mix site, and is currently zoned R-MF, which allows multifamily residential development according to Tharani Devi Krishnakumar, Senior Planner for the City of Tyler Planning Department. Additionally, Tyler's Development Code requires "bufferyards" when R-MF zoned parcels border M-1 and M-2 (or industrial) land. The specific bufferyard required is a "Type C" bufferyard, which mandates certain landscape design standards to create a vegetative screen of sorts between the two adjacent uses. The Applicant stated that the Development will comply with this municipal requirement.

Staff Recommendation:

Though zoning regulations may constitute a municipal ordinance, zoning regulates what purpose or use may be developed on the zoned area of land. It does not regulate the proximity of an off-site feature to the zoned property. Accordingly, zoning for multifamily, or zoning that allows for building multifamily residential development, is not "a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below."

However, 10 TAC §11.101(a)(2) states "[i]f a state or federal cognizant agency would require a new facility under its jurisdiction to have a minimum separation from housing, the Department will defer to that agency and require the same separation for a new housing facility near an existing regulated or registered facility." Tex. Health & Safety Code §382.05198(a)(19) references

the 440 yard distance requirement being applicable “if the plant is located in an area that is not subject to municipal zoning regulation.” Indeed, though a hearing is required for numerous other aspects of a new permanent concrete bagging facility, for purposes of determining whether TCEQ “would require a new facility under its jurisdiction to have a minimum separation from housing,” and if TDHCA is to “defer” to its regulation, then it is clear that TCEQ would not require such separation if the plant is located in an area subject to municipal zoning regulation.

Accordingly, the existence of zoning that would allow for multifamily residential development, generally, does not constitute a local ordinance that regulates the proximity of an undesirable feature to a multifamily development. But, in the case of a concrete bagging facility nearby a development site, both of which are subject to municipal zoning regulation, Tex. Health & Safety Code §382.05198(a)(19) does not prescribe a minimum distance requirement.

This leaves the issue of whether the development site is within the 500 feet from heavy industry minimum distance in 10 TAC §11.101(a)(2)(F), where “heavy industry” is exemplified as “facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintain fuel storage facilities, excluding gas stations.” Applicant has responded to the description of the Ready Mix facility as “heavy industry” by stating that it is located on approximately 12 acres of land, has two pieces of machinery, and that the Environmental Site Assessment (updated to address these particular concerns raised by staff) did not observe excessive noise resulting from the operation during their visit to the development site, and that any “noise generating operations” at the Ready Mix Facility such as loading trucks and handling the dry materials were located over 1,000 feet from the closest potential residential area on the development site, and it is noted from submitted aerial photographs and maps that trucks could not enter or exit the Ready Mix facility on the same road as traffic to the development site, and another multifamily development appears to have been established and is occupied in a location considerably closer to the facility than the proposed development site.

Staff recommends that the Board find the Development Site eligible regarding this issue.

19225

Rosewood Senior Villas

Application #19225 Rosewood Senior Villas

Undesirable Site Features Disclosure

Rosewood Senior Villas (the “**Apartment Development**”) is a proposed Elderly development that will be located in the 2800 block of Calloway Rd W of Lazy Creek, Tyler, Texas 75707 (the “**Development Site**”). Pursuant to §11.101(a)(2) of the Multifamily Rules, Rosewood Senior Villas LP (the “**Applicant**”) is disclosing the following Undesirable Site Features:

(E) Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site

(F) Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations)

1. Proximity to Railroad Tracks

The southern boundary of the Development Site is bordered by an active railroad line qualifying as an undesirable site feature. **(See Development Site Images with Railroad Identified attached- Exhibit 1)** In accordance with §11.101(a)(2)(E)(ii) we have engaged Phase Engineering to perform a HUD DNL noise assessment to evaluate the appropriateness of multifamily housing on the development site and identify any mitigation that is necessary to comply with HUD noise level standards. Phase Engineering has already performed initial noise analysis for the Development Site and has found that when combining all of the sources of noise using the HUD Day Night Noise Level Calculator (the “DNL”) the highest dBa was calculated at 66 dBa on NAP 1 at the Southeast corner of the Development Site. Phase Engineering further states in their study:

HUD allows for a 1-decibel grace in completing noise surveys due to inaccuracies of the calculations. With the grace factor applied, all the calculated noise values fall below 65 dB, and are therefore considered “acceptable” based on the HUD guidelines. No additional action is recommended. **(See Excerpt from ESA attached- Exhibit 2).**

The results of Phase Engineering’s noise assessment show that no noise mitigation is required. Further, because Phase Engineering used Noise Assessment Locations (“NALs”) that were closer to the railroad tracks than the proposed dwelling units we believe that the DNL decibel calculation at the dwelling units will be considerably lower. Phase Engineering further found that the Railroad that is on the Southern boundary has a very low level of daily usage and is estimated at only 2 trains per day, thus having a low impact on the Development Site. Phase Engineering concluded that no further action was necessary with regard to noise.

2. Proximity to Heavy Industry

The Development Site is within 500 feet of land zoned M-2 General Industrial in Tyler, however the usage of the land does not create environmental or quality of life issues at the Development Site. Further, our Development Site is already zoned for multifamily apartments and local ordinance allows land zoned M-2 General Industrial to border R-MF Residential District zoned property. **(See Tyler Zoning**

Map attached- Exhibit 3). In accordance with §11.101(a)(2) where there is a local ordinance which allows for smaller distances than those in the QAP the local ordinance will be used to evaluate the undesirable site feature. In this instance, the Local Zoning Ordinance specifically allows for these two property types to border each other and has only specified that certain buffer yard requirements be met to maintain proper separation. This is evidenced both in the zoning ordinance as well as the already existing zoning of the Development Site. Also, our Development Site is adjacent to existing multifamily housing. The existing multifamily housing has a southern boundary of approximately 455 feet that is adjacent to the M-2 General Industrial.

Martin Marietta Ready Mix

Martin Marietta's facility located at 4200 Old Troup Highway in Tyler should not be considered heavy industry under the definition §11.101(a)(2)(F) because there are not high levels of external noise or extensive use of heavy machinery. **(See Aerial Showing Development Site and Martin Marietta attached- Exhibit 4)** The Martin Marietta facility takes already processed materials and mixes them and loads them onto trucks. There is no rock crushing or heavy manufacturing that would create high levels of external noise or dust that would negatively affect the quality of life at the Development Site **(See Email from Martin Marietta attached- Exhibit 5)**. Further, the entire facility is only approximately 12 acres, and much of that is a yard for trucks to load Ready Mix with very little machinery visible.

Local Ordinance Allows Smaller Distance

Tyler's local ordinance allows R-MF zoned land directly adjacent to land zoned M-2 General Industrial. This can be seen in the existing zoning of the Development Site as well as the neighboring apartment complex. The Unified Development Code contains a section for Buffer Yards. The specific purpose of Bufferyards is to:

- a. prevent or minimize any effects of a use on a property from affecting any adjacent property or zoning district with a greater or lesser intensity of use, and
- b. provide for the construction of fences, walls, and other similar elements within the city in all zoning districts provided that the fencing complies with the requirements of this code as to location, height, and composition.

The ordinance includes three types of Bufferyards, Types A, B and C. The required Bufferyard between M-2 General Industrial and R-MF Residential District is the Type C Bufferyard. Our site plan will comply with this requirement to minimize the effect of the neighboring M-2 zoned property. **(See Excerpt from City of Tyler Unified Development Code attached- Exhibit 6).**

Exhibit 1: Site Aerial with Railroad Identified



13.10 Noise Study

Phase Engineering, Inc. has conducted a noise survey for the subject property in accordance with the Noise Assessment Guidelines provided by the U.S. Department of Housing and Urban Development (HUD). Noise Assessment Locations (NALs) were selected on the property based on proximity to the noise sources and identified on the Noise Sources Map provided in the Appendix.

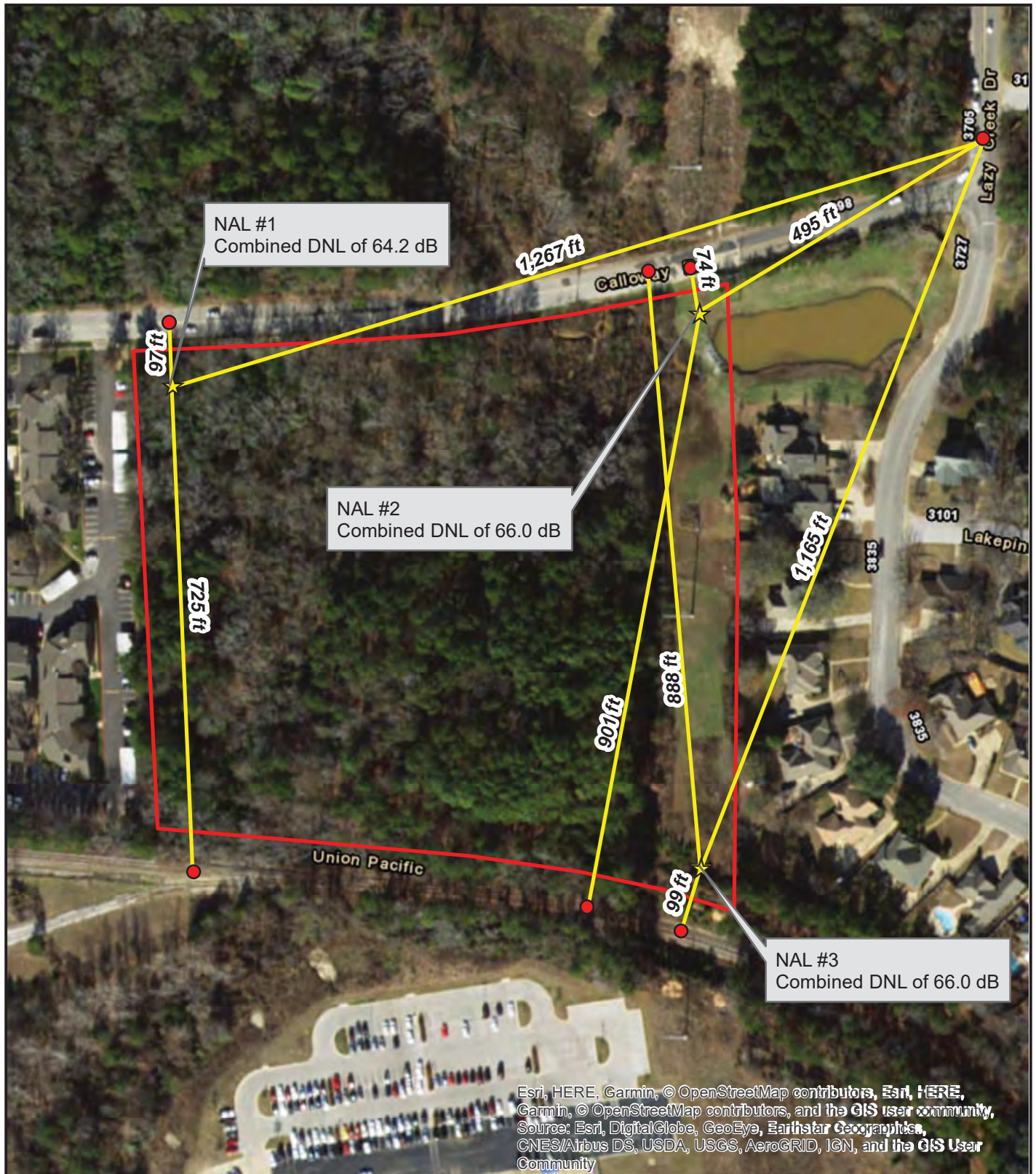
The noise sources within the prescribed distances include the following:

Identified Noise Sources	
Source Name	
Major Road(s)	
Calloway Road and Lazy Creek Drive were identified within 1,000 feet from the subject property	
Railroad(s)	
Union Pacific Railroad was identified within 3,000 feet from the subject property	
Airport(s)	
Tyler Pounds Regional Airport was identified within 15 miles from the subject property	

The combined projected Day/Night Noise Level (DNL) for each NAL was calculated based on the effective distance from each of the noise sources and provided in the below table. The 10-year projected DNL is provided based on a 4% annual growth in traffic counts.

Description of Noise Assessment Location (NAL)	Projected DNL (dB)
NAL 1 (Northwest Corner)	64.2
NAL 2 (Northeast Corner)	66.0
NAL 1 (Southeast Corner)	66.0

HUD allows for a 1-decibel grace in completing noise surveys due to inaccuracies of the calculations. With the grace factor applied, all the calculated noise values fall below 65 dB, and are therefore considered "acceptable" based on the HUD guidelines. No additional action is recommended. See Noise Study Results in the Appendix.



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Note: Property location and boundary are representative only.

Copyright ©2016 Phase Engineering, Inc.



Noise Assessment Location (NAL) Map

- Subject Property
- ★ NAL
- Noise Sources



PEI Project No: 201901080

Exhibit 3: Tyler Zoning Map

Multifamily Zoning

Development Site

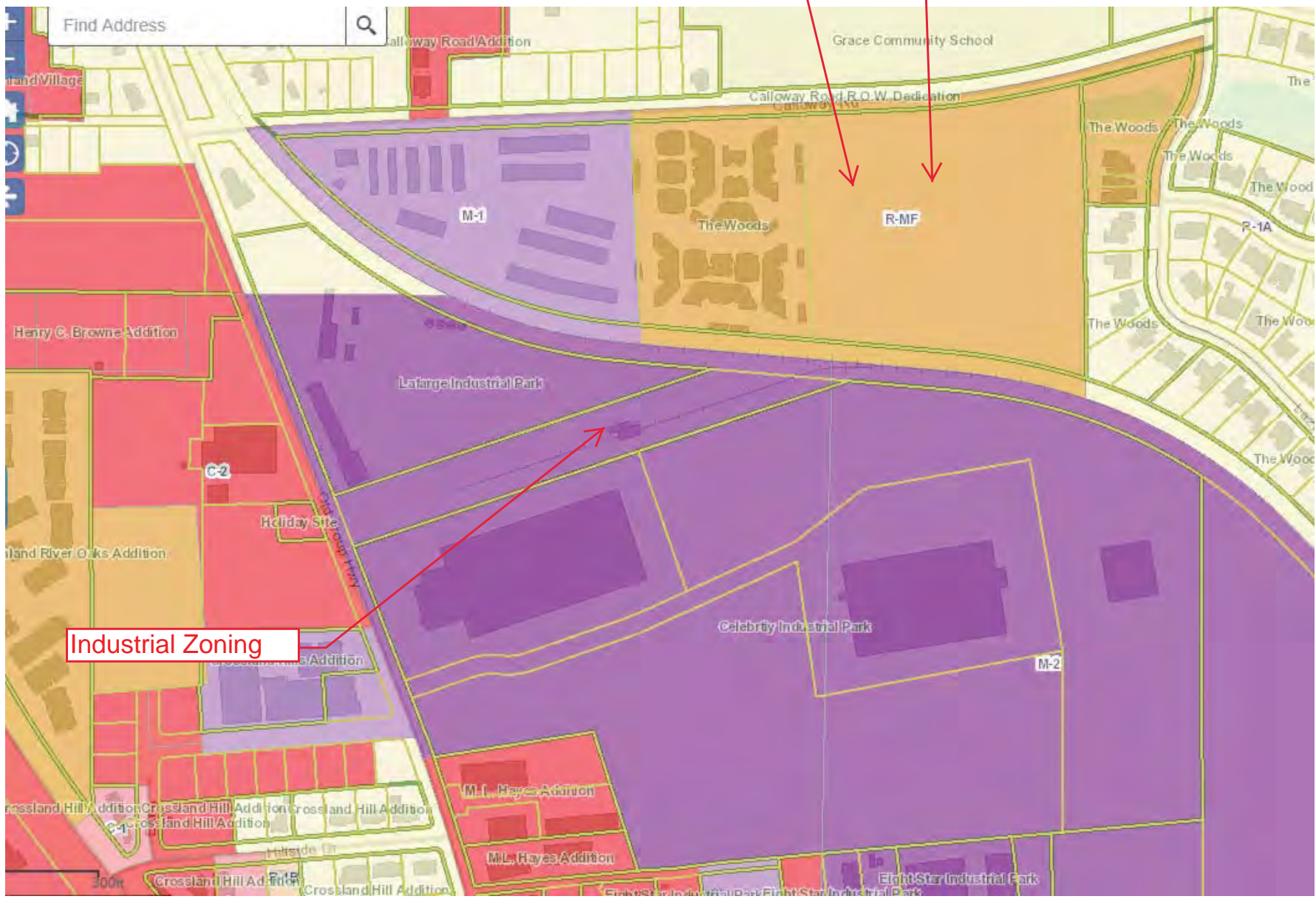


Exhibit 4: Site Aerial with Martin Marietta



RE: Environmental Question

Jeri Evans <Jeri.Evans@martinmarietta.com>

Mon 2/11/2019 4:47 PM

To: Zachary Krochtengel <zach@marqueconsultants.com>**Cc:** Darryl Youngblood <Darryl.Youngblood@martinmarietta.com>;

Randy Humphrey <Randy.Humphrey@martinmarietta.com>

Mr. Krochtengel,

Please be advised that our ready mix plant located at 4200 Old Troup Hwy in Tyler is indeed a concrete producing plant and **NOT** a crushing rock plant.

Jeri Evans

Area Manager | East Texas Central Ready Mix

Martin Mariettac. 903-245-2639 | f. 903-291-0477 | **dispatch** 903-753-9890e. jeri.evans@martinmarietta.comwww.martinmarietta.com

From: Zachary Krochtengel [<mailto:zach@marqueconsultants.com>]**Sent:** Monday, February 11, 2019 12:54 PM**To:** Randy Humphrey <Randy.Humphrey@marnmarie . a.com>**Subject:** Environmental Queson**EXTERNAL MAIL**

Mr. Humphrey,

Thank you for taking my call earlier. I just need to confirm that there is no rock crushing or any other heavy industrial use on the site and that the only acvity is mixing the already prepared materials and loading them into trucks. The biggest concern we would have is dust from crushing as well as noise. I appreciate you leng me kno w who to reach out to regarding this matter.

Thank you,

Zachary Krochtengel

 **MREC Companies****Zachary Krochtengel** / Development, Acquisitions and FinanceZach@marqueconsultants.com / 2158062216**MREC Companies**www.marqueconsultants.com

DIVISION B. Bufferyards

Sec. 10-320. Purpose

The purpose of this division is intended to:

- a. prevent or minimize any effects of a use on a property from affecting any adjacent property or zoning district with a greater or lesser intensity of use, and
- b. provide for the construction of fences, walls, and other similar elements within the city in all zoning districts provided that the fencing complies with the requirements of this code as to location, height, and composition.

Sec. 10-321. General Requirements

- a. The bufferyard is included in the overall calculation of the percentage of required landscaping on a lot.
- b. All open space within a buffer yard must be planted with grass, or vegetative ground cover.
- c. A buffer yard may provide additional plantings in excess of the minimum requirements.
- d. A buffer yard may be interrupted in order to provide access (pedestrian or vehicular) to adjacent parcels.

Required Bufferyard Type by Adjacent Zoning District

District	RE, R-1A, R-1B, R-1C, R-1D, PUR	AR, R-2, R-MF, PXR, PMF	C-1, PMXD-1 RPO, INT	C-2, PCD, PMXD-2	M-1, M-2
RE, R-1A, R-1B, R-1C, R-1D, PUR		Type A	Type B	Type B	Type C
AR, R-2, R-MF, PXR, PMF	Type A		Type A	Type B	Type C
C-1, PMXD-1, RPO, INT	Type B	Type A		Type B	Type C
C-2, DBAC*, PCD, PMXD-2	Type B	Type B	Type B		Type C
M-1, M-2	Type C	Type C	Type C	Type C	

Note: The more intense use is required to provide the buffer.

*Buffer yards are only required in DBAC when adjacent to residential districts. Requirement may be waived upon the submittal of a letter of support from adjacent, affected property owner.

(Ord. No. 0-2009-19; 3/11/09) (Ord. No. 0-2010-119; 11/10/10) (Ord. No. 0-2011-45; 6/8/11)

Sec. 10-322. Bufferyard Types

a. “Type A” Bufferyard

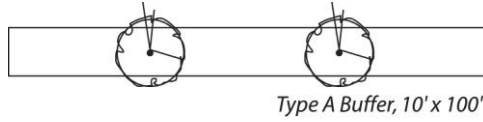
1. Applicability

A “Type A” buffer yard is used to separate a) single-family residential zoning districts from higher-density residential districts and b) all residential districts from light commercial, restricted professional office, and institutional districts.

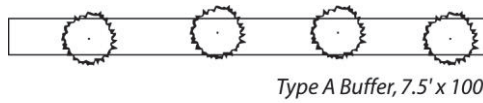
2. **Type A Bufferyard Composition**

A "Type A" bufferyard must consist of one of the following:

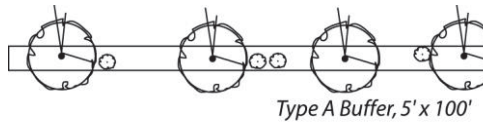
A 10-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity per 50 feet or one evergreen shrub per 50 linear feet;



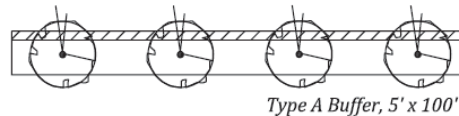
(b) A 7.5-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two evergreen shrubs per 50 linear feet; (Ord. No. 0-2009-19; 3/11/09 or



(c) A 5-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two shrubs of any type per 50 linear feet. (Ord. No. 0-2009-19; 3/11/09



(d) A 5-foot-wide planting area with an average of one medium or large evergreen tree of 6" DBH or larger at a maturity for each 50 linear feet of bufferyard spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, or other similar two-sided masonry materials. Wood (redwood, cedar, or other preservative pressure treated wood), may be used as long as a continuous masonry wall (one foot height minimum) on a concrete footer is installed. The wooden panels must be separated by masonry columns spaced no further apart than 20 feet. (Ord. No. 0-2009-19; 3/11/09) (Ord. No. 0-2010-119; 11/11/10)



b. "Type B" Bufferyard

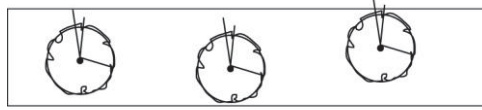
1. **Applicability**

A Type "B" bufferyard is used to separate a) general commercial (C-2), planned commercial (PCD) and high-intensity planned mixed zoning districts (PMXD-2) from any other nonresidential districts; and b) all commercial and office districts from any residential district. (Ord. No. 0-2009-19; 3/11/09)

2. **Type B Bufferyard Composition**

A Type B bufferyard must consist of one of the following:

A 20-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity per 50 linear feet spaced no more than 35 feet apart;



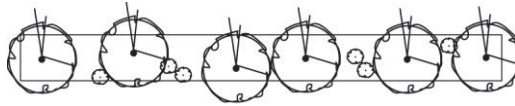
Type B Buffer, 20' x 100'

(b) A 15-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity and one shrub per 35 linear feet; or



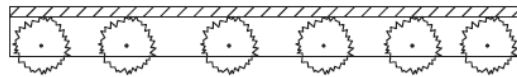
Type B Buffer, 15' x 100'

(c) A 10-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two shrubs per 35 linear feet.



Type B Buffer, 10' x 100'

(d) A 10-foot-wide planning area with an average of one medium or large evergreen tree of 6" DBH or larger at maturity for each 50 linear feet of buffer yard, spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, or other similar two-sided masonry materials. Wood (redwood, cedar, or other preservative pressure treated wood), may be used as long as a continuous masonry wall (one foot height minimum) on a concrete footer is installed. The wooden panels must be separated by masonry columns spaced no further apart than 20 feet. (Ord. No. 0-2010-119; 11/11/10)



Type B Buffer, 10' x 100'

c. "Type C" Bufferyard

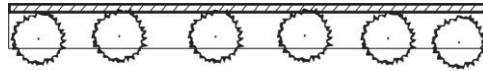
1. **Applicability**

A Type C bufferyard is used to separate industrial districts (M-1 and M-2) from all other zoning districts.

2. **Type C Bufferyard Composition**

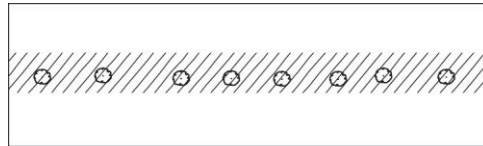
A "Type C" buffer yard must consist of one of the following options:

A 10-foot-wide planting area with an average of two evergreen trees of 6" DBH or larger at maturity for each 50 linear feet of buffer yard, spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, wood, or other similar two-sided masonry materials; or



Type C Buffer, 10' x 100'

(b) A 30-foot-wide planting area with a berm at least three feet tall and minimum 4:1 side slope, with an average of four shrubs at the top of the berm per 50 linear feet.



Type C Buffer, 30' x 100'

(c) A 50-foot-wide buffer area with existing tree canopy equal to at least one tree per 50'. (Ord. 0-2010-20, 3/10/10)

Sec. 10-323 - 329. Reserved

7h

BOARD ACTION ITEM
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on timely filed appeal of material deficiencies in HTC Application 19368, Sweetwater Springs under the Department's Multifamily Program Rules

RECOMMENDED ACTION

WHEREAS, the appeal relates to Competitive Housing Tax Credit (HTC) application 19368, Sweetwater Springs, which was submitted to the Department by the Full Application Delivery Date;

WHEREAS, staff determined that the Applicant did not have an agreement with the City of Sweetwater with regard to development on or ingress and egress access to Coke Street, prior to submission of the Application; and that the amendment to the purchase and sale contract was between the Applicant and the Seller of the private property and not with the City of Sweetwater, which is the entity that must agree to have the LURA extend to the Coke Street easement;

WHEREAS, the Application was terminated due to the Applicant's inability to provide documentation that existed prior to submission of the Application to meet threshold requirements, subject to the Applicant's ability to appeal;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Acting Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, that the appeal for 19368, Sweetwater Springs is hereby denied.

BACKGROUND

10 TAC §11.204 (the Rule), related to Required Documentation for Application Submission, identifies the documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by Department rule. It includes those items required under Tex. Gov't Code, Chapter 2306 (Statute), §42 of the Internal Revenue Code (the Code), and other criteria established in a manner consistent with Chapter 2306 and §42 of the Code. The Rule creates the format for information required by Statute and Code, and information necessary to evaluate and underwrite the Application.

The Application proposes the New Construction of 48 units for a general population in Sweetwater.

The appeal states:

“In accordance with §11.204(10), the Department requested the easement documentation from the Applicant through a deficiency and the Applicant submitted the required information to the Department promptly. The rule does not state such documentation must be dated prior to March 1st, it merely states that the documentation must be submitted promptly when requested.”

The Department’s rules do address the requirement for the existence of documentation prior to submission of the Application. Per 10 TAC §11.1(d)(78) related to Material Deficiency:

(78) Material Deficiency--Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items. (emphasis added)

Per 10 TAC §11.201(7) related to Deficiency Process:

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department’s request missing information (that should already been in existence prior to Application submission), there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. (emphasis added)

The contract amendment was dated April 14, 2019, and the letter and temporary access easement agreement from the City of Sweetwater was dated April 15, 2019. The appeal does not address the fact that the amendment to the purchase and sale contract is between the Applicant and the Seller of the private property, and not with the City of Sweetwater, which is the entity that must agree to have the land use restriction agreement (LURA) extend to the Coke Street easement.

Staff recommends the Board deny the appeal.

19368 Sweetwater Springs Termination Notice



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Leo Vasquez, *Member*

May 9, 2019

Writer's direct dial: 512/475-1676
Email: marni.holloway@tdhca.state.tx.us

Mr. Jeff Beaver
BOCHI 2019 Sweetwater, LP
404 E McKinney Avenue
Albertville, Alabama 35950

RE: STATUS OF 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19368 SWEETWATER SPRINGS

Dear Mr. Beaver:

The Texas Department of Housing and Community Affairs (the Department) is in receipt of the Application mentioned above. Initial review of the Application indicated that a portion of the Development Site consists of Coke Street, which according to the Site Design and Feasibility Report, "is platted but not built and will require vacating." The Application includes a purchase and sale contract that does not include the "Coke Street" section of the Development Site. 10 TAC §11.204(10) requires evidence of Site Control as a threshold requirement for a complete Application. The definition of Site Control at 10 TAC §11.1(d)(117):

Ownership or a current contract or series of contracts, that meets the requirements of §11.204(10) of this chapter, that is legally enforceable giving the Applicant the ability, not subject to any legal defense by the Owner or anyone else, to develop and operate a Property and subject it to a LURA reflecting the requirements of any awards of assistance it may receive from the Department.

On April 1, 2019, staff issued a deficiency notice that requested that the Applicant provide evidence that the Applicant has in place an agreement with the City of Sweetwater with regard to Development on that portion of the Development Site that includes an area currently platted as Coke Street. Alternatively, staff requested that if Coke Street was not a part of the Development Site, the Applicant should provide evidence that an agreement with the city regarding ingress and egress using Coke Street was in place either on or before the Application submission deadline and that the fee title



owner agrees that the land use restriction agreement (LURA) may extend to an access easement. Response to the deficiency notice was due on April 8, 2019.

In the April 8 response to the notice, the Applicant stated that “[t]he applicant contacted the city to vacate the plat for Coke Street and it is anticipated that the plat will be vacated as the city completed the same type vacation of land to a property owner just 6 months ago. However, the Site Plan was design (sic) so that if the city does not vacate the plat for Coke Street, the street can easily be added to the Site Plan without change to the building configuration.” The response included a request for an extension of time to respond to these specific issues, and an extension of five business days was granted to the Applicant.

The April 15, 2019, response included a letter from the City of Sweetwater dated April 15, 2019, which stated that the city is working with the Developer “on established processes to vacate the existing plat.” The letter clarified that the plat will be accessed via Georgia Avenue (the Interstate 20 Frontage Road), and the final plat will include an easement that will run with the land. Evidence of a temporary easement for Coke Street at Georgia Avenue was provided with the response. The response also included an agreement between the Applicant and the private land Seller dated April 14, 2019, that states that the Seller/fee title owner “understands a LURA will be placed on the property and may extend to the temporary easement granted by the City of Sweetwater for access to the property until the previous plat is vacated or a permanent easement is in place and this agreement closed.”

Staff has determined that the responses did not provide evidence that the Applicant had an agreement with the City of Sweetwater with regard to development on or ingress and egress access to Coke Street, prior to submission of the Application that meets the definition of Site Control in the QAP. 10 TAC §11.1(a)(78) of the 2019 Qualified Allocation Plan (QAP) related to Material Deficiency defines a Material Deficiency as:

Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items. It is possible that multiple deficiencies that could individually be characterized as Administrative Deficiencies, when taken as a whole would create a need for substantial re-review of the Application and as such would be characterized as constituting a Material Deficiency.

The Applicants inability to provide documentation that existed prior to submission of the Application to meet threshold requirements is material, and results in termination of the Application, subject to your ability to appeal.

An appeal process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §11.902 of the 2019 QAP. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2019 QAP for full instructions on the appeals process.

19368 APPLICATION STATUS

May 9, 2019

Page 3

If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,



Marni Holloway
Director of Multifamily Finance

Appeal Documents



Arx Advantage, LLC

Robbye G. Meyer
1305 Dusky Thrush Trail
Austin, Texas 78746
(512) 963-2555
robbye@arxadvantage.net

May 15, 2019

Via Electronic Mail

Ms. Marni Holloway
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas

Re: 19368 Sweetwater Springs (the "**Development**")

Dear Ms. Holloway:

The BOCHI 2019 Sweetwater, LP ("**Applicant**"), has applied for housing tax credits for the Development referenced above. This letter responds to the Eligibility notice issued May 9, 2019.

General Notes

The Applicant submitted an Application that included a potential easement to access the preferred entrance to the proposed site from the main highway. The Applicant submitted a site plan which included the easement and a vacated plat from the city which contained a proposed city street.

The Rules

The definition of Site Control at 10 TAC §11.1(d)(117): Ownership or a current contract or series of contracts, that meets the requirements of §11.204(10) of this chapter, that is legally enforceable giving the Applicant the ability, not subject to any legal defense by the Owner or anyone else, to develop and operate a Property and subject it to a LURA reflecting the requirements of any awards of assistance it may receive from the Department.

Section 11.204(10) states "The Department may request documentation at any time after submission of an Application of the Development Owner's ability to compel title of any Affiliated property acquisition(s) and the Development Owner must be able to promptly provide such documentation or the Application, award, or Commitment may be terminated."

Section 11.204(10)(D) states "If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement."

Grounds for Appeal

The proposed Sweetwater development is located off Interstate Highway 20 in Sweetwater, Texas. The City of Sweetwater previously platted a city street (Coke Street) through the property in question and initiated curb cuts to the highway for the future Coke Street construction. The construction of Coke Street has remained dormant for many years. In conversation with the real estate broker at the time the Applicant was negotiating the terms of the site control, it was contemplated that the Applicant could have the previous plat vacated and construct the proposed Sweetwater development using the all the parcels of land purchased. The Applicant had the architect design the site for the best possible use of the property. The site plan submitted was purposefully designed with two ingress and egress locations for the possibility of the city's denial of the vacated plat.

In accordance with §11.204(10), the Department requested the easement documentation from the Applicant through a deficiency and the Applicant submitted the required information to the Department promptly. The rule does not state such documentation must be dated prior to March 1st, it merely states that the documentation must be submitted promptly when requested.

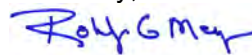
Should the Department not conclude the previous information submitted acceptable, as an alternative, the Applicant would like to propose the Department allow a minor change to the site plan. Since the original design contemplated the possibility of the city's denial of the vacated plat, the side ingress and egress on Hubbard Street can be utilized as the main entrance to property. There would be a need to swap the back residential building with the clubhouse on the site plan to allow for Coke Street to be constructed by the city as currently platted. This would not require the deficiency for the easement for Coke Street; therefore, not require the LURA language from the fee title owner. These minor changes to the site plan do not constitute a "material deficiency" and could allow the Applicant to continue through the application review process. The Applicant already has the alternative site plan drafted (attached as Exhibit A).

Request for Approval on Appeal of Eligibility

With the above information, we respectfully request that you grant the appeal and allow the application to continue through the review process. If additional information is required, please let us know. We appreciate your consideration of this presentation.

The Applicant wishes to reserve the right to appeal to the TDHCA Board, pending a decision by the Executive Director.

Sincerely,



Robbye G. Meyer

cc: Jeff Beaver
Jeff Markey

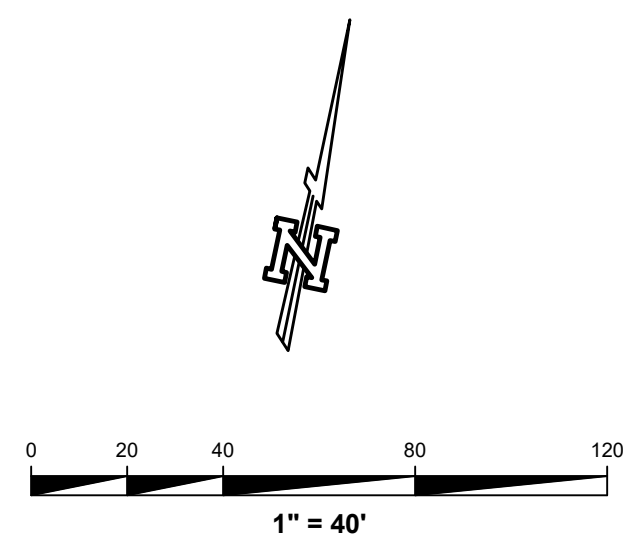
EXHIBIT A

Original Site Plan

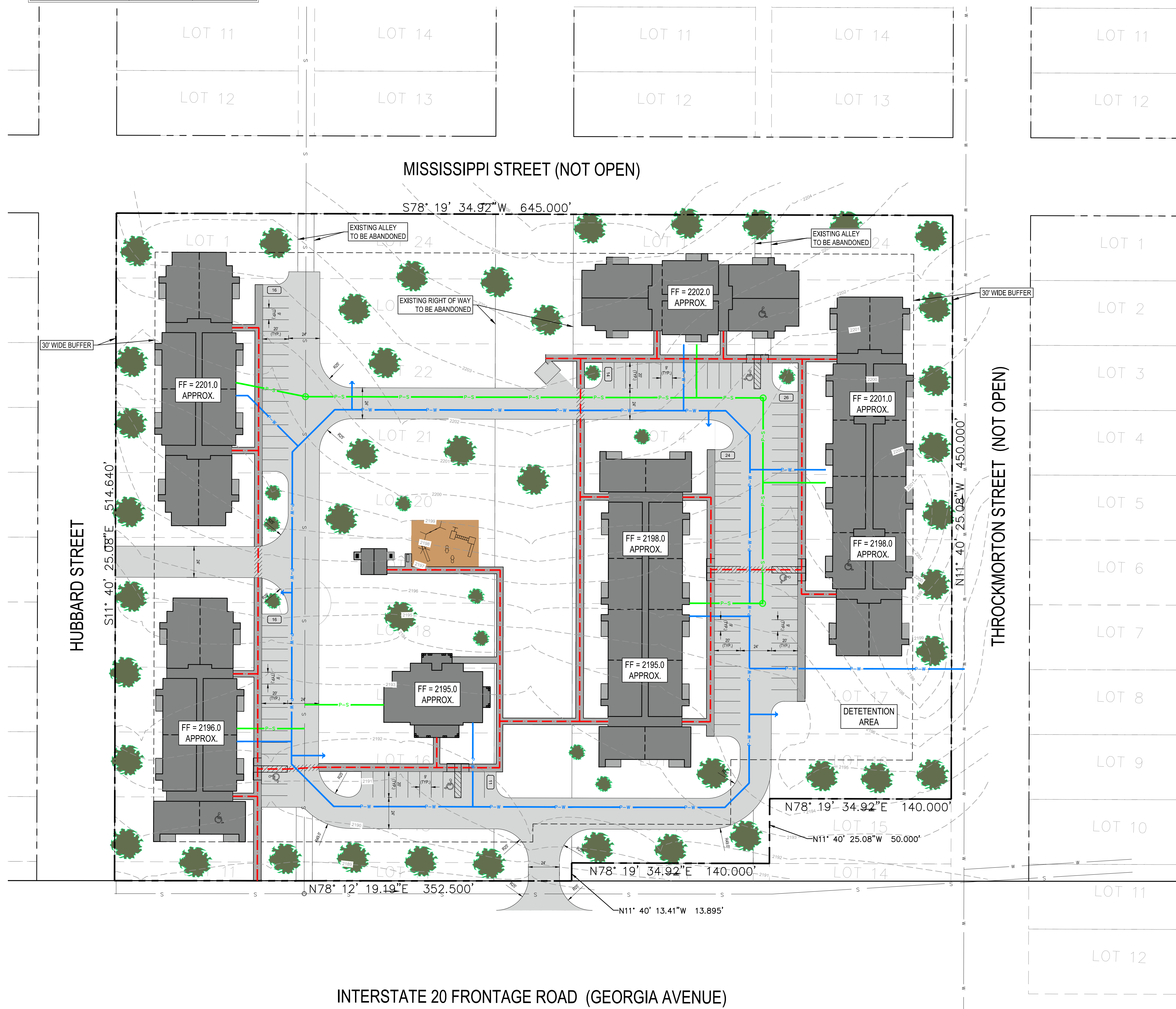
GENERAL NOTES

1. THE ENGINEER HAS RESEARCHED CODES, ORDINANCES, AND OTHER DEVELOPMENTAL REQUIREMENTS OF LOCAL GOVERNMENT, INCLUDING FIRE, WITH JURISDICTION OVER THE SITE, AND VERIFY THAT THE SITE PLAN CONFORMS TO ALL APPLICABLE ZONING, SITE DEVELOPMENT, AND BUILDING CODED ORDINANCES. ACTUAL SUBMISSION TO, OR REVIEW BY A LOCAL GOVERNMENT, INCLUDING FIRE, IS NOT REQUIRED.
2. THERE ARE NO KNOWN VARIANCES THAT WILL BE REQUIRED FOR THIS PROJECT.
3. DIMENSIONS ARE TO FACE OF CURB, RADII ARE TO FACE OF CURB, OR CENTER OF STRIPING UNLESS NOTED OTHERWISE.
4. CONTRACTOR SHALL REFER TO ARCHITECTURAL PLANS FOR EXACT LOCATIONS AND DIMENSIONS OF BUILDING EXIT PORCHES, RAMPS, SIDEWALKS, DOWN SPOUTS AND OTHER APPURTENANCES WHICH ARE CONNECTED TO THE BUILDING, PRECISE BUILDING DIMENSIONS, AND EXACT BUILDING UTILITY LOCATIONS.
5. CONTRACTOR SHALL REFER TO ELECTRICAL PLANS FOR TYPES OF LIGHT FIXTURES AND CONDUIT ROUTING.
6. CONTRACTOR SHALL PROVIDE FIRE LANE STRIPING AS PER GOVERNING ENTITY.
7. EXISTING TOPOGRAPHIC INFORMATION WAS TAKEN FROM GOOGLE EARTH ELEVATION DATA AND NO WARRANTY IS MADE AS TO ITS ACCURACY.
8. THE MINIMUM HORIZONTAL SEPARATION BETWEEN PARALLEL WATER AND SEWER LINES IS TEN (10) FEET, AND THE MINIMUM VERTICAL SEPARATION BETWEEN CROSSING WATER AND SEWER LINES IS EIGHTEEN (18) INCHES.
9. PROPOSED FINISH FLOOR ELEVATIONS ARE PRELIMINARY AND WERE DEVELOPED FOR APPROXIMATE EARTHWORK QUANTITIES.
10. A PORTION OF THIS PROPERTY LIES WITHIN ZONE A PER FLOOD INSURANCE RATE MAP NO. 4805020005C, EFFECTIVE DATE JUNE 19, 1989.

LEGEND	
E- INDICATES EXISTING P- INDICATES PROPOSED	INDICATES EXISTING OR PROPOSED
INDICATES TYPE OF LINE	INDICATES SIZE OF LINE
	NUMBER OF PARKING SPACES PER ROW
	PROPOSED FIRE HYDRANT
	PROPOSED MANHOLE
	PROPOSED WATER LINE
	PROPOSED SANITARY SEWER
	EXISTING WATER LINE
	EXISTING SANITARY SEWER
	PROPERTY BOUNDARY
	ADA ROUTE



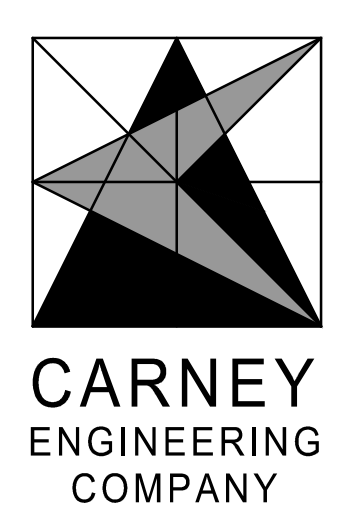
PARKING DATA		
APARTMENTS (46 UNITS)	PARKING REQUIRED	PARKING PROVIDED
	99 SPACES	107 SPACES



REVISIONS

SWEETWATER SPRINGS APARTMENTS S
XXXX GEORGIA AVENUE
SWEETWATER, TEXAS

PRELIMINARY
SITE PLAN



TBPE FIRM REGISTRATION NO. F-5033
DRAWN BY:
CHECKED BY:
START DATE:
SCALE:
PROJECT NO.:

C1.0

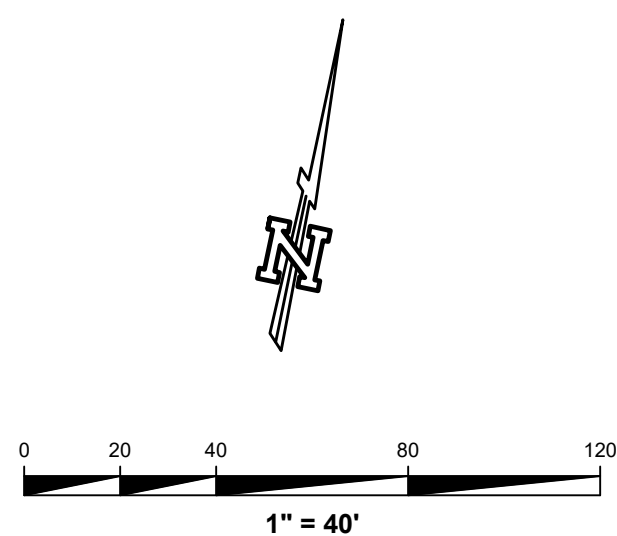
EXHIBIT A

Alternative Site Plan

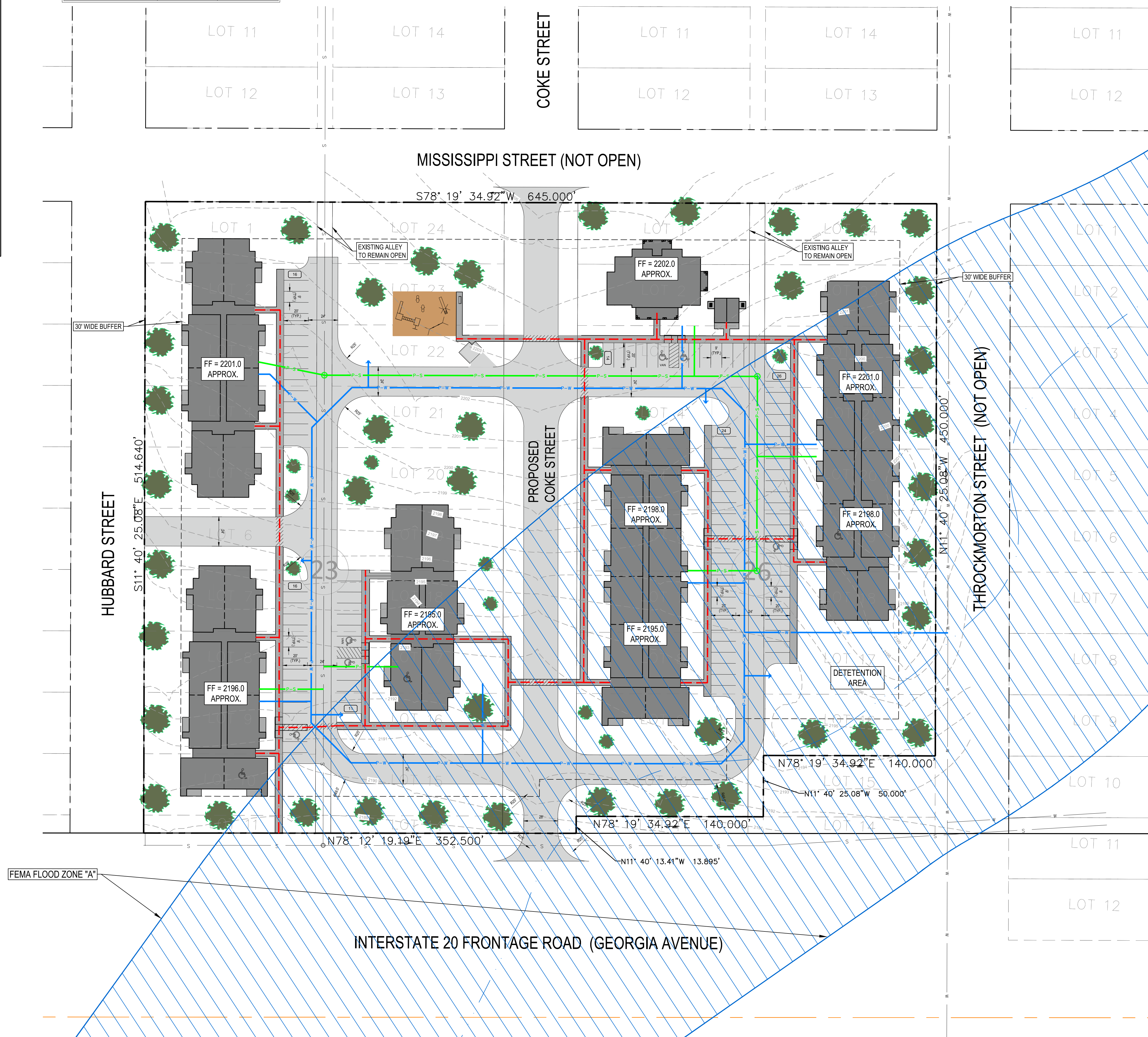
GENERAL NOTES

1. THE ENGINEER HAS RESEARCHED CODES, ORDINANCES, AND OTHER DEVELOPMENTAL REQUIREMENTS OF LOCAL GOVERNMENT, INCLUDING FIRE, WITH JURISDICTION OVER THE SITE, AND VERIFY THAT THE SITE PLAN CONFORMS TO ALL APPLICABLE ZONING, SITE DEVELOPMENT, AND BUILDING CODED ORDINANCES. ACTUAL SUBMISSION TO, OR REVIEW BY A LOCAL GOVERNMENT, INCLUDING FIRE, IS NOT REQUIRED.
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LEGEND	
E- INDICATES EXISTING	INDICATES TYPE OF LINE
P- INDICATES PROPOSED	INDICATES SIZE OF LINE
(XX)	NUMBER OF PARKING SPACES PER ROW
(H)	PROPOSED FIRE HYDRANT
(M)	PROPOSED MANHOLE
P-W	PROPOSED WATER LINE
P-S	PROPOSED SANITARY SEWER
W	EXISTING WATER LINE
S	EXISTING SANITARY SEWER
(---)	PROPERTY BOUNDARY
(- - -)	ADA ROUTE



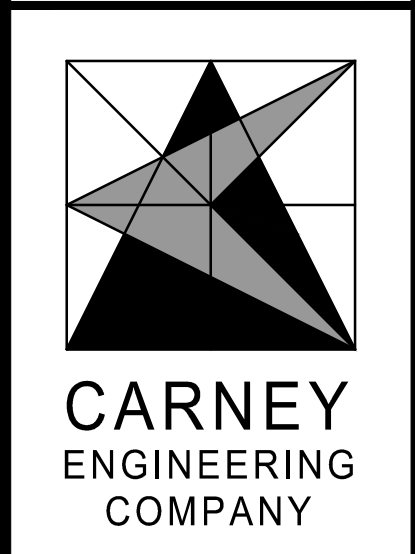
PARKING DATA		
APARTMENTS (48 UNITS)	PARKING REQUIRED	PARKING PROVIDED
	99 SPACES	107 SPACES



REVISIONS

SWEETWATER SPRINGS APARTMENTS
7.4 ACRES
GEORGIA AVENUE
SWEETWATER, TEXAS

PRELIMINARY
SITE PLAN



This document is released for the purpose of interim review under the authority of Craig Carney, P.E. # 55714 on April 1, 2019.

TBPE FIRM REGISTRATION NO. F-5033
DRAWN BY: DPB
CHECKED BY: TCC
SCALE: 1" = 40'
PROJECT NO: 2068-152

SHEET **C1.0**

TDHCA Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Leslie Bingham-Escareño, *Vice Chair*
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Leo Vasquez, Member

May 20, 2019

Writer's direct dial: 512.475.1676
Email: david.cervantes@tdhca.state.tx.us

Robbye Meyer
Arx Advantage, LLC
1305 Dusky Thrush Trail
Austin, Texas 78746

RE: APPEAL OF TERMINATION FOR 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19368 SWEETWATER SPRINGS

Dear Ms. Meyer:

The Texas Department of Housing and Community Affairs (the Department) is in receipt of your appeal dated May 15, 2019 for the Application mentioned above. Staff had determined that the Applicant did not have an agreement with the City of Sweetwater with regard to development on or ingress and egress access to Coke Street, prior to submission of the Application. Further, the amendment to the purchase and sale contract is between the Applicant and the Seller of the private property and not with the City of Sweetwater, which is the entity that must agree to have the LURA extend to the Coke Street easement. The Application was terminated due to the Applicant's inability to provide documentation that existed prior to submission of the Application to meet threshold requirements, subject to the Applicant's ability to appeal.

The appeal states:

"In accordance with §11.204(10), the Department requested the easement documentation from the Applicant through a deficiency and the Applicant submitted the required information to the Department promptly. The rule does not state such documentation must be dated prior to March 1st, it merely states that the documentation must be submitted promptly when requested."

The rules address the requirement for the existence of documentation prior to submission of the Application. Per 10 TAC 11.1(d)(78) related to Material Deficiency:



(78) Material Deficiency--Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items. (emphasis added)

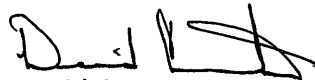
Per 10 TAC §11.201(7) related to Deficiency Process:

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information (that should already been in existence prior to Application submission), there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. (emphasis added)

The contract amendment was dated April 14, 2019, and the letter and temporary access easement agreement from the City of Sweetwater was dated April 15, 2019. The appeal does not address the fact that the amendment to the purchase and sale contract is between the Applicant and the Seller of the private property and not with the City of Sweetwater, which is the entity that must agree to have the land use restriction agreement (LURA) extend to the Coke Street easement.

I do not find that the issues raised in your appeal regarding whether the Applicant had an agreement with the city for ingress and egress access using Coke Street and that the fee title owner agreed that the LURA may extend to an access easement clearly demonstrate that the Application should not have been terminated, and accordingly I must deny the appeal. Per your request, staff has placed this item on the agenda for the May 23, 2019, meeting of the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2019 QAP for full instruction on the appeals process. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,



David Cervantes
Acting Director

BOARD ACTION ITEM
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on timely filed appeal of material deficiencies in HTC Application 19229, Hacienda Santa Barbara under the Department's Multifamily Program Rules

RECOMMENDED ACTION

WHEREAS, the appeal relates to Competitive Housing Tax Credit (HTC) application 19229 Hacienda Santa Barbara, which was submitted to the Department by the Full Application Delivery Date;

WHEREAS, staff determined that the Application was materially deficient because of the inability of the Applicant to provide documentation that existed prior to submission of the Application to resolve 14 of 34 deficient items in the Application, subject to the Applicant's ability to appeal;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Acting Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, that the appeal for 19229 Hacienda Santa Barbara is hereby denied, and the application is terminated.

BACKGROUND

10 TAC §11.9, related to Competitive HTC Selection Criteria, identifies the scoring criteria used in evaluating and ranking Applications. It includes those items required under Tex. Gov't Code, Chapter 2306 (Statute), §42 of the Internal Revenue Code (the Code), and other criteria established in a manner consistent with Chapter 2306 and §42 of the Code.

10 TAC §11.204, related to Required Documentation for Application Submission, identifies the documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by Department rule. Just as with the HTC Selection Criteria, the rule creates the format for information required by Statute and Code, and information necessary to evaluate and underwrite the Application.

The Application proposes the New Construction of 40 units for a general population in Socorro. Per the Application, the proposed Development would provide affordable housing for farm workers and their families in the Rio Grande Valley.

After initial review of the Application, staff issued a deficiency notice on March 18, 2019, that included 34 items to be resolved by 5:00 p.m., Austin local time, on March 25, 2019. Response to the deficiency notice was uploaded by the Applicant on March 25 at 4:02 p.m., leaving little time for staff to review the 254-page response prior to the deadline. When staff completed review of the response, 14 items remained deficient.

Per 10 TAC §11.201(7)(A) related to the Deficiency Process:

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information (that should already been in existence prior to Application submission), there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. It is the responsibility of a person who receives a deficiency to address the matter in a timely manner so that staff has the ability to review the response by the close of business on the date by which resolution must be complete and the deficiency fully resolved. Merely submitting materials prior to that time places the responsibility on the responding party that if the materials do not fully resolve the matter there may be adverse consequences such as point deductions or termination. (emphasis added)

The appeal states that the Applicant interpreted the requirement in 10 TAC §§11.201(7)(B) that “[u]nless an extension has been timely requested and granted, if a deficiency is not fully resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice...” to mean that the response had to be delivered to TDHCA by the deadline. Per the appeal, “[t]he applicant did not interpret the TDHCA communique to mean the TDHCA has established a deadline for its staff to complete the review of the applicant’s response” by the deadline. The appeal states that the deadline appears to be “an internal deadline” set by the Department for Department staff to complete its review.

Each multifamily deficiency notice issued includes at the bottom the following notice: “All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice.” In addition, the notice sent to the Applicant stated in two places that “All deficiencies must be corrected or clarified by 5 pm Austin local time on March 25, 2019.” The appeal states that the Applicant “interpreted this to mean that the corrected or clarified information by the applicant was to be at TDHCA” by the deadline. Having not received any information in response to the notice, staff contacted the Applicant on March 25, 2019, at 2:55 p.m. reminding the Application that “the information requested below is due, in completion, no later than (sic) 5:00 pm Austin local time today.” The Applicant responded that a response was forthcoming, “hopefully by 4:00 PM your time.” When the information was reviewed, staff determined that 14 of the 34 deficient items remained deficient. The information provided clearly did not fully resolve the deficiencies to the satisfaction of the Department.

The appeal states that a number of the deficiencies required coordination with third party development team members and that several board members were not available during the five

day response period. The Applicant did not contact staff regarding this issue, and no extension was requested. The information was simply not provided, or what was provided was not sufficient to resolve the deficiencies.

The appeal notes that 10 TAC §11.201(7)(B) of the QAP provides that:

Unless an extension has been timely requested and granted, if a deficiency is not fully resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice, then (5 points) shall be deducted from the selection criteria score for each additional day the deficiency remains unresolved. . . . If deficiencies are not resolved by 5:00 p.m. on the seventh business day following the date of the deficiency notice, then the Application shall be terminated, subject to appeal of staff's decision regarding the sufficiency of the response.

The appeal asserts that the Applicant was not informed of any unresolved deficiencies until receipt of the notice of termination and that all resources would have been applied to correct the deficiencies had the Applicant been made aware of them. Previously, the appeal indicated that the Applicant was aware that there remained outstanding deficiencies because a number of the deficiencies required coordination with third party development team members and that several board members were not available during the five day response period.

Staff determined that the Application was materially deficient because of the inability of the Applicant to provide documentation that existed prior to submission of the Application to resolve 14 of 34 deficient items in the Application, subject to the Applicant's ability to appeal.

10 TAC §11.1(a)(78) of the 2019 Qualified Allocation Plan (QAP) defines a Material Deficiency as:

Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items. It is possible that multiple deficiencies that could individually be characterized as Administrative Deficiencies, when taken as a whole would create a need for substantial re-review of the Application and as such would be characterized as constituting a Material Deficiency. (emphasis added)

The Application was terminated not simply because of the unresolved deficiencies, but because staff determined that, per 10 TAC §11.1(a)(78) of the QAP related to Material Deficiencies, the inability of the Applicant to provide documentation that existed prior to submission of the Application to substantiate claimed points or meet threshold requirements is material. The multiple deficiencies in the original Application and those that remained outstanding after the response period for the deficiency notice, when taken as a whole, would create a need for substantial re-review of the Application and, as such, were characterized by staff as constituting

a Material Deficiency. To continue to request documentation required in the Application and required again in the deficiency notice would perpetuate the very re-review of the Application that the rule seeks to eliminate. For that reason, no further requests for documentation were sent to the Applicant.

The items that remain deficient are a mix of threshold and scoring items that are of such a material nature that the Application should be terminated.

Staff recommends the Board deny the appeal.

19229 Hacienda Santa Barbara Deficiency Notice and Applicant Response

From: [Shannon Roth](#)
To: [S D ESTRADA](#); [Tom Andrews](#)
Cc: [Sharon Gamble](#); [Marni Holloway](#)
Subject: RE: 19229 Hacienda Santa Barbara - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, March 25, 2019 3:12:37 PM

Thank you for the update.

Shannon Roth

Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3929
Fax: 512.475.1895

About TDHCA

The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.state.tx.us or the [Learn about Fair Housing in Texas](#) page.

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: S D ESTRADA <tdsestrada@msn.com>
Sent: Monday, March 25, 2019 3:09 PM
To: Shannon Roth <shannon.roth@tdhca.state.tx.us>; Tom Andrews <thomasdevelopment@comcast.net>
Cc: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Marni Holloway <marni.holloway@tdhca.state.tx.us>
Subject: Re: 19229 Hacienda Santa Barbara - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Thank you for the alert!

We anticipate having a response before the deadline, hopefully by 4:00 PM your time.

Thanks,

Sal Estrada

From: Shannon Roth <shannon.roth@tdhca.state.tx.us>
Sent: Monday, March 25, 2019 1:55 PM
To: Tom Andrews; tdsestrada@msn.com
Cc: Sharon Gamble; Marni Holloway
Subject: RE: 19229 Hacienda Santa Barbara - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Just a reminder the information requested below is due, in completion, no later 5:00 pm

Austin local time today. If the information is not received in full by 5pm Austin local time today, you will be subject to any applicable point loss.

Thank you.

Shannon Roth

Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.3929
Fax: 512.475.1895

About TDHCA

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Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).

From: Tom Andrews <thomasdevelopment@comcast.net>

Sent: Monday, March 18, 2019 3:20 PM

To: Shannon Roth <shannon.roth@mail.tdhca.state.tx.us>; tdsestrada@msn.com

Cc: Sharon Gamble <sharon.gamble@mail.tdhca.state.tx.us>; Marni Holloway <marni.holloway@mail.tdhca.state.tx.us>

Subject: RE: 19229 Hacienda Santa Barbara - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Received.

From: Shannon Roth <shannon.roth@tdhca.state.tx.us>

Sent: Monday, March 18, 2019 3:12 PM

To: tdsestrada@msn.com; thomasdevelopment@comcast.net

Cc: Shannon Roth <shannon.roth@tdhca.state.tx.us>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Marni Holloway <marni.holloway@tdhca.state.tx.us>

Subject: 19229 Hacienda Santa Barbara - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing

information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. **Development Owner Certification, Acknowledgement and Consent Form:** Please submit the most recently posted (2/14) 2019 Development Owner Certification and 2019 Applicant Eligibility Certification for all signatories. These pages have an effective date of 2/13 at the bottom right corner of their pages.
2. **Zoning:** The submitted evidence from the City of Socorro regarding the zoning designation is too old. Letters must be dated after 9/1/2018.
3. **Flood Plain Designation:** If a FEMA map is not available, documentation from the local government identifying the 100-year floodplain must be submitted. Please review §11.101(a)(1) of the 2019 QAP.
4. **Site Information Form Part II Opportunity Index:** The first Section of this page was left blank. Please review §11.9(c)(4) of the 2019 QAP. It does not appear as though the submitted Application qualifies for this item. In order to be eligible for the points, the Application must satisfy either (i) or (II) under §11.9(c)(4)(A).
5. **Declared Disaster Area:** Please review §11.9(d)(3), El Paso does not appear to be listed on the 2019 list of Disaster Areas. It does not appear as though the Application qualified for this item. The information provided in the Application is too old.
6. **Site Control:** Provide evidence that the Option Fee has been received by the title company. Identify where the site acreage can be found.
7. **Title Commitment:** The proposed insured doesn't appear to be in the name of the Development Owner. The ownership entity name should be consistent with other documents, L.P. versus Limited Partnership. Furthermore, the legal description does not include the acreage.
8. **Tab 15 Neighborhood Organizations:** This form appears incomplete, none of the boxes at the top were checked and/or no Neighborhood Organizations have been included.
9. **Tab 16 Certification of Notification:** Review Part 3 of this form to ensure it is consistent with your Tab 15 revision. The information and/or selection must be consistent between the 2.
10. **Tab 24 Rent Schedule:** Revise to include a description for the non-rental income, misc. and etc., are not acceptable.
11. **Tab 22 Architectural Drawings:** Provide the local parking code requirement. Identify the van accessible parking spaces on the site plan. Identify the accessible route.
12. **Tab 22 Architectural Drawings:** Provide a floor plan for each accessible unit type. Provide

the floor plan for the common building.

13. Provide a breakdown for each building type of the square footages of the breezeways, corridors, utility closets, porches and patios and any other not included in the NRA. Please do not submit new drawings, only a statement.
14. **Tab 23 Specifications and Building Unit Type Form:** Confirm the number or proposed parking spaces. The drawings page G-001 has 86 instead of 88. Tab 23C Accessible Parking Calculation also indicates only 84 spaces will be provided.
15. **Tab 22 Elevations:** Provide a statement with breakdown of the exterior material percentages by building type. Only a statement is needed, please do not submit additional elevation drawings.
16. **Tab 35 Sources and Uses:** The submitted Sources and Uses Form shows the BBVA loan to have a 5.50% interest rate; however I do not see where that interest rate is in the letter from the lender.
17. **Tab 35 Sources and Uses Form:** The amount per dollar the Syndicator is willing to pay is blank. Revise, it must be consistent with the letter from Raymond James.
18. **Syndication Term Sheet:** The construction loan information in the Raymond James letter is inconsistent with the submitted Sources and Uses Form.
19. **Finance Scoring, Commitment of Development Funding from Local Political Subdivision:** The submitted resolution from the City of Socorro is dated 2017.
20. **Organization Chart:** Indicate or provide a statement for all of the submitted organization charts of who has the ability to exercise Control.
21. **Tab 38 List of Organizations and Principals:** Check the spelling of Raul Grandos vs. Granados.
22. **Tab 38 List of Organizations and Principals:** Revise Org Box 2 to include the Sole Member and indicate whether or not he has any prior TDHCA Experience.
23. **Tab 39 Previous Participation (PPR):** Tab 38 indicates that Patrick Vigil has previous TDHCA Experience; however the PPR form is blank. Revise to make consistent.
24. **Tab 40 and 41 Nonprofit Participation:** Identify in the submitted Application where a resolution can be found that has been approved by the Nonprofit board indicating clear approval of their participation in the Application and naming all members of the board and employees who may act on its behalf. Review §11.204(14)(A).
25. Furthermore, you have applied under the USDA set aside and have indicated this

Application is rural due to the 514 USDA funding, based on this the majority of Nonprofit board members must live within the State of Texas. The information submitted points to all of the members residing in New Mexico.

26. **Tab 44 Experience Certificate:** Please complete any correspondence and provide any information requested by Elizabeth Henderson to complete the Experience Certification Review. *No action is needed at this time on this item, you must follow up with Elizabeth*
27. **Tab 45 Applicant Credit Limit:** The submitted Part 1 Applicant Credit Limit Documentation and Certification is not signed nor dated.
28. **Support from Community Organizations Form:** Project Bravo is listed on this form as having submitted support; however no documentation appears to have been provided.
29. **Support from Community Organizations:** No evidence of good standing has been provided for Familias Triunfadoras, Inc. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing.
30. **Support from Community Organizations:** The letter and documentation submitted for MET does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing.
31. **Support from Community Organizations:** The letter and documentation submitted for Sin Fronteras Organizing Project Centro de los Trabajadores Agricolas Fronterizos does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing.
32. **Support from Community Organizations:** The letter and documentation submitted for A.Y.U.D.A does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing.
33. **Environmental Site Assessment:** Please review §11.205 and §11.305 to determine what must addressed and included in the Phase I Environmental Site Assessment, as it appears as though the report submitted does not meet it. Only existing developments funded by USDA are exempt from this requirement, as Hacienda Santa Barbara is new construction it is required.

In addition to all requirements found in §11.205 and §11.305 please identify in the current report where the following items can be found:

- Property acreage
- A statement granting the Department the authority to rely on the report findings
- A statement from the preparer stating that they will no materially benefit from the Development other than by receiving a fee for the report and the fee is non

contingent upon the report findings

- The preparer has read and understands Section 11.305 of the Multifamily Rules
- The statement: “All person who have a property interest in this report here acknowledge that the Department may publish the full report on the Department’s website, release the report in response to a request for public information and make other use of the report as authorized by law.”

If these items have not been included, you must provide a statement from the report preparer including all of the above.

34. **Site Design and Feasibility Report:** The report appears to be too old as it references the 2017 Rules. The survey appears to be too old and is dated in 2016.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily

Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on March 25, 2019. Please respond to this email as confirmation of receipt.****

****All deficiencies must be corrected or clarified by 5 pm Austin local time on March 25, 2019.****

****Please respond to this email as confirmation of receipt.****

Thanks.

Shannon Roth

Multifamily Housing Specialist

Texas Department of Housing and Community Affairs

221 E. 11th Street | Austin, TX 78701

Office: 512.475.3929

Fax: 512.475.1895

About TDHCA

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Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).

**HOUSING AND ECONOMIC RURAL OPPORTUNITY INC.
ALSO KNOWN AS H.E.R.O.**

210 East Idaho Street
Las Cruces, NM 88005
Telephone 575-541-0477

Contact: Salvador Estrada

Shannon Roth
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
211 E. 11th Street
Austin, TX 78701

RE: 9229- Hacienda Santa Barbara
Response to Deficiency Notice

- 1. Development Owner Certification, Acknowledgement and Consent Form:** Please submit the most recently posted (2/14) 2019 Development Owner Certification and 2019 Applicant Eligibility Certification **for all signatories. Attachment 1**
- 2. Zoning:** The submitted evidence from the City of Socorro regarding the zoning designation is too old. Letters must be dated after 9/1/2018.
Attachment 2
- 3. Flood Plain Designation:** If a FEMA map is not available, documentation from the local government identifying the 100-year floodplain must be submitted. **A FEMA flood mapping search report has been included. The City of Socorro Planning Department have confirmed the project site is not in a flood zone and will supply a flood zone determination letter.**
- 4. Site Information Form Part II Opportunity Index:** The first Section of this page was left blank. Please review §11.9(c)(4) of the 2019 QAP. **The census tract of the project site and the six contiguous census tracts all are very low income with poverty rates over 30%. The surrounding area is rich in amenities to support the targeted population that lives in the PMA.**
- 5. Declared Disaster Area:** Please review §11.9(d)(3), El Paso does not appear to be listed on the 2019 list of Disaster Areas. **USDA designated El Paso County as a Primary Natural Disaster area on October 25, 2018. Attachment 4**

6. **Site Control:** Provide evidence that the Option Fee has been received by the title company. Identify where the site acreage can be found. **The Buyer paid the Option Fee to the Seller with a cashier's check. The legal description has been revised to include the site acreage. Attachment 5**
7. **Title Commitment:** The proposed insured doesn't appear to be in the name of the Development Owner. **The proposed development owner will be Hacienda Santa Barbara Apartments Limited Partnership. The legal description has been revised. Attachment 6**
8. **Tab 15 Neighborhood Organizations:** This form appears incomplete, none of the boxes at the top were checked and/or no Neighborhood Organizations have been included. **Attachment 7**
9. **Tab 16 Certification of Notification:** Review Part 3 of this form to ensure it is consistent with your Tab 15 revision. The information and/or selection must be consistent between the 2. **No change**
10. **Tab 24 Rent Schedule:** Revise to include a description for the non-rental income. **Attachment 8**
11. **Tab 22 Architectural Drawings:** Provide the local parking code requirement. **78 standard parking spaces and 6 accessible parking spaces.** Identify the van accessible parking spaces on the site plan. Identify the accessible route. **Attachment 9**
12. **Tab 22 Architectural Drawings:** Provide a floor plan for each accessible unit type. Provide the floor plan for the common building. **Attachment 9**
13. Provide a breakdown for each building type of the square footages of the breezeways, corridors, utility closets, porches and patios and any other not included in the NRA. Please do not submit new drawings, only a statement. **Attachment 9**
14. **Tab 23 Specifications and Building Unit Type Form:** Confirm the number or proposed parking spaces. **There will be 78 standard parking spaces and 6 accessible parking spaces for a total of 84.**
15. **Tab 22 Elevations:** Provide a statement with breakdown of the exterior material percentages by building type. **The exteriors are 100% stucco.**

- 16. Tab 35 Sources and Uses:** The submitted Sources and Uses Form shows the BBVA loan to have a 5.50% interest rate; however, I do not see where that interest rate is in the letter from the lender. **Attachment 10**
- 17. Tab 35 Sources and Uses Form:** The amount per dollar the Syndicator is willing to pay is blank. Revise, it must be consistent with the letter from Raymond James. **Attachment 10**
- 18. Syndication Term Sheet:** The construction loan information in the Raymond James letter is inconsistent with the submitted Sources and Uses Form. **Attachment 11**
- 19. Finance Scoring, Commitment of Development Funding from Local Political Subdivision:** The submitted resolution from the City of Socorro is dated 2017. **The resolution does not have an expiration date.**
- 20. Organization Chart:** Indicate or provide a statement for all of the submitted organization charts of who has the ability to exercise Control. **Attachment 12**
- 21. Tab 38 List of Organizations and Principals:** **The spelling of Granados is now consistent.**
- 22. Tab 38 List of Organizations and Principals:** Revise Org Box 2 to include the Sole Member and indicate whether or not he has any prior TDHCA Experience. **Attachment 13**
- 23. Tab 39 Previous Participation (PPR):** Tab 38 indicates that Patrick Vigil has previous TDHCA Experience; however, the PPR form is blank. Revise to make consistent. **Attachment 14**
- 24. Tab 40 and 41 Nonprofit Participation:** Identify in the submitted Application where a resolution can be found that has been approved by the Nonprofit board indicating clear approval of their participation in the Application and naming all members of the board and employees who may act on its behalf. **Attachment 15**
- 25.** Furthermore, you have applied under the USDA set aside and have indicated this Application is rural due to the 514 USDA funding, based on this the majority of Nonprofit board members must live within the State of Texas. The information submitted points to all of the members residing in New Mexico. **Socorro is**

designated as Urban. Page 20 of the QAP states all applications that can score under the USDA Set-Aside will be considered Rural. Under the USDA RD 514 Farm Labor Housing Program, farm labor housing developments can be located in Urban areas. The General Partner- Housing and Economic Rural Opportunity, Inc. has now populated its Board with the majority of the members from Texas. Attachment 16

- 26. Tab 44 Experience Certificate:** Please complete any correspondence and provide any information requested by Elizabeth Henderson to complete the Experience Certification Review. *No action is needed at this time on this item, you must follow up with Elizabeth* **We have been working with Elizabeth.**

- 27. Tab 45 Applicant Credit Limit:** The submitted Part 1 Applicant Credit Limit Documentation and Certification is not signed nor dated. **Attachment 17**

- 28. Support from Community Organizations Form:** Project Bravo is listed on this form as having submitted support; however, no documentation appears to have been provided. **Attachment 18**

- 29. Support from Community Organizations:** No evidence of good standing has been provided for Familias Triunfadoras, Inc. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing. **Attachment 19**

- 30. Support from Community Organizations:** The letter and documentation submitted for MET does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing. **Attachment 20**

- 31. Support from Community Organizations:** The letter and documentation submitted for Sin Fronteras Organizing Project Centro de los Trabajadores Agricolas Fronterizos does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing. **Attachment 21**

- 32. Support from Community Organizations:** The letter and documentation submitted for A.Y.U.D.A does not indicate what the organizations service area is or that it serves Socorro community. Evidence from the TX Comptroller or IRS must be provided to show the organization remains in good standing. **Attachment 22**

33. Environmental Site Assessment: Please review §11.205 and §11.305 to determine what must be addressed and included in the Phase I Environmental Site Assessment, as it appears as though the report submitted does not meet it. **The ESA has been revised and reformatted. Attachment 23**

34.

In addition to all requirements found in §11.205 and §11.305 please identify in the current report where the following items can be found:

- Property acreage
- A statement granting the Department the authority to rely on the report findings
- A statement from the preparer stating that they will not materially benefit from the Development other than by receiving a fee for the report and the fee is non-contingent upon the report findings
- The preparer has read and understands Section 11.305 of the Multifamily Rules
- The statement: “All persons who have a property interest in this report hereby acknowledge that the Department may publish the full report on the Department’s website, release the report in response to a request for public information and make other use of the report as authorized by law.”

If these items have not been included, you must provide a statement from the report preparer including all of the above.

35. Site Design and Feasibility Report: The report appears to be too old as it references the 2017 Rules. The survey appears to be too old and is dated in 2016. **The report and survey have been updated. Attachment 24**

Attachments: bookmarked

1. Development, Owner Certifications- revised
2. Zoning letter- revised
3. Flood plain designation- FEMA search report
4. Disaster Area- USDA designation
5. Site Control- cashier’s check
6. Legal description- revised

7. Tab 15- revised; Neighborhood Organizations
8. Tab 24- revised; Rent Schedule
9. Architectural Drawings
10. Tab 35 Sources and Uses, BBVA LOI
11. Syndicator Term Sheet- RJTCF
12. Organizational Charts
13. Tab 38- List of Organizations and Principals
14. Tab 39- Previous Participation
15. Tab 40 & 41- Nonprofit Participation; HERO Resolution
16. Urban vs. Rural; HERO Board Incumbency Certification
17. Tab 45-Applicant Credit Limit
18. Project Bravo
19. Familias Triunfadoras
20. MET
21. Sin Fronteras
22. A.Y.U.D.A.
23. ESA
24. Site Design and Feasibility report and revised survey

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department's Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD's System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.

Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 11.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov't Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov't Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov't Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that

has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application or the use of information therein.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, Determination Notice, or Closing, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but

not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

By: [Signature]
Signature of Authorized Representative

Salvador Estrada
Printed Name

Executive Director
Title

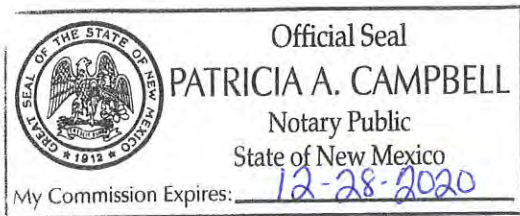
3-22-2019
Date

THE STATE OF New Mexico §
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Salvador Estrada, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of March, 2019

(Seal)



[Signature]
Notary Public Signature

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department's Governing Board requiring strict performance, or the obtaining of injunctive relief.

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The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but

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By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

Elia Garcia
Mayor

Rene Rodriguez
Representative
At Large

Cesar Nevarez
District 1



Ralph Duran
District 2

Victor Perez
District 3
Mayor Pro-Tem

Yvonne Colon-Villalobos
District 4

Adriana Rodarte
City Manager

PLANNING & ZONING DEPARTMENT

ZONING CERTIFICATION LETTER

March 22, 2019

Housing and Economic Rural Opportunity, Inc.
Salvador Estrada, Executive Director
210 East Idaho Street
Las Cruces, NM 88005
Tel. 605-265-1700

RE: 525 THREE MISSIONS DR., SOCORRO TX. 79927 – LOT 1A, BLOCK 1, THREE MISSIONS SUBDIVISION REPLAT “A”.

Dear Constituent,

This letter hereby confirms that the zoning classification for the above referenced property is:

R-3, HIGH DENSITY RESIDENTIAL

According to our current Zoning Land Use Map, the property complies with the requirements of the Zoning Ordinance Chapter 46 of the City of Socorro, Texas.

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely Yours,

City of Socorro Department of Planning & Zoning

By:  _____

Job Terrazas
Building Official
860 N. Rio Vista Rd.
Socorro, Texas 79927
e-mail: jterrazas@ci.socorro.tx.us



FEMA Flood Map Service Center: Search By Address

Navigation

Search

Languages

Enter an address, place, or coordinates: ?

525 Three Missions Drive, Socorro, Texas

Whether you are in a high risk zone or not, you may need [flood insurance \(https://www.fema.gov/national-flood-insurance-program\)](https://www.fema.gov/national-flood-insurance-program) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take \(https://www.fema.gov/what-mitigation\)](https://www.fema.gov/what-mitigation) to reduce flood risk damage.

MSC Home (/portal/)

MSC Search by Address (/portal/search)

MSC Search All Products (/portal/advanceSearch)

MSC Products and Tools (/portal/resources/productsandtools)

Hazus (/portal/resources/hazus)

LOMC Batch Files (/portal/resources/lomc)

Product Availability (/portal/productAvailability)

MSC Frequently Asked Questions (FAQs) (/portal/resources/faq)

MSC Email Subscriptions (/portal/subscriptionHome)

Contact MSC Help (/portal/resources/contact)

Search Results—Products for **SOCORRO, CITY OF**

Show ALL Products » (<https://msc.fema.gov/portal/availabilitySearch?addcor>)

FEMA has not completed a study to determine flood hazard for the selected location; therefore, a flood map has not been published at this time. You can contact your community or the FEMA FMIX for more information about flood risk and flood insurance in your community.



You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette.



(<http://www.usda.gov/>)

United States Department of Agriculture

(<http://www.usda.gov/>) Farm Service Agency (<http://www.fsa.usda.gov/>)

Search FSA



() MENU

[Home \(/index\)](#) / [Newsroom \(/news-room/index\)](#) / [Emergency Designations](#)

USDA Designates Four Texas Counties as Primary Natural Disaster Areas

Release No. 0175.18

Dana Rogge

573-876-0934

dana.rogge@mo.usda.gov (<mailto:dana.rogge@mo.usda.gov>)

Emergency Support to Producers in Surrounding Counties/Border State Also Available

WASHINGTON, Oct. 25, 2018 — Agriculture Secretary Sonny Perdue designated four Texas counties as primary natural disaster areas. Producers who suffered losses due to a recent drought, may be eligible for U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) emergency loans (/Assets/USDA-FSA-Public/usdfiles/FactSheets/2017/emergency_loan_program_oct2017.pdf).

These designations by Secretary Perdue allows FSA to extend much-needed emergency credit to producers recovering from natural disasters. Emergency loans can be used to meet various recovery needs including replacing essential items such as equipment or livestock, reorganizing a farming operation or refinance certain debts.

Drought Designation #1

Producers in Freestone and Milam counties, who suffered losses due to drought, may be eligible for emergency loans.

Producers in the contiguous counties of Anderson, Bell, Burleson, Falls, Henderson, Lee, Leon, Limestone, Navarro, Robertson and Williamson in **Texas** are also eligible to apply for emergency loans.

Drought Designation #2

Producers in Culberson and Hudspeth counties, who suffered losses due to drought, may be eligible for emergency loans.

Producers in the contiguous counties of El Paso, Jeff Davis, Presidio, and Reeves in **Texas**, along with Eddy and Otero counties in **New Mexico**, are also eligible to apply for emergency loans.

The deadline to apply for these emergency loans is June 17, 2019.

FSA will review the loans based on the extent of losses, security available and repayment ability.

FSA has a variety of addition programs to help farmers recover from the impacts of this disaster. FSA programs that do not require a disaster declaration include: Operating and Farm Ownership Loans (/Assets/USDA-FSA-Public/usdafiles/FactSheets/archived-fact-sheets/farm_loans_overview_april2017.pdf); the Emergency Conservation Program (/Assets/USDA-FSA-Public/usdafiles/FactSheets/2017/emergency_conservation_program_oct2017.pdf); Livestock Forage Disaster Program (/Assets/USDA-FSA-Public/usdafiles/FactSheets/2018/livestock_forage_disaster_program-july2018.pdf); Livestock Indemnity Program (

OPTION TO PURCHASE REAL PROPERTY
(Hacienda Santa Barbara Apartments)

In consideration of the sum of \$100.00 "Option Fee" in hand paid Seller, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned

Tierra Del Sol Housing Corporation, Inc. (hereinafter called the "Seller"), who covenants to be the owner of the Property hereinafter described, hereby, for the Seller and Seller's heirs, executors, administrators, successors and assigns, offers and agrees to sell and convey to:

Hacienda Santa Barbara Apartments, LP

(hereinafter called the "Buyer") the Property, and hereby grants to the said Buyer the exclusive and irrevocable option and right to purchase, under the conditions hereinafter provided, the following-described land, located in Socorro, El Paso County, State of Texas, together with all improvements, easements, rights and appurtenances related thereto (collectively the "Property") :

Lot 1A, Block 1, Three Missions Subdivision Replat "A", El Paso County, Texas, according to the plat thereof of record in Book 76, Page 90, Plat Records of El Paso County, Texas

The title to said Property is to be conveyed free and clear of all leases, contracts, debts, liens and encumbrances of any kind.

The purchase price for said property shall be **\$305,000**. The Option Fee is non-refundable, but shall be credited to the purchase price at closing.

Beginning on the Effective Date, until termination of this agreement (the "Option Period"), Buyer may inspect the Property and determine whether the Property is suitable for Buyer's needs in Buyer's sole discretion. If Buyer elects to proceed to closing, Buyer shall deliver to Seller the Option Notice as provided below. During the Option Period, Buyer and its agents will have the right to enter and inspect the physical condition of the Property and make such engineering, environmental and other studies of the Property as Buyer may elect. During the Option Period, in addition to any inspections of the Property as described above, Buyer shall have the right, at Buyer's cost and in its sole discretion, to obtain any entitlements and/or to satisfy any requirements necessary to allow the Property to be used for Buyer's intended use. Seller agrees to fully cooperate and to reasonably assist Buyer in obtaining any entitlements and/or to satisfy any requirements necessary to allow the Property to be used for Buyer's intended use provided that Seller shall not be required to incur any expense to third parties. Buyer may terminate this agreement at any time prior to the closing and the Option Fee will be retained by Seller as its sole and exclusive remedy and compensation for the grant of this option.

All parties agree that Buyer will pay all surveying and title and closing costs incurred by Buyer in relation to Buyer's inspections. Surveying is to be completed and accepted by both parties prior to closing.

The Seller further agrees to convey said property to the Buyer by special warranty deed. The purchase price shall be paid at the time of closing; and said Property shall be delivered in the same condition as they are now, customary use and wear, as provided in this agreement.

Taxes, water assessments and other general and special assessments of whatsoever nature for the year in which the closing of the transaction takes place shall be prorated as of the date of the closing of the transaction, it being expressly agreed that for the purpose of such proration the tax year shall be deemed to be the calendar year; furthermore, any assessment shall not be deducted from the purchase price. If the closing of the transaction shall occur before the tax rate is fixed, the apportionment of taxes shall be on the basis of the tax rate for the next preceding year applied to the latest assessed valuation.

Sale of the property shall be contingent upon Buyer's due diligence involving the Property. Buyer shall commence and complete this assessment and due diligence prior to closing.

This option may be exercised by the Buyer, at any time prior to November 1, 2019 at 11:59 p.m. Mountain Time (the "Option Deadline"), by mailing a written notice of acceptance of the offer herein to:

Tierra Del Sol Housing Corporation, Inc.
210 East Idaho Street
Las Cruces, NM 88005

or actual delivery of a notice of acceptance to the Seller (the "Option Notice"). The Option Notice will be deemed received upon the earlier of deposit in the United States mail to the address provided above or actual receipt delivery of the Option Notice to Seller. If written notice of acceptance is not received or deemed received by Seller by the Option Deadline, the Option will automatically expire and the parties will have no further right or obligations under this Option to Purchase Real Property.

The closing will then occur on the first business day that is 10 days after receipt of the Option Notice by Seller. At the closing, Seller will deliver the deed and any applicable bills of sale and assignments of the Property as reasonably required by Buyer and the title company closing the transaction and Buyer will deliver the purchase price called for under this agreement, subject to applicable credits.

The "Effective Date" of this agreement will be the date last signed by Seller and Buyer below.

SELLER:


Tierra Del Sol Housing Corporation

By: 
Rose Garcia, Executive Director

Date: 2-27-19

BUYER:

Hacienda Santa Barbara Apartments LP

By: 
Salvador Estrada, Executive Director
Housing and Economic Rural Opportunity, Inc.
Member of General Partner

Date: 2-27-2019

PROPERTY DESCRIPTION

525 THREE MISSIONS

Description of a parcel of land being Lot 1A, Block 1, Three Missions Subdivision Replat "A", El Paso County, Texas, map of said Three Missions Subdivision Replat "A" recorded in book 76, page 90, Plat Records, El Paso County, Texas and also being that same parcel recorded in Clerk's File #20090046299, El Paso County Clerks Records, and described as follows;

Beginning at a 5/8" rebar with cap stamped "KECO" found at the most easterly corner of said Lot 1A, said rebar also marking the southeasterly corner of Lot 1B of said Block 1, said rebar also lying on the northwesterly ROW of Three Missions Drive (60' wide), from which a 5/8" rebar with cap stamped "KECO" found at the most easterly corner of said Lot 1B lies North 54°26'00" East (bearing basis) a distance of 135.50' and being the "Point Of Beginning";

Thence, with the southeasterly lot line of said Lot 1A, South 54°26'00" West a distance of 569.01' to a 1/2" rebar found at the most southerly corner of said Lot 1A, and lying on the northerly ROW of the Ysla Lateral (50' wide);

Thence, with said northerly ROW of the Ysla Lateral, North 72°04'00" West a distance of 429.22' to a 5/8" rebar with cap stamped "KECO" found at an angle point;

Thence, continuing with said northerly ROW of the Ysla Lateral, North 56°35'00" West a distance of 22.90' to a 5/8" rebar with cap stamped "KECO" found at most westerly corner of said Lot 1A;

Thence, with the northwesterly lot line of said Lot 1A, North 57°28'00" East a distance of 438.44' to a 5/8" rebar with cap stamped "KECO" found at the most westerly common lot corner of said Lots 1A and 1B;

Thence, with the common lot line of said Lots 1A and 1B, South 43°56'55" East a distance of 296.37' to a 5/8" rebar with cap stamped "KECO" found at an angle point;

Thence, continuing with said common lot line of Lots 1A and 1B, North 54°26'00" East a distance of 289.57' to a 5/8" rebar with cap stamped "KECO" found at an angle point;

Thence, continuing with said common lot line of Lots 1A and 1B, North 86°39'24" West a distance of 79.60' to the "Point Of Beginning" and containing 132,899 sq. ft. or 3.0509 acres.

Based on a field survey performed under my supervision and dated 12/27/2016 and updated on 03/21/2019

John A Eby, Texas R.P.L.S. 5372 NM PLS 17779

Paso Del Norte Surveying Inc.
13998 Bradley Road
El Paso, TX. 79938
915-241-1841
TBPLS FIRM #10001200

Neighborhood Organizations

- Organizations **were identified in the Pre-Application** , and there have been no changes.
(If above is checked, the rest of the form may be left **BLANK**)
- Organizations have **changed since the Pre-Application was submitted** , and information regarding notifications or re-notifications is entered below.
- No Pre-Application was submitted** .

Identify all Neighborhood Organizations on record with the county or Texas Secretary of State as of the beginning of the Application Acceptance Period whose boundaries include the Development Site.

1.		
	Name of Organization	Contact Name
	Address	City
	Zip	Phone
		Fax or Email
2.		
	Name of Organization	Contact Name
	Address	City
	Zip	Phone
		Fax or Email
3.		
	Name of Organization	Contact Name
	Address	City
	Zip	Phone
		Fax or Email
4.		
	Name of Organization	Contact Name
	Address	City
	Zip	Phone
		Fax or Email
5.		
	Name of Organization	Contact Name
	Address	City
	Zip	Phone
		Fax or Email

	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
TOTAL # OF UNITS	40	8	12	20	N/A	N/A
TOTAL # OF ACCESSIBLE UNITS	3					
ACCESSIBLE UNIT #	1	1	1			
TOTAL # OF AV UNITS	3					
AV UNIT #	1	1	1			

PARKING		
PARKING	REQUIRED	PROPOSED
TOTAL # OF PARKING	60	84
TOTAL # OF STANDARD SPACES	55	78
TOTAL # OF HANDICAP SPACES	5	6

UTILITIES				
UTILITIES	EXISTING		NEW	
ELECTRIC	M or I	N/A	M or I	I
GAS	M or I	N/A	M or I	I
WATER	M or I	N/A	M or I	M

M: MASTER METER
I: INDIVIDUAL METER

UNIT AMENITIES		
NEW CONSTRUCTION	<input checked="" type="checkbox"/>	FOR TAX-EXEMPT BOND DEVELOPMENTS, 7 POINTS IN UNIT AMENITIES MUST BE SELECTED TO MEET THIS THRESHOLD
SUPPORTIVE HOUSING		REHABILITATION DEVELOPMENTS WILL START WITH A BASE SCORE OF (3 POINTS) AND SUPPORTIVE HOUSING DEVELOPMENTS WILL START WITH A BASE SCORE OF (5 POINTS.)

COVERED ENTRIES	<input checked="" type="checkbox"/>	0.5
NINE FOOT CEILINGS IN LIVING ROOM AND ALL BEDROOMS (AT MINIMUM)	<input checked="" type="checkbox"/>	0.5
SELF CLEANING OR CONTINUOUS CLEANING OVENS	<input checked="" type="checkbox"/>	0.5
REFRIGERATOR WITH ICE MAKER	<input checked="" type="checkbox"/>	0.5
STORAGE ROOM OR CLOSET, OF APPROXIMATELY 9 SQUARE FEET OR GREATER, SEPARATE FROM AND IN ADDITION TO BATHROOM, ENTRYWAY OR LINEN CLOSETS AND WHICH DOES NOT NEED TO BE IN THE UNIT BUT MUST BE ON THE PROPERTY SITE.		0.5
ENERGY-STAR QUALIFIED LAUNDRY EQUIPMENT (WASHERS AND DRYERS) FOR EACH INDIVIDUAL UNIT INCLUDING A FRONT LOADING WASHER AND DRYER IN REQUIRED ACCESSIBLE UNITS.		1.5
THIRTY-YEAR ARCHITECTURAL SHINGLE ROOFING OR METAL ROOFING		0.5
COVERED PATIOS OR COVERED BALCONIES	<input checked="" type="checkbox"/>	0.5
COVERED PARKING (INCLUDING GARAGES) OF AT LEAST ONE COVERED SPACE PER UNIT		0.5
GREATER THAN 30% STUCCO OR MASONRY (INCLUDES STONE, CULTURED STONE AND BRICK BUT EXCLUDES CEMENTITIOUS SIDING) ON ALL BUILDING EXTERIORS; THE PERCENTAGE MAY EXCLUDE EXTERIOR GLASS ENTIRELY.	<input checked="" type="checkbox"/>	2.0
R-15 WALLS / R-30 CEILINGS (RATING OF WALL/CEILING SYSTEM)	<input checked="" type="checkbox"/>	1.5
14 SHEER HVAC (OR GREATER) FOR NEW CONSTRUCTION, ADAPTIVE RE-USE AND RE-CONSTRUCTION OR RADIANT BARRIER IN THE ATTIC FOR REHABILITATION (EXCLUDING RE-CONSTRUCTION.)	<input checked="" type="checkbox"/>	1.5
HIGH SPEED INTERNET SERVICE TO ALL UNITS (CAN BE WIRED OR WIRELESS, REQUIRED EQUIPMENT OF EITHER MUST BE PROVIDED)		0.5
DESK OR COMPUTER NOOK		1.0
TOTAL POINTS		7.5

AMENITIES CHECKLIST				
TARGET POPULATION	FAMILY	ELDERLY	INTERGENERATIONAL HOUSING	SUPPORTIVE HOUSING
	<input checked="" type="checkbox"/>			
DEVELOPMENT TYPE	<input checked="" type="checkbox"/>	N/A	N/A	N/A

- A. NEW CONSTRUCTION, RE-CONSTRUCTION, ADAPTIVE RE-USE UNITS MUST BE WIRED WITH RG-6 COAX OR BETTER AND CAT3 PHONE CABLE OR BETTER, WIRED TO EACH BEDROOM, DINING ROOM AND LIVING ROOM;
- B. LAUNDRY CONNECTIONS;
- C. BLINDS OR WINDOW COVERINGS FOR ALL WINDOWS;
- D. SCREEN ON ALL OPERABLE WINDOWS;
- E. GARBAGE DISPOSAL AND ENERGY-STAR DISHWASHER (NOT REQUIRED FOR TRDO-USDA DEVELOPMENTS; REHABILITATION DEVELOPMENT EXEMPT FROM DISHWASHER IF ONE WAS NOT ORIGINALLY IN THE UNIT.)
- F. ENERGY-STAR REFRIGERATOR WITH ICE MAKER;
- G. OVEN/RANGE AND RANGE HOOD;
- H. EXHAUST/VENT FANS (VENTED TO THE OUTSIDE) IN BATHROOMS;
- I. AT LEAST ONE ENERGY-STAR RATED CEILING FAN PER UNIT IN LIVING ROOM.
- J. ENERGY-STAR LIGHTING IN ALL UNITS, WHICH MAY INCLUDE COMPACT FLUORESCENT OR LED BULBS.
- K. PLUMBING FIXTURES (TOILETS AND FAUCETS) MUST MEET DESIGN STANDARDS AT 30 TAC SECTION 290.252;
- L. ALL UNITS MUST HAVE CENTRAL HEATING AND AIR-CONDITIONING (PACKAGED TERMINAL AIR CONDITIONERS MEET THIS REQUIREMENT FOR SRO UNITS IN SUPPORTIVE HOUSING DEVELOPMENTS ONLY.)
- M. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE, UNLESS THERE IS NO LOCAL CODE, IN WHICH CASE THE REQUIREMENT WOULD BE 1.5 SPACES PER UNIT FOR NON-QUALIFIED ELDERLY DEVELOPMENTS AND 1 SPACE PER UNIT FOR QUALIFIED ELDERLY;

NEW CONSTRUCTION, RE-CONSTRUCTION, OR ADAPTIVE RE-USE: A TO M
REHAB: C TO M

NUMBER OF UNITS	40	SELECTED COMMON AMENITIES	PNT
REQUIRED POINTS		I. FULL PERIMETER FENCING	2
		V. COMMUNITY LAUNDRY ROOM WITH AT LEAST ONE WASHER AND DRYER FOR EVERY 40 UNITS	3
		VI. BARBECUE GRILLS AND PICNIC TABLE AT LEAST ONE OF EACH FOR EVERY 50 UNITS	1
		XXI. NEW CHILDREN'S PLAYSCAPE EQUIPPED FOR 5 TO 12 YEAR OLDS, OR ONE TOT LOT	1
		XIII. COVERED COMMUNITY PORCH	1
		XXIX. BICYCLE PARKING WITHIN REASONABLE PROXIMITY TO EACH RESIDENTIAL BUILDING THAT ALLOWS FOR BICYCLES TO BE SECURED WITH LOCK (LOCK NOT REQUIRED TO BE PROVIDED TO TENANT) AND ALLOWS SUFFICIENT PARKING RELATIVE TO DEVELOPMENT SIZE	1
		XXXII. GREEN BUILDING FEATURES- (III) LEED	4
TOTAL UNITS EQUAL 16 TO 40 UNITS, 4 POINTS ARE REQUIRED;			
TOTAL UNITS EQUAL 41 TO 76 UNITS, 7 POINTS ARE REQUIRED;			
TOTAL UNITS EQUAL 77 TO 99 UNITS, 10 POINTS ARE REQUIRED;			
TOTAL UNITS EQUAL 100 TO 149 UNITS, 14 POINTS ARE REQUIRED;			
TOTAL UNITS EQUAL 150 TO 199 UNITS, 18 POINTS ARE REQUIRED;			
TOTAL UNITS EQUAL 200 OR MORE, 22 POINTS ARE REQUIRED;			
	TOTAL		13

GREEN AMENITIES
(b) NATIVE TREES AND PLANTS INSTALLED THAT REDUCE IRRIGATION REQUIREMENTS AND ARE APPROPRIATE TO THE DEVELOPMENT SITE'S SOIL AND MICROCLIMATE TO ALLOW FOR SHADING IN THE SUMMER AND HEAT GAIN IN THE WINTER.
(c) INSTALL WATER-CONSERVING FIXTURES THAT MEET THE EPA'S WATERSENSE LABEL. SUCH FIXTURES MUST INCLUDE LOW-FLOW OR HIGH EFFICIENCY TOILETS, BATHROOM LAVATORY FAUCETS, SHOWERHEADS AND KITCHEN.
(e) INSTALL ENERGY-STAR QUALIFIED HOT WATER HEATERS OR INSTALL THOSE THAT ARE PART OF AN OVERALL ENERGY-STAR EFFICIENT SYSTEM.
(f) INSTALL INDIVIDUAL OR SUB-METERED UTILITY METERS. REHABILITATION DEVELOPMENTS MAY CLAIM SUB-METER ONLY IF NOT ALREADY SUB-METERED AT THE TIME OF APPLICATION.
(m) LOCATE WATER FIXTURES WITHIN 20 FEET OF WATER HEATER.
(n) DRIP IRRIGATION AT NON-TURF AREAS.

HACIENDA SANTA BARBARA - PROJECT SUMMARY										
BUILDING ID	QTY.	UNITS TYPE			UNITS/BLDG.	TOTAL BUILDING NON-LIVING AREA	BUILDING LIVING AREA 1st. FLOOR FOOT PRINT	BUILDING LIVING AREA 2nd. FLOOR	TOTAL BUILDING LIVING AREA	
		1 BD / 1 BA 802 SF	2 BD / 1 BA 994 SF	3 BD / 2 BA 1,212 SF						
BUILDING A	1	4	8		12	2,090 S.F.	5,580 S.F.	5,580 S.F.	11,160 S.F.	
BUILDING B	1			8	8	1,980 S.F.	4,848 S.F.	4,848 S.F.	9,696 S.F.	
BUILDING C	2			4	4 (x2)	990 S.F.	2,424 S.F. (x2)	2,424 S.F. (x2)	4,848 S.F. (x2)	
BUILDING D	1	4	4	4	12	2,382 S.F.	6,016 S.F.	6,016 S.F.	12,032 S.F.	
SUB-TOTAL						7,442 S.F.				
COMMUNITY CENTER	1				1	4,849 S.F.				
TOTALS	6	8	12	20	40		21,292 S.F.	21,292 S.F.	42,584 S.F.	
AREA/ TOT. UNIT TYPE		6,416 SF	11,928 SF	24,240 SF						
% OF TYPE OF UNITS		20 %	30 %	50 %	100%					
PARKING REQ.		12	18	30	60	REQUIRED				
PARKING PROVIDED					84	78 STD + 6 ACCESSIBLE = 84 PROVIDED				
PROVIDED BICYCLE SPACES					8					
MAINT. / LAUNDRY	1								608 S.F.	
LAND AREA							132,899 SF		3.0509 ACRES	



THE USE OF THIS SEAL IS AUTHORIZED BY THE ARCHITECT WHOSE NAME APPEARS ANY UNAUTHORIZED USE, REUSE, OR REPRODUCTION OF THIS SEAL WILL VOID ANY LIABILITY CORRECT OR NEAREST WHICH MAY RELY FROM ITS USE. NO PERSON MAY MAKE ANY REPRODUCTION OF THIS SEAL OR ANY PART THEREOF WITHOUT THE ARCHITECT'S WRITTEN PERMISSION.
THIS DRAWING AND RELATED SPECIFICATIONS, FIELD DATA, NOTES, AND OTHER DOCUMENTS, INCLUDING ALL DOCUMENTS ON ELECTRONIC MEDIA, WERE PREPARED BY WRIGHT & SAUBER ARCHITECTS, INC., ARCHITECTS OF RECORD, AND SHALL REMAIN THE PROPERTY OF WRIGHT & SAUBER ARCHITECTS, INC.
IF YOU SHOULD HAVE ANY COMPLAINTS REGARDING THIS ARCHITECTURAL FIRM, PLEASE BE INFORMED THAT THE TEXAS BOARD OF ARCHITECTURAL EXAMINERS HAS JURISDICTION OVER COMPLAINTS REGARDING THIS FIRM'S PROFESSIONAL PRACTICE. THE MAILING ADDRESS IS: TEXAS P.O. BOX 5227, AUSTIN, TEXAS 78711 (512) 839-9898
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02/14/2019

CONSULTANTS

CONTRACT DOCUMENTS COORDINATION

THE DRAWINGS AND SPECIFICATIONS FOR THIS PROJECT ARE TO BE TAKEN TOGETHER AS A SINGLE CONSTRUCTION CONTRACT DOCUMENT AND ANY DIVISION BY TRADE OR OTHER DESIGNATION IS CONSIDERED GENERAL CONTRACTOR AND ALL SUB-CONTRACTORS SHALL REVIEW AND COORDINATE THE ENTIRE SET OF DRAWINGS AND PROJECT MANUAL.

HACIENDA SANTA BARBARA
525 THREE MISSIONS DRIVE
SOCORRO, TEXAS
EL PASO COUNTY

OWNER

NOT FOR PERMITTING, OR CONSTRUCTION

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SHEET TITLE
PROJECT OVERVIEW INFORMATION

Schedule of Sources of Funds and Financing Narrative

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period				Lien Position	
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amortization	Term (Yrs)		Syndication Rate
Debt										
TDHCA	<u>MF Direct Loan Const. to Perm. (Repayable)</u>	\$0			\$	-	0.00%	30	0	
TDHCA	<u>MF Direct Loan Const. Only (Repayable)</u>	\$0	0.00%		\$	-	0.00%		0	
TDHCA	<u>Multifamily Direct Loan (Soft Repayable)</u>	\$0	0.00%		\$	-	0.00%		0	
TDHCA	<u>Mortgage Revenue Bond</u>	\$0	0.00%		\$	-	0.00%	0	0	
USDA Rural Development	<u>USDA/TXRD Loan(s)</u>				\$	2,500,000	1.00%	33	33	1st
BBVA Compass Bank	<u>Conventional Loan</u>	\$5,400,000	5.50%	1st						
Third Party Equity										
Raymond James Tax Credit Funds	<u>HTC</u>	\$	2,770,608		\$	5,670,608				\$0.93
Grant										
	<u>\$11.9(d)(2)LPS Contribution</u>									
Deferred Developer Fee										
Other										
	<u>Direct Loan Match</u>									
Total Sources of Funds		\$	8,170,608		\$	8,170,608				
Total Uses of Funds		\$			\$					

February 20, 2019

Hacienda Santa Barbara Apartments LP
c/o Housing and Economic Rural Opportunity, Inc.
Salvador Estrada, Executive Director
210 East Idaho Street
Las Cruces, NM 88005

Re: Hacienda Santa Barbara Apartments
Socorro, Texas

Dear Mr. Estrada:

BBVA Compass (the "Bank") is pleased to provide you with this Proposal of Terms for the Construction Financing for the Hacienda Santa Barbara Apartments LIHTC Project. The following terms were based upon a review of the preliminary financial information and projections provided to us. Please note that this Proposal of Terms should not be construed as a Commitment to Lend, since all Terms and Conditions are subject to final approval by the Bank's Loan Committee:

Construction Loan:

- Borrower:** Hacienda Santa Barbara Apartments, LP or similar entity where Housing and Economic Rural Opportunity, Inc. ("HERO") or its wholly owned affiliate is the General Partner.
- Guarantor(s):** Housing and Economic Rural Opportunity, Inc. and Tierra del Sol Housing Corporation.
- Collateral:** The Subject Loan shall be secured by a first position mortgage lien and an assignment of rents and leases on the 40 Unit LIHTC project located at 525 Three Missions Drive in the City of Socorro, El Paso County, Texas. Additionally, the Loan shall be secured by an Assignment of the General Partner's Interest and the Deferred Developer's Fee.
- Amount:** Up to \$5,400,000. The Loan amount shall be limited to 80% of the LIHTC Investment Value, which is the combined value of the Tax Credits plus the stabilized value of the Real Estate based upon an Appraisal acceptable to the Bank.
- Loan Advances:** Disbursement of loan proceeds will be made monthly upon receipt of written approval from the third party construction consultant satisfactory to the Bank.
- Interest Rate:** 1 month Libor + 2.75% (currently underwritten at 5.50%). Interest-only payments shall be due monthly; Principal due at Maturity

- Fees:** 0.75% Origination Fee. Additionally, the Borrower shall be responsible for the reimbursement of all other costs related to the extension of this loan including, but not limited to: appraisal fees, the Bank's legal fees, environmental and other third party review fees.
- Maturity:** Eighteen (18) Months from Closing
- Extension Option:** One six (6) month extension option subject to project completion, commencement of leasing on schedule acceptable to Bank in its sole discretion, no loan defaults and payment of a 0.25% extension fee.
- Recourse:** The Project Sponsor(s) shall provide a 100% unconditional guarantee of payment and completion in form and substance acceptable to the Bank.
- Other Financing:** Proposed additional financing sources include:
1. Permanent Financing – First mortgage of \$2,500,000, 1% interest rate, and 33 year term and amortization from USDA Rural Development. This loan will be non-recourse to the Borrower and funded at stabilization and will be a repayment source of the Construction Loan.
 2. Low Income Housing Tax Credit Equity of approximately \$5,247,000 from Raymond James Tax Credit Funds or other acceptable investor to the Bank. Estimated price is \$0.93 per \$1 of tax credits, funded as follows: (a) 15% at Construction Loan Close; (b) 5% at achievement of 50% construction completion; (c) 10% at achievement of 75% construction completion; (d) 60% at stabilized operations and (e) 10% at receipt of form 8609.

Please note that this Proposal of Terms should not be construed as a Commitment to Lend, since all Terms and Conditions are subject to final approval by the Bank's Loan Committee. Compass Bank wishes to thank you for the opportunity to provide financing for this project. If you have any questions, please feel free to contact me at 209-235-1179.

Sincerely,



John Chan
Senior Vice President
Community Development Capital

RAYMOND JAMES®

February 22, 2019

Housing & Economic Rural Opportunity (HERO)
Salvador Estrada, Executive Director
210 East Idaho Street
Las Cruces, NM 88005

Re: Hacienda Santa Barbara. LP
Socorro, TX

Dear Sal:

The terms contained in this letter, including the price per credit, are for the purpose of outlining current assumptions. Raymond James Tax Credit Funds, Inc. reserves the right to alter the terms of this investment to meet market conditions. Final terms and conditions will be set forth in future definitive documents proposed by Raymond James Tax Credit Funds, Inc.

CURRENT ASSUMPTIONS:

DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. New Construction
2. Farm Worker Family
3. Units: 40

B. Tax Credit Information:

1. Requested Credits: \$609,133.
2. Assumed Partnership Annual Credits: \$609,133.
3. The RJTCF Fund's Share of Partnership Annual Credits: 99.99%
4. Assumed the RJTCF Fund's Annual Credits: \$609,072.
5. Applicable Fraction: 100%.
6. Applicable Percentage: 9%

C. Equity Investment:

1. Estimated \$0.93 per dollar of the RJTCF Fund's Credits ("Credit Price"), subject to market conditions and availability of funds.
2. The RJTCF Fund's Estimated Total Capital: \$5,670,609.
Note that the RJTCF Fund's estimated actual contributions are based on actual credits delivered. If actual RJTCF Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual The RJTCF Fund Credits are greater than the assumed

Raymond James Tax Credit Funds, Inc.
A Subsidiary of Raymond James Financial, Inc.

880 Carillon Parkway • St. Petersburg, FL 33716
800-438-8088 Toll Free • 727-567-8455 Fax
Visit our Web Site at www.RJTCF.com

amount (“Excess Credits”), then the RJTCF Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJTCF Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.

3. Installment Payment of Estimated Capital Contributions:
 - a. 15% at Closing;
 - b. 5% at 50% Construction Completion;
 - c. 10% at 75% Construction Completion;
 - d. 60% at Stabilized Operations.
 - e. 10% at Receipt of 8609.

D. Developer and Development Fee:

1. Developer: HERO
2. Estimated Development Fee: \$1,255,000.
3. Non-Deferred Development Fee is currently estimated to be paid as follows:
 - a. 20% at Closing.
 - b. 70% at Stabilized Operations.
 - c. 10% at 8609

E. Financing:

1. Construction Financing
 - a. Lender: TBD
 - b. Amount: \$5,400,000 (estimated).
 - c. Rate: 4.50% (estimated).
 - d. Terms: 24 months (estimated).
 - e. Maturity: To be paid down with proceeds from the RJTCF Fund’s final capital contribution.
2. Permanent Financing - First Mortgage
 - a. Not to Exceed Amount: \$2,500,000.
 - b. Lender: USDA RD.
 - c. Converts at stabilization.
 - d. Non recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 33.
 - g. Amortization period (years): 33.
 - h. Interest rate: 1.00%.

DUE DILIGENCE FEES

At the Closing, the Partnership shall pay \$50,000 or greater negotiated amount to the RJTCF Fund as a due diligence/legal reimbursement fee in respect of the costs associated with the due diligence process and preparation of Partnership documents and legal opinions.

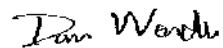
Raymond James Tax Credit Funds is a leading provider of high-quality affordable housing developments throughout the nation. Since the tax credit program began in 1986, we have raised more than \$6 billion in equity for more than 1,700 properties throughout the United States.

Our focus on the quality of our development partners, specific market expertise and comprehensive due diligence have earned us recognition as a leader in the affordable housing industry.

At Raymond James, our clients come first, and we will provide the highest level of service with integrity. This approach has allowed RJTCF to retain our development partners and maintain a stable group of investors that have partnered with RJTCF year after year.

All of us at RJTCF are very enthusiastic about the possibility of working with your organization on this tax credit project. Please feel free to contact me at 503-675-3933 (Dan.Wendle@raymondjames.com) if I can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Dan Wendle". The signature is written in a cursive, slightly slanted style.

Dan Wendle
Vice President
Director of Acquisitions, West Region

**Hacienda Santa Barbara Apartments
Limited Partnership**

Housing and Economic Rural Opportunity, Inc.
Co-Developer/General Partner .01%

Limited Partner/Syndicator- 99.99%

Salvador Estrada
Executive Director

Raul Granados- Board Member

Oscar Pando- Board Member

Patrick Vigil- Board Member

Estrada and Granados have authority to exercise control

Developer

Housing and Economic Rural Opportunity, Inc.
Co-Developer- 50%

Salvador Estrada
Executive Director

Raul Granados- Board Member

Oscar Pando- Board Member

Patrick Vigil- Board Member

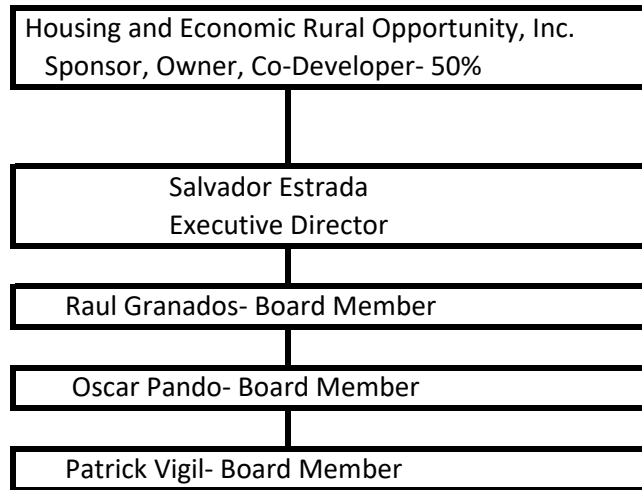
Estrada and Granados have authority to
exercise control

Thomas Development Group, LLC
Co- Developer- 50%

Thomas Andrews- Sole Member

Andrews has authority to exercise control

Guarantor



Estrada and Granados have authority to exercise control

List of Organizations and Principals

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive any portion of the developer fee whether by subcontract or otherwise, except if the Person is acting as a consultant with no Control. (Note - Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

Be advised that the definition of "Control" has been revised. Refer to 10 TAC §11.1(d)(30) to ensure compliance.

Org. 1

Applicant Legal Name: <u>Hacienda Santa Barbara Apartments Limited Part</u>	
Address: <u>210 East Idaho Avenue</u>	City: <u>Las Cruces</u> State: <u>NM</u> Zip: <u>88005</u>
Name(s) of Entities the Organization Owns or Controls: _____	
Organization legally formed? <u>Yes</u>	Date formed: <u>3/26/2003</u> Legal Org is or will be: <u>Limited Partnership</u>
Previous TDHCA Experience? <u>No</u>	Phone: <u>(575) 541-0477</u> Email: <u>tdsestrada@msn.com</u>

Org. 2

Organization Legal Name: <u>Housing and Economic Rural Opportunity, Inc.</u>		Role/Title: <u>General Partner</u>
Address: <u>210 East Idaho Avenue</u>		City: <u>Las Cruces</u> State: <u>NM</u> Zip: <u>88005</u>
Name(s) of Entities the Organization Owns or Controls: <u>Hacienda Santa Barbara LP</u>		
Organization legally formed? <u>Yes</u>	Date formed: <u>8/1/1987</u>	Legal Org is or will be: <u>Non-Profit</u>
Previous TDHCA Experience? <u>Yes</u>	Phone: <u>575-541-0477</u>	Email: <u>tdsestrada@msn.com</u>
Organization is identified on Org. Chart: <u>Yes</u>	Ability to exercise Control over the Development? <u>Yes</u>	
List of Sub-Entities or Principals:		
1. <u>Salvador Estrada</u>	2. <u>Raul Granados</u>	3. <u>Oscar Pando</u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>
4. <u>Patrick Vigil</u>	5. _____	6. _____
TDHCA Experience: <u>Yes</u>	TDHCA Experience: _____	TDHCA Experience: _____

Org. _____

Organization Legal Name: <u>Thomas Development Group, LLC</u>		Role/Title: <u>co-developer</u>
Address: <u>817 E 70th Street</u>		City: <u>Sioux Falls</u> State: <u>SD</u> Zip: <u>57108</u>
Name(s) of Entities the Organization Owns or Controls: <u>none</u>		
Organization legally formed? <u>Yes</u>	Date formed: <u>7/1/2010</u>	Legal Org is or will be: <u>Limited Liability Company</u>
Previous TDHCA Experience? <u>No</u>	Phone: <u>605-265-1700</u>	Email: <u>thomasdevelopment@comcast.net</u>
Organization is identified on Org. Chart: <u>Yes</u>	Ability to exercise Control over the Development? <u>No</u>	
List of Sub-Entities or Principals:		
1. <u>Tom Andrews</u>	2. _____	3. _____
TDHCA Experience: <u>No</u>	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Organization Legal Name: _____		Role/Title: _____
Address: _____		City: _____ State: _____ Zip: _____
Name(s) of Entities the Organization Owns or Controls: _____		
Organization legally formed? _____	Date formed: _____	Legal Org is or will be: _____
Previous TDHCA Experience? _____	Phone: _____	Email: _____
Organization is identified on Org. Chart: _____	Ability to exercise Control over the Development? _____	
List of Sub-Entities or Principals:		
1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

**HOUSING AND ECONOMIC RURAL OPPORTUNITY INC.
BOARD OF DIRECTORS
RESOLUTION**

WHEREAS,

Housing and Economic Rural Opportunity Inc. submitted a loan request to the United States Department of Agriculture for Section 514 Loan Program and received a loan reservation for an amount not to exceed \$2.5 million to develop 40 units of rental multifamily housing for farm workers.

WHEREAS,

The proposed apartment complex will be known as the Hacienda Santa Barbara Apartments and will be located at 525 Three Missions Drive, Socorro, TX 79927. The estimated total development cost is \$7,600,000.

WHEREAS,


Housing and Economic Rural Opportunity Inc., has been authorized to submit a 9% Housing Tax Credit application to the Texas Department of Housing and Community Affairs for the current 2019 QAP.

WHEREAS,

The Texas State Office of the USDA Rural Development Department acting through the USDA Rural Housing Service has approved the Housing and Economic Rural Opportunity Inc., request for an Administrator's Exception authority to extend the USDA Section 514 application deadline for the formal application to September 1, 2019;

NOW THEREFORE, it is resolved by the Housing and Economic Rural Opportunity, Inc., Board of Directors at a special meeting on March 21, 2019 to authorize Salvador Estrada, its Executive Director and Raul Granados, its Board President to act on its behalf on all matters concerning the Housing and Economic Rural Opportunity, Inc., application to the Texas Department of Housing and Community Affairs. And further through this resolution authorizes the Executive Director and the President of the Board of Director to execute all documents which are hereby incorporated by reference.




Raul Granados, President


Oscar Pando, Secretary

HOUSING AND ECONOMIC RURAL OPPORTUNITY INC.

INCUMBENCY CERTIFICATION

The undersigned, who is an officer of Housing and Economic Rural Opportunity Inc., hereby certifies that the following listing of Officers and Directors constitutes all duly qualified and sitting Officers and Directors of the Housing and Economic Rural Opportunity Inc., as of March 22, 2019.

<u>Name/Title</u>		<u>Term</u>	<u>Beginning</u>
Raul Granados, President	704 Audrey Nance Road Anthony, New Mexico 88021	3 Years	2012
Patrick Vigil, Vice President	2354 Sambrano Street Las Cruces, New Mexico 88001	3 Years	2016
Oscar Pando, Secretary	605 Franklin Place Las Cruces, New Mexico 88007	3 Years	2014
Jaime Rascon, Director	7861 Ledbetter Road Vinton, Texas 79821	1 Year	2019
Raul Granados, Jr., Director	6201 Escondido Drive El Paso, Texas 79912	1 Year	2019
Carlos Gallinar, Director	1427 Hawthorne Street El Paso, Texas 79902	1 Year	2019
Miguel Chacon, Director	P.O. Box 2017 San Elizario, Texas 79849	1 Year	2019



Signature of Certifying Officer

Oscar Pando

Oscar Pando, Secretary

3-22-19

Date

Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than \$3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

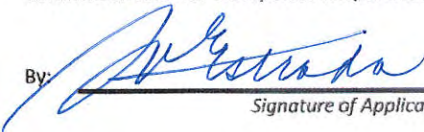
Instructions:

Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.	b. Person/entity has at least one other application in the current Application Round.	
1. Hacienda Santa Barbara Limited Partnership	No	<input type="checkbox"/>
2. Housing and Economic Rural Opportunity, Inc.	No	<input type="checkbox"/>
3. Salvador Estrada	No	<input type="checkbox"/>
4. Raul Granados	No	<input type="checkbox"/>
5. Oscar Pando	No	<input type="checkbox"/>
6. Patrick Vigil	No	<input type="checkbox"/>
7. Jaime Rascon	No	<input type="checkbox"/>
8. Raul Granados, Jr.	No	<input type="checkbox"/>
9. Carlos Gallinar	No	<input type="checkbox"/>
10. Miguel Chacon	No	<input type="checkbox"/>
11. Thomas Development Group, LLC	No	<input type="checkbox"/>
12. Tom Andrews	No	<input type="checkbox"/>
13.	<input type="checkbox"/>	<input type="checkbox"/>
14.	<input type="checkbox"/>	<input type="checkbox"/>
15.	<input type="checkbox"/>	<input type="checkbox"/>
16.	<input type="checkbox"/>	<input type="checkbox"/>
17.	<input type="checkbox"/>	<input type="checkbox"/>
18.	<input type="checkbox"/>	<input type="checkbox"/>
19.	<input type="checkbox"/>	<input type="checkbox"/>
20.	<input type="checkbox"/>	<input type="checkbox"/>
21.	<input type="checkbox"/>	<input type="checkbox"/>
22.	<input type="checkbox"/>	<input type="checkbox"/>
23.	<input type="checkbox"/>	<input type="checkbox"/>
24.	<input type="checkbox"/>	<input type="checkbox"/>
25.	<input type="checkbox"/>	<input type="checkbox"/>
26.	<input type="checkbox"/>	<input type="checkbox"/>
27.	<input type="checkbox"/>	<input type="checkbox"/>
28.	<input type="checkbox"/>	<input type="checkbox"/>
29.	<input type="checkbox"/>	<input type="checkbox"/>
30.	<input type="checkbox"/>	<input type="checkbox"/>

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: 
Signature of Applicant

3/24/2019
Date

Its: Executive Director

Bernadette Segura
Board Chair

Laura Ponce
Executive Director



March 2, 2017

Salvador Estrada
Executive Director
Housing and Economic Rural Opportunity, Inc.
210 E Idaho, Suite A1
Las Cruces, NM 88005

RE: Hacienda Santa Barbara Apartments
Proposed Farm Worker Housing Community
525 Three Missions Drive, Socorro, TX

Dear Mr. Estrada:

I am writing as a representative of the El Paso Community Action Program Project BRAVO, Inc. in support of Housing and Economic Rural Opportunity, Inc. (HERO) in its efforts to acquire Housing Tax Credits through the Texas Department of Housing and Community Affairs for the proposed Hacienda Santa Barbara Apartments located at 525 Three Missions Drive, Socorro, El Paso County, Texas. This development will not only increase the availability of quality affordable housing and better living conditions for the individual and families employed in agricultural growing, harvesting, transportation and production, but will also be a catalyst to create jobs and revenue for Socorro and El Paso County.

Project BRAVO is the local Community Action Program and a non-profit 501(c)3 organization with a mission to maximize resources for an improved quality of life for the economically disadvantaged residents of El Paso County. We are committed to putting an end to poverty by mobilizing resources and promoting self-sufficiency as we strive to achieve a better tomorrow for our community. Our organization will support HERO by referring potentially eligible clients to the program. We will also provide residents of the complex with information about our programs and services so that they may apply and qualify for services such as utility assistance, GED classes, and other programs that promote self-sufficiency. Project BRAVO is committed to provide as much support as possible within our budget limitations and will encourage other social service agencies to do the same.

HERO has a great reputation in our community for providing affordable housing and other programs to the neediest and most vulnerable populations. We look forward to a favorable reply by the Texas Department of Housing and Community Affairs for the approval of the Hacienda Santa Barbara development.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Ponce".

Laura Ponce
Executive Director



Franchise Tax Account Status

As of : 03/20/2019 14:34:29

This Page is Not Sufficient for Filings with the Secretary of State

EL PASO COMMUNITY ACTION PROGRAM PROJECT BRAVO

Texas Taxpayer Number 17460682515

Mailing Address PO BOX 3445 EL PASO, TX 79923-3445

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 05/18/1965

Texas SOS File Number 0021328501

Registered Agent Name LAURA PONCE

Registered Office Street Address 2000 TEXAS AVENUE EL PASO, TX 79901



Franchise Tax Account Status

As of : 03/20/2019 14:05:39

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FAMILIAS TRIUNFADORAS (SUCCESSFUL FAMILIES)

Texas Taxpayer Number 32023400701

Mailing Address PO BOX 1352 SAN ELIZARIO, TX 79849-1352

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 12/07/2006

Texas SOS File Number 0800743252

Registered Agent Name MARIA C. ORTIZ

Registered Office Street Address 12500 SOCORRO RD SAN ELIZARIO, TX
79849



motivation education & training, inc.

Salvador Estrada
Executive Director
Housing and Economic Rural Opportunity, Inc.
210 E Idaho, Suite A1
Las Cruces, NM 88005

March 25, 2019

RE: Hacienda Santa Barbara Apartments
Proposed Farm Worker Housing Community
525 Three Missions Drive, Socorro, TX

Dear Mr. Estrada:

I am pleased to give my full support to Housing and Economic Rural Opportunity, Inc. in its efforts to acquire Housing Tax Credits through the Texas Department of Housing and Community Affairs for the proposed Hacienda Santa Barbara Apartments located at 525 Three Missions Drive, Socorro, El Paso County, Texas.

These developments will not only increase the availability of quality affordable housing and better living conditions for the individual and families employed in agricultural growing, harvesting, transportation and production, but will also be a catalyst to create jobs and revenue for Socorro and El Paso County.

We look forward to a favorable reply by the Texas Department of Housing and Community Affairs for the approval of the Hacienda Santa Barbara development.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stacey Taylor", with a long horizontal flourish extending to the right.

Stacey Taylor
MET Executive Director

22551 Gene Campbell Blvd. PO Box 1838
New Caney, Texas 77357
281-689-5544



Franchise Tax Account Status

As of : 03/20/2019 13:48:22

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MOTIVATION, EDUCATION & TRAINING, INC.

Texas Taxpayer Number 17416045601

Mailing Address PO BOX 1838 NEW CANEY, TX 77357-1838

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 07/25/1968

Texas SOS File Number 0024968501

Registered Agent Name STACEY L. TAYLOR

Registered Office Street Address 22551 GENE CAMPBELL BLVD. NEW CANEY,
TX 77357



Sin Fronteras Organizing Project Centro de los Trabajadores Agrícolas Fronterizos

201 East Ninth Avenue, El Paso, Texas 79901 – Tel. (915) 532-0921 Fax (915) 532-4822

February 24, 2016

Thomas Andrew, Program Manager
Housing and Economic Rural Opportunity, Inc.
201 East Idaho, Suite A
Las Cruces, New Mexico 88005

Reference: Hacienda Santa Barbara Apartments

Dear Mr. Andrews:

This letter is written in support of the application for tax credits from the Texas Department of Housing and Community Affairs for the development of farm labor housing in the City of Socorro, Texas.

The proposal by Housing and Economic Rural Opportunity to build forty units of farm worker housing will be very beneficial to the farm worker population in need of housing in the City of Socorro and in El Paso County. In our work of providing information and referral as part of our housing service, we see the need for quality and affordable rental housing for both migrant and seasonal farmworkers. We are located in the downtown area of the City of El Paso and are very much informed of the need.

El Centro de los Trabajadores Agrícolas Fronterizos is committed to fight for social justice for the farm worker community. We know there is no greater injustice that exists for area farm workers than the lack of adequate housing. That is why I strongly support the application of the Housing and Economic Rural Opportunity to obtain tax credits to use with the funds from the Department of Agriculture to build your housing. It is wonderful to know that you have funds from the Department of Agriculture but we also know these funds will not go far to build what you have planned.

You can count on our support. Our services will be available to all farm workers and we feel blessed that we can help you in any way.

Respectfully,



Carlos Marentes
Executive Director

SIN FRONTERAS



Farmworkers protest in El Paso, August 1984.

15 years of struggle

Sin Fronteras Organizing Project is one of the most important and active farmworkers' effort in the United States-México border. This organizing effort is part of a growing farm labor movement. Born of decades of neglect and poverty in the fields of America, this movement is a response to the need for social change. When this goal is accomplished, farmworkers will then be able to live with dignity and peace.

Principles and Objectives

Sin Fronteras Organizing Project, a non-profit organization properly incorporated in the State of Texas on February 1993, was founded to fight against the injustices and inequalities faced by the farmworker community of West Texas and Southern New Mexico.

The following principles adopted at the founding meeting guide our organization and our work:

That workers, regardless of their legal status in this country, have the right to advance their economic, social and political status through vigorous advocacy of fundamental rights,

That in all levels of our work, we must strive to engage both women and men,

and that efforts to bring about change at the local level must be controlled by the people at the local level.



Franchise Tax Account Status

As of : 03/20/2019 14:28:19

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SIN FRONTERAS ORGANIZING PROJECT, INC.

Texas Taxpayer Number 17422778062

Mailing Address 514 S KANSAS ST EL PASO, TX 79901-3481

**Right to Transact Business in
Texas** ACTIVE

State of Formation TX

Effective SOS Registration Date 02/23/1983

Texas SOS File Number 0064437201

Registered Agent Name CARLOS MARENTES

Registered Office Street Address 201 EAST NINTH AVENUE EL PASO, TX 79901



P.O Box 2017

Executive Director: Olivia Figueroa 915-851-0272

1325 Beverly Ann Dr. San Elizario, TX 79849

February 24, 2017

Texas Department of Housing & Community Affairs
Austin, TX

RE: Hacienda Santa Barbara Apartments, Socorro, Texas
Application for Low Income Housing Tax Credits

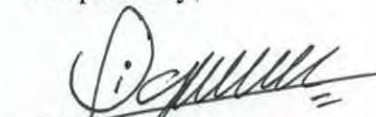
Gentlepersons,

I am pleased to support and commit to collaborate with Housing & Economic Rural Opportunity, Inc. (HERO) to develop and operate the Hacienda Santa Barbara Apartments.

As Executive Director of the AYUDA, Inc. which is a local nonprofit organization that provides bilingual multi-purpose community services, I commit to collaborate and refer eligible agricultural working families to the apartments and access the varied services we offer. My organization is pleased to offer services in the areas of preventive health which has inter-disciplinary special programs in nutrition, wellness, healthy housing training and full access to El Paso Health Department full curriculum of primary health services. AYUDA will invite youth and parents of farm worker families to participate in our community gardening, offer solutions to access safe and sanitary drinking water, train in leadership and general community education. Through our financial literacy and home buyer education, we can offer affordable housing repair, rentals and prepare new home buyers for ownership.

We are a dynamic local organization with a commitment to improving the living conditions of agricultural workers by also strengthen the agricultural employers to access this reliable workforce. Please know that we strongly encourage you to provide a favorable decision for the necessary resources for this housing to be successful.

Respectfully,



Olivia Figueroa
Executive Director
AYUDA, INC
San Elizario, TX 79849



Franchise Tax Account Status

As of : 03/20/2019 14:56:53

This Page is Not Sufficient for Filings with the Secretary of State

ADULTS AND YOUTH UNITED DEVELOPMENT ASSOCIATION IN

Texas Taxpayer Number 30116872182

Mailing Address 1325 BEVERLY ANN DR SAN ELIZARIO, TX
79849-8642

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 09/08/1993

Texas SOS File Number 0128397201

Registered Agent Name MANUELA O PORTILLO DE FIGUEROA

Registered Office Street Address 1325 BEVERLY ANN DR SAN ELIZARIO, TX
79849

PHASE I ENVIRONMENTAL SITE ASSESSMENT

PROPOSED HACIENDA SANTA BARBARA
APARTMENTS
525 THREE MISSIONS DRIVE
SOCORRO, EL PASO COUNTY, TEXAS

MARCH 2019



755 S. Telshor Blvd., Suite Q201
Las Cruces, New Mexico 88011
(575) 532-1526 voice
(575) 532-1587 fax

PHASE I ENVIRONMENTAL SITE ASSESSMENT

PROPOSED HACIENDA SANTA BARBARA APARTMENTS

525 THREE MISSIONS DRIVE

SOCORRO, EL PASO COUNTY, TEXAS

Zia Project No. NEPE-19-002
Zia Document No. NEPE-19-002-19-586
Submission Date: March 22, 2019

Prepared for:

**Housing and Economic Rural
Opportunity, Inc.**
210 East Idaho Street
Las Cruces, New Mexico 88005



755 S. Telshor Blvd., Suite Q201
Las Cruces, New Mexico 88001
(575) 532-1526 voice
(575) 532-1587 fax

Author(s):



Victor Gibbs

QA/QC Reviewer:



Victoria T. Brown, PMP

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Appendix A: Figure 1: Topographic Map

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Historical City Directories

Fire Insurance Map Abstract

Title Records and Environmental Lien Report

GeoPlus Oil & Gas Report

GeoPlus Physical Settings Maps

FEMA Flood Service Map Information

Appendix D: Geosearch Radius Map Report

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ASTM 1527-13 User Questionnaire

Appendix F: Resumes

Appendix G: General Terms and Acronyms

Texas Terms and Acronyms

EXECUTIVE SUMMARY

This Phase I Environmental Site Assessment (ESA) was performed in accordance with our proposal (PLCE-19-014 dated March 19, 2019) and in general accordance with the consensus documents known as American Society for Testing and Materials E 1527-13 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. Mr. Victor Gibbs performed the site reconnaissance on March 20, 2019.

A cursory summary of findings is provided below. However, details are not included or fully developed in this Executive Summary and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The proposed Hacienda Santa Barbara apartments (subject property), is a 3.05 acre parcel of undeveloped land located at 525 Three Missions Drive in Socorro, El Paso County, Texas.
- Historical sources indicated that the subject property was used as agricultural land from at least 1936 through the 1990s, when it was no longer used for agricultural purposes and has remained vacant land to present day.
- Adjacent properties were agricultural lands from at least 1936 to the 1980s when properties to the north were developed as residential housing. Additional residential housing was added in the late 1990s or early 2000s to the north and east of the subject property.
- The regulatory review identified six LPST/LUST, regulated facilities within the specified search radii. Based on the facility characteristics, environmental settings, and/or distance from the subject property, the regulatory facilities do not appear to constitute a REC in connection with the subject property at this time.
- The site reconnaissance did not reveal conditions, items, or features that would constitute a REC in connection with the subject site at this time.

Based on the scope of services and limitations of this assessment, Zia did not identify RECs in connection with the subject property, which, in our opinion, would require additional investigation at this time. Though not RECs, the following may warrant further review and/or discussion:

- Based on the distance to the El Paso Airport (less than 15 miles), and Union Pacific railroad track (less than 3,000 feet), Zia recommends a noise study be completed in accordance with current HUD guidelines, if applicable to this property.
- Trash debris and/or other waste materials were noted primarily along the southeastern, boundaries. Zia recommends that the waste materials be removed and disposed in accordance with local and state guidelines. Improved maintenance activities should be implemented to minimize the potential for future releases.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

PROPOSED HACIENDA SANTA BARBARA APARTMENTS

525 THREE MISSIONS DRIVE

SOCORRO, EL PASO COUNTY, TEXAS

1 INTRODUCTION

The proposed Hacienda Santa Barbara apartments (subject property), is a 3.05 acre parcel of undeveloped land located at 525 Three Missions Drive in Socorro, El Paso County, Texas.

1.1 PURPOSE

The purpose of a Phase I Environmental Site Assessment (ESA) is to accumulate data for use by parties who wish to evaluate the level of environmental risk associated with commercial real estate and takes into account commonly known and reasonably ascertainable information. While completion of an ESA is intended to constitute one of the requirements of all appropriate inquiries for purposes of Comprehensive Environmental Response Compensation and Liability Act (CERCLA) liability protections, it is not intended that its use be limited to that purpose. This ESA is intended primarily as an approach to conducting an inquiry designed to identify recognized environmental conditions¹ (RECs), controlled recognized environmental conditions² (CRECs), and historical recognized environmental conditions³ (HRECs) in connection with a property as reflected by the scope and represents a commercially prudent and reasonable inquiry.

1.2 DETAILED SCOPE OF SERVICES

This Phase I ESA of the above-referenced site was performed in accordance with our proposal (PLCE-19-014 dated March 19, 2019) and in general accordance with the consensus document known as American Society for Testing and Materials (ASTM) E 1527-13 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* and the

¹ Recognized Environmental Conditions (RECs), per ASTM E1527-13 are defined as “the presence or likely presence of any hazardous substance or petroleum products in, on, or at a property: (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. *De minimus* conditions are not recognized environmental conditions.”

² Controlled Recognized Environmental Conditions (CRECs), per ASTM E1527-13 are defined as “a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls.”

³ Historical Recognized Environmental Conditions (HRECs), per ASTM E1257-13 are defined as “a past release of any hazardous substance or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority, without subjecting the property to any required controls.”

Section 11.305 Environmental Site Assessment Rules and Guidelines of the Texas Department of Housing and Community Affairs Housing Tax Credit Program Qualified Allocation Plan.

This ESA consisted of the following components, which include:

- *A thorough noninvasive on-site reconnaissance of the property, including a cursory review of adjacent properties;*
- *Interviews with current owners/operators/occupants, local government officials, and potentially neighboring property owners/occupants to obtain information indicating RECs in connection with the property;*
- *A review of various physical setting, historical, and regulatory records to help identify RECs in connection with the subject property and nearby properties; and*
- *Preparation of a final report, which details the assessment findings, conclusions, and opinion of the environmental professional, and includes supporting documentation.*

A more detailed scope of services is included in the above-referenced proposal. Limitations and ASTM deviations are evident from reviewing the applicable scope of services and the report text.

1.3 SIGNIFICANT ASSUMPTIONS

This ESA was performed in accordance with generally accepted practices of this profession undertaken in similar studies at the same time and in the same geographical area. We have endeavored to meet this standard of care but may be limited by conditions encountered during performance, a client-driven scope of services, or the inability to review information not received by the report date. Phase I ESAs, such as the one performed at this subject property, are of limited scope, are noninvasive and cannot eliminate the potential that hazardous, toxic, or petroleum substances are present or have been left at the subject property beyond what is identified by the limited scope of this ESA. In conducting the limited scope of services described herein, certain sources of information and public records were not reviewed.

It should be recognized that environmental concerns might be documented in public records that were not reviewed. No ESA can wholly eliminate uncertainty regarding the potential for RECs in connection with a property. Performance of this practice is intended to reduce, but not eliminate, uncertainty regarding the potential for RECs. No warranties, express or implied, are intended or made. The limitations herein must be considered when the user of this report formulates opinions as to risks associated with the subject property or otherwise uses the report for any other purpose. These risks may be further evaluated—but not eliminated—through additional research or assessment. We will, upon request, advise you of additional research or assessment options that may be available and associated costs.

1.4 LIMITATIONS AND EXCEPTIONS AND SPECIAL TERMS AND CONDITIONS

Based upon the agreed-on scope of services, this ESA did not include subsurface or other invasive assessments, business environmental risk evaluations, or other services unless identified and discussed herein. Reasonable attempts were made to obtain information within the scope and time constraints set forth by the client; however, in some instances, information requested is not or was not received by the issuance date of the report.

Consideration of such information is beyond the scope of this assessment. Information obtained for this ESA was received from several sources that we believe to be reliable; nonetheless, the authenticity or reliability of these sources cannot and is not warranted hereunder. Purchase price data, specialized knowledge or experience of the client, activities and land use limitations, and environmental lien information were not provided by the client for evaluation unless otherwise specified herein. This ESA was further limited by the following:

- *Credentials of the company (Statement of Qualifications) have not been included in this report but are available upon request.*
- *Reasonable attempts were made to contact the Socorro Volunteer Fire Department; however, at this issuance of this report, interviews with the Fire Department were not performed.*

This report represents our service to you as of the report date and constitutes our final document; its text may not be altered after final issuance. Findings in this report are based upon the subject property's current utilization, information derived from the most recent reconnaissance, and from other activities described herein; such information is subject to change. Certain indicators of the presence of hazardous substances or petroleum products may have been latent, inaccessible, unobservable, or not present during the most recent site reconnaissance and may subsequently become observable (such as site renovation or development). Furthermore, these services are not to be construed as legal interpretation or advice.

1.5 USER RELIANCE

This ESA report has been prepared for the exclusive use and reliance of Housing and Economic Rural Opportunity, Inc. (HERO), Texas Department of Housing and Community Affairs, NeighborWorks Capital, and United States Department of Agriculture (USDA) Rural Development. Use or reliance by any other party is prohibited without the written authorization of the Client and Zia Engineering & Environmental Consultants, LLC (Zia).

Reliance on this ESA by the client and all authorized parties will be subject to the terms, conditions, and limitations stated in the proposal, ESA report, and Zia's Terms and Conditions. The limitation of liability defined in the Terms and Conditions is the aggregate limit of Zia's liability to the Client and all relying parties.

2 SITE DESCRIPTION

TABLE 1: SITE LOCATION AND LEGAL DESCRIPTION

Site Name	Proposed Hacienda Santa Barbara Apartments
Site Location/Address	525 Three Missions Drive, Socorro, El Paso County, Texas
Legal Description	1 THREE MISSIONS REPLAT A LOT 1A (Property ID 240412; Geo ID T249000001001A0)
Site/Vicinity General Characteristics	Residential, agricultural
Current Use of Site	Undeveloped land
Structures, Roads, Other Improvements	None
General Current Use of Adjoining Properties	Residential, agricultural

Subject property characteristics are addressed in greater detail in Section 5. The subject property location is depicted on Figure 1 of Appendix A. A Site Diagram of the subject property and adjoining properties is included as Figure 2 of Appendix A. Certain acronyms and terms used in this report are described in Appendix G.

3 USER PROVIDED INFORMATION

The user is defined as the party seeking to use ASTM Practice E 1527-13 to complete this Phase I ESA of the subject property. The users for this Phase I ESA are identified as HERO, Texas Department of Housing and Community Affairs, NeighborWorks Capital, and USDA Rural Development.

A User Questionnaire was completed by Mr. Salvador Estrada, Deputy Director with HERO and a current employee with Tierra del Sol Housing Corporation, to assist in gathering information that may be material to identifying RECs in connection with the subject site. In order to qualify for one of the CERCLA liability protections offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001, the user must provide to Zia the following information (if available).

3.1 TITLE RECORDS

Zia reviewed title and other on-line records at the El Paso Central Appraisal District. Ownership records were reviewed back to April 2004. Tierra Del Sol Housing Corporation currently owns the property. Title records are further discussed in Section 4.4.5.

3.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

Mr. Estrada indicated that he is unaware of any environmental clean-up liens and/or land activity and use restrictions (AUL[s]) on the subject property.

The Environmental Lien Report provided by Geosearch, a contract information services company, also indicated environmental liens or AULs were not noted in the documents reviewed.

3.3 SPECIALIZED KNOWLEDGE, COMMONLY KNOWN OR REASONABLE ASCERTAINABLE INFORMATION

Mr. Estrada indicated that he was the developer for the 42 unit Missions Senior Apartment complex located adjacent north. He was not aware of any specific chemical spills and/or releases or any environmental cleanups at the property. Nor was Mr. Estrada aware of any obvious indicators that point to the presence or likely presence of contamination at the property.

3.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

Mr. Estrada indicated that the purchase price being paid for the property reasonably reflects the fair market value of the property.

3.5 REASON FOR PERFORMING PHASE I ESA

According to Mr. Estrada, this Phase I ESA is being performed as part of the due diligence for underwriting for low income housing tax credit allocation by the Texas Department of Housing and Community Affairs for the construction of multifamily housing.

4 RECORDS REVIEW

In some of the following subsections, the words up-gradient, cross-gradient, and down-gradient refer to the topographic gradient in relation to the subject property. The groundwater flow direction and the depth to shallow groundwater, if present, would likely vary depending upon seasonal variations in rainfall and the depth to the soil/bedrock interface. Without the benefit of on-site groundwater monitoring wells surveyed to a datum, groundwater depth and flow direction beneath the subject property cannot be accurately ascertained but only inferred, as has been done in this case.

4.1 STANDARD ENVIRONMENTAL RECORD SOURCES

The United States Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) regulatory database information was provided by GeoSearch, for indications of environmental concern on and near the subject property. Information in this section is

subject to the accuracy of the data provided by the information service company and the date at which the information is updated, and the scope herein did not include identifying the location of facilities listed as “unlocated.”

The types and number of facilities identified on the standard federal and state databases within the indicated search areas are listed in Table 2. Database definitions, descriptions, and the database search reports and any additional regulatory record information provided by GeoSearch, and/or TCEQ are included in Appendix D.

TABLE 2: FEDERAL AND STATE DATABASES

DATABASE	DESCRIPTION	RADIUS (MILES)	FACILITIES
FEDERAL			
NPL	The National Priorities List (NPL) is the EPA's database of uncontrolled or abandoned hazardous waste facilities that have been listed for priority remedial actions under the Superfund Program.	1.0	0
SEMS (NFRAP)	The Superfund Enterprise Management System (SEMS) database is a compilation of facilities, which the EPA has investigated or is currently investigating for a release or threatened release of hazardous substances pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980. No Further Remedial Action Planned (NFRAP) refers to facilities that have been removed and archived from its inventory of SEMS sites.	0.5	0
RCRA CORRACTS / TSD	The EPA maintains a database of the Resource Conservation and Recovery Act (RCRA) facilities associated with treatment, storage, and disposal (TSD) of hazardous materials that are undergoing “corrective action.” A “corrective action” order is issued when there has been a release of hazardous waste or constituents into the environment from an RCRA facility.	1.0	0
RCRA Non-CORRACTS / TSD	The RCRA Non-CORRACTS/TSD database is a compilation by the EPA of facilities that report storage, transportation, treatment, or disposal of hazardous waste. Unlike the RCRA CORRACTS/TSD database, the RCRA Non-CORRACTS/TSD database does not include RCRA facilities where corrective action is required.	0.5	0
RCRA Generators	The RCRA Generators database maintained by the EPA, lists facilities that generate hazardous waste as part of their normal business practices. Generators are listed as large, small, or conditionally exempt. Large quantity generators (LQG) produce at least 1,000 kg/month of non-acutely hazardous waste or 1 kg/month of acutely hazardous waste. Small quantity generators (SQG) produce 100-1,000 kg/month of non-acutely hazardous waste. Conditionally exempt small quantity generators (CESQG) are those that generate less than 100 kg/month of non-acutely hazardous waste. This listing includes facilities that are no longer generating RCRA hazardous waste (RCRANGR06).	0.1	0
US Eng Controls	The EPA maintains a listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.	Site	0

DATABASE	DESCRIPTION	RADIUS (MILES)	FACILITIES
US Inst Controls	The EPA maintains a listing of sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on-site. Deed restrictions are generally required as part of the institutional controls.	Site	0
ERNS	The Emergency Response Notification System (ERNS) is a listing compiled by the EPA on reported releases of petroleum and hazardous substances to the air, soil, and/or water.	Site	0
Texas			
SF	TCEQ maintains a database of state equivalent national priority list facilities in the state of Texas.	1.0	0
MSWLF	TCEQ maintains a database of the municipal solid waste landfill database which includes active landfills and inactive landfills, where solid waste is treated or stored.	0.5	0
LPST	TCEQ provides a computer-generated database of the leaking petroleum storage tanks in the state of Texas. The EPA maintains a listing of leaking underground storage tank (LUST) locations on Indian land.	0.5	6
PST	The Petroleum Storage Tank database is administered by the TCEQ. Both Underground storage tanks (USTs) and Aboveground storage tanks (ASTs) are included in this report.	0.1	0
SIEC01	The Texas Risk Reduction Program (TRRP) requires the placement of institutional controls (e.g., deed notices or restrictive covenants) on affected property in different circumstances as part of completing a response action.	Site	0
VCP	TCEQ maintains a list of sites involved in the Voluntary Cleanup Program (VCP).	0.5	0

The regulatory review identified six LPST, regulated facilities within the specified search radii.

4.1.1 Listed Facilities

Table 3 summarizes the site-specific information provided by the database and/or gathered by Zia for facilities identified on federal, state, and tribal databases within the indicated search areas. Additional discussion for selected facilities may follow the summary table.

TABLE 3: SUMMARY OF LISTED FACILITIES

FACILITY NAME AND LOCATION	ESTIMATED DISTANCE (Miles)	DIRECTION	TOPOGRAPHIC POSITION	DATABASE LISTING
TAES Research Center 5 mi E FH 76	0.16	ENE	Down-gradient	PST*, LPST
Ghost Tank 457 and 461 Horizon Blvd.	0.3	SE	Equal	LPST
Diamond Shamrock No. 1272 10790 N Loop Drive	0.428	SE	Up-gradient	LPST
Karl Perry Enterprises 10791 N Loops Drive	0.453	ESE	Up-gradient	LPST

FACILITY NAME AND LOCATION	ESTIMATED DISTANCE (Miles)	DIRECTION	TOPOGRAPHIC POSITION	DATABASE LISTING
Rogelios Country Store 251 Horizon Blvd.	0.489	SSW	Up-gradient	LPST
Good Times Store No. 4 602 Horizon Blvd.	0.491	ESE	Down-gradient	LPST

**Regulatory database listings located outside of the ASTM-specified search radii.

No regulated sites in Table 3 were found to be located within a distance of 0.12 mile (650 feet) of the subject property and/or were considered to pose a vapor encroachment and/or potential environmental risk to the subject property.

- Based on facility types, distance, physical settings, and/or current regulatory status, the facilities listed in Table 3 do not appear to present a vapor encroachment or a REC relative to the subject property at this time.

4.1.2 Unmapped Facilities

Unlocatable facilities are those that do not contain sufficient address or location information to evaluate the facility listing locations relative to the subject property. Zia reviewed the unlocatable facilities section and no unlocated sites were listed (Appendix D).

4.2 ADDITIONAL ENVIRONMENTAL RECORD SOURCES

Additional environmental resources database source information was provided by GeoSearch for indications of environmental concern on and near the site. Zia reviewed the additional environmental record sources listed and no additional facilities were noted (Appendix D).

4.3 PHYSICAL SETTING SOURCES

TABLE 3: PHYSICAL SETTINGS

PHYSICAL SETTING INFORMATION FOR SITE AND SURROUNDING AREA		SOURCE
TOPOGRAPHY		
Site Elevation	Approximately 3,655 feet above mean sea level (amsl)	<i>Ysleta, Texas USGS Topographic Map, dated 2013</i>
Surface Runoff / Topographic Gradient	South-Southwest	
Closest Surface Water	Ysleta Lateral (adjacent SW)	
FEMA MAP		
Zone/Description	Unmapped	<i>Geosearch Physical Settings Maps, dated 03/20/2019; https://msc.fema.gov, accessed 3/20/2019</i>

PHYSICAL SETTING INFORMATION FOR SITE AND SURROUNDING AREA		SOURCE
SOIL CHARACTERISTICS		
Soil Type/ Description	<p>Harkey loam (Ha) is described as a deep, well drained, nearly level soil that his formed in mixed alluvium on the floodplains of the Rio Grande. Permeability is moderate, and surface run off is slow, and the water erosion hazard is slight. Soil Blowing hazard is moderate.</p> <p>Saneli silty clay (Sc) is described as a deep, well drained, nearly level soil that formed in mixed alluvium on the flood plains of the Rio Grande, and is commonly near old or existent river channels. Permeability Is very slow, surface run off is very slow, and the water erosion hazard is slight. Soil blowing hazard is low.</p>	<p>https://websoilsurvey.nrcs.usda.gov/app/WebSoilSurvey.aspx accessed 06/20/2018</p>
RADON		
Zone / Description	EPA Zone 3: Predicted average indoor radon screening levels less than 2.0 pCi/L.	<p>EPA's Map of Radon Zones Texas, dated 09/1993</p> <p>https://geopub.epa.gov/Radon/ , accessed 03/22/2019.</p>
GEOLOGY/HYDROGEOLOGY		
Formation(s) / Description	Alluvium: Phanerozoic, Cenozoic, Quaternary, Holocene	Geosearch Physical Settings Maps, dated 03/20/2019
Estimated Depth to Groundwater*	Approximately 29 feet (Site ID No. JL-49-22-902)	GeoPlus Water Well Report, dated 03/20/2019
Primary Aquifer	Hueco Bolson	
Hydrogeologic Gradient*	Not known—may be inferred to be parallel to topographic gradient	
Site Water Source	None	Site Reconnaissance

*The groundwater flow direction and the depth to shallow groundwater, if present, would likely vary depending upon seasonal variations in rainfall and the depth to the soil/bedrock interface. Groundwater flow direction is inferred to be generally following surface topography for purposes of this report.

Radon

The EPA-recommended action level for elevated radon is 4.0 pCi/L. Based on a review of the EPA data, radon levels appear to be low in El Paso County.

Lead in Drinking Water

The Lower Valley Water District (LVWD) provides drinking water to the surrounding area. Based on the *El Paso Water 2017 Consumer Confidence Report*, which provides wholesale water to the lead in drinking water is below action levels.

4.4 HISTORICAL USE INFORMATION

Review of historical use information helps identify obvious uses of the site back to at least 1896 or prior to site development, whichever is earlier, by reviewing one or more “standard historical sources.” Documentation of historical sources, as available, is included in Appendix C.

4.4.1 Historical Topographic Maps

Historical Topographic Maps were made available through the Geosearch Historical Topographic Maps Report. Selected historical topographic maps are summarized in Table 4.

- El Paso, Texas, 1:250,000 scale USGS Topographic Maps: 1896, 1908
- Ysleta, Texas 1:24,000 scale USGS Topographic Maps: 1939, 1941, 1945, 1955, 1967, 1973, 1994, 2012.

TABLE 4: HISTORICAL TOPOGRAPHIC MAPS

DIRECTION	DESCRIPTION
Site	Undeveloped Land (1896 - 2012)
North	Undeveloped Land (1896 - 1973); Residential neighborhood (1994 - 2012)
West	Undeveloped Land (1896 - 2012)
South	Undeveloped Land (1896 - 2012)
East	Undeveloped Land (1896 - 2012)

Based on a review of the historical topographic maps, no RECs were noted in connection with the subject property or surrounding areas.

4.4.2 Historical Aerial Photographs

Historical Aerial Photographs were made available through the Geosearch Historical Aerial Photographs Report and were reviewed at approximate 10- to 15-year intervals, to identify RECs in connection with the site. A photo’s quality and scale may limit evaluation of these aerials. Selected photographs are summarized in Table 5.

- United States. Agricultural Stabilization and Conservation Service: 1936.
- Army Map Service: 1943, 1956.
- United States Geological Service: 1967, 1984, 1991, 1996, 2003.
- Texas Department of Transportation: 1974, 1988.
- United States Department of Agriculture: 2004, 2005, 2006, 2010, 2012, 2014, 2016.

TABLE 5: HISTORICAL AERIAL PHOTOGRAPHS

DIRECTION	DESCRIPTION
Site	Agricultural land (1936 - 1996); Undeveloped land (2003 - 2016)
North	Agricultural land (1936 - 1984); Residential (1988 - 2016)
West	Ysleta Lateral followed by agricultural land (1936 - 2016)
South	Agricultural land (1936 - 2016)
East	Agricultural land (1936 - 1996); Residential land followed by commercial storage (2003 - 2016)

Based on a review of the historical aerial photographs, no RECs were noted in connection with the subject property or surrounding areas.

4.4.3 Historical City Directories

Historical City Directory information was provided in the Geosearch City Directory Target Property Address Report

The city directories used in this study were provided by GeoSearch and were reviewed at approximately five (5) year intervals. Selected city directories are summarized in Table 6. Since these references are copyright protected, reproductions are not provided in this report.

- R.L Polk & Company El Paso City Directories reviewed: 2010 and 2016
- Col Directories El Paso and Vicinity Directories reviewed: 2001, 2006, 1990-91, 1995-96

TABLE 6: HISTORICAL CITY DIRECTORIES SUMMARY

DIRECTION	DESCRIPTION
Site	No Listing (1990-2016)
North	10530 Fuente Street: No Listing (1990-2001); Residential (2006-2016) 10531 Fuente Street: No Listing (1990-2001); Residential (2006-2016) 10540 Fuente Street: No Listing (1990-2001); Residential (2006, 2016), No Current Listing (2010) 10541 Fuente Street: No Listing (1990-2001); Residential (2006-2016) 10550 Fuente Street: No Listing (1990-2001); Residential (2006-2016)
West	No Listing (1990-2016)
South	No Listing (1990-2016)
East	530 Three Missions Drive: No Listing (1990-1996, 2006-2016); Joel Morales (2001); 560 Three Missions Drive: No Listing (1990-2001); Multi-Tenant Residential (2006-2016); Mission Senior Community [Residential Care Homes] (2010) 561 Three Missions Drive: No Listing (1990-2001, 2010); Multi-Tenant Residential (2006, 2016); Mission Senior Community (2006); Mission Senior Community [Residential Care Homes] (2016) 564 Three Missions Drive: No Listing (1990-1996, 2006-2010); Apartments (2001)

Based on a review of the historical city directories, no RECs were noted in connection with the subject property or surrounding areas.

4.4.4 Historical Fire Insurance Maps

In the late nineteenth century, the Sanborn Company began preparing maps of central business districts for use by fire insurance companies. These maps were updated and expanded geographically and periodically through the twentieth century. The Sanborn maps often indicate construction materials of specific building structures and the location of gasoline storage tanks.

Historical Fire Insurance Maps produced by the Sanborn Map Company were requested through Geosearch; however according to Geosearch Fire Insurance Map Abstract there was no coverage for the subject property or surrounding areas.

4.4.5 Title Records, Environmental Liens, and AULs

Zia reviewed on-line records from the El Paso Central Appraisal District. Ownership records were reviewed back to 2004. Tiera Del So Housing Corporation purchased the property under a Special Warranty Deed from Hacienda Santa Barbara Apartments on July 2, 2009. Previous property owners include: Housing & Economic Rural Development and Tierra SII LP. No activity or land use limitations were noted in the records reviewed.

Additionally, an Environmental Lien Report provided by Geosearch, a contract information services company, also indicated environmental liens or AULs were not noted in the documents reviewed.

4.4.6 Historical Oil and Gas Wells

Zia reviewed the Geosearch GeoPlus Oil and Gas Report. No oil or gas wells were reported within 0.5 miles of the subject property.

4.4.7 Prior Report Review

Previous environmental reports for the subject property were not provided for review.

5 SITE RECONNAISSANCE

5.1 METHODOLOGY AND LIMITING CONDITIONS

Information contained in this section is based on a visual reconnaissance conducted while walking through the site and the accessible interior areas of structures, if any, located on the site. A summary of information obtained from interviews and other references presented in the following subsections are also provided.

5.2 GENERAL SITE SETTING

TABLE 7: GENERAL SITE INFORMATION

GENERAL SITE INFORMATION	DESCRIPTION
SITE RECONNAISSANCE	
Field Personnel	Mr. Victor Gibbs
Reconnaissance Date	March 20, 2019
Weather	Clear, Approximately 60°F
Site Contact/Title	None
SITE DESCRIPTION	
Site Name	Proposed Hacienda Santa Barbara Apartments
Site Location/Address	525 Three Missions Drive, Socorro, El Paso County, Texas
Adjoining Streets	Three Missions Drive (north), Fuentes (west)
LAND AREA DESCRIPTION	
Land Area	3.05 acres
Other Site Improvements	None
Zoning	Residential (C10)
SITE UTILITIES	
Electricity	None
Drinking Water	None
Wastewater	
Natural Gas	
Solid Waste	

The subject property is located at 525 Three Missions Drive, Socorro, El Paso County, Texas and is an approximate 3.05-acre parcel of undeveloped, vacant leveled land.

5.3 SUMMARY OF OBSERVATIONS

The following table summarizes interior and exterior site observations and interviews. Affirmative responses (bolded and designated by an "X") are discussed in more detail in the subsections following the table.

TABLE 8: SITE CHARACTERISTICS

CATEGORY	ITEM OR FEATURE	ITEM OR FEATURE OBSERVED
Site Operations, Processes, and Equipment	Emergency generators	
	Elevators	
	Air compressors	
	Hydraulic lifts	
Aboveground Chemical or Waste Storage	Evidence of aboveground storage tanks	
	Drums, barrels, and/or containers ≥ 5 gallons	
	Cleaning and/or similar supplies	
	Safety Data Sheets	
Electrical Transformers / PCBs	Pad- or pole-mounted transformers	
Underground Chemical or Waste Storage, Drainage or Collection Systems	Evidence of underground storage tanks or ancillary UST equipment	
	Sumps, cisterns, catch basins and/or dry wells	
	Grease traps	
	Septic tanks and/or leach fields	
	Oil/water separators	
	Pipeline markers	
	Interior floor drains	
Evidence of Releases or Potential Releases	Stressed vegetation	
	Stained soil	
	Stained pavement or similar surface	
	Trash, debris, and/or other waste materials	X
	Dumping or disposal areas	
	Construction/demolition debris and/or dumped fill dirt	
	Surface water discoloration, odor, sheen, and/or free floating product	
	Strong, pungent, or noxious odors	
	Exterior pipe discharges and/or other effluent discharges	
	Laboratory hoods and/or incinerators	
	Waste treatment systems and/or water treatment systems	
	Compressor blowdowns	
Other Notable Site Features	Surface water bodies	
	Quarries or pits	
	Wells	

Those entries bolded in Table 8 and designated by an “X” indicate that the Item or Feature was observed during the site visit. These are discussed in more detail below. If no “X” designation appears above, then the Item or Feature was not observed on the date of the site visit.

5.3.1 Evidence of Releases or Potential Releases

Trash, debris, and/or other waste materials

Windblown garbage and other debris were observed along the southern and western boundaries. Based on visual observations (surface materials only), the debris included once piece of discarded furniture, cardboard boxes, plastic bags, broken glass bottle fragments, and cigarette packages.

- Based on the above information, the trash debris and/or other waste material do not appear to constitute a REC at this time.
- Zia recommends that the trash debris and/or other waste material be removed and disposed in accordance with local and state guidelines. Improved maintenance activities should be implemented to minimize the potential for future releases.

5.4 ADJOINING/SURROUNDING PROPERTY RECONNAISSANCE

Visual observations of adjoining/surrounding properties (from site boundaries and readily accessible public areas) are summarized in Table 9.

TABLE 9: ADJOINING/SURROUNDING PROPERTIES

DIRECTION	DESCRIPTION
North	Low density residential housing
East	High density residential housing followed by National Self Storage
South	Concrete-lined Ysleta lateral irrigation ditch and agricultural land
West	Concrete-lined Ysleta lateral irrigation ditch and agricultural land

Oil, gas or chemical pipelines, processing facilities, commercial storage, or other potentially hazardous facilities were not noted adjacent or in the surrounding areas.

Noise levels within the subject property are currently those typical of a semi-rural area with a mixture of residential noises. The subject property is located approximately 1.8 miles west of Interstate 10; 12.3 miles south of El Paso Airport; 13.9 miles south of Ft. Bliss; and 0.30 miles east of a railroad track. The busiest nearby roadway is N. Loop drive located 0.11 miles east of the project area.

- Based on the distance to the El Paso Airport (less than 15 miles), and Union Pacific railroad track (less than 3,000 feet), Zia recommends a noise study be completed in accordance with current HUD guidelines, if applicable to this property.

6 INTERVIEWS

6.1 OWNER/SITE MANAGER/OCCUPANTS

Salvador Estrada, Deputy director and employee of the current property owner

According to Mr. Estrada, this Phase I ESA is being performed as part of the due diligence for underwriting for low income housing tax credit allocation by the Texas Department of Housing and Community Affairs for the construction of multifamily housing. He indicated that the purchase price being paid for the property reasonably reflects the fair market value of the property. Mr. Estrada indicated that he was the developer for the 42 unit Missions Senior Apartment complex located adjacent north. He was not aware of any specific chemical spills and/or releases or any environmental cleanups at the property. Nor was Ms. Estrada aware of any obvious indicators that point to the presence or likely presence of contamination at the property. Mr. Estrada indicated that he is unaware of any environmental clean-up liens and/or land activity and use restrictions (AUL[s]) on the subject property.

6.2 LOCAL GOVERNMENT OFFICIALS

Fire Chief Murillo, Socorro Volunteer Fire Department

Zia attempted to contact Fire Chief Murillo, of the Socorro Volunteer Fire Department, via email and phone regarding any responses made to the subject property or surrounding areas. At this issuance of this report a response has not been received.

7 FINDINGS, OPINIONS, AND CONCLUSIONS

7.1 FINDINGS AND OPINIONS

This Phase I Environmental Site Assessment (ESA) was performed in accordance with our proposal (PLCE-19-014 dated March 19, 2019) and in general accordance with the consensus documents known as ASTM E 1527-13 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. Mr. Victor Gibbs performed the site reconnaissance on March 20, 2019.

A cursory summary of findings is provided below. However, details are not included or fully developed in this section and the report must be read in its entirety for a comprehensive understanding of the items contained herein.

- The proposed Hacienda Santa Barbara apartments (subject property), is a 3.05 acre parcel of undeveloped land located at 525 Three Missions Drive in Socorro, El Paso County, Texas.
- Historical sources indicated that the subject property was used as agricultural land from at least 1936 through the 1990s, when it was no longer used for agricultural purposes and has remained vacant land to present day.

- Adjacent properties were agricultural lands from at least 1936 to the 1980s when properties to the north were developed as residential housing. Additional residential housing was added in the late 1990s or early 2000s to the north and east of the subject property.
- The regulatory review identified six LPST/LUST, regulated facilities within the specified search radii. Based on the facility characteristics, environmental settings, and/or distance from the subject property, the regulatory facilities do not appear to constitute a REC in connection with the subject property at this time.
- The site reconnaissance did not reveal conditions, items, or features that would constitute a REC in connection with the subject site at this time.

7.2 DATA GAPS

No significant data gaps were identified in the information obtained and reviewed during the inquiry activities for this Phase I ESA that we believe may affect Zia's ability to identify RECs at the subject property.

7.3 ADDITIONAL INVESTIGATION

Based on the scope of services and limitations of this assessment, Zia did not identify a REC in connection with the subject property, which, in our opinion, would require additional investigation.

7.4 CONCLUSIONS

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Practice E 1527-13 of the Proposed Hacienda Santa Barbara Apartments located at 525 Three Missions Drive, Socorro, in El Paso County, Texas. Any exceptions to, or deletions from, this practice are described in Section 1.4 of this report. Based on the scope of services and limitations of this assessment, Zia did not identify a REC in connection with the site, which, in our opinion, requires additional investigation at this time. While no RECs were noted, the following conditions may warrant further review and/or discussion:

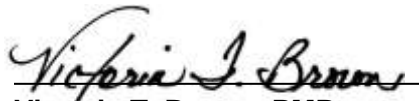
- Based on the distance to the El Paso Airport (less than 15 miles), and Union Pacific railroad track (less than 3,000 feet), Zia recommends a noise study be completed in accordance with current HUD guidelines, if applicable to this property.
- Trash debris, discarded furniture and/or other waste materials were noted primarily along the southern and eastern boundaries. Zia recommends that the waste materials be removed and disposed in accordance with local and state guidelines. Improved maintenance activities should be implemented to minimize the potential for future releases.

8 ADDITIONAL SERVICES AND DEVIATIONS

Per the agreed-on scope of services specified in the proposal, additional services (e.g., asbestos testing, wetlands evaluation, lead-based paint testing, lead in drinking water testing, radon testing, etc.) were not conducted under this scope of work.

9 SIGNATURE(S) OF ENVIRONMENTAL PROFESSIONAL(S)

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in §312.10 of 40 CFR 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject site. I have developed and performed the *all appropriate inquiries* in conformance with the standards and practices set forth in 40 CFR Part 312.



Victoria T. Brown, PMP
Senior Scientist

10 REFERENCES

Federal Emergency Management Agency (FEMA)

FEMA Flood Map Service Center website, <https://msc.fema.gov/portal/search> , accessed 03/21/2019.

El Paso Central Appraisal District (EPCAD)

EPCAD Property Search website <http://www.epcad.org/Search/Details/240412/2019> , accessed 03/20/2019

Environmental Protection Agency (EPA)

Radon Zones (with State Information) <https://geopub.epa.gov/Radon> , accessed 03/22/2019

GeoSearch E RecSearch Report. "Hacienda Santa Barbara, 525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 20, 2019.

GeoSearch Environmental Lien. "Hacienda Santa Barbara, 525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 22, 2019.

GeoSearch Fire Insurance Map Abstract. "Hacienda Santa Barbara, 525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 21, 2019.

GeoSearch Historical Aerial Photographs. "Hacienda Santa Barbara, 525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 22, 2019.

GeoSearch Historical Street Search . "Fuentes Street and Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 22, 2019.

GeoSearch Historical Topographic Maps. "Hacienda Santa Barbara, 525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 21, 2019.

GeoSearch GeoPlus Oil & Gas Report. "525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 20, 2019.

GeoSearch GeoPlus Physical Setting Maps. "525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 20, 2019.

GeoSearch GeoPlus Water Well Report. "525 Three Missions Drive, Socorro, El Paso, Texas, 79927" Order No. 123593, Dated March 20, 2019.

New Mexico Water Resources Institute, Lower Rio Grande Water Users Organization Location of Mesilla, Jornada, Hueco, and Rincon Basins Map, dated 2000.

United States Department of Agriculture Natural Resource Conservation Service, Web Soil Survey, El Paso County, Texas, accessed March 21, 2019.

ESA Appendices removed by TDHCA staff for document sizing purposes.

Site Design and Feasibility Report

Hacienda Santa Barbara El Paso, Texas

Owner: Housing & Economic Rural Opportunities (HERO)

Developer: Thomas Development Group, LLC

Prepared by: Frederic Dalbin, AIA

February 2019



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Abstract

This report is intended to assist the owner and developer in meeting the 2019 LIHTC requirements for the proposed development. The report assesses the existing conditions of the site and well as the proposed multi-family development.

Limitations

This report has been prepared for the exclusive use of H.E.R.O and Thomas Development Group Inc. and its consultants for evaluation purposes and does not contain information for other parties or other uses.

The results submitted in this report are based on data obtained from the following sources:

1. ALTA Survey from Paso Del Norte: Andy Eby Registered Surveyor
2. City of Socorro
3. Thomas Development Group
4. Field data collected during the study

If the project information described in this report is incorrect or altered, or if new information is available, we should be contacted to review and modify the results of this study.

Introduction

Thomas Development Group and HERO are preparing an application for a Tax Credit Development consisting of 132,899 square feet of land, located along Three Mission Drive in Socorro, Texas. The proposed development will include 40 units with a combination of 1, 2, and 3 bedrooms, and a community center with a manager apartment. There are 8 (1-bedroom) units, 12 (2-bedroom) units, and 20 (3-bedroom) units. In addition to the units, the developer is building a community center consisting of 4,850 square feet. The development requires 62 parking spaces and the developer is providing 88 parking space including 5 handicap accessible stalls. The site does not appear to have any onerous development requirements. It is fronting a residential street, with utilities nearby, the soil condition is acceptable, and access is available and no problematic visible issues. The site geographic identification number is T249000001001A0.

Site Location

The proposed site consists of a parcel of land located in the City of Socorro, El Paso County, Texas. The parcel is shown on the following exhibit.



Figure 1: Site Location

The site is bound by an existing apartment complex on the north and one on the north-east, and single homes on the northwest and agricultural field on the south.

Site Description

Platting Determination & Physical Boundary

The site is already legally subdivided. The subdivision name is Three Missions – Legal Description:
1 Three Mission Replat of Lot 1A, City of Socorro, El Paso County Texas.

Zoning and Proposed Uses:

The site is zoned R-3, High Density Residential with a maximum of 30-unit per acre. The development is allowed in this zoning designation. The site is shown in orange.

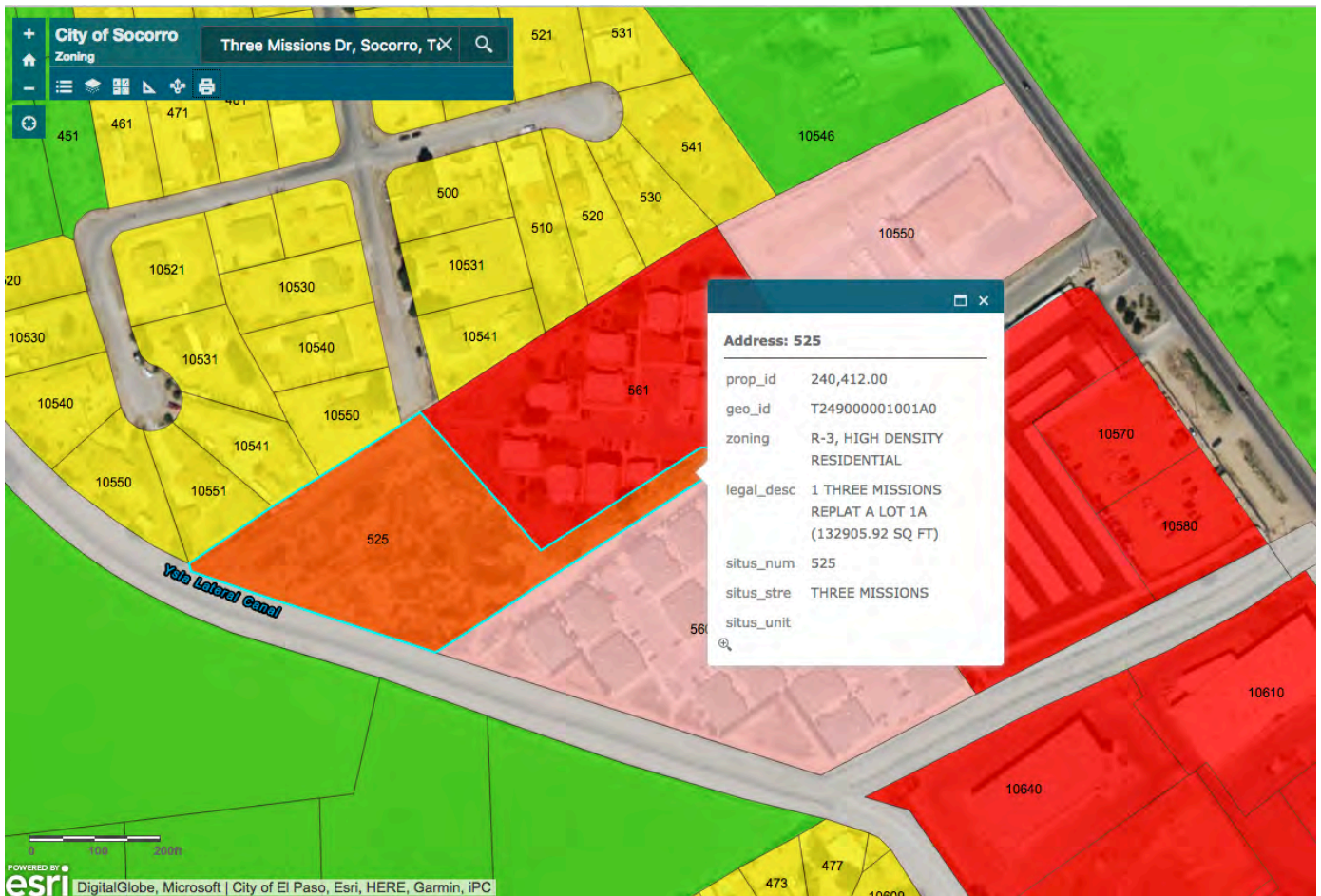
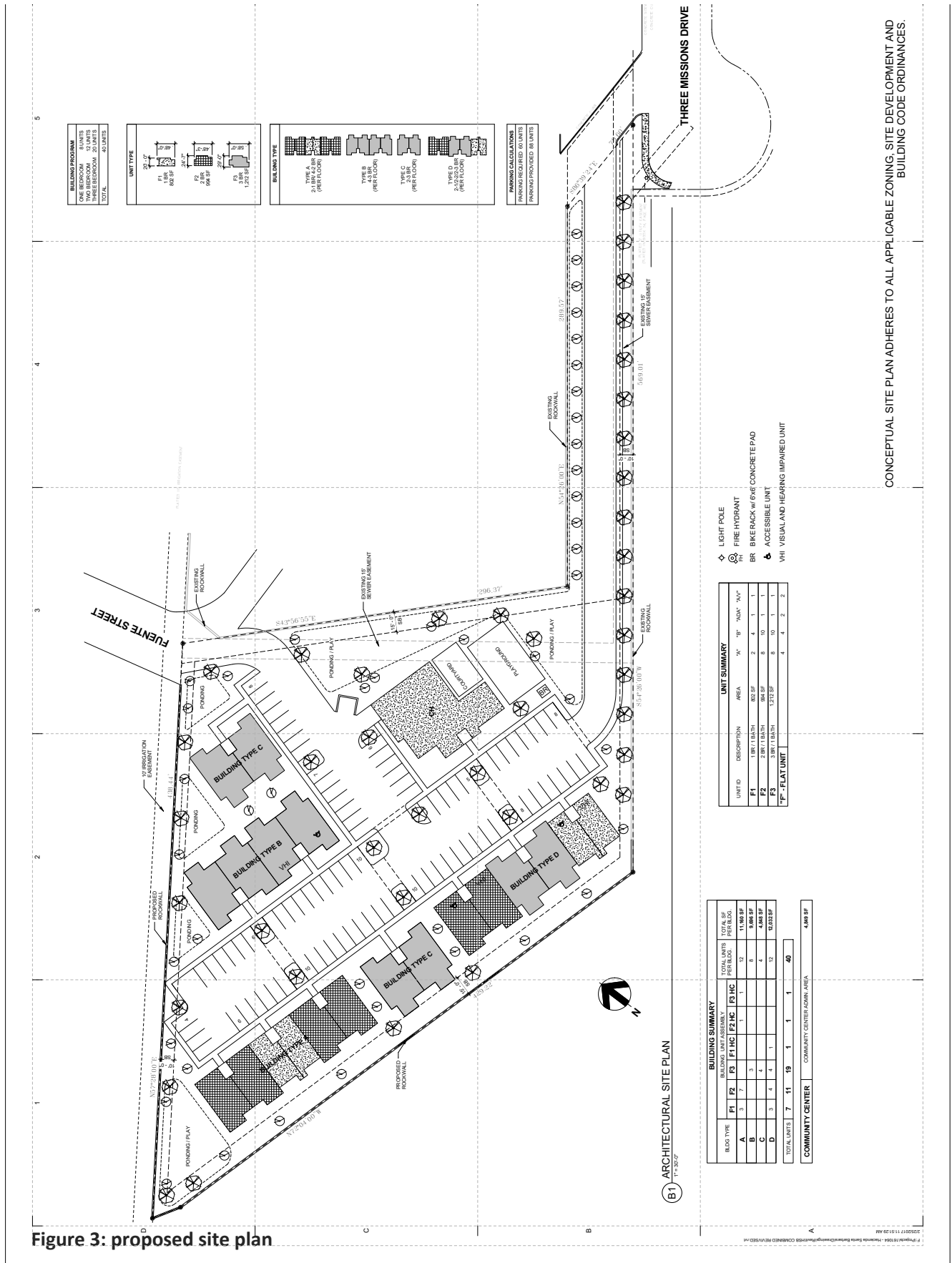


Figure 2: Existing Zoning:

https://www.municode.com/library/tx/socorro/codes/code_of_ordinances?nodeId=PTIICOOR_CH46ZO_ARTIVDIRE_DIV5-HIDERED1

The following exhibit is the proposed site plan showing the proposed layout of the buildings. The plan materially adheres to all applicable zoning, site development, and building code ordinances.

Figure 3: proposed site plan



BUILDING PROGRAM

100 BEDROOM SUITS	10
100 BATHS	10
THREE ELEVATOR 20 UNITS	20
TOTAL	40 UNITS

UNIT TYPE

10' x 12'	1	1	1	1
1 BR	1	1	1	1
648 SF	1	1	1	1
2 BR	2	2	2	2
698 SF	2	2	2	2
3 BR	3	3	3	3
1,712 SF	3	3	3	3

BUILDING TYPE

TYPE A	20' x 120' (PER FLOOR)
TYPE B	45' x 120' (PER FLOOR)
TYPE C	60' x 120' (PER FLOOR)
TYPE D	60' x 120' (PER FLOOR)

PARKING CALCULATIONS

PARKING REQUIRED 60 UNITS	60
PARKING PROVIDED 84 UNITS	84

BUILDING SUMMARY

BLOG TYPE	FT	F2	F3	F1 HC	F2 HC	F3 HC	TOTAL UNITS	TOTAL SF
A	1	2	3	1	1	1	6	11,968 SF
B	1	1	1	1	1	1	6	9,088 SF
C	1	1	1	1	1	1	6	4,488 SF
D	1	1	1	1	1	1	6	12,332 SF
TOTAL UNITS	7	11	19	1	1	1	40	4,488 SF

COMMUNITY CENTER COMMUNITY CENTER ADMIN AREA 4,488 SF

UNIT SUMMARY

UNIT	DESCRIPTION	AREA	"A"	"B"	"C"	"D"	"E"
F1	1 BR/1 BATH	648 SF	2	4	1	1	1
F2	2 BR/1 BATH	698 SF	6	10	1	1	1
F3	3 BR/1 BATH	1,712 SF	6	10	1	1	1
"F" - FLAT UNIT			4	4	4	4	2

- LIGHT POLE
- FIRE HYDRANT
- BR BIKE RACK W/ EYE CONCRETE PAD
- ♿ ACCESSIBLE UNIT
- ♿ VHI VISUAL AND HEARING IMPAIRED UNIT

(B) ARCHITECTURAL SITE PLAN
11/18/07

CONCEPTUAL SITE PLAN ADHERES TO ALL APPLICABLE ZONING, SITE DEVELOPMENT AND BUILDING CODE ORDINANCES.

Existing Conditions

Property Tax Information and millage rates

The site Parcel (Property) Identification Number is 240412 with Geographic ID: T249000001001A0 as assigned by the El Paso Central Appraisal District.

As per the Consolidated Tax Office, the proposed site is subject to property-tax levies from a total of seven taxing entities:

1. City of El Socorro: 0.727555
2. El Paso County: 0.452694
3. Socorro Independent School District: 1.274794
4. El Paso Community College: 0.134909
5. EMGCY SRVC DIST#2: 0.094595
6. University Medical Center: 0.234456
7. LWR Valley WTR D: 0.189467

The millage rates provided above are based on 100 percent assessed valuation and are expressed per \$100 of value.

Development Ordinances

The site will be developed as per the “City of Socorro – Subdivision and Development Plats Ordinance”.

Fire Department requirements: El Paso County Emergency Services District #2

It appears that there are not any off-site Fire Department requirements. The site will be developed as per “2009 International Fire Code”.

Survey

The ALTA survey prepared by Paso Del Norte shows an access to Three Missions. There are easements associated with the site. The site is 3.0509 acres.

Utilities

Domestic water service will be provided at the public right-of-way off Three Missions Drive. The domestic water services shall be new services that will originate from the existing eight (8) inch diameter main that extends along Three Missions Drive along the access driveway.

Sanitary Sewer Service to the Property:

There is an existing sewer main in Three Mission Drive with a manhole at the drive into the existing site

that will be extended with additional manholes to serve the buildings on the site.

Electrical service: There is an existing El Paso Electric overhead line located at the northeast corner of the lot. Proposed electric service will be 240V single phase. Site electric service will be dropped from the overhead service and will be underground with pad mounted transformers. Each unit will be individually metered from meter banks on each building served from the pad mounted transformers.

Electric Service will be provided by the El Paso Electric Company.

Gas Service will be provided by Texas Gas using the existing 2" PE main service line at the turn-around at Three Missions Drive that will provide natural gas for the site.

Telephone service will be provided to the site along with the electric service. The Service is provided by ATT.

Flood zone

The site is located in Flood Zone X, areas determined to be outside the 100-year flood as per FIRM.

Offsite requirements

There should not be any offsite requirements.

On site requirements

The onsite requirements are typical of any similar development.

Ingress and egress requirements

There will be a driveway off Three Missions Drive as well as a second driveway to Fuente Street to provide a secondary access and egress to the site.

Geotechnical review

No geotechnical study has been performed at the site and one will be performed before structural design is started. We are referring to a geotechnical survey that was performed on the adjacent property for the same owner. All 16 borings of the study show that the existing soil is classified as CL/SP-SM in accordance with the Unified Soil Classification System. This type of soil consists of sandy silty clay and poorly graded sand with silt. Ground water was encountered at 10' below the existing surface which are cause by seasonal rain and/or irrigation. Recommendation for site preparation includes to over-excavate 2.5 feet below all footings and slabs with engineering soil and compact in accordance with ASTM D-1557. This soil condition and recommendation for site preparation is typical of the conditions in these area.

Drainage and detention /retention requirements

The site is already rough graded. All of the storm water runoff is supposed be retained on site.

Civil engineer drawings attached show that it can be accomplished as designed.

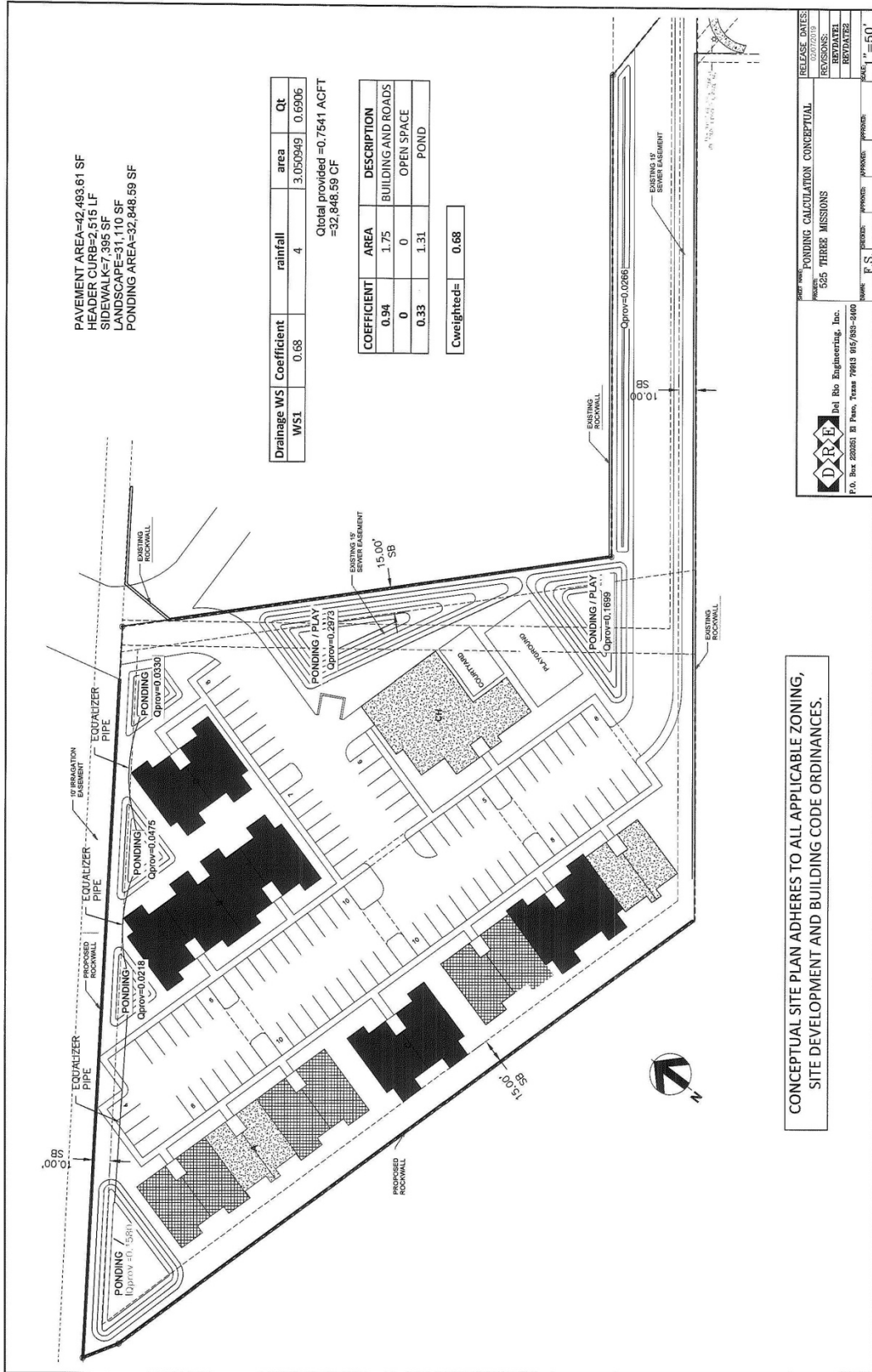


Figure 4: Preliminary Grading and Drainage

Required approvals

The site is already a portion of a legal subdivision. There will not be a need to subdivide.

A building permit has to be obtained from the City after their review. This process might take 21-30 working days plus or minus depending on the amount of details needed.

Other necessary fees

The City of Socorro Engineering and Construction Department has an established Building Permit process and also has a Customize Plan Review process to expedite the permit in cases where this is desired.

We have met with the Planning for the Hacienda Santa Barbara, the Building Permit Fee for the standard process will be waived, as the City is supportive of this project.

Building Design Codes and Ordinances:

The Hacienda Santa Barbara Complex design will comply will all of the current and adopted building codes and local ordinances. The City of Socorro has adopted and is currently using the following codes and ordinances:

International Building Code 2015

International Plumbing Code 2015

International Mechanical Code 2015

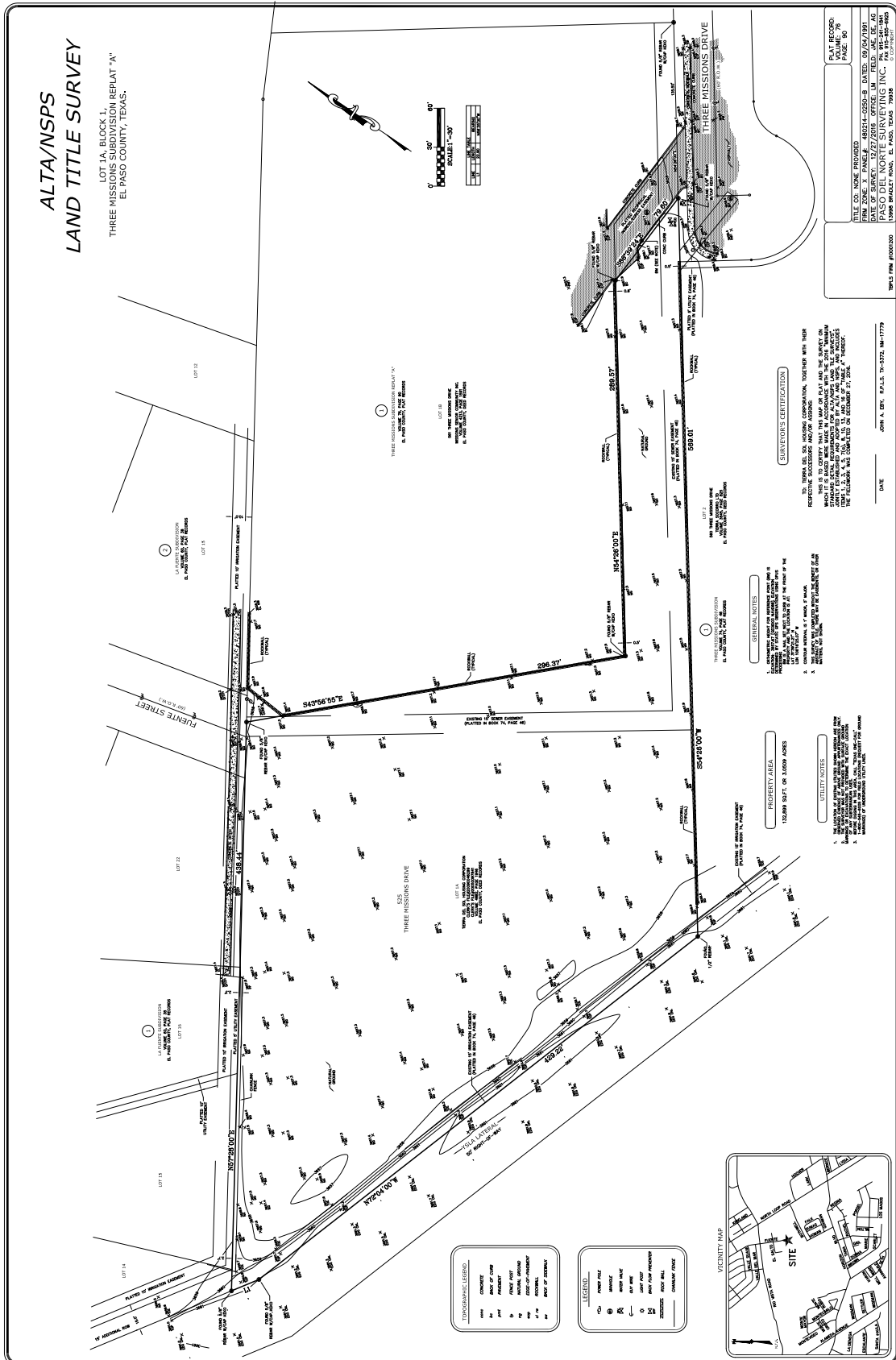
International Fire Code 2015

2015 National Electric Code

2015 International Energy Conservation Code Texas Accessibility Code

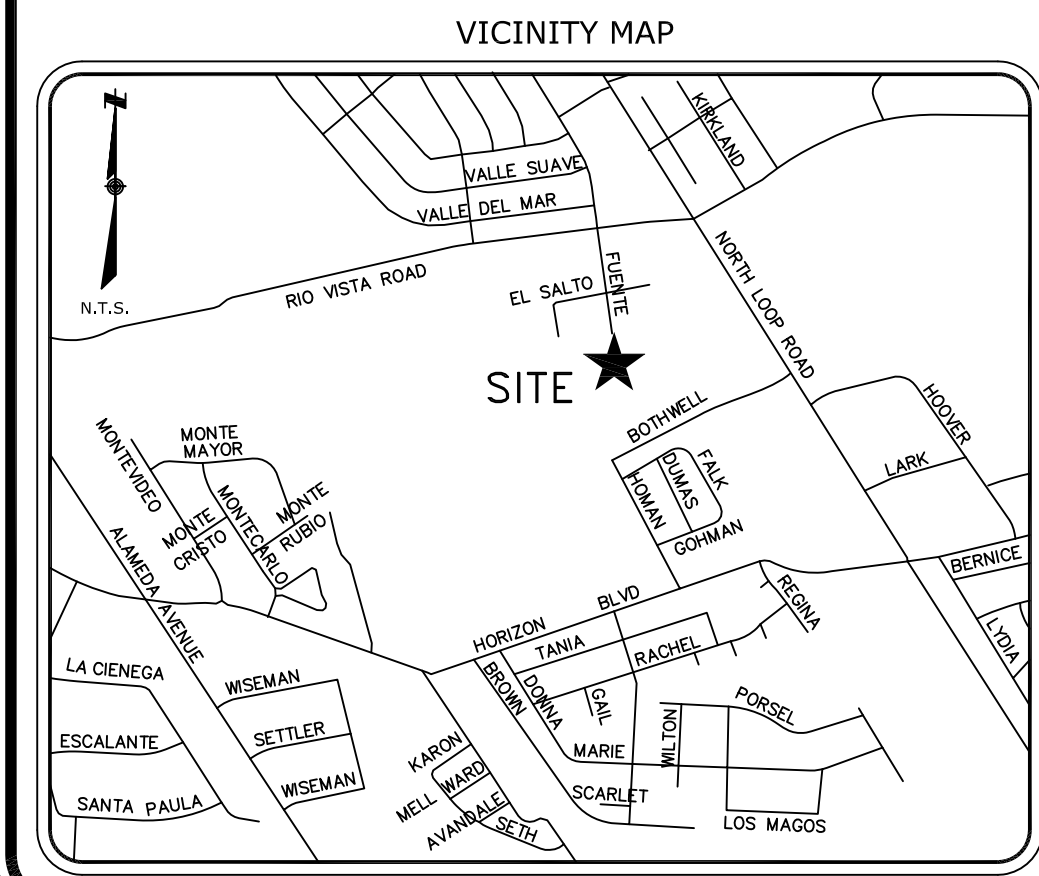
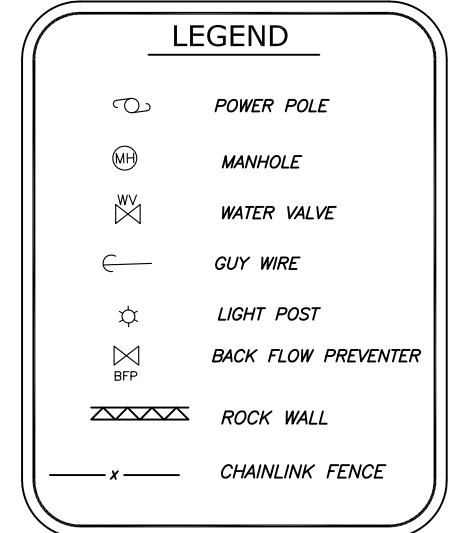
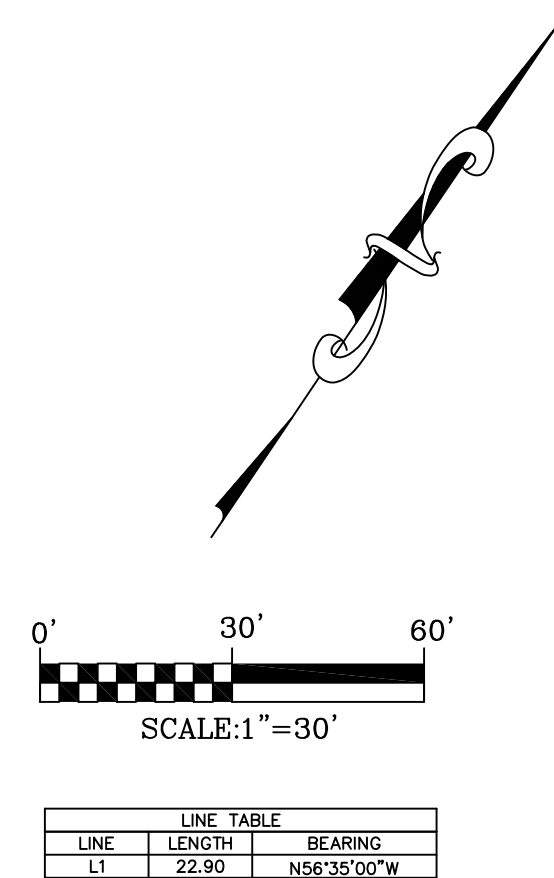
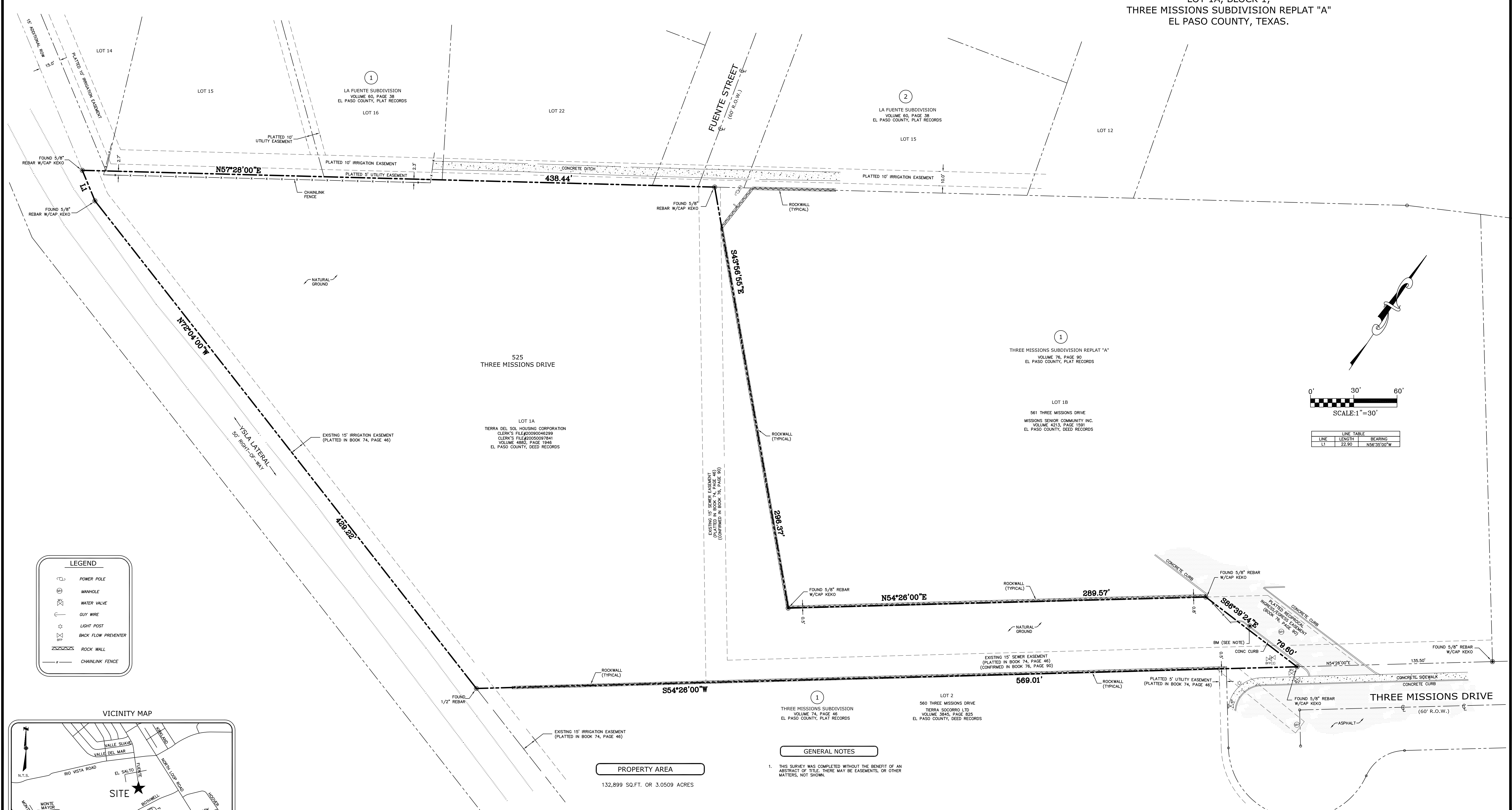
City of Socorro Development Ordinance

Figure 5: COPY OF ALTA SURVEY



BOUNDARY & IMPROVEMENT SURVEY

LOT 1A, BLOCK 1,
THREE MISSIONS SUBDIVISION REPLAT "A"
EL PASO COUNTY, TEXAS.



PROPERTY AREA
132,899 SQ.FT. OR 3.0509 ACRES

UTILITY NOTES

- THE LOCATION OF EXISTING UTILITIES SHOWN HEREON ARE FROM OBSERVED EVIDENCE OF ABOVE GROUND APPURTENANCES ONLY.
- THE SURVEYOR WAS NOT PROVIDED WITH SURFACE GROUND MARKINGS OR EXCAVATIONS TO DETERMINE THE EXACT LOCATION OF ANY SUBTERRANEAN USES.
- BEFORE DIGGING IN THIS AREA, CALL "TEXAS ONE-CALL" 1-800-545-8009 FOR FIELD LOCATIONS (REQUEST FOR GROUND MARKINGS) OF UNDERGROUND UTILITY LINES.

GENERAL NOTES

- THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS, OR OTHER MATTERS, NOT SHOWN.

CERTIFICATION
I HEREBY CERTIFY THAT THIS BOUNDARY AND IMPROVEMENT SURVEY IS BASED ON A FIELD SURVEY PERFORMED UNDER MY SUPERVISION AND COMPLIES WITH THE CURRENT TEXAS BOARD OF PROFESSIONAL LAND SURVEYING PROFESSIONAL AND TECHNICAL STANDARDS.
PRELIMINARY FOR REVIEW ONLY
JOHN A EBY TX-5372 NM-17779

UPDATED & REVISED 03/21/2019
REVISED 02/27/2017

PLAT RECORD: VOLUME: 76 PAGE: 90	TITLE CO: STEWART TITLE FILE: 368760 DATED: 02/26/2019
FIRM ZONE: X PANEL#: 480214-0250-B DATED: 09/04/1991	DATE OF SURVEY: 12/27/2016 OFFICE: LM FIELD: JAE, DE, AG
PASO DEL NORTE SURVEYING INC. PH. 915-241-1841 13998 BRADLEY ROAD, EL PASO, TEXAS 79938 FAX 915-855-6925 © COPYRIGHT	

TBPLS FIRM #10001200

Notice of Termination



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Sharon Thomason, *Member*
Leo Vasquez, *Member*

April 15, 2019

Writer's direct dial: 512/475-1676
Email: marni.holloway@tdhca.state.tx.us

Salvador Estrada
210 East Idaho Avenue
Las Cruces, NM 88005

RE: STATUS OF 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19229 HACIENDA SANTA BARBARA

Dear Mr. Estrada:

The Texas Department of Housing and Community Affairs (the Department) is in receipt of the Application mentioned above. After initial review of the Application, staff issued a deficiency notice that included 34 items due to be resolved by 5:00 p.m., Austin local time, on March 25, 2019. Response to the deficiency notice was uploaded by the Applicant on March 25 at 4:02 p.m., leaving little time for staff to review the 254-page response prior to the deadline. When staff completed review of the response, staff found that 14 items remained deficient.

Per 10 TAC §11.201(7)(A) related to the Deficiency Process:

(A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information (that should already have been in existence prior to Application submission), there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. It is the responsibility of a person who receives a deficiency to address the matter in a timely manner so that staff has the ability to review the response by the close of business on the date by which resolution must be complete and the deficiency fully resolved. Merely submitting materials prior to that time places the responsibility on the responding party that if the materials do not fully resolve the matter there may be adverse consequences such as point deductions or termination.

10 TAC §11.1(a)(78) of the 2019 Qualified Allocation Plan (QAP) defines a Material Deficiency as:



Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items. It is possible that multiple deficiencies that could individually be characterized as Administrative Deficiencies, when taken as a whole would create a need for substantial re-review of the Application and as such would be characterized as constituting a Material Deficiency.

The submitted documentation did not sufficiently resolve multiple deficiencies, and the deficiencies as a whole would create a need for substantial re-review of the Application. The Application is considered materially deficient and is terminated, subject to your ability to appeal this decision as described, below.

Staff has completed its review of the response to the deficiency notice and the following threshold items remain deficient:

- The most recently posted Certification, Acknowledgement, and Consent of Development Owner required by 10 TAC §11.204(1) was not submitted with the response, as was requested.
- The most recently posted Applicant Eligibility Certification required by 10 TAC §11.204(2) was submitted with the response, as was requested, but revised certifications were not provided for all required individuals.
- The zoning letter required by 10 TAC §11.204(11) was dated February 24, 2017 at Application. Per §11.204, the letter must not be dated more than six (6) months prior to the close of the Application Acceptance Period ended on March 1, 2019. The letter sent in the response was dated March 22, 2019, and did not exist prior to submission of the Application.
- Flood zone documentation from the local government required by 10 TAC §11.101(a)(1) was not provided with the response but was provided on March 27, 2019. The letter was dated March 25, 2019, and did not exist prior to submission of the Application.
- The Application did not include floor plans for the accessible units and for the common building as required by 10 TAC §11.101(a)(9). Floor plans were submitted with the response that mirror the original floor plans, including the same unit names, which do not match the unit names indicated on the revised site plan. No affected documents, such as the Rent Schedule, the Specifications and Building/Unit Type Configuration form, or the building plans, were revised to account for the accessible units.
- The Owner, Developer, and Guarantor organizational charts and the List of Organizations and Principals required by 10 TAC §11.204(13)(A) submitted with the response are not consistent with information provided in the response regarding added board members.
- The Previous Participation forms required by 10 TAC §11.204(13)(B) submitted with the response are not consistent with information provided in the response regarding added board members.
- The board resolution required by 10 TAC §11.204(14) was not included in Application. The resolution sent per the request was dated March 21, 2019, and did not exist prior to submission of the Application.

- The Applicant selected the Nonprofit Set-Aside, and the board of directors for the Applicant consisted of three persons from New Mexico with three-year terms, which would disqualify the Application from the Nonprofit Set-Aside. The response included an "Incumbency Certification" from the Applicant, dated March 22, 2019, which did not exist prior to submission of the Application. This document added four persons from Texas to the board with one-year terms and, per the Applicant, "populated its Board with the majority of the members from Texas." None of these four was added to any other Application document including the Applicant Eligibility Certification, the organizational charts, the List of Organizations and Principals, and the Previous Participation forms.
- The Site Design and Development Feasibility Report required by 10 TAC §11.204 (15) was dated February 2019 but references the 2017 QAP and the tax levies reference 2016 and 2017 information. In the response, the QAP reference was changed to 2019, but the report still references 2016 and 2017 tax levies.
- The Environmental Site Assessment (ESA) required by 10 TAC §11.205(1) did not meet the requirements of 10 TAC §11.305 of the QAP. The ESA submitted with the response is dated March 22, 2019, and did not exist prior to submission of the Application.

In addition, the following scoring items remained deficient:

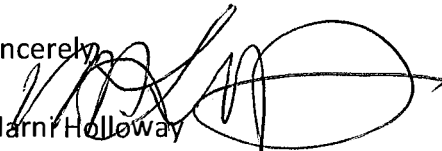
- Applicant did not complete the first part of Site Information Form Part II related to points under 10 TAC §11.9(c)(4) Opportunity Index. Information regarding poverty and income rates in the census tract and the proximity of the tract to qualifying tracts was requested. Staff review indicates that the Application does not qualify for points under this item as the proposed census tract is a third quarter tract surrounded by third and fourth quarter tracts.
- The Application was unable to provide evidence for points under 10 TAC §11.9(d)(3) related to Declared Disaster Areas. The Application included a list from 2017, which included El Paso County, but El Paso County is not on the 2019 list. In response to the notice, the Applicant sent information regarding a 2018 USDA disaster declaration, which does not qualify the Application for these points.
- The resolution from the Local Political Subdivision required for points under 10 TAC §11.9(d)(2), related to Commitment of Development Funding by Local Political Subdivision, was dated February 16, 2017. In the response, the Applicant stated that the resolution "does not have an expiration date." However, since the submitted resolution was passed, the mayor and two of the four district council members have changed and the Applicant provided no evidence that the current Local Political Subdivision has approved a commitment of funding.
- The Application did not include a letter from Project Bravo for points under 10 TAC §11.9(d)(6). The letter from the organization submitted with the response is dated March 2, 2017.

While not an issue included in the original deficiency notice, staff has discovered that the site control documentation provided in the 2019 Preapplication was the same document submitted by the Applicant in 2017 and was endorsed on April 8, 2016. The site control documentation included in the Application was revised to indicate a February 27, 2019, endorsement. No evidence was provided to indicate that the Applicant had site control as of the January 9, 2019, Preapplication Final Delivery Date.

An appeal process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §11.902 of the 2019 QAP. Should you choose to appeal this termination to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2019 QAP for full instructions on the appeals process.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marni Holloway', written over a horizontal line.

Marni Holloway
Director of Multifamily Finance

Appeal Documents

**HOUSING AND ECONOMIC RURAL OPPORTUNITY INC
210 EAST IDAHO AVENUE, SUITE A
LAS CRUCES, NEW MEXICO 88005**

April 18, 2019

David Cervantes
Acting Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
P.O. Box 13941
Austin, Texas 78711-3941

RE: Appeal of Application Termination
2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments

Dear Mr. Cervantes:

This response and appeal is for reinstatement of the application by the Housing and Economic Rural Opportunity, Inc. [HERO] submitted pursuant to the letter from Ms. Marni Holloway dated April 15, 2019. The letter states the Texas Department of Housing and Community Affairs terminated our Competitive Housing Tax Credit Application 19229 for the planned Hacienda Santa Barbara Apartments to be constructed in the City of Socorro, El Paso County, Texas.

HERO has a \$2,500,000 funding reservation for a permanent loan from USDA Rural Development Section 514 Program for farm labor housing. Our application to TDHCA qualifies as the only application within the USDA Set-Aside category in accordance with provisions of the 2019 Qualified Allocation Plan. The USDA Rural Development Section 514 Farm Labor Housing Loan Program is the only USDA Rural Development program that permits the development of multifamily housing in urban areas. USDA Rural Development Section 514 funding awards are only available to qualified non-profit organizations.

HERO is a duly qualified nonprofit organization originally incorporated in the State of New Mexico. It is registered in the State of Texas with the Office of the Secretary of State and accordingly authorized to conduct business in the State of Texas with all rights and privileges accorded by state law. The main office for HERO is located in New Mexico and conducts business from a field office in the City of El Paso. Both offices are well within the ninety miles of the proposed development site in accordance with QAP Section 11.204(14) Nonprofit Ownership.

The proposed development site in the City of Socorro is within the El Paso MSA and TDHCA has identified it as urban. The QAP classifies all USDA RD funded applications as rural.

HERO's target population for housing is farm workers and is defined as a Special Needs under the 2019 QAP.

HERO developed a comparable multifamily housing complex in 2012, comprised of 36 apartment units in San Elizario, Texas for farm workers, which was funded by USDA Rural Development Section 514 loan and with a housing tax credit allocation from Texas Department of Housing and Community Affairs. San Elizario is 8 Km and a 10 minute drive from the planned location of the subject farm worker housing in Socorro, Texas.

There is precedence for the construction of multifamily housing using USDA financing and low income housing tax credits through the Texas housing finance agency. Both locations share rural characteristics within the orbit of the greater El Paso metro area.

The premise of this response and appeal is the ambiguous language in the two written correspondence from TDHCA which is both passive, conditional and thus subject to varying interpretations.

Texas Department of Housing and Community Affairs writes on March 18, 2019 to wit:

"All deficiencies must be corrected or clarified by 5 pm Austin local time on March 25, 2019."

The applicant interpreted this to mean that the corrected or clarified information by the applicant was to be at TDHCA by 5:00 p.m. Austin local time on March 25, 2019.

Texas Department of Housing and Community Affairs writes on April 15, 2019 to wit:

"Staff issued a deficiency notice that included 34 items due to be resolved by 5:00 p.m., Austin local time, on March 25, 2019."

The applicant interpreted the preceding to mean that the deadline for its response had to be delivered to TDHCA by 5:00 p.m. Austin local time, on March 25, 2019.

Texas Department of Housing and Community Affairs writes on April 15, 2019 to wit:

"Response to the deficiency notice was uploaded by the Applicant on March 25 at 4:02 p.m., leaving little time for staff to review the 254-page response prior to the deadline".

The applicant did not interpret the TDHCA communique to mean that TDHCA had established a deadline for its staff to complete the review of the applicant's response by 5:00 p.m. Austin local time. The 5:00 p.m. March 25, 2019 deadline now appears to have been an internal deadline set by TDHCA for its staff to complete its review.

To reiterate the applicant interprets that corrections or clarifications of information would be done by the applicant and not as inferred by the TDHCA staff.

Given the preceding the applicant appeals the decision by TDHCA to terminate its application on a procedural basis because of the internal were sent but not conveyed to the applicant to in turn respond with on a timely basis.

There were a number of identified Administrative Deficiencies that required coordination with third party development team members and several H.E.R.O. Board members were traveling out-of-state or country during that five-day period.

Texas Department of Housing and Community Affairs on its Application Status Letter dated April 15, 2019 listed the following items that remained deficient. The following is our response to these curable deficiencies.

1. Certification, Acknowledgement, and Consent of Development Owner.

The original application included the Certification, Acknowledgement and Consent of Development Owner form posted at the beginning of the application acceptance period. This form is being re-submitted with updated signature and notarization under **Attachment A**.

2. Applicant Eligibility Certification- forms for additional required individuals requested.

Revised certifications were for the Texas based members of the board of directors was not completed because members of the board were traveling out of town and in one case, traveling out of the country.

The Applicant Eligibility Certifications are attached under **Attachment B** for the following members of the board of directors. Patrick Vigil, Vice President; Oscar Pando, Secretary; Raul Granados III, Director; Miguel A. Chacon, Director; Carlos Gallinar, Director; and Jaime Rascon, Director.

3. Zoning Letter

The zoning letter executed by officials of the City of Socorro was dated March 22, 2019, effectively removing the previously dated letter of February 24, 2017 which did not meet the six month current period and the attendant curable deficiency. The curable deficiency is effectively addressed.

4. Flood Zone Documentation

The letter from the City of Socorro was previously provided On March 27, 2019. The current letter effectively removes the cited deficiency.

5. Accessible Units Clarification

The number of accessible units are identified on the Total # of Units Table (page two) of the architectural drawings. There are a total of three accessible units, one for each unit size. The architectural site plan (page five) identifies one three-bedroom accessible unit in Building B and Building D contains one one-bedroom accessible unit and one two-bedroom accessible unit. Accessible unit layouts for all bedroom sizes are displayed on page six of the drawings. Unit square footage sizes for standard and accessible units are the same. The curable deficiency is satisfactorily addressed.

6. Owner, Developer, and Guarantor Organizational Flow Charts

The organizational charts have been revised for consistency, in particular the organizational flow chart for the applicant nonprofit organization. **Attachment C**

7. Previous Participation Form

The previous participation form has been updated to include the four addition board members of the board of directors. This update cures the deficiency as noted. The previous participation form is found under **Attachment D**.

8. Board Resolution

The board resolution dated March 21, 2019 was previously submitted. The updated resolution has removed the curable deficiency.

9. Nonprofit Set-Aside

The applicant initiated the application for tax credits for the Texas Department of Housing and Community Affairs as a duly qualified nonprofit organization that was originally incorporated in the State of New Mexico. Subsequently Housing and Economic Rural Opportunity Inc., [HERO] was registered with the Texas Office of the Secretary of State Corporation Section. In accordance with provisions of Article 8.04 of the Texas Non-Profit Corporation Act, HERO was issued a Certificate of Authority to conduct affairs in Texas. Its' governing board was comprised of three board members.

The majority of the board of directors were Texas residents. Upon the death of one member and the resignation of another, vacancies were filled with board members residing in New Mexico. The board of directors was in the process of restructuring the board by expanding the number of board members with Texas residents to enable it to qualify for recognition as a Community Housing Development Organization [CHDO] in order to participate in affordable housing initiative using HOME funds in the City of El Paso and the unincorporated areas of County of El Paso and in a broader sense socially and economically impacted areas colonias of west Texas. The process of vetting prospective members was already well underway and HERO board of directors was able to expedite the restructuring of the board membership. This information is provided to assure TDHCA that it was not simply a matter of "populating" the board.

The composition of the board of directors qualifies the applicant for the non-profit set-aside. The HERO Board Incumbency Certification submitted previously cures the deficiency as it pertains to the non-profit set-aside.

10. Site Design and Development Feasibility Report

The Site Design and Development Feasibility Report was updated to resolve the Administrative Deficiency. The reference to the prior year taxes and millage rates were provided as general due diligence information and not required to be summarized in the Report.

The Site Design and Development Feasibility Report was previously updated and sent with the March 25th upload to TDHCA.

11. Environmental Site Assessment

The Environmental Site Assessment was completed and the deficiency was cured. The Phase I Environmental Site Assessment was performed in accordance with the standard practices for assessments. It is acknowledged that a comprehensive assessment takes time and the applicant was not able to submit same in a period provided by TDHCA for the response and submittal of the full-fledged report. The ESA was provided and meets the requirements of the QAP.

The ESA cures the deficiency as note in the TDHCA letter dated April 15, 2019.

12. Other Scoring Items

The applicant acknowledges that its application does not qualify for points under the item pertaining to poverty and income rates in the census tract in which the planned housing development is located and the surrounding third and fourth quarter tracts.

The applicant acknowledges that is application does not qualify for points for Declared Disaster Areas for the planned development site because El Paso County is not listed in on 2019 list of declared disaster areas.

The applicant acknowledges the City of Socorro through its governing city council was not able to provide a new commitment of development funding on the short notice. The January council meeting at which the request was going to be provided was cancelled due to a lack of a quorum.

The need for a new commitment was questioned because the commitment made by city council resolution is not automatically vacated when after an election a newly constituted city council is elected. The 2017 commitment did not include language that the commitment would expire within a certain time frame nor when a new city council is elected.

The applicant acknowledges that it did not get a response from Project Bravo to update the letter date March 2, 2017.

The TDHCA ex-post facto discovery of previous site control documentation is addressed with the current option to purchase real estate property that was submitted with the initial full application. The oversight by TDHCA was out of the applicant's control and with the submission of the current site control documentation the applicant has met the test of complying with this requirement. **Attachment E.**

The applicant has addressed the requested information for clarification and explanation of items described as administrative deficiencies. It is the applicant's assertion that administrative deficiencies are considered as deficiencies that are curable deficiencies. Administrative deficiencies can be addressed with additional information, updated information or with revised documentation that is not of material substance.

Housing and Economic Rural Opportunity Inc. has in good faith met the test to cure the TDHCA listing of deficient items.

The Deficiency Process allows for two additional days for deficiencies to be resolved. We were not informed of any unresolved Administrative Deficiencies until the receipt of Ms. Holloway's letter of April 15th. We would have committed all resources to resolve and correct any remaining unresolved Administrative Deficiencies. It is noted that the initial Deficiency Notification from staff did not state any Material Deficiencies to the original application.

The documentation submitted by the applicant resolved the deficient item listed in the two TDHCA letters. Accordingly, this appeal is two-fold within the meaning of the word. We request the reinstatement of our application for a tax credit allocation on the basis that the deficient items were not of material substance. If it the position of TDHCA that collectively deficiencies constitute a material cause, TDHCA did not provide the applicant a quantifiable basis for the determination that collectively may be considered material cause. The operative word is "may" suggesting it becomes a subjective determination vis-à-vis an objective determination based on an objective metric.

The second of the appeal is on the literal definition of the word. Our request for the reinstatement of our application to continue through the process of review is an urgent request for favorable consideration of our application to facilitate HERO to meet the ever increasing need for safe and sanitary housing for the agricultural workforce in El Paso County. The appeal is particularly imperative given the available resources at TDHCA that may otherwise not be obligated and put to use for its intended purpose, given that our application for new construction under the USDA set-a-side is the only application in its category.

Housing and Economic Rural Opportunity Inc. remains committed to its mission to provide affordable housing in rural areas of west Texas. Regardless of the outcome of this appeal, we look forward for future opportunities to partner with the Texas Department of Housing and Community Affairs to meet its mission of enabling affordable housing.

HOUSING AND ECONOMIC RURAL OPPORTUNITY INC

Sincerely,



Salvador Estrada
Executive Director

cc: HERO Board of Directors
Marni Holloway

Attachments: A-Certification, Acknowledgement and Consent of Development Owner
B- Applicant Eligibility Certifications
C- Developer, Owner, Guarantor organization charts
D- Previous Participation forms for HERO's Texas Board Members
E- Option to Purchase Real Property

**2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments**

Applicant- Housing and Economic Rural Opportunity, Inc.

Attachment A - Owner Certification

Development Owner Certification, Acknowledgement and Consent

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist -- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant" or "Development Owner," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of Department funding.

Applicant hereby represents, warrants, acknowledges and certifies to the Department and to the State of Texas that:

The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.

This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov't Code, Chapter 552. All persons who have a property interest in the Application, along with all plans and third-party reports, acknowledge that the Department may publish them on the Department's website, release them in response to a request for public information, and make other use of the information as authorized by law. This includes all Third Party reports, which will be posted in their entirety on the Department's website, as they constitute a part of the Application. The Application is in compliance with all requirements related to the eligibility of an Applicant, Application and Development as further defined in 10 TAC §§11.101 and 11.202 of the Qualified Allocation Plan. Any issues of non-compliance have been disclosed.

All representations, undertakings and commitments made by Applicant in the Application process for Development assistance expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Award Letter, Commitment or Contract by the Department. To the extent allowed under Tex. Gov't Code §2306.6720, if any such representations,

undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and the residents of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement.

When providing a Pre-Application, Application or other materials to a state representative, local governmental body, Neighborhood Organization, or anyone else to secure support or approval that may affect the Applicant's competitive posture, an Applicant must disclose in accordance with the Department's rules those aspects of the Development that may not have been determined or selected or may be subject to change, such as changes in the amenities ultimately selected and provided.

The Development Owner is and will remain in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.), the Civil Rights Act of 1964 (42 U.S.C. §§2000a et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. §§701 et seq.), Fair Housing Accessibility, the Texas Fair Housing Act; and the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

The Development Owner has read and understands the Department's fair housing educational materials posted on the Department's website as of the beginning of the Application Acceptance Period.

All Applications proposing Rehabilitation (including Reconstruction) will be treated as substantial alteration, in accordance with 10 TAC Chapter 1, Subchapter B.

The Development Owner will establish a reserve account consistent with Tex. Gov't Code §2306.186, and as further described in §11.302(d)(2)(I) of the Qualified Allocation Plan, relating to Replacement Reserve Account requirements.

The Development will operate in accordance with the applicable compliance monitoring requirements found in Chapter 10, Subchapter F.

The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be

required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage.

The Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov't Code §2306.6734.

The Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will specifically market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department.

Accessibility Requirements

The Development Owner understands that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 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) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

The Development Owner understands that regardless of building type, all Units accessed by the ground floor or by elevator ("affected units") must meet the requirements at 10 TAC §11.101(b)(8)(B).

The Development Owner certifies that all accessible Units under 10 TAC Chapter 1, Subchapter B, will be dispersed throughout the Development.

The Development Owner certifies that representations made in the Architect Certification are true and correct, and understands that the Department evaluation of architectural drawings may not include an assessment of accessibility. The Development Owner is responsible for any modifications necessary to meet accessibility requirements identified at the final construction inspection.

Unused Credit or Penalty Fee *(select one box as applicable)*

The Applicant returned a full credit allocation after the Carryover Allocation deadline required for that allocation and is subject to the Unused Credit or Penalty Fee pursuant to §11.901(16) of the Qualified Allocation Plan.

The Applicant certifies that no disclosure regarding §11.901(16) of the Qualified Allocation Plan is necessary.

Termination of Relationship in an Affordable Housing Transaction *(select one box as applicable)*

The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that has terminated, voluntarily or involuntarily, within the past 10 years or plans to or is negotiating to terminate their relationship with any other affordable housing development. The disclosure identified the person or persons and development involved, the identity of each other development and contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the termination or proposed termination, and any appropriate supporting documents. The Applicant has read and understands §11.202(1)(M) of the Qualified Allocation Plan related to such disclosure.

The Applicant certifies that no disclosure regarding §11.202(1)(M) of the Qualified Allocation Plan is necessary.

Voluntary Compliance Agreement with any Governmental Agency *(select one box as applicable)*

The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that entered into a voluntary compliance agreement (or similar agreement) with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements. The disclosure identified the person or persons and development involved, the identity of each other development, contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the agreement or proposed agreement, and any appropriate supporting documents. The Applicant has read and understands §11.202(1)(N) of the Qualified Allocation Plan related to such disclosure.

The Applicant certifies that no disclosure regarding §11.202(1)(N) of the Qualified Allocation Plan is necessary.

The Applicant certifies that, for any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps, the Development Site will be developed in full compliance with the National Flood Protection Act and all applicable federal and state statutory and regulatory requirements so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. The Applicant certifies that, floodplain maps will be used and the Development Site will comply with regulations as they exist at the time of commencement of construction. Applicant further certifies that, for any Development proposing Rehabilitation (excluding Reconstruction) that is not a HUD or TRDO-USDA assisted property, the Development Site is not located in the one-hundred year floodplain unless the existing structures already meet the requirements for New Construction or Reconstruction, as certified to by a Third Party engineer, or unless the state or local government has undertaken and can substantiate sufficient mitigation efforts and such documentation is submitted in the Application.

Undesirable Site Features (*select one of the boxes as applicable*)

The Development **is not** located in an area with undesirable site features as further described in §11.101(a)(2) of the Qualified Allocation Plan.

The proposed Development is Rehabilitation (excluding Reconstruction) with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs ("VA") and an exemption was requested prior to the filing of an Application or is being requested with the Application in accordance with §11.101(a)(2) of the Qualified Allocation Plan.

The proposed Development is Historic Preservation pursuant to §11.9(e)(6) of the Qualified Allocation Plan, is located in an area with an undesirable site feature and an exemption was requested prior to the filing of an Application or is being requested with the Application.

The proposed Development is New Construction, is located in an area with an undesirable site feature and a copy of the local ordinance that regulates the proximity of such feature to a multifamily development is included in the Application.

The proposed Development **is** located in an area with an undesirable site feature and mitigation to be considered by staff and the Board is included in the Application.

Neighborhood Risk Factors (select one of the main boxes as applicable)

The Development Owner certifies that the Development **is not** located in an area with any of the neighborhood risk factors described in §11.101(a)(3) of the Qualified Allocation Plan and that no disclosure is necessary;

The Development Owner certifies that the Development **is** located in an area with the following neighborhood risk factors and the Neighborhood Risk Factors Report is submitted with the Application (select all that apply):

in a census tract with a poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13);

in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crimes is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com;

is located within 1,000 feet of a blighted or abandoned area as further described in §11.101(a)(3)(B)(iii) of the Qualified Allocation Plan;

is located in the attendance zones of an elementary, middle, or high school that does not have a 2018 Met Standard rating by the Texas Education Agency, unless the school is "Not Rated" because it meets the TEA Hurricane Harvey Provision, in which case the 2017 rating will apply. Elderly Developments are exempt from the requirement to disclose the presence of this characteristic..

The Development will include all of the mandatory Development amenities required in §11.101(b)(4) of the Qualified Allocation Plan at no charge to all residents (market rate and low-income) and written notice of such amenities will be provided to the residents.

The Development will satisfy the minimum point threshold for common amenities as further described in §11.101(b)(5) of the Qualified Allocation Plan. These amenities must be for the benefit of all residents (market rate and low-income), meet accessibility standards, be sized appropriately to serve the proposed Target Population, be made available throughout normal business hours, and be maintained throughout the Affordability Period. The residents must be provided written notice of the amenity elections made by the Development Owner.

The Development will meet the minimum size of Units as further described §10.101(b)(6)(A) of the Qualified Allocation Plan.

The Development (excluding competitive Housing Tax Credit Applications) will include enough unit and development construction features to meet the minimum number of points as further described in §11.101(b)(6)(B) of the Qualified Allocation Plan.

The Development (excluding competitive Housing Tax Credit Applications) will include enough resident supportive services, at no charge to the residents, be accessible to all residents (market rate and low-income), and maintained throughout the Affordability Period, to meet the required minimum number of points as further described in §11.101(b)(7) of the Qualified Allocation Plan, and offered in accordance with §10.619 of the Uniform Multifamily Rules. The tenant must be provided written notice of the elections made by the Development Owner.

If income averaging is elected, Unit Designations for all units identified as 20%, 30%, 40%, 50%, 60%, 70% and 80% Units will be dispersed across all Unit Types in a manner that does not violate fair housing laws, as required by 10 TAC §10.605(c), effective February 28, 2019.

If the Applicant is applying for Multifamily Direct Loan funds and the Development consists of New Construction, the Applicant further certifies that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e).

If the Development has an existing LURA with the Department, the Development Owner will comply with the existing restrictions.

The Development Owner will comply with any and all notices required by the Department.

None of the criteria in subparagraphs (A) – (N) of §11.202(1) of the Qualified Allocation Plan, related to ineligible Applicants, applies to those identified on the organizational chart for the Applicant, Developer and Guarantor.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. Further, the Applicant hereby expressly represents, warrants, acknowledges and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is

affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification, and subject to criminal penalties as defined by Tex. Penal Code §§37.01 et seq., and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the providing of false information in connection with the procurement of allocations or awards, that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

By: *[Signature]*

Signature

SALVADOR ESTRADA

Printed Name

EXECUTIVE DIRECTOR

Title

4-17-2019

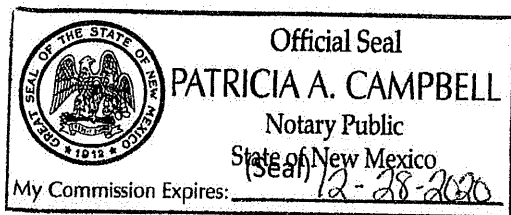
Date

THE STATE OF New Mexico §

COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Salvador Estrada, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of April, 19



[Signature]
Notary Public Signature

**2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments**

Applicant- Housing and Economic Rural Opportunity, Inc.

Attachment B-Applicant Eligibility Certifications

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department's Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD's System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.

2019 REVISED Applicant Eligibility Certification

Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 11.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov't Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov't Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov't Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that

has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application or the use of information therein.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, Determination Notice, or Closing, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but

not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

2019 REVISED Applicant Eligibility Certification

By: [Signature]

Signature of Authorized Representative

Miguel A. Chacon
Printed Name

Director
Title

4/18/19
Date

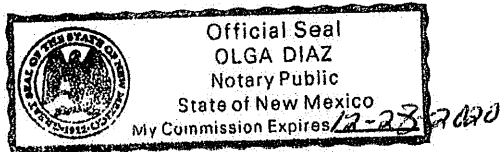
THE STATE OF New Mexico §
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Miguel A. Chacon, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18 day of April, 2019

(Seal)

[Signature]
Notary Public Signature



Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department's Governing Board requiring strict performance, or the obtaining of injunctive relief.

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Neither Applicant nor any other member of the Development Team has been convicted of a

2019 REVISED Applicant Eligibility Certification

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

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Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.

2019 REVISED Applicant Eligibility Certification

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By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

2019 REVISED Applicant Eligibility Certification

By: [Signature]

Signature of Authorized Representative

Carlos Gallina

Printed Name

Director

Title

4/18/19

Date

THE STATE OF New Mexico §

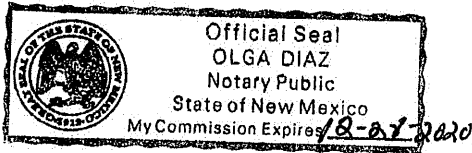
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Carlos Gallina, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18 day of April, 2019

(Seal)

[Signature]
Notary Public Signature



Applicant Eligibility Certification

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Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

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2019 REVISED Applicant Eligibility Certification

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2019 REVISED Applicant Eligibility Certification

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2019 REVISED Applicant Eligibility Certification

By: Jaime A. Rascon
Signature of Authorized Representative

Jaime A. Rascon
Printed Name

Board member
Title

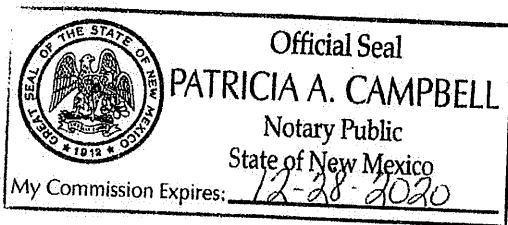
18 APR 2019
Date

THE STATE OF New Mexico §
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Jaime Rascon, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18 day of April, 2019

(Seal)



Patricia Campbell
Notary Public Signature

Applicant Eligibility Certification

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Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov't Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov't Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov't Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that

has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application or the use of information therein.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, Determination Notice, or Closing, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but

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not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department's Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD's System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a

2019 REVISED Applicant Eligibility Certification

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.

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The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but

2019 REVISED Applicant Eligibility Certification

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By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.

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By: *Oscar Pando*

Signature of Authorized Representative

Oscar Pando

Printed Name

Secretary

Title

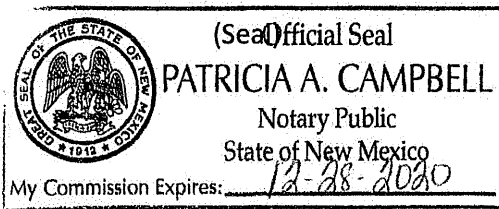
4-18-19

Date

THE STATE OF New Mexico §
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Oscar Pando, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18 day of April, 2019



Patricia Campbell
Notary Public Signature

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

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Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

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2019 REVISED Applicant Eligibility Certification

By: Patrick A Vigil
Signature of Authorized Representative

Patrick A Vigil
Printed Name

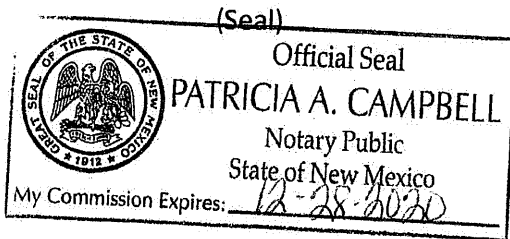
Vice President
Title

4-18-19
Date

THE STATE OF New Mexico §
COUNTY OF Dona Ana §

Before me, a notary public, on this day personally appeared Patrick Vigil, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18 day of April, 2019



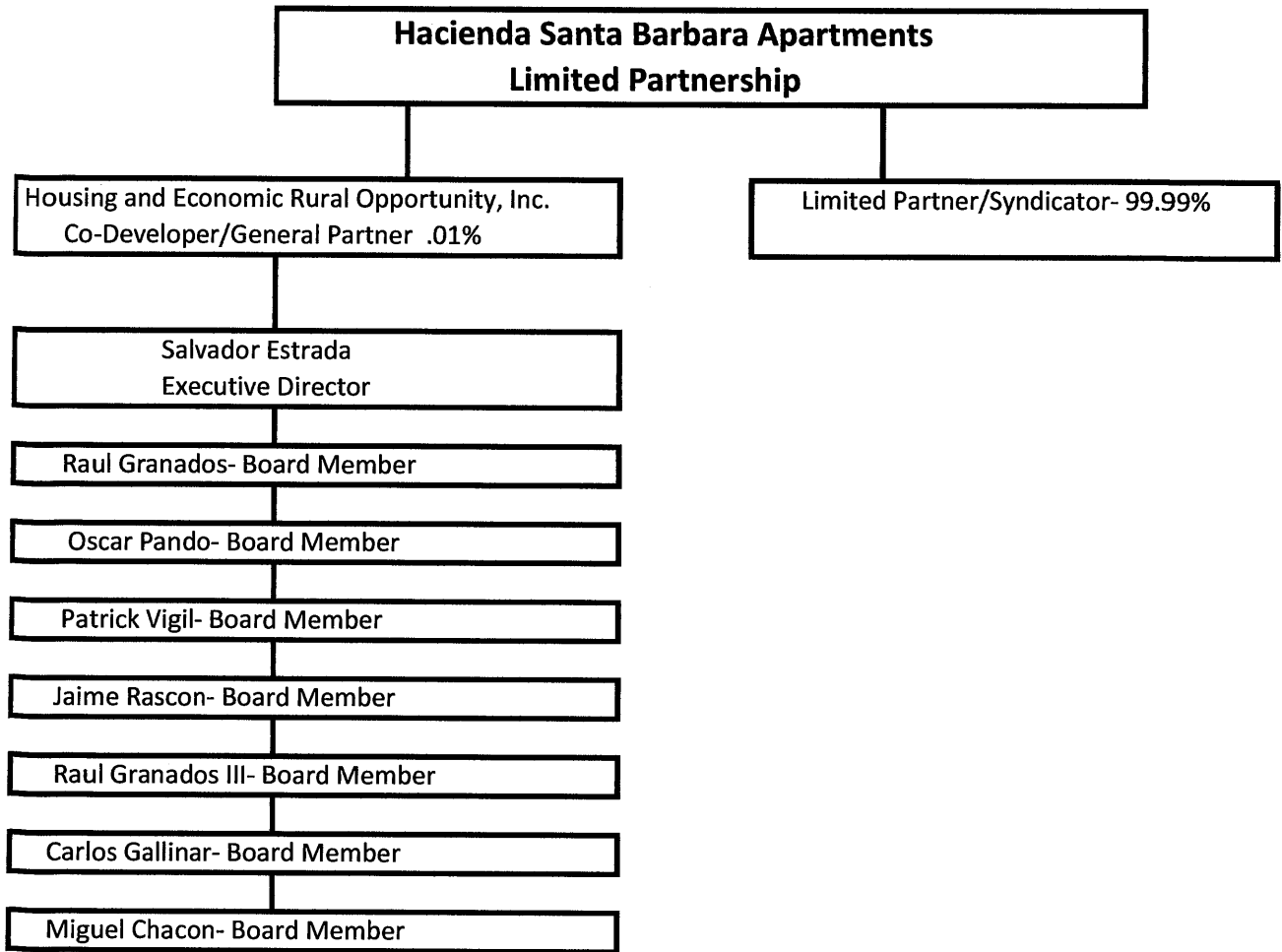
Patricia Campbell
Notary Public Signature

**2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments**

Applicant- Housing and Economic Rural Opportunity, Inc.

Attachment C- Organization Charts

Owner



Estrada and Granados have authority to exercise control

Developer

Housing and Economic Rural Opportunity, Inc.
Co-Developer- 50%

Salvador Estrada
Executive Director

Raul Granados- Board Member

Oscar Pando- Board Member

Patrick Vigil- Board Member

Jaime Rascon- Board Member

Raul Granados III- Board Member

Carlos Gallinar- Board Member

Miguel Chacon- Board Member

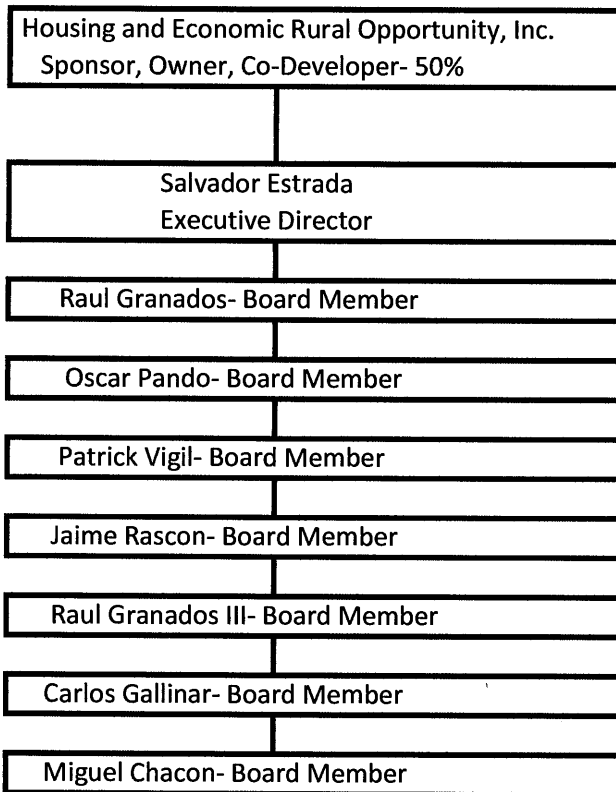
Estrada and Granados have authority to exercise control

Thomas Development Group, LLC
Co- Developer- 50%

Thomas Andrews- Sole Member

Andrews has authority to exercise control

Guarantor



Estrada and Granados have authority to exercise control

**2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments**

Applicant- Housing and Economic Rural Opportunity, Inc.

Attachment D- Previous Participation Forms

**2019 Competitive Housing Tax Credit Application 19229
Hacienda Santa Barbara Apartments**

Applicant- Housing and Economic Rural Opportunity, Inc.

Attachment E- Option to Purchase Real Property

OPTION TO PURCHASE REAL PROPERTY
(Hacienda Santa Barbara Apartments)

In consideration of the sum of \$100.00 "Option Fee" in hand paid Seller, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned

Tierra Del Sol Housing Corporation, Inc. (hereinafter called the "Seller"), who covenants to be the owner of the Property hereinafter described, hereby, for the Seller and Seller's heirs, executors, administrators, successors and assigns, offers and agrees to sell and convey to:

Hacienda Santa Barbara Apartments, LP

(hereinafter called the "Buyer") the Property, and hereby grants to the said Buyer the exclusive and irrevocable option and right to purchase, under the conditions hereinafter provided, the following-described land, located in Socorro, El Paso County, State of Texas, together with all improvements, easements, rights and appurtenances related thereto (collectively the "Property") :

Lot 1A, Block 1, Three Missions Subdivision Replat "A", El Paso County, Texas, according to the plat thereof of record in Book 76, Page 90, Plat Records of El Paso County, Texas

The title to said Property is to be conveyed free and clear of all leases, contracts, debts, liens and encumbrances of any kind.

The purchase price for said property shall be **\$305,000**. The Option Fee is non-refundable, but shall be credited to the purchase price at closing.

Beginning on the Effective Date, until termination of this agreement (the "Option Period"), Buyer may inspect the Property and determine whether the Property is suitable for Buyer's needs in Buyer's sole discretion. If Buyer elects to proceed to closing, Buyer shall deliver to Seller the Option Notice as provided below. During the Option Period, Buyer and its agents will have the right to enter and inspect the physical condition of the Property and make such engineering, environmental and other studies of the Property as Buyer may elect. During the Option Period, in addition to any inspections of the Property as described above, Buyer shall have the right, at Buyer's cost and in its sole discretion, to obtain any entitlements and/or to satisfy any requirements necessary to allow the Property to be used for Buyer's intended use. Seller agrees to fully cooperate and to reasonably assist Buyer in obtaining any entitlements and/or to satisfy any requirements necessary to allow the Property to be used for Buyer's intended use provided that Seller shall not be required to incur any expense to third parties. Buyer may terminate this agreement at any time prior to the closing and the Option Fee will be retained by Seller as its sole and exclusive remedy and compensation for the grant of this option.

All parties agree that Buyer will pay all surveying and title and closing costs incurred by Buyer in relation to Buyer's inspections. Surveying is to be completed and accepted by both parties prior to closing.

The Seller further agrees to convey said property to the Buyer by special warranty deed. The purchase price shall be paid at the time of closing; and said Property shall be delivered in the same condition as they are now, customary use and wear, as provided in this agreement.

Taxes, water assessments and other general and special assessments of whatsoever nature for the year in which the closing of the transaction takes place shall be prorated as of the date of the closing of the transaction, it being expressly agreed that for the purpose of such proration the tax year shall be deemed to be the calendar year; furthermore, any assessment shall not be deducted from the purchase price. If the closing of the transaction shall occur before the tax rate is fixed, the apportionment of taxes shall be on the basis of the tax rate for the next preceding year applied to the latest assessed valuation.

Sale of the property shall be contingent upon Buyer's due diligence involving the Property. Buyer shall commence and complete this assessment and due diligence prior to closing.

This option may be exercised by the Buyer, at any time prior to November 1, 2019 at 11:59 p.m. Mountain Time (the "Option Deadline"), by mailing a written notice of acceptance of the offer herein to:

Tierra Del Sol Housing Corporation, Inc.
210 East Idaho Street
Las Cruces, NM 88005

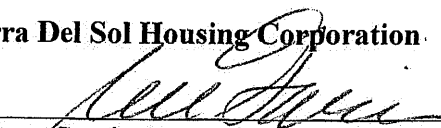
or actual delivery of a notice of acceptance to the Seller (the "Option Notice"). The Option Notice will be deemed received upon the earlier of deposit in the United States mail to the address provided above or actual receipt delivery of the Option Notice to Seller. If written notice of acceptance is not received or deemed received by Seller by the Option Deadline, the Option will automatically expire and the parties will have no further right or obligations under this Option to Purchase Real Property.

The closing will then occur on the first business day that is 10 days after receipt of the Option Notice by Seller. At the closing, Seller will deliver the deed and any applicable bills of sale and assignments of the Property as reasonably required by Buyer and the title company closing the transaction and Buyer will deliver the purchase price called for under this agreement, subject to applicable credits.

The "Effective Date" of this agreement will be the date last signed by Seller and Buyer below.

SELLER:

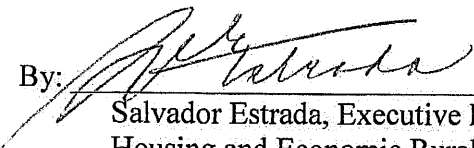
Tierra Del Sol Housing Corporation.

By: 
Rose Garcia, Executive Director

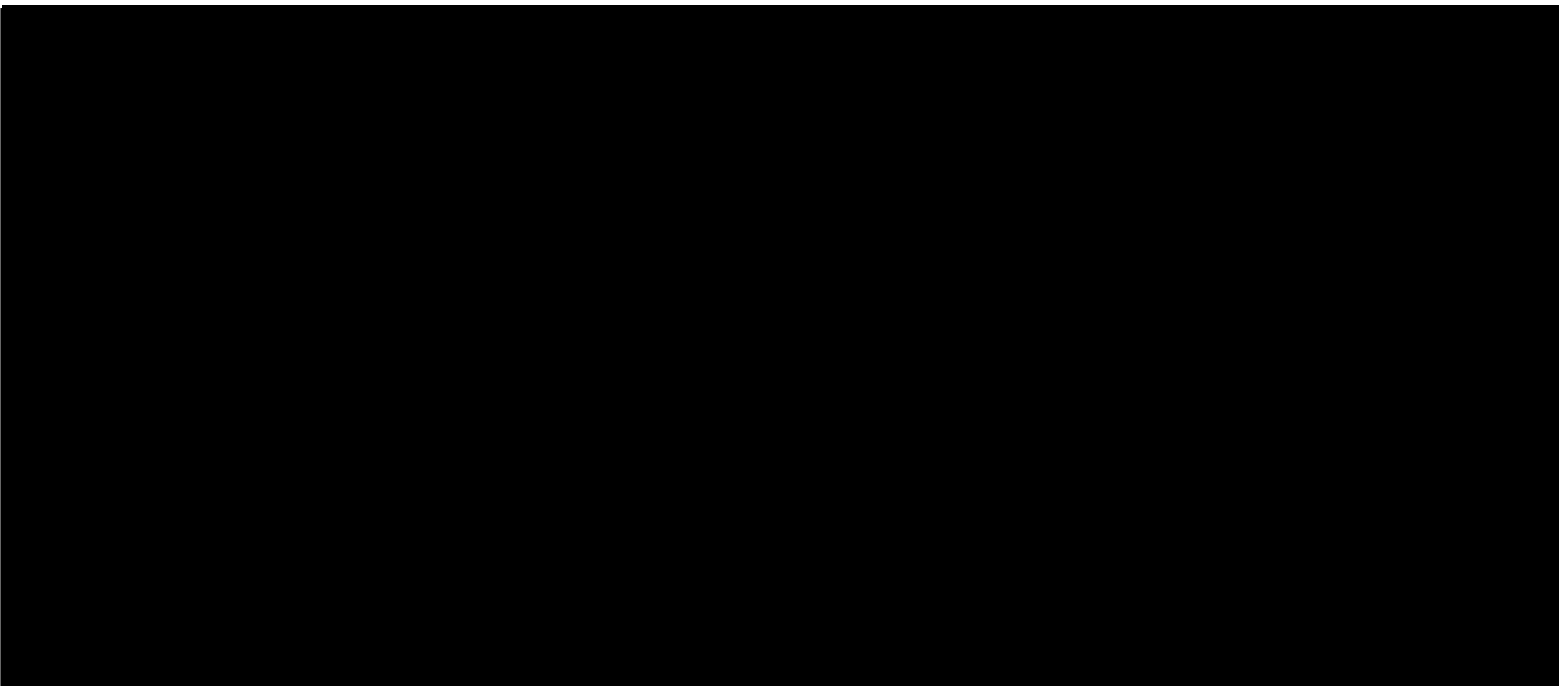
Date: 2-27-19

BUYER:

Hacienda Santa Barbara Apartments LP

By: 
Salvador Estrada, Executive Director
Housing and Economic Rural Opportunity, Inc.
Member of General Partner

Date: 2-27-2019



TDHCA Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Sharon Thomason, *Member*
Leo Vasquez, *Member*

May 6, 2019

Writer's direct dial: 512/475-1676
Email: david.cervantes@tdhca.state.tx.us

Salvador Estrada
210 East Idaho Avenue
Las Cruces, NM 88005

RE: APPEAL OF TERMINATION OF 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19229 HACIENDA SANTA BARBARA

Dear Mr. Estrada:

On April 22, 2019, the Texas Department of Housing and Community Affairs (the Department) received your appeal, dated April 18, 2019, regarding the application submission indicated above. Staff had determined that the Application was materially deficient because of the Applicant's inability to sufficiently resolve 14 of 34 deficient items in the Application within the required time frame, and the deficiencies as a whole would create a need for substantial re-review of the Application. The Application was determined to be materially deficient under 10 TAC §11.1(a)(78) of the 2019 Qualified Allocation Plan (QAP), and terminated subject to your ability to appeal.

Your appeal states that the Applicant interpreted the requirement in 10 TAC §11.201(7)(B) that "[u]nless an extension has been timely requested and granted, if a deficiency is not fully resolved to the satisfaction of the Department by 5:00 p.m. on the fifth business day following the date of the deficiency notice..." to mean that the response had to be delivered to TDHCA by the deadline. Per the appeal, "[t]he applicant did not interpret the TDHCA communique to mean the TDHCA has established a deadline for its staff to complete the review of the applicant's response" by the deadline. The appeal states that the deadline appears to be "an internal deadline" set by the Department for Department staff to complete its review.

Each multifamily deficiency notice issued, including the one you received, includes at the bottom the following notice: "All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice." In addition, the notice sent to the Applicant stated in two places that "All deficiencies must be corrected or clarified by 5 pm Austin local time on March 25, 2019." The appeal states that the Applicant "interpreted this to mean that the



corrected or clarified information by the applicant was to be at TDHCA" by the deadline. Indeed, the rule on this subject could not be more clear:

10 TAC §11.201(7)(A)

- (A) It is critical that the use of the deficiency process not unduly slow the review process, and since the process is intended to clarify or explain matters or obtain at the Department's request missing information (that should already have been in existence prior to Application submission), there is a reasonable expectation that a party responding to an Administrative Deficiency will be able to respond immediately. **It is the responsibility of a person who receives a deficiency to address the matter in a timely manner so that staff has the ability to review the response by the close of business on the date by which resolution must be complete and the deficiency fully resolved. Merely submitting materials prior to that time places the responsibility on the responding party that if the materials do not fully resolve the matter there may be adverse consequences such as point deductions or termination.** (Emphasis added)

Having not received any information in response to the notice by the day of the deadline, staff contacted the Applicant on March 25, 2019, at 2:55 p.m. to remind the Applicant that "the information requested below is due, in completion, no later than (sic) 5:00 pm Austin local time today." The Applicant responded that a response was forthcoming, "hopefully by 4:00 PM your time." Staff did dedicate considerable time reviewing your response, however it was determined that 14 of the 34 deficient items remained deficient.

The appeal provides new documentation in an attempt to satisfy five of the deficiencies. These documents that were required to be submitted with the Application were, on their face, not in existence at the time of the Application deadline of March 1st. These documents include a zoning letter, flood zone documentation, a board resolution, non-profit board action, and the Environmental Site Assessment. These post-application submissions are pointedly material deficiencies in light of the wording of the 10 TAC §11.1(a)(78) of the QAP definition of Material Deficiency

Any deficiency in a Pre-Application or an Application or other documentation that exceeds the scope of an Administrative Deficiency. **Inability to provide documentation that existed prior to submission of an Application to substantiate claimed points or meet threshold requirements is material and may result in denial of the requested points or a termination in the case of threshold items.** It is possible that multiple deficiencies that could individually be characterized as Administrative Deficiencies, when taken as a whole would create a need for substantial re-review of the Application and as such would be characterized as constituting a Material Deficiency. (Emphasis added)

The appeal states that some of the deficiencies required coordination with third party development team members and that several board members were not available during the five day response period. The Applicant did not contact staff regarding this issue, and no extension was requested, but the issue remains that the deficient materials should have been submitted with the Application on or

May 6, 2019

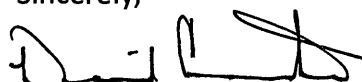
Page 3

before March 1st. Simply put, the fact that the Application had so many shortcomings is not an issue that should create an advantage for the Applicant in curing them as deficiencies after the application deadline.

Lastly, your appeal admits to four items where your Application requested points and you now concede that they were not substantiated. These include Opportunity Index points, Declared Disaster Area points, points for providing a resolution from the Local Political Subdivision, and a timely letter from a Community Organization. I raise this point because it is demonstrative of why your application should be terminated: it was too far from being a complete Application when it was submitted on March 1st, and the deficiencies it had were material. The Application was terminated not simply because of the unresolved deficiencies, but because staff determined that, per 10 TAC §11.1(a)(78) of the QAP related to Material Deficiencies, the inability of the Applicant to provide documentation that existed prior to submission of the Application to substantiate claimed points or meet threshold requirements is material. The multiple deficiencies in the original Application and those that remained outstanding after the response period for the deficiency notice, when taken as a whole, would create a need for substantial re-review of the Application and, as such, were appropriately characterized by staff as constituting a Material Deficiency. To continue to request documentation required in the Application and required again in the deficiency notice would perpetuate the very re-review of the Application that the rule seeks to eliminate.

I do not find that the issues raised in your appeal clearly demonstrate that the Application should not have been terminated, and accordingly I must deny the appeal. If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review 10 TAC §11.902 of the 2019 QAP for full instruction on the appeals process. Note that staff did not review the documentation submitted with your appeal because further documentation was not requested by staff. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,



David Cervantes
Acting Director

BOARD ACTION ITEM
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Presentation, discussion, and possible action on timely filed appeal of material deficiencies in HTC Application 19189, Lakewood Crossing under the Department's Multifamily Program Rules

RECOMMENDED ACTION

WHEREAS, the appeal relates to Competitive Housing Tax Credit (HTC) application 19189 Lakewood Crossing, which was submitted to the Department by the Full Application Delivery Date;

WHEREAS, staff determined that the Application does not qualify for seven (7) points under 10 TAC §11.9(c)(4) related to Opportunity Index because the census tract in which the Development Site is located does not qualify the Application for points under this scoring item; and under 10 TAC §11.9(e)(3) related to Pre-application Participation because the Application final score (inclusive of only scoring items reflected on the self-score form) varies by more than four (4) points from what was reflected in the pre-application self-score, subject to the Applicant's ability to appeal;

WHEREAS, the Applicant timely filed an appeal; and

WHEREAS, the Acting Director denied the appeal;

NOW, therefore, it is hereby

RESOLVED, that the appeal for 19189 Lakewood Crossing is hereby denied.

BACKGROUND

10 TAC §11.9, related to Competitive HTC Selection Criteria, identifies the scoring criteria used in evaluating and ranking Applications. It includes those items required under Tex. Gov't Code, Chapter 2306 (Statute), §42 of the Internal Revenue Code (the Code), and other criteria established in a manner consistent with Chapter 2306 and §42 of the Code.

The Application proposes the New Construction of 48 units for a general population in Granbury.

Under 10 TAC §11.9(c)(4)(A), an Application can qualify for points under this item in one of two ways:

(A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate of less than the

greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.

(i) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region and a median household income rate in the two highest quartiles within the uniform service region. (2 points)

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

In this case, the Applicant elected to score under item (ii). The appeal states:

“The Third Party focused on the characterization of the body of water flowing through Granbury as a “river.” They provided information describing the Brazos River in significant detail. Additionally, TDHCA’s argument focused on their understanding that the body of water flowing through Granbury is a river. . . . We believe that the body of water flowing through Granbury is not a barrier between the two census tracts which meaningfully separates or divides them. The two census tracts in question are part of one community that is united by a bridge-- not divided by a body of water.”

and

“Additionally, upon reviewing the Third Party’s materials characterizing the body of water flowing through Granbury, we discovered that **what we and others had assumed to be a river is actually not a river at all—it is Lake Granbury**. The Brazos River Authority clearly describes this body of water as a lake that was created to provide a water source for the area. Additionally, the official highway sign on the bridge crossing the body of water clearly designates it as “Lake Granbury” (see **Exhibit “C”** for the river authority’s description of the lake and photographic and other clear evidence that this is a lake—not a river).”

Per the appeal, “[t]he intent of the Rule is clearly to disallow contiguous census tracts from being considered positively **if there is a true barrier between them**. We believe that the terms ‘river’ and ‘highway’ were used in the Rule in an exemplary, but not restrictive or literal manner. While the Third Party and TDHCA seem to have focused on the word ‘river’ in a restrictive, literal manner. However, even if such literal construction is used, we have definitively established that there is no ‘river’ here after all. Therefore, the arguments focused on the literal use of the term river fail and our appeal should be granted”

Prior to Application submission, staff provided the Applicant with a determination wherein staff determined that the Brazos River acts as a barrier between the census tract in which the Development Site is located and another qualifying census tract. In making that determination, staff did not focus on whether the Brazos River is a river or a lake. Staff focused on whether the

body of water between the census tracts constituted a barrier between the tracts as contemplated by the rule.

The appeal suggests that the lake is not a barrier separating the City of Granbury because a bridge crosses it, allowing for pedestrians, cyclists and vehicular traffic to travel between these two census tracts, and that “it is not only reasonable, but appropriate to consider the adjacent census tract as reflective of the status of the greater community.” Staff reviewed the proximity of the census tracts, and discovered that only a small sliver of the census tract along the north side of Highway 377 is actually within the City of Granbury. Most of that area is commercial, and it is three miles (as the crow flies) or more from the area of the Development Site. The remainder of the census tract that borders the City of Granbury consists of luxury hilltop homes overlooking the river, and beyond that is farmland. Staff struggled to see how this was reflective of the greater community.

Because the Development Site is not in an Opportunity Area as defined in 10 TAC §11.9(c)(4)(A)(ii), it cannot qualify for other points in 10 TAC §11.9(c)(4). Thus, failure to achieve these two points results in a loss of a total of 13 points--seven (7) points under 10 TAC §11.9(c)(4), and six (6) points under 10 TAC §11.9(e)(3).

Staff recommends the Board deny the appeal.

19189 Lakewood Crossing
Staff Determination and
Scoring Notice and



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
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January 29, 2019

Writer's direct dial: 512/475-1676
Email: marni.holloway@tdhca.state.tx.us

Justin M. Zimmerman
Lakewood Crossing, LP

RE: STAFF DETERMINATION REGARDING CENSUS TRACT QUALIFICATION

Dear Mr. Zimmerman:

A request was sent to the Texas Department of Housing and Community Affairs asking for a staff determination under 10 TAC §11.1(k) regarding how the Department would treat a census tract under 10 TAC §11.9(c)(4)(A)(ii). Per the request, census tract 48221160100 is a third quartile tract with a median income of \$48,864 and has a poverty rate of 12.7%. It is adjacent to a second-quartile census tract (48221160209) with a median income of \$77,706 and a poverty rate of 7.9%. The Applicant requested a pre-determination that the bridge that is governed by a 45 mile per hour speed limit does not constitute a physical barrier between census tracts 48221160100 and 48221160209, and that census tract 48221160100 meets the requirements of Section 11.9(c)(4)(A)(ii) of the QAP.

The rule includes the following language:

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. **For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more;** (emphasis added)

According to the submitted maps, the Brazos River runs between the two census tracts, and two highways connect the tracts. While the rule mentions certain speed limit parameters as a threshold for whether a highway would be considered a physical barrier between two tracts, in the case the barrier is not the highway, but the Brazos River. The rule does not contemplate that a highway over a physical barrier may be considered a mitigating factor, nor does the rule include an ability to mitigate for a physical barrier. Because the river



constitutes a physical barrier between the census tracts, census tract 48221160100 does not meet the requirements of Section 11.9(c)(4)(A)(ii) of the QAP.

Defined terms used herein but not otherwise defined have the same meanings used in the Department's rules. This staff determination can only be relied upon for applications submitted in the 2019 Competitive Housing Tax Credit round. This staff determination does not bind the Department's Governing Board. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,



Marni Holloway

Director, Multifamily Finance Division



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2019 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Justin Zimmerman

Phone #: (417) 890-3239

Email: jmzlandco@wilhoitproperties.com

Second Email: mforster@wilhoitproperties.com

Date: May 03, 2019

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2019 Competitive Housing Tax Credit (HTC) Application for Lakewood Crossing, TDHCA Number:
19189**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2019 Qualified Allocation Plan (QAP). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that six scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the six scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(c)(8) Readiness to Proceed in Disaster Impacted Counties, §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, §11.9(d)(6) Input from Community Organizations, and §11.9(d)(7) Concerted Revitalization Plan.

Section 3 provides information related to any point deductions assessed under §11.9(f) and/or §11.201(7)(B) of the QAP.

Section 4 provides the final cumulative score in bold.

Section 5 includes, as applicable, notes and an explanation of any differences between the requested and awarded score, as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(4) "Leveraging of Private, State, and Federal Resources", 11.9(b)(1)(A) "Unit Sizes", 11.9(b)(1)(B) "Unit and Development Features", 11.9(c)(1) "Income Levels of Tenants", 11.9(c)(2) "Rent Levels of Tenants", 11.9(e)(1) "Financial Feasibility", 11.9(e)(3) "Pre-Application Participation", and may be adjusted should the underwriting review result in changes to the Application that would affect these scores. If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §11.902 of the 2019 QAP. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board. If the score of an Application changes, a revised scoring notice will be provided to the Applicant.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2019 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 19189, Lakewood Crossing

Section 1:

Score Requested by Applicant (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2019 QAP):	120
Score Awarded by TDHCA (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2019 QAP):	113
Difference between Requested and Awarded:	7

Section 2:

Points Awarded for §11.9(c)(8) Readiness to Proceed:	0
Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4
Points Awarded for §11.9(d)(7) Concerted Revitalization Plan:	0

Section 3:

Points Deducted for §11.9(f) and/or §11.201(7)(B) of the QAP:	6
---------------------------------------------------------------	---

Section 4:

Final Score Awarded to Application by Department staff (Including all points):	140
---------------------------------------------------------------------------------------	------------

Section 5:

Notes and explanation for difference between points requested and points awarded by the Department, as well as penalties assessed:

§11.9(c)(4) Opportunity Index. The Application requested three (7) points but is eligible for zero (0) points under this item because the census tract of the proposed Development does not qualify. (Requested 7, Awarded 0)

§11.9(e)(3) Pre-application Participation. The Application requested six (6) points but is not eligible for points under this item because the Application final score (inclusive of only scoring items reflected on the self score form) varies by more than four (4) points from what was reflected in the preapplication self score. (Requested 6, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §11.902 of the 2019 QAP. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. Austin local time, Friday, May 10, 2019. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble at (512) 936-7834 or by email at <mailto:sharon.gamble@tdhca.state.tx.us>.

Sincerely,

Sharon D. Gamble

Sharon D. Gamble
 Competitive HTC Program Administrator

Appeal Documents



600 Congress, Suite 2200
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Neal J. Rackleff
Direct Telephone: 512-305-4764
Direct Fax: 512-391-4767
Neal.rackleff@lockelord.com

May 10, 2019

Via Electronic Mail

Mr. David Cervantes, Executive Director
Texas Department of Housing and Community Affairs
221 West 11th Street
Austin, Texas 78701

Re: **Lakewood Crossing App. 19189**--Appeal of Scoring Notice determination pertaining to adjacent census tract "barrier" concern

Dear Mr. Cervantes,

Our firm represents Lakewood Crossing, LP ("Applicant") which has applied to the Texas Department of Housing and Community Affairs ("TDHCA") for an allocation of 9% Housing Tax Credits. Our client has asked us to assist in responding to the scoring notice ("Scoring Notice") dated May 3, 2019 (a copy of which is attached hereto as **Exhibit "A"**).

This specific issue was also considered by TDHCA in the context of an Administrative Deficiency response from Applicant pertaining to item 1 of the Application deficiency notice ("Deficiency Notice") sent from TDHCA dated April 15, 2019 (a copy of which is attached hereto as **Exhibit "B"**).

Additionally a third party administrative deficiency was filed regarding this matter. This appeal (the "Appeal") will address all of the "barrier" concerns articulated by TDHCA in the Scoring Notice, Deficiency Notice and by the third party ("Third Party").

Because staff described their concerns in detail in Item 1 of the Deficiency Notice, we will focus on the rationale articulated therein and upon new information we discovered upon examining the Third Party's concerns.

RELEVANT RULE

Section 11.9(c)(4)(A)(ii) (the “Rule”) of the QAP is the rule in question. It reads in relevant part as follows:

The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, **and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between**, and the Development Site is no more than 2 miles from the boundary between the census tracts. [Emphasis added]

The Third Party focused on the characterization of the body of water flowing through Granbury as a “river.” They provided information describing the Brazos River in significant detail. Additionally, TDHCA’s argument focused on their understanding that the body of water flowing through Granbury is a river.

TDHCA indicated the following (in Item 1 of the Deficiency Notice): “Opportunity Index points, conditioned on adjacency of subject census tract in third quartile to tract 48221160209 in the second quartile, **require the absence of a physical barrier** between the tracts, but **the Brazos River is such a barrier.**” [emphasis added]

APPEAL SHOULD BE GRANTED UNDER BOTH A “LITERAL” OR “SUBSTANTIVE” INTERPRETATION

We believe that the body of water flowing through Granbury is not a barrier between the two census tracts which meaningfully separates or divides them. The two census tracts in question are part of one community that is united by a bridge--not divided by a body of water.

Additionally, upon reviewing the Third Party’s materials characterizing the body of water flowing through Granbury, we discovered that **what we and others had assumed to be a river is actually not a river at all—it is Lake Granbury.** The Brazos River Authority clearly describes this body of water as a lake that was created to provide a water source for the area. Additionally, the official highway sign on the bridge crossing the body of water clearly designates it as “Lake Granbury” (see **Exhibit “C”** for the river authority’s description of the lake and photographic and other clear evidence that this is a lake—not a river).

The intent of the Rule is clearly to disallow contiguous census tracts from being considered positively **if there is a true barrier between them.** We believe that the terms “river” and “highway” were used in the Rule in an exemplary but not restrictive or literal manner. While the Third Party and TDHCA seem to have focused on the word “river” in a restrictive, literal manner. However, even if such literal construction is used, we have definitively established that there is no

“river” here after all. Therefore, the arguments focused on the literal use of the term river fail and our appeal should be granted.

Alternatively, when considering the substantive intent of the Rule, if rivers are the only body of water determined to be barriers between census tracts that disallow consideration of the adjacent census tract for Opportunity Index points, then how should other bodies of water—such as ponds, marshes, bayous, creeks, streams, wetlands, detention basins, gutters, canals, storm drainage structures and lakes be considered?

The common sense and substantive purpose of the rule should be followed—the inquiry should not simply be “does a river flow between census tracts,” rather the properly framed question should be “does any body of water between two census tracts act as an effective ‘barrier’ between them.”

Whether viewed from the literal or substantive perspective it is crystal clear that **Lake Granbury is not a barrier between the communities on either side.**

While in some cases, a body of water may effectively divide communities—that is just simply not the case here. The Mayor and City Manager of Granbury have written letters supporting (see **Exhibit “D”**) their understanding that the lake is not a barrier separating the City of Granbury because a bridge crosses it which effects the free flow of pedestrians, cyclists and vehicular traffic seamlessly between these two census tracts which are in fact one community.

The Rule clearly states that if the census tracts are considered contiguous, then the Applicant will receive increased points for this Development. **The intent of the Rule is obvious—adjacent census tracts provide an accurate indication of an area larger than the immediate census tract from which to judge the health of a community.**

However, in some cases, significant barriers between census tracts, such as a freeway or river without a bridge, so completely divide two communities that it is not reasonable to compare the census tracts in judging the health of two communities so divided. An example of such a barrier is the I-45 freeway in Houston which effectively separates the Heights neighborhood west of I-45, from the Near North Side neighborhood east of I-45.

The Applicant, Mayor, City Manager and other community leaders all strongly assert that the two census tracts in Granbury are not divided communities—while there is a lake there—**the bridge effectively unites the City located on both sides.** Therefore, it is not only reasonable, but appropriate to consider the adjacent census tract as reflective of the status of the greater community.

NO NEED TO MITIGATE A NON-EXISTENT PROBLEM

Additionally, staff has pointed out that “the rule does not contemplate that a highway over a physical barrier may be considered a mitigating factor, nor does the rule include an ability to mitigate for a physical barrier.”

First, the point of the Rule is to take into consideration barriers, and potential examples cited are highways and rivers—they are not cited as the only kind of barriers that may divide a community but rather as *examples* of things that in some contexts may act as barriers. **The use of “river” is clearly illustrative but not controlling.** The use of rivers or highways in the rule is simply exemplary of possible barriers—not language to be interpreted outside the context of the many factors that unite rather than divide communities.

Merriam-Webster defines a “**barrier**” as follows:

1. Something material that blocks or is intended to block passage; or 2. a natural formation or structure that prevents or hinders movement or action.

In this case, Lake Granbury does not block passage, nor does it hinder movement or action between the Granbury census tracts. The lake has no negative impact on passage or movement—to the contrary, the bridge over the lake facilitates free flow of the residents by car, bike and as pedestrians.

Additionally, while staff raised the point that the Rule doesn’t provide for mitigating circumstances to be used to illustrate that a particular river is not a “barrier”—such statement presupposes that there is in fact an effective barrier that requires mitigation.

In the QAP, mitigation evidence may be offered to demonstrate that a present problem—such as crime, blight or excessive poverty—may be reduced or eliminated in the future. In this case there is no problem which needs to be mitigated in the future—the present reality needs no mitigation because these communities are in no real, effective or meaningful way, divided by the river.

Merriam-Webster is helpful on this point as well, “**mitigate**” is defined as follows: **“to cause to become less harsh or hostile.”**

Mitigation therefore presupposes a problem or detriment, which may become less harsh or detrimental. Therefore, it makes sense that the language of the Rule does not provide for mitigation.

The intent of the Rule is to identify barriers that may exist—if a potential barrier has already been overcome, then penalizing an Applicant for a solution already implemented is not reasonable, just or consistent with the intent or spirit of the QAP. By such logic, if a community had acceptable levels of crime or blight at the time of application, they could be penalized if there was a time in the past when there was a problem that had been cured before application.

This temporal distinction is key to interpreting the Rule in a just and logical fashion. **Past problems overcome years ago should be completely irrelevant in judging the health of a community in the present.**

CONCLUSION

The fair, clear, and common sense intent of the rule should prevail, as opposed to slavish adherence to literal language devoid of animating purpose. The term “river” is illustrative, not controlling. But **either way you look at this, the Applicant should prevail.**

Substantively, Lake Granbury is not a barrier dividing the City. And literally, Lake Granbury is not a river. The residents in these adjacent census tracts are united by a bridge over Lake Granbury. This is a small town with constant interaction between both census tracts, with one business community and residential areas joined by economic, familial, and cultural connections.

Therefore, we respectfully request that Applicant’s appeal of the loss of all points consequent to the disallowance of the one point for the adjacent census tract issue for this Application be granted.

Please let me know if you have any questions regarding this matter. If this appeal is not granted, we do plan to appeal to the Board of Directors.

Respectfully,



Neal J. Rackleff

EXHIBIT A



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2019 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Justin Zimmerman
Phone #: (417) 890-3239
Email: jmzlandco@wilhoitproperties.com
Second Email: mforster@wilhoitproperties.com

Date: May 03, 2019

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2019 Competitive Housing Tax Credit (HTC) Application for Lakewood Crossing, TDHCA Number:
19189**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2019 Qualified Allocation Plan (QAP). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that six scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the six scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(c)(8) Readiness to Proceed in Disaster Impacted Counties, §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, §11.9(d)(6) Input from Community Organizations, and §11.9(d)(7) Concerted Revitalization Plan.

Section 3 provides information related to any point deductions assessed under §11.9(f) and/or §11.201(7)(B) of the QAP.

Section 4 provides the final cumulative score in bold.

Section 5 includes, as applicable, notes and an explanation of any differences between the requested and awarded score, as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(4) "Leveraging of Private, State, and Federal Resources", 11.9(b)(1)(A) "Unit Sizes", 11.9(b)(1)(B) "Unit and Development Features", 11.9(c)(1) "Income Levels of Tenants", 11.9(c)(2) "Rent Levels of Tenants", 11.9(e)(1) "Financial Feasibility", 11.9(e)(3) "Pre-Application Participation", and may be adjusted should the underwriting review result in changes to the Application that would affect these scores. If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §11.902 of the 2019 QAP. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board. If the score of an Application changes, a revised scoring notice will be provided to the Applicant.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2019 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 19189, Lakewood Crossing

Section 1:

Score Requested by Applicant (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2019 QAP):	120
Score Awarded by TDHCA (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2019 QAP):	113
Difference between Requested and Awarded:	7

Section 2:

Points Awarded for §11.9(c)(8) Readiness to Proceed:	0
Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4
Points Awarded for §11.9(d)(7) Concerted Revitalization Plan:	0

Section 3:

Points Deducted for §11.9(f) and/or §11.201(7)(B) of the QAP:	6
---------------------------------------------------------------	---

Section 4:

Final Score Awarded to Application by Department staff (Including all points):	140
---------------------------------------------------------------------------------------	------------

Section 5:

Notes and explanation for difference between points requested and points awarded by the Department, as well as penalties assessed:

- §11.9(c)(4) Opportunity Index. The Application requested three (7) points but is eligible for zero (0) points under this item because the census tract of the proposed Development does not qualify. (Requested 7, Awarded 0)
- §11.9(e)(3) Pre-application Participation. The Application requested six (6) points but is not eligible for points under this item because the Application final score (inclusive of only scoring items reflected on the self score form) varies by more than four (4) points from what was reflected in the preapplication self score. (Requested 6, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §11.902 of the 2019 QAP. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. Austin local time, Friday, May 10, 2019. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble at (512) 936-7834 or by email at <mailto:sharon.gamble@tdhca.state.tx.us>.

Sincerely,

Sharon D. Gamble

Sharon D. Gamble
 Competitive HTC Program Administrator



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2019 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 19189, Lakewood Crossing

Note: If you do not wish to appeal this notice, do not submit this form.

I am in receipt of my 2019 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 10, 2019.

If my appeal is denied by the Executive Director:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Signed _____

Title owner

Date 5/9/19

Please email to Sharon Gamble:
mailto:sharon.gamble@tdhca.state.tx.us

EXHIBIT B

From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>

Sent: Monday, April 15, 2019 2:25 PM

To: JMZLANDCO <JMZLANDCO@wilhoitproperties.com>

Cc: Melissa Forster <mforster@wilhoitproperties.com>

Subject: 19189 - 9% HTC **Application Deficiency Notice** - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Opportunity Index points, conditioned on adjacency of subject census tract in the third quartile to tract 48221160209 in the second quartile, require the absence of a physical barrier between the tracts, but the Brazos River is such a barrier.
2. Stonewater Church's qualifications as a community or civic organization require more documentation.
3. The library is not open at least 50 hours per week as required for scoring.
4. Site control should be further documented to show that the PFC has control of the ability to lease the site from the PHA in the form of a contract to lease, option to lease, etc.
5. Development Narrative indicates a request for a "Staff Determination". I did not find the determination in the application.
6. RJTCF letter terminated on March 15.
7. Organization chart indicates RJTCF gets 99.98%. Letter says 99.99%.
8. Ownership organization chart must indicate the natural persons that have Control (as defined) of Granbury PFC.
9. List of Organizations and Principals "Org. 1" "Sub-Entities" lists JMZ instead of Granbury PFC. In this organizational structure, the Org. 1 block should have stated "Lakewood Crossing, LP" as the "Organization Legal Name". Although redundant with the Applicant block above it, this is the only way to show Lakewood Crossing Housing, LLC and JMZ Land Company, LLC as the members.
10. Org. 1 misstates "Albatros" and Org. 1.1 misstates "Grabury".
11. Owner organization chart misstates "Justin M. Zimmerman Recoveable Trust dated 12/13/2011". "Updated" is not included in the name.
12. Donna L. Zimmerman's trust must be named the same on the charts and in the Previous Participation Forms.
13. "Carrie" is misstated in the owner chart.
14. Including but not limited to the foregoing deficiencies 10-13 above, there are many inconsistencies in the names of people, trusts and organizations in the charts, List of Organizations and Principals,

and Credit Limit Documentation. Revise the spellings as necessary and make sure all applicable words, dates, etc. are included.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Tuesday, April 23, 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-

based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in [10 TAC Section 11.1\(b\)](#) there are important limitations and caveats (Also see [10 TAC §10.2\(b\)](#)).

EXHIBIT C





About Us ▾

Doing Business ▾

Careers ▾

Contact Us ▾



About Us > Reservoirs > Lake Granbury

Lake Granbury - DeCordova Bend Dam

DeCordova Bend Dam and Lake Granbury were constructed by the Brazos River Authority and are maintained and operated by the BRA as a source of water supply.

The project was authorized through a permit issued by the State of Texas in 1964.

Construction began in December 1966 and was completed by September 1969.

The project provides 129,011 acre-feet of storage capacity for conservation of flood and storm waters to meet



About The BRA >

Reservoirs

Possum Kingdom Lake >

Lake Granbury >

Online Lake Map

Amenities

Living Lakeside at Lake Granbury

Lake Regulations

requirements of municipalities, industries, agriculture, and mining.

The reservoir was built without use of tax dollars; having been financed entirely with revenues from sales of water by the BRA. The principal revenues used to finance the project are provided under a contract with TXU Electric Company for purchase of water for industrial use, including cooling water for a natural gas-fired steam electric power plant on the reservoir and the Comanche Peak Nuclear Power Plant near Glen Rose. The reservoir also furnishes raw water to Hood and Johnson counties for municipal use.

The reservoir has five public access areas for picnicking and fishing including four parks offering primitive camping sites.

[FAQ](#)

[Granbury Contact Information](#)

[Lake Limestone >](#)

[Allens Creek Reservoir \(proposed\) >](#)

[Federal Reservoirs](#)

[Lake Safety >](#)

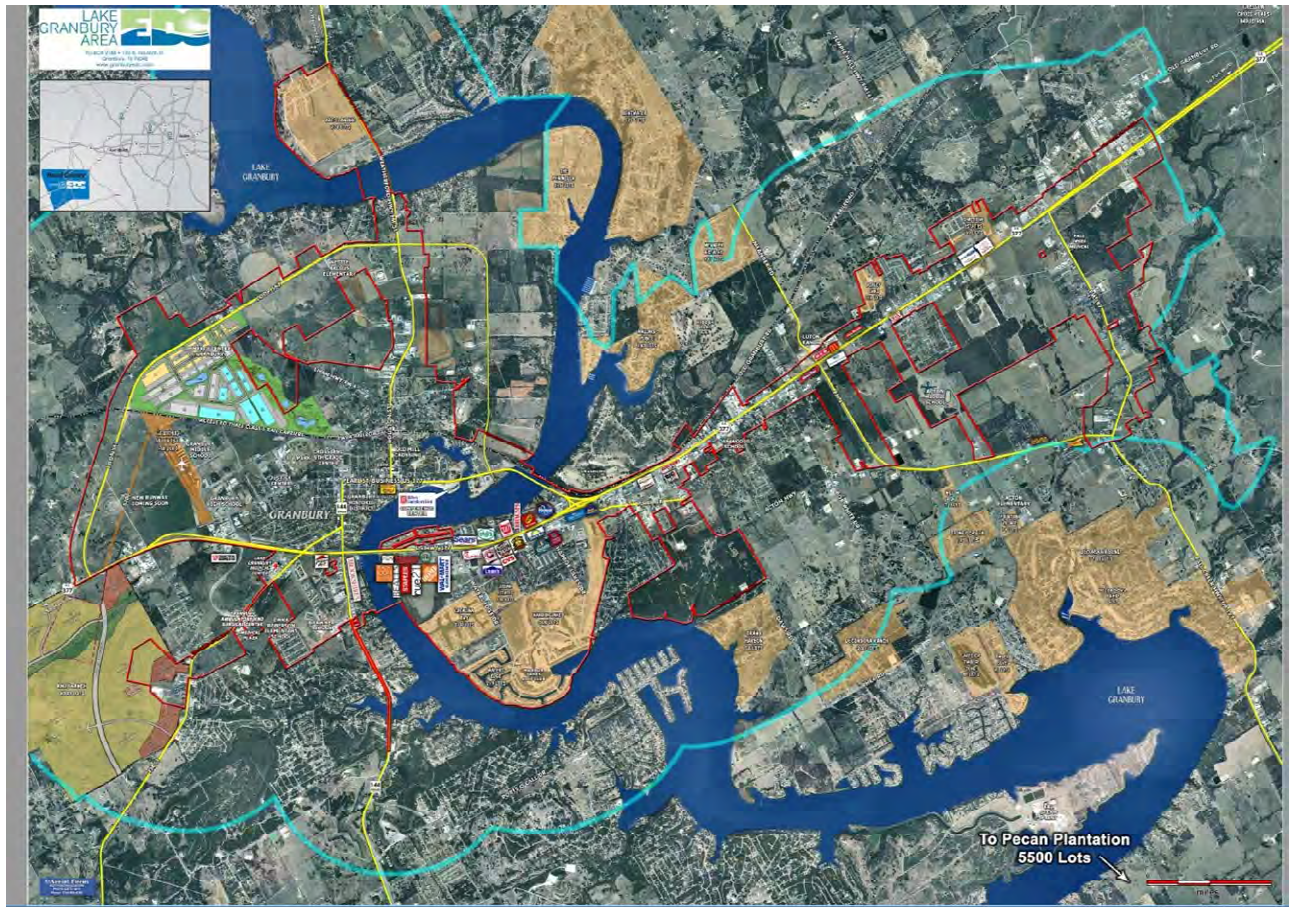
[Water Supply >](#)

[Water Quality >](#)

[Water Levels >](#)

[News >](#)

[Education >](#)



Granbury Lake (Brazos River Basin)



Lake Granbury and De Cordova Bend Dam is located about 8.3 miles in southeast of Granbury in Hood County, on the Brazos River. The Brazos River Authority owns the lake and operates the facilities for municipal, industrial, irrigational supplies and recreational purposes. The lake and its dam were first proposed by the Authority in the late 1950s. Construction on the De Cordova Bend Dam began on December 15, 1966. The dam was named

for De Cordova Bend, a prominent bend in the Brazos River in that area, originally named for land agent and entrepreneur Jacob De Cordova¹. Impoundment of water began on September 15, 1969. The dam, composed of Ambursen-type concrete and earthfill, was 2,200 feet long and 84 feet high with a top width of 17 feet. According to 2015 TWDB hydrometric survey, the top of the dam has an elevation of 706.5 feet. The emergence spillway is located in the left side of the dam and is controlled by 16

Water for Texas Conference 2019

- River Basins & Reservoirs
- Bays & Estuaries
- Environmental Flows
- Lake Surveys
- Texas Water Conditions & Data
- Surface Water Staff & Other Contacts

tainter gates (each 36 by 35 feet) with its crest (or sill of the gates) at elevation of 658 feet. Lake Granbury, characterized by its long and narrow water body, has a total capacity of 136,326 acre-feet and surface area of 8,281.6 acres at the conservation pool elevation or top of gates, 693 feet (based on information provided by the Brazos River Authority in 2016, all above elevations are measured based on local datum which is 1.11 feet below the NGVD29 datum). The dam controls a drainage area of approximately 25,679 square miles. However, contributing drainage area is about 16,113 square miles.

1 - Data Source: Laurie E. Jasinski, "LAKE GRANBURY," *Handbook of Texas Online*

Additional Information

- [Water Data for Texas](#)
- [TWDB Hydrographic Survey](#)

EXHIBIT D



April 18, 2019

Marni Holloway
Multifamily Finance Director
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

Dear Ms. Holloway,

This letter is to express our support of the afford housing in our community.

We understand that the two census tracts are split by the Brazos River and could be a detriment in the scoring process for this project.

It is our opinion that the Brazos River dividing the two census tracts for this housing is not truly a barrier for this project as our community is small. Many of the families that work here in Granbury are having to live elsewhere due to the affluence of the retirement community. We desperately need workforce (affordable) housing.

We would like to request the Brazos River be removed as a perceived boundary for this project.

Sincerely,

Nin Hulett
Mayor



April 18, 2019

Marni Holloway
Multifamily Finance Director
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

Dear Ms. Holloway,

This letter is to express our support of the afford housing in our community.

We understand that the two census tracts are split by the Brazos River and could be a detriment in the scoring process for this project.

It is our opinion that the Brazos River dividing the two census tracts for this housing is not truly a barrier for this project as our community is small. Many of the families that work here in Granbury are having to live elsewhere due to the affluence of the retirement community. We desperately need workforce (affordable) housing.

We would like to request the Brazos River be removed as a perceived boundary for this project.

Sincerely,

A handwritten signature in blue ink that reads "Chris Coffman".

Chris Coffman, CPM
City Manager



May 7, 2019

Marni Holloway
Multifamily Finance Director
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

Dear Ms. Holloway,

This letter is to express our support of the affordable housing in our community.

We understand that the two census tracts are split by the Brazos River and could be a detriment in the scoring process for this project.

It is our opinion that the Brazos River dividing the two census tracts for this housing is not truly a barrier for this project as our community is small. Many of the families that work here in Granbury are having to live elsewhere due to the affluence of the retirement community. We desperately need workforce (affordable) housing.

We would like to request the Brazos River be removed as a perceived boundary for this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Wadley", is written over a faint circular stamp.

Bruce Wadley
Council Member

TDHCA Response



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS

J.B. Goodwin, *Chair*
Leslie Bingham-Escareño, *Vice Chair*
Paul A. Braden, *Member*
Asusena Reséndiz, *Member*
Sharon Thomason, *Member*
Leo Vasquez, *Member*

May 20, 2019

Writer's direct dial: 512.475.3875
Email: david.cervantes@tdhca.state.tx.us

Neal J. Rackleff
Locke Lord LLP
600 Congress, Ste. 2200
Austin, Texas 78701

RE: APPEAL OF SCORING NOTICE - 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19189 LAKEWOOD CROSSING

Dear Mr. Rackleff:

The Texas Department of Housing and Community Affairs (the Department) is in receipt of your appeal, dated May 10, 2019, regarding the application submission indicated above. Staff had determined that the Application does not qualify for seven points under 10 TAC §11.9(c)(4) related to Opportunity Index because the census tract in which the Development Site is located does not qualify the Application for points under this scoring item; and under 10 TAC §11.9(e)(3) related to Pre-application Participation because the Application final score (inclusive of only scoring items reflected on the self-score form) varies by more than four points from what was reflected in the pre-application self-score. As such, points under the items were not awarded, subject to the Applicant's ability to appeal.

Under 10 TAC §11.9(c)(4)(A), an Application can qualify for points under this item in one of two ways:

- (A) A proposed Development is eligible for up to two opportunity index points if it is located entirely within a census tract with a poverty rate of less than the greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.
- (i) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region and a median household income rate in the two highest quartiles within the uniform service region. (2 points)
- (ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median



household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

In this case, the Applicant elected to score under item (ii). The appeal states:

“The Third Party focused on the characterization of the body of water flowing through Granbury as a “river.” They provided information describing the Brazos River in significant detail. Additionally, TDHCA’s argument focused on their understanding that the body of water flowing through Granbury is a river. . . . We believe that the body of water flowing through Granbury is not a barrier between the two census tracts which meaningfully separates or divides them. The two census tracts in question are part of one community that is united by a bridge--not divided by a body of water.”

and

“Additionally, upon reviewing the Third Party’s materials characterizing the body of water flowing through Granbury, we discovered that **what we and others had assumed to be a river is actually not a river at all—it is Lake Granbury.** The Brazos River Authority clearly describes this body of water as a lake that was created to provide a water source for the area. Additionally, the official highway sign on the bridge crossing the body of water clearly designates it as “Lake Granbury” (see **Exhibit “C”** for the river authority’s description of the lake and photographic and other clear evidence that this is a lake—not a river).”

Per the appeal, “[t]he intent of the Rule is clearly to disallow contiguous census tracts from being considered positively **if there is a true barrier between them.** We believe that the terms ‘river’ and ‘highway’ were used in the Rule in an exemplary but not restrictive or literal manner. While the Third Party and TDHCA seem to have focused on the word ‘river’ in a restrictive, literal manner. However, even if such literal construction is used, we have definitively established that there is no ‘river’ here after all. Therefore, the arguments focused on the literal use of the term river fail and our appeal should be granted”.


Prior to Application submission, staff provided the Applicant with a determination wherein staff determined that the Brazos River acts as a barrier between the census tract in which the Development Site is located and another qualifying census tract. In making that determination, staff did not focus on whether the Brazos River is a river or a lake. Staff focused on whether the body of water between the census tracts constituted a barrier between the tracts as contemplated by the rule.

The appeal suggests that the lake is not a barrier separating the City of Granbury because a bridge crosses it, allowing for pedestrians, cyclists and vehicular traffic to travel between these two census tracts, and that “it is not only reasonable, but appropriate to consider the adjacent census tract as reflective of the status of the greater community.” Staff reviewed the proximity of the census tracts and discovered that only a small sliver of the census tract along the north side of Highway 377 is actually within the City of Granbury. Most of that is commercial, and it is three miles (as the crow flies) or more from the area of the Development Site. The remainder of the census tract that borders the City of

Granbury consists of luxury hilltop homes overlooking the river, and beyond that is farmland. Staff struggled to see how this was reflective of the greater community.

I do not find that the issues raised in your appeal regarding whether the Application qualifies for points under 10 TAC §11.9(c)(4) related to Opportunity Index clearly demonstrate that the Application should have been awarded the points, and accordingly I must deny the appeal for the seven points. In so doing, I am also denying your request to reinstate six points under 10 TAC §11.9(e)(3) related to Pre-application Participation. If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2019 QAP for full instruction on the appeals process. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Cervantes', with a stylized flourish at the end.

David Cervantes
Acting Director

7i

BOARD REPORT ITEM
MULTIFAMILY FINANCE DIVISION
MAY 23, 2019

Report of Third Party Requests for Administrative Deficiency under 10 TAC §11.10 of the 2019 Qualified Allocation Plan

19013	Our Lady of Charity Apartments	San Antonio
19063	Residences at Lake Waco	Waco
19079	Provision at Patriot Parkway	Venus
19100	Carver Ridge Apartments	Midland
19189	Lakewood Crossing	Granbury
19225	Rosewood Senior Villas	Tyler
19244	Mariposa Apartment Homes at Harris Road	Arlington
19250	Cypress Creek Apartment Homes at Waxahachie	Waxahachie
19266	County Line Lofts	Venus
19277	Cielo Place	Fort Worth
19301	Prince Hall	Port Arthur
19307	Briarwest Apartments	Houston
19315	Hammack Creek Apartments	Kennedale
19319	Bardin Apartments	Arlington
19365	Heritage Estates at Huntsville	Huntsville

BACKGROUND

Pursuant to 10 TAC §11.10 of the 2019 Qualified Allocation Plan related to Third Party Requests for Administrative Deficiency (RFAD), an unrelated person or entity may bring new, material information about an Application to staff's attention. Third parties may request that staff consider whether an Application should be the subject of an Administrative Deficiency, based on the information submitted with the request. Staff will consider the request and proceed as it deems appropriate under the applicable rules including, if the Application in question is determined by staff to not be a priority Application, not reviewing the matter further. Requestors must provide, at the time of filing the request, all briefings, documentation, and other information that the requestor offers in support of the deficiency. Requestors must provide sufficient credible evidence that, if confirmed, would substantiate the deficiency request. Assertions not accompanied by supporting documentation susceptible to confirmation will not be considered. The deadline for submission of RFADs was May 1, 2019.

The following describes the staff determinations for 2019 Competitive Housing Tax Credit (HTC) RFADs received, and reflects all determinations made. All requests referenced herein were received and reviewed in accordance with 10 TAC §11.10. Where staff determined that the request substantiated the issuance of a Notice of Administrative Deficiency for the Application, the Applicant was provided the

opportunity to respond to the submitted request. Staff has reviewed both the request and response in making its determination.

Each entry identifies the HTC development/application number (TDHCA ID#), the name of the development, city, and region, as well as the name and organization of the requestor. A brief summary of each request has been included, followed by Department staff's analysis of the request, and finally the staff resolution of the request. The Department has posted each request received, deficiency notice released, supporting documentation received from the Applicant, and staff determination to the applicable applications, which are posted on the Department's website. Any subsequent RFAD determinations will be reported to the Board at a subsequent meeting.

The Department's Governing Board has final decision-making authority on any of the issues reflected herein, and thus these determinations are subject to change. However, an RFAD requestor may not formally appeal the staff determination of an RFAD through the Appeals Process.

Where staff is recommending that a request result in loss of points or other action, the Applicant will receive notice and have an opportunity to appeal the determination. Staff has also provided notice of the result of the request to the requestor.

TDHCA ID#	19013	Development Name:	Our Lady of Charity Apartments
City:	San Antonio	Region:	9
Requestor:	Enrique Flores, Madhouse Development		

Nature and Basis of Request:

The request asked the Department to review the Application to determine whether the Application is eligible to receive points under 10 TAC §11.9(b)(1)(A) related to Unit Sizes. Per the request, 10 unit types fail to meet the New Construction threshold for scoring and three unit types fail to meet it for threshold. Loss of six points for Unit Sizes would also cause loss of pre-application points.

Per 10 TAC §11.9(b)(1)(A):

(A) Unit Sizes (6 points). The Development must meet the minimum requirements identified in this subparagraph to qualify for points. Points for this item will be automatically granted for Applications involving Rehabilitation (excluding Reconstruction), for Developments receiving funding from USDA, or for Supportive Housing Developments without meeting these square footage minimums only if requested in the Self Scoring Form.

- (i) five-hundred fifty (550) square feet for an Efficiency Unit;
- (ii) six-hundred fifty (650) square feet for a one Bedroom Unit;
- (iii) eight-hundred fifty (850) square feet for a two Bedroom Unit;
- (iv) one-thousand fifty (1,050) square feet for a three Bedroom Unit; and
- (v) one-thousand two-hundred fifty (1,250) square feet for a four Bedroom Unit.

The Application proposes the Adaptive Reuse of an existing structure. Per 10 TAC §11.(d)(1) related to the definition of Adaptive Reuse, Adaptive Reuse Developments will be considered as New Construction.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that a Notice of Administrative Deficiency was necessary for this request.

In response to the deficiency notice, the Applicant provided documentation from the project architect to explain how the dimensions of the Development were determined. Per the Applicant:

“The unit plans submitted with the application showed dimensions to the inside of the loadbearing wall (stud). 10 TAC § 11.1(d)(82) requires that the net square footage be calculated to the outside of the stud (structural system). In the case of this existing historic building, the structural system is multi-wythe load-bearing brick masonry rather than a wood stud. This information is depicted in the building plans and has been added to the unit plan drawings for clarification to show that each of the units in question is in alignment with the square footages listed on the unit plan sheets and elsewhere in the application.”

Analysis and Resolution:

Staff reviewed the definition of Net Rentable Area at 10 TAC § 11.1(d)(82):

(82) Net Rentable Area (NRA)--The Unit space that is available exclusively to the tenant and is typically heated and cooled by a mechanical HVAC system. NRA is measured to the

outside of the studs of a Unit or to the middle of walls in common with other Units. NRA does not include common hallways, stairwells, elevator shafts, janitor closets, electrical closets, balconies, porches, patios, or other areas not actually available to the tenants for their furnishings, nor does NRA include the enclosing walls of such areas.

Net rentable area is measured to the stud, not to the “structural system.” “Load bearing masonry walls” may certainly be an integral part of the building, but for the net rentable area of the Unit, the measurement must be made to the outside of the stud, i.e. the surface of the stud where the interior wall would affix. Using the “load-bearing brick masonry” (i.e. the exterior wall) as a measuring point for NRA would necessarily include the area within the walls, which is excluded by the definition of NRA. Staff determined that the square footage of each questioned Unit does not meet scoring or threshold requirements.

The Application will not be awarded the requested six points for Size of Units, and consequentially will not be awarded the requested six points for Pre-application Participation. Because the Application did not meet the threshold requirement for Unit sizes, the Application will be terminated. The Applicant will have an opportunity to appeal this determination.

TDHCA ID#	19063	Development Name:	Residences at Lake Waco
City:	Waco	Region:	8
Requestor:	Ryan Hudspeth, Belmont Development		

Nature and Basis of Request:

The request asked the Department to review the Application to determine whether the Application should be eligible for five points under 10 TAC §11.9(c)(5)(E) related to Underserved Area. Per the request, the Development census tract is in Waco and in Woodway, which does not meet the population threshold of 100,000.

Per 10 TAC §11.9(c)(5)(E):

(E) The Development Site is located entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points).

Applicant Response to Notice of Administrative Deficiency:

Staff determined that a Notice of Administrative Deficiency was not necessary for this request as a determination could be made without one.

Analysis and Resolution:

Staff reviewed the issue and determined that the requestor is not interpreting the rule or staff’s previous guidance correctly. The 100,000 or more population threshold applies to the place where the

Development Site is located and has no bearing on the population of the census tract. The census tract(s) have to be “wholly within an incorporated area.” In this case, the Development Site is located in Waco, which has a population greater than 100,000, and the census tract is wholly within Waco and Woodway, both incorporated areas. The only way the census tract would not be eligible would be if part of the census tract was outside of an incorporated area

Based on the information provided, staff determined that the Application may qualify for five points under §11.9(c)(5)(E) related to Underserved Area.

TDHCA ID#	19079	Development Name:	Provision at Patriot Parkway
City:	Venus	Region:	3
Requestor:	Thomas E. Huth, Palladium USA International, Inc.		

Nature and Basis of Request:

The request asks the Department to review the Application to determine whether the Applicant provided evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the land use restriction agreement (LURA) may extend to the access easement.

Per 10 TAC §11.204(10) related to Site Control:

(D) If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that a Notice of Administrative Deficiency was necessary for this request.

In response to the deficiency notice, the Applicant provided an explanation of how ingress/egress is provided for in the existing Application. Per the Applicant, the contract addresses the easement in Section 6.3.

Per the Applicant, they read the rule to state that “evidence that the fee title owner of the property agreed that the LURA may extend to the access easement” is only required if such access is not documented in the Application. The Applicant points out the difference between the definitions of “Property” and “Development Site.” The Applicant provided a contract amendment dated May 7, 2019, to specifically state that the easement may be encumbered by a LURA

Analysis and Resolution:

The Application included language in the Site Control documents regarding the Purchaser’s obligations regarding obtaining an access easement, and stating the Seller’s cooperation and assistance in such. Per Section 6.3 of the Purchase Contract:

6.3 Access and Utilities Contingency. Purchaser's obligation to purchase the Real Estate is conditioned upon Purchaser confirming, prior to August 31, 2019, the following:

(a) The Purchaser's ability to obtain all rights-of-way, easements and licenses including but not limited to all ingress and egress, parking, grading, drainage, sewer and any other utility easements (the "Easements") necessary for the Purchaser to access, develop, and operate the Real Estate for Purchaser's Use. Seller shall reasonably cooperate and assist Purchaser in securing and documenting the Easements required for Purchaser's multifamily development, but shall be under no obligation to expend any funds in so doing.

(b) The Purchaser's ability to extend an entrance drive and extend utilities including but not limited to electricity, water, and sanitary sewer (the "Improvements") to the Real Estate, Purchaser's ability to make connections to existing utilities (including but not limited to electricity water and sanitary sewer) and Purchaser's ability to construct Improvements to the standards and specifications required by the City, State, and/or utility providers. Seller shall reasonably cooperate and assist Purchaser in securing approvals to construct Improvements, but shall be under no obligation to expend any funds in so doing.

The title commitment has on the "Schedule A" a section that it states will be completed at closing:

2. The interest in the land covered by this Commitment is:

Fee Simple as to Tract 1

Non-Exclusive easement estate created in that certain Reciprocal Easement Agreement executed by HFLP, LTD., a Texas limited partnership, dated , 2019, filed , 2019 and recorded in (blank), Real Property Records, Johnson County, Texas as to Tract 2 (To be created at closing)

Staff does not believe that the contract language provides clear evidence of documented access in the form of an easement, and nowhere in the Application except for the title commitment is there a reference to a "Tract 2."

Staff believes that the rule is clear regarding the necessity of a statement from the fee title holder regarding the LURA where ingress and egress to a public right of way are not part of the Property described in the site control documentation. The contract amendment submitted in the deficiency response is dated May 7, 2019, so it did not exist at the time the Application was submitted.

Because the Application did not meet the threshold requirement for Site Control, the Application will be terminated. The Applicant will have an opportunity to appeal the determination.

TDHCA ID#	19100	Development Name:	Carver Ridge Apartments
City:	Midland	Region:	12
Requestor:	John J. O'Donnell, Midland Chaparral Associates		

Nature and Basis of Request:

The request asks the Department to review the Application above to determine whether the Applicant notified County Judge Terry Johnson, who took office on January 3, 2019. Per the requestor, the Applicant did not notify Judge Johnson until after the pre-application was submitted.

Per Tex. Gov't Code Section 2306.6704(b-1):

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:

(3) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;

(4) the presiding officer of the governing body of the county containing the development and all elected members of that body;

Per 10 TAC §11.8(b) related to Pre-Application Threshold Criteria:

Pursuant to Tex. Gov't Code §2306.6704(c) preapplications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made and that a reasonable search for applicable entities has been conducted. (§2306.6704)

(B) Notification Recipients. No later than the date the pre-application is submitted, notification must be sent to all of the persons or entities prescribed in clauses (i) – (viii) of this subparagraph. . . . The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the preapplication is submitted.

Per 10 TAC §11.203 related to Public Notifications:

(2) Notification Recipients. No later than the date the Application is submitted, notification must be sent to all of the persons or entities identified in subparagraphs (A) - (H) of this paragraph. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are required to notify both city and county officials. . . . Only a timely and compliant written notification to the correct person constitutes notification.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In response to the notice, the Applicant sent a letter from Judge Johnson stating that “Midland County, Texas received notification of a proposed development by Carver Ridge Apartments, LP. As Midland County Judge, I confirm that the attached notification was received in my office on Monday, January 7, 2019.”

Analysis and Resolution:

The response included a copy of the UPS delivery receipt showing a package delivered to Judge Mike Bradford on Monday, January 7, and a copy of a letter addressed to “County Judge’s Office, Honorable Mike Bradford.”

Statute requires the notification of “all elected members” of the applicable governing body. The rule requires that “[o]fficials to be notified are those officials in office at the time the preapplication is submitted.” County Judge Terry Johnson took office on January 3, 2019. Per 10 TAC §11.2 related to Program Calendar for Housing Tax Credits, the Application Acceptance Period opened on January 4, 2019, and the Pre-application was submitted on January 9, 2019, the Pre-application Final Delivery Date. The Applicant was unable to provide evidence that County Judge Terry Johnson was correctly notified timely.

Because the Application did not meet the threshold requirement for Notifications, the Application will be terminated. The Applicant will have the opportunity to appeal the determination.

TDHCA ID#	19189	Development Name:	Lakewood Crossing
City:	Granbury	Region:	3
Requestor:	Ryan Hamilton		

Nature and Basis of Request:

The request asks the Department to review the Application above to determine whether the Application is eligible for points under 10 TAC §11.9(c)(4) related to Opportunity Index due to the Brazos River acting as a barrier between the census tracts.

Per 10 TAC §11.9(c)(4):

(A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate of less than the greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.

(i) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region and a median household income rate in the two highest quartiles within the uniform service region. (2 points)

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

Applicant Response to Notice of Administrative Deficiency:

Staff previously identified this issue during the Application review process. No further administrative deficiency is required regarding this item.

Analysis and Resolution:

The Applicant has been issued a scoring notice for the Application, and has appealed staff's determination denying points for this item. The appeal will be heard under a separate item at this meeting.

TDHCA ID#	19225	Development Name:	Rosewood Senior Villas
City:	Tyler	Region:	4
Requestor:	Chaz Garrett, Salem Clark		

Nature and Basis of Request:

The request asks the Department to review the Application above to determine whether the Application is eligible for points under 10 TAC §11.9(b)(2) related to Sponsor Characteristics as the Applicant did not provide evidence of the HUB's registration with the Texas Comptroller of Accounts, and under 10 TAC §11.9(e)(8) related to Funding Request Amount (amount available is \$1,154,000 and request is \$1,500,000). The request states that the Applicant did not provide appropriate mitigation for the railroad track, and no local ordinance was provided regarding a smaller acceptable distance to the railroad and to heavy industry, as required by 10 TAC §11.101(a)(2) related to Undesirable Site Features. The request also requested evidence of notifications under 10 TAC §11.8(b) related to Pre-Application Threshold Criteria.

Per 10 TAC §11.9(b)(2)

(2) Sponsor Characteristics. (§42(m)(1)(C)(iv)) An Application may qualify to receive either one (1) or two (2) points if it meets one of the following conditions. Any Application that includes a HUB must include a narrative description of the HUB's experience directly related to the housing industry.

(A) The ownership structure contains either a HUB certified by the Texas Comptroller of Public Accounts by the Full Application Delivery Date or it contains a Qualified Nonprofit Organization, provided the Application is under the Nonprofit Set-Aside.

Per 10 TAC §11.9(e)(8)

(8) Funding Request Amount. An Application may qualify to receive one (1) point if the Application reflects a Funding Request of Housing Tax Credits, as identified in the original Application submission, of no more than 100% of the amount available within the subregion or set-aside as determined by the application of the regional allocation formula on or before December 1, 2018.

Per 11.101(a)(2):

(2) Undesirable Site Features. Development Sites within the applicable distance of any of the undesirable features identified in subparagraphs (A) - (K) of this paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility. . . . Where there is a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the

minimum distances noted below, then such smaller distances may be used and documentation such as a copy of the local ordinance identifying such distances relative to the Development Site must be included in the Application.

(E) Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless:

(i) the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone; or

(ii) the Applicant has engaged a qualified Third Party to perform a noise assessment and the Applicant commits to perform sound mitigation in accordance with HUD standards as if they were directly applicable to the Development; or

(iii) the railroad in question is commuter or light rail;

(F) Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations);

Per 11.8(b):

(b) Pre-Application Threshold Criteria. Pursuant to Tex. Gov't Code §2306.6704(c) preapplications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made and that a reasonable search for applicable entities has been conducted. (§2306.6704)

(B) Notification Recipients. No later than the date the pre-application is submitted, notification must be sent to all of the persons or entities prescribed in clauses (i) – (viii) of this subparagraph. . . . The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the preapplication is submitted.

Applicant Response to Notice of Administrative Deficiency:

The Applicant reported the proximity to the railroad tracks and to heavy industry in the Application. That disclosure is the subject of a board action under Item 7f.

Staff had already identified the issue of the lack of evidence of registration for the HUB. Staff had sent a deficiency notice and the Applicant responded timely, curing the deficiency. Staff determined that an Administrative Deficiency was appropriate for the remainder of the request.

In the response to the deficiency notice, the Applicant agrees that the Application does not qualify for one point under 10 TAC §11.9(e)(8) related to Funding Request Amount.

The Applicant argued that the Requestor's demand for evidence of notifications exceeded the RFAD rule, stating that the competitor did not provide the Department with any supporting documentation for its request to investigate the Applicant's notification process. Absent such supporting documentation, it is

the Applicant’s opinion that the Department’s staff should not utilize the RFAD to seek an administrative deficiency on this matter. The Applicant requested that the deficiency on this issue be retracted.

Analysis and Resolution:

Staff agrees with the Applicant that the requestor did not provide the Department with any supporting documentation susceptible to confirmation in its request to investigate the Applicant’s notification process, and the rule provides the Department (not all other applicants) the ability to request proof of notification. If staff determines a need to request proof of notifications from this Applicant, it will send a Notice of Administrative Deficiency at that time.

TDHCA ID#	19244	Development Name:	Mariposa at Harris Road
City:	Arlington	Region:	3
Requestor:	Ryan Combs		

Nature and Basis of Request:

The request asks the Department to review the Application to determine whether the Application is eligible for five points under 10 TAC §11.9(c)(5) related to Underserved Area as there is a Development in the census tract that was awarded on January 13, 2004, which is less than 15 years ago according to staff guidance; and whether the Applicant properly notified a newly elected county commissioner sworn in on January 1, 2019 as required by 10 TAC §11.8(b) related to Pre-Application Threshold Criteria. The Applicant sent the notification to “Andy H. Nguyen OR Current Leader” and addressed “Dear Community Leader.”

Per 10 TAC §11.9(c)(5),

(E) The Development Site is located entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points).

Per published guidance, since the scoring item refers to a Development “awarded” fewer than 15 years ago, the Board Approval Date is the date to be used for this particular scoring item and 15 years starts January 1, 2004.

Per Tex. Gov’t Code Section 2306.6704(b-1):

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:

(3) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;

(4) the presiding officer of the governing body of the county containing the development and all elected members of that body;

Per 10 TAC §11.8(b) related to Pre-Application Threshold Criteria:

Pursuant to Tex. Gov't Code §2306.6704(c) preapplications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made and that a reasonable search for applicable entities has been conducted. (§2306.6704)

(B) Notification Recipients. No later than the date the pre-application is submitted, notification must be sent to all of the persons or entities prescribed in clauses (i) – (viii) of this subparagraph. . . . The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the preapplication is submitted.

Per 10 TAC §11.203 related to Public Notifications:

(2) Notification Recipients. No later than the date the Application is submitted, notification must be sent to all of the persons or entities identified in subparagraphs (A) - (H) of this paragraph. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are required to notify both city and county officials. . . . Only a timely and compliant written notification to the correct person constitutes notification.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In response to the deficiency notice, the Applicant revised its requested points for Underserved Area from five to three.

Regarding the notification, the Applicant states that the Applicant listed the incumbent commissioner in error but confirmed that the elected commissioner's office received the notification, so the correct notification was made.

Analysis and Resolution:

Staff confirmed that the Applicant is eligible for three points under 10 TAC §11.9(c)(5) related to Underserved Area.

Statute requires the notification of "all elected members" of the applicable governing body. The rule requires that "[o]fficials to be notified are those officials in office at the time the preapplication is submitted," and "[o]nly a timely and compliant written notification to the correct person constitutes notification." County Commissioner Devan Allen was sworn in on January 1, 2019, and the Pre-Application was not submitted until January 9, 2019. It would be one thing if the wrong name was inadvertently entered into the pre-application as the Applicant states, but the letter was also addressed to "Commissioner Andy H. Nguyen or Current Leader," and the letter addressed to "Dear Community Leader."

Staff does not believe that the Applicant correctly notified County Commissioner Devan Allen in accordance with the rule. Because the Application did not meet the threshold requirement for Notifications, the Application will be terminated. The Applicant will have the opportunity to appeal the determination.

TDHCA ID#	19250	Development Name:	Cypress Creek at Waxahachie
City:	Waxahachie	Region:	3
Requestor:	Thomas E. Huth, Palladium USA International, Inc.		

Nature and Basis of Request:

The request asks the Department to review the Application to determine whether the Applicant provided evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the land use restriction agreement (LURA) may extend to the access easement. The request also states that costs for such were not included in the Application.

Per 10 TAC §11.204(10) related to Site Control:

(D) If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In response to the deficiency, the Applicant stated that the Purchase Agreement included a provision for the Seller to provide access to the Right of Way via an easement or similar documented access. The Seller owns the property surrounding the Applicant’s site. The exact location of the access point will be determined as part of the permitting process so that the access point(s) compliment the City’s thoroughfare and planning provisions. For example, the City may require the entry to be dedicated as ROW by plat and, as a result, the Seller and Purchaser left the ability to document as they see fit pursuant to the requirements and comments from the City when permitting occurs. The Seller and Applicant contemplated who would be responsible for construction and maintenance of the entry as part of the Purchase Contract. The Seller and Applicant planned to document the various agreements at closing for the entry, which may include the requirement for the entry to be covered by the LURA.

The Applicant provided an amendment to the contract that states:

“To the extent necessary and to further elaborate on the provisions in Paragraph 1.1.10, the Seller shall grant Purchaser a perpetual easement (or easements) for access. The exact location of the access across Seller's property will be determined in the permitting process with the City of Waxahachie in a form that is acceptable to the City.

Additionally, the Seller understands that any easement or access points on Seller's property may be subject to the Land Use Restriction Agreement that will be filed against

Purchaser's property as required by the Texas Department of Housing and Community Affairs.”

The Applicant states that costs for the access easement(s) is included in the Site Work paving costs, and the Applicant would re-classify those costs should the Department require it.

Analysis and Resolution:

Staff believes that the Application provided for the access easements in the section of the purchase contract titled “Description of the Property”, which states:

“In consideration of the Purchase Price and upon the terms and conditions hereinafter set forth, Seller shall sell to Purchaser and Purchaser shall purchase the Property from Seller, together with all rights and appurtenances pertaining to such real estate, including, without limitation, any and all existing engineering and architectural drawings prepared for Seller, all mineral and surface rights, and all rights of Seller in and to all roads, alleys, easements, streets and ways adjacent to the Property, strips and gores and rights of ingress and egress thereto.”

Staff does not believe that the contract language provides clear evidence of the Seller’s agreement to have the LURA extend to the easement. Staff believes that the rule is clear regarding the necessity of a statement from the fee title holder regarding the LURA. The contract amendment submitted in the deficiency response is dated May 10, 2019, so it did not exist at the time the Application was submitted.

Because the Application did not meet the threshold requirement for Site Control, the Application will be terminated. The Applicant will have the opportunity to appeal the determination.

Staff will contact the Applicant regarding the re-classification of Site Work costs should staff determine there is a need to do so.

TDHCA ID#	19266	Development Name:	County Line Lofts
City:	Venus	Region:	3
Requestor:	Thomas E. Huth, Palladium USA		

Nature and Basis of Request:

The request asks whether the Application is eligible for 8.5 points under 10 TAC §11.9(d)(1) related to Local Government Support because the Development Site was located in the extra-territorial jurisdiction (ETJ) of Venus at the time of application and was not annexed by the city until April 8, 2019. The Applicant submitted a resolution of support from the City of Venus, but did not provide a resolution from Johnson County.

Per 10 TAC §11.9(d)(1):

(1) Local Government Support. (§2306.6710(b)(1)(B)) An Application may qualify for up to seventeen (17) points for a resolution or resolutions voted on and adopted by the bodies reflected in subparagraphs (A) - (C) of this paragraph, as applicable.

(B) Within the extraterritorial jurisdiction of a municipality, the Application may receive points under clause (i) or (ii) of this subparagraph and under clause (iii) or (iv) of this subparagraph:

(i) eight and one-half (8.5) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or

(ii) seven (7) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development; and

(iii) eight and one-half (8.5) points for a resolution from the Governing Body of that county expressly setting forth that the county supports the Application or Development; or

(iv) seven (7) points for a resolution from the Governing Body of that county expressly setting forth that the county has no objection to the Application or Development.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In its response, the Applicant provided the following explanation:

“The site for this application was in the process of voluntary annexation into the Venus City Limits on the application date - March 1, 2019. It was annexed on April 8, 2019. The applicant had no control over the annexation process timeline. The land sellers had to submit the annexation request and did so but in part because of a change in Venus City personnel, the process was delayed. The first reading was held February 25, 2019 without objections before the application date, however. The required multiple public hearings and timeline for annexation are statutory. The site is now in the City Limits and the County has no control over the development process.

Although approached for a resolution of support, Johnson County Commissioner’s Court refused to even place a request for a support resolution on their agenda because they have no history of providing support resolutions for housing tax credit projects and because of the pending annexation.

We request that TDHCA retain the 17 points for Local Government Support as the site is in the City Limits and the City has supplied a support resolution.”

Analysis and Resolution:

Staff determined that 10 TAC §11.9(d)(1) is clear regarding the requirement for Development Sites in the ETJ of a jurisdiction to provide resolutions from both the city and the county. With the first reading of the annexation request held just five days prior to the Application submission deadline, the Applicant should have been aware that the annexation would not be final before the submission deadline. The Applicant states that it requested the resolution from the county but was unable to obtain the resolution, so the Applicant was aware of the requirement but was unable to meet it.

Staff does not believe the Applicant qualifies for 17 points under 10 TAC §11.9(d)(1) but does qualify for 8.5 points for the resolution of support from the city. The Applicant will be provided a notice of scoring and will have the opportunity to appeal the loss of points.

TDHCA ID#	19277	Development Name:	Cielo Place
City:	Fort Worth	Region:	3
Requestor:	Cynthia Bast on behalf of 19008 Palladium Fain Street		

Nature and Basis of Request:

The request asks the Department to review the Application to determine whether the Application is eligible for two points under 10 TAC 11.9(d)(7)(A)(iv)(II) related to Concerted Revitalization Plan (CRP).

Per the rule:

(II) Applications may receive (2) points in addition to those under subclause (I) of this clause if the Development is explicitly identified in a resolution by the municipality, or county as contributing more than any other to the concerted revitalization efforts of the municipality or county (as applicable). A municipality or county may only identify one Development per CRP area during each Application Round for the additional points under this subclause, unless the concerted revitalization plan includes more than one distinct area within the city or county, in which case a resolution may be provided for each Development in its respective area. The resolution from the Governing Body of the municipality or county that approved the plan is required to be submitted in the Application. If multiple Applications submit resolutions under this subclause from the same Governing Body for the same CRP area, none of the Applications shall be eligible for the additional points, unless the resolutions address the respective and distinct areas described in the plan; and

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was not appropriate for the request as a determination could be made without one.

Analysis and Resolution:

Palladium Fain Street (#19008) submitted the Neighborhood Empowerment Zone Area 4 plan (NEZ 4) and Cielo Place (#19277) submitted the Six Points Urban Village Master Plan (Six Points). Page 18 of the Palladium Fain submission shows what was the Riverside Neighborhood Empowerment Zone with the Development Site indicated and the Six Points Urban Village area indicated. On January 29,2019, the City of Fort Worth consolidated 20 NEZs into six NEZs, and the resulting NEZ 4 extended to include the Six Points Urban Village. The urban Village did not disappear, however, and the Six Points plan was not rescinded in favor of the NEZ 4 plan. Six Points is a stand-alone CRP, independent from the NEZ CRP. As such, staff believes that there is no need to distinguish the Six Points area from the NEZ 4 area because they are not under the same CRP. Staff determined that no points should be deducted from the Application.

TDHCA ID#	19301	Development Name:	Prince Hall
City:	Port Arthur	Region:	5
Requestors:	Sarah Andre, Structure Development Texas Housers		

Nature and Basis of Request:

Both requests ask the Department to review the Application to determine whether the Development Site is ineligible pursuant to 10 TAC §11.101(a)(2) related to Undesirable Site Features due to its proximity to refineries and lack of mitigation of this impact. The second request states that the Site should also be found ineligible due to poverty in the census tract pursuant to 10 TAC §11.101(a)(3) related to Neighborhood Risk Factors, and because in addition to these issues the area violates the “two times per capita rule” found at 10 TAC §11.3(c) related to Twice the State Average Per Capita.

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was not appropriate as the Applicant disclosed each of these issues in the Application.

Analysis and Resolution:

These issues will be brought before the Board at a future meeting.

TDHCA ID#	19307	Development Name:	Briarwest Apartments
City:	Houston	Region:	6
Requestor:	Sarah Andre, Structure Development		

Nature and Basis of Request:

The request asks the Department to review the Application to determine whether the Applicant should have disclosed the Development’s proximity to a high voltage transmission line. The architectural site plan depicts aerial easements which suggest that the Development’s residential buildings may be as close as 70 feet from the easement containing the undesirable site features and that the playground is just 10 feet from the easement containing the undesirable site feature.

Per §11.101(a)(2):

(2) Undesirable Site Features. Development Sites within the applicable distance of any of the undesirable features identified in subparagraphs (A) - (K) of this paragraph will be considered ineligible unless it is determined by the Board that information regarding mitigation of the applicable undesirable site feature(s) is sufficient and supports Site eligibility.

(D) Development Sites in which any of the buildings or designated recreational areas (including pools) are to be located within 100 feet of the nearest line or structural element of any overhead high voltage transmission line, support structures for high voltage transmission lines, or other similar structures. This does not apply to local service electric lines and poles;

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In response to the notice, the Applicant stated:

“Briarwest Developers, LLC (‘Developer’) was aware of the electrical substation and transmission towers located adjacent to the Development’s western boundary, but was not sure whether the transmission lines were high voltage. Although a sign on the fence around the substation warns of hazardous voltage inside, and to keep out, it does not show that there are high voltage wires or facilities located there. Accordingly, we were not sure of the status.”

The Applicant states that neither the Site Design and Development Feasibility Report nor the Environmental Site Assessment completed for the Development Site identified the lines as “high voltage.” The Applicant provided a letter from the architect which states:

“I relied upon the Phase I and the Survey for information concerning the Development site. I was aware there was an electrical substation located west of the Development site because of the Survey and the Phase I, and that there were electric power lines on and adjacent to the site, but neither the Phase I nor the Survey identified any "high voltage" items, or even any transmission lines that would have indicated a potential high-voltage concern. As a result, I believed the power lines that were labeled were distribution lines that were not high-voltage, and was unaware the Development had an issue under §11.101(a)(2)(D), the Undesirable Site Features portion of the QAP, that would have necessitated a requisite distance be taken into consideration.”

The Applicant admits that per the Site Plan, the buildings were 15 feet too close to the lines. The architect provided a revised Site Plan that provides the appropriate distance between applicable development features and the lines.

Analysis and Resolution:

Staff reviewed the response and determined that the Application did not properly disclose the proximity of the Development Site to high voltage power lines. Because the Application did not meet the threshold requirement for disclosure, the Application will be terminated. The Applicant will have the opportunity to appeal the determination.

TDHCA ID#	19315	Development Name:	Hammack Creek Apartments
City:	Kennedale	Region:	3
Requestor:	Thomas E. Huth, Palladium USA		

The request asks the Department to review the Application above to determine whether the Applicant had appropriate Site Control under 10 TAC §11.204(10) and whether the Applicant provided the correct Market Study.

Applicant Response to Notice of Administrative Deficiency:

Staff previously identified the issue with Site Control documentation and had sent a deficiency notice. The Applicant timely provide evidence of unbroken control of the Development Site.

Analysis and Resolution:

Staff determined that, as the result of a mistake made by Department staff, the incorrect Market Study had been posted to the Department’s website. The Applicant had timely submitted the correct Market Study for the Application, and the correct report has been now posted on the Department’s website. No further action is required.

TDHCA ID#	19319	Development Name:	Bardin Apartments
City:	Arlington	Region:	3
Requestor:	Thomas E. Huth, Palladium USA		

The request asks the Department to review the Application above to determine whether the Applicant had appropriate Site Control under 10 TAC §11.204(10)

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was appropriate for the request.

In response to the notice, the Applicant timely provided evidence of unbroken control of the Development Site.

Analysis and Resolution:

The Application did not include conclusive Site Control documents. Upon review, staff would have sent the Applicant a deficiency notice requesting the clarifying documents, as was done here. Staff reviewed the information submitted in response to the deficiency notice, and determined that the response provided evidence that the Applicant had appropriate Site Control at the time of Application submission.

Staff determined that the response sufficiently resolved the deficiency.

TDHCA ID#	19365	Development Name:	Heritage Estates Huntsville
City:	Huntsville	Region:	6
Requestor:	Emanuel Glockzin		

Nature and Basis of Request:

The request asks the Department to review the Application above to determine whether the Application is eligible for points under Opportunity Index due to the Hwy 30 boundary and speed limit.

Per 10 TAC §11.9(c)(4):

- (A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate of less than the greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

Applicant Response to Notice of Administrative Deficiency:

Staff determined that an Administrative Deficiency was not appropriate for the request as a determination could be made without one.

Analysis and Resolution:

The applicable area consists of three census tracts that are all located within Huntsville. The applicable census tracts share a border at two areas, one along Veteran’s Memorial Parkway and within two miles of the Development Site, and one along Highway 30 and further than two miles from the Development Site. Along the boundary with the census tract, Veteran’s Memorial Parkway is a two lane road with a speed limit of 30 miles per hour. It is not “a limited-access road with a speed limit of 50 miles per hour or more.” Along the boundary with the census tract, Highway 30 starts as a two-lane with a speed limit of 45 miles per hour, and quickly turns into a four-lane highway with speeds exceeding 50 miles per hour.

The rule states that the Development Site must be no more than two miles from “the boundary” between the census tracts. Staff does not believe this means every boundary of the census tract, but at least one. Staff believes that the boundary that the Development Site is within two miles of is also the boundary that must have no barrier.

Staff believes that the boundary along Veteran’s Memorial Parkway meets the requirements of the rule, and that no points should be deducted from the Application.

19013
Request for Administrative Deficiency



May 1, 2019

Via Email

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

RE: Our Lady of Charity Apartments, TDHCA #19013

Dear Ms. Gamble:

Please accept this correspondence as a Request for Administrative Deficiency for Our Lady of Charity Apartments proposed in the City of San Antonio. Specifically, we're contesting the eligibility of the application to receive points under subsection §11.9(b)(1)(A) of the Qualified Allocation Plan ("QAP") which establishes "criteria promoting the development of high-quality housing". This criteria awards points to an application that meets minimum square footage standards such as "five-hundred fifty (550) square feet for an Efficiency Unit" and "one-thousand fifty (1,050) square feet for a three Bedroom Unit".

The plans submitted by the Applicant include architectural drawings (i.e. floor plans) documenting that the proposed apartments seemingly meet the minimum square foot requirement to qualify for points as a New Construction/Adaptive Reuse development under this section of the QAP. However, this is **not** the case, and this is **not** readily apparent from the floor plans submitted by the Applicant.

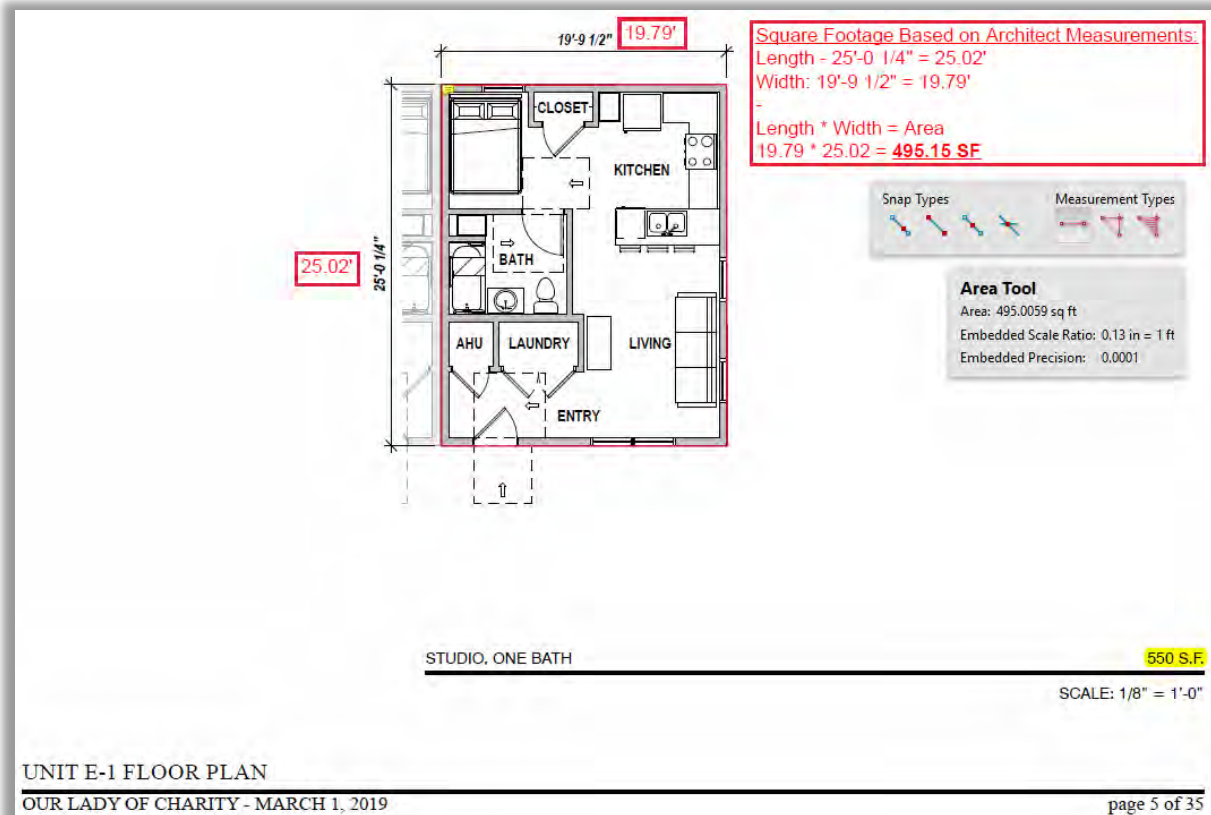
The definition for Adaptive Reuse within the QAP explicitly states "Adaptive Reuse Developments will be considered as New Construction" and therefore must meet the minimum square footage standards in order to qualify for points. While Rehabilitation projects are automatically granted these points, the definition for Rehabilitation further excludes Adaptive Reuse developments from this classification.

The following table lists the 10 Unit Types that fail to meet the square footage requirement threshold and should result in the Applicant being denied points under subsection §11.9(b)(1)(A).

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Unit Type	Square Footage Shown on Floor Plans	Square Footage Based on Architect's Dimensions	Square Footage Variance from Plans	Minimum Square Footage for Points	Square Footage Variance for Points
Unit E-1	550	495	-55	550	-55
Unit E-3	550	495	-55	550	-55
Unit E-4	550	533	-17	550	-17
Unit E-6	560	405	-155	550	-145
Unit E-7	550	536	-14	550	-14
Unit E-8	550	535	-15	550	-15
Unit E-10	550	538	-12	550	-12
Unit E-11	550	523	-27	550	-27
Unit C-1	1050	1026	-24	1050	-24
Unit C-2	1050	1046	-4	1050	-4

The following is the floor plan submitted to TDHCA by the Applicant for Unit Type E-1. Please note that the architect calculates the square footage at 550, suggesting that the unit meets the QAP minimum for scoring purposes. However, an analysis of the floor plan itself indicates that the architect is incorrect in their calculations. Multiplying the length times the width of the unit plan as provided by the architect yields the square footage of only 495 square feet, which is over 50 square feet less than claimed by the architect in their calculation. We have also used an Adobe Acrobat Area Tool to calculate square footage and that technique yielded 495 square feet which is also over 50 square feet less than claimed by the architect and Applicant.



This problem reoccurred systematically in the architectural drawings with 10 of the 18 Unit Types miscalculated by the architect. When calculated correctly, these Unit Types fail to meet the minimum square footage requirements of this subsection of the QAP, including one Unit Type that falls short by 146 square feet (over 26% less square feet than required).

In summary, 55.5% of the Unit Types (10 of 18) failed to provide adequate documentation demonstrating that they meet the minimum square footage requirement stipulated in subsection §11.9(b)(1)(A) and should be denied points.

We have included as Exhibit A our square footage analysis of the Unit Types referenced in the table above.

The more egregious issue may relate to the applicant's failure to meet the minimum square footage thresholds established in subsection §11.101(b)(6)(A). The following table illustrates three Unit Types that fail to meet this QAP mandated minimum and are potentially grounds for termination of the application (over 16% of the total Unit Types do not meet the QAP minimum square footage requirement):

Unit Type	Square Footage Shown on Floor Plans	Square Footage Based on Architect's Dimensions	Square Footage Variance from Plans	Minimum Square Footage for Threshold	Square Footage Variance for Threshold
Unit E-1	550	495	-55	500	-5
Unit E-3	550	495	-55	500	-5
Unit E-6	560	405	-155	500	-95

We performed one final analysis of the existing building footprint using the imbedded scale provided by the architect and then checked those measurements against Google Earth. This analysis indicated that the total square footage of all of the Units proposed (based on the dimensions stated in the floor plans) corresponds almost exactly to the square footage of the existing building footprint confirming that the proposed floor plans cannot simply be enlarged to resolve the issue. In addition, due to the historical tax credit aspect of the development and building structure, the Applicant does not have the flexibility to increase the footprint of the existing structures to remediate the deficiencies noted in this correspondence. We have attached our building footprint analysis as Exhibit B.

I appreciate your review and consideration of this matter. Please let me know if you have any questions or if I can provide any additional information.

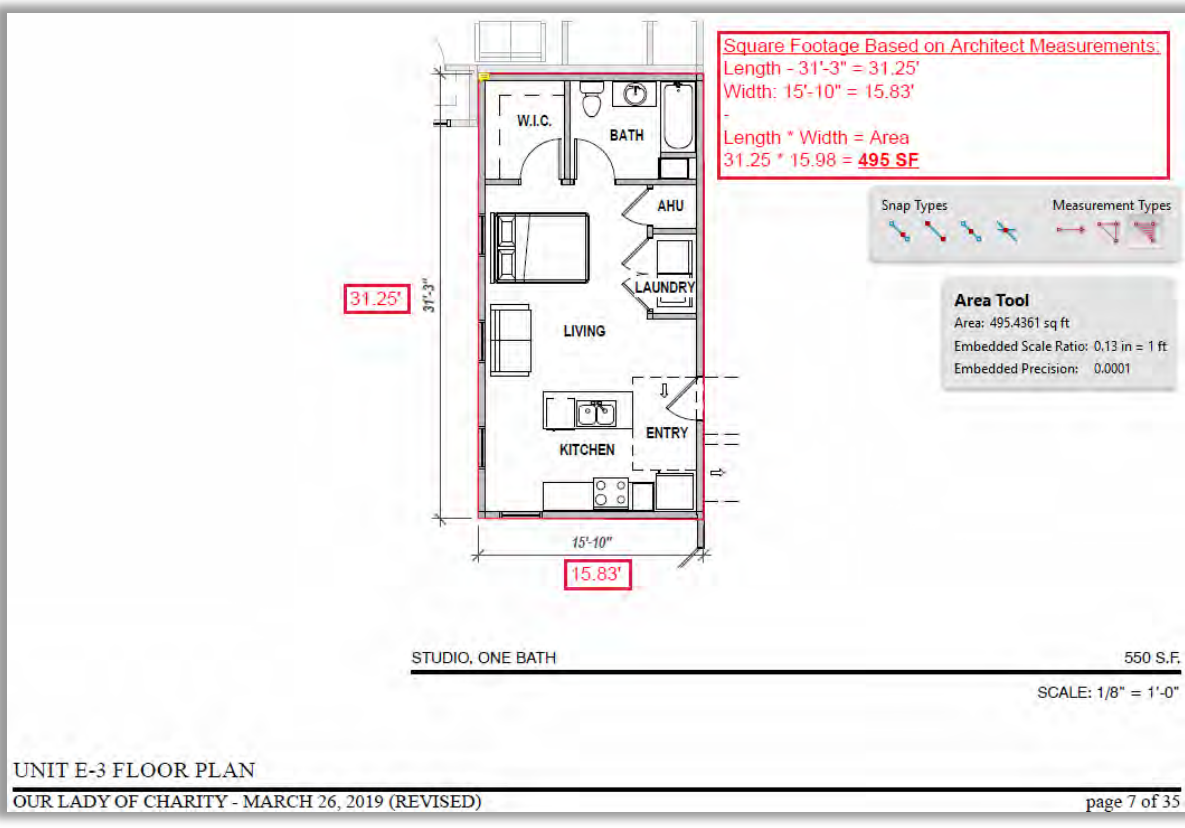
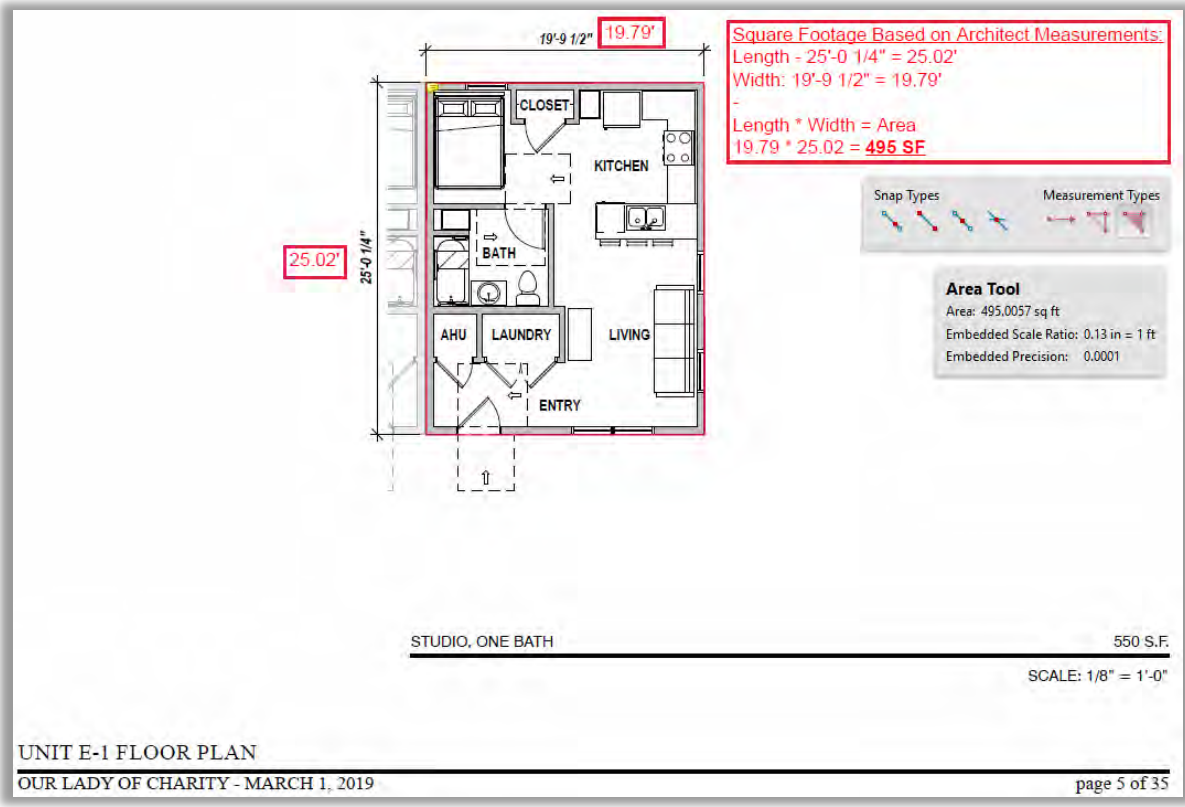
Sincerely,



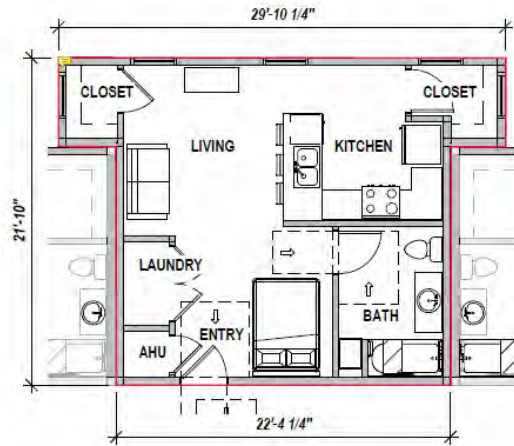
Enrique Flores
Member
Madhouse Development, LLC

Exhibit A

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Architect did not provide enough data to calculate the square footage without extrapolating measurements from the floor plan; however, utilizing the embedded scale and the Adobe Measurement Tool, the unit square footage determined to be 533 SF.

Snap Types:

Measurement Types:

Area Tool
 Area: 533.6015 sq ft
 Embedded Scale Ratio: 0.13 in = 1 ft
 Embedded Precision: 0.0001

STUDIO, ONE BATH

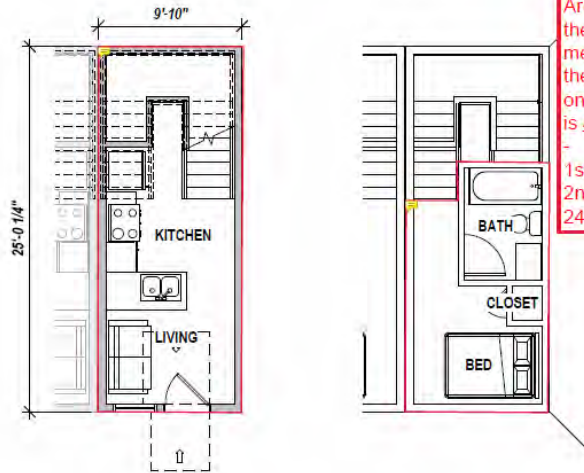
550 S.F.

SCALE: 1/8" = 1'-0"

UNIT E-4 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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Architect did not provide enough data to calculate the square footage without extrapolating measurements from the floor plan; however, utilizing the embedded scale and allocating the stairway to only one floor, the actual square footage of the unit is **405 SF**.

1st floor - 246.38 SF
 2nd floor - 158.14 SF
 246.38 + 158.14 = 405

Snap Types:

Measurement Types:

Area Tool
 Area: 246.3782 sq ft
 Embedded Scale Ratio: 0.13 in = 1 ft
 Embedded Precision: 0.0001

Area Tool
 Area: 158.1395 sq ft
 Embedded Scale Ratio: 0.13 in = 1 ft
 Embedded Precision: 0.0001

STUDIO, ONE BATH

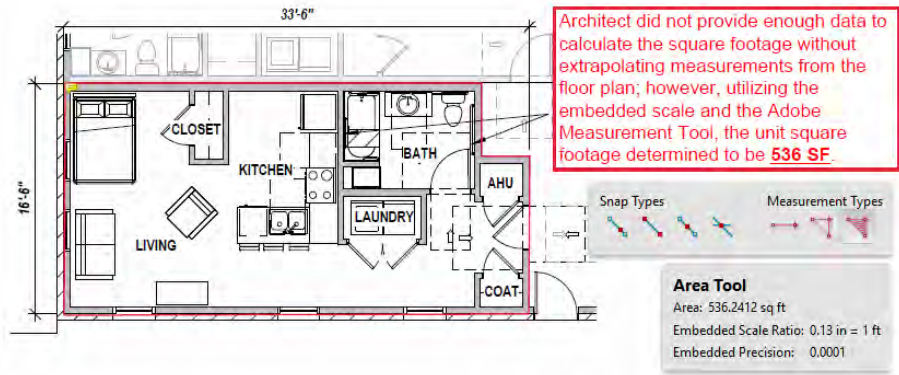
580 S.F.

SCALE: 1/8" = 1'-0"

UNIT E-6 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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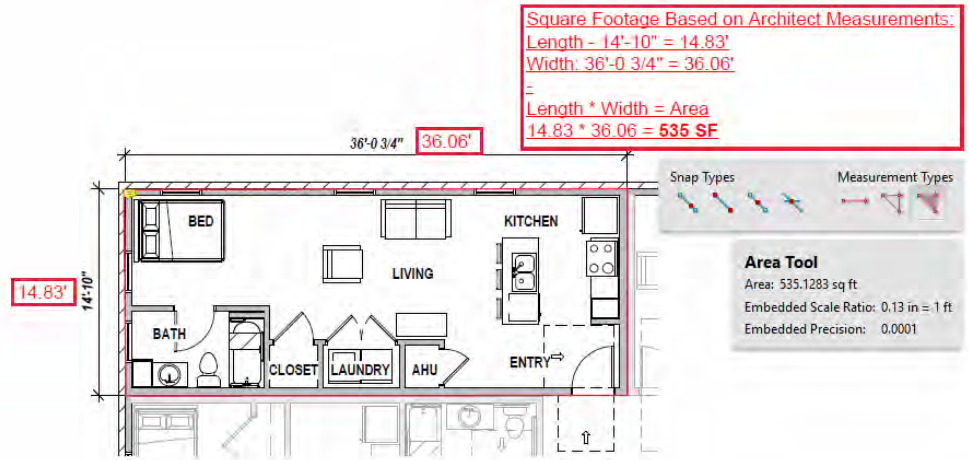


STUDIO, ONE BATH 550 S.F.
 NOTE: ACCESSIBILITY NOTES REFER TO FULLY ACCESSIBLE UNITS. SCALE: 1/8" = 1'-0"

UNIT E-7 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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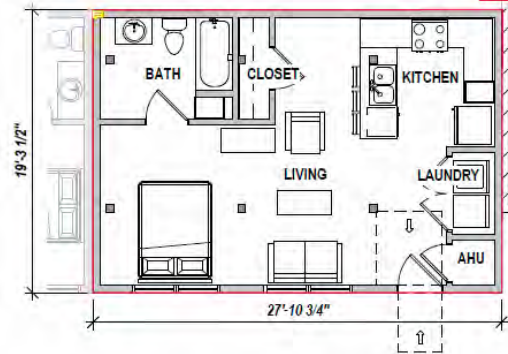
STUDIO, ONE BATH 550 S.F.
 SCALE: 1/8" = 1'-0"

UNIT E-8 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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Square Footage Based on Architect Measurements:
 Length - 19'-3 1/2" = 19.29'
 Width: 27'-10 3/4" = 27.90'
 -
 Length * Width = Area
 19.29 * 27.90 = **538 SF**



Snap Types: [Icons for various snap types]

Measurement Types: [Icons for various measurement types]

Area Tool
 Area: 538.2382 sq ft
 Embedded Scale Ratio: 0.13 in = 1 ft
 Embedded Precision: 0.0001

STUDIO, ONE BATH

550 S.F.

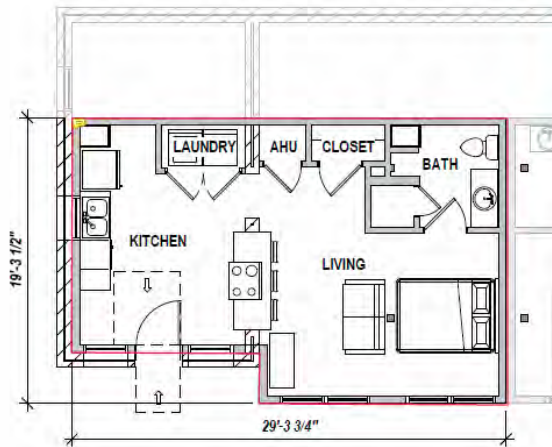
SCALE: 1/8" = 1'-0"

UNIT E-10 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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Architect did not provide enough data to calculate the square footage without extrapolating measurements from the floor plan; however, utilizing the embedded scale and the Adobe Measurement Tool, the unit square footage determined to be **523 SF**.



Snap Types: [Icons for various snap types]

Measurement Types: [Icons for various measurement types]

Area Tool
 Area: 523.1916 sq ft
 Embedded Scale Ratio: 0.13 in = 1 ft
 Embedded Precision: 0.0001

STUDIO, ONE BATH

550 S.F.

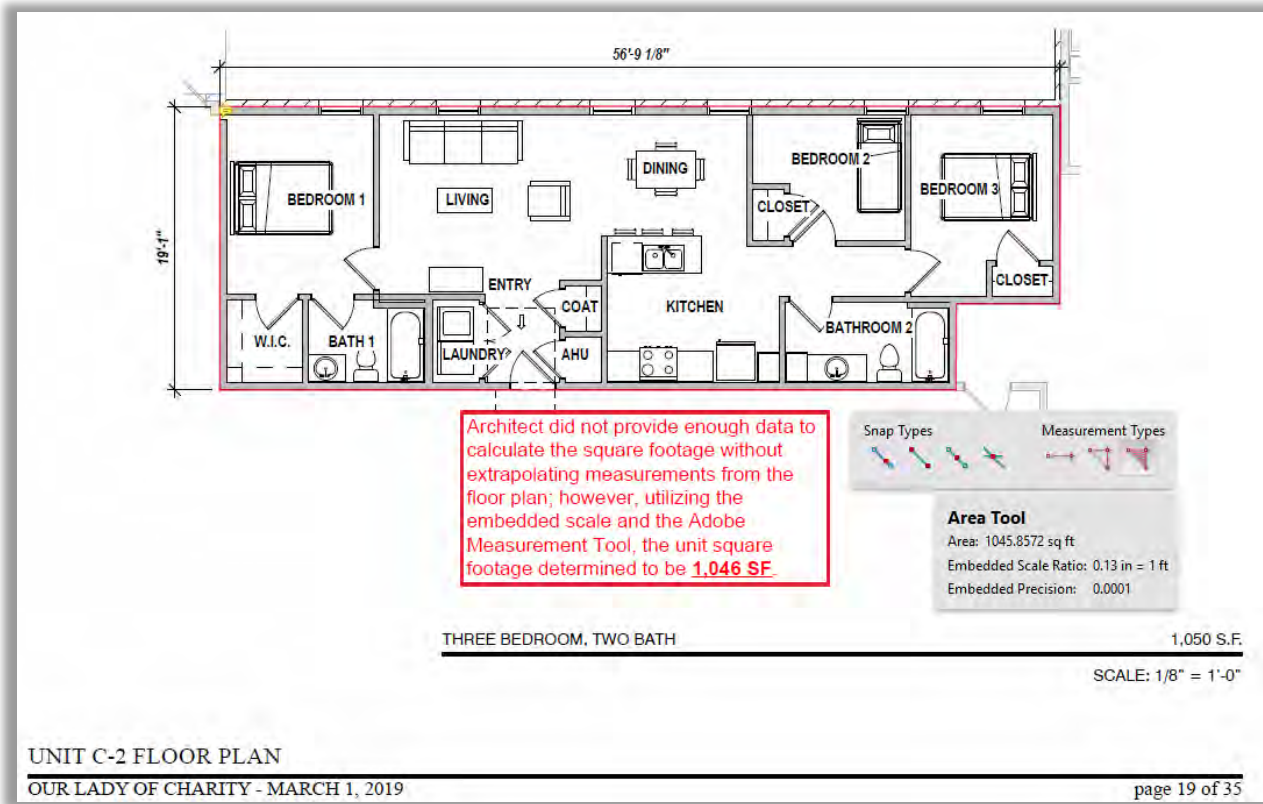
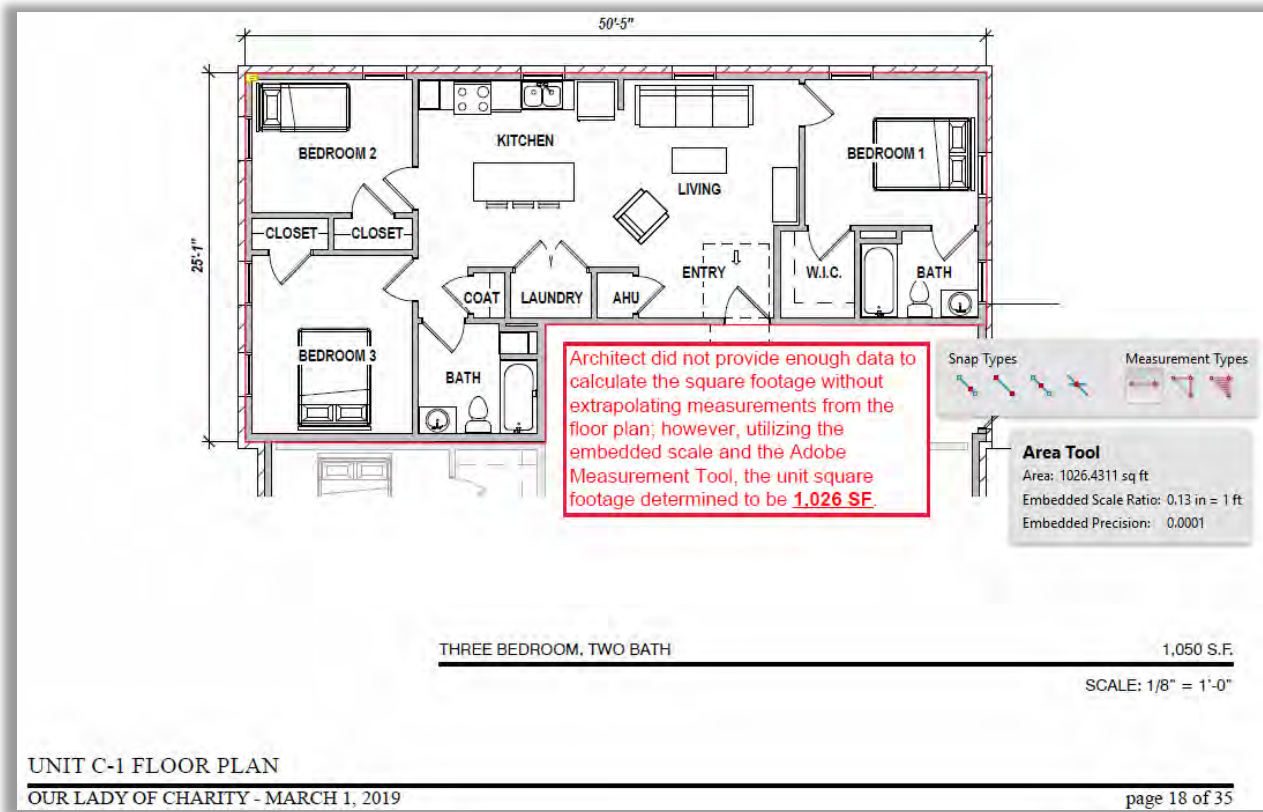
SCALE: 1/8" = 1'-0"

UNIT E-11 FLOOR PLAN

OUR LADY OF CHARITY - MARCH 1, 2019

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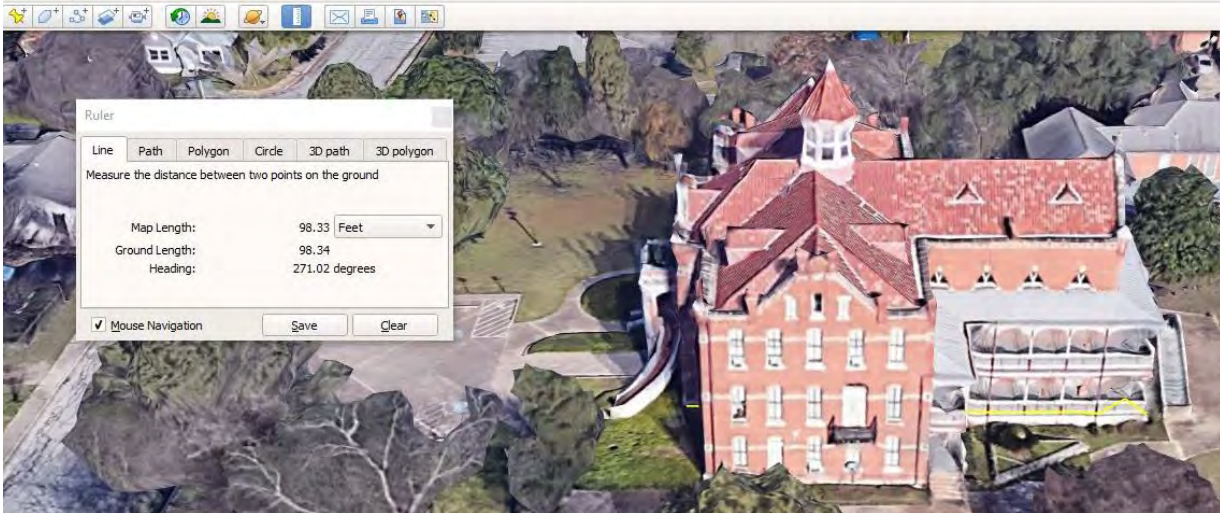
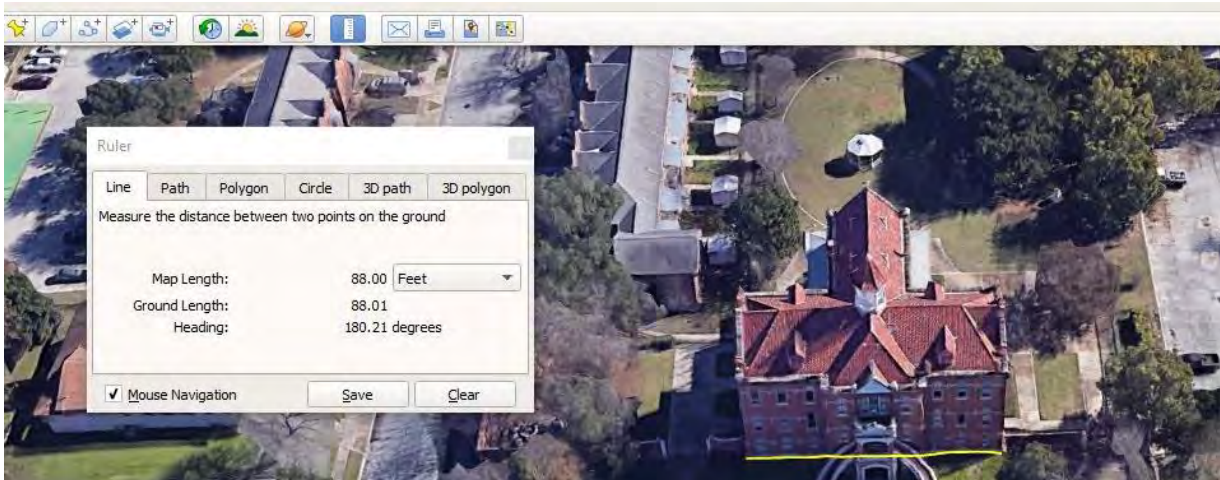
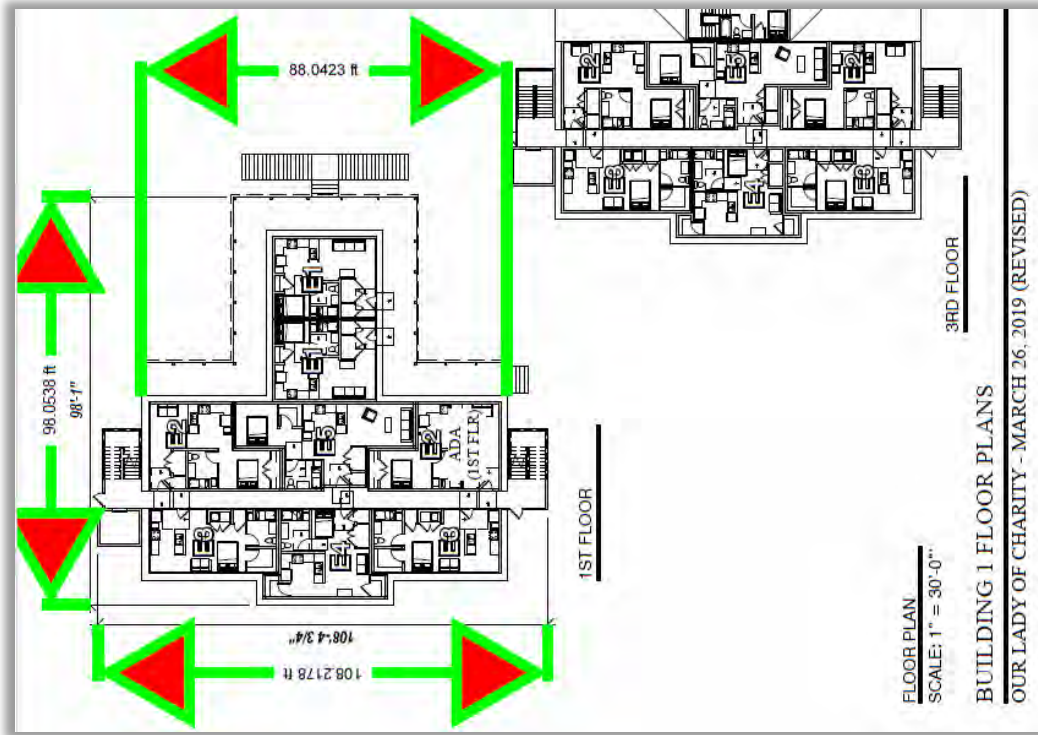
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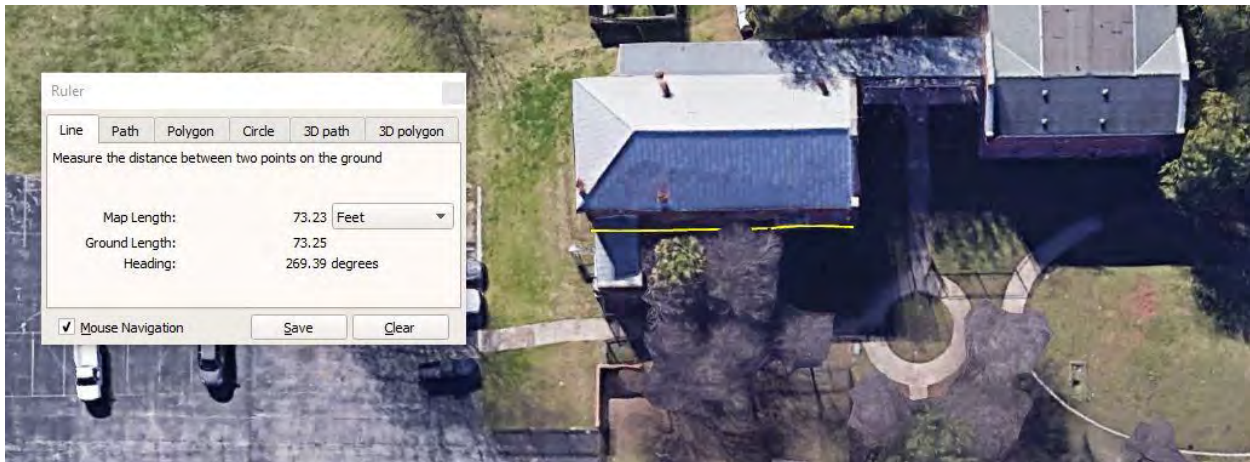
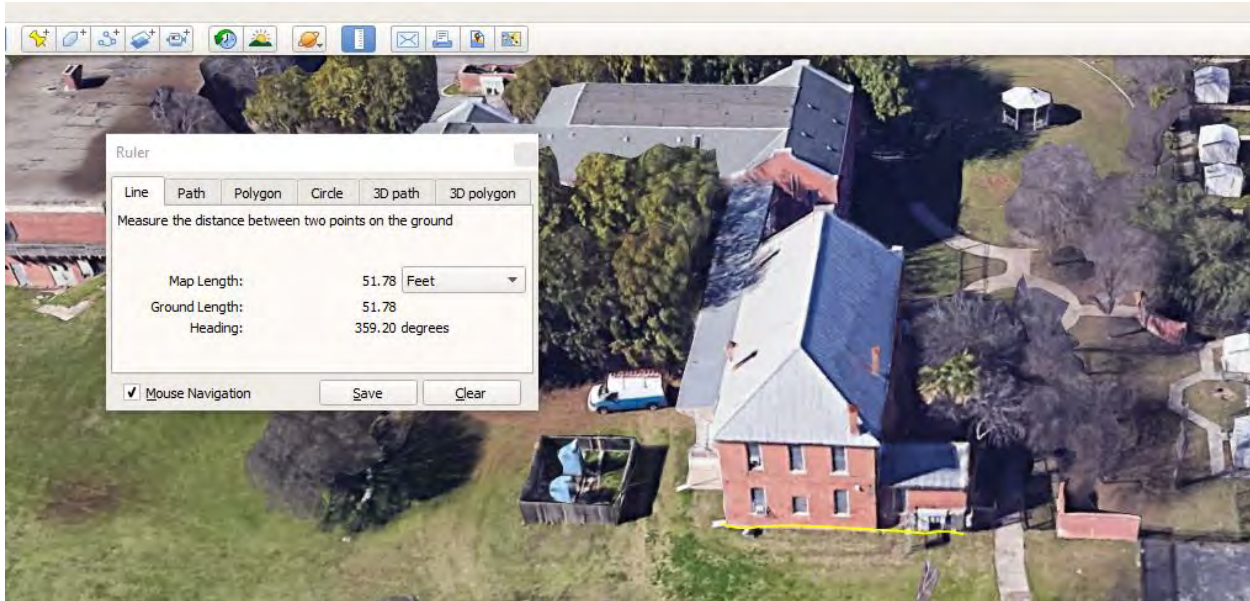
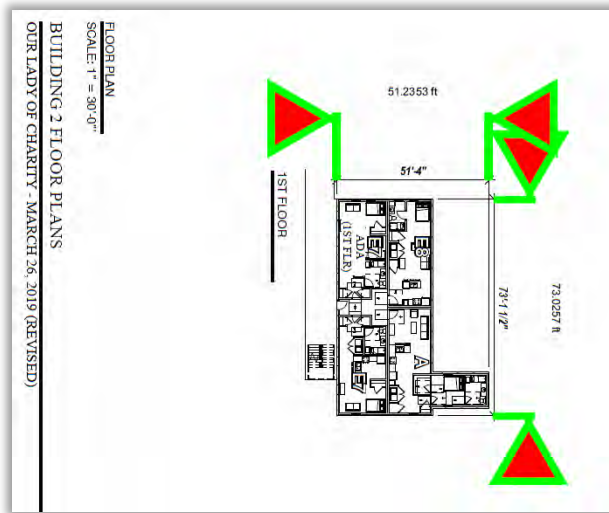
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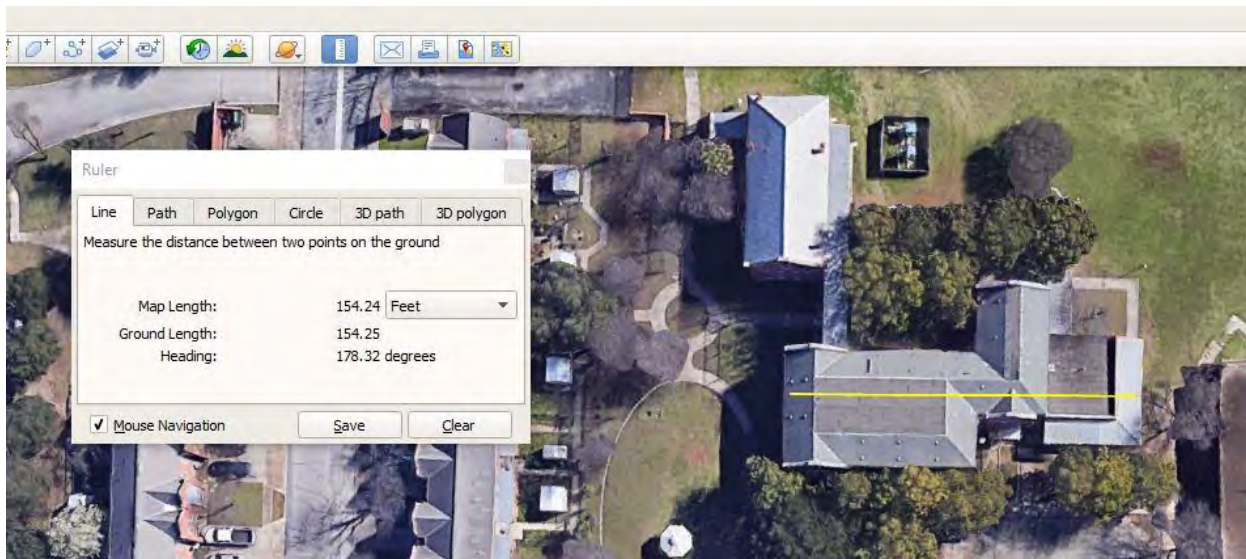
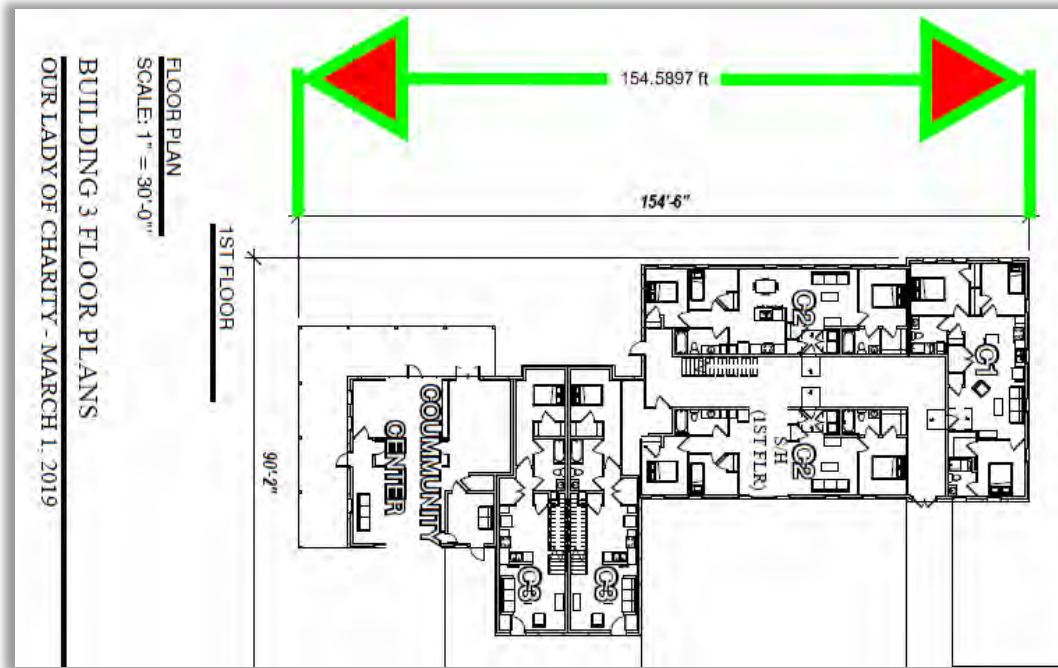
Exhibit B

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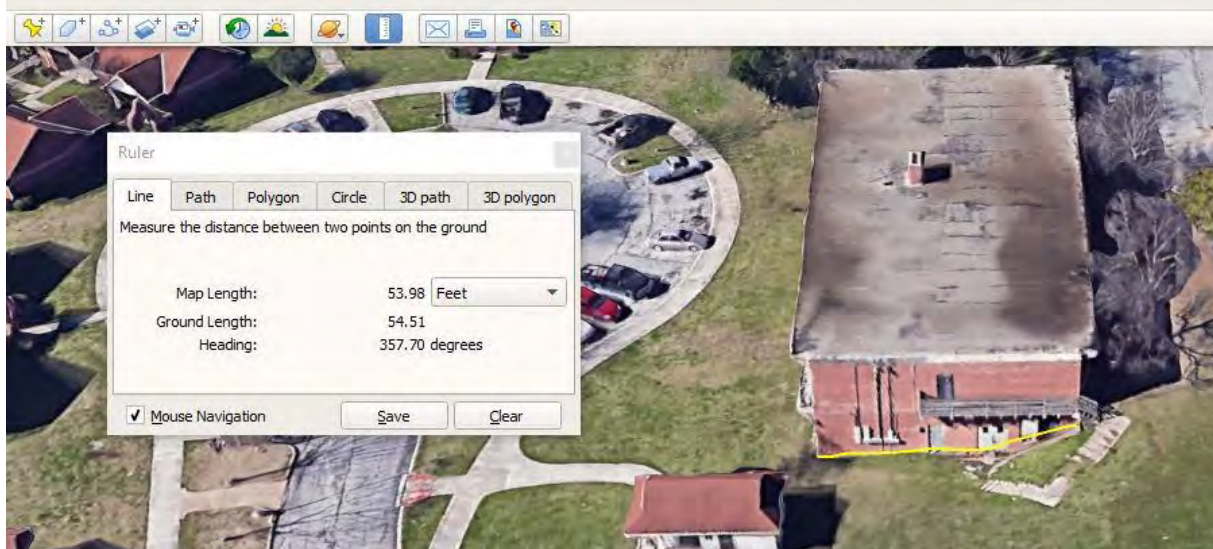
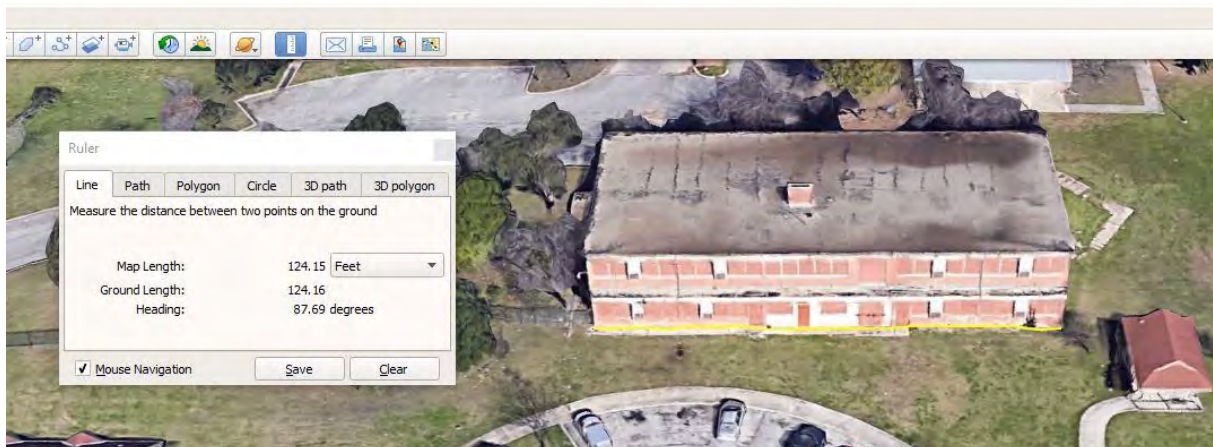
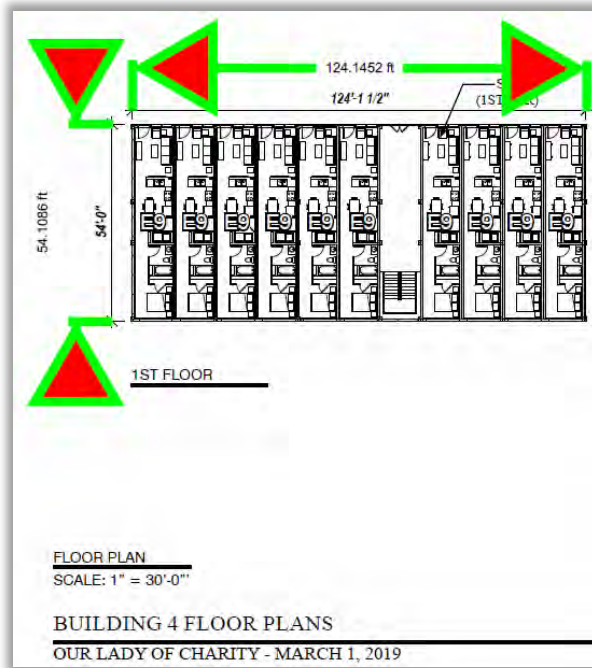


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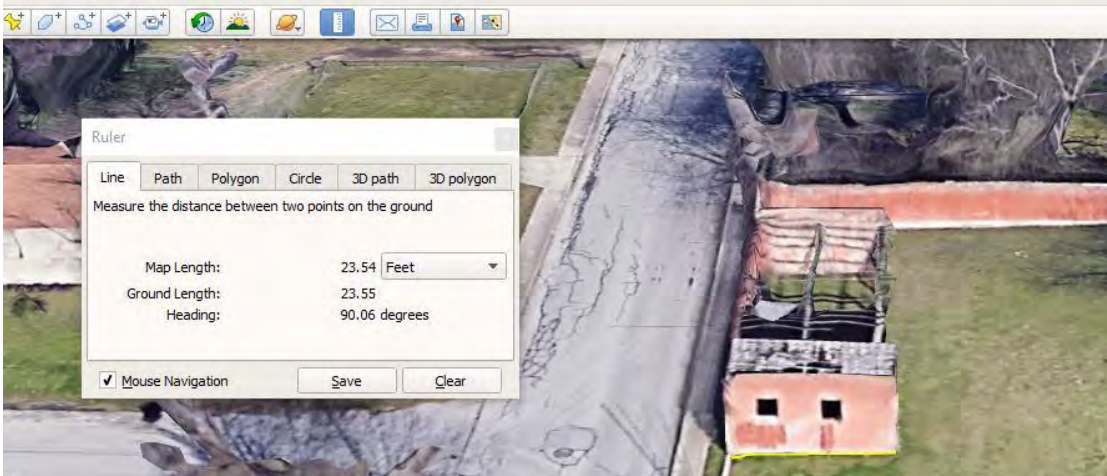
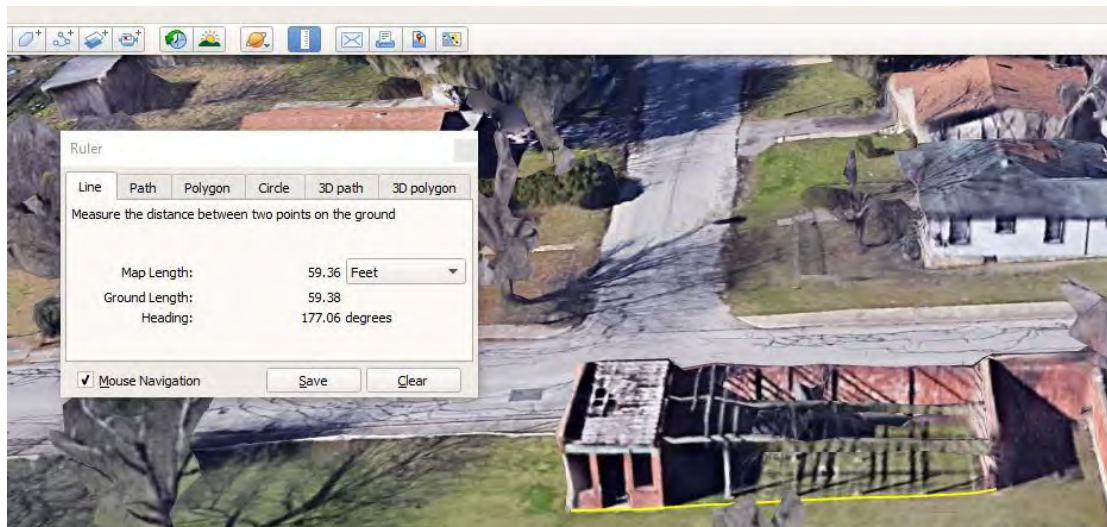
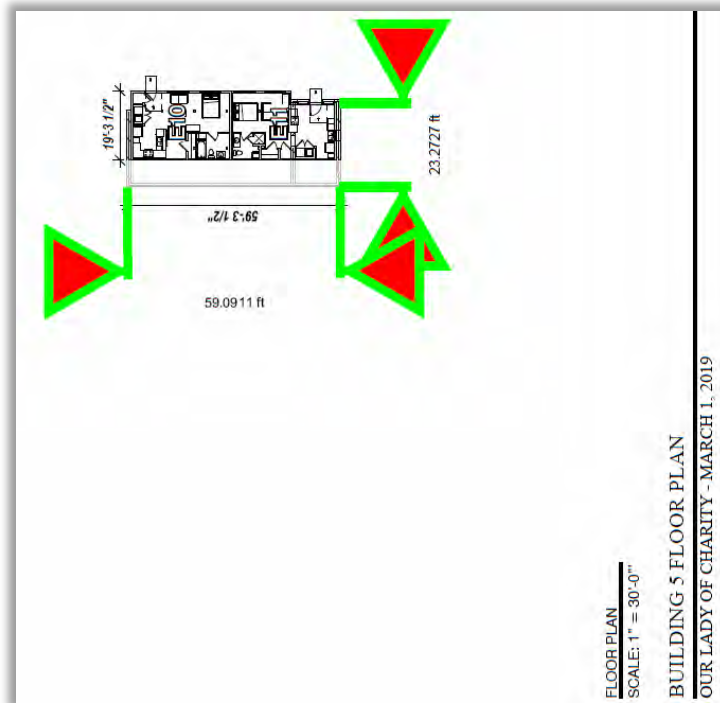




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hflores@madhousedevlopment.net

19013
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: lucila@franklindev.net
Cc: ["Alyssa Carpenter"](#)
Subject: 19013 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 9:16:00 AM
Attachments: [19013 - Our Lady of Charity - RFAD - Unit Size - FINAL.pdf](#)
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application 19013 **Our Lady of Charity**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the attachment.

The request questions the eligibility of the application to receive points under 10 TAC §11.9(b)(1) (A) of the Qualified Allocation Plan (QAP) related to Unit Sizes. The Application is Adaptive Reuse and is considered New Construction and therefore must meet the minimum square footage standards in order to qualify for points. The request lists 10 Unit Types that they contend fail to meet the square footage requirement threshold for points, and three unit types that they contend fail to meet it for threshold.

For each unit indicated as not meeting the square footage requirements for points and threshold, provide a response showing how the unit does meet the requirements.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on May 13, 2019.**

Please respond to this email as confirmation of receipt.**

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs

through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19013
Deficiency Response(s)

19013 Our Lady of Charity Apartments
Third Party Request for Administrative Deficiency Response 5/9/19

1. Please find the attached letter of explanation from the Architect regarding the sizes of the units in question.



1512 South Flores
San Antonio, Texas 78204
www.alamoarchitects.com
telephone 210.227.2612
facsimile 210.227.9457

May 7, 2019

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th St.
Austin, TX 78701

RE: Response to RRAD dated May 6, 2019 for #19013 Our Lady of Charity

Ms. Gamble,

This letter and certification are in response to the deficiency issued for TDHCA application #19013, Our Lady of Charity, related to the unit sizes and square footage threshold requirements under 10 TAC § 11.9(b)(1)(A) of the Qualified Action Plan. Please refer to the following narrative for each unit type and the attached drawings for supportive information to clarify the unit sizes and square footages in question. Please note that our calculations and application design drawings are based on extensive measured architectural and engineering drawings from the 1999 remodel, field verified by Alamo Architects.

Units E-1, E-3, E-4, and E-6

The unit plans submitted with the application showed dimensions to the inside of the load-bearing wall (stud). 10 TAC § 11.1(d)(82) requires that the net square footage be calculated to the outside of the stud (structural system). In the case of this existing historic building, the structural system is multi-wythe load-bearing brick masonry rather than a wood stud. This information is depicted in the building plans and has been added to the unit plan drawings for clarification to show that each of the units in question is in alignment with the square footages listed on the unit plan sheets and elsewhere in the application.

Unit E-7, E-8, E-10, E-11

As above except that the existing load bearing masonry walls are depicted on the unit plan drawings. Supplemental dimensions are provided to clarify that these units are in alignment with square footages listed on the unit plan sheets and elsewhere in the application.

Unit C-1 and Unit C-2

There was an error transmitted from our CAD file drawing to the PDF print provided in the original package. The correct wall dimension is shown on the revised sheets. No changes were made to the square footage, layout, nor the overall building footprint on unit types C-1 and C-2. Both unit types meet the minimum square footage requirements under section 10 TAC § 11.9(b)(1)(A) of the Qualified Action Plan. These units are new construction so the net square footage is calculated to the outside face of stud.

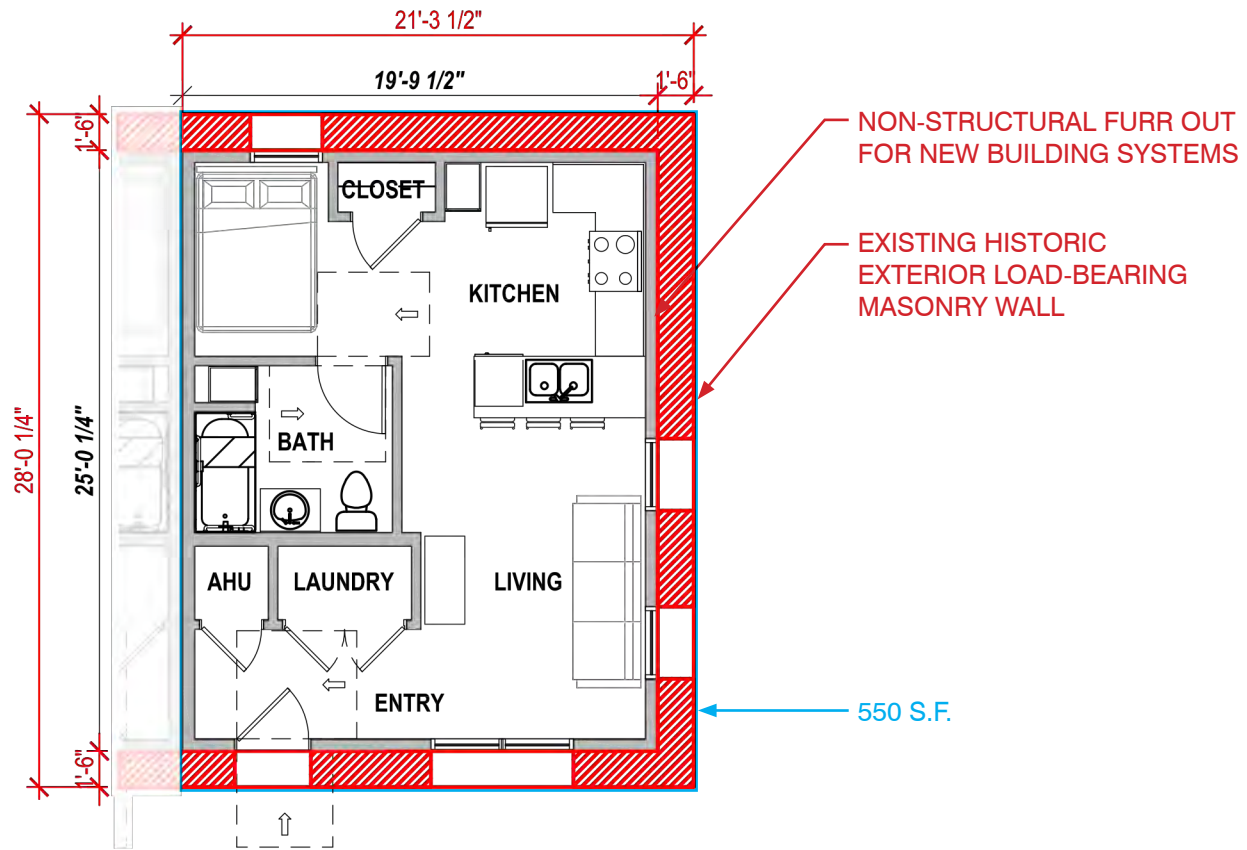
As a licensed Architect in the State of Texas, I certify that all units will meet the minimum requirements of the 2019 Qualified Allocation Plan, and that all supportive information provided in this response will not alter or change the Unit Mix, Project Summary, Development Cost Schedule, Building Configuration Form and pro forma for application #19013.

Thank you,

A handwritten signature in black ink, appearing to read "Jim Bailey", with a long horizontal line extending to the right.

Jim Bailey
Alamo Architects





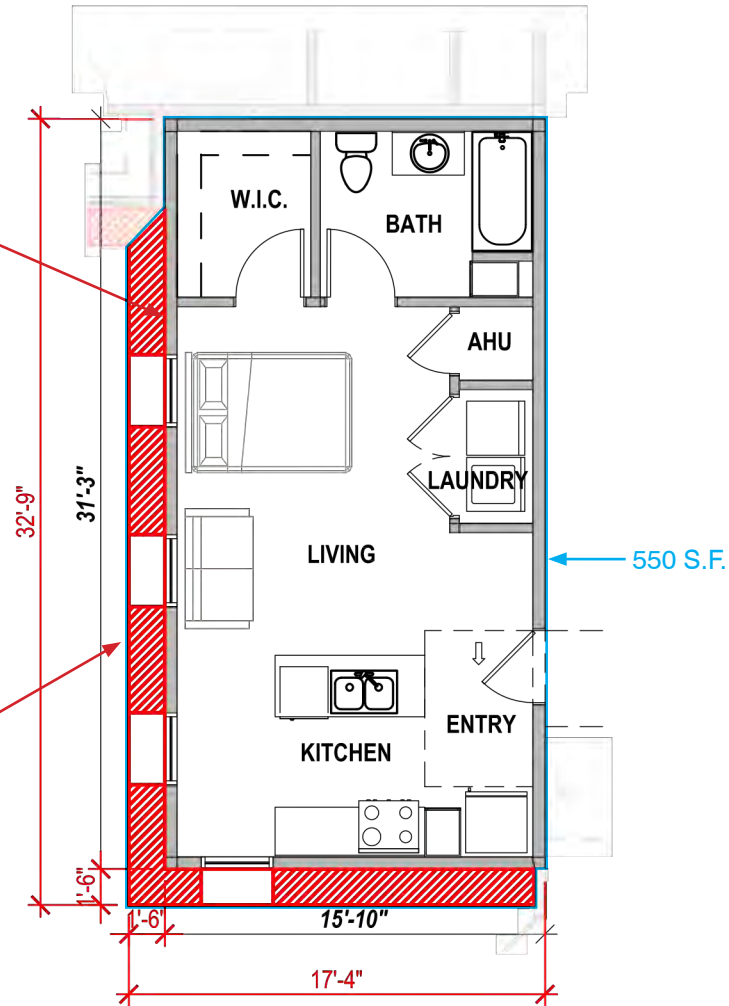
STUDIO, ONE BATH

550 S.F.

SCALE: 1/8" = 1'-0"

NON-STRUCTURAL FURR OUT
FOR NEW BUILDING SYSTEMS

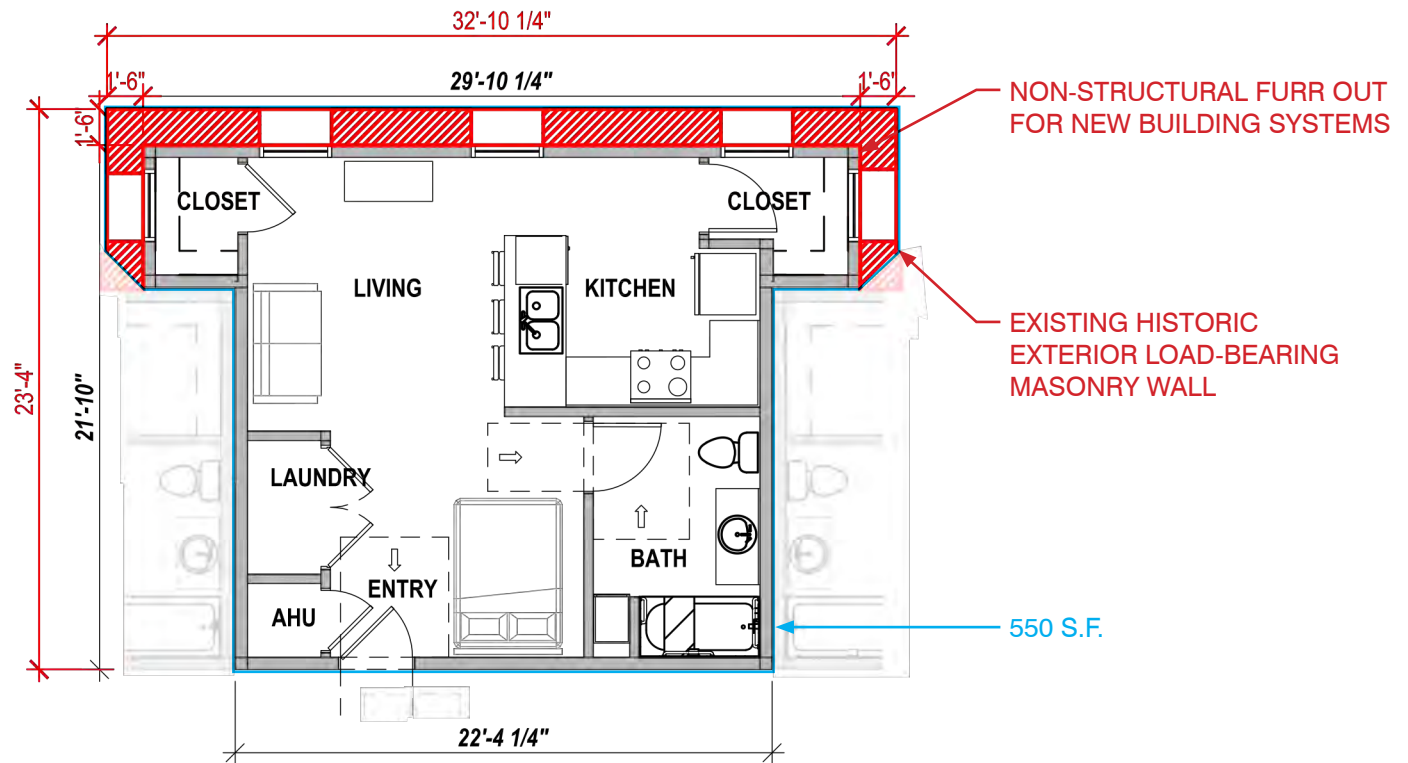
EXISTING HISTORIC
EXTERIOR LOAD-BEARING
MASONRY WALL



STUDIO, ONE BATH

550 S.F.

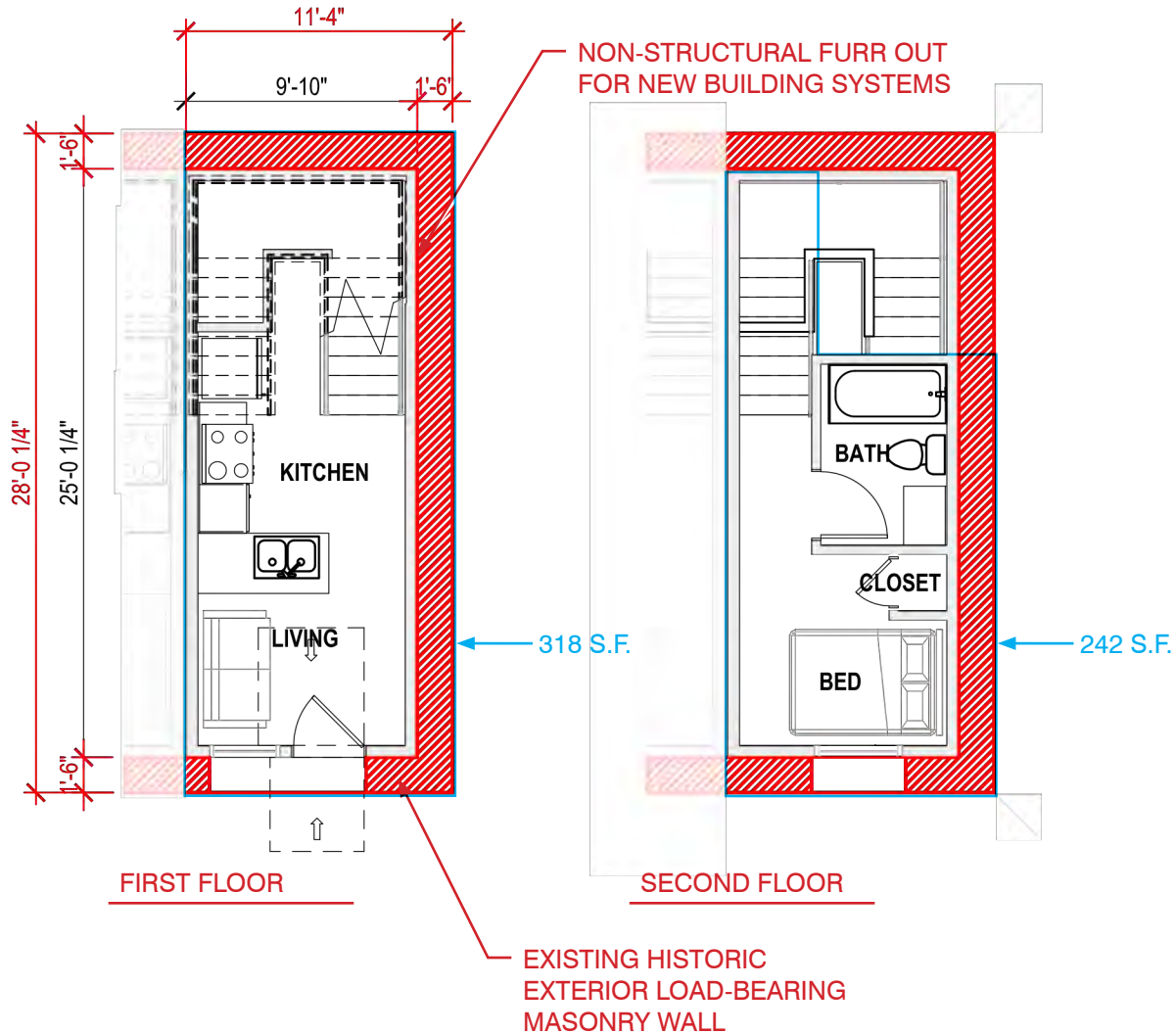
SCALE: 1/8" = 1'-0"



STUDIO, ONE BATH

550 S.F.

SCALE: 1/8" = 1'-0"

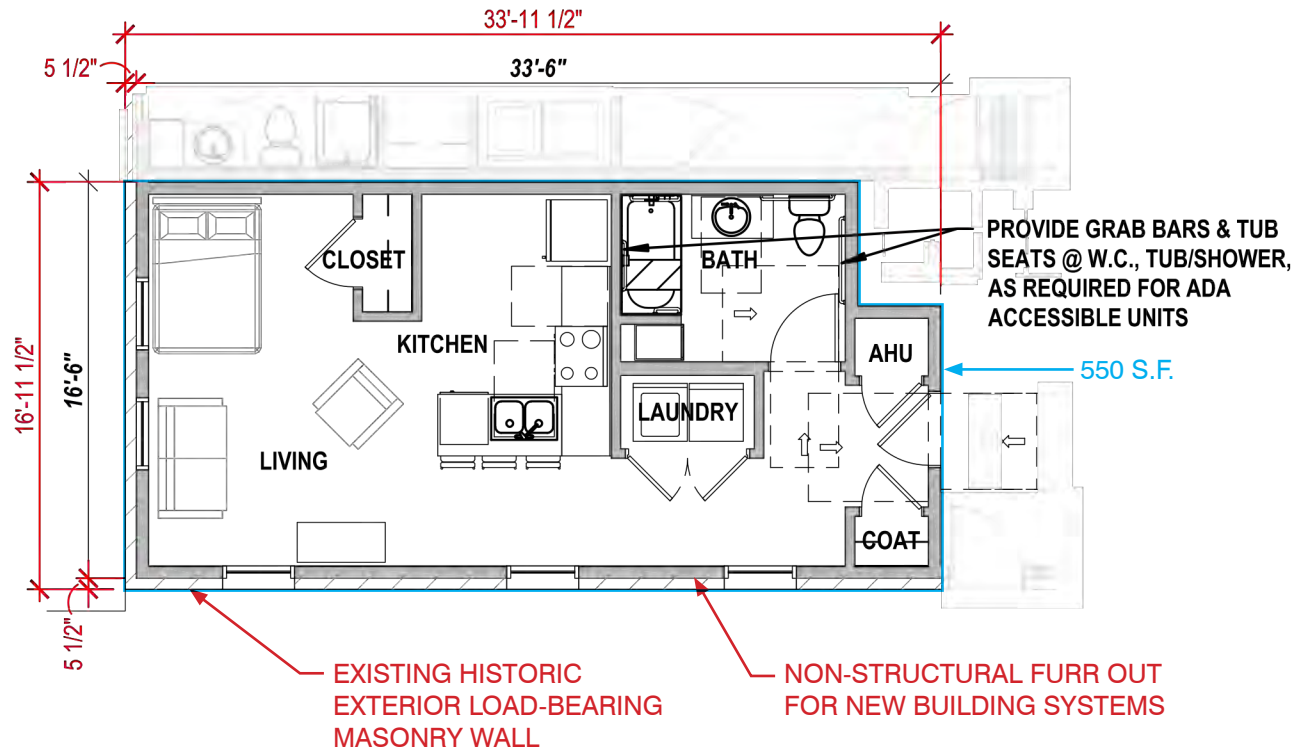


STUDIO, ONE BATH

560 S.F.

SCALE: 1/8" = 1'-0"

UNIT E-6 FLOOR PLAN



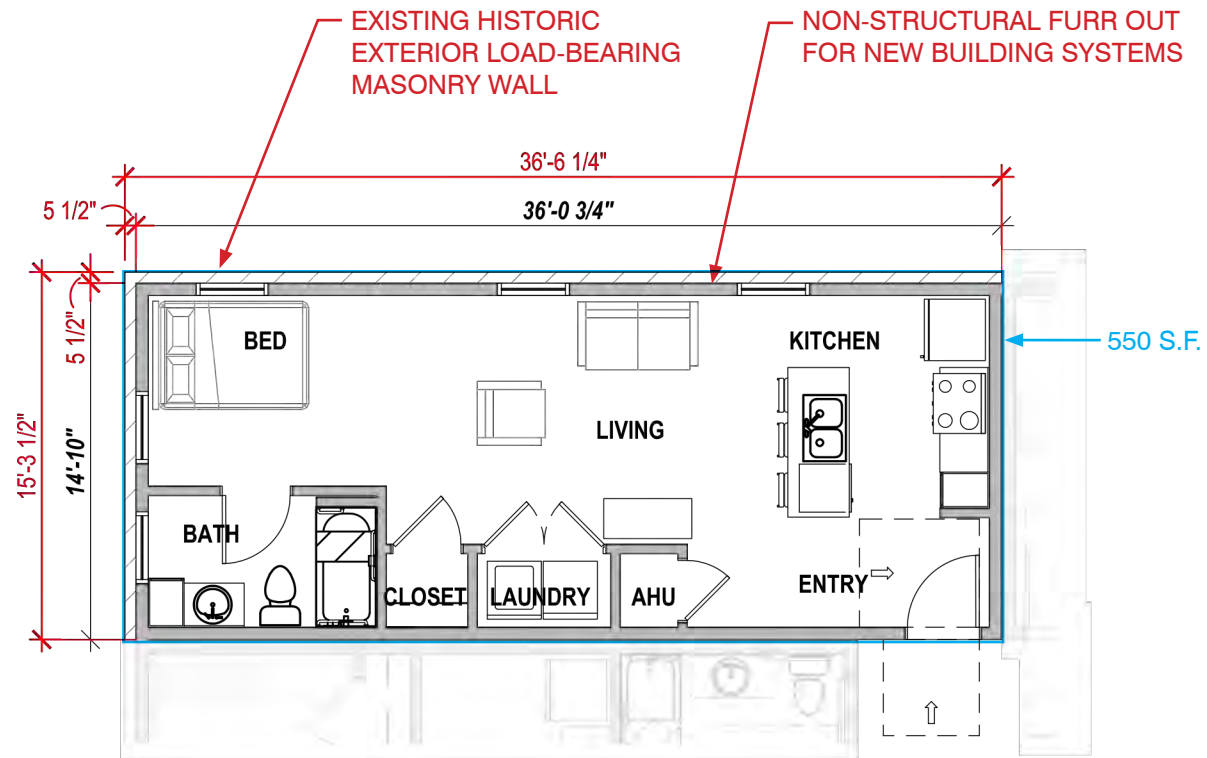
STUDIO, ONE BATH

550 S.F.

NOTE: ACCESSIBILITY NOTES REFER TO FULLY ACCESSIBLE UNITS.

SCALE: 1/8" = 1'-0"

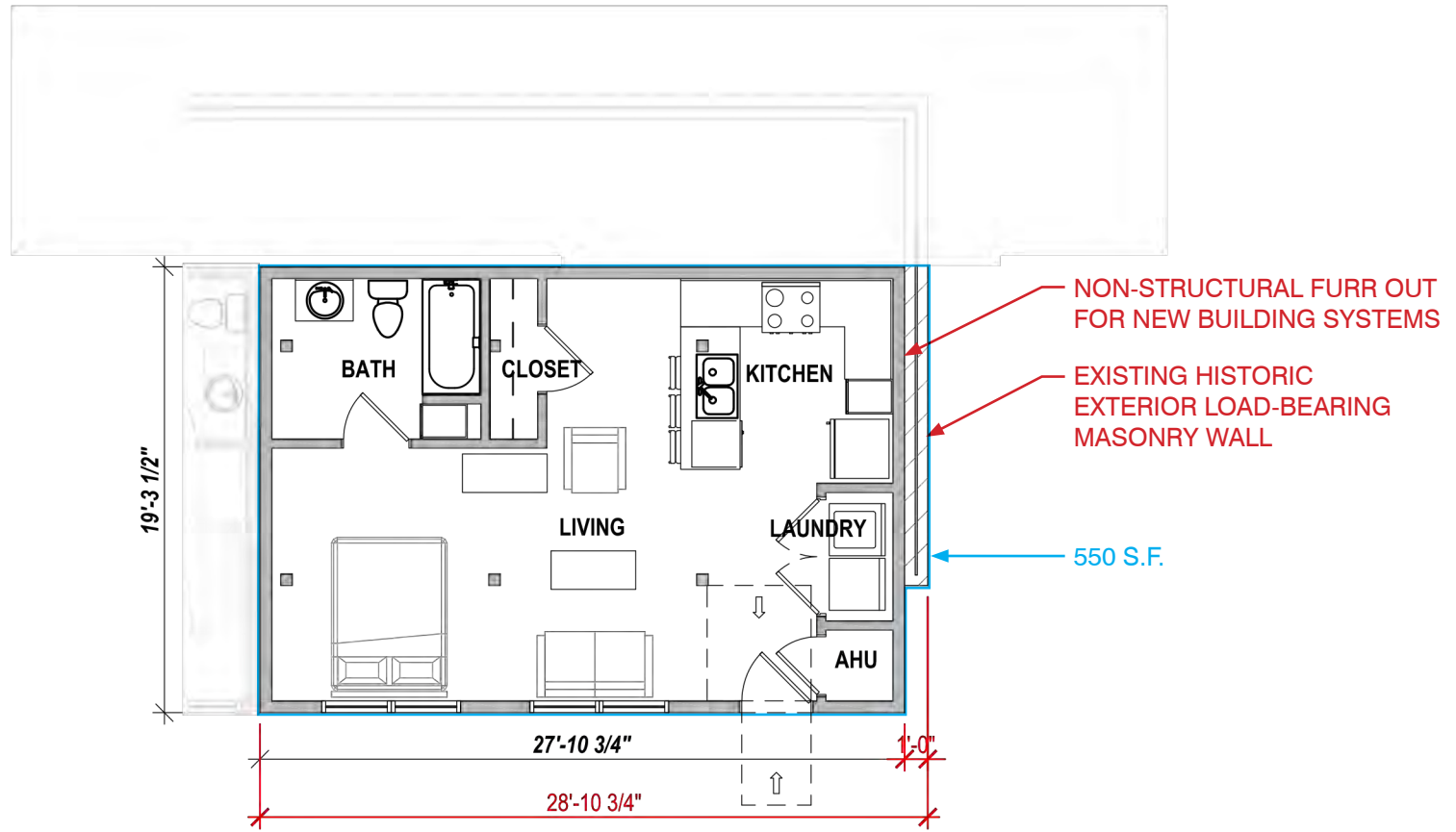
UNIT E-7 FLOOR PLAN



STUDIO, ONE BATH

550 S.F.

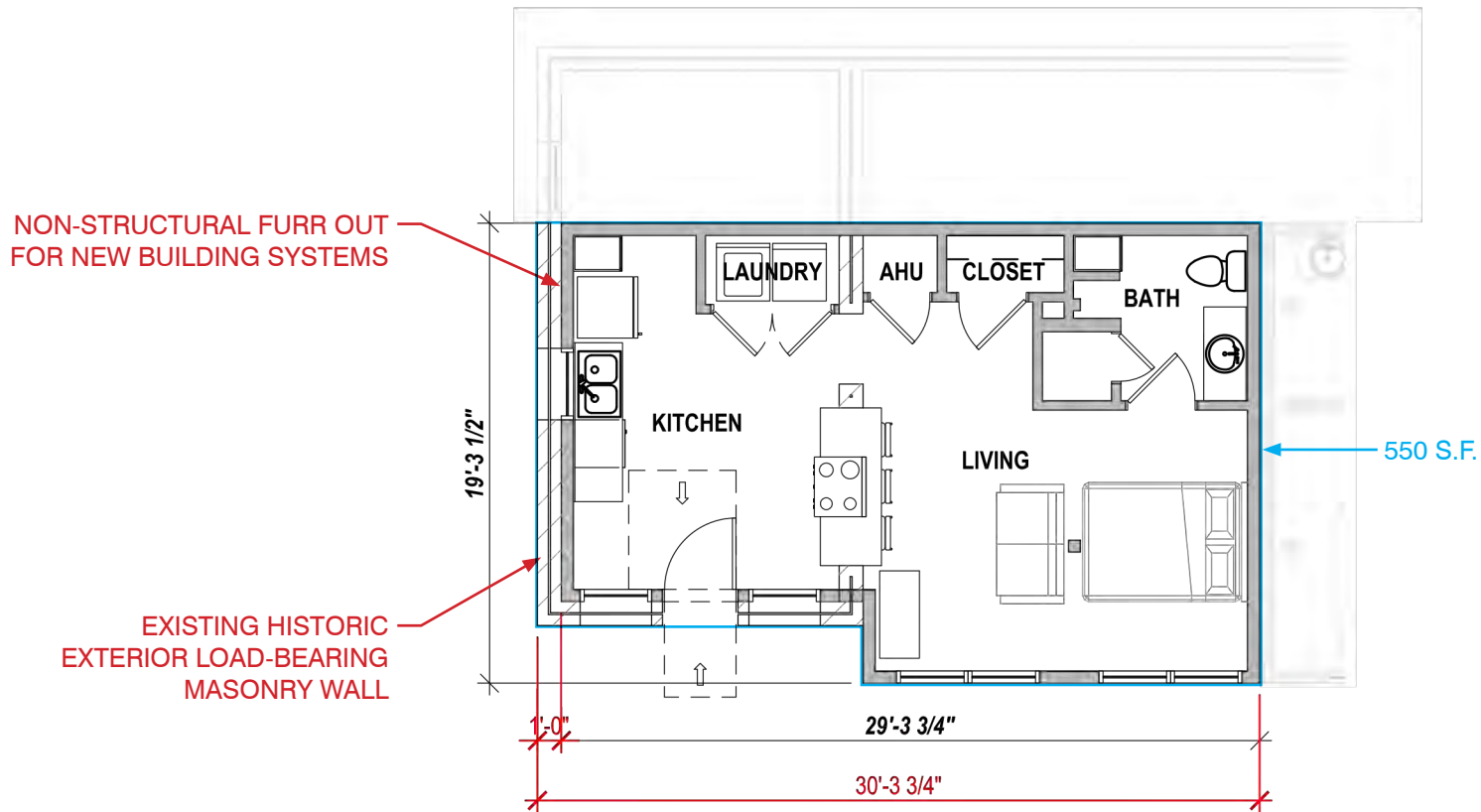
SCALE: 1/8" = 1'-0"



STUDIO, ONE BATH

550 S.F.

SCALE: 1/8" = 1'-0"

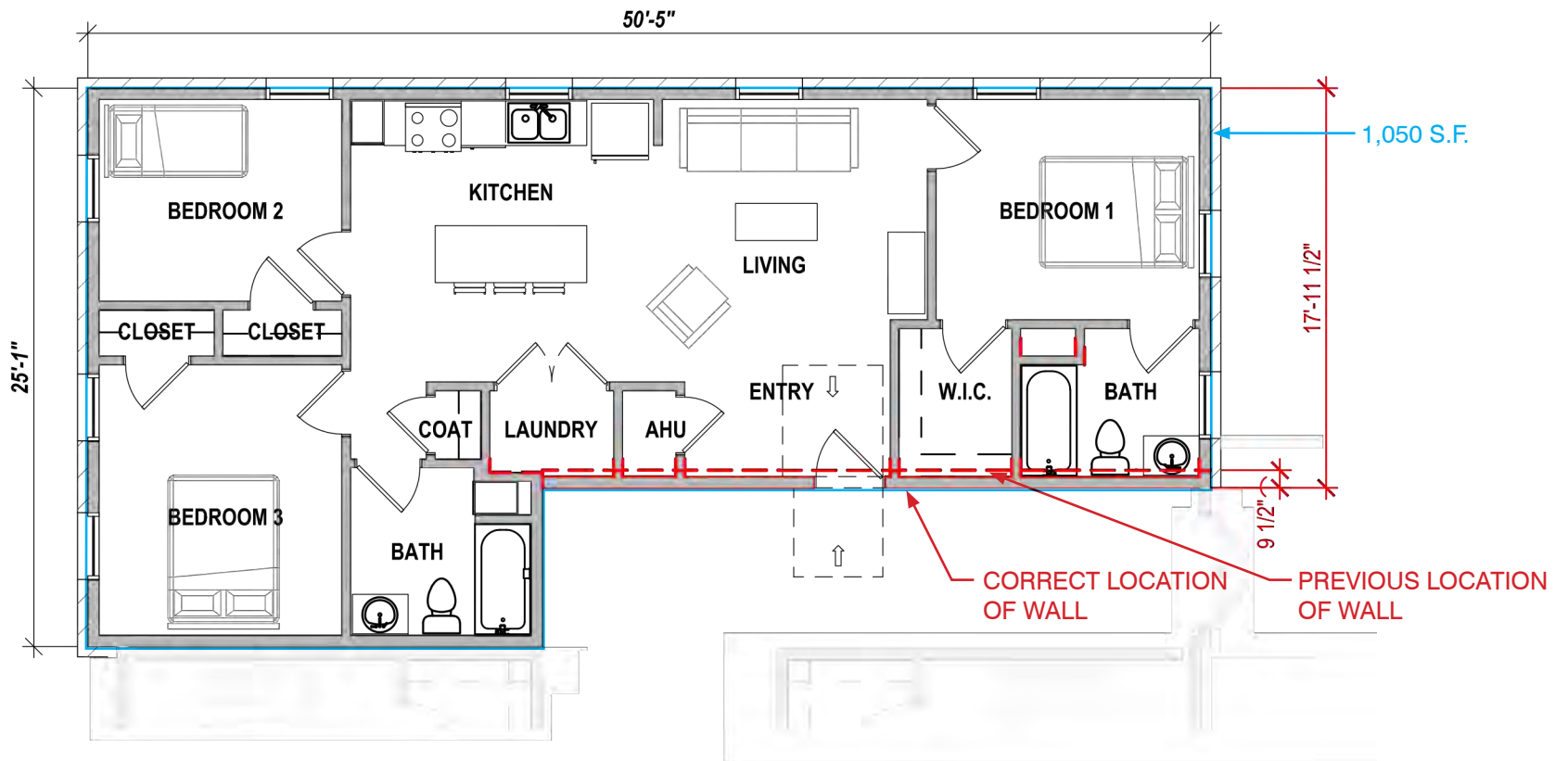


STUDIO, ONE BATH

550 S.F.

SCALE: 1/8" = 1'-0"

UNIT E-11 FLOOR PLAN



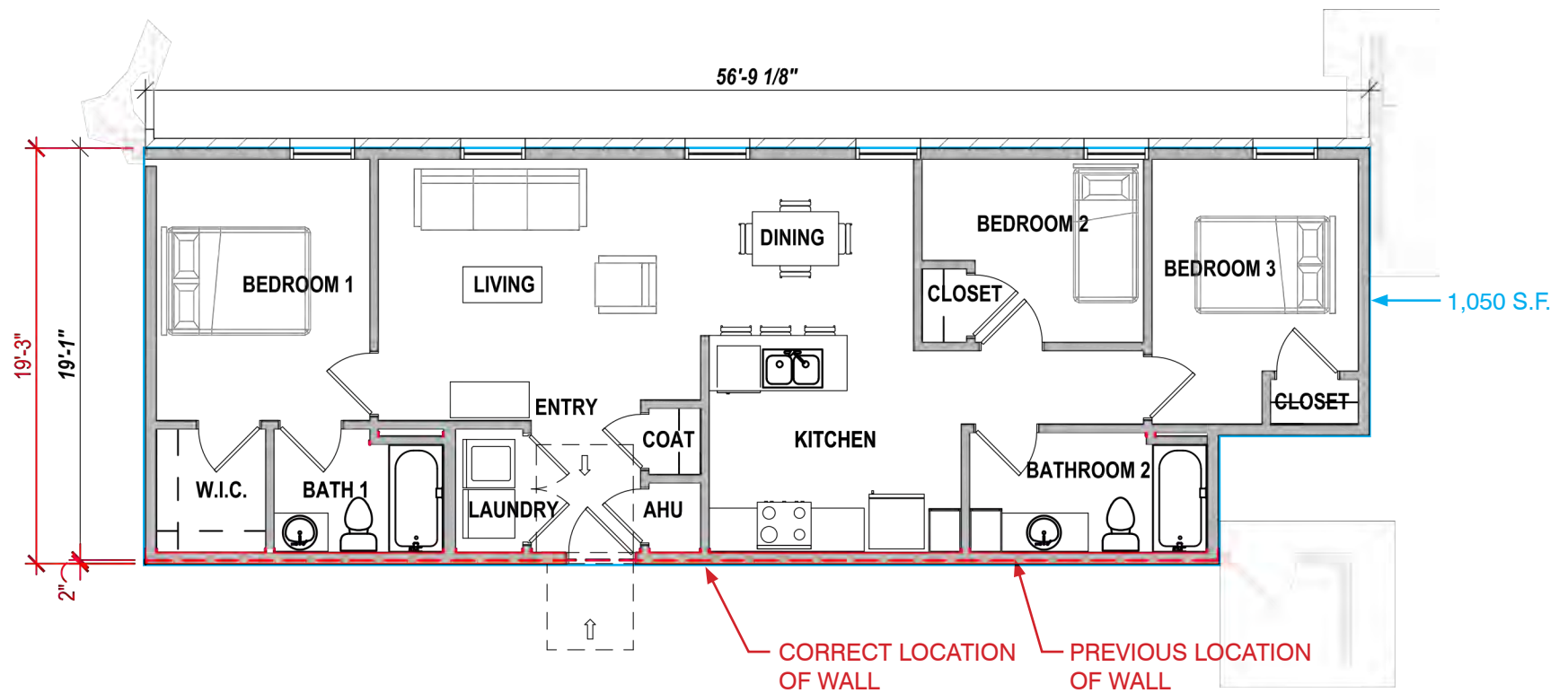
THREE BEDROOM, TWO BATH

1,050 S.F.

SCALE: 1/8" = 1'-0"

UNIT C-1 FLOOR PLAN

OUR LADY OF CHARITY - MAY 7, 2019 (REVISED)



THREE BEDROOM, TWO BATH

1,050 S.F.

SCALE: 1/8" = 1'-0"

UNIT C-2 FLOOR PLAN

19063
Request for Administrative Deficiency



May 1, 2019

Texas Department of Housing and Community Affairs
Attention: Marni Holloway, Director of Multifamily Finance
221 East 11th Street
Austin, TX 78701

RE: Third Party Request for Administrative Deficiency TDHCA Application #19063 Residences at Lake Waco

Dear Ms. Holloway,

This is a third-party request for administrative deficiency for Application #19063 pertaining to points claimed under §11.9(5)(e) for a development site located in an Underserved Area. The Applicant claimed the maximum points in that category; however, they do not meet all of the requirements of the rule. The QAP states the requirements for the five-point scoring category as follows:

The Development Site is located entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside. **(See 2019 QAP Excerpt attached- Exhibit A)**

This scoring category has three requirements for the census tract that the development site is located as well as a requirement for the Place that the census tract is wholly contained. The first requirement is that the census tract has boundaries wholly in an incorporated area, and the second is that development site's census tract and all of the contiguous census tracts have not had a Development that was awarded less than 15 years ago. The rule specifically states it only applies to Places with a population over 100,000 or more, and that requirement extends to the incorporated area, or areas that contain the census tract where the development site is located. This point was clarified in the 2017 Frequently Asked Questions regarding the scoring category for Underserved Area. **(See 2017 Multifamily FAQ Attached- Exhibit B)** The 2017 rule scoring category has the same requirements as the 2019 QAP rule aside from a reduced population threshold. **(See 2017 QAP Excerpt attached- Exhibit C)**



Corporate Office
222 E. Main Street, First Floor • Oklahoma City, OK 73104
Phone: 405.604.5074 • Fax: 405.604.5092



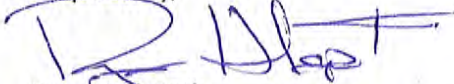
Q: Would a census tract that included two or more incorporated areas qualify? What constitutes "Incorporated area"?

A: A tract that straddles more than one incorporated area can qualify if both of the municipalities meet the requirements of the rule. The incorporated area is the boundary of the municipality. If part of the tract is not within those boundaries like in the ETJ, it will not qualify.

The FAQ answer above speaks to the same situation that would apply to application #19063, where the census tract includes multiple incorporated areas. The FAQ response is that the municipalities that the census tract is in have to meet the requirements of the rule, including the requirement of the population being above the threshold. The FAQ speaks to the municipalities meeting the "requirements" of the rule, thus there are multiple requirements that apply to the municipalities. When looking at the QAP rule only two of the three requirements can apply to a municipality, the population threshold and the incorporated area that contains the census tract. Application #19063 is located in a census tract that straddles two municipalities, Waco and Woodway. **(See Census Tract Map from Application #19063 attached- Exhibit D)** Although Waco satisfies the population threshold, Woodway does not because it has a population of only 8,708 according to the 2019 Multifamily Site Demographics Report. Woodway as a municipality unquestionably fails to satisfy all of the requirements of the rule. Therefore, Application #19063 should be found ineligible to score five points under §11.9(5)(e).

We Sincerely appreciate your time and attention to this matter.

Respectfully,



Ryan Hudspeth

Manager, Belmont Development

(VII) The Development Site is located within 4 miles of a public park with a playground. (1 point)

(VIII) The Development Site is located within 15 miles of an accredited university or community college, as confirmed by the Texas Higher Education Coordination Board (“THECB”). To be considered a university for these purposes, the provider of higher education must have the authority to confer bachelor’s degrees. Two-year colleges are considered community colleges, and to be considered for these purposes must confer at least associate’s degrees. The university or community college must have a physical campus, where classes are regularly held for students pursuing their degrees, within the required distance; online-only institutions do not qualify under this item. (1 point)

(IX) Development Site is located in a census tract where the percentage of adults age 25 and older with an Associate's Degree or higher is 27% or higher. (1 point)

(X) Development Site is within 3 miles of an indoor recreation facility available to the public. Examples include a gym, health club, a bowling alley, a theater, or a municipal or county community center. (1 point)

(XI) Development Site is within 3 miles of an outdoor, dedicated, and permanent recreation facility available to the public. Examples include swimming pools or splash pads, tennis courts, golf courses, softball fields, or basketball courts. (1 point)

(XII) Development Site is within 3 miles of community, civic or service organizations that provide regular and recurring substantive services, beyond exclusively congregational or member-affiliated activities, available to the entire community (this could include religious organizations or organizations like the Kiwanis or Rotary Club as long as they make services available without regard to affiliation or membership). (1 point)

(XIII) Development Site is in the current service area of Meals on Wheels or similar nonprofit service that provides regular visits and meals to individuals in their homes. (1 point)

(5) Underserved Area. (§§2306.6725(b)(2); 2306.127(3), 42(m)(1)(C)(ii)) An Application may qualify to receive up to five (5) points if the Development Site is located in one of the areas described in subparagraphs (A) - (G) of this paragraph, and the Application contains evidence substantiating qualification for the points. Points are not cumulative and an Applicant is therefore limited to selecting one subparagraph. If an Application qualifies for points under paragraph §11.9(c)(4) of this subsection, then the Application is not eligible for points under subparagraphs (A), (B), and (F) of this paragraph. The Application must include evidence that the Development Site meets the requirements.

(A) The Development Site is located wholly or partially within the boundaries of a colonia as such boundaries are determined by the Office of the Attorney General and within 150 miles of the Rio Grande River border. For purposes of this scoring item, the colonia must lack water, wastewater, or electricity provided to all residents of the colonia at a level commensurate with the quality and quantity expected of a municipality and the proposed Development must make available any such missing water, wastewater, and electricity supply infrastructure physically within the borders of the colonia in a manner that would enable the current dwellings within the colonia to connect to such infrastructure (2 points);

(B) The Development Site is located entirely within the boundaries of an Economically Distressed Area (1 point);

(C) The Development Site is located entirely within a census tract that does not have another Development that was awarded less than 30 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report; (3 points);

(D) For areas not scoring points for (C) above, the Development Site is located entirely within a census tract that does not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. (2 points);

(E) The Development Site is located entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points).

(F) The Development Site is located entirely within a census tract that, according to American Community Survey 5-year Estimates, has both a poverty rate greater than 20% and a median gross rent for a two-bedroom unit greater than its county's 2016 HUD Fair Market Rent for a two-bedroom unit. This measure is referred to as the Affordable Housing Needs Indicator in the Site Demographic Characteristics Report (2 points).

(G) An At-risk or USDA Development placed in service 30 or more years ago, that is still occupied, and that has not yet received federal funding, or LIHTC equity, for the purposes of Rehabilitation for the Development (3 points).

(6) Tenant Populations with Special Housing Needs. (§42(m)(1)(C)(v)) An Application may qualify to receive two (2) points by serving Tenants with Special Housing Needs. Points will be awarded as described in subparagraphs ((B) through (D) of this paragraph. Subparagraphs (B) and (C) pertain to the requirements of the Section 811 Project Rental Assistance Program ("Section 811 PRA Program") (10 TAC Chapter 8).

(A) If selecting points under this scoring item, Applicants must first attempt to meet the requirements in subparagraph (B). If the Applicant is not able to meet the requirements in subparagraph (B), then the Applicant must attempt to meet the requirements in subparagraph (C), unless the Applicant can establish its lack of legal authority to commit Section 811 PRA Program Units in a Development. To establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of this chapter, the Application must include the information as described in clauses (i) – (iii) of this subparagraph in the Section 811 PRA Program Supplement Packet. The Department may request additional information from the Applicant as needed.

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided;

(ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent; AND

(iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent.

Q: *Would a census tract that included two or more incorporated areas qualify? What constitutes "Incorporated area"?*

A: A tract that straddles more than one incorporated area can qualify if both of the municipalities meet the requirements of the rule. The incorporated area is the boundary of the municipality. If part of the tract is not within those boundaries, like in the ETJ, it will not qualify.

Q: *For the underserved area item that says "A census tract within the boundaries of an incorporated area," since the scoring item does not reference "Place," are you looking at actual city boundaries or census map city boundaries?*

A: We are looking at the actual city boundaries.

Q: *For the 15 year aging of existing tax credit properties, do we look at the time from the existing property award date to March 1 2017, or do we look at calendar year?*

A: Look at the time-frame from the last award date, but also look at the TDHCA number. If it indicates a more recent date, then there was a more recent award. You will see these mostly with the 2006-2008 deals that got increases after Hurricane Ike.

Q: *Can you please clarify points for item (C) under underserved area? An existing property in the same census tract as the proposed development will be okay for points as long as its credit award is over 15 years old---regardless whether or not it is on TDCHA's property inventory, correct?*

A: If the tract has received an award in the last 15 years and the development is still on the inventory, the tract would not be eligible for the points.

Commitment of Funding by Local Political Subdivision

Q: *If a municipality grants a variance, then they write a letter stating that is for the benefit of the development. Do the exact cost savings need to be verified in such an obvious situation – e.g. – do we actually have to get bids for the savings amount in the letter, or can we just get bids and indicate the saving on the development cost schedule?*

A: The city needs to state the value of their contribution in their letter, and the city could value it however they see fit. You must ensure that the reduction is included in the Application (likely in the notes section next to the applicable cost on the development cost schedule).

Q: *Is there a minimum or will any amount of funding do?*

A: There is no minimum amount; any amount will meet the requirements. Just be sure that an amount is included in the letter/resolution and that amount is accounted for in the Sources and Uses or the Development Cost Schedule section of the application.

Declared Disaster Area

Q: *If a site is in an area that was on the 2016 DDA list does it qualify this year?*

A: Not necessarily. The rule says that the declaration must have been made within two of years of the submission date. Counties included in declarations made up to March 1, 2014 would have been fine last year, but not for 2017.

Community Support from State Representative

Q: *Can you tell me whether a letter from a state rep that resigns a day after the pre-application is due will be accepted?*

A: It is recommended in the rule that you not submit the letter early. However, since you are aware that the Representative will be leaving office, you may go ahead and get the letter and send it prior to or with your application. If you are unable to secure a letter, you may submit a request for a waiver of the deadline prior to or with your application.

(E) A census tract within the boundaries of an incorporated area and all contiguous census tracts for which neither the census tract in which the Development is located nor the contiguous census tracts have received an award or HTC allocation within the past 15 years and continues to appear on the Department's inventory. This item will apply in cities with a population of 300,000 or more, and will not apply in the At-Risk Set-Aside (5 points).

(7) Tenant Populations with Special Housing Needs. (§42(m)(1)(C)(v)) An Application may qualify to receive up to two (2) points by serving Tenants with Special Housing Needs.

In order to qualify for points, Applicants must agree to set-aside at least 5 percent of the total Units for Persons with Special Needs. The units identified for this scoring item may not be the same units identified for Section 811 Project Rental Assistance Demonstration program. For purposes of this subparagraph, Persons with Special Needs is defined as households where one individual has alcohol and/or drug addictions, Colonia resident, Persons with Disabilities, Violence Against Women Act Protections (domestic violence, dating violence, sexual assault, and stalking), persons with HIV/AIDS, homeless populations, veterans, wounded warriors (as defined by the Caring for Wounded Warriors Act of 2008), and farmworkers. Throughout the Compliance Period, unless otherwise permitted by the Department, the Development Owner agrees to affirmatively market Units to Persons with Special Needs. In addition, the Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Needs or held vacant, unless the units receive HOME funds from any source. After the initial twelve-month period, the Development Owner will no longer be required to hold Units vacant for Persons with Special Needs, but will be required to continue to affirmatively market Units to Persons with Special Needs.

(8) Proximity to the Urban Core. A Development in a City with a population over 300,000 may qualify for points under this item. The Development Site must be located within 4 miles of the main City Hall facility if the population of the city is more than 500,000, or within 2 miles of the main City Hall facility if the population of the city is 300,000 - 500,000. The main City Hall facility will be determined by the location of regularly scheduled City Council, City Commission, or similar governing body meetings. Distances are measured from the nearest property boundaries, not inclusive of non-contiguous parking areas. This scoring item will not apply to the At-Risk Set-Aside. (5 points)

(d) Criteria promoting community support and engagement.

(1) Local Government Support. (§2306.6710(b)(1)(B)) An Application may qualify for up to seventeen (17) points for a resolution or resolutions voted on and adopted by the bodies reflected in subparagraphs (A) - (C) of this paragraph, as applicable. The resolution(s) must be dated prior to Final Input from Elected Officials Delivery Date and must be submitted to the Department no later than the Final Input from Elected Officials Delivery Date as identified in §11.2 of this chapter. Such resolution(s) must specifically identify the Development whether by legal description, address, Development name, Application number or other verifiable method. In providing a resolution a municipality or county should consult its own staff and legal counsel as to whether such resolution will be consistent with Fair Housing laws as they may apply, including, as applicable, consistency with any Fair Housing Activity Statement-Texas ("FHAST") form on file, any current Analysis of Impediments to Fair Housing Choice, or any current plans such as one year action plans or five year consolidated plans for HUD block grant funds, such as HOME or CDBG funds. Once a resolution is submitted to the Department it may not be changed

19063
Administrative Deficiency Notice(s)
None Required

19079

Request for Administrative Deficiency



VIA EMAIL

April 30, 2019

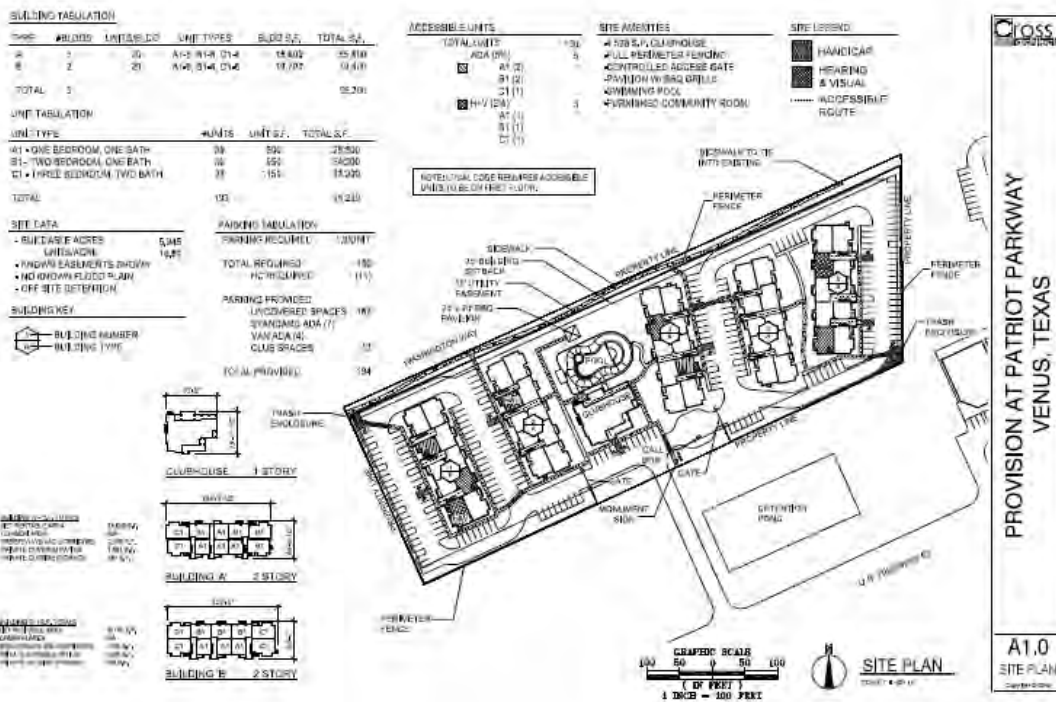
Texas Department of Housing and Community Affairs
 Attn: Marni Holloway - Director of Multifamily Finance
 Attn: Sharon Gamble – 9% HTC Program Administrator
 221 East 11th Street
 Austin, TX 78701

RE: TDHCA #19079 – Provision at Patriot Parkway

Dear Marni and Sharon:

In accordance with Section 11.10 of the 2019 QAP, Palladium USA is requesting staff to consider whether the matters described in this letter and supporting documentation should be the subject of an Administrative Deficiency. We are also providing a copy to the representative for Application #19079.

In Section 11.204(10)(D) if ingress and egress to a public right of way are not part of the Property described in the site control documents, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement. This Applicant does not have evidence supporting the access easement required language in the Purchase and Sale Agreement for the development site and/or its access roads to the development site indicated on the Site Plan.



I have attached a copy of the contract as supporting documentation.

Should you have any questions or require additional information please contact me. My contact information is below.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Huth', is positioned above the typed name.

Thomas E. Huth
President and CEO
Palladium USA International, Inc.
Phone: 972-774-4400
Fax: 972-774-4484
Email: thuth@palladiumusa.com

Attachments

Box not checked

- Evidence of an easement, leasehold, or similar documented access; and
- Evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

4. **30% increase in Eligible Basis "Boost" (9% and 4% HTC Only) [10 TAC §11.4(c)]**

Development qualifies for the boost for:

- Qualified Census tract that has less than 20% HTC Units per household
 - New Construction or Adaptive Reuse Development is in a QCT with 20% or greater Housing Tax Credit Units per household, and a resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development is included behind Tab 8.†*
- †Rehabilitation Developments located in a QCT with 20 percent or greater Housing Tax Credit Units per total households are eligible to qualify for the boost and are not required to obtain such a resolution from the Governing Body.

* Resolution not due until Resolutions Delivery Date for Tax-Exempt Bond Developments

- Development is located in a Small Area Difficult Development Area (SADDA)
- Rural Development (**Competitive HTC only**)
- Development is entirely Supportive Housing (**Competitive HTC Only**)
- X Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan (**Competitive HTC only**)
- Development includes an additional 10% of units at 30% AMI. (**Competitive HTC only**)
Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements.
- Development is in an area covered by a concerted revitalization plan and elects and is eligible for points under 10 TAC §11.9(d)(7), is not Elderly, and is not located in a QCT. (**Competitive HTC only**)
- Development is located in a Qualified Opportunity Zone designated under the Bipartisan Budget Act of 2018 (H.R. 1892). (**Competitive HTC only**)

If a revised form is submitted, date of submission:

**EARNEST MONEY CONTRACT AND
PURCHASE AND SALE AGREEMENT FOR REAL ESTATE (UNIMPROVED)**

Gardner Capital Investment Fund, LLC, a Texas limited liability company, or its assigns (collectively the "Purchaser"), offers to purchase from HFLP LTD (the "Seller") certain real estate being a tract or tracts of land consisting of approximately 6 acres, more or less, located at the northwest corner of Highway 67 and Patriot Parkway within ABST 26 TR 15,16 R BERRY, located in The City of Venus, Johnson County, Texas, described more specifically on Exhibit "A" (the "Land") attached hereto, together with all improvements thereon and appurtenances and hereditaments thereunto belonging (all of which is hereinafter referred to as the "Real Estate"), for the total sum of ONE MILLION FOURTEEN THOUSAND SEVEN HUNDRED SIXTY AND 00/100 (\$1,014,760.00) or \$3.88 per square foot of net acreage as set forth in the Survey (and further defined in Paragraph 7.2) (the "Purchase Price") of the Real Estate, subject to the following and only the following, written terms and conditions of this Earnest Money Contract and Purchase and Sale Agreement for Real Estate (this "Contract").

1. Earnest Money Deposits. Purchaser shall deposit within five (5) business days to the Escrow Agent of the Title Company (the "Escrow Agent") the initial sum of Twenty-Five Thousand and No/00 Dollars (\$25,000.00) (the "Initial Deposit") as earnest money for this transaction (the "Initial Deposit"). Upon completion of the inspections and submission of a full tax credit application and supplemental documentation to the Texas Department of Housing and Community Affairs ("TDHCA") and upon written notice of an allocation of tax credits, Purchaser shall deposit, to the Escrow Agent on or before August 31, 2019, the additional sum of Twenty-Five Thousand and No/00 Dollars (\$25,000.00) as a second Earnest Money Deposit (the "Second Deposit"). On or before October 31, 2019, Purchaser shall deposit to the Escrow Agent, the additional sum of Twenty-Five Thousand and No/00 Dollars (\$25,000.00) as a third Earnest Money Deposit (the "Third Deposit"). At the Closing, the Initial Deposit, Second Deposit, and Third Deposit (collectively, the "the Earnest Money") shall be credited to the Purchase Price. In addition, Purchaser shall commit to, at a reasonable cost to Purchaser not to exceed \$25,000.00, to provide rough grading only Seller's remaining highway frontage property lying between Purchaser's property and Highway 67 during the construction of the apartment complex, but in no event, concurrent with Buyer's rough grading of Buyer's Real Estate after Closing.

If Purchaser, in its sole discretion determines prior to August 31, 2019, not to proceed with a purchase of the Real Estate, then the Purchaser shall notify the Seller and Escrow Agent in writing that the Purchaser terminates this Contract, in which event the Purchaser shall receive a refund of the Initial Deposit, this Contract shall be automatically terminated, and the parties shall have no further obligations one to the other, except those which expressly survive. However, if the Purchaser is unable to obtain a resolution of support from City of Venus and a letter of support from the State Representative in a form acceptable to TDHCA on or before March 1, 2019, the Purchaser shall be obligated to terminate the contract by providing written notice to the Seller and Escrow Agent, in which event the Purchaser shall receive a refund of the Initial Deposit, this Contract shall be automatically terminated and all parties shall have no further obligations one to the other.

All materials furnished by Seller during Inspection Period shall be returned to Seller; and all due diligence materials, including surveys, environmental studies, geotechnical reports, and feasibility reports prepared on behalf of the Purchaser during the Inspection Period shall be provided to the Seller upon receipt of the Initial Deposit. Purchaser shall provide copies of all due diligence materials including surveys, environmental studies, geotechnical reports, and feasibility reports, all civil plans, topographical and boundary surveys prepared by or obtained by Purchaser at Purchaser expense at no cost to Seller.

1.1. Payment on Closing. At Closing, Purchaser shall pay to Seller the entire Purchase Price; provided that Purchaser shall receive a credit against the Purchase Price at Closing in the amount of the Earnest Money and any other credits to which Purchaser is entitled under this Contract.

2. The Real Estate.

2.1 It is hereby acknowledged and understood by Seller that Purchaser intends to develop the Real Estate as a residential apartment complex (hereinafter sometimes referred to as "Purchaser's Use"), and it is therefore a condition of this Contract that Purchaser must be able to determine on or before August 31, 2019 to its satisfaction, in its sole discretion, each of the following matters;

2.1.1 that all existing utilities are accessible to the Real Estate at a reasonable cost and in sufficient size and capacity to adequately serve Purchaser's Use;

2.1.2 that the environmental conditions of the Real Estate as they relate to the Purchaser's Use, including without limitation, topography, soil consistency, geotechnical analysis, floodway designation, wetlands and animal preservation issues, are satisfactory to Purchaser; and

2.1.3 that the development of Purchaser's Use upon the Real Estate is economically feasible in all respects.

2.2 It is hereby understood and acknowledged by Seller that, if Purchaser is unable to obtain satisfactory results with respect to the matters specified in Paragraph 2.1 on or before August 31, 2019, then Purchaser may, at its election, notify Seller in writing, at the place herein provided for notices, that it is dissatisfied with one or more of the matters specified in Paragraph 2.1, and that it thereby cancels and terminates this Contract, in which case neither party shall have further liability to the other arising

out of this Contract, and the Title Company shall immediately return the Initial Deposit to Purchaser. In the event Purchaser fails to so notify Seller of its election to cancel and terminate this Contract by such date, , then such conditions shall be deemed satisfactory to Purchaser and Purchaser shall have no right to terminate this Contract, except for Seller's default.

3. Reports: Due Diligence Materials. On or before five (5) days after Seller's acceptance hereof, Seller shall furnish to Purchaser copies of any existing environmental assessment reports, surveys, inspections, soil/geotechnical reports or other reports relating to the Real Estate in Seller's possession. During the Inspection Period Purchaser shall have the right, at its expense, to obtain an environmental Phase I assessment for the Real Estate from an environmental consulting firm reasonably acceptable to Purchaser (the "Consultant"), the results of which shall be set forth in a report certified by the Consultant to Purchaser.

4. Financing. It is a condition precedent to Purchaser's obligations hereunder that Purchaser shall receive an allocation of tax credits from the TDHCA for the development of the Real Estate, all in an amount and upon terms and conditions acceptable to Purchaser in its sole discretion (the "Allocation"). It is hereby understood and acknowledged by Seller that if after diligent pursuit Purchaser does not receive the Allocation, then Purchaser may cancel and terminate this Contract by notification thereof to Seller prior to expiration of the Inspection Period, and the Title Company shall immediately return the Initial Deposit to Purchaser in accordance to this Contract, and thereafter both parties shall be relieved of all further obligations under this Contract. If Purchaser fails to provide notice of cancelation on or before 5:00 p.m. Central Time, August 31, 2019, the financing condition shall be deemed to be satisfied.

5. Inspection Period. Purchaser shall have one hundred and twenty (120) days following the execution date of the Contract (the "Inspection Period") to perform title and survey due diligence and to compile the documents deemed necessary by Purchaser, in its sole discretion, for submittal of an application and supporting documents including third party reports, letters, and resolutions (collectively, the "Application") to TDHCA for an allocation of housing tax credits.

If Purchaser, in its sole discretion, determines prior to the conclusion of the Inspection Period not to proceed with the Application, then the Purchaser shall provide written notification to the Seller and Escrow Agent prior to 5:00 p.m., Dallas, Texas time on the last day of the Inspection Period. The Purchaser may terminate and shall receive a refund of the Initial Earnest Money subject to the following:

(a) If this Contract is terminated prior to end of the Inspection Period, the Initial Earnest Money shall be returned to Purchaser.

(b) All materials furnished by Seller during the Inspection Period shall be returned to Seller upon Purchasers receipt of the Initial Deposit.

(c) Copies of due diligence materials including surveys, environmental studies and geotechnical reports, and feasibility reports prepared on behalf of the Purchaser during the Inspection Period shall be provided to the Seller upon receipt of the Initial Deposit.

(d) If Purchaser fails to give Seller timely written notice that Purchaser has elected to terminate this Contract by reason of any title, survey or issues involving the Application, the Purchaser shall be deemed to have waived its right to terminate, but Purchaser retains its rights to terminate for any other reasons as set forth in other Sections of this Contract.

Insurance Coverage. Purchaser represents, warrants and covenants that, in making any entry onto or any intrusive or non-intrusive physical or environmental inspections of the Real Estate, Purchaser and all of Purchaser's Agents entering onto or accessing the Property shall carry not less than One Million Dollars (\$1,000,000.00) comprehensive general liability insurance insuring all activity and conduct of Purchaser and Purchaser's Agents while exercising such right of inspection, entry and access. Upon request, Purchaser shall provide or cause Purchaser's Agents to provide proof of insurance meeting the minimum amounts and requirements defined herein. The foregoing covenant of Purchaser and minimum insurance amount shall not impair, limit or reduce the scope, extent or amount of the Purchaser's Indemnity Obligations under this Agreement.

Notice of Inspection. Purchaser agrees that in exercising its right of access hereunder, Purchaser will use and will cause Purchaser's Agents to use their best efforts not to interfere with Seller's use of its adjacent property. Purchaser shall, at least 48 hours prior to inspection, give Seller notice, written or verbal, of its intention to conduct any inspections. Purchaser agrees to cooperate with any reasonable request by Seller in connection with the timing of any such inspection. Purchaser agrees (which agreement shall survive Closing or termination of this Agreement) to provide Seller with a copy of any and all information, materials and data that Purchaser and/or Purchaser's Agents discover, obtain or generate in connection with or resulting from its inspection of the Real Estate.

Restoration of Real Estate. Purchaser shall, at its sole cost and expense, promptly restore to as close a condition as reasonably possible with respect to physical damage or alteration of the physical condition of the Real Estate that results from any inspections conducted by or on behalf of Purchaser. The provisions of this Section shall survive the termination of this Contract.

Indemnification. PURCHASER AGREES (WHICH AGREEMENT SHALL SURVIVE CLOSING OR TERMINATION OF THIS AGREEMENT) TO INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY LOSS, INJURY, DAMAGE, CLAIM, CAUSE OF ACTION, LIEN, COST OR EXPENSE, INCLUDING ATTORNEYS' FEES AND COSTS, ARISING OUT OF A BREACH OF THE FOREGOING AGREEMENTS BY PURCHASER IN CONNECTION WITH THE INSPECTION OF THE PROPERTY, OR OTHERWISE FROM THE EXERCISE BY PURCHASER OR PURCHASER'S AGENTS OF THE RIGHT OF INSPECTION, ENTRY OR ACCESS UNDER THIS CONTRACT (COLLECTIVELY, "PURCHASER'S INDEMNITY OBLIGATIONS"). THIS SECTION SHALL SURVIVE CLOSING OR THE TERMINATION OF THIS CONTRACT.

6. Purchaser's Conditions to Sale

6.1 Finance Contingency. Purchaser's obligation to purchase the Real Estate is conditioned upon the Purchaser's ability to secure financing through an allocation of Housing Tax Credits (an "Award") from TDHCA. Purchaser anticipates that TDHCA will provide a notification of Award for the intended development on or before July 31, 2019 and written notification of commitment for funding on

or before August 31, 2019. If Purchaser fails to provide notice of cancellation on or before 5:00 p.m. Central Time, August 31, 2019, the Financing Contingency shall be deemed to be satisfied.

6.2 Entitlement Contingency. Purchaser's obligation to purchase the Real Estate is conditioned upon the Purchaser's ability to secure all state and municipal approvals (the "Entitlements") including but not limited to rezoning, variances and permits deemed necessary by the Purchaser, in its sole discretion, to develop and operate the Real Estate for Purchaser's Use. Seller shall reasonably assist Purchaser in submittal of applications required for Entitlements, but shall be under no obligation to expend any funds in so doing. If Purchaser is unable to obtain the Entitlements, Purchaser may send written notice to Seller and terminate this Contract, and receive a refund of the Earnest Money.

6.3 Access and Utilities Contingency. Purchaser's obligation to purchase the Real Estate is conditioned upon Purchaser confirming, prior to August 31, 2019, the following:

(a) The Purchaser's ability to obtain all rights-of-way, easements and licenses including but not limited to all ingress and egress, parking, grading, drainage, sewer and any other utility easements (the "Easements") necessary for the Purchaser to access, develop, and operate the Real Estate for Purchaser's Use. Seller shall reasonably cooperate and assist Purchaser in securing and documenting the Easements required for Purchaser's multifamily development, but shall be under no obligation to expend any funds in so doing.

(b) The Purchaser's ability to extend an entrance drive and extend utilities including but not limited to electricity, water, and sanitary sewer (the "Improvements") to the Real Estate, Purchaser's ability to make connections to existing utilities (including but not limited to electricity water and sanitary sewer) and Purchaser's ability to construct Improvements to the standards and specifications required by the City, State, and/or utility providers. Seller shall reasonably cooperate and assist Purchaser in securing approvals to construct Improvements, but shall be under no obligation to expend any funds in so doing.

(c) Prior to Closing, if the Property is to be platted as a condition of Closing, Seller shall grant perpetual, non-exclusive access and utility easements over Seller's adjacent property for the benefit of the Property. Any and all access or utility easements shall be subject to Seller's reasonable approval and consent which Seller agrees will not be unreasonably conditioned, delayed or withheld. Purchaser and Seller agree to use their reasonable efforts to negotiate an agreement pertaining to the necessary access and utility easements, including the reciprocal nature of same if applicable, based on the easement concept sketches in the form Exhibit B attached hereto and made a part hereof for all purposes, or other locations permitted by the City of Venus and/or TXDOT and reasonably agreeable by Seller ("Reciprocal Easement Agreements"). If the Property is to be platted as a condition of Closing, the Reciprocal Easement Agreements shall become effective and be recorded prior to Closing (if required by Purchaser's Lender or equity investor) at Purchaser's expense. Purchaser will be responsible for constructing and maintaining the improvements within the easement at Purchaser's expense. Purchaser will indemnify and hold Seller harmless from the cost and expense (including attorney's fees) of

obtaining the rescission or vacation of any Governmental Approvals or rescinding any Reciprocal Easements if Closing does not occur

7. Survey/Title. Seller shall provide evidence of any existing survey and title, and Purchaser shall review the same, as follows:

7.1 Within thirty (30) days after Purchaser's receipt of the last of the Title Commitment, the exception documents and Survey, if any, Purchaser shall notify Seller in writing of any objections. If Purchaser fails to notify Seller at least ten (10) days prior to the expiration of the Inspection Period, Purchaser shall be deemed to have accepted all exceptions to title and all other matters shown on the Commitment and Survey.

7.2 Within sixty (60) days after Seller's acceptance of this Contract. Purchaser shall obtain a new staked survey of the Real Estate prepared and certified by a Registered Professional Land Surveyor (the "Survey"). The Survey shall set forth the net acreage of the Real Estate, which shall be equal to the gross acreage excluding any portion of the Real Estate lying within a flood zone, wetlands, or existing highway or public right-of-way. The net acreage shall be used to calculate the Purchase Price. The survey description shall be used in Seller's deed conveying the Real Estate to Purchaser, unless the Property is to be platted as a condition to Closing, in which case the Survey shall be revised to reflect the plat. In any event, the Survey shall be sufficient to cause the Title Company to delete the standard survey exceptions from the Title Policy described in Paragraph 7.3 below at Purchaser's expense. Upon acceptance of the Survey by parties and the Title Company, the legal description from the Survey shall automatically be substituted for Exhibit "A" attached hereto without the need for further amendment of this Earnest Money Contract and Purchase and Sale Agreement. If the Property is required to be platted or re-platted prior to Closing, the parties will cooperate with one another to do so and the resulting platted legal description shall be further substituted and be utilized at Closing.

7.3 Within thirty (30) days from Seller's acceptance of this Contract, Seller shall furnish to Purchaser a title insurance commitment, issued by the Title Company, showing the condition of Seller's title to the Real Estate and all exception documents including easements, restrictions, agreements or other matters burdening and/or benefiting the Real Estate (the "Title Commitment").

7.4 Within thirty (30) days after receipt of the later of (a) the Title Commitment (together with legible copies of all instruments noted in the Title Commitment as special exceptions, and any endorsements to the Title Commitment that Purchaser wishes to receive) and (b) the Seller's existing Survey, Purchaser shall notify Seller of any unacceptable physical or other defects therein disclosed. Seller shall have thirty (30) days after written notice from Purchaser as to Purchaser's objections, to cure or remove any such unacceptable defects, at Seller's sole cost and expense but in no event shall Purchaser respond later than one (1) business day prior to the expiration of the Inspection Period ("Seller's Cure Period"). If Seller is unable or unwilling to cure or remove such defects within said period, Purchaser may cancel and terminate this Contract upon written notice to Seller delivered to Seller before the expiration of the Inspection Period, in which event the Title Company shall immediately return the Initial Deposit to Purchaser. Seller shall be obligated to pay any amounts

identified on Schedule C of the Title Commitment necessary to cause the removal at or before Closing of all monetary liens, mortgages, security instruments and UCC financing statements. If Purchaser fails to notify Seller of an objection to an exception to title as reflected on the Title Commitment within the time provided herein, then Purchaser shall be deemed to have accepted the status of title as reflected therein. Any exceptions to title reflected on the said commitment to which Purchaser fails to timely object (except monetary liens, mortgages, security instruments and UCC financing statements to be released at or before Closing) shall be deemed a "Permitted Exception". Upon Closing, Seller shall provide to Purchaser, at Seller's sole cost and expense, a standard owner's policy of title insurance (the "Title Policy") issued by the Title Company, in the amount of the Purchase Price, showing good and indefeasible title in the Real Estate in Purchaser, subject only to current taxes and assessments not then due and payable and Permitted Exceptions; all endorsements to the Title Policy will be at Purchaser's sole cost and expense.

8. Taxes and Assessments. Seller assumes and agrees to pay all real estate taxes assessed and due prior to Closing. Purchaser assumes and agrees to pay all real estate taxes assessed and due after Closing (i.e., prorated to date of Closing) and any assessments for municipal improvements made after Closing. Any taxes not assumed by Purchaser and which are not due and payable at the time of Closing shall be allowed to Purchaser as a credit on the cash payment required at Closing, and Seller shall not be further liable for such taxes. If the actual tax rate is not known on the date of Closing, the taxes shall be prorated based upon the prior year's tax rate. Anything to the contrary contained herein notwithstanding, Purchaser will be solely responsible for any rollback taxes assessed against the Real Estate after closing by reason of the change of use of the Real Estate by Purchaser after Closing. If Seller is asked to pay or required to pay any rollback taxes assessed after Closing due to Purchaser's change in use of the Property, Purchaser shall indemnify and hold Seller harmless for all costs, loss, damages and/or expenses resulting therefrom, including attorney's fees. Any ad valorem taxes due on the Real Estate after Closing for periods post-Closing (including Rollback taxes) shall be the responsibility of Purchaser.

9. Closing. If this offer is accepted as herein provided (subject to Purchaser's rights to terminate this Contract as provided in this Contract) the transaction contemplated hereby shall be closed (the "Closing") in the offices of the Title Company, or such location as agreed upon by the parties, on or before December 31, 2019 (the "Closing Date"). Purchaser shall have the right to extend the Closing Date for one (1) period of sixty (60) days (the "Extension Period") upon written notice to Seller on or before the Closing Date. Purchaser shall place in escrow an additional Twenty-Five Thousand and No/100 (\$25,000.00) (the "Extension Deposit") for the Extension Period. The Extension Deposit and all Earnest Money shall at that time be non-refundable to Purchaser, apart from Seller Default, the Earnest Money shall be credited against the Purchase Price at Closing, provided however, the Extension Deposit shall not be applied to the Purchase Price.

At Closing, Seller agrees to deliver to Purchaser, in accordance with the terms of this Contract, the following:

(a) a duly authorized and executed special warranty deed in recordable form, conveying good and indefeasible title to the Real Estate, subject only to current taxes not yet due and payable and the Permitted Exceptions, unless otherwise agreed in writing by Purchaser;

(b) all other documentation which may be required by the Title Company to insure Purchaser with good and indefeasible title to the Real Estate;

(c) the Title Policy;

(d) a closing statement; and

(e) all other documents necessary or appropriate to complete the transaction contemplated by this Contract.

10. Possession. Seller shall deliver exclusive possession of the Real Estate to Purchaser at Closing and funding. The Real Estate shall not be subject to any leases or tenancies as of the date possession is delivered to Purchaser.

11. Right of Inspection and Tests. After Seller's acceptance, hereof and throughout the term of this Contract, Purchaser and its agents and representatives shall have the right to enter upon the Real Estate to make tests as to the adaptability of the Real Estate for Purchaser's Use, such tests to include without limitation soil borings, surveys, drilling and all tests normally performed for the determination of the suitability of real estate for Purchaser's Use and for the collecting of all information necessary thereto. All such tests made by the Purchaser are to be made at Purchaser's expense, and Purchaser shall be liable for any damage caused to the Real Estate or to any persons thereon during said tests, and hereby agrees to indemnify and hold harmless Seller from and against any such damage or injury or claims and causes of action resulting therefrom, irrespective of the termination of this Contract.

12. Representations and Warranties. The Real Estate will be sold "as is," and Purchaser will have, prior to the Closing Date, the opportunity to inspect the Real Estate, and Seller makes no representation or warranty as to the physical condition or value of the Real Estate. With the exception of any representations or warranties specifically set forth in Sections 12 and 20 this Agreement and Seller's warranty of title contained in the deed, Purchaser acknowledges that Seller has made no other representations or warranties regarding the condition of the Real Estate; provided, however, that Seller shall retain all known and unknown liabilities that may arise prior to the Closing Date of any type or nature (whether tortious, contractual or statutory) relating to the Real Estate.

Purchaser acknowledges that except for any express warranties and representations contained in this Section 12 of this Agreement and Seller's warranty of title contained in the deed, Purchaser is not relying on any written, oral, implied or other representations, statements or warranties by Seller or any agent of Seller or any real estate broker or salesman. All previous written, oral, implied or other statements, representations, warranties or agreements, if any, are merged in this Agreement. Except as expressly set forth herein or in the Deed, Seller disclaims and Purchaser waives any alleged warranty concerning or regarding (1) the nature and condition of the Real Estate, including the suitability thereof

for any activity or use; (2) any improvements or substances located thereon; or (3) the compliance of the Real Estate with any laws, rules, ordinances or regulations of any government or other body. Except as expressly set forth in this Agreement and the Deed, SELLER HAS NOT MADE, DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY WARRANTIES, REPRESENTATIONS, COVENANTS OR GUARANTEES, EXPRESSED OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE MERCHANTABILITY, HABITABILITY, QUANTITY, QUALITY OR ENVIRONMENTAL CONDITION OF THE REAL ESTATE OR ITS SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. PURCHASER AFFIRMS THAT PRIOR TO CLOSING PURCHASER SHALL HAVE (i) INVESTIGATED AND INSPECTED THE REAL ESTATE TO ITS SATISFACTION AND BECOME FAMILIAR AND SATISFIED WITH THE PHYSICAL CONDITION OF THE REAL ESTATE AND (ii) MADE ITS OWN DETERMINATION AS TO (a) THE MERCHANTABILITY, QUANTITY, QUALITY AND CONDITION OF THE REAL ESTATE, INCLUDING THE POSSIBLE PRESENCE OF TOXIC OR HAZARDOUS SUBSTANCES, MATERIALS OR WASTES OR OTHER ACTUAL OR POTENTIAL ENVIRONMENTAL CONTAMINATES, AND (b) THE REAL ESTATE'S SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. PURCHASER HEREBY ACCEPTS THE REAL ESTATE IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING ENVIRONMENTAL, BASIS, AND ACKNOWLEDGES THAT (1) WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE AND (ii) THAT SELLER SHALL OTHERWISE BE UNDER NO OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE REAL ESTATE.

Seller represents and warrants unto Purchaser, based upon Seller's Knowledge, as of the date hereof, and as of the date of the closing, that:

Utilities to Real Estate. The Real Estate is serviced by municipal sewer and water systems. To the knowledge of the Seller, the electrical, mechanical, and utility systems are in good working order. Seller has not received written notice that:

- (i) there are existing maintenance problems with respect to the utility systems;
- (ii) these utilities systems are not suitable for the operation of the Project;
- (iii) there are unpaid utility assessments, charges, tap fees, paybacks or other obligations for improvements affecting the Real Estate.

No Notice of Condemnation. Seller has not received written notice of any actual or contemplated condemnation proceedings and there is no current condemnation proceeding that the Seller is a party to.

No Notice of Special Tax Assessment. Seller has not received written notice of any special tax assessment and there is no current special assessment proceeding that the Seller is a party to.

No Adverse Restrictions. Seller has entered into no covenants, conditions, easements, restrictions, agreements or encumbrances which would prohibit the continued operation of the Real Estate as it is currently being operated.

No Outstanding Option to Purchase. No person, firm, corporation or other legal entity whatsoever has any right, contract or option or first right of refusal whatsoever to acquire the Real Estate or any portion or portions thereof or any interest or interests therein.

No Notice Environmental Issues. To Seller's knowledge, neither Seller nor any third party have used, generated, manufactured, produced, stored or disposed of any explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials,

whether injurious by themselves or in combination with other materials (collectively "Hazardous Materials"), on or under the Real Estate, other than materials used in construction of the improvements located on the Real Estate or in Seller's routine operations on the Real Estate, some of which are considered to be Hazardous Materials. Seller has no knowledge of existing environmental contamination as of the Effective Date. Seller has very little knowledge regarding the contents of the tenant storage units at the Real Estate, some of which may contain Hazardous Materials. Seller has not received any notice from any person or governmental entity that environmental contamination has been released or is present on the Real Estate.

No Litigation. Seller has no knowledge of any litigation, action or claim, whether pending or threatened, affecting any part of the Real Estate, nor of any facts that would form the basis of such a claim.

Lawful Owner. Seller is the lawful owner of the Real Estate and holds insurable and marketable title to the Real Estate, free and clear of all liens and encumbrances other than the removable liens which Seller has the right to cause to be discharged at Closing and items which Seller has accepted or created.

Authority to Sale. The Seller has the complete power and authority to enter into this Agreement and to sell the Real Estate to the Purchaser in accordance with the terms hereof and to perform each and every term and condition of this Contract and the party executing this Contract on behalf of Seller is authorized to do so on behalf of Seller without obtaining any approvals or consents from any third parties.

Notwithstanding anything in this Contract to the contrary, Seller shall be fully responsible, as current owner of the Real Estate, for all liabilities related to the Real Estate which arose prior to the Closing Date as set forth herein. Seller agrees to execute a certificate confirming that the representations and warranties made by Seller in this Contract remain true and correct as of the Closing Date.

The term "Seller's actual knowledge," "to Seller's knowledge," "knowledge of Seller," or any other reference to the knowledge of Seller (a) shall mean and apply to the person who has the most significant actual knowledge of Seller, being Shair Hakemy, (the "Knowledge Individual") and not to any other persons or entities, (b) shall mean the actual (and not implied or constructive) knowledge of such individual, without any duty on such individual to conduct any investigation or inquiry of any kind and (c) shall not apply to or be construed to apply to information or material which may be in the possession of Seller generally or incidentally, but which is not actually known to the Knowledge Individual. Similarly, any reference to any written notice, claim, litigation, filing or other correspondence or transmittal to Seller set forth herein shall be limited to refer to only those actually received by or known to the Knowledge Individual in a limited manner.

13. Condemnation. If prior to Closing the Real Estate shall be subjected to a taking, either total or partial, by eminent domain, condemnation, or for any public or quasi-public use, Purchaser shall have the right to either (i) terminate this Contract by providing written notice thereof to Seller at the place designated herein for such notices, or (ii) proceed to close the transaction contemplated by this

Contract, in which event Seller shall assign to Purchaser at Closing all of the condemnation awards from such condemnation action.

14. Notices. All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly and properly given on the date of service if delivered personally, or sent by facsimile with electronic confirmation of receipt by the recipients, or, if mailed, on the second day after such notice is deposited in a receptacle of the United States Postal Service, registered or certified mail, first class postage prepaid, return receipt requested, or on the first day after deposit with a nationally-recognized overnight delivery service (e.g., FedEx), in all events addressed appropriately as follows:

If to Seller: HFLP LTD
c/o Shair Hakemy
2331 W Northwest Hwy
Dallas, TX 75209
Email: sbhakemy@gmail.com

With a copy to: Hansen Attorneys
Attn: Jeff Hansen
1101 Little School Road
Arlington, Texas 76071
jeff@hansenattorneys.com

If to Purchaser: Gardner Capital Investment Fund, LLC
2501 N. Harwood St., Suite 1520
Dallas, TX 75201
Attn: Ryan Combs, John W. Palmer
Email: rcombs@gardnercapital.com; jpalmer@gardnercapital.com

With a copy to: Gardner Capital, Inc.
4803 S. National, Suite 200
Springfield, MO 65810
Attn: Rowland H. Geddie, III
Email: rgeddie@gardnercapital.com

With a copy to: David E. Brusilow. Esq.
Coats Rose, PC
14755 Preston Road, Suite 600
Dallas, TX 75254
Email: brusilow@coatsrose.com

Either party may change its address for purposes of this Paragraph by giving the other party written notice of the new address in the manner set forth above.

16. Entirety of Agreement; Amendments. This Contract shall be binding upon and inure to the benefit of the respective heirs, representatives, successors and assigns of the parties hereto. This Contract embodies the entire agreement between the parties hereto and there are no representations, promises, understandings or agreements, oral or written, between the parties which are not set forth herein. This Contract may be amended only by a written instrument signed by Purchaser and Seller.

17. Survival. All the representations, warranties and covenants of Seller stated herein shall survive the Closing and the conveyance of the Real Estate to Purchaser and shall be binding upon and inure to the parties hereto and their respective heirs, successors, and assigns.

18. Governing Law. This Contract shall be construed and enforced in accordance with the laws of the State of Texas.

19. Attorneys' Fees. In the event of any controversy, claim, or dispute between Purchaser and Seller arising out of or related to this Contract or the breach thereof, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, legal assistant fees, costs and expenses.

20. Brokers. Upon sale of the Real Estate, Seller agrees to pay commission to Demian P. Salmon with Stream Realty from Seller's proceeds.

- (a) Commission percentage to be six percent (6%) of the Purchase Price to be paid by Seller and made payable to Demian P. Salmon with Stream Realty.
- (b) Seller and Purchaser each represent and warrant to the other that it has not dealt with any real estate broker relating to this Contract or the Real Estate, other than those listed above, and Seller and Purchaser each represent and Seller warrants to Purchaser that Seller shall be responsible for all real estate commission fees associated with the Contract to be paid by Seller to the above brokers.
- (c) Any other fees or real estate commissions occasioned by the execution and/or consummation of this Contract shall be the sole responsibility of the party contracting therefore, and such party agrees to indemnify and hold harmless the other party from all claims for such commission(s), and costs or expenses related thereto.

21. Counterparts. This Contract may be executed in any number of counterparts with the same effect as if all such parties executed the same document. All such counterparts shall constitute one agreement.

22. Assignment. Purchaser shall be entitled to assign its rights and obligations in and under this Contract to any of its affiliates without the prior written consent of Seller.

23. Nonrefundable Consideration: Contemporaneously with the execution and delivery of this Contract, Purchaser has delivered to Seller and Seller hereby acknowledges the receipt of a check in the amount of Fifty Dollars (\$50.00) (the "Independent Contract Consideration"), which amount the parties bargained for and agreed to as consideration for Purchaser's exclusive right to inspect and purchase the Real Estate pursuant to this Contract and for Seller's execution, delivery and performance of this

Contract. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided in this Contract, is nonrefundable, and it is fully earned and shall be retained by Seller notwithstanding any other provision of this Contract.

[Remainder of page intentionally left blank]

Dated: effective as of the 28th day of November, 2018

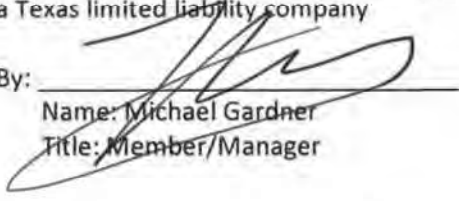
"PURCHASER"

Gardner Capital Investment Fund, LLC,
a Texas limited liability company

By: _____

Name: Michael Gardner

Title: Member/Manager



ACCEPTANCE OF OFFER

The undersigned hereby accepts the foregoing offer effective the 27th day of Nov, 2018.

"SELLER"

HFLP LTD

By: 

Name: MUHAMMAD YUSUF HAKEMY

Title: Partner

"TITLE COMPANY"

Chicago Title Insurance Company
14755 Preston Road, Suite 600
Dallas, TX 75254

Attn: Becky Brusilow / Jackie Weas
Email: rbrusilow@coatsrose.com / JMEES@COATSROSE.COM
Phone: 972-419-4710 / 972-419-4140

By: [Signature]
Name: JACKIE WEAS
Title: COMMERCIAL ESCROW OFFICER

Dated: effective as of the 28th day of November, 2018

Earnest Money in the amount of \$25,000.00 has been received by Escrow as of Wednesday, December 5, 2018, via wire transfer.

Received by: [Signature] Date: December 5, 2018

Independent Consideration in the amount of \$50.00 has been received by Escrow as of Wednesday, December 5, 2018, and will be forwarded accordingly to Seller.

Received by: [Signature] Date: December 5, 2018

Exhibit A

All or a portion of a certain tract or tracts of land consisting of approximately 6 acres, more or less, located at the northwest corner of Highway 67 and Patriot Parkway within ABST 26 TR 15,16 R BERRY, located in The City of Venus, Johnson County, Texas.



Exhibit B

As mentioned in Section 6.3(c) of this Contract, the Reciprocal Easement Agreement and exact locations shall be negotiated by the Purchaser and the Seller during the term of the Contract. In Addition, any contemplated easements shall not exceed the minimum standards that the City of Venus requires. . Both Purchaser and Seller acknowledge that the City of Venus and TXDOT will have to give final approval on the location of any easements as to access and utilities, as applicable.



19079
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: ["rcombs@gardnercapital.com"](mailto:rcombs@gardnercapital.com)
Cc: ["Alyssa Carpenter"](#)
Subject: RE: 19079 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 11:51:00 AM

I forgot to include:

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday, May 13, 2019. Please respond to this email as confirmation of receipt.****

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

From: Sharon Gamble
Sent: Monday, May 06, 2019 11:38 AM
To: rcombs@gardnercapital.com
Cc: 'Alyssa Carpenter' <ajcarpen@gmail.com>
Subject: 19079 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19079 Provision at Patriot Parkway**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions whether the Applicant has provided evidence supporting the access easement required language in the Purchase and Sale Agreement for the development site and/or its access roads to the development site indicated on the Site Plan.

Provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19079
Deficiency Response(s)

19079 Provision at Patriot Parkway
Third Party Request for Administrative Deficiency Response 5/9/19

1. The evidence of an easement, leasehold, or similar documented access is located in the Site Control document submitted with the Application: Section 6.3 contract references the easement and Exhibit B shows the easement on a map. The Title Commitment also includes the easement as part of the land covered by the commitment.

We reviewed the RFAD and had a different interpretation of the QAP regarding “access easement required language.” Our understanding is that “evidence that the fee title owner of the property agrees that the LURA may extend to the access easement” is required when the access easement is not *already* part of the Site Control.

The QAP states as follows:

(D) If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

Our reading of the above (“are not part of the Property described in the site control documentation”) is that if the easement access used for ingress/egress is not described in the site control document as being part of the property that is being purchased, then the Applicant must provide documentation of such access and evidence that the owner of the easement land agreed to the LURA (such owner could be separate from the seller of the Development Site in the application).

This section uses the defined term “Property,” which is different than “Development Site.”

(100) Property--The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether currently existing or proposed to be built or rehabilitated thereon in connection with the Application.

(41) Development Site--The area or, if more than one tract (which may be deemed by the Internal Revenue Service and/or the Department to be a scattered site), areas on which the Development is proposed and to be encumbered by a LURA.

Because this section references “Property” and not “Development Site,” and because the definition of “Property” is “real estate and all improvements thereon which are the subject of the Application,” we again believed that an easement that was outlined in the Site Control document was acceptable. Regarding Application 19079, the easement is part of what is being purchased in the contract and it is required to access and develop the site. The access easement is “real estate” currently “proposed” and it is part of the Application since it is in the Site Control, in the Title Commitment, on the Site Plan, and in the Survey. Additionally, the street improvements that will be built on the easement are part of the Application as shown in the Development Cost Schedule. Therefore, we believe that the easement is part of the “Property” described in the site control documentation.

We consulted the 2019 Multifamily Application Procedures Manual when completing the Application, which gave the following guidance:

Part 3 – Ingress/Egress and Easements: *If land for ingress and/or egress and any easements is held separately from the property described in the site control documents, describe how the land is held. Documentation of rights of ingress/egress must be included within site control*

Documentation of rights of ingress/egress is included with the property described in the Site Control documents for Application 19079. It is not separate from what is described in the site control documents. The easement is part of the property that will be purchased by the Development Owner. We did not conclude that anything else was required according to the Manual unless the “land for ingress and/or egress and any easements is held separately from the property described in the site control documents.” Per the last sentence of the guidance quoted above, documentation of the right of ingress/egress *is* included within the site control: it is described in Section 6.3 of the contract and on Exhibit B, and since it will be purchased with the site it is shown in the Title Commitment.

The language concerning Ingress/Egress and Easements is new in the 2019 QAP. We understand that there could be different interpretations of new language. If Staff does require something specific, we hope that such language and requirements are clearer in the 2020 QAP.

While we do not believe it is required per the QAP plain language and the Application Procedures Manual guidance, attached is a contract amendment confirming that the owner of the property agrees that the LURA may extend to the access easement as well as a metes and bounds description further defining the easement that was in the original contract and shown on the original survey.

FIRST AMENDMENT TO EARNEST MONEY CONTRACT AND PURCHASE AND SALE AGREEMENT

This First Amendment to Earnest Money Contract and Purchase and Sale Agreement is made and entered into effective as of the 7th day of May, 2019, by and between HFLP Ltd., a Texas limited partnership (“Seller”) and Gardner Capital Investment Fund, LLC., a Texas limited liability company, (“Purchaser”), or its permitted assigns;

Whereas, the parties hereto entered into that certain Earnest Money Purchase and Sale Agreement dated on or about December 5, 2018, for the purchase of approximately 6 acres in the City of Venus, Johnson County, Texas (the “Original Contract”); and

Whereas, Purchaser is seeking financing through an allocation of Housing Tax Credits from TDHCA as set out in Section 6.1 of the Original Contract, and such financing has certain requirements with respect to real estate that does not abut a public right-of-way; and

Whereas, the parties agreed in Section 6.3 of the Original Contract that Seller would provide ingress and egress (among other things) to the Property through an access easement over and across Seller’s land;

Now therefor, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the parties agree as follows:

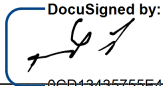
1. The parties agree that the ingress and egress easement (“Access Easement”) to be provided by Seller to Purchaser is set forth more particularly by metes and bounds description attached hereto as Exhibit “A”, and, subject to modifications required by the Texas Department of Transportation (“TXDOT”) or municipal authorities having jurisdiction, the Access Easement will be a provided such that the Property will have perpetual access to a public right-of-way (Highway 67).
2. The parties further acknowledge that once acquired, a Land Use Restrictive Agreement will need to be filed to subject the multifamily real estate being developed on the Property by Purchaser to a land use restriction agreement (the “LURA”). The purpose of a LURA is to provide affordable housing by limiting the maximum rent that can be charged for a unit and by requiring that some or all of the units be made available only to households with incomes below a certain percentage of the Average Median Income. This is an agreement to which the Purchaser agrees in exchange for the promise of future tax credits which is necessary for Purchaser’s multifamily development. These land use restrictions will be documented in the LURA, which will be recorded in the public record and will run with the Purchaser’s Property. Since the Access Easement is required for approval pursuant to Paragraph 1 above, the Seller agrees that the LURA will also be effective to subject the Access Easement to the LURA. If the Access Easement is subject to a lien from a lien of Seller’s lender, Seller will endeavor to obtain such lender’s approval to subordinate the lien to the Access Easement and the LURA.

3. All other terms and conditions of the Original Contract shall remain in full force and effect. This First Amendment may be executed in multiple counterparts. Facsimile signatures shall be deemed originals for all purposes.

Executed effective the 7th day of May, 2019.

SELLER:

HFLP LTD
A Texas limited partnership

By:  _____
Mohammad Yousof Hakemy, Partner

Gardner Capital Investment Fund, LLC
A Texas limited liability company

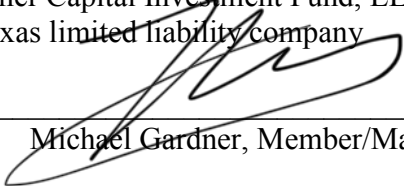
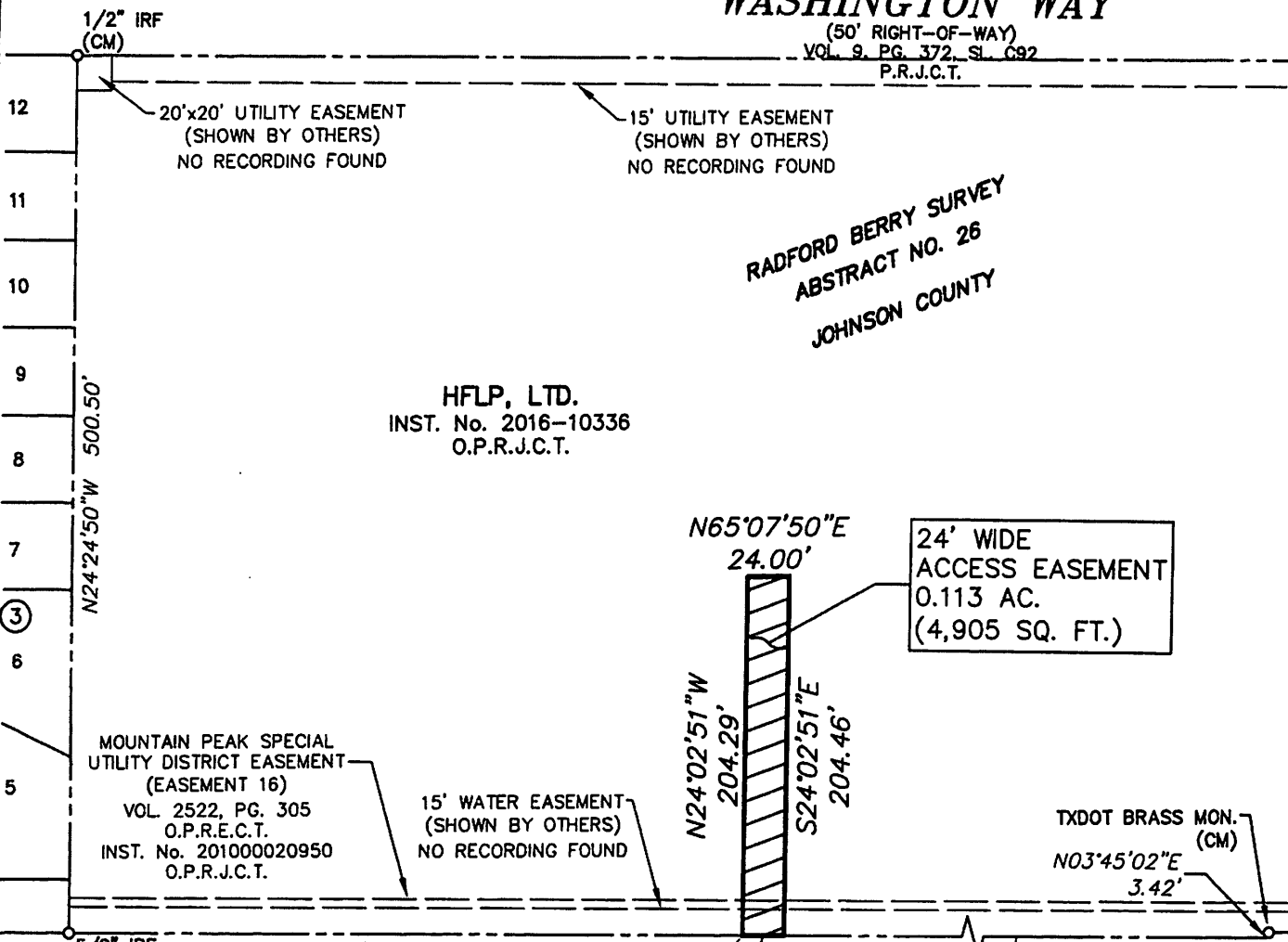
By:  _____
Michael Gardner, Member/Manager

EXHIBIT "A"

54	53	52	51	50	49	48	47	46	45	44	43	42	41	40
					(4)			PATRIOT ESTATES PHASE I VOL. 9, PG. 372, SL. C92 P.R.J.C.T.						

WASHINGTON WAY

(50' RIGHT-OF-WAY)
VOL. 9, PG. 372, SL. C92
P.R.J.C.T.



HFLP, LTD.
INST. No. 2016-10336
O.P.R.J.C.T.

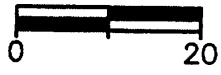
RADFORD BERRY SURVEY
ABSTRACT NO. 26
JOHNSON COUNTY

PLACE OF BEGINNING

U.S. HIGHWAY No. 67
(VARIABLE WIDTH RIGHT-OF-WAY)

* LEGEND *

- CM CONTROLLING MONUMENT
- IRF IRON ROD FOUND
- EASEMENT



BAR IS ONE INCH ON ORIGINAL FULL-SIZE PRINT

L:\PROJECTS\2016\2016-10336\2016-10336.DWG FILE: ACCESS-ESMT-18132.DWG SAVERD BY: AARONUS DATE: 07/11/2019 11:00 PM

WIA WIER & ASSOCIATES, INC.
SURVEYOR PREPARING THIS EXHIBIT:
2201 E. LAMAR BLVD., SUITE 200E ARLINGTON, TEXAS 76006 METRO (817)467-7700
Texas Firm Registration No. F-2776 www.WierAssociates.com
Texas Board of Professional Land Surveying Registration No. 10033900

24' WIDE ACCESS EASEMENT
CITY OF VENUS, JOHNSON COUNTY, TEXAS

DRAWN BY: ALS
APPROVED:

SHEET NO. 1 OF 2

REV.

EXHIBIT "A"

FIELD NOTES - DESCRIPTION
24' WIDE ACCESS EASEMENT

BEING A TRACT OF LAND LOCATED IN THE RADFORD BERRY SURVEY, ABSTRACT No. 26, JOHNSON COUNTY, TEXAS, BEING A PORTION OF A TRACT OF LAND DESCRIBED IN A DEED TO HFLP, LTD., RECORDED IN INSTRUMENT NUMBER 2016-10336, OFFICIAL PUBLIC RECORDS, JOHNSON COUNTY, TEXAS (O.P.R.J.C.T.), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 67 (A VARIABLE WIDTH RIGHT-OF-WAY) AND THE SOUTH LINE OF SAID HFLP TRACT, FROM WHICH A 5/8" IRON ROD FOUND WITH A CAP STAMPED "DC&A" BEARS S 65°31'21" W, 390.32 FEET, SAID IRON ROD BEING THE SOUTHWEST CORNER OF SAID HFLP TRACT AND THE SOUTHEAST CORNER OF BLOCK 3, PATRIOT ESTATES PHASE I, AN ADDITION TO THE CITY OF VENUS, JOHNSON COUNTY, TEXAS ACCORDING TO THE PLAT RECORDED IN VOLUME 9, PAGE 372, SLIDE C92, PLAT RECORDS, JOHNSON COUNTY, TEXAS (P.R.J.C.T.);

THENCE N 24°02'51" W, DEPARTING THE SOUTH LINE OF SAID HFLP TRACT AND THE NORTH RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 67, A DISTANCE OF 204.29 FEET TO A POINT;

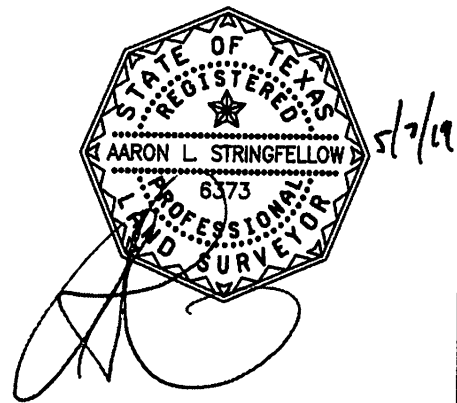
THENCE N 65°07'50" E, 24.00 FEET TO A POINT;

THENCE S 24°02'51" E, 204.46 FEET TO A POINT IN THE NORTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 67 AND THE SOUTH LINE OF SAID HFLP TRACT;

THENCE S 65°31'21" W, ALONG THE SOUTH LINE OF SAID HFLP TRACT AND THE NORTH RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY NO. 67, A DISTANCE OF 24.00 FEET TO THE PLACE OF BEGINNING AND CONTAINING 0.113 ACRES (4,905 SQUARE FEET) OF LAND, MORE OR LESS.

FILE: ACCESS-ESMT-18132.DWG
SAVED BY: AARON L. STRINGFELLOW
DATE: 01/11/2019 2:02 PM
LAST SAVE: 01/11/2019 2:02 PM

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NOTES:

- (1) ALL BEARINGS SHOWN HEREON ARE CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE 4202, NAD OF 1983, AS DERIVED BY FIELD OBSERVATIONS UTILIZING THE RTK NETWORK ADMINSTRATED BY WESTERN DATA SYSTEMS.
- (2) THIS EXHIBIT WAS PREPARED WITHOUT BENEFIT OF A CURRENT TITLE COMMITMENT.
- (3) THIS SURVEY WAS MADE ON THE GROUND DURING THE MONTH OF JANUARY 2019 UNDER THE DIRECT SUPERVISION OF AARON L. STRINGFELLOW, R.P.L.S. NO. 6373.

WIA WIER & ASSOCIATES, INC.
 SURVEYOR PREPARING THIS EXHIBIT:
 2201 E. LAMAR BLVD., SUITE 200E ARLINGTON, TEXAS 76006 METRO (817)467-7700
 Texas Firm Registration No. F-2776 www.WierAssociates.com
 Texas Board of Professional Land Surveying Registration No. 10033900

24' WIDE ACCESS EASEMENT CITY OF VENUS, JOHNSON COUNTY, TEXAS		REV.
DRAWN BY: ALS	SHEET NO. 2 OF 2	
APPROVED:		

19100
Request for Administrative Deficiency

Midland Chaparral Associates, LLC

3 East Stow Road, Suite 100
Marlton, NJ 08053

May 1, 2019

Via Email

Marni Holloway, Director of Multifamily Finance – marni.holloway@tdhca.state.tx.us
Sharon Gamble, 9% HTC Administrator – sharon.gamble@tdhca.state.tx.us
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: §11.10. Third Party Request for Administrative Deficiency;
TDHCA # 19100-Carver Ridge Apartments

Dear Ms. Holloway and Gamble:

Pursuant to §11.10 of the 2019 Qualified Allocation Plan (the “Rules”), please let this letter serve as our Third Party Request for Administrative Deficiency (“RFAD”) with regards Application #19100 (the “Carver Ridge Application”). A copy of this request is being delivered concurrently to representatives of the Carver Ridge Application (the “Carver Ridge Applicant”).

§11.8 of the Rules sets forth the process that an applicant must follow if they intend to submit a 2019 9% competitive pre-application that includes public notification. See attached **Exhibit “A”** - §11.8 of the Rules. No later than the date the pre-application is submitted, the Applicant is required to notify those individuals and entities described in §11.8(b)(2)(B) of the Rules. One of the notification recipients that an applicant is required to properly notify is the presiding officer of the Governing Body of the county in which the Development Site is located.

Carver Ridge Apartments is proposed to be located at 1301 E Dormard Avenue, Midland, Midland County, Texas 79701. As of 1/4/19, the beginning of the Application Acceptance Period, the Presiding officer of Midland County, Texas was County Judge Terry Johnson who was sworn into office on 1/3/19. See attached **Exhibit “B”** – Swearing in Announcement. The Rules state that officials to be notified are those officials in office **at the time the pre-application is submitted**. The Application Acceptance Period did not began until 1/4/19 and the Carver Ridge Applicant submitted their pre-application on 1/9/19 and certified to notifying Mike Bradford, predecessor to Terry Johnson. See attached **Exhibit “C”** – Evidence of Date of Pre-Application Submission and Officials Notified by the Carver Ridge Applicant.

Pursuant to a public information request (“PIR”) to Midland County it was confirmed that the Carver Ridge Applicant notified Mike Bradford not Terry Johnson. See attached **Exhibit “D”** – PIR Results. It is also important to note that all other applicants that submitted a 2019 9% competitive pre-application in connection with proposed developments in Midland, TX certified to notifying Terry Johnson not Mike Bradford as the Midland County Judge. See attached **Exhibit “E”** – Evidence of Pre-Application Notification.

RFAD - #19100

May 1, 2019

Page -2-

The Carver Ridge Applicant tried to correct their mistake by notifying Terry Johnson at full application and checking the box indicating that Elected Officials **had changed since the Pre-Application was submitted**. The Rules are very clear that re-notification or notification at full application is only required if a change "in elected official occurs **between** the submission of a pre-application and the submission of an application then applicants are required to notify the newly elected (or appointed) official no later than the Full Application Delivery Date". See attached **Exhibit "F"** - §11.203 of the Rules-Re-notification Requirements.

Public notification is a threshold requirement. Pursuant to §2306.6704(c) of the Texas Government Code ("TGC") those applicants that fail to satisfy any threshold criteria will be terminated. See attached **"Exhibit G"** - §2306.6704(c) of the TGC.

Accordingly, unless the Carver Ridge Applicant can provide evidence that County Judge Terry Johnson was notified by 1/9/19, the date the pre-application was submitted, we believe the Carver Ridge Application should be terminated. As a statutory requirement, the failure to provide timely and compliant written notifications to all required notification recipients may not be waived by the Board.

We appreciate your due consideration of this RFAD.

Sincerely,



John J. O'Donnell
Authorized Representative
Midland Chaparral Associates, LLC

cc: Vaughn C. Zimmerman – vczdevelop@wilhoitproperties.com
James McDonald – jmcdonald@wilhoitproperties.com

prepare and submit an Application. A complete pre-application is a pre-application that meets all of the Department's criteria, as outlined in subsections (a) and (b) of this section,

- (1) The pre-application must be submitted using the URL provided by the Department, as outlined in the Multifamily Programs Procedures Manual, along with the required pre-application fee as described in §11.901 of this chapter (relating to Fee Schedule), not later than the pre-application Final Delivery Date as identified in §11.2(a) of this chapter (relating to Program Calendar for Competitive Housing Tax Credits). If the pre-application and corresponding fee is not submitted on or before this deadline the Applicant will be deemed to have not made a pre-application.
- (2) Only one pre-application may be submitted by an Applicant for each Development Site and for each Site Control document.
- (3) Department review at this stage is limited, and not all issues of eligibility and threshold are reviewed or addressed at pre-application. Acceptance by staff of a pre-application does not ensure that an Applicant satisfies all Application eligibility, threshold or documentation requirements. While the pre-application is more limited in scope than the Application, pre-applications are subject to the same limitations, restrictions, or causes for disqualification or termination as Applications, and pre-applications will thus be subject to the same consequences for violation, including but not limited to loss of points and termination of the pre-application.
- (4) The pre-application becomes part of the full Application if the full Application claims pre-application points.
- (5) Regardless of whether a Full Application is submitted, a pre-application may not be withdrawn after the Full Application Delivery Date described in 10 TAC §11.2(a) related to Program Calendar for Competitive Housing Tax Credits.

(b) Pre-Application Threshold Criteria. Pursuant to Tex Gov't Code §2306.6704(c) pre-applications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

- (1) Submission of the Competitive HTC pre-application in the form prescribed by the Department which identifies at a minimum:
 - (A) Site Control meeting the requirements of §11.204(10) of this title (relating to Required Documentation for Application Submission). For purposes of meeting this specific requirement related to pre-application threshold criteria, proof of consideration and any documentation required for identity of interest transactions is not required at the time of pre-application submission but will be required at the time of full application submission;
 - (B) Funding request;
 - (C) Target Population;
 - (D) Requested set-asides (At-Risk, USDA, Nonprofit, and/or Rural);
 - (E) Total Number of Units proposed;
 - (F) Census tract number in which the Development Site is located, and a map of that census tract with an outline of the proposed Development Site;
 - (G) Expected score for each of the scoring items identified in the pre-application materials;
 - (H) Proposed name of ownership entity; and

(I) Disclosure of the following Neighborhood Risk Factors under §11.101(a)(3):-

(i) The Development Site is located in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com.

(ii) The Development Site is located within the attendance zones of an elementary school, a middle school, or a high school that does not have a Met Standard rating by the Texas Education Agency.

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made and that a reasonable search for applicable entities has been conducted. (§2306.6704)

(A) The Applicant must list in the pre-application all Neighborhood Organizations on record with the county or state whose boundaries include the entire proposed Development Site as of the beginning of the Application Acceptance Period.

(B) Notification Recipients. No later than the date the pre-application is submitted, notification must be sent to all of the persons or entities prescribed in clauses (i) – (viii) of this subparagraph. Developments located in an ETJ of a municipality are required to notify both municipal and county officials. The notifications may be sent by e-mail, fax or mail with registered return receipt or similar tracking mechanism in the format included in the Public Notification Template provided in the Uniform 2019 Multifamily Application Template or in an alternative format that meets the applicable requirements and achieves the intended purpose. The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the pre-application is submitted. Between the time of pre-application (if made) and full Application, such officials may change and the boundaries of their jurisdictions may change. If there is a change between pre-application and the Full Application Delivery Date, additional notifications must be made at full Application to any person or entity that has not been previously notified by the Applicant. Meetings and discussions do not constitute notification. Only a timely and compliant written notification to the correct person constitutes notification.

(i) Neighborhood Organizations on record with the state or county as of the beginning of the Application Acceptance Period whose boundaries include the entire proposed Development Site;

(ii) Superintendent of the school district in which the Development Site is located;

(iii) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(iv) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(v) All elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(vi) Presiding officer of the Governing Body of the county in which the Development Site is located;

(vii) All elected members of the Governing Body of the county in which the Development Site is located; and

(viii) State Senator and State Representative of the districts whose boundaries include the proposed Development Site;

(C) Contents of Notification.

(i) The notification must include, at a minimum, all of the information described in subclauses (I) – (VII) of this clause.

(I) the Applicant's name, address, an individual contact name and phone number;

(II) the Development name, address, city, and county;

(III) a statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(IV) whether the Development proposes New Construction, Reconstruction, Adaptive Reuse, or Rehabilitation;

(V) the physical type of Development being proposed (*e.g.* single family homes, duplex, apartments, high-rise, etc.);

(VI) the approximate total number of Units and approximate total number of Low-Income Units; and

(VII) the residential density of the Development, *i.e.*, the number of Units per acre.

(ii) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve a Target Population exclusively or as a preference unless such targeting or preference is documented in the Application and is in full compliance with all applicable state and federal laws, including state and federal fair housing laws; and

(iii) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

(c) Pre-Application Results. Only pre-applications which have satisfied all of the pre-application requirements, including those in §11.9(e)(3) of this chapter, will be eligible for pre-application points. The order and scores of those Developments released on the pre-application Submission Log do not represent a Commitment on the part of the Department or the Board to allocate tax credits to any Development and the Department bears no liability for decisions made by Applicants based on the results of the pre-application Submission Log. Inclusion of a pre-application on the pre-application Submission Log does not ensure that an Applicant will receive points for a pre-application.

§11.9.Competitive HTC Selection Criteria.

(a) General Information. This section identifies the scoring criteria used in evaluating and ranking Applications. The criteria identified in subsections (b) - (e) of this section include those items required under Tex. Gov't Code, Chapter 2306, Code §42 , and other criteria established in a manner consistent with Chapter 2306 and Code §42. There is no rounding of numbers in this

mrt* <https://www.mrt.com/news/local/article/Swearing-in-ceremony-scheduled-for-Thursday-13500462.php>

Swearing-in ceremony scheduled for Thursday

Published 2:16 pm CST, Monday, December 31, 2018

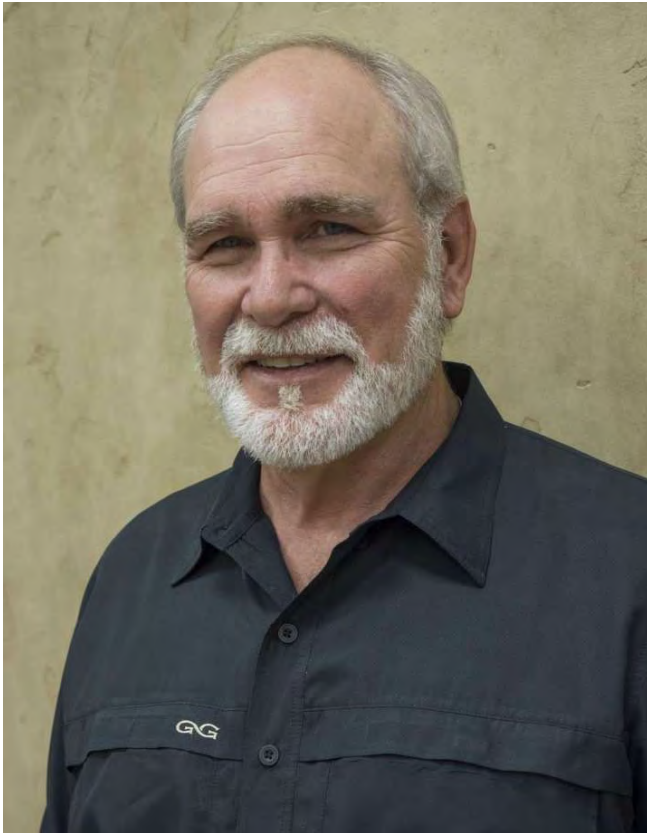


IMAGE 1 OF 3

Investitures are planned for Terry Johnson, who will become Midland County judge.

Local elected officials will be sworn in during a public ceremony Thursday at the Midland County Courthouse. Investitures are planned for Terry Johnson, who will become Midland County judge, and Jeff Robnett, who was selected to take over the 441st Judicial District Court bench.

The event is scheduled for 10 a.m. in the first floor Central Jury Room. Also listed on the invitation for the swearing-in ceremony are commissioners, justices of the peace and other officials who will serve in 2019.

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HEARST



Texas Department of Housing and Community Affairs

2019 9% Housing Tax Credit Pre-Application

EXHIBIT "C"

Application Number: 19100

Submitted Date: 1/9/2019 9:42AM

Submitted By: James McDonald

Contact Information

Primary Contact: James McDonald 1329 E. Lark St Springfield, MO 65804	Phone: 417-890-3217 Email: jmcdonald@wilhoitproperties.com
Secondary Contact: Jeff Beckler	Phone: 417-890-3234 Email: jbeckler@wilhoitproperties.com
Consultant Contact:	Phone: Email:

Development Information

Name of Proposed Entity: Carver Ridge Apartmnets, LP
Development Name: Carver Ridge Apartments
Development Type: New Construction
Secondary Type: None
Previous TDHCA #:
Initial Construction Year:
Units Demolished: 0
Units Reconstructed: 0
of Non-Contiguous Sites: 0
of Census Tracts: 1
Target Population: General
Development Address: 1301 E. Dormard Ave.
 Midland, TX 79701
ETJ?: N
County: Midland
Region: 12
Rural/Urban: Urban
Census Tracts: 48329000100
Total LI Units: 50
Total MR Units: 10
Total Units: 60
HTC Request: \$905,000.00
Pre-App Fee Due: \$600.00
Has Fee already been submitted?: Yes
Name on Check: VCZ Development, LLC
Check Number: 4035
Set-Aside Election: none

Notifications

U.S. Representative: K. Michael Conaway	District: 11
State Senator: Kel Seliger	District: 31
State Representative: Tom Russell Craddick	District: 82

School Superintendent: Orlando Riddick
School District: Midland ISD
School District Address: 615 W. Missouri Ave.
 Midland, TX 79701

Presiding Officer of Board of Trustees: President Rick Davis
Address: 615 W. Missouri Ave.
 Midland, TX 79701

Elected Officials: Jerry Morales
 Scott Dufford
 Spencer Robnett
 Jeff Sparks
 John B. Love III
 J. Ross Lacy
 Mike Bradford
 Scott Ramsey
 Robin Donnelly
 Luis D. Sanchez
 Randy Prude
 Sharla Hotchkiss

Mayor
 City Council Member
 City Council Member
 City Council Member
 City Council Member
 City Council Member
 County Judge
 County Commissioner
 County Commissioner
 County Commissioner
 County Commissioner
 City Council Member

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

Unit Sizes: 6
Unit Features: 9
Sponsor Characteristics: 2
High Quality Housing Total: 17

Criteria to Serve and Support Texans Most in Need

Income Levels of Tenants: 16
Rent Levels of Tenants: 11
Tenant Services: 10
Opportunity Index: 7
Underserved Area: 3
Tenant Populations with Special Housing Needs: 2
Proximity to the Urban Core: 0
Serve and Support Texans Most in Need Total: 49

Criteria Promoting Community Support and Engagement

Commitment of Development Funding by Local Political Subdivision: 1
Declared Disaster Area: 10
Community Support and Engagement Total: 11

Carver Ridge Apartments, LP
1329 E. Lark St
Springfield, MO 65804

January 3, 2019

County Judge's Office
Honorable Mike Bradford
500 N Loraine Street, Suite 1100
Midland, TX 79701

Dear Judge Bradford,

Carver Ridge Apartments, LP is making an application for the competitive 9% Low Income Housing Tax Credit with the Texas Department of Housing and Community Affairs for Carver Ridge Apartments, at 1301 E Dormard Avenue, Midland, Texas, Midland County. This new construction is an apartment community and composed of approximately (60) units of which (50) will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately (8.7 units).

In the spring, the Department will hold public hearings in various locations around the state to gather input on Competitive Housing Tax Credit applications; comments can be made on any and all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

For Tax-Exempt Bond applications where the Department is the issuer, there will be a public hearing to receive public comment on the proposed development. Information regarding the date, time, and location of that hearing will be disseminated at least 30 days prior to the hearing date on the Department's website (<http://www.tdhca.state.tx.us/multifamily/communities.htm>). For Tax-Exempt Bond applications that utilize a local issuer interested individuals are encouraged to contact the local issuer for information regarding the public hearing.

Sincerely,



Representative of Carver Ridge Apartments, LP

Jeff Beckler
Assistant Vice President of Development
417-890-3234

From: [Zachary Krochtengel](#)
To: [Donna Rickenbacker](#)
Subject: Fw: Garden Ridge Apartments-Open Records Request
Date: Monday, April 29, 2019 3:57:01 PM

From: Russell Malm <RMalm@mcounty.com>
Sent: Monday, April 29, 2019 3:03 PM
To: Zachary Krochtengel
Subject: RE: Garden Ridge Apartments-Open Records Request

Zach,

At my request, the County Judge's Administrative Assistant searched again for a notification from Carver Ridge Apartments to Terry Johnson. She was still unable to find any notification other than the one addressed to Judge Bradford. If it was sent, the County Judge's office has no record of it.

If you learn of any additional information that might help in the search, please let me know.

Russell W. Malm
Midland County Attorney
500 N. Loraine, Suite 1101
Midland, TX 79701
(432)688-4490
Fax: (432)688-4931
email: malm@co.midland.tx.us

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Application	Development	County Judge Pre-App
19228	Chaparral Apartments	Terry Johnson
19100	Carver Ridge Apartments	Mike Bradford
19337	Midland Trails	Terry Johnson
19347	Midland Pioneer Crossing	Terry Johnson

(iii) the role of the person in causing or materially contributing to any problems with the success of the development;

(iv) the person's compliance history, including compliance history on other developments; or (v) any other facts or circumstances that have a material bearing on the question of the person's ability to be a compliant and effective participant in their proposed role as described in the Application; and

(N) fails to disclose in the Application any voluntary compliance agreement or similar agreement with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements. Any such agreement impacting the proposed Development or any other affordable housing Development controlled by the Applicant must be disclosed.

(2) Applications. An Application shall be ineligible if any of the criteria in subparagraphs (A) - (C) of this paragraph apply to the Application:

(A) a violation of Tex. Gov't Code, §2306.1113, exists relating to Ex Parte Communication. An ex parte communication occurs when an Applicant or Person representing an Applicant initiates substantive contact (other than permitted social contact) with a board member, or vice versa, in a setting other than a duly posted and convened public meeting, in any manner not specifically permitted by Tex. Gov't Code, §2306.1113(b). Such action is prohibited. For Applicants seeking funding after initial awards have been made, such as waiting list Applicants, the ex parte communication prohibition remains in effect so long as the Application remains eligible for funding. The ex parte provision does not prohibit the Board from participating in social events at which a Person with whom communications are prohibited may, or will be present; provided that no matters related to any Application being considered by the Board may be discussed. An attempted but unsuccessful prohibited ex parte communication, such as a letter sent to one or more board members but not opened, may be cured by full disclosure in a public meeting, and the Board may reinstate the Application and establish appropriate consequences for cured actions, such as denial of the matters made the subject to the communication.

(B) the Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency; or

(C) for any Development utilizing Housing Tax Credits or Tax-Exempt Bonds:

(i) at the time of Application or at any time during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is or has been a person covered by Tex. Gov't Code, §2306.6703(a)(1) or §2306.6733;

(ii) the Applicant proposes to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in Tex. Gov't Code, §2306.6703(a)(2) of the are met.

§11.203. Public Notifications (§2306.6705(9)). A certification, as provided in the Application, that the Applicant met the requirements and deadlines identified in paragraphs (1) - (3) of this section must be submitted with the Application. For Applications utilizing Competitive Housing Tax Credits, notifications must not be older than three (3) months from the first day of the Application Acceptance Period. For Tax-Exempt Bond Developments notifications and proof thereof must not be older than three (3) months prior to the date Parts 5 and 6 of the Application

are submitted, and for all other Applications no older than three (3) months prior to the date the Application is submitted. If notifications were made in order to satisfy requirements of pre-application submission (if applicable to the program) for the same Application, then no additional notification is required at Application. However, re-notification is required by all Applicants who have submitted a change from pre-application to Application that reflects a total Unit increase of greater than 10 percent or a 5 percent increase in density (calculated as units per acre) as a result of a change in the size of the Development Site. In addition, should the person holding any position or role described change between the submission of a pre-application and the submission of an Application, Applicants are required to notify the new person no later than the Full Application Delivery Date.

(1) Neighborhood Organization Notifications.

(A) The Applicant must identify and notify all Neighborhood Organizations on record with the county or the state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the entire proposed Development Site. As used in this section, “on record with the state” means on record with the Secretary of State.

(B) The Applicant must list, in the certification form provided in the pre-application and Application, all Neighborhood Organizations on record with the county or state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the proposed Development Site as of the submission of the Application, and the Applicant must certify that a reasonable search for applicable entities has been conducted.

(2) Notification Recipients. No later than the date the Application is submitted, notification must be sent to all of the persons or entities identified in subparagraphs (A) - (H) of this paragraph. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are required to notify both city and county officials. The notifications may be sent by e-mail, fax or mail with return receipt requested or similar tracking mechanism. A template for the notification is included in the Application Notification Template provided in the Application. Evidence of notification is required in the form of a certification provided in the Application. The Applicant is required to retain proof of delivery in the event it is requested by the Department. Evidence of proof of delivery is demonstrated by a signed receipt for mail or courier delivery and confirmation of receipt by recipient for fax and e-mail. Officials to be notified are those officials in office at the time the Application is submitted. Note that between the time of pre-application (if made) and full Application, such officials may change and the boundaries of their jurisdictions may change. By way of example and not by way of limitation, events such as redistricting may cause changes which will necessitate additional notifications at full Application. Meetings and discussions do not constitute notification. Only a timely and compliant written notification to the correct person constitutes notification.

(A) Neighborhood Organizations on record with the state or county as of 30 days prior to the beginning of the Application Acceptance Period whose boundaries include the entire Development Site;

(B) Superintendent of the school district in which the Development Site is located;

(C) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(D) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(E) All elected members of the Governing Body of the municipality (if the Development

Site is within a municipality or its extraterritorial jurisdiction);

(F) Presiding officer of the Governing Body of the county in which the Development Site is located;

(G) All elected members of the Governing Body of the county in which the Development Site is located; and

(H) State Senator and State Representative of the districts whose boundaries include the Development Site.

(3) Contents of Notification.

(A) The notification must include, at a minimum, all information described in clauses (i) - (vii) of this subparagraph.

(i) the Applicant's name, address, individual contact name, and phone number;

(ii) the Development name, address, city and county;

(iii) a statement indicating the program(s) to which the Applicant is applying with the Texas Department of Housing and Community Affairs;

(iv) whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;

(v) the physical type of Development being proposed (e.g. single family homes, duplex, apartments, high-rise etc.);

(vi) the total number of Units proposed and total number of Low-Income Units proposed; and

(vii) the residential density of the Development, i.e., the number of Units per acre;

(C) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve a Target Population exclusively or as a preference unless such targeting or preference is documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws; and

(D) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

§11.204. Required Documentation for Application Submission. The purpose of this section is to identify the documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by Department rule. If any of the documentation indicated in this section is not resolved, clarified or corrected to the satisfaction of the Department through either original Application submission or the Administrative Deficiency process, the Application will be terminated. Unless stated otherwise, all documentation identified in this section must not be dated more than six (6) months prior to the close of the Application Acceptance Period or the date of Application submission as applicable to the program. The Application may include, or Department staff may request, documentation or verification of compliance with any requirements related to the eligibility of an Applicant, Application, Development Site, or Development.

(1) Certification, Acknowledgement and Consent of Development Owner. A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by the Development Owner and addresses the specific requirements

Texas Government Code - GOVT § 2306.6704. Preapplication Process

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- (a) To prevent unnecessary filing costs, the department by rule shall establish a voluntary preapplication process to enable a preliminary assessment of an application proposed for filing under this subchapter.
- (b) The department shall award in the application evaluation process described by Section 2306.6710 an appropriate number of points as an incentive for participation in the preapplication process established under this section.
- (b-1) **The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:**
- (1) any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;
 - (2) the superintendent and the presiding officer of the board of trustees of the school district containing the development;
 - (3) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;
 - (4) **the presiding officer of the governing body of the county containing the development and all elected members of that body;** and
 - (5) the state senator and state representative of the district containing the development.
- (c) **The department shall reject and return to the applicant any application assessed by the department under this section that fails to satisfy the threshold criteria required by the board in the qualified allocation plan.**
- (d) If feasible under Section 2306.67041, an application under this section must be submitted electronically.

19100
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: ["vczdevelop@wilhoitproperties.com"](mailto:vczdevelop@wilhoitproperties.com)
Cc: [Jamie McDonald](#)
Subject: 19100 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 11:50:00 AM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19100 Carver Ridge Apartments**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions whether the Applicant timely notified County Judge Terry Johnson, who took office on January 3, 2019.

Provide evidence that the appropriate county judge was notified timely.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant

will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19100
Deficiency Response(s)

19189

Request for Administrative Deficiency

May 1, 2019

Ms. Sharon Gamble
Texas Department of Housing and Community Affairs
21 E 11th Street
Austin, Texas 78701

Re: HTC Application 19189 Lakewood Crossing

Dear Ms. Gamble:

Please consider this a formal request for a Third Party Request for Administrative Deficiency (RFAD) for TDHCA Application 19189 Lakewood Crossing. This RFAD concerns the Opportunity Index selection. The Application has claimed points for Opportunity Index points under Section 11.9(c)(4) when it is not eligible.

Opportunity Index

Section 11.9(c)(4) Opportunity Index specifically states:

(4) Opportunity Index. The Department may refer to locations qualifying for points under this scoring item as high opportunity areas in some materials. A Development is eligible for a maximum of seven (7) opportunity index points.

(A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate of less than the greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.

(i) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region and a median household income rate in the two highest quartiles within the uniform service region. (2 points)

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

(B) An Application that meets the foregoing criteria may qualify for additional points for any one or more of the following factors....

Application 19189 is located in census tract 48221160100, which is a 3rd quartile census tract with a poverty of 12.7% (see Attachment A). As a 3rd quartile census tract, to be eligible for Opportunity Index points, the census tract must meet 11.9(c)(4)(A)(ii) which states that the tract is "contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between."

The Site Information Form Part II form and map submitted with the Application states that the contiguous census tract is 48221160209 (see Attachment B). However, the boundary between the

Development census tract and the contiguous census tract 48221160209 is the Brazos River and Lake Granbury. As shown in Attachment C, the Brazos River is the "longest river flowing entirely in Texas" and Lake Granbury is a dammed reservoir on the Brazos River.

The census tract map submitted with Application 19189 and attached as Attachment B clearly shows the river in between the census tracts. The river is clearly shown as the boundary on other official maps including those provided by HUD (Attachment D) and the US Census Factfinder (Attachment E). Added notes on Attachment E show that all census tracts that would be contiguous to the Development census tract without a river between are 3rd quartile tracts and therefore cannot be used to meet the requirements of the scoring item.

It is a fact that there is a large river that is the boundary between the Development 3rd quartile census tract 48221160100 and 2nd quartile census tract 48221160209. Guidance was obtained from TDHCA staff prior to the start of the Application Acceptance Period regarding this exact scenario with the question of whether a bridge connecting the tracts would mitigate the physical barrier and make the 3rd quartile tract eligible for the points. TDHCA staff indicated that a bridge would not mitigate the river (see Attachment F).

Section 11.9(c)(4) of the QAP is clear that a 3rd quartile census tract is eligible for points if it is "contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts." Application 19189 has the Brazos River as the physical barrier between the contiguous census tract. TDHCA Staff confirmed that a bridge does not mitigate the physical barrier, nor does the QAP provide for any type of mitigation. Application 19189 is not eligible for any points under Section 11.9(c)(4) Opportunity Index.

Accordingly, the loss of points under Section 11.9(c)(4) Opportunity Index will also cause a loss of points under 11.9(e)(3) Pre-Application Participation. At Pre-Application, this Applicant selected 7 points for Opportunity Index (see Attachment G). It must also be noted that the 19189 Pre-Application states that the Development census tract is 48221160209, which is a 2nd quartile tract that *would* be eligible for Opportunity Index points. Section 11.9(e)(3)(F) under Pre-Application Participation requires that the "census tract number listed at pre-application is the same at Application." Because the Development is actually located in census tract 48221160100, we do not believe the Applicant is eligible for Pre-Application Participation points due to this additional error.

Thank you for your attention.

Sincerely,


Ryan Hamilton

Site Information Form Part I

Self Score Total: **120**

1. Development Address (All Programs)

300 S Park

Granbury

ETJ?

No

Address

City

3

76048

Hood

Rural

Region

Zip

County

Rural/Urban

2. Census Tract Information (All Programs)

48221160100

No

Median Household Income:

48864.00

Quartile:

3q

Poverty Rate:

12.7

Census Tract Number

QCT?

(11 digits)

The poverty rate for the Census Tract is above 40% (55% for Regions 11 or 13), and the Neighborhood Risk Factors Report and required documentation has been submitted.

3. Resolutions (Competitive HTC and Tax-Exempt Bonds, if applicable) [10 TAC §11.3]

Check the boxes of true statements below. Resolutions must be provided to demonstrate eligibility for any **unchecked** item. **Twice the State Average Per Capita.** The proposed Development is **NOT** located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private Activity Bonds. (QAP §11.3(c)) **One Mile Three Year Rule.** The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located one mile or less from a New Construction HTC or Bond Development serving the same type of household and awarded within the applicable three-year period and has not been withdrawn or terminated, **OR** the Development meets one of the exceptions in §11.3(d)(2) of the QAP (provide evidence of exception). **Limitations on Developments in Certain Census Tracts.** The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located in a census tract that has more than 20% HTC units per total households. (§11.3(e))

4. Two Mile Same Year Rule (Competitive HTC Only) [10 TAC §11.3(b)]

 The site is not located in a county with a population that exceeds one million. n/a The site is located in a county with a population that exceeds one million and is not located within 2 linear miles of the proposed Development Site of any eligible Pre-application in the same county. n/a The site is located in a county with a population that exceeds one million and is located within 2 linear miles of the site of the following eligible Pre-application(s) within the same county:

5. Proximity of Development Sites (Competitive HTC Only) [10 TAC §11.3(g)]

 n/a The site is contiguous to or within 1,000 feet of the site for the following eligible Pre-application(s) serving the same Target Population:

6. Zoning [10 TAC §11.204(11)] and Flood Zone Designation [10 TAC §11.101(a)(1)] (All Programs)

Development Site is appropriately zoned?

Yes

Zoning Designation: MF - 18 units per acre

Flood Zone Designation:

AE, X

Entire Development Site is outside the 100 year floodplain.

No

Farmland Designation (New Construction (including adaptive re-use) seeking Section 811 and/or Direct Loan funds):

Prime Farmland

7. Site & Neighborhood Standards (New Construction Direct Loan only) [10 TAC §13.11(o)(6)(B)]; [24 CFR 92.202, 93.150]

Confirm the following supporting documents are provided behind this tab.

 n/a Statement explaining **how** the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons. n/a DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.

Site Information Form Part II

120

Opportunity Index points are not requested. Part 1 entries are related to Concerted Revitalization Plan.
If yes, skip down to select amenities under Urban or Rural, as applicable.

1. **Opportunity Index (Competitive HTC and Direct Loan Applications Only) [10 TAC §11.9(c)(4) and 10 TAC §13.6(1)]**



Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.

AND

The census tract has a median household income rate in the two highest quartiles within the region (2 points).

OR

The census tract has a median household income in the third quartile within the region, **and** is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between, **and** the Development Site is no more than 2 miles from the boundary between the census tracts. A map showing the Development Site, location of the border, scale showing distance, and other applicable evidence is included (1 point).

Contiguous Census Tract #

Contiguous Tract Quartile

Development is Urban and Development Site is within the required radius of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(i) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

Development is Rural or USDA and Development Site is within the required distance of eligible amenities and/or services pursuant to §11.9(c)(4)(B)(ii) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

<input type="text" value="full service grocery store (1 point)(4 miles)"/>	<input type="text" value="public library (1 point)(4 miles)"/>
<input type="text" value="health-related facility (1 point)(4 miles)"/>	<input type="text" value="delivered meals service (1 point)"/>
<input type="text"/>	<input type="text" value="outdoor recreation facility available to public (1 point) (3"/>
<input type="text" value="indoor recreation facility available to public (1 point)"/>	<input type="text"/>
<input type="text" value="community, civic or service organization (1 point)(3 m"/>	<input type="text"/>
<input type="text" value="pharmacy (1 point)(4 miles)"/>	<input type="text"/>

No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

Application is seeking points for Opportunity Index.

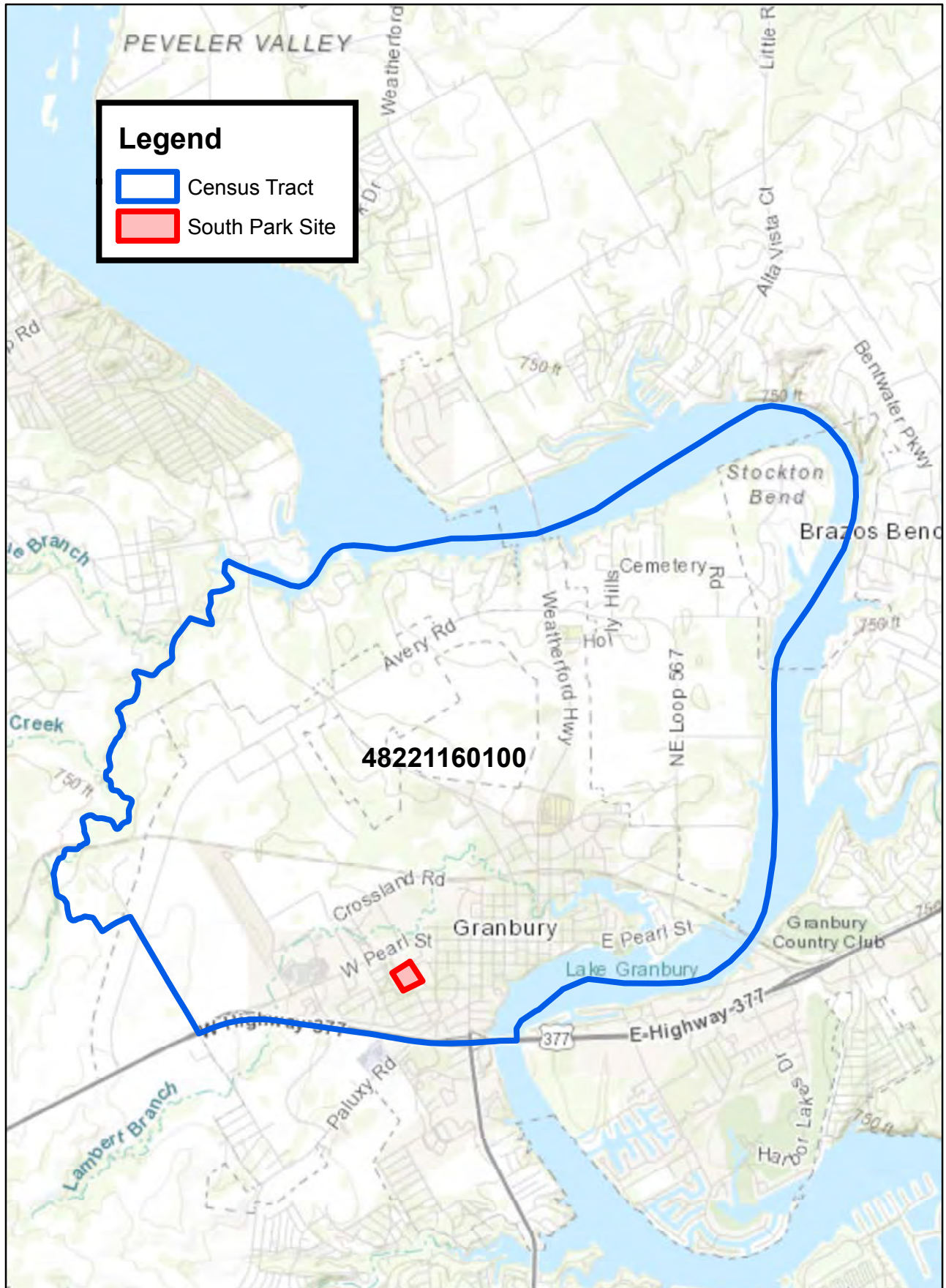
Total Points Claimed:



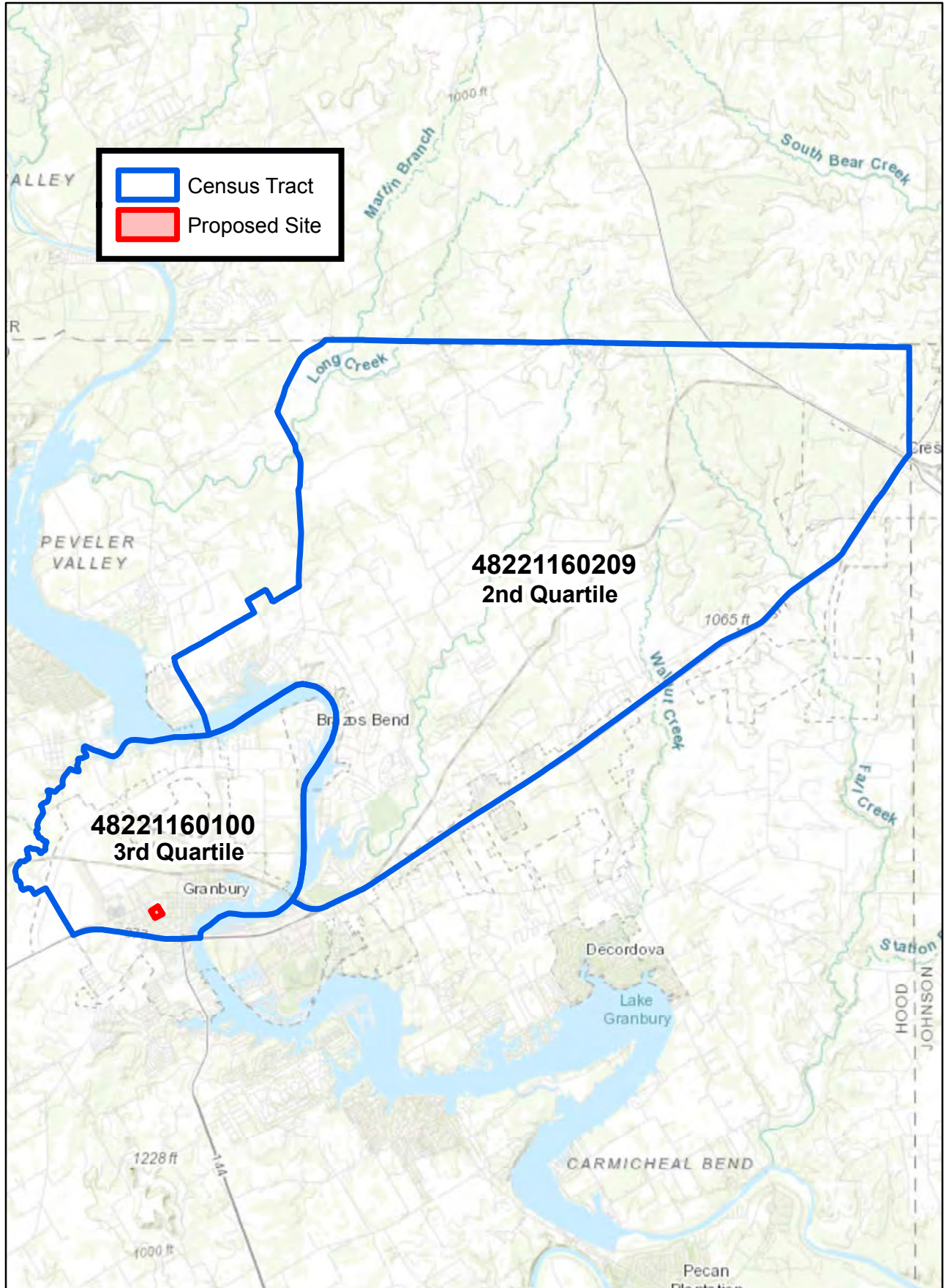
7

If necessary, provide a brief summary of how the Development Site is justifying the points selected:

Census Tract Map



Contiguous Tract Map



Attachment C

|



About Us ▾

Doing Business ▾

Careers ▾

Contact Us ▾



About Us > About The BRA > About The Brazos River

The Brazos River

The Brazos River is the longest river flowing entirely in Texas, with its



watershed stretching from New Mexico to the Gulf of Mexico.

About The BRA

About the Brazos River >

Basin History

Board of Directors >

Management >

Financial Information >

Enabling Legislation >

Landowner's Bill of Rights

Maps

The Brazos River draw lies approximately 50 miles west of the Texas-New Mexico border beginning a watershed that stretches 1,050 miles and comprises 44,620 square miles, 42,000 of which are in Texas.

The Brazos River proper is formed at the confluence of the upper forks of the river, the Salt and Double Mountain, in Stonewall County. The Clear Fork joins the river just above Possum Kingdom Lake in Young County. The river enters the Gulf of Mexico two miles south of the city of Freeport in Brazoria County.

The Brazos crosses most of the physiographic regions of Texas - the High Plains, Blackland Prairie, Edwards Plateau, Coastal Sand Plains, and Gulf Coast Prairies & Marshes, offering a variety of landscapes including canyons in the upper portion, rolling hills and plains in the central, and beaches near the Gulf. The river descends at a rate of three feet to one-half foot per mile flowing 820 miles down to the Gulf of Mexico.

In addition to the Salt Fork and Double Mountain Fork, there are five other principal tributaries along the Brazos River. These include the Clear Fork, Yegua Creek and the Bosque, Little and Navasota rivers.

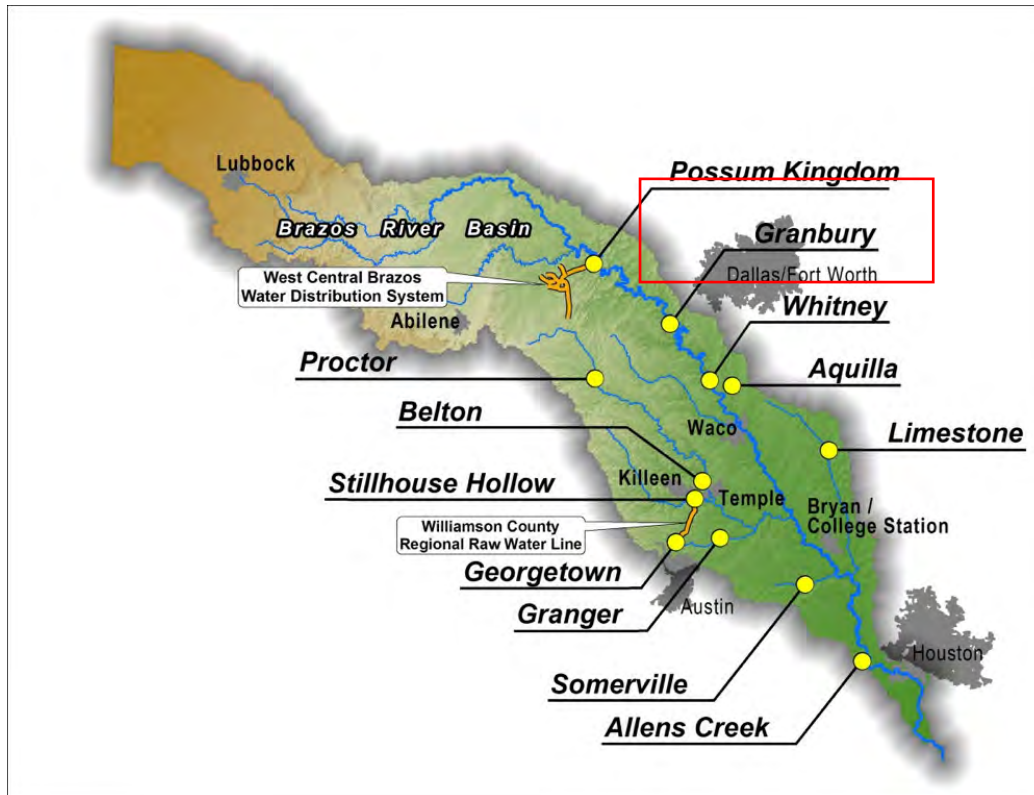
Within these tributaries are 15 subtributaries, including the Leon River, a tributary of the Little River. The most prevalent cities in the Brazos River basin are Lubbock, Graham, Waco, Temple, Belton, Georgetown, Round Rock, Bryan-College Station, Freeport and Galveston. The major metropolitan cities of Dallas-Fort Worth, Austin and Houston lie just outside the watershed boundaries.

Like the terrain, the climate throughout the river basin ranges significantly, from temperate to subtropical. The average annual temperature varies from 59 degrees in the upper parts to 71 degrees in the coastal area. Although winters are typically mild and brief, there have been temperatures below zero recorded.

Rainfall averages from 15 inches annually in the northwest to 50 inches in the southeast region. The soil along the basin ranges from sandy loams to deep clay. Natural vegetation consists of grasses in the dry portions to hardwoods in the wet portions. Farming and ranching is possible in almost all areas in the basin. Cotton, cattle and oil have been the most prominent products.

It is almost certain that the Brazos is the river that Indians of the Caddoan linguistic group called Tokonohono, which is preserved in narratives of past expeditions. As a result of early explorers confusing the Colorado and Brazos rivers, the name Brazos was probably first used for the Colorado River. Los Brazos de Dios, the

[Reservoirs >](#)[Water Supply >](#)[Water Quality >](#)[Water Levels >](#)[News >](#)[Education >](#)



complete name of the river, translates to "the arms of God." There are several stories explaining why it was named this; each involving the river being the first source of water fit to consume found by people that were in dire need.

The first permanent settlement on the river was San Felipe de Austin at the Atascosito Crossing of the Brazos. Founded by John McFarland, one of Stephen F. Austin's "Old Three Hundred" families the town became the colonial capital of Texas.

The Brazos at Velasco was the scene of the first colonial resistance to Mexican authority. The Brazos River settlements of Columbia and Washington-on-the-Brazos served as the first two seats of government of the Republic of Texas.

Navigation of the river became a priority to many Texans in hope of expanding trade throughout the state. With river flows alternating between drought and floods, the task was difficult as best. In the early 1900's the US Army Corps of Engineers began building a series of locks that would allow navigation as far north as the City of Waco. However, a major flood destroyed the majority of work begun and the Corps chose not to rebuild.

The natural mouth of the river was located at Quintana, two miles southeast of Freeport. However, shifting Gulf sandbars created a hazard to shipping and in 1929 the US Army Corps of Engineers diverted the mouth of the river into the Gulf

Intracoastal Waterway.

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About Us > Reservoirs > Lake Granbury

Lake Granbury - DeCordova Bend Dam

DeCordova Bend Dam and Lake Granbury were constructed by the Brazos River Authority and are maintained and operated by the BRA as a source of water supply.

The project was authorized through a permit issued by the State of Texas in 1964.

Construction began in December 1966 and was completed by September 1969.

The project provides 129,011 acre-feet of storage capacity for conservation of flood and storm waters to meet



About The BRA >

Reservoirs

Possum Kingdom Lake >

Lake Granbury >

Online Lake Map

Amenities

Living Lakeside at Lake Granbury

Lake Regulations

requirements of municipalities, industries, agriculture, and mining.

The reservoir was built without use of tax dollars; having been financed entirely with revenues from sales of water by the BRA. The principal revenues used to finance the project are provided under a contract with TXU Electric Company for purchase of water for industrial use, including cooling water for a natural gas-fired steam electric power plant on the reservoir and the Comanche Peak Nuclear Power Plant near Glen Rose. The reservoir also furnishes raw water to Hood and Johnson counties for municipal use.

The reservoir has five public access areas for picnicking and fishing including four parks offering primitive camping sites.

[FAQ](#)

[Granbury Contact Information](#)

[Lake Limestone >](#)

[Allens Creek Reservoir \(proposed\) >](#)

[Federal Reservoirs](#)

[Lake Safety >](#)

[Water Supply >](#)

[Water Quality >](#)

[Water Levels >](#)

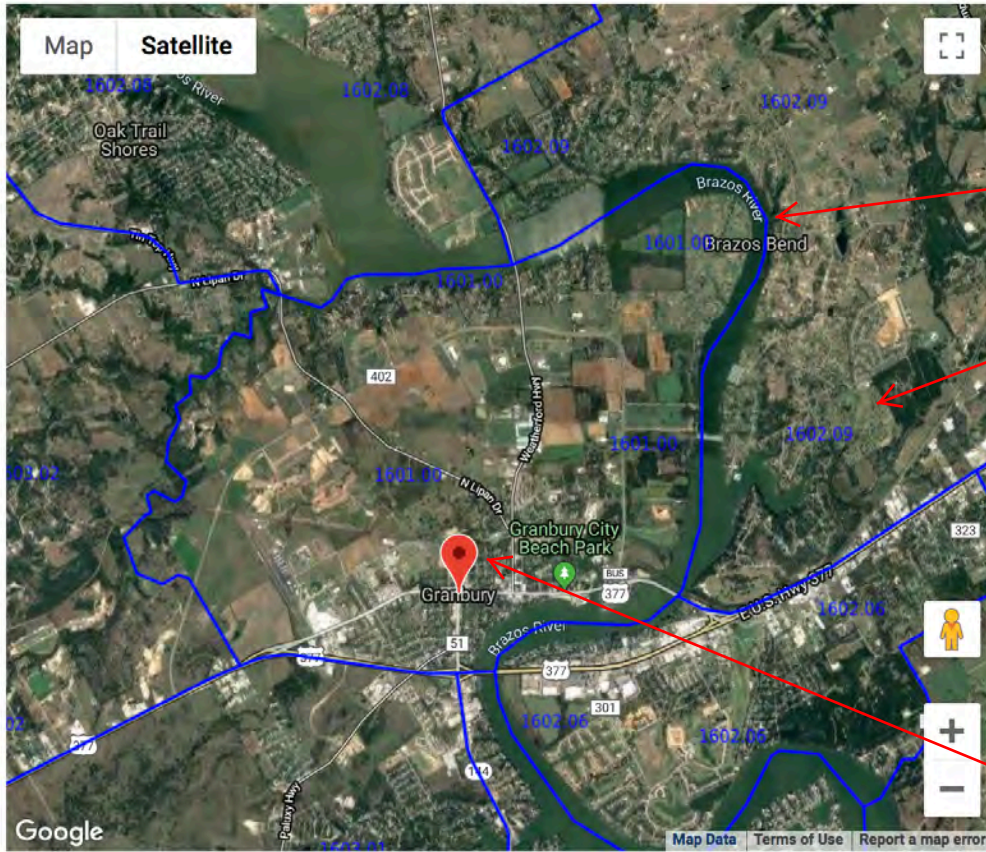
[News >](#)

[Education >](#)

Attachment D

HUD Census Tract Map

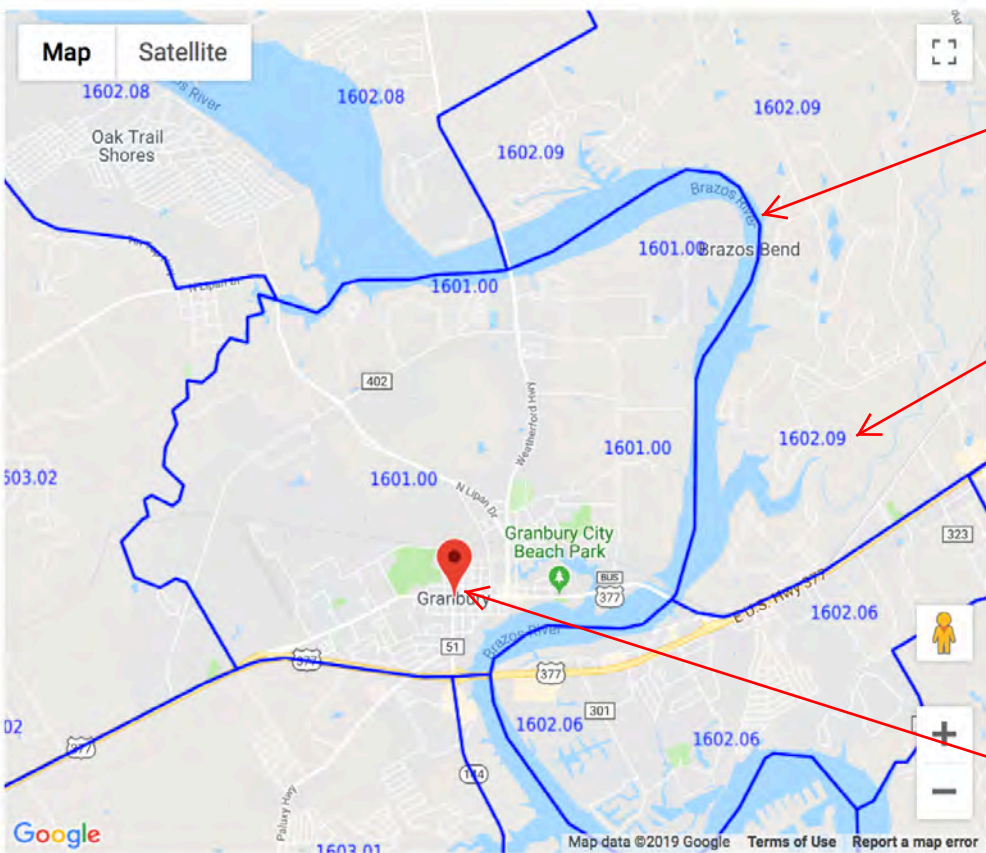
https://www.huduser.gov/portal/sadda/sadda_qct.html



Brazos River

Contiguous Tract

Development Site



Brazos River

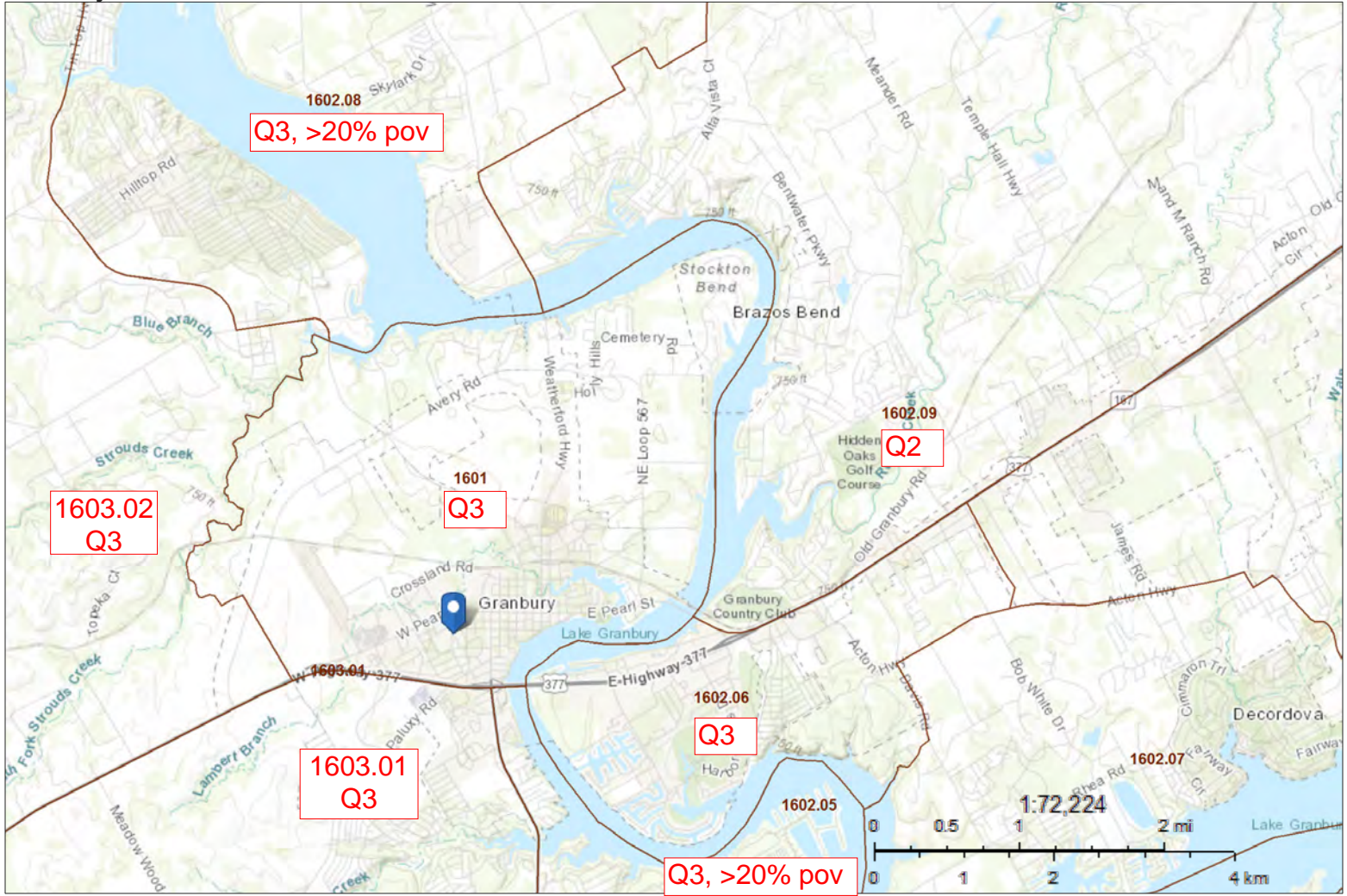
Contiguous Tract

Development Site



Attachment E

Granbury



Legend

Your Selections

No Legend

Selection Results

No Legend

2018 Boundaries

Census Tract



Opportunity Index question

Sharon Gamble <sharon.gamble@tdhca.state.tx.us>

Wed, Oct 17, 2018 at 5:12 PM

To: Alyssa Carpenter <ajcarpen@gmail.com>, Marni Holloway <marni.holloway@tdhca.state.tx.us>, Brooke Boston <brooke.boston@tdhca.state.tx.us>

Cc: Sarah Anderson <sarah@sarahandersonconsulting.com>

Alyssa:

A bridge would not mitigate the presence of a river or highway between the tracts.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

-----Original Message-----

From: Alyssa Carpenter [mailto:ajcarpen@gmail.com]

Sent: Tuesday, October 16, 2018 6:16 PM

To: Sharon Gamble; Marni Holloway; Brooke Boston

Cc: Sarah Anderson

Subject: Opportunity Index question

Hi, Sharon, Marni, and Brooke:

For the Q3 Opportunity Index qualification that states "without physical barriers such as highways or rivers between," would a tract qualify for these points as Q3 if there is a bridge that goes over the river or highway to connect the Q3 census tract to a contiguous Q1 or Q2 tract? I am assuming that the physical barrier is still there between the tracts regardless of a road connecting the two and therefore would not be eligible for the points, but I would like to confirm. Thank you.

Regards,

Alyssa Carpenter

Texas Department of Housing and Community Affairs

2019 9% Housing Tax Credit Pre-Application

Attachment G

Application Number: 19189

Submitted Date: 1/9/2019 11:23AM

Submitted By: Melissa Forster

Contact Information

Primary Contact: Melissa Forster
1329 E Lark Street
Springfield, MO 65804

Phone: 417-885-3500
Email: mforster@wilhoitproperties.com

Secondary Contact: Ben Mitchell

Phone: 417-890-3219
Email: bmitchell@wihoitproperties.com

Consultant Contact:

Phone:
Email:

Development Information

Name of Proposed Entity: Lakewood Crossing, LP
Development Name: Lakewood Crossing
Development Type: New Construction
Secondary Type: None
Previous TDHCA #:
Initial Construction Year:
Units Demolished: 0
Units Reconstructed: 0
of Non-Contiguous Sites: 0
of Census Tracts: 1
Target Population: General
Development Address: 300 South Park Street
Granbury, TX 76048
ETJ?: N
County: Hood
Region: 3
Rural/Urban: Rural
Census Tracts: 48221160209
Total LI Units: 34
Total MR Units: 14
Total Units: 48
HTC Request: \$615,000.00
Pre-App Fee Due: \$480.00
Has Fee already been submitted?: Yes
Name on Check: JMZ Land Company, LLC
Check Number: 4027
Set-Aside Election: none

Notifications

U.S. Representative: Representative K. Michael Conaway **District:** 11
State Senator: Senator Brian Birdwell **District:** 22
State Representative: Reprsentative Mike Lang **District:** 60

School Superintendent: Dr. Jeremy K. Glenn
School District: Granbury ISD
School District Address: 600 W. Peart St.
 Granbury, TX 76048

Presiding Officer of Board of Trustees: Mark Jackson
Address: 217 N. Jones St
 Granbury, TX 76048

Elected Officials: Mayor Nin Hulett
 Commissioner Tom Allen
 Commissioner Bruce Wadley
 Commissioner Trish Reiner
 Commissioner Toby Mobly
 Commissioner Greg Corrigan
 Judge Darrell Cockerham
 Commissioner James Deaver
 Commissioner Butch Barton
 Commissioner Bruce White
 Commissioner Steve Berry

Mayor
 City Council Member
 City Council Member
 City Council Member
 City Council Member
 City Council Member
 County Judge
 County Commissioner
 County Commissioner
 County Commissioner
 County Commissioner

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

Unit Sizes: 6
Unit Features: 9
Sponsor Characteristics: 2
High Quality Housing Total: 17

Criteria to Serve and Support Texans Most in Need

Income Levels of Tenants: 16
Rent Levels of Tenants: 11
Tenant Services: 10
Opportunity Index: 7
Underserved Area: 3
Tenant Populations with Special Housing Needs: 2
Proximity to the Urban Core: 0
Serve and Support Texans Most in Need Total: 49

Criteria Promoting Community Support and Engagement

Commitment of Development Funding by Local Political Subdivision: 1
Declared Disaster Area: 10
Community Support and Engagement Total: 11

Criteria Promoting Efficient Use of Limited Resources and Applicant Accountability

Financial Feasibility:	18
Cost of Development per Square Foot:	12
Pre-Application Participation:	6
Leveraging Private, State and Federal Resources:	3
Extended Affordability:	2
Historic Preservation:	0
Right of First Refusal:	1
Funding Request Amount:	1
Efficient Use of Limited Resources and Applicant Accountability Total:	43
Point Adjustment:	
Total Applicant Self-Score:	120

Intent to Request Points for Items not Included in the Applicant's Self-Score

Readiness to Proceed:	0 points
Government Support:	17 points
Quantifiable Community Participation:	4 points
Support from State Representative:	8 points
Input from Community Organizations:	4 points
Concerted Revitalization Plan:	0 points
Eligible to score at least 4 points under Opportunity Index?:	

Attachments and Certifications

Site Control Documentation: [Receipted Contract & Assignment w.o.EM.pdf](#)

Census Tract Map: [HUD Viewer Map SouthPark.pdf](#)
[SouthParkSiteCTMap.pdf](#)

Neighborhood Risk Factors:

Other Pertinent Information:

19189
Administrative Deficiency Notice(s)
None Required

19225
Request for Administrative Deficiency

SALEM | CLARK

May 1, 2019

Ms. Marni Holloway
Multifamily Division Director
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78701

Via Email: marni.holloway@tdhca.state.tx.us

Re: TDHCA Application #19225 – Rosewood Senior Villas

Dear Ms. Holloway,

In accordance with §11.10 of the 2019 QAP – Third Party Request for Administrative Deficiency, we are formally challenging the above-referenced application’s eligibility under Undesirable Site Features §11.101(a)(2)(E) & §11.101(a)(2)(F). No fee is attached as the rules do not require a fee this cycle.

We request the Application’s score be reduced by three points. One point for Funding Request Amount and two points for Sponsor Characteristics. Each item challenged is further discussed below.

§11.101(a)(2)(E) - Proximity to Active Railroad Track

§11.101(a)(2)(E) considers ineligible:

“Development Sites located within 500 feet of active railroad tracks, measured from the closest rail to the boundary of the Development Site, unless:

(i) the Applicant provides evidence that the city/community has adopted a Railroad Quiet Zone; or

(ii) the Applicant has engaged a qualified Third Party to perform a noise assessment and the Applicant commits to perform sound mitigation in accordance with HUD standards as if they were directly applicable to the Development; or

(iii) the railroad in question is commuter or light rail;”

The Applicant disclosed the presence of an active rail road adjacent to the Development Site within the Application and included results of a noise assessment completed by Phase Engineering. The Noise Study shows two of the three Noise Assessment Locations (NAL) recorded noise levels at 66 dB. HUD considers noise over 65 dB Normally Not Acceptable (see attached Exhibit A). Although Phase Engineering states HUD allows for a 1 dB grace in completing noise surveys, they do not cite any documentation from HUD. No mention of a “grace decibel” was mentioned in the HUD Noise Guidebook or any materials published by HUD.

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The rule requires that the Applicant ***commits*** to performing sound mitigation in accordance with HUD standards. The rule does not speak to the results of the noise study, but compels the Applicant to commit to noise mitigation if the decibels levels fall within HUD's published Normally Not Acceptable decibel levels. Nowhere in the Application does the Applicant commit or even mention noise mitigation—it is not listed in their budget nor is any mitigation described in the Site Design and Development Feasibility Report.

Additionally, §11.101(a)(2) states:

*“Where there is a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below, then such smaller distances **may** be used and documentation such as a copy of the local ordinance **identifying such distances relative to the Development Site must be included in the Application.**”*

The Applicant did not include a copy of the local ordinance from the City of Tyler that regulates the proximity of the active railroad to a multifamily development, clearly identifying the smaller and acceptable distance from the active railroad.

§11.101(a)(2)(F) - Proximity to Heavy Industry

§11.101(a)(2)(F) considers ineligible:

“Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintains fuel storage facilities (excluding gas stations);”

The Applicant concedes that the Development Site is located within 500 feet of heavy industry. The Martin Marietta Tyler Ready Mix plant has a 12,000 gallon diesel above ground storage tank on site and is currently in use. The environmental report for Rosewood Senior Villas states “Concrete products manufacturing facilities are known to store, use and dispose of hazardous substances and petroleum products possibly including degreaser solvents, enamels, oil, hydraulic oil, lubricants, gasoline, and diesel.”

§11.101(a)(2) states

*“Where there is a local ordinance that regulates the proximity of such undesirable feature to a multifamily development that has smaller distances than the minimum distances noted below, then such smaller distances **may** be used and documentation such as a copy of the local ordinance **identifying such distances relative to the Development Site must be included in the Application.**”*

Again, the Applicant did not include a copy of the local ordinance from the City of Tyler that regulates the proximity of heavy industry to a multifamily development, clearly identifying the smaller and acceptable distance from the heavy industry. The Application did provide a zoning map and an ordinance pertaining to buffer yards required to be built between different zoning districts. No language identifying an acceptable distance from the City of

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Tyler that would specifically allow multifamily to be built within less than 500 feet of an industrial site was included with the Application.

§11.9(b)(2) Sponsor Characteristics

Under Tab 36, Sponsor Characteristics, the Applicant is asked as to whether they are attempting to score as a Historically Underutilized Business (attached as Exhibit B). If yes, the Applicant is to provide evidence of the HUB's existence from the Texas Comptroller of Accounts.

Further, Page 38 of the 2019 Multifamily Program Application Procedures Manual states the HUB must be registered with the Texas Comptroller of Accounts, and evidence of such registration must be provided behind Tab 36. The Applicant claimed 2 points for Sponsor Characteristics, but did not include a certificate for the HUB that shows it has been certified by the Texas Comptroller.

The Applicant failed to provide documentation that substantiates 2 points under Sponsor Characteristics. Because this is a scoring item associated with points rather than an administrative item, it should be considered material and not curable through the Administrative Deficiency Process.

§11.9(a) of the 2019 QAP states:

“Due to the highly competitive nature of the program, Applicants that elect points where supporting documentation is required but fail to provide any supporting documentation will not be allowed to cure the issue through an Administrative Deficiency.”

We respectfully request that the Application not be awarded these two points.

§11.9(e)(8) Funding Request Amount

“An Application may qualify to receive one (1) point if the Application reflects a Funding Request of Housing Tax Credits, as identified in the original Application submission, of no more than 100% of the amount available within the subregion or set-aside as determined by the application of the regional allocation formula on or before December 1, 2018.”

TDHCA published a Regional Allocation Formula (attached as Exhibit C) on November 28, 2018 showing \$1,154,000 as the final funding amount for 4 Urban. Rosewood Senior Villas requested \$1,500,000 in Housing Tax Credits. The Applicant clearly exceeded the amount available in the subregion and should not be eligible for this point. We respectfully request that the Application not be awarded this point.

11.203(2) Notification Recipients

Finally, we respectfully request that the Applicant provide proof that Notifications were delivered to all required and correct persons and entities.

SALEM | CLARK

In closing, we are requesting the site be determined as ineligible and the application terminated. However, at a minimum, we do request that at least three points be taken from the Application.

If you have any questions or would like to discuss the matter further, please do not hesitate to contact me directly at (903) 450-1520 or via email at chaz@saalemclark.com any time.

Sincerely,



Chaz Garrett
SCS Longview 19, LP

CC: Sharon Gamble (sharon.gamble@tdhca.state.tx.us)
John Shackelford, Shackelford, Bowen, McKinley & Norton, LLP
(JShackelford@Shackelford.law)
Juli Gonzalez, BETCO Consulting, LLC (juli@betcohousinglab.com)

Chapter 4 Noise Attenuation

Introduction

HUD's noise policy (24 CFR 51B) clearly requires that noise attenuation measures be provided when proposed projects are to be located in high noise areas. The requirements set out in Section 51.104(a) are designed to insure that interior levels do not exceed the $45 L_{dn}$ level established as a goal in Section 51.101(a)(9). Thus, in effect, if the exterior noise level is $65 L_{dn}$ to $70 L_{dn}$, 25 db of noise attenuation must be provided; if the exterior noise level is between 70 and $75 L_{dn}$, then 30 db of attenuation is required. Likewise, for projects proposed for areas where noise levels exceed $75 L_{dn}$, sufficient attenuation must be provided to bring interior levels down to $45 L_{dn}$ or below.

There are three basic ways to provide the noise attenuation required:

1. the use of barriers or berms
2. site design
3. acoustical construction

Of these, only the first two provide any improvement in the exterior environment. Because HUD considers a quiet exterior environment to be important, we prefer the use of those measures that reduce exterior levels as well as interior levels. The use of acoustical construction by itself is, therefore, the least preferred alternative since it only affects the interior levels. While we recognize that in many cases barriers or site design cannot provide all the attenuation necessary, you should combine them with acoustical construction whenever possible.

Your responsibility as a HUD staff member is to:

- make sure the project sponsor or developer is aware of the attenuation requirements for the project.
- make the sponsor aware of the options available and
- review attenuation proposals to make sure they are adequate.

While it is not your responsibility to provide detailed design assistance to the sponsor or developer, you should know enough about the attenuation options to give him or her a basic understanding of what must be done. In many cases, you may be able to reassure the sponsor or developer that the necessary attenuation can be achieved through the use of common construction techniques or materials. Or you may be able to point out how a simple site design change can achieve the desired result without additional cost.

The following sections are designed to provide you with the information you will need to fulfill your responsibilities. Each attenuation approach is discussed both in terms of basic concepts and in terms of what to look for in reviewing attenuation proposals. The discussion does assume that you have a working knowledge of the *Noise Assessment Guidelines*. If you have not worked with the *Guidelines* before or not recently you may want to go back and review them, particularly the section on calculating the effects of barriers.

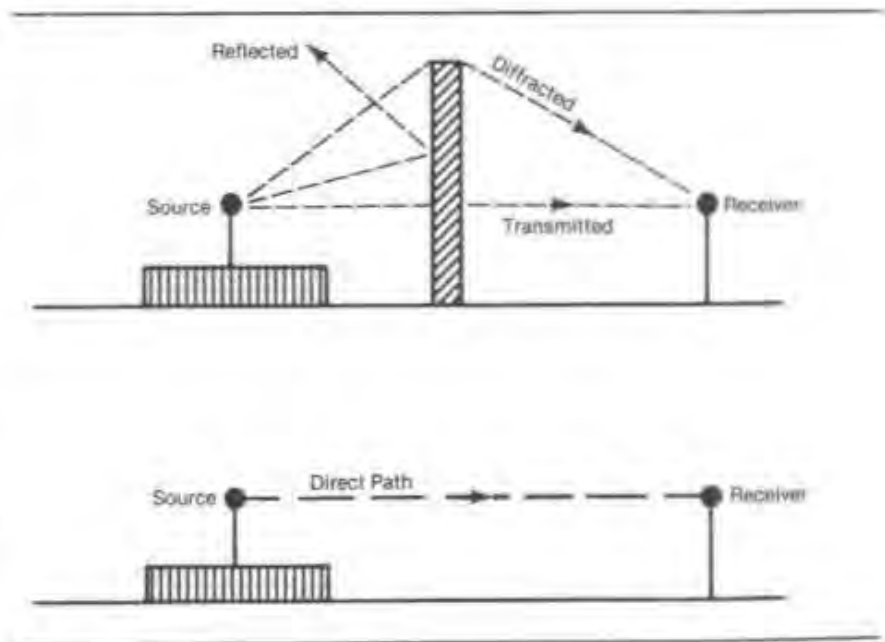
Barrier Noise Reduction Concepts

(The following, with some editing and with some additional graphics, is taken from the Federal Highway Administration's *Noise Barrier Design Handbook*.³)

When no obstacles are present between [a source] and adjoining areas, sound travels by a **direct** path from the "sources" ... to [the] "receivers" ..., as shown in Figure 1. Introduction of a barrier between the source and receiver redistributes the sound energy into several [indirect] paths: a **diffracted** path, over the top of the barrier; a **transmitted** path, through the barrier; and a **reflected** path, directed away from the receiver. These paths are also illustrated in Figure 1.

³*Noise Barrier Design Handbook* US Department of Transportation, Federal Highway Administration, February 1976. (FHWA-RD-76-58)

Figure 1
Alteration of Noise Paths by a Barrier



Noise Abatement and Control - HUD Exchange

Introduction

HUD's noise standards may be found in 24 CFR Part 51, Subpart B. For proposed new construction in high noise areas, the project must incorporate noise mitigation features. Consideration of noise applies to the acquisition of undeveloped land and existing development as well.

All sites whose environmental or community noise exposure exceeds the day night average sound level (DNL) of 65 decibels (dB) are considered noise-impacted areas. For new construction that is proposed in high noise areas, grantees shall incorporate noise attenuation features to the extent required by HUD environmental criteria and standards contained in Subpart B (Noise Abatement and Control) of 24 CFR Part 51. The interior standard is 45dB.

The "Normally Unacceptable" noise zone includes community noise levels from above 65 decibels to 75 decibels. Approvals in this noise zone require a minimum of 5 dB additional sound attenuation for buildings having noise-sensitive uses if the day-night average sound level is greater than 65 dB but does not exceed 70 dB, or a minimum of 10 decibels of additional sound attenuation if the day-night average sound level is greater than 70 dB but does not exceed 75 dB.

Locations with day-night average noise levels above 75 dB have "Unacceptable" noise exposure. For new construction, noise attenuation measures in these locations require the approval of the Assistant Secretary for Community Planning and Development (for projects reviewed under Part 50) or the Responsible Entity's Certifying Officer (for projects reviewed under Part 58). The acceptance of such locations normally requires an environmental impact statement.

In "Unacceptable" noise zones, HUD strongly encourages conversion of noise-exposed sites to land uses compatible with the high noise levels.

HUD Guidance

Are there potential noise generators in the vicinity of the project? Review general location maps and/or conduct a field review to screen for major roadways (within 1,000 feet), railroads (within 3,000 feet), and military or FAA-regulated airfields (with 15 miles) in the vicinity of the project.

If a noise assessment was performed, was the noise found to be Acceptable, Normally Unacceptable, or Unacceptable?

Site Acceptability Standards

Noise Zone	Day-night average sound level (in decibels)	Special approvals and requirements
Acceptable	Not exceeding 65 dB	None
Normally Unacceptable	Above 65 dB but not exceeding 75 dB	<ul style="list-style-type: none"> • Environmental assessment and attenuation required for new construction • Attenuation strongly encouraged for major rehabilitation
Unacceptable	Above 75 dB	<p>Note: An environmental impact statement is required if the project site is largely undeveloped or will encourage incompatible development.</p> <ul style="list-style-type: none"> • Environmental impact statement required • Attenuation required for new construction with approval by the Assistant Secretary of CPD or Certifying Officer

Compliance and Documentation

The environmental review record should contain **one** of the following:

- Documentation the proposed action is not within 1000 feet of a major roadway, 3,000 feet of a railroad, or 15 miles of a military or FAA-regulated civil airfield
- If within those distances, documentation showing the noise level is *Acceptable* (at or below 65 DNL)
- If within those distances, documentation showing that there's an effective noise barrier (i.e., that provides sufficient protection)
- Documentation showing the noise generated by the noise source(s) is *Normally Unacceptable (66 – 75 DNL)* and identifying noise attenuation requirements that will bring the interior noise level to 45 DNL and/or exterior noise level to 65 DNL

[View Noise Abatement and Control \(CEST\) - Worksheet.](#)

[View Noise Abatement and Control \(EA\) - Worksheet.](#)

[View Noise \(CEST\) - Partner Worksheet.](#)

[View Noise \(EA\) - Partner Worksheet.](#)

Related Resources

- [Fact Sheet: Public Art and Noise Mitigation](#)
This fact sheet provides guidance on integrating public art into noise mitigation projects to make noise mitigation an amenity that is visually interesting and culturally relevant to the residential community.
- [HUD Memo: Application of §51.104 to Land Use Conversions](#)

This memorandum clarifies existing policy on rehabilitation of existing buildings that changes the original land use. New land uses resulting from rehabilitation may be considered new noise-sensitive uses as if they were new construction. If those new uses are in Unacceptably noise-exposed areas (external noise greater than 75 decibels), an Environmental Impact Statement is required. For more information, contact your Field or Regional Environmental Officer.

- [HUD Noise Guidebook](#)

The Noise Guidebook has been prepared to serve as the basic reference document for all who are responsible for implementing the Department's noise policy. It brings together training and guidance to complete HUD noise assessments.

- [Day/Night Noise Level Electronic Assessment Tool \(aka: the DNL Calculator\)](#)

The Office of Environmental and Energy has developed an electronic assessment tool that calculates the Day/Night Noise Level (DNL) site exposure. This is a web-based application of the existing Noise Assessment Guidelines (NAG). It is the basic noise assessment tool; most assessments start here. The DNL Calculator calculates noise from road and railway activity levels. It then combines the noise with airport projections and incorporates the effects of loud, impulsive sound for a site exposure at any Noise Assessment Location. The DNL Calculator can document compliance or aid in site planning. It is quick and easy to use.

- [Sound Transmission Classification Assessment Tool](#)

The Sound Transmission Classification Assessment Tool (STraCAT) is a web-based application that automates and streamlines the completion of HUD's Figure 19 in The Noise Guidebook. That is the form that reports the noise mitigation performance of wall systems.

- [Barrier Performance Module](#)

The Barrier Performance Module (BPM) is an automated version of the noise barrier evaluation worksheets and charts in the Noise Guidebook. It reports the amount of noise to be reduced by a particular design. It is linked to the DNL Calculator. The output of the DNL Calculator is used as the input to the Barrier Performance Module, but it can also be used stand-alone.

- [Fact Sheet: Recommended Environmental Review Record Documentation to Support an Environmental Impact Statement Waiver for Projects in Unacceptable Noise Conditions](#)

This fact sheet provides the recommended environmental review record documentation to support an environmental impact statement waiver for projects in unacceptable noise conditions.

- [Noise Assessment Training Webinar](#)

This webinar, held October 19, 2011, describes basic concepts of noise related to the built environment; use of OEE's Day/Night Noise Level Calculator and Barrier Performance Module; common errors and mistakes to avoid; and potential applications for project planning.

EXHIBIT B

Sponsor Characteristics (Competitive HTC Only)

Self Score Total:

Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to two (2) points provided the ownership structure meets one of the following requirements in parts 1 OR 2 below;

1. Application is attempting to score as a Qualified Nonprofit or certified HUB with ownership interest and material participation and meets the criteria below:

No If attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside

Yes If attempting to score as a certified HUB, evidence of the HUB's existence from the Texas Comptroller of Accounts is provided behind this Tab

Yes The Qualified Nonprofit or certified HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 50% and no less than 5% for any category.

Ownership Interest: (Not required for HUB of HUD 202 Rehabilitation projects.)

Cash flow from operations:

Developer Fee:

Total: (Must equal at least 50% regardless of structure)

Yes The Qualified Nonprofit or certified HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period.

Yes A detailed narrative describing how that material participation will be achieved is included.

Yes The Qualified Nonprofit or certified HUB has experience directly related to the housing industry.

Yes A detailed narrative describing experience in each category is included.



Mark all that apply

Property Management Construction Development Financing Compliance

No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.

Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

Points Claimed:

2. Application is attempting to score as a participating Nonprofit or certified HUB and meets the criteria below:

A certified HUB will participate in Development Services or provide onsite tenant services, and evidence of the HUB's existence from the Texas Comptroller of Accounts is provided behind this Tab.

A Nonprofit will participate in Development Services or provide onsite tenant services, and evidence from a state or federal source of the organization's nonprofit status is provided behind this Tab.

Evidence of experience in the provision of Development Services or in the provision of on-site tenant services as well as a detailed narrative describing how the HUB or Nonprofit will provide such services must be included behind this tab.

Points Claimed:

Total Points Claimed:

EXHIBIT C

2019 STATE OF TEXAS, COMPETITIVE HOUSING TAX CREDIT FUNDING LIMITS AND ESTIMATED REGIONAL ALLOCATION

November 28, 2018

2019 COMPETITIVE (9%) HOUSING TAX CREDIT FUNDING ALLOCATION

Region	Geographic Area	Initial Sub-Region Amount	Amount needed to reach \$600,000	Amount over \$600,000 that can be reallocated	Proportion of amount available to be reallocated	Amount to be Reallocated	Final Funding Amount	Allocation %
Urban	1 Lubbock	\$ 1,273,231	\$ -	\$ 673,231	1.29%	\$ (16,533)	\$ 1,256,699	1.90%
	2 Abilene	\$ 556,201	\$ 43,799	\$ -	0.00%	\$ 43,799	\$ 600,000	0.90%
	3 Dallas/Fort Worth	\$ 16,225,155	\$ -	\$ 15,625,155	30.05%	\$ (383,707)	\$ 15,841,448	23.89%
	4 Tyler	\$ 1,168,814	\$ -	\$ 568,814	1.09%	\$ (13,968)	\$ 1,154,846	1.74%
	5 Beaumont	\$ 809,198	\$ -	\$ 209,198	0.40%	\$ (5,137)	\$ 804,061	1.21%
	6 Houston	\$ 14,777,110	\$ -	\$ 14,177,110	27.27%	\$ (348,147)	\$ 14,428,963	21.76%
	7 Austin/Round Rock	\$ 4,484,805	\$ -	\$ 3,884,805	7.47%	\$ (95,399)	\$ 4,389,406	6.62%
	8 Waco	\$ 1,894,312	\$ -	\$ 1,294,312	2.49%	\$ (31,784)	\$ 1,862,528	2.81%
	9 San Antonio	\$ 5,457,594	\$ -	\$ 4,857,594	9.34%	\$ (119,288)	\$ 5,338,306	8.05%
	10 Corpus Christi	\$ 1,403,228	\$ -	\$ 803,228	1.54%	\$ (19,725)	\$ 1,383,504	2.09%
	11 Brownsville/Harlingen	\$ 6,239,122	\$ -	\$ 5,639,122	10.85%	\$ (138,480)	\$ 6,100,642	9.20%
	12 San Angelo	\$ 913,180	\$ -	\$ 313,180	0.60%	\$ (7,691)	\$ 905,489	1.37%
	13 El Paso	\$ 2,553,389	\$ -	\$ 1,953,389	3.76%	\$ (47,969)	\$ 2,505,419	3.78%

Rural	1 Lubbock	\$ 725,391	\$ -	\$ 125,391	0.24%	\$ (3,079)	\$ 722,312	1.09%
	2 Abilene	\$ 501,902	\$ 98,098	\$ -	0.00%	\$ 98,098	\$ 600,000	0.90%
	3 Dallas/Fort Worth	\$ 615,438	\$ -	\$ 15,438	0.03%	\$ (379)	\$ 615,059	0.93%
	4 Tyler	\$ 1,603,288	\$ -	\$ 1,003,288	1.93%	\$ (24,638)	\$ 1,578,650	2.38%
	5 Beaumont	\$ 1,017,731	\$ -	\$ 417,731	0.80%	\$ (10,258)	\$ 1,007,473	1.52%
	6 Houston	\$ 470,394	\$ 129,606	\$ -	0.00%	\$ 129,606	\$ 600,000	0.90%
	7 Austin/Round Rock	\$ 421,496	\$ 178,504	\$ -	0.00%	\$ 178,504	\$ 600,000	0.90%
	8 Waco	\$ 651,771	\$ -	\$ 51,771	0.10%	\$ (1,271)	\$ 650,499	0.98%
	9 San Antonio	\$ 506,528	\$ 93,472	\$ -	0.00%	\$ 93,472	\$ 600,000	0.90%
	10 Corpus Christi	\$ 643,984	\$ -	\$ 43,984	0.08%	\$ (1,080)	\$ 642,904	0.97%
	11 Brownsville/Harlingen	\$ 932,313	\$ -	\$ 332,313	0.64%	\$ (8,161)	\$ 924,153	1.39%
	12 San Angelo	\$ 413,850	\$ 186,150	\$ -	0.00%	\$ 186,150	\$ 600,000	0.90%
	13 El Paso	\$ 52,935	\$ 547,065	\$ -	0.00%	\$ 547,065	\$ 600,000	0.90%

Urban Totals	\$ 57,755,340	\$ 43,799	\$ 49,999,139		\$ (1,184,029)	\$ 56,571,311	85.31%
Rural Totals	\$ 8,557,021	\$ 1,232,895	\$ 1,989,916		\$ 1,184,029	\$ 9,741,050	14.69%

Regional Totals	\$ 66,312,361	\$ 1,276,694	\$ 51,989,055			\$ 66,312,361	85.00%
At-Risk Totals	\$ 11,702,181					\$ 11,702,181	15.00%
USDA (From At-Risk)	\$ 3,900,727					\$ 3,900,727	5.00%
Grand Total	\$ 78,014,543					\$ 78,014,543	100.00%

NOTES:

This table reflects the allocation of the estimated Competitive Housing Tax Credit Ceiling that the Department expects to have available for allocation during the 2019 cycle. This initial ceiling is estimated as the 2018 population figure of 28,304,596 (IRS Notice 2018-45) multiplied by the 2019 cap rate of 2.75625 (IRS Rev. Proc. 2018-57). The column labeled "Final Funding Amount" is the column an Applicant can reference to determine the amount of the credit ceiling that is estimated to be available in each subregion for the 2019 cycle. The column labeled "Max Funding Request/Award Limits" reflects the maximum request limits for each State sub-region in accordance with 10 TAC §11.4(b). An Applicant cannot request or be awarded more than the amounts reflected in the column, which were established based on estimates as of December 1, 2018. These request/award limits are fixed and will not change even if the regional funding amounts change based on future updates.

The initial Maximum Elderly Funding Limit is based on the 2018 property inventory and 2018 HISTA demographic data. The property inventory will be updated, and updated HISTA data is expected to be released in January 2019, at which time the calculations will be updated for the 2019 cycle and a revised report will be posted.

An updated population figure is expected to be released by the IRS in early 2019. When carried over credits from the 2018 cycle are determined, when the 2019 population figures are released, and as credits are returned during the year, the formula and this chart will be updated. Returned credits available to be reallocated in 2019 will be reflected in an additional column of the chart as it is updated.

REQUEST LIMITS	ELDERLY FUNDING LIMITS	
----------------	------------------------	--

Max Funding Request/Award Limits	Maximum Percentage Elderly	Maximum Elderly Funding Limit
\$ 1,500,000	n/a	n/a
\$ 900,000	n/a	n/a
\$ 1,500,000	40.94%	\$6,485,489
\$ 1,500,000	n/a	n/a
\$ 1,206,092	n/a	n/a
\$ 1,500,000	41.32%	\$5,962,048
\$ 1,500,000	35.21%	\$1,545,510
\$ 1,500,000	n/a	n/a
\$ 1,500,000	45.13%	\$2,409,178
\$ 1,500,000	n/a	n/a
\$ 1,500,000	n/a	n/a
\$ 1,358,234	n/a	n/a
\$ 1,500,000	n/a	n/a

\$ 1,083,468
\$ 900,000
\$ 922,588
\$ 1,500,000
\$ 1,500,000
\$ 900,000
\$ 900,000
\$ 975,749
\$ 900,000
\$ 964,356
\$ 1,386,229
\$ 900,000
\$ 900,000

19225
Administrative Deficiency Notice(s)

From: [Sharon Gamble](mailto:Sharon.Gamble)
To: khance@hslawmail.com
Cc: sycamorestrategies@gmail.com
Subject: 19225 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 12:06:00 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19225 Rosewood Senior Villas**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions the Application's eligibility for points for Sponsor Characteristics, stating that the Applicant did not provide evidence of the HUB's registration with the Texas Comptroller of Accounts. This issue was resolved by staff through a previous deficiency and no further action is required.

The request also questions the Applications eligibility for points under Funding Request Amount, stating that the RAF shows an allocation amount of \$1,154,000 for the subregion and the Application requested \$1,500,000. The request states that the Applicant did not provide appropriate mitigation for the railroad track, and no local ordinance was provided regarding a smaller acceptable distance to the railroad and to heavy industry. The request also requests evidence of notifications.

1. Explain how the Application is eligible for one point under 10 TAC §11.9(e)(8) related to Funding Request Amount.
2. Submit evidence of mitigation for the Development's proximity to the railroad tracks. Provide any local ordinances that allow a smaller acceptable distance to the railroad tracks and to the cement plant.
3. Provide evidence that all required notifications were made by the Applicant and received by the required persons.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13,**

2019. Please respond to this email as confirmation of receipt.**

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including

current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19225
Deficiency Response(s)

Marque Real Estate Consultants

6300 West Loop South, Ste. 670

Bellaire, Texas 77401

(713) 560-0068 – p

(713) 583-8858 – f

donna@marqueconsultants.com

Via Serv-U HTTP Portal

May 13, 2019

Sharon Gamble
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: TDHCA No. 19225-Rosewood Senior Villas

Dear Sharon,

The following is in response to your Administrative Deficiency Notice dated 05/06/19 (the “RFAD Deficiency”) for information in connection with a Third Party Request for Administrative Deficiency from Salem Clark (“SC Requestor”) dated May 1, 2019 (the “RFAD”) challenging the above-described application. Rosewood Senior Villas is proposed to be located in the 2800 block of Calloway Rd., in Tyler, Smith County, Texas (the “Rosewood Site”). The Rosewood Site is located in Region 4-Urban.

1. §11.9(e)(8)-Funding Request Amount.

The Application does not qualify for one (1) point for requesting funding of no more than 100% of the amount available within the sub-region. As of 12/1/18, the final funding request amount in Region 4-Urban was \$1,154,846 and the Rosewood Senior Villas Applicant (the “Rosewood Applicant”) requested \$1,500,000. Therefore, 1-point should be deducted from its final score.

2. §11.101(a)(2)E-Proximity to Railroad Tracts.

Pursuant to §11.101(a)(2)(E) of the QAP, a Development Site that is located within 500 feet of active railroad tracks is considered an undesirable site feature, unless the Applicant:

- (i) provides evidence that the city/community has adopted a Railroad Quiet Zone, or
- (ii) engages a qualified Third Party to perform a noise assessment and commitment to sound mitigation in accordance with HUD standards, or
- (iii) can show that the railroad in question is a light or commuter rail.

The Rosewood Applicant disclosed in Tab 2-Certification, Acknowledgement and Consent of Development Owner of the Application (the “Certification of Owner”) that the Rosewood Site is located within 500 feet

of active railroad tracks. As stated in the disclosure, the Rosewood Applicant engaged Phase Engineering, Inc. (“Phase Engineering”) to perform a Phase I Environmental Site Assessment (the “ESA Report”) of the Rosewood Site, which ESA Report was provided to TDHCA by the deadline of March 1, 2019. The ESA Report included a noise survey conducted by Phase Engineering at the Rosewood Site that was performed in accordance with the Noise Assessment Guidelines provide by the U.S. Department of Housing and Urban Development (“HUD”). Noise Assessment Locations (“NALs”) were selected on the Rosewood Site by Phase Engineering based on the proximity to the noise sources and identified on the Noise Sources map provided in the Appendix of the ESA Report. Phase Engineering concluded that “no additional action is recommended”. The Application also includes a statement from the Rosewood Applicant that additional assessments defined in the ESA Report will be performed prior to Closing. Attached please find as **Attachment 1-ESA Commitment Letter** from Page 362 of the Application whereby the Rosewood Applicant is committing to additional assessment including sound mitigation, if required, prior to Closing.

In further defense of Phase Engineering’s recommendation of no further action, Rosewood Applicant engaged Phase Engineering to supplement their noise analysis based on the site plan of Rosewood Senior Villas that shows the location of the buildings and other noise sensitive areas in relation to the noise sources examined. The site plan was made a part of the Application but was not available to Phase Engineering when they conducted their initial noise study. Attached please find as **Attachment 2-the Updated Noise Assessment** performed by Phase Engineering (the “ESA Report Update”). Phase Engineering found that each of the selected NALs fall below 65dB which is considered “*Acceptable*” based on the HUD guidelines.

In the RFAD deficiency, TDHCA requested evidence of a local ordinance that allows a smaller distance from active railroad tracks. Although §11.101(a)(2)(E) of the QAP does not require an Applicant to provide a local ordinance as evidence of railroad proximity mitigation, the Rosewood Applicant did provide such evidence in the Application. The Rosewood Site is zoned for multifamily use which we believe is prima facie evidence of a local ordinance that allows for a smaller distance than the 500 foot minimum distance required by TDHCA from active railroad tracks. Also, there is no specific setback requirements in the Tyler Unified Development Code relating to the proximity of railroad tracks from multifamily development sites. The existing multifamily housing west of and adjacent to the Rosewood Site provides further confirmation that multifamily developments within close proximity to active railroad tracks is acceptable under the Tyler Unified Development Code. Attached please find as **Attachment 3-the Zoning Confirmation Letter** from Page 51 of the Application, and **Attachment 4-the Tyler Zoning Map** from Page 21 of the Application. The Rosewood Applicant believes that it has complied with §11.101(a)(2)(E)(ii) of the QAP relating to the Rosewood Site’s proximity to active railroad tracts by engaging Phase Engineering, a qualified Third Party, to perform a noise assessment resulting in a recommendation of ***no additional action*** since the noise values fell below 65 dB and the Rosewood Applicant’s commitment to sound mitigation, if required, prior to closing to support the Rosewood Site’s eligibility regarding this undesirable site feature.

3. §11.101(a)(2)(F)-Proximity to Heavy Industry.

Heavy Industry is considered an undesirable site characteristic under §11.101(a)(2)(F) of the QAP which defines Heavy Industry as follows:

“(F) Development Sites located within 500 feet of heavy industry (i.e. facilities that require extensive use of land and machinery, produce high levels of external noise such as manufacturing plants, or maintain fuel storage facilities (excluding gas stations).”

(i) Ready Mix Facility is Not Heavy Industry:

The Rosewood Applicant disclosed in the Owner Certification of the Application that the Rosewood Site is located northeast and within 500 feet of land containing the Martin Marietta Ready Mix facility (the “Ready Mix Facility”). The land on which the Ready Mix Facility is located is zoned M-2 General Industrial and contrary to statements made by the SC Requestor in the RFAD, the Rosewood Applicant stated that the use of the land should not be considered heavy industry under §11.101(a)(2)(F) of the QAP. The Ready Mix Facility does not produce high levels of external noise nor does the facility require extensive use of land and machinery both of which are elements necessary to be defined “heavy industry” under the QAP rules.

The Ready Mix Facility is located on approximately 12 acres of land and has only two pieces of machinery that includes a storage/loading silos and a dry mixing plant. This is not extensive use of land or machinery. Furthermore, the surrounding uses on contiguous land consist of multifamily housing, a self-storage facility, a church, the Christus Health Services Administration Building and a vacant warehouse. None of these uses are heavy industry further supporting that there is not extensive use of land or machinery in close proximity to the Rosewood Site.

Lastly, the ESA Report Updated (attached as Attachment 2) identifies the Ready Mix Facility southwest of the Rosewood Site. Phase Engineering did not observe excessive noise resulting from the operation during their site visit. Furthermore, they observed that the “noise generating operations” at the Ready Mix Facility such as “loading trucks and handling the dry material” were located over, 1,000 feet from the closest NAL, thus “noise contribution from this facility was not considered in this assessment.”

(ii) Local Ordinance Allowing Smaller Distances:

In the RFAD Deficiency, TDHCA requested that the Rosewood Applicant provide a local ordinance that allows for a smaller acceptable distance between the Rosewood Site and the Ready Mix Facility site. The Rosewood Applicant did provide this information in the Application specifically recognizing and providing supporting documentation on the following:

- (i) the Rosewood Site is zoned R-MF which allows for multifamily use; and

- (ii) The City of Tyler Unified Development Code allows R-MF zoned land directly adjacent to land zoned M-2 General Industrial and sets forth required buffer yard types to prevent or minimize any effects of an M-2 General Industrial use from affecting any adjacent property or zoning district with a greater or less intensity of use such as R-MF zoned land.

Attached please find as **Attachment 5-the Buffer Yard Requirements** from Page 24 of the Application applicable to R-MF zoned land located adjacent to more intense uses including M-2 General Industrial. Also included in the Application is the Zoning Confirmation Letter (Attachment 3) from the City of Tyler Senior Planner stating that the Rosewood Site is zoned R-MF. The letter specifically identifies the zoning of the adjacent properties including the M-2 General Industrial Zone site containing the Ready Mix Facility.

We also noted in the Owner Certification of the Application that the Rosewood Site is adjacent to an existing multifamily housing development. The southern boundary of the existing multifamily development is adjacent to the Ready Mix Facility and meets the buffer yard separation requirements. As stated in the Application, the Rosewood Applicant intends to comply with all applicable buffer yard requirements.

Lastly, the TDHCA board has found similar facilities to be light industrial uses not heavy industry. Application #12375-Cypress Creeks at Westheimer (“Cypress Creek”) proposed a development in Houston, Texas adjacent to a concrete mixing facility. On February 16, 2012, the TDHCA board considered many factors in rendering their decision of eligibility, including (i) surrounding land uses, and (ii) the activities taking place at the facility. The Governing Board determined that the main activities at this facility included acceptance of aggregate, the mixing of aggregate in a batch plant, and the loading of trucks to take the mix out for delivery. These are the same activities and use of the same equipment that take place at the Ready Mix Facility. The Governing Board specifically took note of the existing senior housing directly adjacent to the concrete mixing plant and the lack of other heavy industry in the immediate vicinity.

In Tyler, existing multifamily is located immediately to the north of the Ready Mix Facility and as noted above there are no heavy industrial uses in the area. Additionally, Cypress Creek proposed locating its nearest residential units less than 300 feet from the actual concrete mixing plant. In contrast, the nearest units at Rosewood Senior Villas would be located approximately 2,000 feet away from the actual mixing machinery and 1,300 feet away from the storage silos. Attached please find as **Attachment 6-the February 16, 2012 Board Transcript**.

As stated in the Application and as further summarized above, the Rosewood Applicant does not believe that the Ready Mix Facility is heavy industry. However, if TDHCA deems the Ready Mix Facility to be heavy industry then the Rosewood Applicant believes that it has provided sufficient mitigation measures to support the Rosewood Site’s eligibility in spite of this undesirable site feature.

§11.203(2)-Public Notification.

In the RFAD Deficiency, TDHCA requested evidence that all required notifications were made by the Rosewood Applicant in accordance with §11.203(2) of the QAP. The Rosewood Applicant does not believe this is a proper RFAD deficiency. §11.10 of the QAP establishes the purpose of the RFAD process which is to:

“...allow an unrelated party to bring “new, material information” about an Application to staff’s attention. Such Person may request staff to consider whether a matter....should be the subject of an Administrative Deficiency”.

§11.10 of the QAP further states:

“The requestor must provide sufficient credible evidence that, if confirmed, would substantiate the deficiency request. Assertions not accompanied by supporting documentation susceptible to confirmation “will not be considered”.

Applicants are not required to provide evidence of notification in the application so there is no new material information about the Application being brought by the SC Requestor to Staff’s attention. There were no assertions claimed by the SC Requestor and no documentation included in the RFAD to substantiate a deficiency request by TDHCA. The SC Requestor simply “requested” that the Rosewood Applicant provide proof of Notification. We also bring to Staff’s attention that TDHCA has already analyzed RFADs that did not include documentation beyond the letter request and determined that the RFAD did not meet the requirements of §11.10 of the QAP. Attached please find as **Attachment 7-the 2017 RFAD Determination Results**. Also, attached please find as **Attachment 8-A** Memorandum from Locke Lord regarding the RFAD process and retraction of the RFAD deficiency regarding notification.

Sharon Gamble – TDHCA
#19225-RFAD Deficiency Response
May 13, 2019
Page -6-

Thank you for allowing us the opportunity to clarify and respond to the described RFAD administrative deficiencies. In the event you have any additional questions or comments, please feel free to contact us.

Sincerely,



Donna Rickenbacker

Donna Rickenbacker

Attachments:

Attachment 1-Commitment Letter
Attachment 2-Updated Noise Assessment
Attachment 3-Zoning Confirmation Letter
Attachment 4-Tyler Zoning Map
Attachment 5-Buffer Yard Requirements
Attachment 6-February 16, 2012 Board Transcript
Attachment 7-RFAD Determination Results
Attachment 8-Locke Lord Memorandum

cc: Brooke Boston (Via Email)
Marni Holloway (Via Email)
Cynthia Bast (Via Email)
Kent Hance (Via Email)
Zach Krochtengel (Via Email)

Attachment 1 - ESA Commitment Letter

February 21, 2019

Texas Department of Housing and Community Affairs
PO Box 13941
Austin, Texas 78711-3941

RE: Rosewood Senior Villas-TDHCA No. 19225

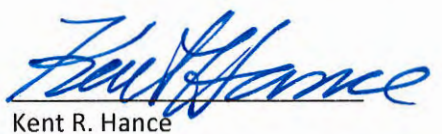
To Whom it May Concern:

In accordance with the 2019 Multi-family Rules regarding the Environmental Site Assessment ("ESA"), please accept this letter to serve as a statement from the proposed owner that additional assessments identified in the ESA will be performed prior to closing.

Sincerely,

Rosewood Senior Villas 19 LP

By:



Kent R. Hance
Authorized Representative

May 10, 2019

Mr. Kent Hance
Rosewood Senior Villas 19 LP
c/o KRS Housing, LLC
400 W. 15th Street, Ste. 950
Austin, Texas 78701

***Re: Updated Assessment for Noise and Proximity to Concrete Batch Plant
Rosewood Senior Villas, 2800 Block of Calloway Road, Tyler, Smith County, Texas
75707; PEI Job # 201901080***

Dear Mr. Hance:

Phase Engineering, Inc. has completed an updated assessment to address noise concerns and proximity to an existing concrete batch plant for the proposed Rosewood Senior Villas multifamily development to be located along the 2800 block of Calloway Road in Tyler, Smith County, Texas. The Noise Assessment Guidelines provided by the US Department of Housing and Urban Development (HUD) and application of the TDHCA 2019 Qualified Allocation Plan were used to complete this report. The purpose of this update is to revise the findings of a prior assessment completed as part of a Phase I Environmental Site Assessment for the same property dated February 6, 2019.

At the time of the initial report, a site plan showing the proposed location of noise sensitive areas was not available. Without the benefit of a site plan, it is standard practice to select areas of the property closest to offsite noise sources taking into account building setback requirements. As part of this updated assessment, new Noise Assessment Locations (NALs) have been selected based on the proposed location of noise sensitive uses in closest proximity to major noise sources.

According to HUD, properties that are to be considered for HUD funding or tax credits must be assessed for excessive noise levels from all major noise sources such as airports, major roadways, and railroads. The guidance documents provided by HUD state that if any major civil or military airports are located within 15 miles, major roadways within 1,000 feet, and railroads within 3,000 feet of the subject property, then the proposed development should be evaluated for excessive noise exposure.

The closest major noise sources to the subject property include Calloway Road along the northern boundary, Lazy Creek Drive within 1,000 feet to the northeast, an active Union Pacific railroad along the southern boundary, and one major public airport within 15 miles. Tyler Pounds Regional Airport is located approximately 9 miles to the northwest, and the subject property is at least 8 miles outside of the 65 dB noise contour. Noise contribution from the



airport is expected to be less than 55 dB, thus aircraft noise is not considered any further in this noise assessment.

In addition, an active concrete batch plant was identified on the southwest adjacent property. However, no excessive noise resulting from operations at this facility were noted during the site visit for the Phase I ESA, even when observed from the southwest corner of the property. Further examination of this facility found that the noise generating operations such as loading trucks and handling the dry material is located over 1,000 feet from the closest NAL, thus noise contribution from this facility was not considered in this assessment.

Although an active railroad line is located near the southern boundary of the property, it is not expected to be a significant noise concern since the closest at-grade road crossing is located over 0.25 miles from the property. Per the Federal Railroad Administration (FRA) Train Horn Rule at 49 CFR Part 222, locomotive engineers are required to sound the horn or whistle when passing a whistle post upon approaching a public grade road crossing. Whistle posts are positioned typically 0.25 mile from a road crossing. The closest grade crossing to the subject property is at Calloway Road, approximately 0.31 miles to the west, therefore the whistle post is likely positioned at least 300 feet past the property line. Therefore, when calculating the railroad noise impacts to the property, train horns were not considered.

The combined Day/Night Noise Level (DNL) for each NAL was calculated based on the effective distance from each of the noise sources and provided in the below table. A 10-year projected DNL is provided based on a 4% annual growth in traffic counts.

Noise Assessment Location (NAL)	Combined Projected DNL (dB)
NAL #1 –Northwest Building	59.1
NAL #2 – Northeast Building	58.7
NAL #3 – South Central Building	63.8

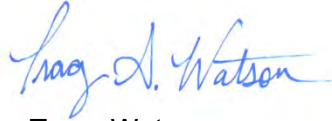
Each of the calculated noise values for the selected NALs fall below 65 dB, which is considered “*Acceptable*” based on the HUD guidelines. No additional noise assessment measures or mitigation is recommended.

It shall be noted that the findings under Section 14.9 of the Phase I ESA report noted that due to inaccuracies in the calculations, HUD allows for a 1-decibel grace factor in completing noise surveys. Although this statement is not listed in any HUD-published guidance materials or as an exemption listed in the federal regulations, it is based on experience and consultations with HUD on similar assessments. Since the updated noise values fall below 65 dB, applying this assumed grace factor is no longer necessary.

If you should have any questions or comments concerning this letter, please call me at 713-854-8670 or email me at Tracy@phaseengineering.com. We appreciate you using Phase Engineering, Inc. professional environmental services and look forward to serving you again in the near future.



Respectfully,
Phase Engineering, Inc.



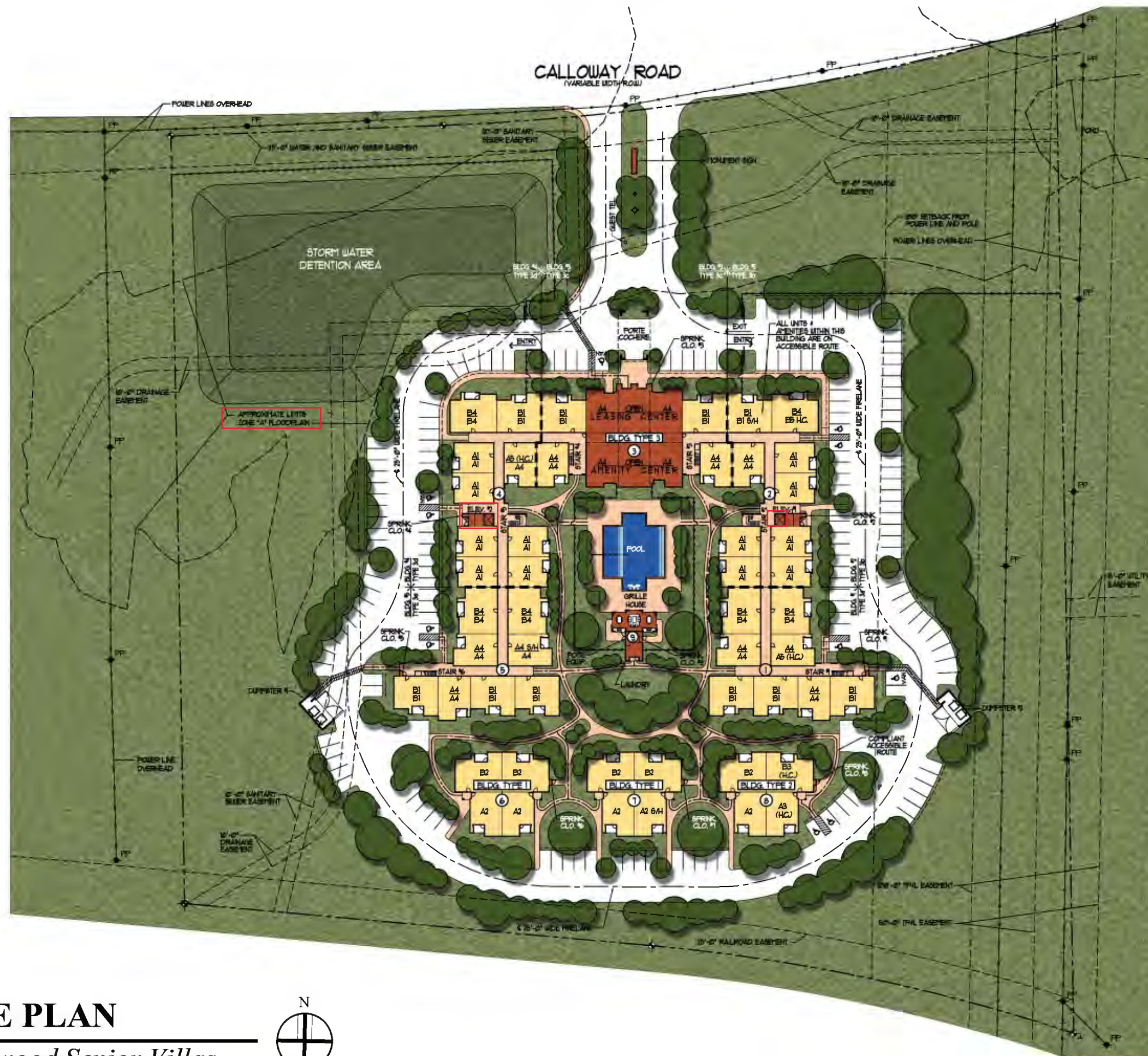
Tracy Watson
Special Project Manager

Copies Submitted: (1) Rosewood Senior Villas 19 LP (electronic)

Attachments:

Site Plan, Noise Sources Map, Airport Noise Map, Noise Calculations, DNL Calculator
Results, Railroad Crossing Inventory





(H.C.) INDICATES MOBILITY IMPAIRED UNIT
 (S/H) INDICATES SIGHT/HEARING IMPAIRED UNIT

BUILDING TYPE 3, BLDGS. #1-5, ARE A SINGLE STRUCTURE SUBDIVIDED BY 2 HR. AREA SEPARATION WALLS INTO 5 DISTINCT BUILDINGS. ALL UNITS & AMENITIES IN THESE BLDGS. ARE ON AN ACCESSIBLE ROUTE.

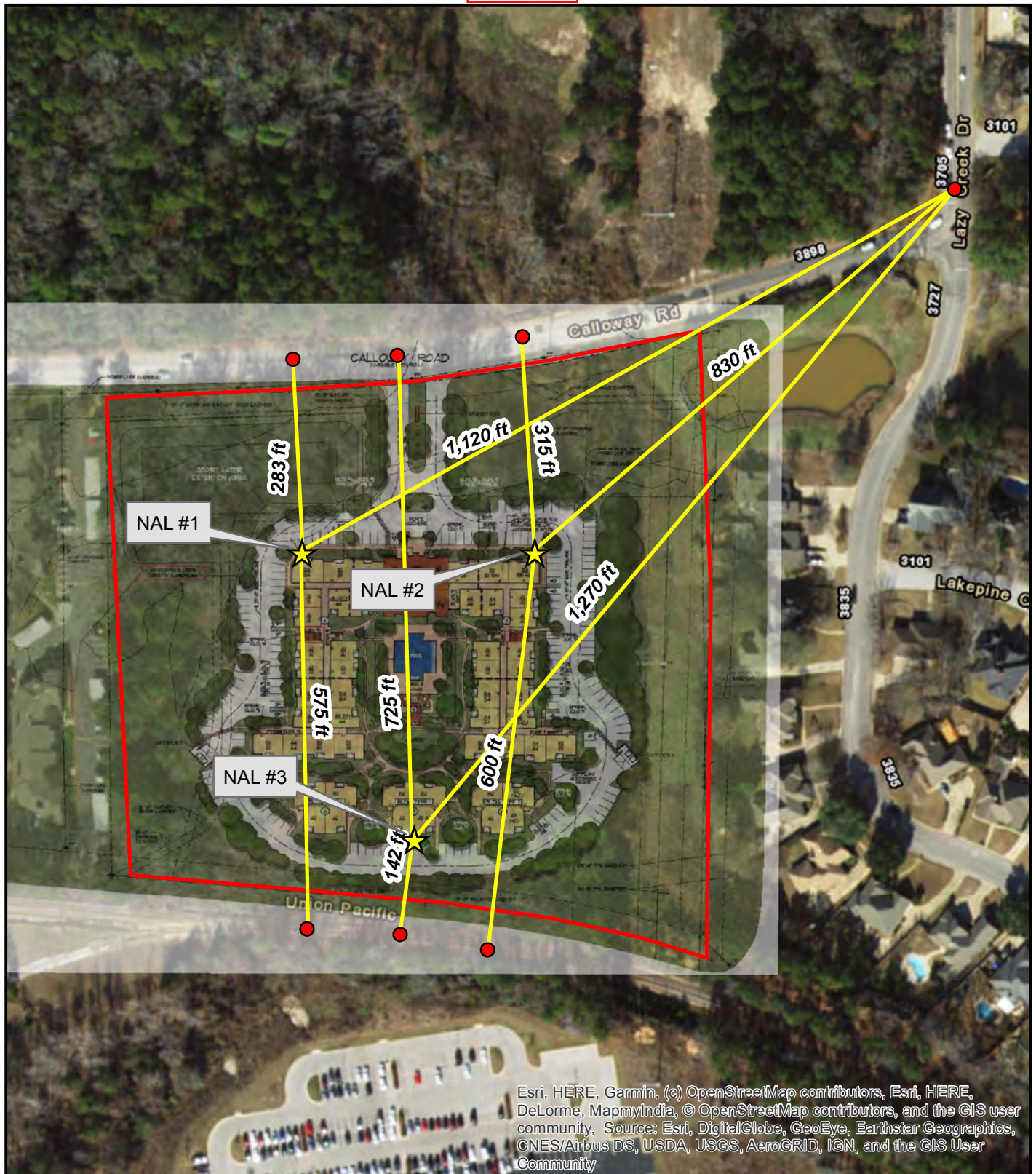
PROPERTY AREA: 11.434 ACRES

PROPOSED IMPROVEMENTS ARE IN ZONE 'X' (AREA OF MINIMAL FLOOD HAZARD)

NO FLOOD MITIGATION IS NEEDED FOR THIS PROPERTY
 STORM WATER DETENTION IS PROVIDED BY ON-SITE DETENTION AREA

SITE PLAN
Rosewood Senior Villas
 Mucasey & Associates, Architects





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Note: Property location and boundary are representative only.

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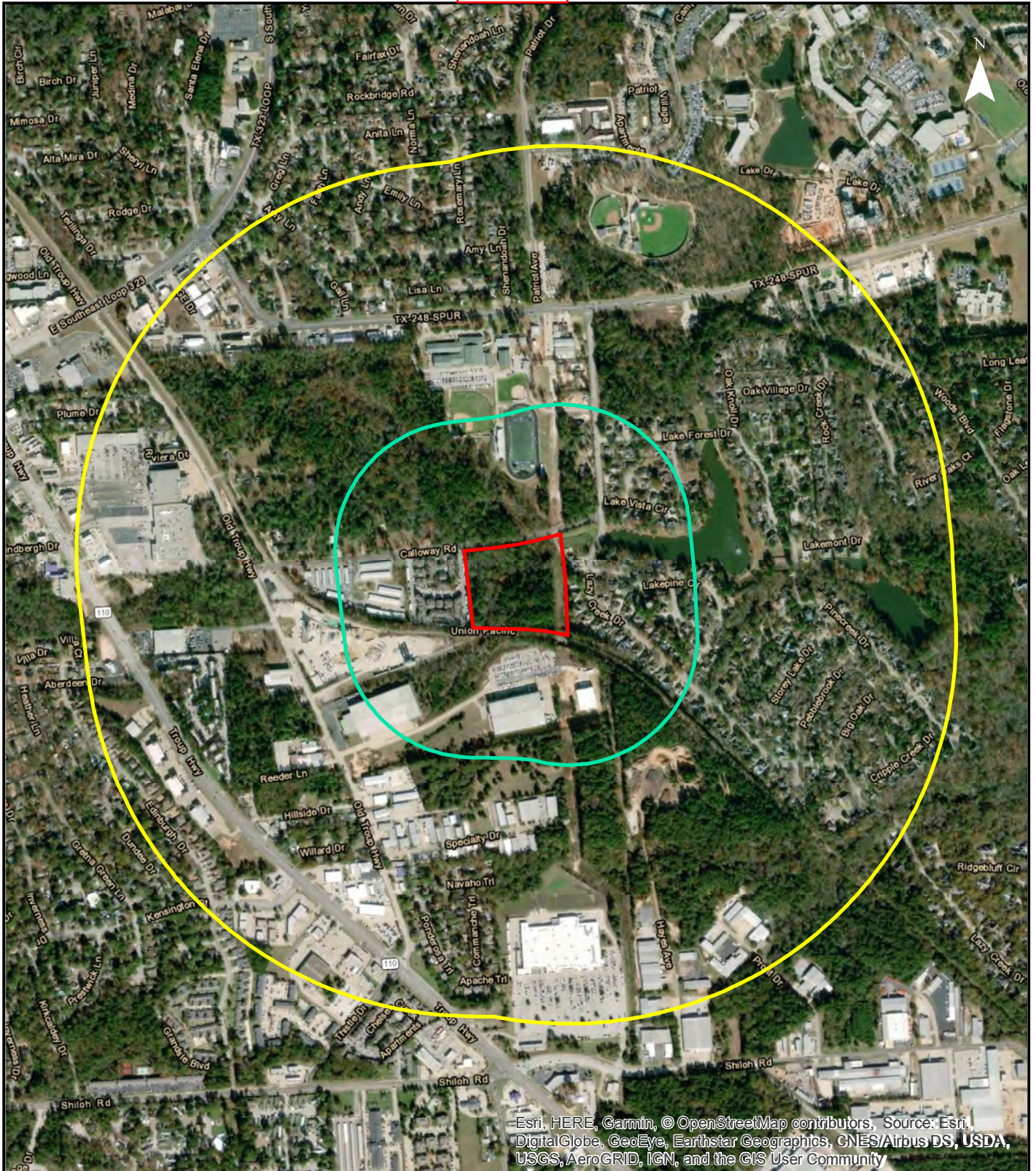
Noise Assessment Location (NAL) Map

- Subject Property
- ★ NAL
- Noise Sources



PEI Project No: 201901080

Exhibit C

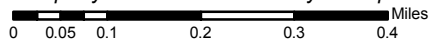


Esri, HERE, Garmin, © OpenStreetMap contributors, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

sources: ESRI

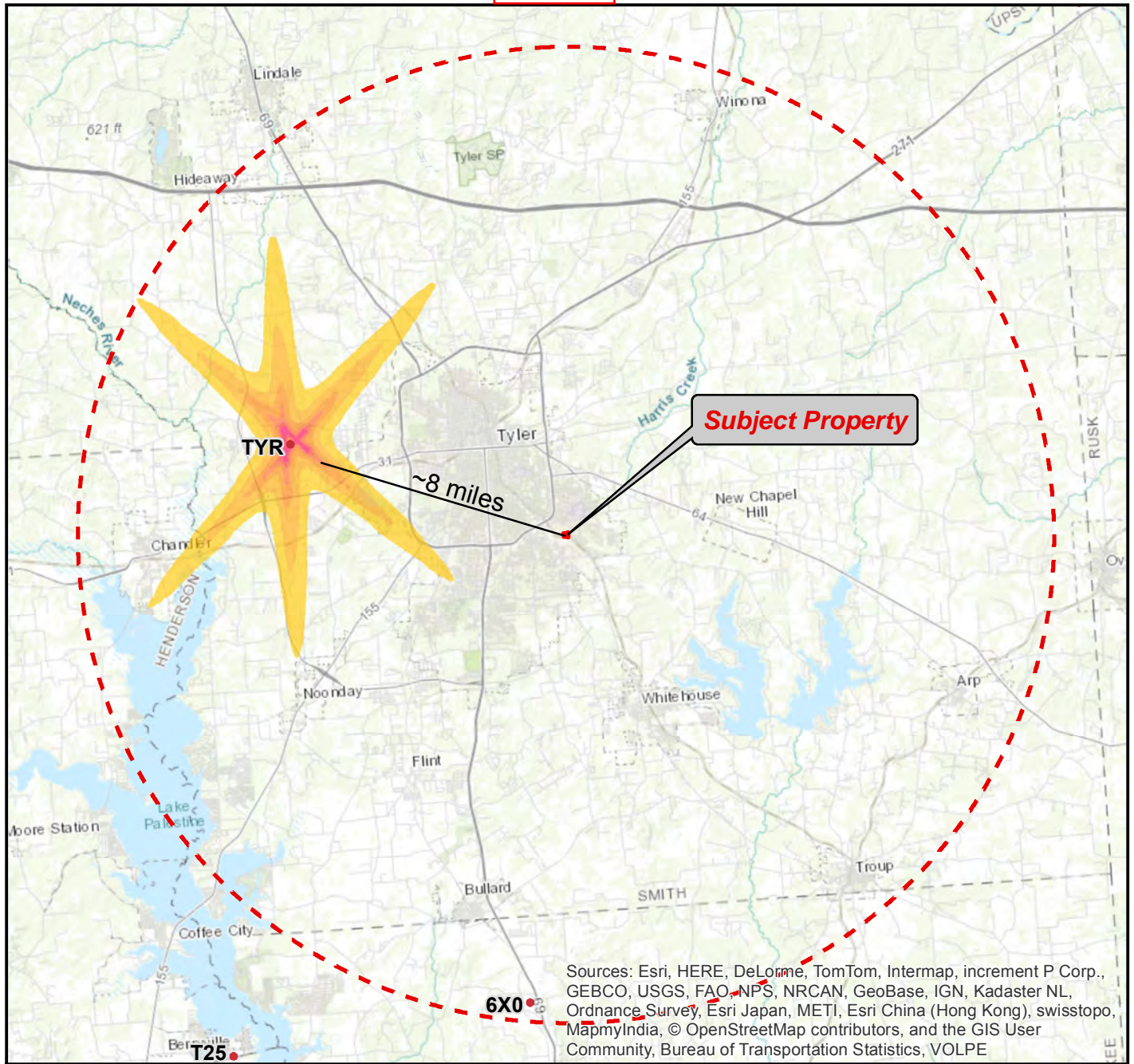
Note: Property location and boundary are representative only.

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Noise Sources Map



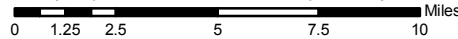


Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community, Bureau of Transportation Statistics, VOLPE

sources: BTS, TxDOT

Note: Property location and boundary are representative only.

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National Transportation Aviation Noise Map

The National Transportation Noise Map is developed using a 24-hr equivalent sound level (LEQ, denoted by LAeq) noise metric as of April 19, 2018. The results are A-weighted noise levels that represent the approximate average noise energy due to transportation noise sources over the 24 hour period at the defined receptors. This map includes simplified noise modeling and is intended for the tracking of trends, it should not be used to evaluate noise levels in individual locations and/or at specific times.

- Subject Property
- 15 mile radius

CONUS Aviation Noise - Decibels

	35 - 40		65.01 - 70
	40.01 - 45		70.01 - 75
	45.01 - 50		75.01 - 80
	50.01 - 55		80.01 - 85
	55.01 - 60		85.01 - 90
	60.01 - 65		90.01 - 95

U. S. DOT CROSSING INVENTORY FORM

DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION

Exhibit E

OMB No. 2130-0017

Instructions for the initial reporting of the following types of new or previously unreported crossings: For public highway-rail grade crossings, complete the entire inventory Form. For private highway-rail grade crossings, complete the Header, Parts I and II, and the Submission Information section. For public pathway grade crossings (including pedestrian station grade crossings), complete the Header, Parts I and II, and the Submission Information section. For Private pathway grade crossings, complete the Header, Parts I and II, and the Submission Information section. For grade-separated highway-rail or pathway crossings (including pedestrian station crossings), complete the Header, Part I, and the Submission Information section. For changes to existing data, complete the Header, Part I Items 1-3, and the Submission Information section, in addition to the updated data fields. Note: For private crossings only, Part I Item 20 and Part III Item 2.K. are required unless otherwise noted. An asterisk * denotes an optional field.

A. Revision Date (MM/DD/YYYY) 08 / 03 / 2017	B. Reporting Agency <input checked="" type="checkbox"/> Railroad <input type="checkbox"/> Transit <input type="checkbox"/> State <input type="checkbox"/> Other	C. Reason for Update (Select only one) <input checked="" type="checkbox"/> Change in Data <input type="checkbox"/> Re-Open <input type="checkbox"/> New Crossing <input type="checkbox"/> Date Change Only <input type="checkbox"/> Closed <input type="checkbox"/> Change in Primary Operating RR <input type="checkbox"/> No Train Traffic <input type="checkbox"/> Quiet Zone Update <input type="checkbox"/> Admin. Correction	D. DOT Crossing Inventory Number 426732S
-----------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------

Part I: Location and Classification Information

1. Primary Operating Railroad Union Pacific Railroad Company [UP]		2. State TEXAS		3. County SMITH	
4. City / Municipality <input checked="" type="checkbox"/> In <input type="checkbox"/> Near TYLER		5. Street/Road Name & Block Number CALLOWAY ROAD (Street/Road Name) * (Block Number)		6. Highway Type & No. ST 0000	
7. Do Other Railroads Operate a Separate Track at Crossing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, Specify RR			8. Do Other Railroads Operate Over Your Track at Crossing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, Specify RR		
9. Railroad Division or Region <input type="checkbox"/> None FT. WORTH		10. Railroad Subdivision or District <input type="checkbox"/> None Tyler Ind Ld		11. Branch or Line Name <input checked="" type="checkbox"/> None	
12. RR Milepost 0015.158 (prefix) (nnnn.nnn) (suffix)		13. Line Segment *		14. Nearest RR Timetable Station *	
15. Parent RR (if applicable) <input checked="" type="checkbox"/> N/A		16. Crossing Owner (if applicable) <input type="checkbox"/> N/A UP			
17. Crossing Type <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		18. Crossing Purpose <input checked="" type="checkbox"/> Highway <input type="checkbox"/> Pathway, Ped. <input type="checkbox"/> Station, Ped.		19. Crossing Position <input checked="" type="checkbox"/> At Grade <input type="checkbox"/> RR Under <input type="checkbox"/> RR Over	
20. Public Access (if Private Crossing) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		21. Type of Train <input checked="" type="checkbox"/> Freight <input type="checkbox"/> Intercity Passenger <input type="checkbox"/> Commuter		22. Average Passenger Train Count Per Day <input type="checkbox"/> Transit <input type="checkbox"/> Shared Use Transit <input type="checkbox"/> Tourist/Other <input type="checkbox"/> Less Than One Per Day <input type="checkbox"/> Number Per Day 0	
23. Type of Land Use <input type="checkbox"/> Open Space <input type="checkbox"/> Farm <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Institutional <input type="checkbox"/> Recreational <input type="checkbox"/> RR Yard					
24. Is there an Adjacent Crossing with a Separate Number? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, Provide Crossing Number			25. Quiet Zone (FRA provided) <input checked="" type="checkbox"/> No <input type="checkbox"/> 24 Hr <input type="checkbox"/> Partial <input type="checkbox"/> Chicago Excused Date Established		
26. HSR Corridor ID <input checked="" type="checkbox"/> N/A		27. Latitude in decimal degrees (WGS84 std: nn.nnnnnnn) 32.3064353		28. Longitude in decimal degrees (WGS84 std: -nnn.nnnnnnn) -95.2666074	
29. Lat/Long Source <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated					
30.A. Railroad Use *			31.A. State Use *		
30.B. Railroad Use *			31.B. State Use *		
30.C. Railroad Use *			31.C. State Use * State Phone# updated - date updated: 2018-08-16		
30.D. Railroad Use *			31.D. State Use *		
32.A. Narrative (Railroad Use) *			32.B. Narrative (State Use) *		
33. Emergency Notification Telephone No. (posted) 800-848-8715		34. Railroad Contact (Telephone No.) 402-544-3721		35. State Contact (Telephone No.) 512-416-2635	

Part II: Railroad Information

1. Estimated Number of Daily Train Movements				
1.A. Total Day Thru Trains (6 AM to 6 PM) 1		1.B. Total Night Thru Trains (6 PM to 6 AM) 1		1.C. Total Switching Trains 0
				1.D. Total Transit Trains 0
1.E. Check if Less Than One Movement Per Day <input type="checkbox"/> How many trains per week? _____				
2. Year of Train Count Data (YYYY) 2016		3. Speed of Train at Crossing 3.A. Maximum Timetable Speed (mph) 10 3.B. Typical Speed Range Over Crossing (mph) From 5 to 10		
4. Type and Count of Tracks Main 0 Siding 0 Yard 0 Transit 0 Industry 1				
5. Train Detection (Main Track only) <input type="checkbox"/> Constant Warning Time <input type="checkbox"/> Motion Detection <input type="checkbox"/> AFO <input type="checkbox"/> PTC <input type="checkbox"/> DC <input checked="" type="checkbox"/> Other <input type="checkbox"/> None				
6. Is Track Signaled? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7.A. Event Recorder <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		7.B. Remote Health Monitoring <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

U. S. DOT CROSSING INVENTORY FORM

A. Revision Date (MM/DD/YYYY) 08/03/2017		PAGE 2		D. Crossing Inventory Number (7 char.) 4267325	
Part III: Highway or Pathway Traffic Control Device Information					
1. Are there Signs or Signals? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		2. Types of Passive Traffic Control Devices associated with the Crossing			
2.A. Crossbuck Assemblies (count) 0		2.B. STOP Signs (R1-1) (count) 0	2.C. YIELD Signs (R1-2) (count)	2.D. Advance Warning Signs (Check all that apply; include count) <input type="checkbox"/> None <input checked="" type="checkbox"/> W10-1 2 <input type="checkbox"/> W10-3 <input type="checkbox"/> W10-11 <input type="checkbox"/> W10-2 <input type="checkbox"/> W10-4 <input type="checkbox"/> W10-12	
2.E. Low Ground Clearance Sign (W10-5) <input type="checkbox"/> Yes (count 0) <input checked="" type="checkbox"/> No		2.F. Pavement Markings <input checked="" type="checkbox"/> Stop Lines <input type="checkbox"/> Dynamic Envelope <input checked="" type="checkbox"/> RR Xing Symbols <input type="checkbox"/> None		2.G. Channelization Devices/Medians <input type="checkbox"/> All Approaches <input type="checkbox"/> Median <input type="checkbox"/> One Approach <input checked="" type="checkbox"/> None	2.H. EXEMPT Sign (R15-3) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2.J. Other MUTCD Signs <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify Type _____ Count 0 Specify Type _____ Count 0 Specify Type _____ Count _____		2.K. Private Crossing Signs (if private) <input type="checkbox"/> Yes <input type="checkbox"/> No	2.L. LED Enhanced Signs (List types)		
3. Types of Train Activated Warning Devices at the Grade Crossing (specify count of each device for all that apply)					
3.A. Gate Arms (count) Roadway 2 Pedestrian _____	3.B. Gate Configuration <input checked="" type="checkbox"/> 2 Quad <input type="checkbox"/> Full (Barrier) Resistance <input type="checkbox"/> 3 Quad <input type="checkbox"/> Median Gates	3.C. Cantilevered (or Bridged) Flashing Light Structures (count) Over Traffic Lane 0 <input type="checkbox"/> Incandescent Not Over Traffic Lane 0 <input type="checkbox"/> LED		3.D. Mast Mounted Flashing Lights (count of masts) 2 <input type="checkbox"/> Incandescent <input checked="" type="checkbox"/> LED <input checked="" type="checkbox"/> Back Lights Included <input type="checkbox"/> Side Lights Included	3.E. Total Count of Flashing Light Pairs 4
3.F. Installation Date of Current Active Warning Devices: (MM/YYYY) ____/____/____ <input checked="" type="checkbox"/> Not Required		3.G. Wayside Horn <input type="checkbox"/> Yes Installed on (MM/YYYY) ____/____/____ <input checked="" type="checkbox"/> No		3.H. Highway Traffic Signals Controlling Crossing <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3.I. Bells (count) 2
3.J. Non-Train Active Warning <input type="checkbox"/> Flagging/Flagman <input type="checkbox"/> Manually Operated Signals <input type="checkbox"/> Watchman <input type="checkbox"/> Floodlighting <input type="checkbox"/> None				3.K. Other Flashing Lights or Warning Devices Count 0 Specify type _____	
4.A. Does nearby Hwy Intersection have Traffic Signals? <input type="checkbox"/> Yes <input type="checkbox"/> No	4.B. Hwy Traffic Signal Interconnection <input type="checkbox"/> Not Interconnected <input type="checkbox"/> For Traffic Signals <input type="checkbox"/> For Warning Signs	4.C. Hwy Traffic Signal Preemption <input type="checkbox"/> Simultaneous <input type="checkbox"/> Advance	5. Highway Traffic Pre-Signals <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Storage Distance * _____ Stop Line Distance * _____	6. Highway Monitoring Devices (Check all that apply) <input type="checkbox"/> Yes - Photo/Video Recording <input type="checkbox"/> Yes - Vehicle Presence Detection <input type="checkbox"/> None	
Part IV: Physical Characteristics					
1. Traffic Lanes Crossing Railroad Number of Lanes 2 <input type="checkbox"/> One-way Traffic <input checked="" type="checkbox"/> Two-way Traffic <input type="checkbox"/> Divided Traffic		2. Is Roadway/Pathway Paved? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	3. Does Track Run Down a Street? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4. Is Crossing Illuminated? (Street lights within approx. 50 feet from nearest rail) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
5. Crossing Surface (on Main Track, multiple types allowed) Installation Date * (MM/YYYY) ____/____/____ Width * _____ Length * 56 <input checked="" type="checkbox"/> 1 Timber <input type="checkbox"/> 2 Asphalt <input type="checkbox"/> 3 Asphalt and Timber <input type="checkbox"/> 4 Concrete <input type="checkbox"/> 5 Concrete and Rubber <input type="checkbox"/> 6 Rubber <input type="checkbox"/> 7 Metal <input type="checkbox"/> 8 Unconsolidated <input type="checkbox"/> 9 Composite <input type="checkbox"/> 10 Other (specify) _____					
6. Intersecting Roadway within 500 feet? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, Approximate Distance (feet) 75			7. Smallest Crossing Angle <input type="checkbox"/> 0° - 29° <input type="checkbox"/> 30° - 59° <input checked="" type="checkbox"/> 60° - 90°		8. Is Commercial Power Available? * <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Part V: Public Highway Information					
1. Highway System <input type="checkbox"/> (01) Interstate Highway System <input type="checkbox"/> (02) Other Nat Hwy System (NHS) <input type="checkbox"/> (03) Federal AID, Not NHS <input checked="" type="checkbox"/> (08) Non-Federal Aid		2. Functional Classification of Road at Crossing <input type="checkbox"/> (0) Rural <input checked="" type="checkbox"/> (1) Urban <input type="checkbox"/> (1) Interstate <input checked="" type="checkbox"/> (5) Major Collector <input type="checkbox"/> (2) Other Freeways and Expressways <input type="checkbox"/> (3) Other Principal Arterial <input type="checkbox"/> (6) Minor Collector <input type="checkbox"/> (4) Minor Arterial <input type="checkbox"/> (7) Local		3. Is Crossing on State Highway System? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4. Highway Speed Limit 30 _____ MPH <input checked="" type="checkbox"/> Posted <input type="checkbox"/> Statutory
5. Linear Referencing System (LRS Route ID) *					
6. LRS Milepost *					
7. Annual Average Daily Traffic (AADT) Year 2013 AADT 8790		8. Estimated Percent Trucks 03 _____ %	9. Regularly Used by School Buses? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Average Number per Day 6 _____		10. Emergency Services Route <input type="checkbox"/> Yes <input type="checkbox"/> No
Submission Information - This information is used for administrative purposes and is not available on the public website.					
Submitted by _____ Organization _____ Phone _____ Date _____					
Public reporting burden for this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. According to the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to, nor shall a person be subject to a penalty for failure to comply with, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for information collection is 2130-0017. Send comments regarding this burden estimate or any other aspect of this collection, including for reducing this burden to: Information Collection Officer, Federal Railroad Administration, 1200 New Jersey Ave. SE, MS-25 Washington, DC 20590.					



Church

Self Storage

Existing Multifamily

Exhibit F

Proposed Site

2,000 Feet to
Mixing Plant

1,300 Feet to
Storage Silo

Vacant Warehouse

Administrative
Building

Echna Street

Hillside Dr

Willard Drive

Socialty Dr

Lazy Creek Dr

Caroway Rd

Old Troop Hwy

Troop Hwy

110

© 2018 Google

Google

Exhibit G

Rosewood Senior Villas - 201901080: Noise Calculation Data

		Projected 4% Annual Growth											10-Year	
Road		Percent ²	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Calloway Road 35 mph Truck Traffic ¹ =	Gross Total ADT		8790	9142	9507	9888	10283	10694	11122	11567	12030	12511	13011	
	Total Cars	97%	8509	8849	9203	9571	9954	10352	10766	11197	11645	12111	12595	
	Total Medium Trucks	2%	211	219	228	237	247	257	267	278	289	300	312	
	Total Heavy Trucks	1%	70	73	76	79	82	86	89	93	96	100	104	

Road		Percent ²	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Lazy Creek Drive 30 mph Truck Traffic ¹ =	Gross Total ADT		8190	8518	8858	9213	9581	9964	10363	10777	11209	11657	12123
	Total Cars	97%	7928	8245	8575	8918	9275	9646	10031	10433	10850	11284	11735
	Total Medium Trucks	2%	197	204	213	221	230	239	249	259	269	280	291
	Total Heavy Trucks	1%	66	68	71	74	77	80	83	86	90	93	97

Railroad	Train ATO	% Night Traffic	Typical Speed Over Crossing	Within 1/4 Mile of At-Grade Crossing?	Bolted Tracks?								
Union Pacific Railroad Company	2	50%	10	No	No								

Airport	Distance	Outside Noise Countours											
Tyler Pounds Regional Airport	9 miles	Unknown											

Noise Assesment Locations (NAL)

Noise Sources	NAL #1 - Northwest Building		NAL #2 - Northeast Building		NAL #3 - South central Building	
	Effective Distance (feet)	10-year DNL	Effective Distance (feet)	10-year DNL	Effective Distance (feet)	10-year DNL
Calloway Road	283	56.9	315	56.2	725	50.7
Lazy Creek Drive	1,120	46.7	830	48.7	1,270	45.9
Union Pacific Railroad Company	575	54.3	600	54.1	142	63.4
NAL Combined DNL:		59.1		58.7		63.8

ADT = Average Daily Traffic Count

DNL = Day/Night Noise Level

1 = Percent of Truck Traffic is obtained from the TxDOT Statewide Planning Map

2 = Breakdown of Truck Traffic is assumed, 75% Medium Trucks and 25% Heavy Trucks

Note: When percentage of truck traffic is not available, the default is 15% Medium Trucks and 5% Heavy Trucks of the total ADT

Criteria

Acceptable: 65 or less

Normally Not Acceptable: 66-75

Not Acceptable: 75 or greater

DNL Calculator

Exhibit H

WARNING: HUD recommends the use of Microsoft Internet Explorer for performing noise calculations. The HUD Noise Calculator has an error when using Google Chrome unless the cache is cleared before each use of the calculator. HUD is aware of the problem and working to fix it in the programming of the calculator.

The Day/Night Noise Level Calculator is an electronic assessment tool that calculates the Day/Night Noise Level (DNL) from roadway and railway traffic. For more information on using the DNL calculator, view the [Day/Night Noise Level Calculator Electronic Assessment Tool Overview \(/programs/environmental-review/daynight-noise-level-electronic-assessment-tool/\)](/programs/environmental-review/daynight-noise-level-electronic-assessment-tool/).

Guidelines

- To display the Road and/or Rail DNL calculator(s), click on the "Add Road Source" and/or "Add Rail Source" button(s) below.
- All Road and Rail input values must be positive non-decimal numbers.
- All Road and/or Rail DNL value(s) must be calculated separately before calculating the Site DNL.
- All checkboxes that apply must be checked for vehicles and trains in the tables' headers.
- **Note #1:** Tooltips, containing field specific information, have been added in this tool and may be accessed by hovering over all the respective data fields (site identification, roadway and railway assessment, DNL calculation results, roadway and railway input variables) with the mouse.
- **Note #2:** DNL Calculator assumes roadway data is always entered.

DNL Calculator

Site ID	201901080 - Rosewood Seniors - NAL #1, NW building
Record Date	05/07/2019
User's Name	Phase - TW

Road # 1 Name:	Calloway Road
-----------------------	----------------------

Road #1

Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	283	283	283
Distance to Stop Sign			
Average Speed	35	35	35
Average Daily Trips (ADT)	12595	312	104
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	54.0172	47.9568	52.2042

Calculate Road #1 DNL

56 9619

Recat

Calculate Road #1 DNL

39.0040

Reset

Road # 2 Name: **Lazy Creek Road**

Road #2

Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	1120	1120	1120
Distance to Stop Sign			
Average Speed	30	30	30
Average Daily Trips (ADT)	11735	291	97
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	43.4097	37.3538	42.9401
Calculate Road #2 DNL	46.7152	Reset	

Railroad #1 Track Identifier: **Union Pacific - South of Site**

Rail # 1

Train Type	Electric <input type="checkbox"/>	Diesel <input checked="" type="checkbox"/>
Effective Distance		575
Average Train Speed		10
Engines per Train		2
Railway cars per Train		50
Average Train Operations (ATO)		2
Night Fraction of ATO		50
Railway whistles or horns?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Bolted Tracks?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Train DNL		54.3292
Calculate Rail #1 DNL	54.3292	Reset

Add Road Source Add Rail Source

	<input type="text" value="0"/>
Loud Impulse Sounds?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Combined DNL for all Road and Rail sources	59.0789
Combined DNL including Airport	N/A
Site DNL with Loud Impulse Sound	<input type="text"/>
<input type="button" value="Calculate"/>	

Mitigation Options

If your site DNL is in Excess of 65 decibels, your options are:

- **No Action Alternative:** Cancel the project at this location
- **Other Reasonable Alternatives:** Choose an alternate site
- **Mitigation**
 - Contact your Field or Regional Environmental Officer (</programs/environmental-review/hud-environmental-staff-contacts/>)
 - Increase mitigation in the building walls (only effective if no outdoor, noise sensitive areas)
 - Reconfigure the site plan to increase the distance between the noise source and noise-sensitive uses
 - Incorporate natural or man-made barriers. See *The Noise Guidebook* (</resource/313/hud-noise-guidebook/>)
 - Construct noise barrier. See the Barrier Performance Module (</programs/environmental-review/bpm-calculator/>)

Tools and Guidance

Day/Night Noise Level Assessment Tool User Guide (</resource/3822/day-night-noise-level-assessment-tool-user-guide/>)

Day/Night Noise Level Assessment Tool Flowcharts (</resource/3823/day-night-noise-level-assessment-tool-flowcharts/>)

DNL Calculator

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Guidelines

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- All Road and/or Rail DNL value(s) must be calculated separately before calculating the Site DNL.
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- **Note #1:** Tooltips, containing field specific information, have been added in this tool and may be accessed by hovering over all the respective data fields (site identification, roadway and railway assessment, DNL calculation results, roadway and railway input variables) with the mouse.
- **Note #2:** DNL Calculator assumes roadway data is always entered.

DNL Calculator

Site ID	201901080 - Rosewood Seniors - NAL #2, NE building
Record Date	05/07/2019
User's Name	Phase - TW

Road # 1 Name:	Calloway Road
-----------------------	----------------------

Road #1	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	315	315	315
Distance to Stop Sign			
Average Speed	35	35	35
Average Daily Trips (ADT)	12595	312	104
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	53.3194	47.2589	51.5064

56.167

Calculate Road #1 DNL

39.107

Reset

Road # 2 Name: **Lazy Creek Road**

Road #2

Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	830	830	830
Distance to Stop Sign			
Average Speed	30	30	30
Average Daily Trips (ADT)	11735	291	97
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	45.3618	39.3059	44.8922
Calculate Road #2 DNL	48.6673	Reset	

Railroad #1 Track Identifier: **Union Pacific - South of Site**

Rail # 1

Train Type	Electric <input type="checkbox"/>	Diesel <input checked="" type="checkbox"/>
Effective Distance		600
Average Train Speed		10
Engines per Train		2
Railway cars per Train		50
Average Train Operations (ATO)		2
Night Fraction of ATO		50
Railway whistles or horns?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Bolted Tracks?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Train DNL		54.052
Calculate Rail #1 DNL	54.052	Reset

Add Road Source

Add Rail Source

	<input type="text" value="0"/>
Loud Impulse Sounds?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Combined DNL for all Road and Rail sources	58.7225
Combined DNL including Airport	N/A
Site DNL with Loud Impulse Sound	<input type="text"/>
<input type="button" value="Calculate"/>	

Mitigation Options

If your site DNL is in Excess of 65 decibels, your options are:

- **No Action Alternative:** Cancel the project at this location
- **Other Reasonable Alternatives:** Choose an alternate site
- **Mitigation**
 - Contact your Field or Regional Environmental Officer (</programs/environmental-review/hud-environmental-staff-contacts/>)
 - Increase mitigation in the building walls (only effective if no outdoor, noise sensitive areas)
 - Reconfigure the site plan to increase the distance between the noise source and noise-sensitive uses
 - Incorporate natural or man-made barriers. See *The Noise Guidebook* (</resource/313/hud-noise-guidebook/>)
 - Construct noise barrier. See the Barrier Performance Module (</programs/environmental-review/bpm-calculator/>)

Tools and Guidance

Day/Night Noise Level Assessment Tool User Guide (</resource/3822/day-night-noise-level-assessment-tool-user-guide/>)

Day/Night Noise Level Assessment Tool Flowcharts (</resource/3823/day-night-noise-level-assessment-tool-flowcharts/>)

DNL Calculator

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Guidelines

- To display the Road and/or Rail DNL calculator(s), click on the "Add Road Source" and/or "Add Rail Source" button(s) below.
- All Road and Rail input values must be positive non-decimal numbers.
- All Road and/or Rail DNL value(s) must be calculated separately before calculating the Site DNL.
- All checkboxes that apply must be checked for vehicles and trains in the tables' headers.
- Note #1:** Tooltips, containing field specific information, have been added in this tool and may be accessed by hovering over all the respective data fields (site identification, roadway and railway assessment, DNL calculation results, roadway and railway input variables) with the mouse.
- Note #2:** DNL Calculator assumes roadway data is always entered.

DNL Calculator

Site ID	201901080 - Rosewood Seniors - NAL #3, South center building
Record Date	05/07/2019
User's Name	Phase - TW

Road # 1 Name:	Calloway Road
-----------------------	----------------------

Road #1

Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	725	725	725
Distance to Stop Sign			
Average Speed	35	35	35
Average Daily Trips (ADT)	12595	312	104
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	47.889	41.8285	46.0759

Calculate Road #1 DNL

30.7500

Reset

Road # 2 Name: **Lazy Creek Road**

Road #2

Vehicle Type	Cars <input checked="" type="checkbox"/>	Medium Trucks <input checked="" type="checkbox"/>	Heavy Trucks <input checked="" type="checkbox"/>
Effective Distance	1270	1270	1270
Distance to Stop Sign			
Average Speed	30	30	30
Average Daily Trips (ADT)	11735	291	97
Night Fraction of ADT	15	15	15
Road Gradient (%)			0
Vehicle DNL	42.5909	36.535	42.1213
Calculate Road #2 DNL	45.8964	Reset	

Railroad #1 Track Identifier: **Union Pacific - South of Site**

Rail # 1

Train Type	Electric <input type="checkbox"/>	Diesel <input checked="" type="checkbox"/>
Effective Distance		142
Average Train Speed		10
Engines per Train		2
Railway cars per Train		50
Average Train Operations (ATO)		2
Night Fraction of ATO		50
Railway whistles or horns?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Bolted Tracks?	Yes: <input type="checkbox"/> No: <input type="checkbox"/>	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>
Train DNL		63.4399
Calculate Rail #1 DNL	63.4399	Reset

Add Road Source

Add Rail Source

	<input type="text" value="0"/>
Loud Impulse Sounds?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Combined DNL for all Road and Rail sources	63.7671
Combined DNL including Airport	N/A
Site DNL with Loud Impulse Sound	<input type="text"/>
<input type="button" value="Calculate"/>	

Mitigation Options

If your site DNL is in Excess of 65 decibels, your options are:

- **No Action Alternative:** Cancel the project at this location
- **Other Reasonable Alternatives:** Choose an alternate site
- **Mitigation**
 - Contact your Field or Regional Environmental Officer (</programs/environmental-review/hud-environmental-staff-contacts/>)
 - Increase mitigation in the building walls (only effective if no outdoor, noise sensitive areas)
 - Reconfigure the site plan to increase the distance between the noise source and noise-sensitive uses
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 - Construct noise barrier. See the Barrier Performance Module (</programs/environmental-review/bpm-calculator/>)

Tools and Guidance

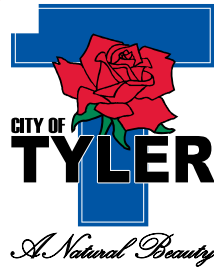
Day/Night Noise Level Assessment Tool User Guide (</resource/3822/day-night-noise-level-assessment-tool-user-guide/>)

Day/Night Noise Level Assessment Tool Flowcharts (</resource/3823/day-night-noise-level-assessment-tool-flowcharts/>)

Attachment 3- Zoning Confirmation Letter

Planning Department
423 West Ferguson Street

Phone: (903) 531-1175
Fax: (903) 531-1170
www.tylerpz.org



Mailing Address
City of Tyler
Attn: Planning Department
P.O. Box 2039
Tyler, Texas 75710-2039

February 12, 2019

Marni Holloway, Executive Director
P.O. Box 13941
221 East 11th Street
Austin, TX 78711-3941

**Re: Lot 2 Block 1539-O
Tyler, TX 75707**

Dear Ms. Holloway,

You have requested a zoning information letter relating to the above referenced property from the Department of Planning and Zoning. The above lot is zoned "R-MF", Multi-family Residential District which the City of Tyler Code of Ordinances describes as the following:

According to the Unified Development Code (UDC), the "R-MF", Multi-Family Residential District is primarily intended to accommodate multi-family development at a maximum density of 24 dwelling units per acre. In addition, the district allows churches, group living facilities, schools, and accessory buildings and uses. The maximum building height is 50 feet, however, the building height is allowed to exceed stated maximum height if front, rear and side setback are increased at least one foot for each one foot of additional building height. Setback requirements are 25 feet in the front, rear, and interior side and 12 on the corner side. Minimum lot size is 12,500 square feet.

The adjacent property to the north is zoned "R-1A", Single-Family Residential District. The adjacent properties to the east are zoned "R-1A", Single-Family Residential District and "R-MF", Multi-Family Residential District. The adjacent property to the south is zoned "M-2", General Industrial District.

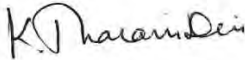
To the best of my knowledge the property has neither special use/conditional permits nor variances associated with the property. The property is not in any special, historic, restrictive or overlay district. This property was not developed with a site plan nor is a Planned Unit Development, or PUD. An apartment complex is a permitted use with a maximum density of 24 dwelling units per acre. Gated developments are permitted in R-MF zoning.

The Building Services Division is responsible for the enforcement of building codes and similar codes or ordinances related to commercial development in the City of Tyler, Texas and the issuance of certificates of occupancy in the City of Tyler, Texas. Please contact the Building Official for any site plan information or any building code violations. The Building Services number is 903-531-1151. Ext 3.

The Planning Department is responsible for the zoning ordinance. The zoning ordinance is available on line at www.tylerpz.org. Attached are regulations for the "R-MF", Multi-Family Residential District.

If you should require any additional information concerning zoning, please contact the Department of Planning and Zoning at 903-531-1175. Ext 5.

Sincerely,



Tharani Devi Krishnakumar
Senior Planner
City of Tyler Planning Department

Attached are Excerpts from City of Tyler Unified Development Code pertaining to R-MF zoning

Sec. 10-23. Dimensional Standards

All development in residential districts must comply with Table 10-23 Dimensional Standards in Residential Districts.

Table 10-23. Dimensional Standards for Residential Districts

Residential Districts	RE	R-1A	R-1B	R-1C	R-1D	R-2	R-MF	R-MH	PUR	PXR	PMF
Minimum lot area (sq. ft.)	43,560	9,000	6,000	6,000	3000	7,500	12,500	6,000		2,700	
Minimum lot area per unit (sq. ft.)	43,560	9,000	6,000	6,000	3000	3,750	2,100	6,000		2,700	
Minimum street frontage (ft.)	50	35	35	35	35	35	45	35	25	25	25
Minimum frontage (ft.) to private way										25	25
Setbacks											
Front *	50	25	25	25	25	25	25	25		25	
Rear	50	25	25	25	15	25	25	10		15	
Side interior	12.5	7.5	6	6	0	6	25	10		7.5	
Side, corner	25	12	12	12	12	12	12	15	12	12	25
District boundary								25			
Maximum lot coverage (%)	30	50	50	50	60		50			60	
Maximum height (ft.)	42	42	42	42	42	42	50[1]	18	42	42	
Building separation (ft.)							15	20			15
Minimum per dwelling unit (sq. ft.)							300[2]				300
Minimum width (ft.)							15				15
Maximum slope (%)					10		10				10

(Ord. No. 0-2010-20; 3/10/10) (Ord. No. 0-2010-119; 11/10/10) (Ord. No. 0-2011-45; 6/8/11) (Ord. No. 0-2014-97; 10/22/14)

* See section 10-92 for reduced front setbacks for alley loaded parking.

[1] Buildings allowed to exceed stated maximum height if front, side and rear setback are increased at least one foot (above minimum setbacks) for each one foot of additional building height (above stated maximum).

[2] The following elements may be designated as usable open space in the PUR, PXR, and PMF districts: pools, tennis courts, walkways, patios, open air gazebos and pavilions, and covered or underground easements. The following elements may not be included in the calculation of usable open space: enclosed buildings, street and alley rights of way or easements, driveways, parking areas, or drainage channels.

[3] The following elements may not be included in the calculation of usable open space in the PXR district streets and alley rights-of-way or easements, individually platted lots without open space easements, private yards, and patios. One-third of the total open space requirement in the PXR district may be provided off site if approved on the site plan. A Homeowners Association (HOA) is required to improve, operate, and maintain all jointly owned open spaces, recreational areas and buildings, service and parking areas. (Ord. 0-2010-20, 3/10/10) (Ord. No. 0-2010-119; 11/10/10) (Ord. No. 0-2014-97; 10/22/14)

Table 10-360 Off-Street Parking Requirements

Use Category	Specific Use	General Requirement	Additional Requirement
Residential Uses Household Living	Single-family, detached	2/dwelling unit (DU)	
	Single-family, attached	2/DU	
	Two-family	2/DU	
	Townhouse	2.5/DU	
	Multifamily dwelling	1.5 /1-br unit 2/ 2+ br unit	Additional 5 percent of total number of required spaces for visitor use
	Dwelling unit in DBAC	1/DU	Required off-street parking may be accomplished through the submittal of appropriate documentation demonstrating that the off-street parking is provided within the downtown area.
Group Living	Group home (6 or fewer residents)	2 / DU	1 visitor space
	Group homes (7 or more residents)	1 / 2 br	1 visitor space
	Nursing or convalescent home	Parking = $.051x + 21$ Where x = Building Area/1,000 square foot Gross Floor Area (GFA)	
	Retirement center apartment	.5 / 1-br unit 1 / 2-br unit 1.5 / 2+ br unit	Additional 5 percent of total number of required spaces for visitor use
	All other Group Living	1.25 / two br	

Sec. 10-332. Use- and Zone-Specific Fence Standards

a. Front Yard Fencing in R-MF Zone

In areas zoned R-MF where the property is in use as a multi-family residential development or as religious institution, educational facility, hospital or nursing facility, the fence may not exceed six feet within the required front yard.

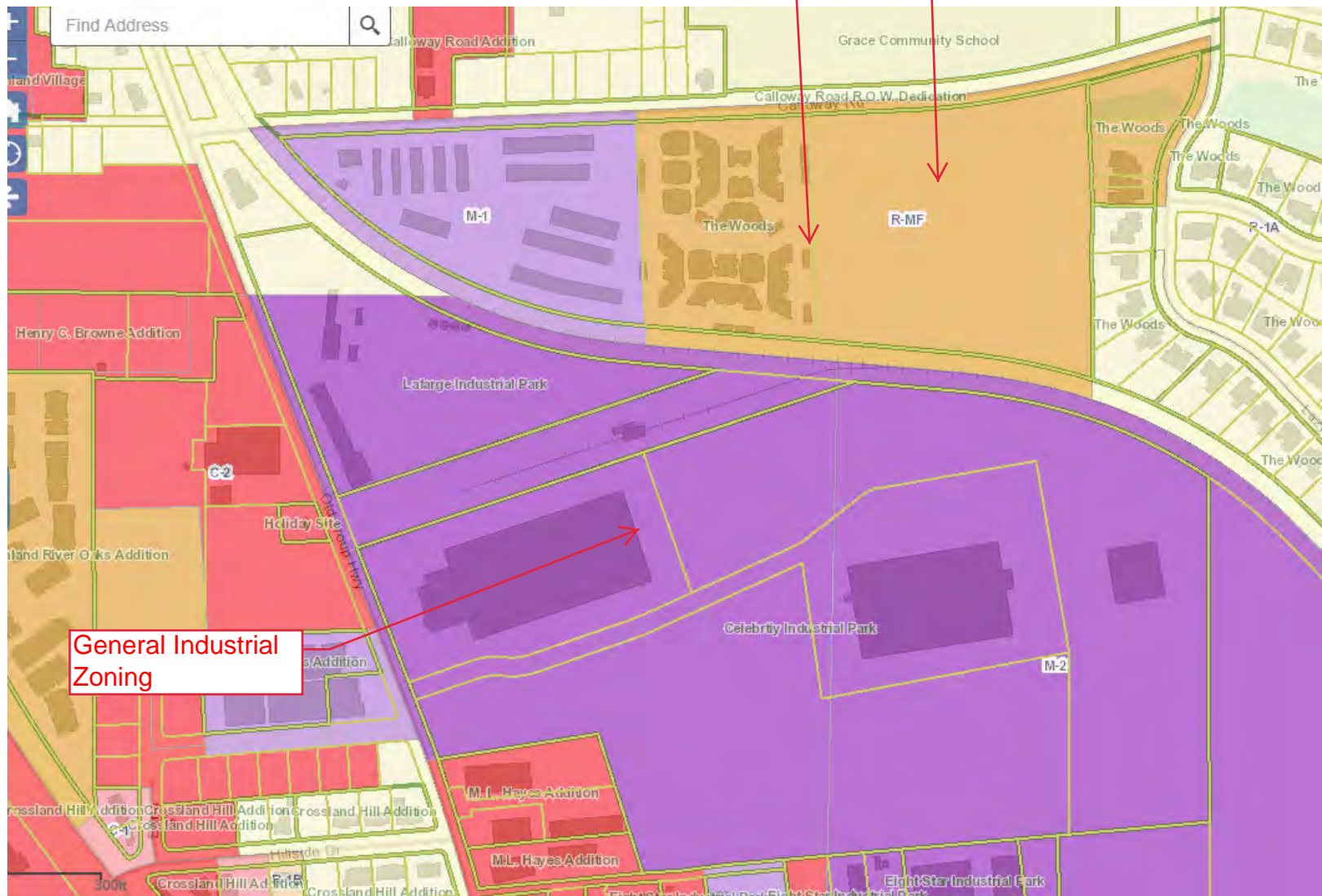
b. Through Lot Fencing

Where a through lot results in a back yard being a front yard for neighboring properties, fencing shall not exceed four feet in height within the extended front yard setback for adjoining lots.

Attachment 4- Tyler Zoning Map

Multifamily Zoning

Development Site



DIVISION B. Bufferyards

Sec. 10-320. Purpose

The purpose of this division is intended to:

- a. prevent or minimize any effects of a use on a property from affecting any adjacent property or zoning district with a greater or lesser intensity of use, and
- b. provide for the construction of fences, walls, and other similar elements within the city in all zoning districts provided that the fencing complies with the requirements of this code as to location, height, and composition.

Sec. 10-321. General Requirements

- a. The bufferyard is included in the overall calculation of the percentage of required landscaping on a lot.
- b. All open space within a buffer yard must be planted with grass, or vegetative ground cover.
- c. A buffer yard may provide additional plantings in excess of the minimum requirements.
- d. A buffer yard may be interrupted in order to provide access (pedestrian or vehicular) to adjacent parcels.

Required Bufferyard Type by Adjacent Zoning District

District	RE, R-1A, R-1B, R-1C, R-1D, PUR	AR, R-2, R-MF, PXR, PMF	C-1, PMXD-1 RPO, INT	C-2, PCD, PMXD-2	M-1, M-2
RE, R-1A, R-1B, R-1C, R-1D, PUR		Type A	Type B	Type B	Type C
AR, R-2, R-MF, PXR, PMF	Type A		Type A	Type B	Type C
C-1, PMXD-1, RPO, INT	Type B	Type A		Type B	Type C
C-2, DBAC*, PCD, PMXD-2	Type B	Type B	Type B		Type C
M-1, M-2	Type C	Type C	Type C	Type C	

Note: The more intense use is required to provide the buffer.

*Buffer yards are only required in DBAC when adjacent to residential districts. Requirement may be waived upon the submittal of a letter of support from adjacent, affected property owner.

(Ord. No. 0-2009-19; 3/11/09) (Ord. No. 0-2010-119; 11/10/10) (Ord. No. 0-2011-45; 6/8/11)

Sec. 10-322. Bufferyard Types

a. "Type A" Bufferyard

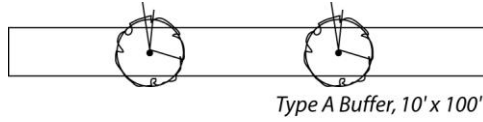
1. Applicability

A "Type A" buffer yard is used to separate a) single-family residential zoning districts from higher-density residential districts and b) all residential districts from light commercial, restricted professional office, and institutional districts.

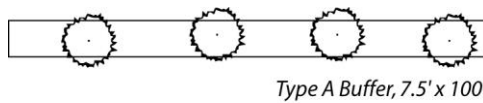
2. **Type A Bufferyard Composition**

A "Type A" bufferyard must consist of one of the following:

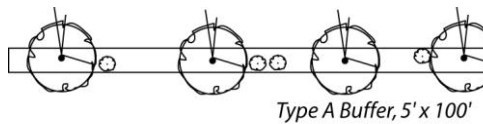
A 10-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity per 50 feet or one evergreen shrub per 50 linear feet;



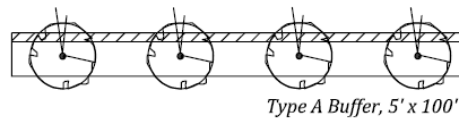
(b) A 7.5-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two evergreen shrubs per 50 linear feet; (Ord. No. 0-2009-19; 3/11/09) or



(c) A 5-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two shrubs of any type per 50 linear feet. (Ord. No. 0-2009-19; 3/11/09)



(d) A 5-foot-wide planting area with an average of one medium or large evergreen tree of 6" DBH or larger at a maturity for each 50 linear feet of bufferyard spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, or other similar two-sided masonry materials. Wood (redwood, cedar, or other preservative pressure treated wood), may be used as long as a continuous masonry wall (one foot height minimum) on a concrete footer is installed. The wooden panels must be separated by masonry columns spaced no further apart than 20 feet. (Ord. No. 0-2009-19; 3/11/09) (Ord. No. 0-2010-119; 11/11/10)



b. **"Type B" Bufferyard**

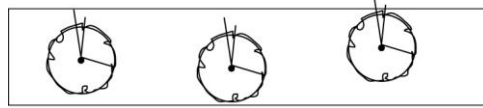
1. **Applicability**

A Type "B" bufferyard is used to separate a) general commercial (C-2), planned commercial (PCD) and high-intensity planned mixed zoning districts (PMXD-2) from any other nonresidential districts; and b) all commercial and office districts from any residential district. (Ord. No. 0-2009-19; 3/11/09)

2. **Type B Bufferyard Composition**

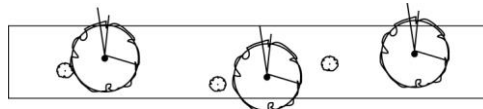
A Type B bufferyard must consist of one of the following:

A 20-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity per 50 linear feet spaced no more than 35 feet apart;



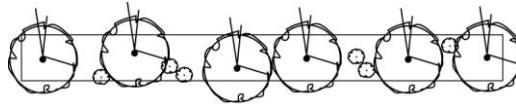
Type B Buffer, 20' x 100'

(b) A 15-foot-wide planting area with an average of one tree of 6" DBH or larger at maturity and one shrub per 35 linear feet; or



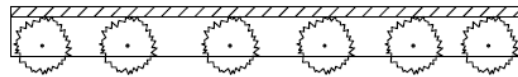
Type B Buffer, 15' x 100'

(c) A 10-foot-wide planting area with an average of two trees of 6" DBH or larger at maturity and two shrubs per 35 linear feet.



Type B Buffer, 10' x 100'

(d) A 10-foot-wide planning area with an average of one medium or large evergreen tree of 6" DBH or larger at maturity for each 50 linear feet of buffer yard, spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, or other similar two-sided masonry materials. Wood (redwood, cedar, or other preservative pressure treated wood), may be used as long as a continuous masonry wall (one foot height minimum) on a concrete footer is installed. The wooden panels must be separated by masonry columns spaced no further apart than 20 feet. (Ord. No. 0-2010-119; 11/11/10)



Type B Buffer, 10' x 100'

c. "Type C" Bufferyard

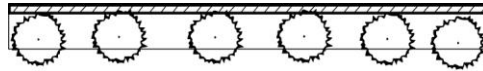
1. **Applicability**

A Type C bufferyard is used to separate industrial districts (M-1 and M-2) from all other zoning districts.

2. **Type C Bufferyard Composition**

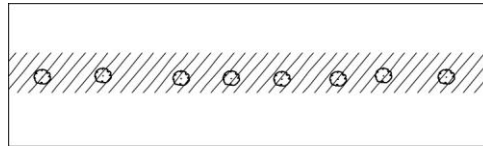
A "Type C" buffer yard must consist of one of the following options:

A 10-foot-wide planting area with an average of two evergreen trees of 6" DBH or larger at maturity for each 50 linear feet of buffer yard, spaced no more than 35 feet apart to provide additional screening above a required solid six-foot screening wall constructed of brick, stone, reinforced concrete, wood, or other similar two-sided masonry materials; or



Type C Buffer, 10' x 100'

(b) A 30-foot-wide planting area with a berm at least three feet tall and minimum 4:1 side slope, with an average of four shrubs at the top of the berm per 50 linear feet.



Type C Buffer, 30' x 100'

(c) A 50-foot-wide buffer area with existing tree canopy equal to at least one tree per 50'. (Ord. 0-2010-20, 3/10/10)

Sec. 10-323 - 329. Reserved

MR. OXER: Okay. All right. Any comments from the Board?

(No response.)

MR. OXER: And we'll entertain a motion since it's --

DR. MUÑOZ: Mr. Chairman --

MR. OXER: Oh, we have a motion. We have a motion to deny the waiver. Is that correct?

DR. MUÑOZ: Correct.

MR. OXER: Okay. All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Four zero.

MR. CHILDRE: Thank you.

MR. DORSEY: Okay. The last -- sorry, speaker -- the last waiver request is for Application 127 -- sorry, 12375, Cypress Creek at Westheimer. This is a waiver of the negative site features within the eligibility portion of the QAP.

This is a transaction in Houston, it's a new construction transaction playing in the regional pool, Urban Region 6, which has a ten-to-one oversubscription based on the preapplications.

They are located within 300 feet of a concrete -- commercial concrete-mixing facility, and they were -- they disclosed this in hopes that we would not classify this as a heavy industrial use, because a heavy industrial use is -- that is located within 300 feet of a site is an ineligible site feature.

So we -- staff determined that it was -- based on staff's view of this, a heavy industrial use and that this site did not meet the eligibility criteria. So we've brought it to you for -- as a waiver. We're recommending denial.

MR. OXER: And questions from the Board?

(No response.)

MR. OXER: Entertain a motion.

MR. GANN: I move staff's recommendation to deny.

MR. OXER: Okay. Motion by Mr. Gann to -- staff recommendation to deny the waiver.

MR. KEIG: Second by Mr. Keig. We have a couple of requests for public comment, and they are -- let me make sure I get them all out here. Hold on. There are three. Mr. Stewart Shaw, Barry Palmer and Casey Bump.

MR. BUMP: Yes, sir. Mr. Shaw had to leave --

MR. OXER: Well, and I'm sorry, I had a message here that he was -- or at least a note here that you guys --

MR. BUMP: Yes, we have a switch. I'm Casey Bump

and I can --

MR. OXER: He's yielding time to you. Is that correct?

MR. BUMP: Yes, sir, if that's okay.

MR. OXER: That's certainly okay.

(Pause.)

MR. BUMP: Ready?

MR. OXER: Go for it.

MR. BUMP: Good afternoon, Mr. Chairman, Board members. My name is Casey Bump and I am here representing Bonner, Carrington and Stewart Shaw on behalf of Cypress Creek at Westheimer.

As part of this application, we just want to clarify that we do not really think that we are in front of you for a waiver. We are actually in front of you, as Cameron mentioned, for what the definition of having industrial use is.

As part of the preapplication, we went ahead and notified staff that we were adjacent to a facility that we did not believe was a heavy industrial use, but we just wanted to disclose it because we don't like surprises and we don't think you do either.

So as part of that process, we looked at the QAP and the QAP for negative site features that would render a

development ineligible, it really appears that these heavy industrial uses are defined as -- or there's a section that says, Heavy industrial uses such as blasting facility, manufacturing plants, there's also talk of railroads, there's also talk of the powerlines falling.

And in our interpretation, those are all features that would really negatively affect a resident. In this case, we do not think that the facility, the concrete-mixing facility that's located adjacent to us, meets the intent or letter of that rule.

As part of the process, we went ahead and spoke with the neighbors around the site, the -- including the Southern Star Concrete Mixing facility operators itself. And our understanding of this facility is materials are delivered, they're dropped off in the yard, a piece of equipment brings them to a mixer, they're loaded into a truck, they leave.

The facility operation has said they'd never had any complaints from neighbors about noise or operations. The closest thing we could think this would compare to would be a warehouse where delivery trucks drop off materials, you know, like a Fed Ex shipping facility, materials are dropped, combined, leave the next morning.

One of the closest neighbors to this site is called

The Concierge Healthcare and Rehabilitation Center that houses seniors. Our site touches the southwest corner of this mixing facility and The Concierge Seniors actually shares quite a sizeable piece of their boundary with the actual mixing facility.

So we called over to The Concierge and just asked them if they had any problems. And they said they've been in operation for six years, this is a high end market rate senior facility with people that actually live there while they're being rehabbed, have never had a problem. And I'd like to read their letter into the record real quick.

And this letter is from Jennifer Nixon, Director of Marketing for The Concierge. "Dear Mr. Shaw and Mr. Bump, Pursuant to your request, The Concierge Healthcare and Rehabilitation Center located at 2310 South Eldridge Parkway, Houston, Texas 77077, is a luxury healthcare and rehabilitation facility whose goal is to provide the highest level of healthcare and skilled nursing care in an environment of unparalleled ambience, comfort and elegance.

"This Italian-style building is surrounded by our private park. The Concierge is located adjacent to the Southern Star Concrete Mixing facility. The Concierge has been operating next to the mixing facility for six years and has never received a complaint from the senior citizen

residents or from staff regarding operations, noise or for any other disruption coming from the mixing facility.

"Should you have any questions, please contact me." It's signed Jennifer Nixon, Director of Marketing, The Concierge.

So in -- one other piece that we wanted to show you here is I have a little illustration. There is an aerial in your -- I don't know if everyone can kind of see this, but -- Barry, can you hold that.

So on this map -- could I stand here -- on this map here is our site in yellow. This is the mixing facility on our corner, the red is The Concierge, and then the blue down here is retail.

As you can see our site and this mixing facility is surrounded by multifamily apartments, the senior facility, retail, single-family homes. We just really do not believe that this is a heavy industrial area. We're in the energy corridor, we're in a path of growth.

There happens to be a couple of infill sites that are, you know, going to be built on at some point. And we just do not think this is a heavy industrial area, and hope you agree.

DR. MUÑOZ: What's right there?

MR. BUMP: I'm sorry?

DR. MUÑOZ: See where your spot is? Where your spot --

MR. BUMP: Right here?

DR. MUÑOZ: -- keep going to the right. Right -- keep going. There.

MR. BUMP: That is a retail outlet on the corner of Westheimer and Eldridge. It's a retail center, stores.

DR. MUÑOZ: What kind?

MR. BUMP: I do not know. It just is like a strip center. There's not a large anchor. The large anchors are actually beyond here. This is a brand new Target and Sam's Club.

DR. MUÑOZ: Okay. What's between where I just asked you to and your spot?

MR. BUMP: This?

DR. MUÑOZ: Go down low. Right there.

MR. BUMP: Right here?

DR. MUÑOZ: Yes. What is that, sir?

MR. BUMP: I think it's just a little -- I don't know the exact location, but it's probably just a small little business.

MR. OXER: It's Westheimer and Eldridge.

DR. MUÑOZ: Okay.

MR. OXER: I know that's --

DR. MUÑOZ: It's not a small little industrial business --

MR. OXER: No, it's not an industrial --

MR. BUMP: It's not a refining facility or anything like that, it's just a --

MR. OXER: No blast furnace there for steel -- pouring steel?

MR. BUMP: No, sir. No fall zones.

MR. OXER: All right.

MR. BUMP: Just trucks coming in and out.

MR. OXER: Yes.

MR. BUMP: Material is not even processed there, it's just dropped off.

MR. GANN: How does that entry go into the --

MR. BUMP: Well, there's going to be --

MR. GANN: Not to yours, but --

MR. BUMP: There's a city street --

MR. GANN: -- the ready mix?

MR. BUMP: -- a city street. In our site we'll just have an exit on that city street as a secondary exit.

DR. MUÑOZ: You don't have any idea what might be developed just left of your spot there?

MR. BUMP: Right here?

DR. MUÑOZ: Right there, because, you know, the

wrong thing is put --

MR. OXER: It's residential around there, Juan, so -- and the back side of it is not --

MR. BUMP: We actually have tried to contact that land owner, and he's not really interested in selling, so we really don't know. We're just hoping it would be in a -- consistent with what's already in the area.

MR. OXER: Well, consistent with the, let's just say the zoning patterns, that are showing up in Houston with the liquor stores next to the churches, the --

(General laughter.)

MR. OXER: -- this doesn't seem inconsistent with a lot of what goes on, not to mention the fact that having done a lot of work around heavy industrial facilities, this doesn't quite rise to that definition, in my estimation, but that's my estimation, so.

All right.

MR. BUMP: So just in conclusion, just we hope that we can clarify what the definition of heavy industrial is in this particular case, and thank you for your time.

MR. OXER: Okay. Barry?

MR. PALMER: Barry Palmer, Coats Rose. I just want to re-emphasize a couple of the points that Casey made. This is in Houston at the intersection of Westheimer and

Eldridge, obviously not an industrial, heavy industrial area by any means.

The facility that we are next to, a concrete-mixing facility, is more of a light industrial type use, more akin to a warehouse or distribution center. You know, concrete mixing, this is in the city of Houston, there are, you know, hundreds of locations where concrete mixing goes on in Houston, it goes on in the backyards of a lot of people in Houston.

So it's really not a heavy industrial use to be mixing concrete, and it's not what the QAP was designed to prevent, which is putting affordable housing in an undesirable location with some of these other undesirable features that are listed in the QAP. A heavy industrial use, such as a refinery or heavy manufacturing, clearly we wouldn't want to put affordable housing in next door to that. But that's not what we have in this case.

And the difference in this case, from some of the others we've looked at, is it really doesn't require a waiver because the QAP only prohibits heavy industrial use. It's just an acknowledgment by the Board that this is not a heavy industrial use would allow this project to go forward without the need for a waiver or dealing with, you know, the justifications for a waiver.

MR. OXER: Okay. The mixing facility or --

MR. PALMER: Yes, sir.

MR. OXER: -- or facility there that you're talking about, okay, are there any structures on the site?

MR. BUMP: In driving by it looks like they have a temporary office, and then they have the equipment it uses to mix the aggregate and distribute it.

MR. OXER: Yes, where I was going with that, you know, were these typically -- what these typically look like are just a clear piece of property that's -- and it's the low grade commercial equivalent of a parking lot, that's just something they put there to generate a little revenue until they build what they want on it.

And I would almost bet that this facility is there, there's no -- it's probably got a gravel pad laid on it, just rolled --

MR. BUMP: Yes, sir.

MR. OXER: -- you know, so that when they get ready, they knock that little building off and they build the commercial -- or the residential part that they want. So this is not a long term play on this property. I could -- I know that part of town. That's not a long term play in that part of town.

MR. BUMP: When we called the Southern Star

facility, we -- I asked them if it was for sale, and the plant manager said, Not at this time, but wanted to know if we were interested.

MR. OXER: Yes, but by the way, when are you interested in selling.

DR. MUÑOZ: I have a question.

MR. OXER: Yes, sir.

DR. MUÑOZ: In that photograph, which is actually very helpful, what kind of neighborhood, what's the -- I mean is this a middle class, lower middle working class? I mean I see some swimming pools there. I'm just --

MR. BUMP: We actually think it's middle to upper middle class, and given the retail across the street where you have a Target and a Sam's Club, those guys are just not going to go into --

DR. MUÑOZ: Right.

MR. BUMP: -- an area where there's certainly not a path of growth.

DR. MUÑOZ: Okay.

MR. BUMP: And given the seniors facility right next door, since it's market rate, I mean they're probably commanding some pretty good rents for that type of facility, as well as there's all the apartment --

DR. MUÑOZ: Schools?

MR. BUMP: -- communities around us are market --

DR. MUÑOZ: The quality of the schools in the area?

MR. OXER: Yes, that district's got some good schools.

MR. BUMP: We hope so.

MR. OXER: Well, there's some reasonably good schools there, as I recall, and there's transportation available, bus lines right up and down Westheimer.

Yes.

MR. GANN: I'm just curious. Are you in way kin to the lady that wrote that letter?

MR. BUMP: No, sir. I will actually -- and I actually have copies of the letter that I could leave with Cameron, or you.

MR. GANN: That's fine. I was just joking.

MR. BUMP: There's not that many Bumps in this world.

(General laughter.)

DR. MUÑOZ: So can I ask general counsel, so --

MR. IRVINE: Sure.

DR. MUÑOZ: -- a question, so are we in a position to determine that it's not a high industrial area, in which case --

MR. OXER: So your request under the DAR was

what --

DR. MUÑOZ: There would be no request because there'd be no request -- no need for a waiver, as I understand it.

MR. OXER: So there's no waiver, the question is -- your question is, did he define this -- what would we define it as.

DR. MUÑOZ: That's right.

MR. OXER: I wouldn't define it as heavy commercial -- or industrial --

MR. DORSEY: Well, I mean I'm not legal counsel, but what Barry said made sense to me. I mean if you guy say that it's not, if you guys determine that it's not a heavy industrial use, we'll write it down and add that to the list of what's not a heavy industrial use and --

MR. KEIG: Mr. Chairman?

MR. OXER: Mr. Keig.

MR. KEIG: I did a little light research on the internet --

(General laughter.)

MR. KEIG: -- and there's some references to concrete mixing being a light industrial use, and there's some to it being a heavy industrial use. So I'm not sure that it's really a definitive --

MR. OXER: And if the actual mixing occurs there and they slurry the cement and put it together and cut it to the truck and then haul it out, yes, that's true. But what they're doing is bringing -- collecting the aggregate, storing and sending it off in a truck. And there's no -- and for it to be heavy industrial, there would probably be some heavy -- far larger and heavier --

MR. KEIG: Machinery.

MR. OXER: -- structure or machines, pads, that sort of stuff, some sort of facility on site that rose to the standard of heavy. Okay. And some steel and some concrete that made this -- this is a temporary facility that they're doing something on until they can sell it later. Am I guessing that's right?

MR. BUMP: That's what we hope. Certainly they have no room to expand, it's a relatively small facility relatively small facility --

MR. OXER: Right.

MR. BUMP: -- relative -- I mean our site is about nine acres and so their site's a little bit smaller, so --

MR. OXER: They probably put that in over there to mix the cement going down in that Target.

MR. BUMP: And it's been -- it's actually been there for quite some time and they haven't -- it's been there

for almost 30 years, and so they were way out in the middle of nowhere when this first started.

And clearly they're not going to -- I don't think they own much more land than what they have right there right now, so expanding, especially given the single-family homes, especially the ones with the lakes surround it and the apartments and everything that's coming in, it's probably not the best use for them to expand that facility given the prices for land in that part of the world.

MR. OXER: I would have bet that the, let's just say the tax valuation on that property is not sitting still.

MR. BUMP: I wouldn't think so.

MR. OXER: Right. So, okay.

All right. Everybody have their questions answered?

MR. KEIG: Well, I'd just like to make one comment is, if we approve a waiver, I would like it not to be something blanket that's written down as this is an exception. I want it fact specific to this --

MR. DORSEY: Got it.

MR. KEIG: -- specific location.

MR. DORSEY: Got it.

MR. OXER: So I mean as opposed to saying cement mixing is not heavy industrial, we're saying we're offering

an industrial -- or we're offering a waiver on this one based on the fact that this one is probably not heavy industrial.

DR. MUÑOZ: No, I understand it differently.

MR. OXER: That's why we're asking --

DR. MUÑOZ: We're not offering a waiver, we're simply identifying that this location doesn't rise to the definition of heavy industrial.

MR. OXER: This location only.

DR. MUÑOZ: This location only. If that's the case, then a waiver isn't being requested.

MR. OXER: It's not considered.

DR. MUÑOZ: It's not necessitated.

MR. OXER: Does that constitute a requirement -- or do we have a motion -- requirement for a motion on that, Madam Counsel?

MS. DEANE: Well, I would go ahead, you know, since it's come before the Board, I would go ahead and take a vote on it, but the vote would basically be instead of, We hereby approve the waiver, the vote would be that the Board finds that this specific facility is not heavy industrial use --

MR. OXER: So that does not --

MS. DEANE: -- as contemplated by the rule.

MR. OXER: All right. So that doesn't -- does that -- that doesn't have to be constituted as a motion, or

does it?

MR. IRVINE: Yes.

MS. DEANE: I would vote on it because it's come before you.

MR. OXER: Okay.

MR. KEIG: There's a motion on the table that I seconded. I'll withdraw my second.

MR. OXER: Okay. Juan, restate your motion.

DR. MUÑOZ: Well, I move that the area --

MR. OXER: Let me offer up a piece of support here for you, just because I think I've got it. The Board -- your motion is that the Board not consider this property adjacent to the project property in question be not considered heavy industrial.

DR. MUÑOZ: Correct.

MR. KEIG: I second.

MS. DEANE: If I could suggest, the Board finds --

MR. OXER: The Board finds --

MS. DEANE: -- the Board finds that this --

MR. OXER: -- the Board finds -- the Board's --

MS. DEANE: -- specific piece of property is not heavy industrial.

MR. OXER: We're always looking for suggestions from counsel, I assure you.

So the Board finds, according to -- Dr. Muñoz's motion, please state it.

DR. MUÑOZ: The Board finds -- let me state it -- the Board finds that this property adjacent to the development is not a high industrial area.

MR. KEIG: Second.

MR. OXER: And second by Mr. Keig. Is there any additional discussion?

(No response.)

MR. OXER: Any other questions?

(No response.)

MR. OXER: All in favor?

(A chorus of ayes.)

MR. OXER: Opposed?

(No response.)

MR. OXER: Good job.

MR. BUMP: Thank you all for your time.

MR. DORSEY: All right. That concludes the waivers of ineligibility.

Item 7C is a request for a refund of a housing tax credit commitment fee for Application -- well, it's for Evergreen Residences, it was Application 10232.

In 2010 it received the Board's approval of a forward commitment from the 2011 tax credit ceiling.

Attachment 7- RFAD Determination

Requester:	Kelly Garrett, #17278 Westwind of Paris
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Nature and Basis of Request:

The request asks the Department to review the Application for documentation of four items, and whether three additional items claimed under 10 TAC §11.9(c)(4) related the Opportunity Index meet requirements in the QAP. Specifically, the requestor claims the Applicant did not provide supporting documentation for Anytime Fitness, First Baptist Church of Bullard, The Community Library, or adults with an Associate's Degree or higher is 27%. The requestor claims that The Family Medicine Clinic does not meet requirements for 10 TAC §11.9(c)(4)(B)(ii)(II) because it is a physician specialty office rather than the "full service hospital, community health center or minor emergency center" described in the rule. The requestor claims that the Applicant has claimed the same City facility as both a public park under 10 TAC §11.9(c)(4)(B)(ii)(VI) and an outdoor recreation facility under 10 TAC §11.9(c)(4)(B)(ii)(XI). Finally, the requestor contends that the Application should not receive a point under 10 TAC §11.9(c)(4)(B)(ii)(IX), because the museum listed is part of a private school and not a separate nonprofit organization whose primary function is not "...acquisition, conservation, study exhibition, and educational interpretation of objects having scientific, historical or artistic value."

Applicant Response to Notice of Administrative Deficiency:

The Applicant claims that the medical facility is a family practice primary care clinic co-located with an Urgent Care clinic, as such it is not a physician specialty office. They claim that the City of Bullard considers the facilities to be 2 separate parks, so they should be allowed to treat it as such also. They claim that while the American Freedom Museum is on the campus of and is supported by a private school, it is a stand alone nonprofit permanent institution open to the public.

Analysis and Resolution:

Staff has determined that the Applicant's response provides sufficient evidence to support the points claimed, and no further action is required.

TDHCA ID#	17376	Development Name:	The Bristol
City:	San Antonio	Region:	9 Urban
Requester:	Manish Verma, #17356 The Acacia		

Nature and Basis of Request:

The request asks the Department to review the Application for two items claimed under 10 TAC §11.9(c)(4) related the Opportunity Index.

Analysis and Resolution:

The request does not include documentation beyond the letter request, and therefore does not meet the requirement in TAC §11.10 that the "Requestor must provide sufficient credible evidence that, if confirmed,

would substantiate the deficiency request." No further action will be taken by the Department as a result of this request.

TDHCA ID#	17388	Development Name:	West Pecan Village
City:	McAllen	Region:	11 Urban
Requester:	Mark Musmeche, 17042 Huntington at Paseo de le Resaca, #17094 Catalon at Paseo de le Resaca		

Nature and Basis of Request:

The request asks the Department to review the Application for seven items claimed under 10 TAC §11.9(c)(4) related the Opportunity Index. The requestor claims that the playground used for points under 10 TAC §11.9(c)(4)(B)(ii)(I) is more than ½ mile from the proposed Development, they further claim that the route to the playground is not accessible. The requestor claims that the route to public transportation is not accessible as required by 10 TAC §11.9(c)(4)(B)(ii)(II). The requestor claims that the Applicant has used the same facility for points under 10 TAC §11.9(c)(4)(B)(ii)(VII) as a public library, 10 TAC §11.9(c)(4)(B)(ii)(VIII) as a Community College campus, and 10 TAC §11.9(c)(4)(B)(ii)(X) as a museum. Finally, the requestor claims that the Applicant has not provided crime information specific to the census tract, but has used city wide crime information, they include a Neighborhoodscout report that indicates the proposed site is not eligible for a point under 10 TAC §11.9(c)(4)(B)(ii)(VI) because the property crime rate exceeds 26 per 1,000.

Applicant Response to Notice of Administrative Deficiency:

The Applicant claims that because the park is within ½ mile, the length of the accessible route may be longer, they further state that their Application includes a letter from a third-party Registered Accessibility Specialist who has determined that the route is accessible. They also claim that because the park boundary is within the required distance, the distance to the park entrance is immaterial. They make a similar statement regarding the accessible route to public transportation. They claim that the museum is a separate from the college and library. The Applicant has provided additional description of how they extrapolated the property crime rate included in the application, and new information.

Analysis and Resolution:

Staff has determined that the Applicant has not addressed the specific information included in the RFAD regarding accessibility, or the letter from the Chief of Police which states the information used are a reflection of city-wide data rather than the census tract or block. The response does not address specific evidence that the routes to the park or public transportation are not accessible. Information provided in the response supports the Applicant's claim of points for the college and library, but the gallery appears to be part of the library and therefore ineligible for points as a separate amenity. A Scoring Notice will be issued and the Applicant will have an opportunity to appeal.



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MEMORANDUM

TO: KRS Housing, LLC
FROM: Cynthia Bast
DATE: MAY 13, 2019
RE: Rosewood Senior Villas, TDHCA No. 19225 -- RFAD

Rosewood Senior Villas 19 LP (the "**Applicant**") has applied for Housing Tax Credits¹ in the 2019 application cycle. On May 1, 2019, Salem Clark (the "**Competitor**") submitted an RFAD, requesting the Department pursue certain matters that the Competitor identified as Administrative Deficiencies in the Applicant's Application. The RFAD included the following:

11.203(2) Notification Recipients

Finally, we respectfully request that the Applicant provide proof that Notifications were delivered to all required and correct persons and entities.

This request was not accompanied by any evidence with regard to the Applicant's delivery of notifications. Acting on the RFAD, Department staff sent the Applicant a request for response to an Administrative Deficiency, which included the following:

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application 19225 Rosewood Senior Villas. The request includes information that was not previously provided to the Department², and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions the Application's eligibility for points for Sponsor Characteristics, stating that the Applicant did not provide evidence of the HUB's registration with the

¹ Capitalized terms used but not defined in this memorandum shall have the meanings given them in the 2019 Qualified Allocation Plan (the "**Rules**").

² This statement is not true with regard to the request regarding notifications. The Competitor's request did not include information that was not previously provided to the Department.

Texas Comptroller of Accounts. This issue was resolved by staff through a previous deficiency and no further action is required.

The request also questions the Applications eligibility for points under Funding Request Amount, stating that the RAF shows an allocation amount of \$1,154,000 for the subregion and the Application requested \$1,500,000. The request states that the Applicant did not provide appropriate mitigation for the railroad track, and no local ordinance was provided regarding a smaller acceptable distance to the railroad and to heavy industry. **The request also requests evidence of notifications.**

3. Provide evidence that all required notifications were made by the Applicant and received by the required persons.

Pursuant to the Rules, the Department does not have the authority to pursue an Administrative Deficiency with regard to notifications made by the Applicant, simply because the Competitor "requests" them. Section 11.10 of the Rules is quite clear:

The purpose of the Third Party Request for Administrative Deficiency (RFAD) process is to allow an unrelated person to entity to bring **new, material information** about an Application to staff's attention. . . . Requestors **must provide**, at the time of filing the request, all briefings, documentation, and other information that the requestor offers in support of the deficiency. . . . Requestors must provide sufficient credible evidence that, if confirmed, would substantiate the deficiency request. **Assertions not accompanied by supporting documentation susceptible to confirmation will not be considered.**

The Competitor did not provide the Department with any supporting documentation for its request to investigate the Applicant's notification process. Absent such supporting documentation, it is my opinion that the Department's staff does not have the authority to utilize the Competitor's RFAD to seek an Administrative Deficiency on this matter. The Administrative Deficiency should be retracted.

19244

Request for Administrative Deficiency

May 1, 2019

Ms. Sharon Gamble
Texas Department of Housing and Community Affairs
21 E 11th Street
Austin, Texas 78701

Re: HTC Application 19244 Mariposa at Harris Road

Dear Ms. Gamble:

Please consider this a formal request for a Third Party Request for Administrative Deficiency (RFAD) for TDHCA Application #19244 Mariposa at Harris Road. This RFAD contains two matters: (1) The Applicant has requested 5 points under Section 11.9(c)(5)(E) Underserved Area, but is not eligible for these points and (2) The Applicant did not correctly notify elected officials at Pre-Application.

Underserved Area

Section 11.9(c)(5) Underserved Areas specifically states:

(5) Underserved Area. (§§2306.6725(b)(2); 2306.127(3), 42(m)(1)(C)(ii)) An Application may qualify to receive up to five (5) points if the Development Site is located in one of the areas described in subparagraphs (A) - (G) of this paragraph, and the Application contains evidence substantiating qualification for the points. Points are not cumulative and an Applicant is therefore limited to selecting one subparagraph. If an Application qualifies for points under paragraph §11.9(c)(4) of this subsection, then the Application is not eligible for points under subparagraphs (A), (B), and (F) of this paragraph. The Application must include evidence that the Development Site meets the requirements.

It further goes on to state the specific category that is eligible to receive the full five points:

(E) The Development Site is located entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points).

Per the Application, you will note the points taken and the census tracts that must adhere to the date of the Board Approval of the development (Also see attachment A).

2. Underserved Area (Competitive HTC and Direct Loan Applications Only) [10 TAC §11.9(c)(5) and 10 TAC §13.6(3)]

Applications may qualify for up to five (5) points for proposed Developments located in ONE of the following areas:

- No** Wholly or partially within a Colonia (2 points);
(Note: Not eligible if application qualifies for Opportunity Index points)
- No** Entirely within the boundaries of an Economically Distressed Area (1 point);
(Note: Not eligible if application qualifies for Opportunity Index points)
- No** Entirely within a census tract that does not have another Development that was awarded less than 30 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report (3 points);
- No** For areas that did not score above, entirely within a census tract that does not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report (2 points);
- Yes** Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points);
 - Contiguous Census Tract # **48439111541** Contiguous Census Tract # **48439111407**
 - Contiguous Census Tract # **48439111542** Contiguous Census Tract # **48439111543**
 - Contiguous Census Tract # **48439111550** Contiguous Census Tract #
- Entirely within a census tract that, according to American Community Survey 5-year Estimates, has both a poverty rate greater than 20% and a median gross rent for a two-bedroom unit greater than its county's 2016 HUD Fair Market Rent for a two-bedroom unit. This measure is referred to as the Affordable Housing Needs Indicator in the Site Demographic Characteristics Report (2 points);
- No** An At-risk or USDA Development placed in service 30 or more years ago, that is still occupied, and that has not yet received federal funding, or LIHTC equity, for the purposes of Rehabilitation for the Development (3 points).

The Applicant then provided documentation to substantiate that the only development in one of the contiguous census tracts (#48439111543) was approved by the TDHCA Board on 12/11/2003 and was outside of the 15 year timeframe (See Attachment B).

The screenshot displays a data table with columns for ID, Agency, Year, Name, Address, City, County, Status, and Date. A red box highlights a record with the date '12/11/2003'. An inset window titled 'Find what:' shows search filters for '48439111543' with 'Within: Sheet' and 'Search: By Rows' selected.

What the Applicant did not disclose is that there is a second award, Providence at Rush Creek II, TDHCA # 03463), in the same contiguous census tract that was approved by the TDHCA Board on January 13, 2004, thus making the Application ineligible for the requested five points. You will note that this second development is actually shown in the documentation submitted by the Applicant, but was not highlighted or identified (See Attachment C).

Per published guidance in the 2019 Multifamily Application Procedures Manual and TDHCA email on February 19, 2019, the Board Approval Date is the date to be used for this particular scoring item and 15 years includes starts January 1, 2004 (See Attachment D). The Department's property inventory tab of the Site Demographic Characteristics Report clearly shows there is a development, Providence at Rush Creek II, TDHCA # 03463, awarded in a contiguous census tracts (#48439111543) on January 13, 2004, which is also found in the January 13, 2004 Board Book (See Attachment E). Because Providence at Rush Creek II, TDHCA # 03463 was awarded with 15-years, this Application is not eligible for the five requested points.

Notifications

Section 11.8 Pre-Application Requirements outlines specific notifications that must be made prior to submission of the Pre-Application. The notification recipients include "All elected members of the Governing Body of the county in which the Development Site is located." Section 11.8 makes two important statements:

Officials to be notified are those officials in office at the time the pre-application is submitted

Only a timely and compliant written notification to the correct person constitutes notification.

The Pre-Application for 19244 was submitted on 1/9/19. In the Pre-Application submitted 1/9/19, the Applicant states that Andy H. Nguyen County Commissioner is the elected official for the development site (See Attachment F).

Andy H. Nguyen was defeated in the November 6, 2018, election by Devan Allen. This was public information immediately after the election and reported in the news (See Attachment G) and on the Tarrant County Elections results website (See Attachment H). Tarrant County officials, including Devan Allen, were sworn into office on January 1, 2019 (See Attachment I). Devan Allen was the official in office at the time the pre-application was submitted. Other HTC applicants with applications in Tarrant County correctly notified Devan Allen.

In the Full Application for 19244, the Applicant stated that Devan Allen was "renotified" and submitted the original notification letter dated 1/9/19 that was mailed to "Andy H. Nguyen OR Current Leader" with email confirmation that it was received by Devan Allen's office (Attachment J). However, the written notification letter was not addressed to anyone specific ("Dear Community Leader") and was not mailed to the correct official in office at the time. Per the QAP and quoted above, "Officials to be notified are those officials in office at the time the pre-application is submitted" and "Only a timely and compliant written notification to the correct person constitutes notification." The Applicant's attempt to provide a letter not addressed to anyone specific and mailed to a person not in office at the time of mailing does not meet the requirements of the QAP. Because the notification requirements were not met, this Application should not receive six points for Pre-Application submission.

Conclusion

In conclusion, Application 19244 is not eligible for five (5) Underserved Area points because it is contiguous to a census tract with an Application awarded in 2004. It is also not eligible for six (6) Pre-Application points because a correct person in office at the time of Pre-Application was not notified. Thank you for your attention to these matters.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'R' followed by a 'C' and a horizontal line extending to the right.

Ryan Combs

**Attachment A:
From Application**

2. Underserved Area (Competitive HTC and Direct Loan Applications Only) [10 TAC §11.9(c)(5) and 10 TAC §13.6(3)]

Applications may qualify for up to five (5) points for proposed Developments located in ONE of the following areas:

- No** Wholly or partially within a Colonia (2 points);
(Note: Not eligible if application qualifies for Opportunity Index points)
- No** Entirely within the boundaries of an Economically Distressed Area (1 point);
(Note: Not eligible if application qualifies for Opportunity Index points)
- No** Entirely within a census tract that does not have another Development that was awarded less than 30 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report (3 points);
- No** For areas that did not score above, entirely within a census tract that does not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report (2 points);
- Yes** Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points);

Contiguous Census Tract #	48439111541	Contiguous Census Tract #	48439111407
Contiguous Census Tract #	48439111542	Contiguous Census Tract #	48439111543
Contiguous Census Tract #	48439111550	Contiguous Census Tract #	
- Entirely within a census tract that, according to American Community Survey 5-year Estimates, has both a poverty rate greater than 20% and a median gross rent for a two-bedroom unit greater than its county's 2016 HUD Fair Market Rent for a two-bedroom unit. This measure is referred to as the Affordable Housing Needs Indicator in the Site Demographic Characteristics Report (2 points);
- No** An At-risk or USDA Development placed in service 30 or more years ago, that is still occupied, and that has not yet received federal funding, or LIHTC equity, for the purposes of Rehabilitation for the Development (3 points).

Application is seeking points for Underserved Area. Total Points Claimed: 5

3. Proximity to the Urban Core (Competitive HTC Applications Only) [10 TAC §11.9(c)(7)]

- Development Site is located in a Place with a population over 200,000 and is *not* in the At-Risk Set-Aside.
- AND**
- Population of Place is 200,000-749,999 and Development is located w/in 2 miles of the main municipal government administration building. **OR**
- Population of Place is 750,000 or more and Development is located w/in 4 miles of the main municipal government administration building.

Application is seeking points for Proximity to the Urban Core. Total Points Claimed: 0

4. Concerted Revitalization Plan (Competitive HTC Applications Only) [10 TAC §11.9(d)(7)]

- Region: 3 Urban
- No** Application is claiming points for a Concerted Revitalization Plan ("CRP").
 - No points were claimed for Opportunity Index.
 - Applicant has selected amenities in the Opportunity Index section and included documentation in the CRP packet.
 - The CRP Packet has been completed and uploaded along with but separately from the Application.

Application is seeking points for Concerted Revitalization. Total Points Claimed: 0

5. Declared Disaster Area Scoring (Competitive HTC Applications ONLY) [10 TAC §11.9(d)(3)]

- x** Development is located in an area that qualifies as a Declared Disaster Area as defined in §11.9(d)(3).

Application is seeking points for Declared Disaster Area. Total Points Claimed: 10

Attachment B:
Page from Application

Microsoft Excel ribbon: Home, Insert, Draw, Page Layout, Formulas, Data, Review, View. Font: Arial Narrow, size 7. Ribbon options include Bold, Italic, Underline, Text Color, Fill Color, Merge & Center, Conditional Formatting, Format as Table, Normal_2x uni..., Normal_30%..., Normal_by TD..., Normal_by TD..., Normal_by TD..., Normal_Count..., Normal_Sheet1, Normal_Sheet3, Insert, Delete, Format, AutoSum, Fill, Sort & Filter, Clear, Filter.

P1020 48439111543

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	
	TDHCA#	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served	Apt. Phone #	Census Tract	CMTS_ID	Latitude	Longitude			
993	03262	9% HTC		2003	7/31/03	Crystal Creek Park Apartments	8101 Honeywood Trail	Port Arbur	Jefferson	77642	\$377,548	202	162	Elderly	(409) 724-0020	48245007001	3392	N29 56.989	W93 58.676			
994	03263	9% HTC		2003	7/31/03	Cedar Ridge Apartments	7801 9th Avenue	Port Arbur	Jefferson	77642	\$387,461	200	160	General	(409) 724-0020	48245007001	3393	N29 56.855	W93 58.650			
995	03265	9% HTC		2003	7/30/03	Riversquare Apartments	10342 River Run	Corpus Christi	Nueces	78410	\$1,092,376	204	163	General	(210) 240-8376	48350063000	3394	N27 50.947	W97 34.306			
996	03401	4% HTC		2003	4/10/03	West Virginia Apartments	8004 West Virginia Dr.	Dallas	Dallas	75237	\$686,961	202	202	General	(512) 477-9800	48113016605	3289	N32 38.985	W96 52.670			
997	03402	4% HTC		2003	5/15/03	Kimberly Pointe Apartments	333 Airb x Blvd.	Houston	Harris	77090	\$531,572	228	228	General	904260-3030	48201550301	3395	N29 58.946	W95 25.680			
998	03403	4% HTC		2003	5/15/03	Shadow Ridge Apartments	12200 Old Walers Rd.	Houston (area)	Harris	77014	\$565,705	260	260	General	(407) 772-0220	48201551100	3396	N29 57.905	W95 28.327			
999	03406	4% HTC		2003	6/25/03	Timber Oaks Apartments	700 Timber Oaks Lane	Grand Prairie	Tarrant	75051	\$640,007	264	264	General	972733-0096	48439113002	3397	N32 43.916	W97 3.257			
1000	03407	4% HTC		2003	6/25/03	Cedar Park Ranch Apartments	1301 Whitestone Lane	Cedar Park	Williamson	78613	\$413,771	180	180	Elderly	512385-5181							
1001	03410	4% HTC		2003	8/14/03	Ash Creek Apartments	2563 John West Blvd.	Dallas	Dallas	75228	\$948,673	280	280	General	(214) 891-1402							
1002	03411	4% HTC		2003	8/14/03	The Peninsula Apartments	4855 West Fuqua	Houston	Harris	77053	\$679,386	280	280	General	(713) 334-5808							
1003	03412	4% HTC		2003	8/14/03	Evergreen at Mesquite Apartments	5651 Northwest Drive	Mesquite (Dallas County)	Dallas	75150	\$490,832	200	200	Elderly	(214) 720-0430							
1004	03415	4% HTC		2003	8/14/03	Southwest Pines Apartments	3220 Walkin Rd	Tyler	Smith	75703	\$936,234	248	248	General	(512) 370-2777							
1005	03416	4% HTC		2003	8/14/03	Glenwood Apartments	2000 S.E. 28th Ave	Amarillo	Potter	79103	\$422,708	120	120	General	(806) 372-7500							
1006	03417	4% HTC		2003	8/14/03	North Forest Trails Apartments	9550 N. Wayside Dr.	Houston	Harris	77028	\$486,876	168	168	General	(713) 633-5965							
1007	03421	4% HTC		2003	9/11/03	Empire Village Apartments	1100 Burke	Pasadena	Harris	77506	\$384,037	240	240	General	(512) 370-2777							
1008	03422	4% HTC		2003	9/11/03	Willow Park	14001 Fondren Rd.	Houston	Harris	77489	\$615,864	260	260	General	(806) 372-7500							
1009	03423	4% HTC		2003	10/9/03	Sweetwater Point Apartments	7909 South Sam Houston Parkway East	Houston	Harris	77075	\$574,155	260	260	General	832200-9945							
1010	03424	4% HTC		2003	10/9/03	Arlington Villas (aka Hampton Villas)	2002 Mayfield Villa Drive	Arlington	Tarrant	76014	\$752,224	280	280	General	817472-8674							
1011	03426	4% HTC		2003	9/11/03	Longboat Key Apartments	10181 Windmill Lakes Blvd.	Houston	Harris	77075	\$634,096	272	272	General	(713) 941-9191							
1012	03432	4% HTC		2003	12/11/03	Primrose Skyline Apartments	5105 Airline Drive	Houston	Harris	77022	\$882,436	280	280	Elderly	(214) 891-1402							
1013	03433	4% HTC		2003	11/14/03	Southern Terraces Apartments	4722 Meadow Street	Dallas	Dallas	75215	\$1,043,740	264	264	General	(214) 891-1402							
1014	03434	4% HTC		2003	11/14/03	Preakness Ranch	5480 Preakness Lane	Dallas	Dallas	75211	\$935,661	264	264	General	(210) 694-2223	48113010704	3422	N32 44.483	W96 54.711			
1015	03436	4% HTC		2003	11/14/03	Northland Woods Apartments	15165 Vickery Dr.	Houston	Harris	77032	\$865,730	280	280	General	(281) 442-0087	48201222700	3424	N29 56.314	W95 18.574			
1016	03438	4% HTC		2003	11/14/03	Parkside Point Apartments	3300 Alice St.	Houston	Harris	77021	\$792,586	260	260	General	(407) 772-0200	48201313800	3425	N29 41.504	W95 22.562			
1017	03440	4% HTC		2003	12/11/03	Sterlingshire Apartments	9002 Sterlingshire St.	Houston	Harris	77078	\$341,421	200	200	General	(915) 533-1122x340	48201231200	3427	N29 51.262	W95 15.580			
1018	03441	4% HTC		2003	11/14/03	Primrose at Jefferson Plaza	2803 Fredericksburg Rd.	San Antonio	Bexar	78201	\$616,285	248	248	Elderly	(214) 891-1402	48029180202	3428	N29 29.088	W98 31.799			
1019	03449	4% HTC		2003	11/14/03	Little Nell Apartments	8565 W Sam Houston Pkwy.	Houston	Harris	77036	\$920,281	278	278	General	(713) 334-5808	48201433501	3435	N29 41.220	W95 33.287			
1020	03455	4% HTC		2003	12/11/03	Parkview Townhomes	1200 West Sublet	Arlington	Tarrant	76001	\$714,732	248	248	General	(972) 239-8500	48439111543	3410	N32 38.870	W97 7.912			
1021	03456	4% HTC		2003	12/11/03	Timber Ridge II Apartments	5335 Aldine Bender Rd.	Houston	Harris	77032	\$477,964	124	124	General	(713) 914-9200	48201222700	3411	N29 55.846	W95 18.568			
1022	03458	4% HTC		2003	12/11/03	Bayou Willows Apartments	4102 Young	Pasadena	Harris	77504	\$308,203	212	212	General		48201323600	3438	N29 38.935	W95 11.686			
1023	03459	4% HTC		2003	12/11/03	Park at Summer Grove FKA Century Park	2900 Century Park Blvd.	Austin	Travis	78727	\$638,507	240	240	General		48453001847	3413	N30 26.037	W97 41.626			
1024	03461	4% HTC		2003	1/13/04	Addison Park Apartments	8500 Hwy 287	Arlington	Tarrant	76001	\$620,571	224	224	General		48439111408	4033	N32 38.836	W97 11.279			
1025	03462	4% HTC		2003	1/13/04	Providence at Veterans Memorial	11201 Veteran's Memorial Parkway	Houston (area)	Harris	77067	\$745,799	250	250	General		48201550800	4034	N29 56.591	W95 27.913			
1026	03463	4% HTC		2003	1/13/04	Providence at Rush Creek II	8000 Bacara Lane	Arlington	Tarrant	76001	\$438,809	144	144	General		48439111543	4035	N32 38.732	W97 7.533			
1027	03464	4% HTC		2003	1/13/04	Blue Lake at Manne Creek Apartments	4700 Huffines Blvd.	Fort Worth	Tarrant	76135	\$464,937	186	186	General		48439114007	4046	N32 49.299	W97 24.228			
1028	03465	4% HTC		2003	1/13/04	Humble Parkway	9390 FM 1960	Houston	Harris	77338	\$556,530	216	216	General		48201245000	4036	N30 0.22	W95 17.76			
1029	03466	4% HTC		2003	2/11/04	Wallington Park Apartments	9100 Mills Rd.	Houston (area)	Harris	77070	\$640,989	244	244	General		48201552601	4047	N29 57.361	W95 33.299			
1030	03474	4% HTC		2003	3/12/04	Mayfair Park Apartments	7450 N. Shepherd Dr.	Houston	Harris	77091	\$629,049	178	178	General		48201530700	4048	N29 52.121	W95 24.653			

Find what: 48439111543
 Within: Sheet
 Search: By Rows
 Look in: Values
 Match case
 Find entire cells only
 Replace... Close Find Next

Board Approval
Date is 12/11/2003

Attachment C:
Page from Application did not highlight second award

Microsoft Excel ribbon: Home, Insert, Draw, Page Layout, Formulas, Data, Review, View. Font: Arial Narrow, size 7. Ribbon options include Bold, Italic, Underline, Text Color, Fill Color, Merge & Center, Conditional Formatting, Format as Table, Normal_2x uni..., Normal_30%..., Normal_by TD..., Normal_by TD..., Normal_Count..., Normal_Sheet1, Normal_Sheet3, Insert, Delete, Format, AutoSum, Fill, Sort & Filter, Clear, Filter.

P1020 48439111543

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U		
	TDHCA#	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served	Apt. Phone #	Census Tract	CMTS_ID	Latitude	Longitude				
993	03262	9% HTC		2003	7/31/03	Crystal Creek Park Apartments	8101 Honeywood Trail	Port Arthur	Jefferson	77642	\$377,548	202	162	Elderly	(409) 724-0020	48245007001	3392	N29 56.989	W93 58.676				
994	03263	9% HTC		2003	7/31/03	Cedar Ridge Apartments	7801 9th Avenue	Port Arthur	Jefferson	77642	\$387,461	200	160	General	(409) 724-0020	48245007001	3393	N29 56.885	W93 58.650				
995	03265	9% HTC		2003	7/30/03	Riversquare Apartments	10342 River Run	Corpus Christi	Nueces	78410	\$1,092,376	204	163	General	(210) 240-8376	48350063000	3394	N27 50.947	W97 34.306				
996	03401	4% HTC		2003	4/10/03	West Virginia Apartments	8004 West Virginia Dr.	Dallas	Dallas	75237	\$686,961	202	202	General	(512) 477-9800	48113016605	3289	N32 38.985	W96 52.670				
997	03402	4% HTC		2003	5/15/03	Kimberly Pointe Apartments	333 Airx Blvd.	Houston	Harris	77090	\$531,572	228	228	General	904260-3030	48201550301	3395	N29 58.946	W95 25.680				
998	03403	4% HTC		2003	5/15/03	Shadow Ridge Apartments	12200 Old Walkers Rd.	Houston (area)	Harris	77014	\$565,705	260	260	General	(407) 772-0220	48201551100	3396	N29 57.905	W95 28.327				
999	03406	4% HTC		2003	6/25/03	Timber Oaks Apartments	700 Timber Oaks Lane	Grand Prairie	Tarrant	75051	\$640,007	264	264	General	972733-0096	48439113002	3397	N32 43.916	W97 3.257				
1000	03407	4% HTC		2003	6/25/03	Cedar Park Ranch Apartments	1301 Whitestone Lane	Cedar Park	Williamson	78613	\$413,771	180	180	Elderly	512385-5181								
1001	03410	4% HTC		2003	8/14/03	Ash Creek Apartments	25623 John West Blvd.	Dallas	Dallas	75228	\$948,873	280	280	General	(214) 891-1402								
1002	03411	4% HTC		2003	8/14/03	The Peninsula Apartments	4855 West Fuqua	Houston	Harris	77053	\$679,386	280	280	General	(713) 334-5808								
1003	03412	4% HTC		2003	8/14/03	Evergreen at Mesquite Apartments	5651 Northwest Drive	Mesquite (Dallas County)	Dallas	75150	\$490,832	200	200	Elderly	(214) 720-0430								
1004	03415	4% HTC		2003	8/14/03	Southwest Pines Apartments	3220 Walkin Rd	Tyler	Smith	75703	\$936,294	248	248	General	(512) 370-2777								
1005	03416	4% HTC		2003	8/14/03	Glenwood Apartments	2000 S.E. 28th Ave	Amarillo	Potter	79103	\$422,708	120	120	General	(806) 372-7500								
1006	03417	4% HTC		2003	8/14/03	North Forest Trails Apartments	9550 N. Wayside Dr.	Houston	Harris	77028	\$486,876	168	168	General	(713) 633-5965								
1007	03421	4% HTC		2003	9/11/03	Empire Village Apartments	1100 Burke	Pasadena	Harris	77506	\$384,037	240	240	General	(512) 370-2777								
1008	03422	4% HTC		2003	9/11/03	Willow Park	14001 Fondren Rd.	Houston	Harris	77489	\$615,864	260	260	General	(806) 372-7500								
1009	03423	4% HTC		2003	10/9/03	Sweetwater Point Apartments	7909 South Sam Houston Parkway East	Houston	Harris	77075	\$574,155	260	260	General	832200-9945								
1010	03424	4% HTC		2003	10/9/03	Arlington Villas (aka Hampton Villas)	2002 Mayfield Villa Drive	Arlington	Tarrant	76014	\$752,224	280	280	General	817472-8674								
1011	03426	4% HTC		2003	9/11/03	Longboat Key Apartments	10181 Windmill Lakes Blvd.	Houston	Harris	77075	\$634,096	272	272	General	(713) 941-9191								
1012	03432	4% HTC		2003	12/11/03	Primrose Skyline Apartments	5105 Arline Drive	Houston	Harris	77022	\$882,436	280	280	Elderly	(214) 891-1402								
1013	03433	4% HTC		2003	11/14/03	Southern Terraces Apartments	4722 Meadow Street	Dallas	Dallas	75215	\$1,043,740	264	264	General	(214) 891-1402								
1014	03434	4% HTC		2003	11/14/03	Preakness Ranch	5480 Preakness Lane	Dallas	Dallas	75211	\$935,661	264	264	General	(210) 694-2223	48113010704	3422	N32 44.483	W96 54.711				
1015	03436	4% HTC		2003	11/14/03	Northland Woods Apartments	15165 Vickery Dr.	Houston	Harris	77032	\$865,730	280	280	General	(281) 442-0087	48201222700	3424	N29 56.314	W95 18.574				
1016	03438	4% HTC		2003	11/14/03	Parkside Point Apartments	3300 Alice St.	Houston	Harris	77021	\$792,586	260	260	General	(407) 772-0200	48201313800	3425	N29 41.504	W95 22.562				
1017	03440	4% HTC		2003	12/11/03	Sterlingshire Apartments	9002 Sterlingshire St.	Houston	Harris	77078	\$341,421	200	200	General	(915) 533-1122x340	48201231200	3427	N29 51.262	W95 15.580				
1018	03441	4% HTC		2003	11/14/03	Primrose at Jefferson Plaza	2803 Fredericksburg Rd.	San Antonio	Bexar	78201	\$616,285	248	248	Elderly	(214) 891-1402	48029180202	3428	N29 29.098	W98 31.799				
1019	03449	4% HTC		2003	11/14/03	Little Nell Apartments	8565 W Sam Houston Pkwy.	Houston	Harris	77036	\$920,281	278	278	General	(713) 334-5808	48201433501	3435	N29 41.220	W95 33.287				
1020	03455	4% HTC		2003	12/11/03	Parkview Townhomes	1200 West Sublet	Arlington	Tarrant	76001	\$714,732	248	248	General	(972) 239-8500	48439111543	3410	N32 38.870	W97 7.912				
1021	03460	4% HTC		2003	12/11/03	Timber Ridge II Apartments	5335 Aldine Bender Rd.	Houston	Harris	77032	\$477,964	124	124	General	(713) 914-9200	48201222700	3411	N29 55.846	W95 18.568				
1022	03461	4% HTC		2003	12/11/03	Bayou Willows Apartments	4102 Young	Pasadena	Harris	77504	\$308,203	212	212	General		48201323600							
1023	03462	4% HTC		2003	12/11/03	Park at Summer Grove FKA Century Park	2900 Century Park Blvd.	Austin	Travis	78727	\$638,507	240	240	General		4845300184							
1024	03463	4% HTC		2003	1/13/04	Addison Park Apartments	8500 Hwy 287	Arlington	Tarrant	76001	\$620,571	224	224	General		48439111543	4033	N32 38.836	W97 11.279				
1025	03462	4% HTC		2003	1/13/04	Providence at Veterans Memorial	11201 Veterans Memorial Parkway	Houston (area)	Harris	77067	\$745,790	250	250	General		48201550800	4034	N29 56.591	W95 27.913				
1026	03463	4% HTC		2003	1/13/04	Providence at Rush Creek II	8000 Bacara Lane	Arlington	Tarrant	76001	\$438,809	144	144	General		48439111543	4035	N32 38.732	W97 7.533				
1027	03464	4% HTC		2003	1/13/04	Bus Lake at Manne Creek Apartments	4700 Huffines Blvd.	Fort Worth	Tarrant	76135	\$464,937	186	186	General		48439114007	4046	N32 49.299	W97 24.228				
1028	03465	4% HTC		2003	1/13/04	Humble Parkway	9390 FM 1960	Houston	Harris	77338	\$556,530	216	216	General		48201241500	4036	N30 0.22	W95 17.76				
1029	03466	4% HTC		2003	2/11/04	Wallington Park Apartments	9100 Mills Rd.	Houston (area)	Harris	77070	\$640,899	244	244	General		48201552601	4047	N29 57.361	W95 33.299				
1030	03474	4% HTC		2003	3/12/04	Mayfair Park Apartments	7450 N. Shepherd Dr.	Houston	Harris	77091	\$629,049	178	178	General		48201530700	4048	N29 52.121	W95 24.653				

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 Within: Sheet
 Search: By Rows
 Look in: Values
 Match case
 Find entire cells only
 Replace... Close Find Next

2004 Board Approval

Board Approval Date is 12/11/2003

same census tract

- Certify that no members of the Applicant or Affiliates had an ownership position in the amenity or served on the board or staff of a nonprofit that owned or managed that amenity within the year preceding the Pre-application Final Delivery Date.
- Select the Total Points Claimed from the drop-down box.
- **Part 2 – Underserved Area:** Select from the seven options available if requesting points for this item, and select the Total Points Claimed from the drop-down box.
 - **Remember:** the rule states “less than 15 years ago” and “less than 30 years ago”. Less than 15 years is anything awarded from 2004 to present. Less than 30 years is anything awarded from 1989 to present. The Department counts back from January 1.
 - If §11.9(c)(5)(E) is selected and there are more than six contiguous tracts, include a separate page in the pdf Application listing those tracts.
 - If an Application qualifies for points under Opportunity Index (§11.9(c)(4)), then the Application is not eligible for points under the Colonia or Economically Distressed Area items (§11.9(c)(6)).
- **Part 3 – Proximity to the Urban Core:** Complete the applicable box if the Development Site is located within the required distance of the urban core. Select the Total Points Claimed from the drop-down box.
- **Part 4 – Concerted Revitalization:** If claiming points, be sure that no points are being claimed under the Opportunity Index. Complete the appropriate boxes and select amenities in the Urban or Rural section of Opportunity Index. Make sure supporting documentation, including documentation of area amenities, is included in the CRP packet. **The CRP Packet is required for Urban and Rural Applications requesting these points.** Select the Total Points Claimed from the drop-down box.

The CRP packet must include evidence that the CRP is current at the time of Application and that it officially continues for a minimum of three years thereafter, OR that the work to address items outlined in the CRP has already begun and the Applicant includes confirmation from the appropriate public official that the objectives of the CRP will be met on schedule and no budgetary or other obstacles stand in the way. A CRP consists of policies instigated by a host of governmental and public-private entities. Staff would expect to see robust evidence of those policies continuing on an ongoing basis, with further proof that they will continue for 3 years within the plan OR that they have already begun to make significant impacts. A letter from a city may point to these policies and direct staff’s attention to other evidence. Many CRP plans include target dates as part of their plan. The Applicant must also present evidence of **sufficient, documented and committed funding** that will allow the CRP to meet its objectives.

- **Part 5 – Declared Disaster Area:** If claiming points, simply mark the yellow box and select the Total Points Claimed from the drop-down box. The 2019 list of eligible counties is posted on the TDHCA website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>.
- **Part 6 – Readiness to Proceed in Disaster Impacted Counties** –Applications proposing development in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within the **two years preceding December 1, 2018** that provide the required evidence can qualify for five points.
- ❖ **Tab 10 – Supporting Documentation for the Site Information Form Part II**
 - **Opportunity Index information:**
 - The map(s) should indicate the location of the Development Site and include an accurate radius appropriate for the asset. Refer to §11.9(c)(4)(B) for details regarding the radius.
 - Supporting documentation for each amenity selected should be included behind this tab. The documentation must provide evidence that the amenity meets each requirement of the QAP.
 - **Written statements that the amenity meets the rules are not sufficient; evidence of how the amenity meets the rule is required.**



TDHCA: 2019 Competitive (9%) HTC Application Cycle

1 message

TDHCA <do-not-reply@tdhca.state.tx.us>
To: ajcarpen@gmail.com

Tue, Feb 19, 2019 at 3:54 PM

The Texas Department of Housing and Community Affairs' (TDHCA) Multifamily Finance Division has been made aware that there may be some confusion regarding scoring under 10 TAC Section 11.9(c)(5) related to Underserved Area, particularly items (C), (D) and (E) which refer to awards made 15 and 30 years ago.

As is stated in the 2019 Multifamily Programs Procedures Manual, staff counts back 15 years from January 1 of the calendar year for that year's cycle. So, for the 2019 cycle, the 15-year time frame would count back 15 years from Jan. 1, 2019, to Jan. 1, 2004. Any award made after Jan. 1, 2004, makes the census tract ineligible. The 30-year time frame would count back 30 years from Jan. 1, 2019, to Jan. 1, 1989. Any award made after Jan. 1, 1989, makes the census tract ineligible.

If you have questions about this or any other scoring items, please contact TDHCA Competitive HTC Program Administrator Sharon Gamble at sharon.gamble@tdhca.state.tx.us.

Please do not reply to this email. It is from an unattended email address. To contact the Texas Department of Housing and Community Affairs, get more information, or view a slideshow of recent TDHCA activities, visit <http://www.tdhca.state.tx.us/> in your Web browser. Like us on facebook (<http://www.facebook.com/TDHCA>) and follow us on twitter (<http://twitter.com/TDHCA>).

Login to your email list account to edit your subscription:
<http://maillist.tdhca.state.tx.us/list/login.html?lui=f9mu0g2g&mContainer=2&mOwner=G382s2w2r2p&mAddress=ajcarpen%40GMAIL.COM>

Unsubscribe from this list:
<http://maillist.tdhca.state.tx.us/list/leave.html?lui=f9mu0g2g&mContainer=2&mOwner=G382s2w2r2p&mListId=HL%233&address=ajcarpen%40GMAIL.COM&val=fpm9rhu7&d=190219A%2C813%2C1>

Attachment E

TDHCA#	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served	Apt. Phone #	Census Tract	CMTS_ID	Latitude	Longitude
03433	4% HTC		2003	11/14/03	Southern Terrace Apartments	4722 Meadow Street	Dallas	Dallas	75215	\$1,043,740	264	264	General	(214) 891-1402	48113003901	3421	N32 45.5219	W96 44.9610
03434	4% HTC		2003	11/14/03	Peakness Ranch	5480 Peakness Lane	Dallas	Dallas	75211	\$935,661	264	264	General	(210) 694-2223	48113010704	3422	N32 44.483	W96 54.711
03436	4% HTC		2003	11/14/03	Northland Woods Apartments	15165 Vickery Dr.	Houston	Harris	77032	\$865,730	280	280	General	(281) 442-0087	48201222700	3424	N29 56.314	W95 18.974
03438	4% HTC		2003	11/14/03	Parkside Point Apartments	3300 Alice St.	Houston	Harris	77021	\$792,586	260	260	General	(407) 772-0200	48201313800	3425	N29 41.504	W95 22.562
03440	4% HTC		2003	12/11/03	Stardingshire Apartments	4002 Stardingshire St.	Houston	Harris	77078	\$341,421	200	200	General	(915) 533-1122x340	48201231200	3427	N29 51.262	W95 15.580
03441	4% HTC		2003	11/14/03	Pinrose at Jefferson Plaza	2803 Fredericksburg Rd.	San Antonio	Bexar	78201	\$616,285	248	248	Elderly	(214) 891-1402	48029180202	3428	N29 28.088	W98 31.799
03449	4% HTC		2003	11/14/03	Little Nell Apartments	8565 W Sam Houston Pkwy	Houston	Harris	77036	\$920,281	278	278	General	(713) 334-5808	48201433501	3435	N29 41.220	W95 33.287
03455	4% HTC		2003	12/11/03	Parkview Townhomes	1200 West Sublet	Arlington	Tarrant	76001	\$714,733	248	248	General	(972) 239-8500	48439111543	4030	N32 38.870	W97 7.912
03456	4% HTC		2003	12/11/03	Timber Ridge II Apartments	5335 Aldine Bender Rd.	Houston	Harris	77032	\$477,964	124	124	General	(713) 914-9200	48201222700	3411	N29 55.846	W95 18.568
03458	4% HTC		2003	12/11/03	Bayou Willows Apartments	4102 Young	Pasadena	Harris	77504	\$308,203	212	212	General	(281) 371-7120	48201323600	3438	N29 38.935	W95 11.666
03459	4% HTC		2003	12/11/03	Park	2900 Century Park Blvd.	Austin	Travis	78727	\$638,507	240	240	General	(512) 477-9900	48453001847	3413	N30 26.037	W97 41.626
03461	4% HTC		2003	1/13/04	Addison Park Apartments	6500 Hwy 287	Arlington	Tarrant	76001	\$620,571	224	224	General	(601) 321-7600	48439111408	4033	N32 38.836	W97 11.279
03462	4% HTC		2003	1/13/04	Providence at Veterans Memorial	11201 Veteran's Memorial Parkway	Houston (area)	Harris	77067	\$745,799	250	250	General	(972) 239-8500	48201550800	4034	N29 56.591	W95 27.913
03463	4% HTC		2003	1/13/04	Providence at Rush Creek II	6000 Baraca Lane	Arlington	Tarrant	76001	\$438,609	144	144	General	(210) 694-2223	48439111543	4035	N32 38.732	W97 7.533
03464	4% HTC		2003	1/13/04	Blue Lake at Marine Creek Apartments	4700 Huffines Blvd.	Fort Worth	Tarrant	76135	\$464,937	186	186	General	(214) 750-8845	48439114007	4046	N32 45.299	W97 24.228
03465	4% HTC		2003	1/13/04	Humble Parkway	9390 FM 1960	Houston	Harris	77338	\$556,530	216	216	General	(512) 477-9900	48201241500	4036	N30 0.22	W95 17.76
03466	4% HTC		2003	2/11/04	Wellington Park Apartments	9100 MMS Rd.	Houston (area)	Harris	77070	\$640,989	244	244	General	(713) 334-5808	48201552401	4047	N29 57.361	W95 33.299
03474	4% HTC		2003	3/12/04	Mayfair Park Apartments	7450 N. Shepherd Dr.	Houston	Harris	77091	\$629,049	178	178	General	(713) 334-5808	48201530700	4048	N29 52.121	W95 24.653
04000	9% HTC		2004	3/13/03	King Fisher Creek	4601 E. St. Elmo Rd.	Austin	Travis	78744	\$225,813	35	35	General	(813) 247-2828	48453002413	117	N30 12.324	W97 44.252

BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
507 Sabine Street, Room 437, Austin, Texas
January 13, 2004 10:00 a.m.

A G E N D A

**CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM**

Elizabeth Anderson
Chair of Board

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by department staff and motions made by the Board.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

ACTION ITEMS

Item 1 Presentation, Discussion and Possible Approval of Minutes of Board Meeting of December 11, 2003 Elizabeth Anderson

Item 2 Presentation, Discussion and Possible Approval of Interagency Contract with the Texas Department of Housing and Community Affairs and the Office of Rural Community Affairs on the Housing Tax Credit Rural Regional Allocation Edwina Carrington

Item 3 Presentation, Discussion and Possible Approval of Report from Programs Committee And Approval of Programmatic Items: C. Kent Conine
a) Multi-Family Division

Appeal for Star Village. CHDO Rental Housing Development Application No. 2003-0320 and Possible Award

Item 4 Presentation, Discussion and Possible Approval of Financial Items: Vidal Gonzalez
a) Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits:

1) Proposed Issuance of Multifamily Mortgage Revenue Bonds For Addison Park Apartments, Arlington, Texas in an Amount not to Exceed \$14,000,000 and Issuance of Determination Notice in the Amount of \$620,571, for Housing Tax Credits for Addison Park Apartments, 03-461, with TDHCA as the Issuer

2) Proposed Issuance of Multifamily Mortgage Revenue Bonds For Providence at Rush Creek II, Arlington, Texas in an Amount not to Exceed \$10,000,000 and Issuance of Determination Notice in the Amount of \$438,609, for Housing Tax Credits for Providence at Rush Creek, 03-463 with TDHCA as the Issuer

3) Proposed Issuance of Multifamily Mortgage Revenue Bonds For Providence at Veterans Memorial, Houston, Texas in an Amount not to Exceed \$16,300,000 and Issuance of Determination Notice in the Amount of \$677,432, for Housing Tax Credits for Providence at Veterans Memorial, 03-462 with TDHCA as the Issuer

4) Proposed Issuance of Multifamily Mortgage Revenue Bonds

Texas Department of Housing and Community Affairs

2019 9% Housing Tax Credit Pre-Application

Attachment F

Application Number: 19244
 Submitted Date: 1/9/2019 9:38AM
 Submitted By: Casey Bump

Contact Information

Primary Contact: Casey Bump
 901 S. Mopac Expy., Bldg. 5, Ste. 100
 Austin, TX 78746
 Phone: 512-505-0603
 Email: casey@bonnercarrington.com

Secondary Contact: Stuart Shaw
 Phone: 512-220-8000
 Email: development@bonnercarrington.com

Consultant Contact:
 Phone:
 Email:

Development Information

Name of Proposed Entity: Marioposa Harris Road LP
Development Name: Marioposa Apartment Homes at Harris Road
Development Type: New Construction
Secondary Type: None
Previous TDHCA #:
Initial Construction Year:
Units Demolished: 0
Units Reconstructed:
of Non-Contiguous Sites:
of Census Tracts: 1
Target Population: Elderly
Development Address: Northeast of South Cooper Street and West Harris Road
 Arlington, TX 76001
ETJ?: N
County: Tarrant
Region: 3
Rural/Urban: Urban
Census Tracts: 48439111544
Total LI Units: 117
Total MR Units: 63
Total Units: 180
HTC Request: \$1,500,000.00
Pre-App Fee Due: \$1,800.00
Has Fee already been submitted?: Yes
Name on Check: Stuart Shaw Family Partnership Ltd.
Check Number: 4622
Set-Aside Election: none

Notifications

U.S. Representative: Ronald Wright
State Senator: Beverly Powell
State Representative: Chris Turner
District: 6
District: 10
District: 101

School Superintendent: Dr. Jim Vaszauskas
School District: Mansfield ISD
School District Address: 605 East Broad Street
 Mansfield, TX 76063

Presiding Officer of Board of Trustees: Karen Marcucci
Address: 605 East Broad Street
 Mansfield, TX 76063

Elected Officials: Jeff Williams	Mayor
Helen Moise	City Council Member
Sheri Capehart	City Council Member
Roxanne Thalman	City Council Member
Kathryn Wilemon	City Council Member
Lana Wolff	City Council Member
Robert Shepard	City Council Member
Victoria Farrar-Myers	City Council Member
Michael Glaspie	City Council Member
B. Glen Whitely	County Judge
Roy Charles Brooks	County Commissioner
Andy H. Nguyen	County Commissioner
Gary Fickes	County Commissioner
J.D. Johnson	County Commissioner

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

Unit Sizes: 6
Unit Features: 9
Sponsor Characteristics: 2
High Quality Housing Total: 17

Criteria to Serve and Support Texans Most in Need

Income Levels of Tenants: 16
Rent Levels of Tenants: 11
Tenant Services: 10
Opportunity Index: 7
Underserved Area: 5
Tenant Populations with Special Housing Needs: 2
Proximity to the Urban Core: 0
Serve and Support Texans Most in Need Total: 51

Criteria Promoting Community Support and Engagement

Commitment of Development Funding by Local Political Subdivision: 1
Declared Disaster Area: 10
Community Support and Engagement Total: 11

Criteria Promoting Efficient Use of Limited Resources and Applicant Accountability

Financial Feasibility:	18
Cost of Development per Square Foot:	12
Pre-Application Participation:	6
Leveraging Private, State and Federal Resources:	3
Extended Affordability:	2
Historic Preservation:	0
Right of First Refusal:	1
Funding Request Amount:	1
Efficient Use of Limited Resources and Applicant Accountability Total:	43
Point Adjustment:	
Total Applicant Self-Score:	122

Intent to Request Points for Items not Included in the Applicant's Self-Score

Readiness to Proceed:	0 points
Government Support:	17 points
Quantifiable Community Participation:	4 points
Support from State Representative:	8 points
Input from Community Organizations:	4 points
Concerted Revitalization Plan:	0 points
Eligible to score at least 4 points under Opportunity Index?:	

Attachments and Certifications

Site Control Documentation: [01A MHR Arlington Purchase Contract \(3.07 Tract\) Owner to 01A MHR Arlington Purchase Contract Owner to SSFP 1812](#)

Census Tract Map: [MHR Arlington Census Tract Map.pdf](#)

Neighborhood Risk Factors:

Other Pertinent Information:

History in a hardcover book



Fort Worth Memories II

Second volume, new for 2018

CLICK to SAVE \$15



ELECTIONS

Democrat unseats Tarrant County incumbent

BY LUKE RANKER

NOVEMBER 06, 2018 07:51 PM, UPDATED DECEMBER 24, 2018 03:41 PM



SUBMITTED

FORT WORTH

Strong voter turnout and a grassroots campaign propelled Democrat [Devan Allen](#) to victory

Tuesday for Tarrant County commissioner over Republican incumbent [Andy Nguyen](#), according to total unofficial results.

Allen led the race all night and ended with 51 percent of the votes to Nguyen's 49 percent.

Precinct 2 represents southeast Tarrant County.

Allen attributed the tight race to a grassroots campaign that focused on issues and not "he said, she said" politics.

"People trusted that I will work for the best interest of the greatest number of people," she said.

Though this will be Allen's first time in office, she's no newcomer to politics. She worked for state Rep. Chris Turner and as an aide for the Fort Worth City Council.

Allen said that she will focus on healthcare access and that implementation of the JPS Health System bond will be her top priority.

Nguyen didn't return a call for comment by deadline. He was elected in 2010 as the county's first-Asian American to hold office.

Prior to election night, Nguyen said he was proudest of building partnerships during his time in office. He pointed to support of the 360 Tollway as a major project completed in his district.

"That highway is spurring a lot of economic development now," he said.

ADVERTISING



Replay

inRead invented by Teads

In other Tarrant County Elections:

**Cumulative Report — Official
Tarrant County — Joint General and Special Elections — November 06, 2018**

Total Number of Voters : 632,587 of 1,134,484 = 55.76%

Precincts Reporting 704 of 704 = 100.00%

Party	Candidate	Absentee		Early		Election		Total	
Judge, County Probate Court No. 2, Vote For 1									
REP	Brooke Allen	20,474	100.00%	245,624	100.00%	88,077	100.00%	354,175	100.00%
	Cast Votes:	20,474	56.24%	245,624	56.71%	88,077	54.42%	354,175	56.10%
	Over Votes:	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Under Votes:	15,931	43.76%	187,462	43.29%	73,778	45.58%	277,171	43.90%
District Clerk, Vote For 1									
REP	Tom Wilder	19,420	54.93%	223,063	53.26%	79,231	51.47%	321,714	52.90%
DEM	John Derewitz	15,937	45.07%	195,767	46.74%	74,691	48.53%	286,395	47.10%
	Cast Votes:	35,357	97.12%	418,830	96.71%	153,922	95.10%	608,109	96.32%
	Over Votes:	11	0.03%	0	0.00%	132	0.08%	143	0.02%
	Under Votes:	1,039	2.85%	14,256	3.29%	7,801	4.82%	23,096	3.66%
County Clerk, Vote For 1									
REP	Mary Louise Garcia	19,403	54.76%	224,578	53.48%	79,859	51.73%	323,840	53.11%
DEM	Karroll W. Parker	16,030	45.24%	195,317	46.52%	74,527	48.27%	285,874	46.89%
	Cast Votes:	35,433	97.33%	419,895	96.95%	154,386	95.39%	609,714	96.57%
	Over Votes:	5	0.01%	0	0.00%	48	0.03%	53	0.01%
	Under Votes:	967	2.66%	13,191	3.05%	7,421	4.58%	21,579	3.42%
County Tax Assessor-Collector (Unexpired Term), Vote For 1									
REP	Wendy Burgess	19,669	55.35%	229,097	54.23%	81,473	52.53%	330,239	53.86%
DEM	Ollie Anderson	15,869	44.65%	193,372	45.77%	73,632	47.47%	282,873	46.14%
	Cast Votes:	35,538	97.62%	422,469	97.55%	155,105	95.83%	613,112	97.11%
	Over Votes:	11	0.03%	0	0.00%	38	0.02%	49	0.01%
	Under Votes:	856	2.35%	10,617	2.45%	6,712	4.15%	18,185	2.88%
County Commissioner, Precinct No. 2, Vote For 1									
REP	Andy Nguyen	4,988	57.41%	51,939	48.74%	18,475	46.35%	75,402	48.61%
DEM	Devan Allen	3,701	42.59%	54,627	51.26%	21,385	53.65%	79,713	51.39%
	Cast Votes:	8,689	97.62%	106,566	97.59%	39,860	95.87%	155,115	97.15%
	Over Votes:	1	0.01%	0	0.00%	5	0.01%	6	0.00%
	Under Votes:	211	2.37%	2,629	2.41%	1,712	4.12%	4,552	2.85%

Precincts			Voters		
Counted	Total	Percent	Ballots	Registered	Percent
163	163	100.00%	159,673	288,215	55.40%

Attachment 1

Tarrant County Swearing-In Ceremony

By Tarrant County Judge Glen Whitley · Updated about 4 months ago

See more of Tarrant County Judge Glen Whitley on Facebook



Tarrant County Judge Glen Whitley

Like This Page · January 2 ·

Processed with Rookie Cam

Wendy Burgess likes this.

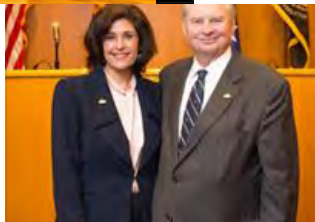
TARRANT COUNTY SWEARING-IN CEREMONY



JANUARY 1, 2019
10 AM

TARRANT COUNTY ADMINISTRATION BUILDING
100 E. WEATHERFORD ST., 5TH FLOOR
FORT WORTH, TX 76196

STYLEFW
Pictures



Elected Officials

Elected officials **were identified in the Pre-Application**, and there have been no changes.
(If box above is checked, the rest of the form may be left **BLANK**.)

Elected officials have **changed since the Pre-Application was submitted**, and information regarding notifications or re-notifications is entered below.

No Pre-Application was submitted.

Please identify all elected officials which represent the Development Site.

**** US Representative**

District

** While Applicants are not required to notify US Representatives, the Department is required to notify them. Therefore, Applicant must identify the appropriate US Representative of the district containing the Development.

State Senator	District
Support Letter	
City Mayor	

State Representative	District
Support Letter	
County Judge	

School Superintendent	District Name	Email	
Address	City		Zip

Presiding officer of Board of Trustees	Email	
Address	City	Zip

Devan Allen (renotified)	2	817-248-6099
County Commissioner	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone

CERTIFICATION OF NOTIFICATIONS (ALL PROGRAMS)

Pursuant to 10 TAC §11.203 of the Qualified Allocation Plan, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants must complete Parts 1 through 4 below:

Part 1. Notifications made at Pre-Application (Competitive HTC only):

I (We) certify that the pre-application included evidence of these notifications pursuant to 10 TAC §11.203, the pre-application met all threshold requirements, and no additional notifications were required with this full Application.

Re-notifications made at Application (Competitive HTC only):

I (We) certify that the pre-application for this full Application met all threshold requirements, but all required entities were re-notified as required by 10 TAC §11.203.

Notifications made at Application:

No pre-application was submitted, and I (We) certify that the all required entities were notified as required by 10 TAC §11.203

One or more persons holding a position or role described changed between the submission of the pre-application and the Application, and I (We) certify that the new person(s) was notified as required by 10 TAC §11.203.

As applicable, all re-notifications or notifications made at Application are indicated in the Application on the Elected Officials and/or Neighborhood Organizations Form(s)

Part 2. Notifications - Form and Content:

I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications and not older than three (3) months prior to the date Parts 5 and 6 of the Application are submitted for Tax Exempt Bond Developments, and not older than three (3) months prior to the date the Application is submitted for all other Applications

I (we) certify that the notifications do not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification does not create the impression that the proposed Development will serve a Target Population exclusively or as a preference without such targeting or preference being documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws.

I (we) certify that the notifications or any other communications do not contain any statement that violates Department rules, statute, code, or federal requirements.

I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with 10 TAC §11.203. The notifications were in the format provided in the *Application Notification Template*. All of the following entities were notified and are correctly listed on the *Elected Officials Form* and *Neighborhood Organizations Form*:

- Superintendent of the school district containing the Development;
- Presiding officer of the board of trustees of the school district containing the Development;
- Mayor of any municipality containing the Development;
- All elected members of the Governing Body of any municipality containing the Development;
- Presiding officer of the Governing Body of the county containing the Development;
- All elected members of the Governing Body of the county containing the Development;
- State senator of the district containing the Development; and
- State representative of the district containing the Development.

While not required to be submitted in this Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

Part 3. Neighborhood Organizations (competitive HTC only):

Pursuant to 10 TAC §11.203, I (We) certify that a reasonable search for applicable entities has been conducted and all Neighborhood Organizations for which this Application would be eligible to receive points under 10 TAC §11.9(d)(4) of the QAP or for which notification is required have been listed in the pre-application and/or the Application.

Certify on next page

CERTIFICATION OF NOTIFICATIONS (continued)

Part 4. Certification

By: [Signature] 2/28/19
Signature of Applicant/Development Owner Date

Stuart Shaw
Printed Name

Texas
Notary Public, State of

5/17/22
My Commission expires

Travis
County of

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of February, 2019

[Signature]

Notary Public Signature



MHR Arlington

Devan Allen

Tarrant County Commissioner

Precinct 2

Notification Letter Receipt

BONNER CARRINGTON

Exhibit 1

Notification Letter

BONNER CARRINGTON

January 9, 2019

Dear Community Leader,

Mariposa Harris Road LP is making an application for the 2019 Competitive (9%) Housing Tax Credits with the Texas Department of Housing and Community Affairs for Mariposa Apartment Homes at Harris Road; located at approximately Northeast of South Cooper Street and West Harris Road, Tarrant County, Arlington, Texas 76001 (location map attached). This proposed new construction development is for the active adults (seniors 55+) population and is a mixed-income apartment home community that will be comprised of approximately 180 apartment homes, of which approximately 63 units will be rented at market rates and approximately 117 units will serve residents at or below 60% of the Area Median Income. The community will be thoughtfully designed and aesthetically pleasing. The final number of units, amenities and other aspects of the development, in accordance with TDHCA rules, are subject to change and will be adjusted as needed to address market needs and the requirements of the area. The residential density of the Development, i.e., the number of Units per acre is approximately 14.22 (180/(9.587+3.07)).

In the spring, the Department will hold public hearings in various locations around the state to gather input on competitive HTC applications; comments can be made on and any all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA's Public Comment Center website later this year.

For more information about communities developed by Bonner Carrington please visit our website at www.bonnercarrington.com or feel free to send an email to my team and me at the address notifications@bonnercarrington.com. You can contact us by mail at Bonner Carrington, PO Box 2217, Austin, Texas 78768-2217; by fax at (512) 377-1651; or by phone

Sincerely,



Casey Bump
Applicant's Representative

Reverse Side – Location Map

Location Map

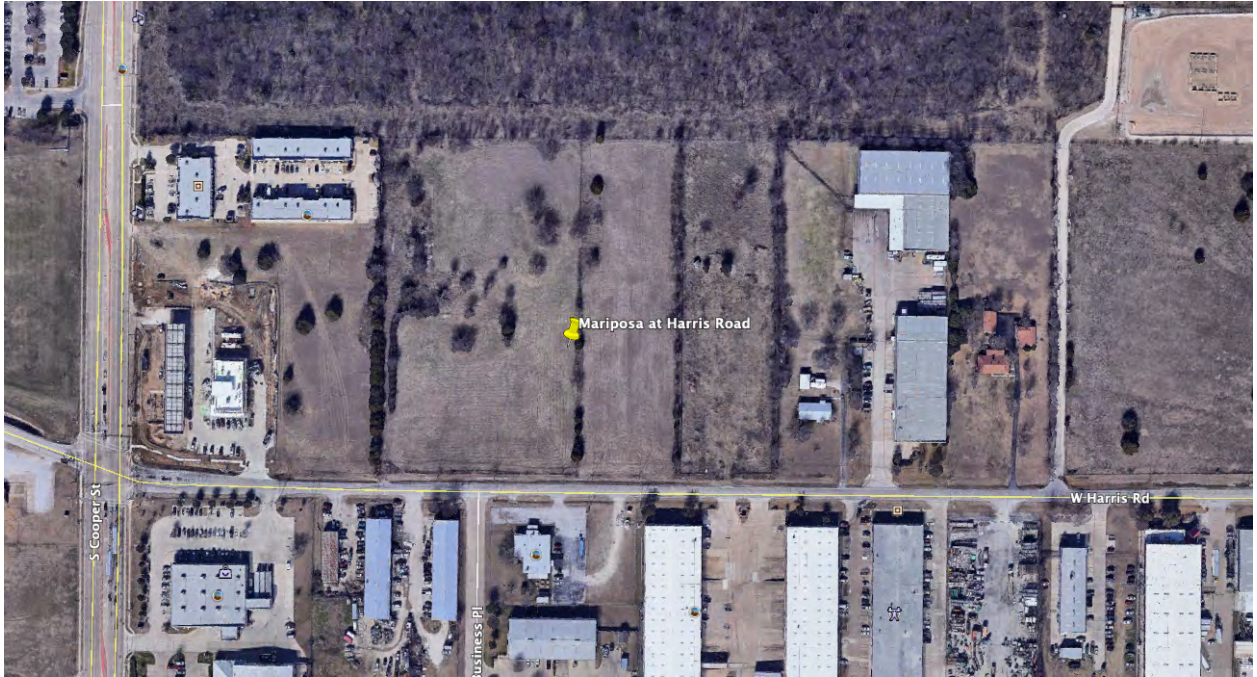


Exhibit 2

Certified Mail Letter Receipt & Precinct 2 Office Confirmation

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fees as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postmark Here
JAN - 9 2019

AUSTIN, TX 78746

Postage \$ _____

Total Price \$ _____

Sent To
 Street 1
 City, State

Commissioner Andy H. Nguyen OR Current Leader
 County Commissioner, Precinct 2
 Tarrant County
 100 E. Weatherford, Room 502A
 Fort Worth, TX 76196

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7016 0340 0000 7953 7259

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Commissioner Andy H. Nguyen OR Current Leader
 County Commissioner, Precinct 2
 Tarrant County
 100 E. Weatherford, Room 502A
 Fort Worth, TX 76196



9590 9402 4477 8248 7581 69

2. Article Number (Transfer from service label)

7016 0340 0000 7953 7259

COMPLETE THIS SECTION ON DELIVERY

A. Signature _____ Agent
 Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

RECEIVED
JAN 14 2015
Tarrant County Mailroom

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
- Adult Signature Priority Mail Express®
- Adult Signature Restricted Delivery Registered Mail™
- Certified Mail® Registered Mail Restricted Delivery
- Certified Mail Restricted Delivery Return Receipt for Merchandise
- Collect on Delivery Signature Confirmation™
- Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

USPS TRACKING#



9590 9402 4477 8248 7581 69



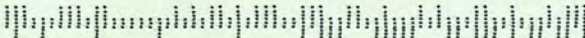
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

BONNER CARRINGTON LP

901 S. Mopac Expwy.
Bldg. V, Suite 100
Austin, TX 78746



From: Vikchika T. Nguyen VTNguyen@tarrantcounty.com
Subject: RE: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation
Date: February 12, 2019 at 8:41 AM
To: Dillon Shipper dillon@bonnercarrington.com



Good morning!

Yes, I can confirm that our office received this letter (dated January 9, 2019) on January 14, 2019.

Thank you,

Vikchika Nguyen

Vikchika Nguyen
Office of Commissioner Devan Allen
Tarrant County, Precinct 2
O: 817-248-6099 | F: 817-212-3056

From: Dillon Shipper [mailto:dillon@bonnercarrington.com]
Sent: Monday, February 11, 2019 11:13 AM
To: Vikchika T. Nguyen <VTNguyen@tarrantcounty.com>
Subject: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation

EXTERNAL EMAIL ALERT! Think Before You Click!


Hello,

Can you please confirm that Devan Allen's office received the attached notification letter (dated January 9th, 2019) on January 14, 2019?

Thank you,
Dillon

Dillon Shipper
Bonner Carrington
Development Assistant

Direct: 512.505.0604
Mobile: 214.558.0488
Office: 512.220.8000
www.bonnercarrington.com

From: Lisbeth Maldonado lmaldonado@TarrantCounty.com 
Subject: RE: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation
Date: February 11, 2019 at 2:19 PM
To: Dillon Shipper dillon@bonnercarrington.com



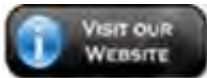
Hello,

This is to confirm receipt of letter from Bonner Carrington dated January 9th, 2019.

Thank you,

Lisbeth Maldonado

Lisbeth Maldonado
Administrative Assistant
Office of Commissioner Devan Allen
Tarrant County, Precinct 2
O: 817-248-6099 | F: 817-212-3056



From: Dillon Shipper [<mailto:dillon@bonnercarrington.com>]
Sent: Monday, February 11, 2019 2:15 PM
To: Lisbeth Maldonado <lmaldonado@TarrantCounty.com>
Subject: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation

EXTERNAL EMAIL ALERT! Think Before You Click!

Liz,

Can you please confirm that Devan Allen's office received the attached notification letter (dated January 9th, 2019) on January 14, 2019?

Thank you,
Dillon

Dillon Shipper
Bonner Carrington
Development Assistant

Direct: 512.505.0604
Mobile: 214.558.0488
Office: 512.220.8000
www.bonnercarrington.com

19244
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: consulting@bonnecarrington.com
Cc: [Casey Bump](#)
Subject: 19244 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 12:25:00 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19244 Rosewood Senior Villas**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions the Application's eligibility for points under 10 TAC §11.9(b)(5) related to Underserved Area as the Application did not consider an award (03463 Providence at Rush Creek II) in the same contiguous census tract that was approved by the TDHCA Board on January 13, 2004, and that the Applicant did not correctly notify County Commissioner Devan Allen who was sworn in on January 1, 2019.

1. Explain how the Application is eligible for points under 10 TAC §11.9(b)(5) related to Underserved Area.
2. Provide evidence that County Commissioner Devan Allen was notified timely.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be

terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19244
Deficiency Response(s)

MARIPOSA APARTMENT HOMES AT HARRIS ROAD

TDHCA #19244

TDHCA DEFICIENCY NOTICE ISSUED MAY 6, 2019

RESPONSE DUE MAY 13, 2019

SUBMITTED TO SHARON GAMBLE ON MAY 9, 2019

In the course of the Department's Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19244 Rosewood Senior Villas**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions the Application's eligibility for points under 10 TAC §11.9(b)(5) related to Underserved Area as the Application did not consider an award (03463 Providence at Rush Creek II) in the same contiguous census tract that was approved by the TDHCA Board on January 13, 2004, and that the Applicant did not correctly notify County Commissioner Devan Allen who was sworn in on January 1, 2019.

Explain how the Application is eligible for points under 10 TAC §11.9(b)(5) related to Underserved Area.

Provide evidence that County Commissioner Devan Allen was notified timely.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

ITEMS

1. Explain how the Application is eligible for points under 10 TAC §11.9(b)(5) related to Underserved Area.

RESPONSE: The application is eligible for three (3) points under 10 TAC §11.9(b)(5)(C):

The Development Site is located entirely within a census tract that does not have another Development that was awarded less than 30 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report; (3 points);

See attached PDF. The census tract (#48439111544) location is identified and according to the Site Demographic Characteristics Report, there are no other Developments within the tract.

2. Provide evidence that County Commissioner Devan Allen was notified timely.

RESPONSE: Please see letter from Coats Rose.

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

14 Current Zoom Level

- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

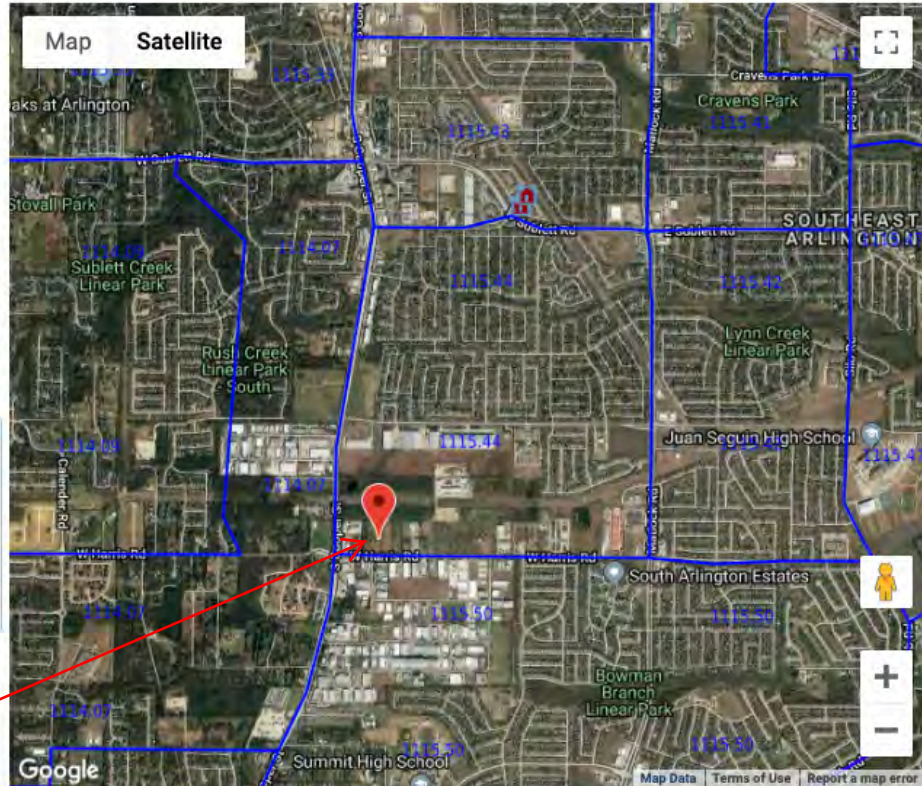
[Click here for full screen map](#)

Select Year

- 2019
- 2018

QCT for 2019	
Tract	1115.44
County	Tarrant County
State	TX
Status (2019)	Not Qualified
Poverty Rate	7.0%
Ratio of Tract Median Income to Tract Income Limit	0.538
Full Tract Number	48439111544

19244 MHR
Arlington



The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

17 Current Zoom Level

- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

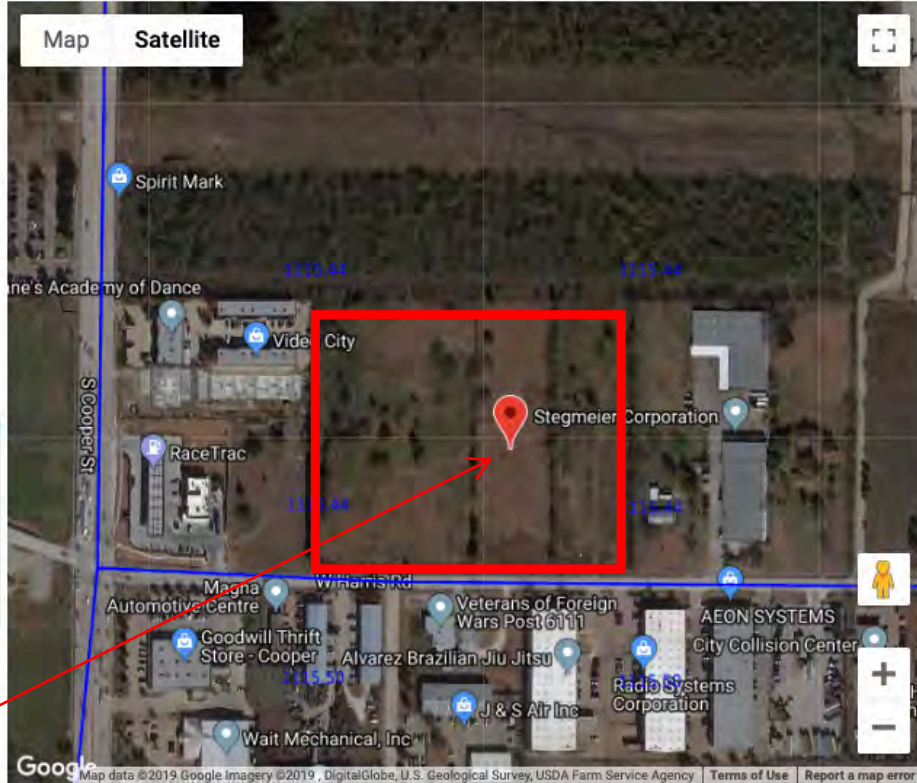
[Click here for full screen map](#)

Select Year

- 2019
- 2018

QCT for 2019	
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County	Tarrant County
State	TX
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Ratio of Tract Median Income to Tract Income Limit	0.538
Full Tract Number	48439111544

19244 MHR
Arlington



Font: Cambria (Headings) 10. Font color: Black. Paragraph: Bold, Italic, Underline, Text color: Black, Background color: White. Styles: Paragraph style: Normal. Table: Percent 2. Conditional formatting: Normal. Cell background color: White. Cell border: None.

THD&M	Apn Type	Original THD&M	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LTRC Ant	LTRC Units	LTRC Units	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	
1																												
2	70006	9% MHC	1999		814 S. Anthony Bl.	Anaheim	Plute	70939	91779	3	1	General	9067341939	48370151000	876	200	12.886%	W121 81.281										
3	70008	9% MHC	1999		902 S. Virginia	Anaheim	Plute	70939	91801	1	1	General	9066724533	48370151000	877	200	12.886%	W121 12.886%										
4	70009	9% MHC	1999		Tempton Service Apartments	Tempton	Shelby	70875	933,858	28	28	Elderly	409284-279	48419930000	878	501	64.913	W94 23.670										
5	70010	9% MHC	1999		Hughes Springs Sides	202 Kameo St, #33	Elkton	Calaveras	95626	50	50	Elderly	480092294	48687900000	879	533	8.813	W94 37.288										
6	70010	9% MHC	1999		Coastal City Seniors	1304 East 10th St.	Colorado City	Michigan	79612	502,549	24	24	Elderly	50728-2347	46339300000	878	500	25.787	W100 81.841									
7	70011	9% MHC	1999		Robertsonburg Seniors	581 E. Highway 51	Robertsonburg	Gilchrist	78654	543,956	48	48	Elderly	48171950400	48171950400	879	500	15.717	W98 51.636									
8	70012	9% MHC	1999		Orion Seniors Apartments	1401 Taylor	Sonoma	San Francisco	94900	338,220	32	32	Elderly	9151 287-8629	64358990000	880	500	30.332	W100 38.206									
9	70013	9% MHC	1999		Celena Seniors	1304 Shattuck Rd.	Celena	Crockett	79843	531,000	28	28	Elderly	9203 362-0216	49108901000	881	500	42.725	W101 10.025									
10	70014	9% MHC	1999		Banckerville Seniors	900 W. Spring Blvd.	Banckerville	Kimsey	79652	443,110	30	30	Elderly	3139 472-0298	4850719001000	882	500	18.951	W100 29.239									
11	70015	9% MHC	1999		Whispering Run Apartments	9000 Bellmore Drive	West	Tulare	76920	460,884	108	108	General	6681113847	6681133847	890	500	45.130	W97 6.874									
12	70016	9% MHC	1999		Wallingford Place Apartments	365 S. Platan	Walled Lake	Michigan	48319	850,214	197	197	General	617820-0765	6468115462	884	500	48.157	W97 7.778									
13	70017	9% MHC	1999		Ritzburg Place Apartments	1429-313 N. Ritzburg	Okla.	Okla.	73084	856,160	52	52	General	32141 740-7172	68193001503	886	500	49.300	W96 45.409									
14	70019	9% MHC	1999		1802 Campbell Road Apartments	1802 Campbell Rd.	Okla.	Okla.	77090	324,075	15	15	General	47013 800-8000	46020181200	888	500	49.827	W96 31.003									
15	70024	9% MHC	1999		White Rock Creek Apartments	1041 Knox Oak Dr.	Okla.	Okla.	73218	578,192	152	152	General	3214 324-5092	48113008100	887	500	43.807	W94 42.056									
16	70029	9% MHC	1999		Mary Court Duplexes	160-552 & 161-159 Mt. C.	Waukegan	Ill.	75185	318,312	4	4	General	97271 817-9117	68130560000	890	502	25.040	W95 51.005									
17	70027	9% MHC	1999		Saint Charles Apartments	1000 S. Charle St.	Levellville	Okla.	75067	1148,889	128	128	General	972221-4874	48170121618	891	500	2.062	W96 59.789									
18	70030	9% MHC	1999		Market Apartments	7201 Fair Oaks Ave.	Delias	Delias	75291	534,741	131	131	General	48118007915	2309	502	52.208%	W98 45.608%										
19	70030	9% MHC	1999		Junction Apartments	7111 Fair Oaks Ave.	Delias	Delias	75291	572,650	208	208	General	48113007915	2309	502	52.208%	W96 45.541										
20	70038	9% MHC	1999		Ballou Park Apartments	6218 Midway Rd.	Delias	Delias	75291	551,940	89	89	General	47116020100	895	500	91.871	W96 52.254										
21	70040	9% MHC	1999		Village Square Apartments	3013 W. Pipeline Rd.	Elkton	Tulare	95626	576,021	60	60	General	601540-0588	6468113511	2521	500	43.350	W97 7.584									
22	70049	9% MHC	1999		2512 Thomae	2512 Thomae Dr.	Anaheim	Plute	70937	81,151	1	1	General	9066 374-0827	48370182800	2344	500	14.298	W101 48.801									
23	70050	9% MHC	1999		Rid River Apartments	2704 W. Alton	Rid River	Clark County	72438	822,245	24	24	General	8003 372-4206	48687950000	896	500	36.795	W96 6.743									
24	70050	9% MHC	1999		Deport Apartments	522 Post Rd	Deport	Rid River	72436	828,004	24	16	General	8003 874-2133	48687950000	887	500	39.851	W95 18.891									
25	70054	9% MHC	1999		2854 Walnut Street	2854 Walnut St.	Anaheim	Plute	70937	81,164	1	1	General	9066 374-0827	48370183900	2345	500	14.552	W121 49.417									
26	70058	9% MHC	1999		Ume Side Manor Apartments	1470 East King Drive	Three Rivers	Live Oak	76071	842,394	26	26	Elderly	9091 788-3730	66207901000	899	500	28.300	W98 10.896									
27	70058	9% MHC	1999		Ume Side	216 W. Magnolia Ave.	Winnemucca	Winnemucca	79665	834,331	32	32	Elderly	9099 296-2100	48071704001	899	500	49.476	W94 22.296									
28	70059	9% MHC	1999		1200 Kristina	4109 Kristina	Midway	Hempden	78572	99,953	4	4	General	9069 631-8902	48512320000	901	500	23.038%	W98 15.139									
29	70059	9% MHC	1999		2000 Classic Apartments	6000 Classic	Midway	Hempden	78572	578,546	118	118	General	917 252-4328	48512320000	892	500	33.789	W98 15.735									
30	70071	9% MHC	1999		Asylum Court	7020 S. Asylum	Delias	Delias	75185	833,000	82	82	General	3134 631-6010	9000	500	43.350	W96 4.154										
31	70079	9% MHC	1999		Moor On The Park	3122 Park Lane	Anaheim	Plute	70932	355,886	106	86	General	3214 372-8782	48130000000	906	500	62.539	W96 62.432									
32	70080	9% MHC	1999		Copper Creek	7100 Mapleswood Rd.	High Richard Hills	Tarrant	76128	548,599	108	108	General	917 311-6884	64681153177	2520	500	50.000	W97 13.370									
33	70080	9% MHC	1999		Northside Senior Citizens	1743 W. Henderson Rd.	Angleton	Monterey	77551	1,967,729	48	48	Elderly	979 840-8652	48209622000	909	500	11.962	W99 24.500									
34	70081	9% MHC	1999		White Oak Road/Rid Apartments	24341 Ford Rd.	Proctor	Montgomery	72386	148,604	36	36	General	881264-4075	46339360000	900	500	6.792	W95 11.752									
35	70082	9% MHC	1999		Westover Apartments (Hwy 90/160/200/4400/Mar)	5625 Delany Rd.	Hickwood	Georgetown	77545	445,612	40	40	General	409986-6275	48177233000	911	500	21.793	W95 1.215									
36	70084	9% MHC	1999		1218 Pecos	4218 Pecos	Anaheim	Plute	70937	81,121	1	1	General	9069 374-0827	48370183900	912	500	14.298	W121 49.839%									
37	70084	9% MHC	1999		2920 N. Wilson	2920 N. Wilson	Anaheim	Plute	70937	81,163	1	1	General	9069 374-0827	48370183900	913	500	14.298	W121 49.891%									
38	70084	9% MHC	1999		Stoney Park Apartments	4815 Stoney Park	Anaheim	Plute	70939	806,290	28	24	Elderly	916 929-4950	48370189500	914	500	16.168	W98 9.777									
39	70085	9% MHC	1999		Paris Apartments	3805 Paris	Paris	Orleans	70801	815,253	36	36	General	504 966-8034	48179890000	915	500	52.960	W100 18.641									
40	70091	9% MHC	1999		Red Apts	3000 Grand Creek	Dixley	Ilco	78017	839,940	28	28	Elderly	800 966-1251	48169390000	916	500	40.361	W99 10.847									
41	70093	9% MHC	1999		1209 Pecos St.	1209 Pecos St.	Anaheim	Plute	70937	81,209	1	1	General	9066 374-0827	48370183900	917	500	14.300	W101 49.335%									
42	70084	9% MHC	1999		Tomball Square Apartments	611 James St.	Tomball	Harris	77374	317,445	24	24	General	2811 255-3648	4820155427	918	500	4.478	W99 37.013									
43	70096	9% MHC	1999		Kelly Manor Apartments	5395 East 9th St.	Katy	Harris	77459	344,602	36	36	General	2811 321-7320	48201542700	919	500	47.402	W99 48.678									
44	70097	9% MHC	1999		Glens Of West Coonates	223 S. 13th St.	West Columbia	Colorado	77486	832,386	24	24	General	979 349-2494	48208826000	920	500	8.830	W99 36.690									
45	70101	9% MHC	1999		Clombus Ams	1880 Highway 71 S	Clombus	Colorado	78994	539,280	48	48	General	979 732-2144	48097500000	922	500	41.841	W99 32.633									
46	70103	9% MHC	1999		Countryside Apts	1880 Highway 71 S	Countryside	Colorado	78994	539																		

COATS | ROSE

A PROFESSIONAL CORPORATION

WILLIAM D. WALTER, JR.
DIRECTOR

WWALTER@COATSROSE.COM
DIRECT: (512) 684-3842
FAX: (713) 890-3954

May 9, 2019

Via Email

Ms. Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: TDHCA #19244 - Mariposa at Harris Road (the "Project")
Deficiency Notice Response

Dear Ms. Gamble:

We represent the applicant ("Applicant") on the pending 9% housing tax credit application for the Project. The Applicant requested that we provide a response to a deficiency notice provided by the Department. Specifically, the notice requests that the Applicant provide evidence that County Commissioner Devan Allen (who was sworn in on January 1, 2019) received timely notice of the application.

Please note the following timeline:

- Ms. Allen took office on January 1, 2019, but Andy Nguyen was mistakenly listed in the Pre-Application submission.
- Although Mr. Nguyen was listed in the Pre-Application, Applicant's sent the letter to "Andy Nguyen OR Current Leader". Applicant addressed the actual notice letter "Dear Community Leader", as reflected in the documents attached as "**Exhibit A**".
- Applicant sent the notice letter on January 9, 2019. A copy is included at "**Exhibit A**".
- Ms. Vikchika Nguyen of Ms. Allen's office confirmed receipt of the letter by Ms. Allen's office on January 14, 2019 (email correspondence and mail receipt confirmation are included at "**Exhibit A**").
- Per TDHCA instructions, and to supplement the prior actual notice, Applicant sent a re-notification letter to Ms. Allen's office on February 27, 2019.

Per the 2019 Qualified Allocation Plan ("QAP"), timely and compliant written notification to the correct person constitutes notification. Ms. Allen's office confirmed actual timely and compliant receipt of notice, despite the scrivener's error by Applicant in initially

BARTON OAKS PLAZA, 901 S. MOPAC EXPWY, BLDG 1, STE 500, AUSTIN, TEXAS 78746

PHONE: (512) 469-7987 FAX: (512) 469-9408

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HOUSTON | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS | CINCINNATI
4853-2138-4598.v1

identifying Mr. Nguyen in the pre-application. As such, Applicant complied with the QAP, and Applicant is eligible for six (6) Pre-Application points.

Very truly yours,

A handwritten signature in blue ink, appearing to read "William D. Walter, Jr.", written over a horizontal line.

William D. Walter, Jr.

cc: Mr. Casey Bump
Mr. Dillon Shipper
Mr. Barry J. Palmer

EXHIBIT A

Exhibit 1
Notification Letter

January 9, 2019

Dear Community Leader,

Mariposa Harris Road LP is making an application for the 2019 Competitive (9%) Housing Tax Credits with the Texas Department of Housing and Community Affairs for Mariposa Apartment Homes at Harris Road; located at approximately Northeast of South Cooper Street and West Harris Road, Tarrant County, Arlington, Texas 76001 (location map attached). This proposed new construction development is for the active adults (seniors 55+) population and is a mixed-income apartment home community that will be comprised of approximately 180 apartment homes, of which approximately 63 units will be rented at market rates and approximately 117 units will serve residents at or below 60% of the Area Median Income. The community will be thoughtfully designed and aesthetically pleasing. The final number of units, amenities and other aspects of the development, in accordance with TDHCA rules, are subject to change and will be adjusted as needed to address market needs and the requirements of the area. The residential density of the Development, i.e., the number of Units per acre is approximately 14.22 ($180/(9.587+3.07)$).

In the spring, the Department will hold public hearings in various locations around the state to gather input on competitive HTC applications; comments can be made on and any all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA's Public Comment Center website later this year.

For more information about communities developed by Bonner Carrington please visit our website at www.bonnercarrington.com or feel free to send an email to my team and me at the address notifications@bonnercarrington.com. You can contact us by mail at Bonner Carrington, PO Box 2217, Austin, Texas 78768-2217; by fax at (512) 377-1651; or by phone

Sincerely,



Casey Bump
Applicant's Representative

Reverse Side – Location Map

Location Map



Exhibit 2

Certified Mail Letter Receipt & Precinct 2 Office Confirmation

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$ _____

Extra Services & Fees (check box, and fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total \$ _____

Total P. Commissioner Andy H. Nguyen OR Current Leader
County Commissioner, Precinct 2
Tarrant County
100 E. Weatherford, Room 502A
Fort Worth, TX 76196

Postmark
JAN - 9 2015
AUSTIN, TX 78716

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

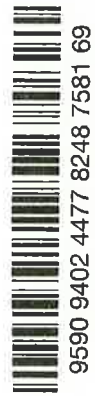
6522 6562 0000 0400 9102

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Commissioner Andy H. Nguyen OR Current Leader
County Commissioner, Precinct 2
Tarrant County
100 E. Weatherford, Room 502A
Fort Worth, TX 76196



2. Article Number (Transfer from service label)
7016 0340 0000 7953 7259

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 Agent
 Addressee

B. Received by (Printed Name)
JAN 1 2015
Tarrant County

C. Date of Delivery
 Yes
 No

D. Is delivery address different from item 1? If YES, enter delivery address below:

3. Service Type

Priority Mail Express®

Adult Signature Restricted Delivery

Adult Signature Restricted Delivery

Certified Mail®

Certified Mail Restricted Delivery

Collect on Delivery Restricted Delivery

Collect on Delivery Restricted Delivery

Return Receipt for Merchandise

Signature Confirmation™

Signature Confirmation Restricted Delivery

Domestic Return Receipt

From: **Vikchika T. Nguyen** <VTNguyen@tarrantcounty.com>
Subject: RE: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation
Date: February 12, 2019 at 8:41 AM
To: Dillon Shipper <dillon@bonnercarrington.com>



Good morning!

Yes, I can confirm that our office received this letter (dated January 9, 2019) on January 14, 2019.

Thank you,

Vikchika Nguyen

Vikchika Nguyen
Office of Commissioner Devan Allen
Tarrant County, Precinct 2
O: 817-248-6099 | F: 817-212-3056

From: Dillon Shipper [mailto:dillon@bonnercarrington.com]
Sent: Monday, February 11, 2019 11:13 AM
To: Vikchika T. Nguyen <VTNguyen@tarrantcounty.com>
Subject: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation

EXTERNAL EMAIL ALERT! Think Before You Click!

Hello,

Can you please confirm that Devan Allen's office received the attached notification letter (dated January 9th, 2019) on January 14, 2019?

Thank you,
Dillon

Dillon Shipper
Bonner Carrington
Development Assistant

Direct: 512.505.0604
Mobile: 214.558.0488
Office: 512.220.8000
www.bonnercarrington.com

From: Lisbeth Maldonado lmaldonado@TarrantCounty.com
Subject: RE: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation
Date: February 11, 2019 at 2:19 PM
To: Dillon Shipper dillon@bonnercarrington.com



Hello,

This is to confirm receipt of letter from Bonner Carrington dated January 9th, 2019.

Thank you,

Lisbeth Maldonado

Lisbeth Maldonado
Administrative Assistant
Office of Commissioner Devan Allen
Tarrant County, Precinct 2
O: 817-248-6099 | F: 817-212-3056



From: Dillon Shipper [<mailto:dillon@bonnercarrington.com>]
Sent: Monday, February 11, 2019 2:15 PM
To: Lisbeth Maldonado <lmaldonado@TarrantCounty.com>
Subject: MHR Arlington - Devan Allen Notification Letter Receipt Confirmation

EXTERNAL EMAIL ALERT! Think Before You Click!

Liz,

Can you please confirm that Devan Allen's office received the attached notification letter (dated January 9th, 2019) on January 14, 2019?

Thank you,
Dillon

Dillon Shipper
Bonner Carrington
Development Assistant

Direct: 512.505.0604
Mobile: 214.558.0488
Office: 512.220.8000
www.bonnercarrington.com

19250
Request for Administrative Deficiency



VIA EMAIL

April 30, 2019

Texas Department of Housing and Community Affairs
Attn: Marni Holloway - Director of Multifamily Finance
Attn: Sharon Gamble – 9% HTC Program Administrator
221 East 11th Street
Austin, TX 78701

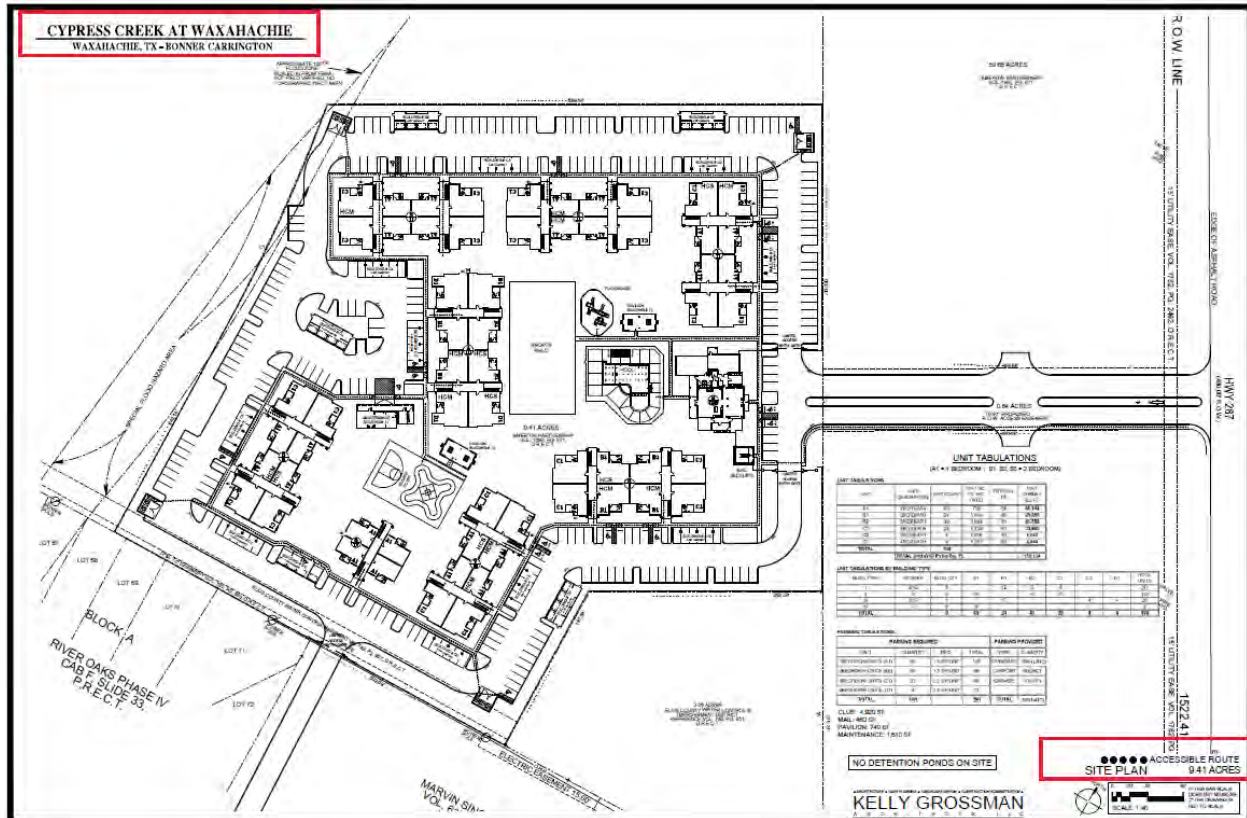
RE: TDHCA #19250 – Cypress Creek Apartments

Dear Marni and Sharon:

In accordance with Section 11.10 of the 2019 QAP, Palladium USA is requesting staff to consider whether the matters described in this letter and supporting documentation should be the subject of an Administrative Deficiency. We are also providing a copy to the representative for Application #19250.

In Section 11.204(10)(D) if ingress and egress to a public right of way are not part of the Property described in the site control documents, the Applicant must provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement. Per Section 1.6.3 - Site Ingress and Egress of the Site and Feasibility Report the proposed development will have direct access to US Highway 287 frontage road through an easement that will be dedicated at the time of construction. The site will also have access to River Oaks Blvd. to the south of the property through another easement. The main entrance and exit to the development will be accessed from the US 287 frontage road and from the proposed extension of River Oaks Boulevard as depicted in the Application's Site Plan providing for a secondary access for emergency response vehicles. Please see below site location and site plan provided in the Site and Feasibility Report.





Per the Ellis County Appraisal District, Ameritai Partnership owns the land site where 19250 Cypress Creek is proposed to be located and Marvin Singleton owns the land south of the property where the secondary access is proposed.

Section 1.1.10 - Special Provisions of the Agreement of Sale and Purchase states the following:

1.1.10 Special Provisions: Seller will work with Purchaser to find mutually agreeable location for an emergency exit and also to locate an entrance of approximately 75' wide for joint use. Purchaser will be responsible for the cost and installation of the roadway improvements. The land for the entrance and exit will provided at no charge to the Purchaser since the areas will be used for both the Seller and Purchaser. Seller and Purchaser agree to enter into a maintenance agreement, to be negotiated in good faith at a later date, based on pro rata use of the drives by Purchaser and Seller.

The above language does not specify the actual location for the proposed right-of-way main entrance and exit to the development. This contract language simply is "an agreement to agree" on its location which is not enforceable in a real estate transaction. Further, the Section states the land for the entrance and exit will be used for both the Seller and Purchaser and does not state it will be for the benefit of public access. Moreover, the contract does not include required QAP language stipulating the owner of the property agrees for the LURA to extend to the access easement(s).

As detailed in the Application's Site Plan, the land south of the development site where a secondary access road is proposed is owned by another owner, Marvis Singleton (See attached Ellis CAD data sheet). While the right of way is contemplated to serve the secondary access needs to the development, the application does not include a purchase and sale agreement or any other agreement demonstrating site control or at the very least approval by the owner to contribute the property for the benefit of the development.

It should be noted the Applicant did not provide for any off-site costs related to the design and construction of the access roads on the Development Cost Schedule nor did the Civil Engineer provide for any costs on the Off-Site Cost Breakdown. If these costs had been included on the Development Cost Schedule, the Applicant's "more than 50% deferred fee test" for the leveraging points would require a new calculation.

Should you have any questions or require additional information please contact me. My contact information is below.

Sincerely,



Thomas E. Huth
President and CEO
Palladium USA International, Inc.
Phone: 972-774-4400
Fax: 972-774-4484
Email: thuth@palladiumusa.com

Attachments

ASSIGNMENT OF AGREEMENT OF SALE AND PURCHASE

THIS ASSIGNMENT OF AGREEMENT OF SALE AND PURCHASE is made as of February 14, 2019, by **Stuart Shaw Family Partnership, Ltd.** ("Assignor") to **Cypress Creek Waxahachie LP** ("Assignee").

WHEREAS, The assignment to MWH Waxahachie Senior LP automatically terminated because an allocation from the Texas Department of Housing and Community Affairs for 2018 housing tax credits was not received;

WHEREAS, Assignor is the Purchaser under that certain Agreement of Sale and Purchase dated January 8, 2018, (the "Contract") between Ameritai Partnership, as Seller (herein so called) and Assignor as Purchaser, covering certain property detailed in the attached Exhibit A (the "Property").

WHEREAS, Assignor desires to assign to Assignee the interest of Assignor in and to the Contract solely as it pertains to the Property as more particularly described in the Contract attached hereto as Exhibit A ("Assigned Property") for purposes of securing an award for Housing Tax Credits in the 2019 9% Application Round administered by the Texas Department of Housing and Community Affairs;

NOW, THEREFORE, for and in consideration of the payment by Assignee to Assignor of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor has ASSIGNED, TRANSFERRED, CONVEYED and DELIVERED and by these presents does ASSIGN, TRANSFER, CONVEY and DELIVER unto Assignee, its successors and assigns, the entire interest of Assignor in and to the Contract solely as it pertains to the Assigned Property including all warranties, representations, covenants, obligations and agreements contained in the Contract which survived the delivery of the Property. Additionally, Assignee is responsible for paying a brokerage fee to Carrington Block 19, Inc.

Should Assignee withdraw their application or fail to receive an allocation of tax credits from the Texas Department of Housing and Community Affairs for the 2019 9% Application Round then this assignment will automatically terminate.

Assignor represents and warrants that Assignor is the owner of the interest of Purchaser under the Contract free from any encumbrance, claim or previous assignment by Assignor.

Assignee agrees to assume and perform all of Assignor's obligations under the Contract as it pertains to the Assigned Property.

SIGNATURE PAGE FOLLOWS

**ASSIGNOR:
STUART SHAW FAMILY PARTNERSHIP, LTD.**



**Stuart B. Shaw, President and Manager
of its General Partner**

**ASSIGNEE:
Cypress Creek Waxahachie LP**



Stuart B. Shaw, Applicant's Representative

**ACKNOWLEDGED:
MWH Waxahachie Residential LP**



Stuart B. Shaw, Applicant's Representative

EXHIBIT A

SEE ATTACHED

**FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE
(12-14 ACRES +/-, WAXAHACHIE, ELLIS COUNTY, TEXAS)**

The Agreement of Sale and Purchase between Ameritai Partnership ("Seller") and Stuart Shaw Family Partnership, Ltd. AND/OR Assigns ("Purchaser") dated January 8, 2018 (the "Agreement") is hereby amended as follows, effective as of February 1, 2019:

1. **Section 1.1.3 Land:** Amended to approximately 9.41 acres +/- out of the original 12 to 14 acres as detailed on the attached Exhibit A.
2. **Effect:** Except as amended hereby, the Agreement shall remain unchanged and in full force and effect.

Seller:

AMERITAI PARTNERSHIP



Ladd Vien

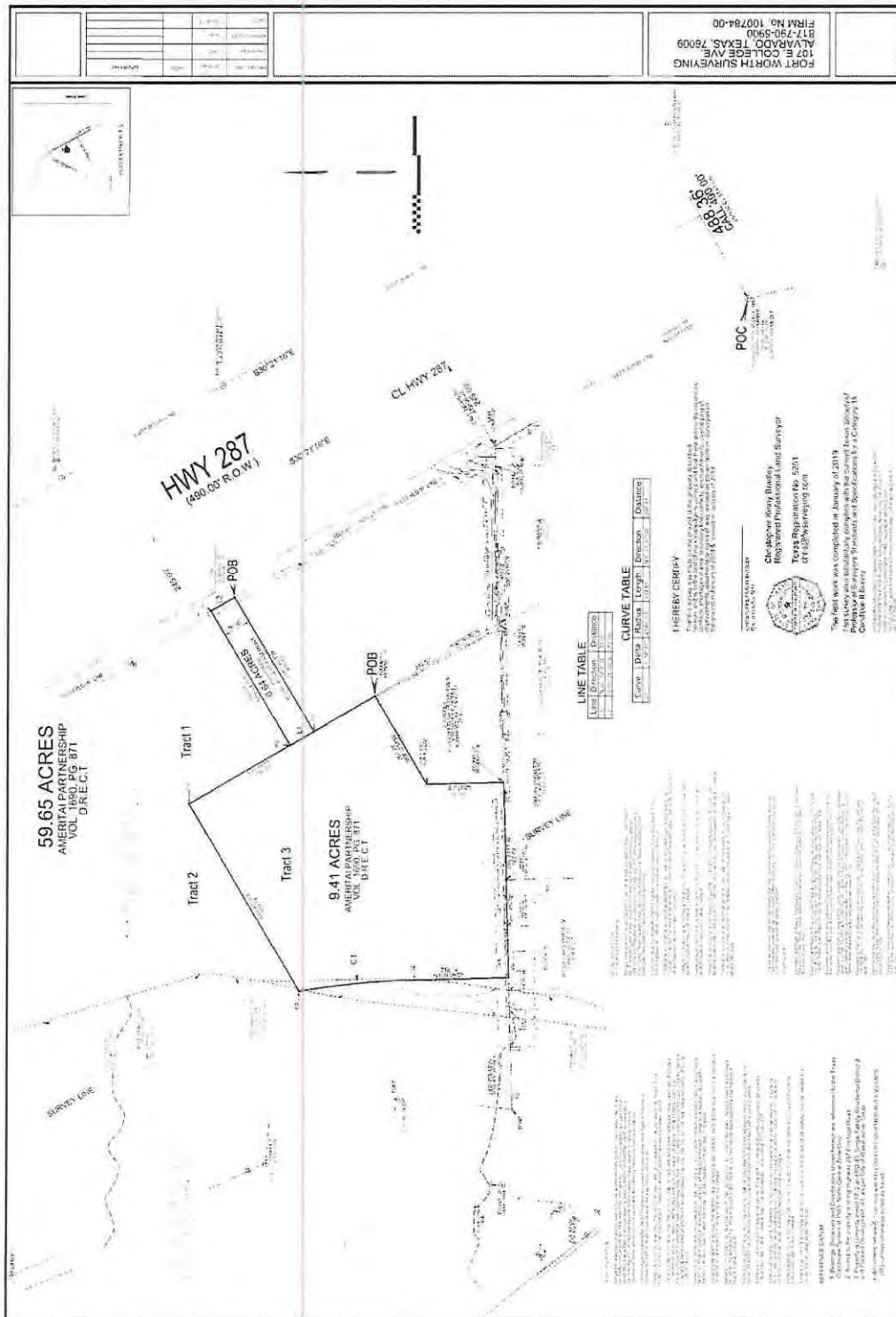
Purchaser:

STUART SHAW FAMILY PARTNERSHIP, LTD.



Stuart B. Shaw, Manager of its General Partner

Exhibit A



**AGREEMENT OF SALE AND PURCHASE
(12-14 ACRES +/-, WAXAHACHIE, ELLIS COUNTY, TEXAS)**

THIS AGREEMENT OF SALE AND PURCHASE (the "Agreement") is made and entered into by and between the parties listed below as "Seller" and "Purchaser", effective as of the Effective Date (defined below).

**I.
BASIC TERMS**

1.1 The following shall constitute the Basic Terms (herein so called) of this Agreement, and the terms having initial capital letters, used in the captions, or otherwise defined in the Article I shall have the same meaning when used in other Articles of this Agreement, unless the context otherwise requires a different meaning. Also, in the event of any conflict between the Basic Terms and other provisions in this Agreement, the Basic Terms shall control.

1.1.1 Seller: **AMERITAI PARTNERSHIP**

Attn: Ladd Vien
P – 972-938-8800
C – 972-935-2880

Address: 1015 Ferris Avenue
 Waxahachie, Texas 75165

**1.1.2 Purchaser: **STUART SHAW FAMILY PARTNERSHIP, LTD.,
AND/OR ASSIGNS****

Address: Attention: Stuart Shaw and Casey Bump
 901 Mopac Expressway
 Building V, Suite 100
 Austin, Texas 78746

Stuart Shaw
Phone: 512.220.9900
Cell: 512.925.2266
Email: stuart@bonnercarrington.com

Casey Bump
Phone: 512.220.9902
Cell: 512.796.4031
Email: casey@bonnercarrington.com

**1.1.3 Land: Approximately 12 to 14 Acres, Waxahachie, Texas, in
the County of Ellis (herein so called) so indicated, and described on Exhibit "A" attached**



hereto. The legal description of the Property contained on the Survey (defined below) shall be deemed incorporated herein for all purposes as the legal description of the Property. The Property is more particularly described in Article II below.

1.1.4 Purchase Price: \$5.00 per Net Square Foot (defined below) contained within the Property. The term "Net Square Foot" means each square foot in the Property excluding each current and proposed square foot dedicated to flood plain, pipeline easements, easement for access to Seller's land adjacent to Property described below, drainage easements and other easements upon which Purchaser may not construct improvements. The aggregate of each Net Square Foot shall be referred to as the "Net Square Feet."

1.1.5 Earnest Money: initially, \$5,000.00, to be delivered to the Title Company (defined below), on or before three (3) business days after the Effective Date (defined below), and (ii) if Purchaser does not terminate this Agreement within the Review Period, an additional deposit of \$5,000.00 to the Title Company shall be made by Purchaser on or before August 15, 2018. All of such deposits shall be collectively referred to as the "Earnest Money". Except as otherwise specifically provided herein (e.g., default by Seller and casualty or condemnation), the Earnest Money shall be non-refundable as of August 15, 2018, and shall be applicable to the Purchase Price.

1.1.6 Title Company: Town Square Title
Attn: Vicki Cearnal
200 N. College
Waxahachie, Texas 75165
P – 972-935-0800

1.1.7 Review Period: A period of time expiring August 15, 2018 (the "Review Period").

1.1.8 Closing: On or before October 15, 2018, subject to extension as follows: Purchaser shall have the option to extend the Closing for up to three (3) periods of three calendar months each, by the payment of \$5,000.00 for each three calendar month period on or before the fifteenth (15th) day of each such third calendar month, each of which shall non-refundable (except upon Seller default or casualty or condemnation), and applicable to the Purchase Price.

1.1.9 Broker: Edwin Miller, representative of Purchaser, will be paid a commission equal to three percent (3%) for first \$1,000,000.00 and two percent (2%) for the remaining balance of the Purchase Price to be paid by Seller at Closing. Broker shall not be entitled to any commission unless the Closing actually occurs and Broker shall not be entitled to any portion of the Earnest Money retained by Seller under other provisions of this Agreement should the Closing not occur.



1.1.10 Special Provisions: Seller will work with Purchaser to find mutually agreeable location for an emergency exit and also to locate an entrance of approximately 75' wide for joint use. Purchaser will be responsible for the cost and installation of the roadway improvements. The land for the entrance and exit will provided at no charge to the Purchaser since the areas will be used for both the Seller and Purchaser. Seller and Purchaser agree to enter into a maintenance agreement, to be negotiated in good faith at a later date, based on pro rata use of the drives by Purchaser and Seller.

**II.
DESCRIPTION OF THE PROPERTY**

In consideration of the Purchase Price and upon the terms and conditions hereinafter set forth, Seller shall sell to Purchaser and Purchaser shall purchase the Property from Seller, together with all rights and appurtenances pertaining to such real estate, including, without limitation, any and all existing engineering and architectural drawings prepared for Seller, all mineral and surface rights, and all rights of Seller in and to all roads, alleys, easements, streets and ways adjacent to the Property, strips and gores and rights of ingress and egress thereto.

**III.
CLOSING**

3.1 The procedure to be followed by the parties in connection with each Closing shall be as follows:

3.1.1 At Closing the Seller shall cause to be delivered to the Title Company (sometimes herein referred to as the "Escrow Agent") or to Purchaser, as applicable, the items specified herein and the following documents and instruments duly executed and acknowledged, in recordable form and in form acceptable to Purchaser:

3.1.1.1 A special warranty deed (the "Deed") dated as of the Closing Date, in favor of Purchaser or its assignee;

3.1.1.2 Evidence acceptable to Title Company, authorizing the consummation by Seller of the purchase and sale transaction contemplated hereby and the execution and delivery of the closing documents on behalf of Seller, including documentation confirming the legal existence of Seller, the authority of Seller to execute and deliver such closing documents and the valid execution of such closing documents on behalf of Seller;

3.1.1.3 Possession of the Property, subject only to the Permitted Exceptions;

3.1.1.4 A certificate in such form as may be required by the Internal Revenue Service pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, or the regulations issued pursuant thereto, certifying as to the nonforeign status



of a transferor, in the form required by the Internal Revenue Service ("IRS"), and in the event that Seller fails or refuses to deliver such certificate to Purchaser and the Title Company at the Closing, Seller authorizes the Purchaser or the Title Company to withhold from the cash portion of the Purchase Price as authorized by the IRS; and

3.1.1.5 All other documents and instruments reasonably required by Purchaser or the Title Company to effectuate the Closing.

3.1.2 At the Closing, Purchaser, or its assignee, shall cause to be delivered to the Title Company funds payable to the Title Company representing the cash portion of the Purchase Price, due in accordance with Article I hereof, less the Earnest Money together with all accrued interest thereon, which is to be applied to the total cash payment required, and plus or minus prorations and credits provided herein.

3.1.3 At the Closing, Seller and Purchaser shall cause to be delivered to the Title Company such other instruments and documents as may be necessary and appropriate and required hereunder in order to complete the Closing of the transactions contemplated hereunder.

3.2 Upon the completion of the deliveries specified in Section 3.1 above, the Escrow Agent shall be authorized to cause the appropriate closing documents to be immediately recorded in the appropriate records of the county in which the Property is located, and shall deliver the balance of the proceeds from the sale to Seller, after deducting all expenses thereof or such other items as may be specified herein.

3.3 Seller shall furnish Purchaser with a Texas Standard Owner's Policy of Title Insurance (the "Owner's Title Policy") within a reasonable time after the Closing, in the full amount of the applicable Purchase Price, wherein the Title Company shall insure that fee simple title to the Project is vested in Purchaser, containing no exception to such title other than the Permitted Exceptions (hereinafter defined) and the standard printed exceptions (provided that the area and boundaries exceptions shall be amended at Purchaser's option and expense to except only to "Shortages in Area", the exception for restrictive covenants shall be endorsed "None of Record" or shall list only those restrictive covenants as may be Permitted Exceptions, the exception for taxes shall be limited to taxes for the year in which Closing occurs and subsequent years, and subsequent assessments for prior years due to change in land usage or ownership, and endorsed "Not Yet Due and Payable"), any exception for parties in possession of the Property shall be deleted, and there shall be no exception for visible and apparent easements, roads and highways or any other matters which would be disclosed by a current survey of the Property.

3.4 Seller shall pay the cost of the Owner's Title Policy, and, except as otherwise provided herein, all other escrow and closing costs shall be allocated to and paid by Seller and Purchaser in accordance with the manner in which such costs are customarily borne by such parties in sales of similar property in the county in which the Property is located, on the date of Closing; provided, however, each party shall pay its own attorneys' fees.

Handwritten signature and initials, possibly "LS" and "SES", located at the bottom right of the page.

**IV.
ITEMS FOR REVIEW; REVIEW PERIOD**

4.1 Upon execution of this Agreement, Purchaser and/or Seller, as the case may be, shall perform the following within the time stated, each of which shall be a condition precedent to Closing:

4.1.1 On or before ten (10) days after the Effective Date, Purchaser, at Seller's sole cost and expense, shall obtain a Commitment for Title Insurance or a Commitment to Insure (the "Commitment") dated not earlier than the date of this Agreement, issued by the Title Company, showing Seller's title to the Property to be good and indefeasible, together with true, correct and legible copies of all items and documents referred to therein. Purchaser shall have thirty (30) days after receipt of said items (and the Survey hereinafter referred to) to examine the condition of title and approve or disapprove the same. Those items listed in the Commitment and not disapproved of by Purchaser shall be referred to as the "Permitted Exceptions." In the event that Purchaser disapproves of all or any item referred to in the Commitment, Seller shall have a period of twenty (20) days within which to cure or remove such exceptions. In the event Seller fails or refuses to cure all of such items within such twenty (20) day cure period, Purchaser shall have the right to terminate this Agreement, whereupon the Title Company is hereby authorized to, and shall, upon request of Purchaser, and the parties hereto shall be released from all obligations hereunder. In the alternative, at the written request of Purchaser, Seller shall deliver the title in its existing condition and Purchaser shall, by acceptance of such title, waive any objections to such title which have not been cured except as to warranties contained in the documents of conveyance.

4.1.2 On or before ten (10) days after the Effective Date, Seller shall deliver to Purchaser copies of the existing survey or surveys of the Property (collectively, the "Survey"). Thereafter, Purchaser, at Purchaser's expense, shall cause to be prepared and furnished to Seller an update of the Survey of the Property (the "Updated Survey"), prepared by a duly licensed land surveyor. If Purchaser shall disapprove the Updated Survey, Purchaser shall have the right to terminate this Agreement and, upon such termination, all Earnest Money previously deposited shall be immediately refunded to Purchaser and the parties hereto shall have no further liability or obligations hereunder.

4.1.3 On or before ten (10) days after the Effective Date, Seller shall deliver to Purchaser the following: engineering reports, geotechnical reports, environmental reports, surveys, engineering and utility cost estimates and all other engineering, environmental, construction, utility, legal and municipal information and data in its or its consultant's possession that is pertinent to the development of the Property.

4.2 During the Review Period, Purchaser shall have the right to perform any and all inspections or studies of the Property which Purchaser may desire, including but not limited to a physical inspection of the Property and a feasibility study of the Property, including but not limited to review of availability of utilities, water, wastewater disposal capacity and necessity of lift station and drainage and detention aspects of the Property.

If Purchaser shall find such inspections or studies to be unsatisfactory, for any reason, if Purchaser otherwise determines that the Property is not suitable for its intended use thereof, for any reason whatsoever, Purchaser shall have the right, at its option, to terminate this Agreement within the Review Period. Unless Purchaser delivers a statement to Seller and to the Title Company stating "the Property is acceptable and Purchaser intends to close" on or before the expiration of the Review Period, Purchaser shall be deemed to have rejected the condition of the Property, and this Agreement shall immediately terminate. Purchaser shall indemnify and hold Seller harmless against any claims made as a result of Purchaser's inspection of the Property, and Purchaser shall repair any damage done to the Property as a result of Purchaser's inspection of the Property.

**V.
REPRESENTATIONS AND WARRANTIES OF SELLER**

5.1 In addition to the representations and warranties contained in other articles of this Agreement, Seller makes the following representations and warranties which shall be true and correct as of the Closing Date and shall survive the Closing as provided below, and the truth of which shall be a condition precedent to Purchaser's obligations to close the transaction contemplated herein:

5.1.1 To the best of Seller's knowledge, Seller has received no notice (i) from any governmental authority advising Seller of its violation of a governmental ordinance, order or regulation relating to the Property, or (ii) any pending or contemplated condemnation, eminent domain, special assessments, or litigation with respect to the Property. Seller agrees to provide Purchaser with copies of any such notices it receives following the date hereof.

5.1.2 At Closing, Seller will own the indefeasible title to the Property, and Seller has the full authority to enter into this Agreement. The Property is subject to agricultural or open space classification for property tax purposes and Purchaser shall be responsible for the payment of any "rollback" taxes. The person executing this Agreement on behalf of Seller is fully authorized to do so, and this Agreement constitutes the binding agreement of Seller.

**VI.
SURVIVAL**

All warranties, representations, covenants obligations and agreements contained in this Agreement shall survive the execution and delivery of the Deed and shall survive the Closing hereof for a period of one (1) year.

**VII.
PRORATIONS AND ADJUSTMENTS**

Ad valorem taxes on the Property for the current year shall be prorated at the Closing, effective as of such Closing utilizing the best available computations of such items. If current ad valorem tax assessments are unavailable at Closing, said ad valorem taxes shall be adjusted based on tax assessments for the immediately preceding tax year, with said tax proration to be adjusted in cash between the parties, based on actual taxes for the current year, at the time such actual taxes are determined; provided, however, all special tax assessments made by any taxing authority with respect to the Property or due to any change in use of the Property shall be the sole responsibility of Purchaser. The provisions of this paragraph shall survive Closing.

VIII. COMMISSIONS

8.1 Seller shall be responsible for the payment of any and all real estate commissions, claims for such commissions and/or similar type fees arising, directly or indirectly, out of this transaction to the Broker, and Seller does hereby agree to indemnify Purchaser against and hold Purchaser harmless from any and all such real estate commissions, claims for such commissions or similar fees, including attorneys' fees incurred in any lawsuit regarding such commissions or fees. In connection therewith, Purchaser does hereby represent and warrant that it, its officers, employees and agents, have contracted for no such real estate commissions, nor has it, without knowledge of Seller, contacted real estate agents or brokers, other than the Broker, nor has it, without Seller's knowledge, acted in a manner so as to give rise to a claim for such real estate commissions or similar fees.

8.2 By its execution hereof Purchaser acknowledges that it has been informed by real estate brokers involved with this transaction that the Purchaser should have the abstract covering the Property examined by an attorney of the Purchaser's selection or that the Purchaser should be furnished with or obtain an owner's policy of title insurance covering the Property.

IX. TERMINATION AND REMEDIES

9.1 In the event that any of the Seller's representations or warranties contained herein are untrue or if Seller shall have failed to have performed any of the covenants and/or agreements contained herein which are to be performed by Seller, or if any of the conditions precedent to Purchaser's obligation to consummate the transactions contemplated hereby shall have failed to occur, Purchaser may, at its option, terminate this Agreement by giving written notice of termination to Seller or Purchaser may seek to enforce specific performance of this Agreement. It is expressly understood and agreed by Seller and Purchaser that the failure by Purchaser to terminate this Agreement for any reason pursuant to this Section 9.1 shall in no way waive, alter or modify any rights of Purchaser in regard to the representations, warranties, covenants and agreements of Seller herein.

Handwritten signatures in black ink, one appearing to be a stylized 'L' or 'S' and another appearing to be 'SJS'.

9.2 If this Agreement is terminated by Purchaser pursuant to any provision of this Agreement authorizing such termination, Purchaser shall be entitled to the immediate refund of any and all Earnest Money previously deposited, and thereafter Purchaser shall have no further obligations hereunder.

9.3 If Seller is not then in default in its obligations or agreements, and the Purchaser has not terminated this Agreement pursuant to any of the provisions authorizing such termination, and Purchaser fails to close the transaction contemplated hereby, Seller shall be entitled to receive the Earnest Money as Seller's sole and exclusive remedy for such failure, Seller hereby specifically waiving any and all rights which it may have to damages, specific performance or any other remedy as a result of Purchaser's default under this Agreement.

X. RISK OF LOSS

10.1 Risk of loss until a Closing shall be borne by Seller. In the event that damage, loss or destruction of the Property or any part thereof, by fire or other casualty, or through condemnation or sale in lieu thereof, occurs prior to the actual closing of the transactions contemplated hereby, the extent of such damage or taking involving more than 10% of the Purchase Price (a "Material Event"), the Purchaser shall, at its option, elect one of the following:

10.1.1 To terminate this Agreement and receive an immediate refund of all Earnest Money previously deposited.

10.1.2 To close the transactions contemplated hereby and take an assignment of and receive in cash all insurance or condemnation proceeds payable as a result of such casualty loss or condemnation, and receive a credit in the amount of any deductible applicable to such insurance coverage, or, if such proceeds are not available, to receive a credit against the Purchase Price (applied first against the cash portion thereof due at Closing) in the amount of such casualty loss or condemnation proceeds together with any deductible amount applicable thereto.

10.2 In the event of less than a Material Event, Purchaser shall close the transactions contemplated hereby and take an assignment of and receive in cash all insurance or condemnation proceeds payable as a result of such casualty loss or condemnation, and receive a credit in the amount of any deductible applicable to such insurance coverage, or, if such proceeds are not available, to receive a credit against the Purchase Price (applied first against the cash portion thereof due at Closing) in the amount of such casualty loss or condemnation proceeds together with any deductible amount applicable thereto.

XI. NOTICES

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11.1 Any notice, request, demand, instruction or other communication to be given to either party hereunder, except those required to be delivered at Closing, shall be in writing, and shall be deemed to be given upon receipt, if hand delivered or delivered by express delivery service, or two (2) days after deposit of such notice in registered or certified mail, return receipt requested (provided that any notice of termination shall be effective immediately upon deposit in registered or certified mail, return receipt requested), or if made by facsimile/email, it will be deemed delivered the day of transmission with fax or email receipt verification, and addressed to the parties at the address provided in Article I.

11.2 The addresses and addressees for the purpose of this article may be changed by either party by giving notice of such change to the other party in the manner provided herein for giving notice. For the purpose of changing such addresses or addressees only, unless and until such written notice is received, the last address and addressee stated in Article I shall be deemed to continue in effect for all purposes.

XII. MISCELLANEOUS

12.1 Entire Agreement. THIS AGREEMENT AND THE EXHIBITS ATTACHED HERETO CONTAIN THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND NO PROMISE, REPRESENTATION, WARRANTY OR COVENANT NOT INCLUDED IN THIS AGREEMENT OR ANY SUCH REFERENCED AGREEMENTS HAS BEEN OR IS RELIED UPON BY EITHER PARTY.

12.2 No Oral Modification. NO MODIFICATION OR AMENDMENT OF THIS AGREEMENT SHALL BE OF ANY FORCE OR EFFECT UNLESS MADE IN WRITING AND EXECUTED BY BOTH PURCHASER AND SELLER.

12.3 Choice of Law and Venue. In the event that any litigation arises hereunder, it is specifically stipulated that this Agreement shall be interpreted and construed according to the laws of the State of Texas, and shall be performable in the County.

12.4 Attorneys' Fees. The prevailing party in any litigation between the parties arising under this Agreement shall be entitled to recover reasonable attorney's fees.

12.5 Counterparts. This Agreement may be executed in any number of counterparts and delivered by facsimile or electronically which together shall constitute the agreement of the parties. The article headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.

12.6 Assignment. This Agreement, and the rights and obligations hereunder, may be assigned by Purchaser at any time to any entity in which Purchaser, Stuart Shaw or any affiliate of Purchaser or Stuart Shaw is a member or partner; otherwise, the prior written consent of Seller shall be required, not to be unreasonably withheld. In the event of any such assignment, and the assignee assumes all of Purchaser's obligations under

Handwritten signature and initials, possibly 'KS' and 'SBS', located at the bottom right of the page.

this Agreement, the original party designated as the Purchaser shall be released from all duties or obligations hereunder and the Seller agrees to close the transaction contemplated hereunder with the assignee of Purchaser.

12.7 Date of Agreement. All references in this Agreement to "the date hereof," "Effective Date", or similar references shall be deemed to refer to the last date, in point of time, on which all parties hereto have executed this Agreement and the Title Company has acknowledged receipt of a fully executed counterpart of this Agreement.

12.8 Parties Bound. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, successors and assigns whenever the context so requires or admits.

12.9 Enforceability. If any provisions of this Agreement are held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement, provided that both parties hereto may still effectively realize the complete benefit of the transaction contemplated hereby.

12.10 Gender; Number. Any references to one gender used herein, whether masculine, feminine or neuter, shall be deemed to be a reference to any other gender as may be appropriate under the circumstances; further, the singular shall include the plural and the plural the singular.

12.11 Term of Offer. This Agreement constitutes an offer by Purchaser to purchase the Property on the terms and conditions and for the Purchase Price specified herein. Unless sooner terminated or withdrawn by notice in writing to Seller, this offer shall lapse and terminate five (5) business days after Purchaser's delivery of this Agreement unless, prior to such time, Seller has executed and returned to Purchaser two (2) fully executed copies of this Agreement.

12.12 Day of Performance. In the event the day for which performance is scheduled hereunder is a Saturday, Sunday, or a holiday observed by national banking associations in the County, then the day for such performance shall be the immediately following business day. Any reference to a "business day" in this Agreement shall mean a day other than a Saturday, Sunday or holiday observed by national banking associations in the County.

12.13 Confidentiality. This Agreement and all of the terms and provisions hereof are confidential. Purchaser and Seller agree to keep confidential (and shall use their best efforts to cause their agents, employees and the Broker to keep confidential) all discussions of this Agreement, the proposed acquisition, all documents and materials

Handwritten signature and initials, possibly "L" and "SBS", located at the bottom right of the page.

delivered pursuant to this Agreement, except for necessary disclosure to partners, employees, accountants, attorneys, lenders and consultants of the parties hereto. No public announcements concerning this Agreement or the transaction contemplated herein shall be made by either party without the mutual consent of the parties. SPECIFICALLY, SELLER SHALL KEEP THE PURCHASE PRICE AND THE TERMS OF THIS AGREEMENT STRICTLY CONFIDENTIAL.

SEPARATE SIGNATURE PAGES FOLLOW

Handwritten signature in black ink, appearing to be 'LW' followed by 'SBS'.

SELLER:
AMERITAI PARTNERSHIP

Ladd View

Name:

Title:

Date:

1/05/2018

LW SRS

PURCHASER:
STUART SHAW FAMILY PARTNERSHIP, LTD.



Stuart B. Shaw, Manager of its General Partner

Date: January 5, 2018



ACCEPTANCE BY TITLE COMPANY

The undersigned title company TOWN SQUARE TITLE, referred to in the foregoing Contract as the "Title Company", hereby acknowledges receipt of a fully executed copy (or executed counterparts) of the foregoing Contract.

Ladd Green

By:

Its:

Date:

1/05/2018



01/08/18



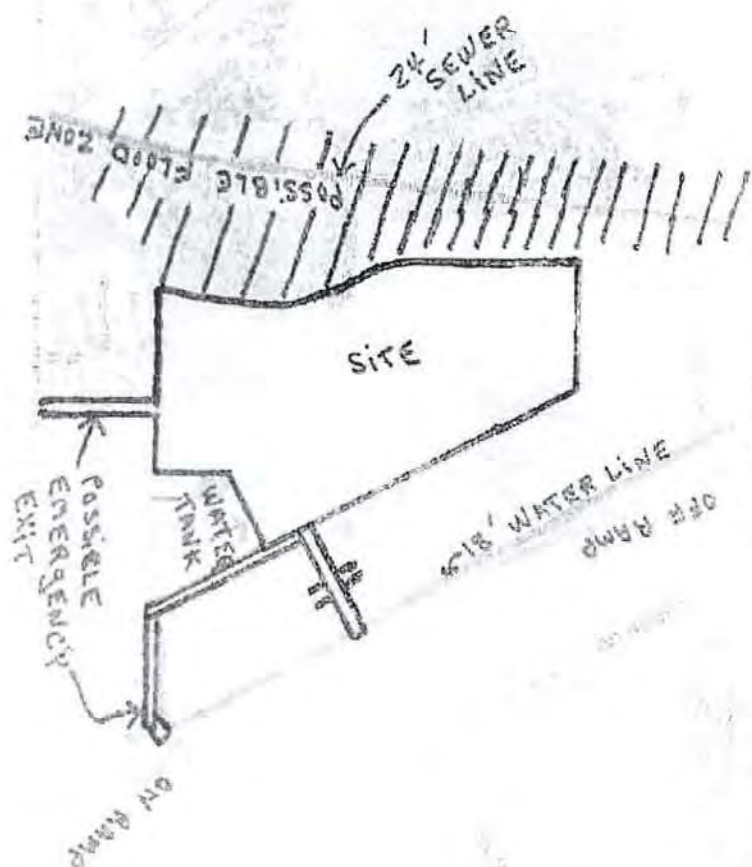
S.E.S

EXHIBIT "A"
THE PROPERTY

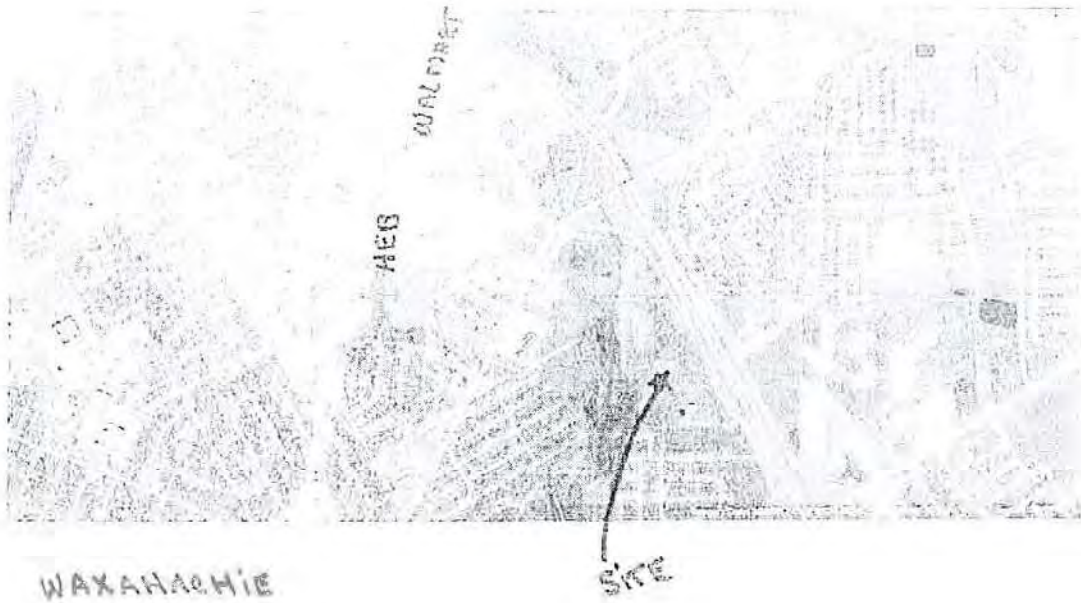
APPROXIMATELY 12 TO 14 ACRES OUT OF

Property Details

Property ID:	184249
Legal Description:	393 J GOOCH & 5 J B & A ADAMS 68.48 ACRES



SBS



[Handwritten signature]
CBS

Earnest Money Receipt

Concerning that certain real estate contract by and between

Buyer(s)

Stuart Shaw Family Partnership, LTD., AND/OR Assigns

and

Ameritai Partnership

relating to the following property

Highway 287 Waxahachie, TX 75165

Receipt of \$5,000.00 earnest money in the form of check # 4507 is hereby acknowledged this the 8th day of January, 2018.

Town Square Title Company, LLC

911 Ferris Avenue
Waxahachie, TX 75165

By: 

Jennifer Aman
Escrow Technician
jaman@townsquaretitle.com
Tel: (972) 935-0800
Fax: (972) 938-1045

August 13, 2018

Town Square Title Company, LLC
Attn: Vicki Cearnal
200 N. College
Waxahachie, Texas 75165

RE: Agreement of Sale and Purchase for Approximately 12 to 14 Acres out of 393 J Gooch & 5 J B & A Adams 68.49 Acres, Waxahachie, County of Ellis, TX (Highway 287 Waxahachie, TX 75165)

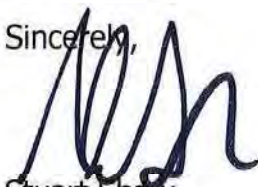
Dear Ms. Cearnal,

Pursuant to Section 4.2 of the Agreement of Sale and Purchase, effective as of January 8, 2018, MWH Waxahachie Senior Residential LP (Purchaser) wishes for this letter to serve as a notification to the Seller and Title Company that the property is acceptable, and the Purchaser intends to close.

Seller and Purchaser agreed in the aforementioned contract that if the Purchaser does not terminate this Agreement within the Review Period, an additional deposit of \$5,000.00 to the Title Company shall be made by the Purchaser on or before August 15, 2018 and shall be applicable to the Purchase Price.

The \$5,000 deposit check is enclosed. Should you have any questions or need additional information please contact Casey Bump in my office at 512-505-0603.

Sincerely,



Stuart Shaw
Manager

CC: Casey Bump
Ladd Vien, Ameritai Partnership

Enclosure: Deposit Check #4314

Receipt of Deposit

Company: Town Square Title Company, LLC

File Number: 018-28695

Receipt Number: 394

Type Of Funds: Check

Reference Number: 4314

Bank: Citizens National Bank of Texas

2001 Bates Drive, Suite 400

Waxahachie, TX 75167

Date: 8/15/2018

Payor: Stuart Shaw Family Partnership

Property: John Gooch Survey, Abstract No. 393, J B & A Adams Survey, Abstract No. 5, 12 -1

res, Ellis County

Amount: \$5,000.00

Description: Additional earnest money

Received By: Vicki Rutherford-Cearnal

Receiver's Signature:



September 27, 2018

Town Square Title Company, LLC
Attn: Vicki Cearnal
200 N. College
Waxahachie, Texas 75165

RE: Agreement of Sale and Purchase for Approximately 12 to 14 Acres out of 393 J Gooch & 5 J B & A Adams 68.49 Acres, Waxahachie, County of Ellis, TX (Highway 287 Waxahachie, TX 75165)

Dear Ms. Cearnal,

Pursuant to Section 1.1.8 of the Agreement of Sale and Purchase, effective as of January 8, 2018, MWH Waxahachie Senior Residential LP (Purchaser) wishes for this letter to serve as a notification to the Seller and Title Company that the Purchaser intends to extend the Closing. The new Closing will occur on or before on January 15, 2019.

Seller and Purchaser agreed in the aforementioned contract that the Purchaser shall have the option to extend the Closing for up to three (3) periods of three calendar months each, by payment of \$5,000.00 for each three calendar month period on or before the fifteenth (15th) day of each such third calendar month.

The \$5,000 deposit check is enclosed. Should you have any questions or need additional information please contact Casey Bump in my office at 512-505-0603.

Sincerely,


Stuart Shaw
Manager

CC: Casey Bump
Ladd Vien, Ameritai Partnership

Enclosure: Check #4541

Receipt of Deposit

Company: Town Square Title Company, LLC
2001 Bates Drive, Suite 400
Waxahachie, TX 75167

File Number: 018-28695
Receipt Number: 406
Type Of Funds: Check
Reference Number: 4541
Bank: Citizens National Bank of Texas

Date: 9/28/2018
Payor: Stuart Shaw Family Partership
Property: John Gooch Survey, Abstract No. 393, J B & A Adams Survey, Abstract No. 5, 12 -14 Aci
Amount: \$5,000.00
Description: Additional earnest money

Received By: Vicki Rutherford-Cearnal

Receiver's Signature: 

January 10, 2019

Town Square Title Company, LLC
Attn: Vicki Cearnal
200 N. College
Waxahachie, Texas 75165

**RE: Agreement of Sale and Purchase for Approximately 12 to 14 Acres out of
393 1 Gooch & 5 1 B & A Adams 68.49 Acres, Waxahachie, County of Ellis, TX
(Highway 287 Waxahachie, TX 75165)**

Dear Ms. Cearnal,

Pursuant to Section 1.1.8 of the Agreement of Sale and Purchase, effective as of January 8, 2018, MWH Waxahachie Senior Residential LP (Purchaser) wishes for this letter to serve as a notification to the Seller and Title Company that the Purchaser intends to extend the Closing. The new Closing will occur on or before on April 15, 2019.

Seller and Purchaser agreed in the aforementioned contract that the Purchaser shall have the option to extend the Closing for up to three (3) periods of three calendar months each, by payment of \$5,000.00 for each three-calendar month period on or before the fifteenth (15th) day of each such third calendar month.

The \$5,000 deposit check is enclosed. Should you have any questions or need additional information please contact Casey Bump in my office at 512-505-0603.

Sincerely,



Stuart Shaw
Manager

CC: Casey Bump
Ladd Vien, Ameritai Partnership

Enclosure: Check #4613

Earnest Money Receipt

Concerning that certain real estate contract by and between

Buyer(s)

Stuart Shaw Family Partnership, LTD

and

Seller(s)

Ameritai Partnership

relating to the following property

Highway 287, Waxahachie, TX, 75165

Receipt of \$5,000.00 earnest money in the form of Check # 4613 is hereby acknowledged this the 11th day of January, 2019.

Town Square Title Company, LLC

2001 Bates Drive, Ste 400

Waxahachie, TX 75167

By: 

Lacie Palmer

Transaction Specialist

lpalmer@townsquaretitle.com

Tel: (972) 351-5266

Fax: (972) 938-1045

19250 - Cypress Creek Site Location per Application Submission



- **Final Plat** – This is the one official and authentic map of any given subdivision of land prepared from actual field measurements and staking of all identifiable points by a surveyor or engineer to a level of detail and sufficiently described so that they can be reproduced without additional references. The purpose of a final plat is to assure that the division or development of the land subject to the plat is consistent with all standards of the subdivision regulations and all other city ordinances. The final plat of any lot, tract, or parcel of land within the corporate boundaries or extraterritorial jurisdiction of Waxahachie shall be recorded in the records of Ellis County, Texas.

Section 1.6.2: Fire Department Requirements

The International Fire Code, 2018 edition, published by the International Code Council, with the amendments included in the Code of Ordinances, has been adopted by the City of Waxahachie as the governing fire code and must be adhered to by the proposed development.

Section 1.6.3: Site Ingress and Egress

The proposed development will have direct access to US Highway 287 frontage road through an easement that will be dedicated at the time of construction. The site will also have access to River Oaks Blvd. to the south of the property through another easement. The main access to the site will be from the US287 frontage road, where the access from River Oaks Blvd. will provide a secondary access for emergency response vehicles. Please refer to the site plan in Appendix G.

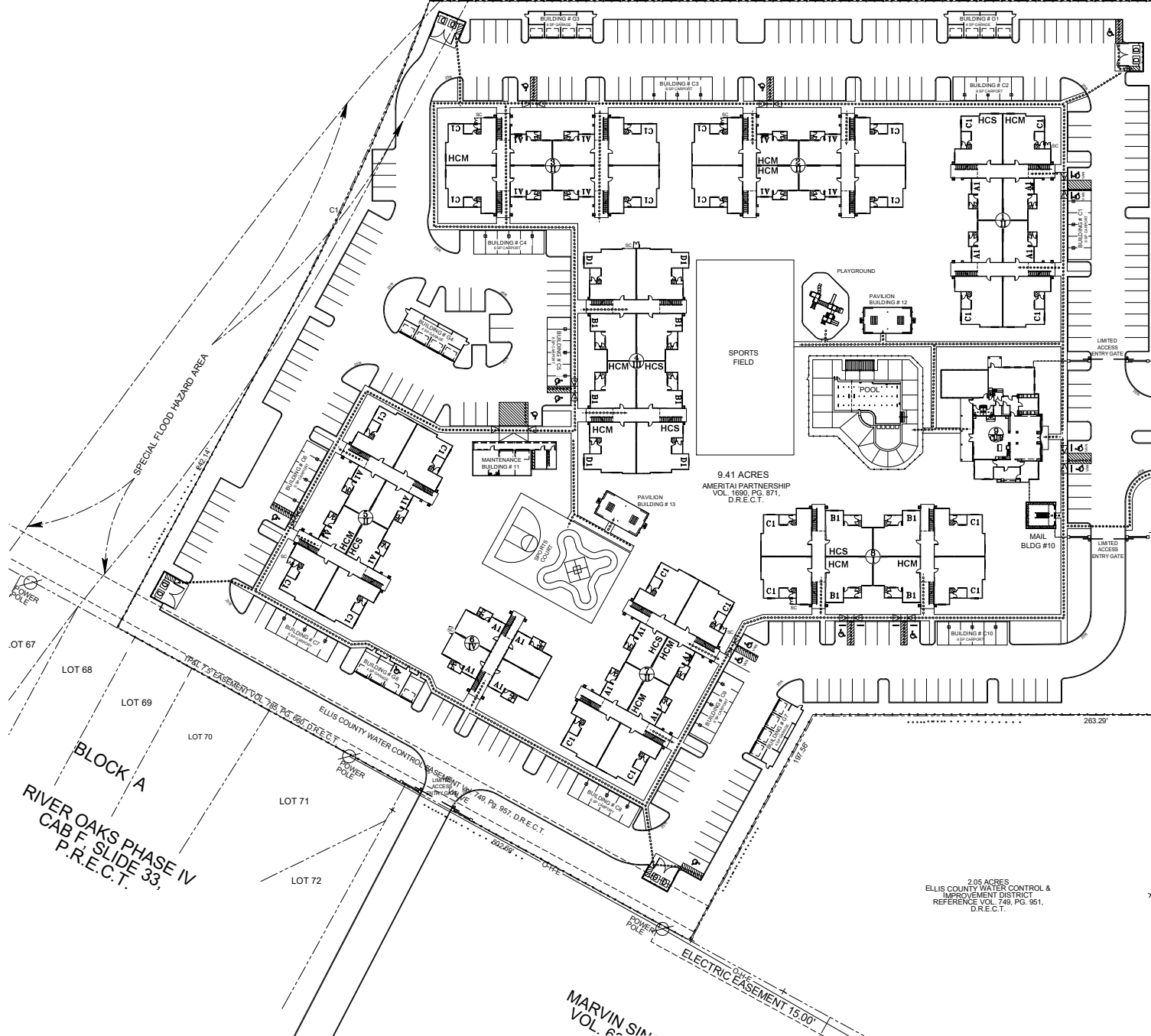
Section 1.6.4: Building Codes

As indicated in the City of Waxahachie, Texas Codes of Ordinances adopted June 4, 1973 and updated with Ordinance Number 3081 on January 7, 2019, the development must adhere to the following adopted building codes:

- The International Building Code, 2012 edition with amendments included in the Code of Ordinances
- The International Residential Code, 2000 edition with any subsequent amendments not rejected by ordinance
- The International Plumbing Code, 2000 edition with any subsequent amendments not rejected by ordinance
- The National Electrical Code, 2017 edition, published by the National Fire Protection Association
- The International Mechanical Code, 2000 edition with any subsequent amendments not rejected by ordinance
- The International Fuel and Gas Code, 2000 edition with any subsequent amendments not rejected by ordinance
- The International Energy Code, 2000 edition with any subsequent amendments not rejected by ordinance

APPROXIMATE 100YR FLOOD ZONE SCALED IN FROM FEMA, NOT FIELD VERIFIED, NO TOPOGRAPHIC INFO TAKEN

59.65 ACRES
AMERITAI PARTNERSHIP
VOL. 1860, PG. 871,
D.R.E.C.T.



R.O.W. LINE

VALVE FIRE HYD.

15' UTILITY EASE. VOL. 1782, PG. 2492, D.R.E.C.T.

EDGE OF ASPHALT ROAD

HWY 287
(480.00' R.O.W.)

LOT 67
LOT 68
LOT 69
LOT 70
LOT 71
LOT 72
BLOCK A
RIVER OAKS PHASE IV
CAB F. SLIDE 33,
P.R.E.C.T.

9.41 ACRES
AMERITAI PARTNERSHIP
VOL. 1860, PG. 871,
D.R.E.C.T.

2.05 ACRES
ELLIS COUNTY WATER CONTROL &
IMPROVEMENT DISTRICT
REFERENCE VOL. 749, PG. 951,
D.R.E.C.T.

0.64 ACRES
70.00' PROPOSED
R.O.W. ACCESS EASEMENT

UNIT TABULATIONS

(A1 = 1 BEDROOM / B1, B2, B3 = 2 BEDROOM)

UNIT	UNIT DESCRIPTION	UNIT COUNT	UNIT SQ. FT. W/O PATIO	PATIO SQ. FT.	UNIT OVERALL SQ. FT.
A1	1BD/1BATH	68	709	58	46,144
B1	2BD/2BATH	24	1,044	80	25,056
B2	2BD/2BATH	40	1,044	81	41,760
C1	3BD/2BATH	28	1,210	81	33,880
C2	3BD/2BATH	4	1,210	93	4,840
C4	4BD/2BATH	4	1,361	83	5,444
TOTAL					158,124

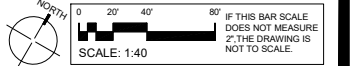
UNIT TABULATIONS BY BUILDING TYPE									
BLDG. TYPE	STORIES	BLDG. LGTH.	A1	B1	B2	C1	C2	C4	TOTAL UNITS
I	2/3	1	13	5	8				26
II	3	3	60		40	20			120
III	2/3	1		12			4	4	20
IV	2	1		8					8
TOTAL			73	25	48	20	4	4	188

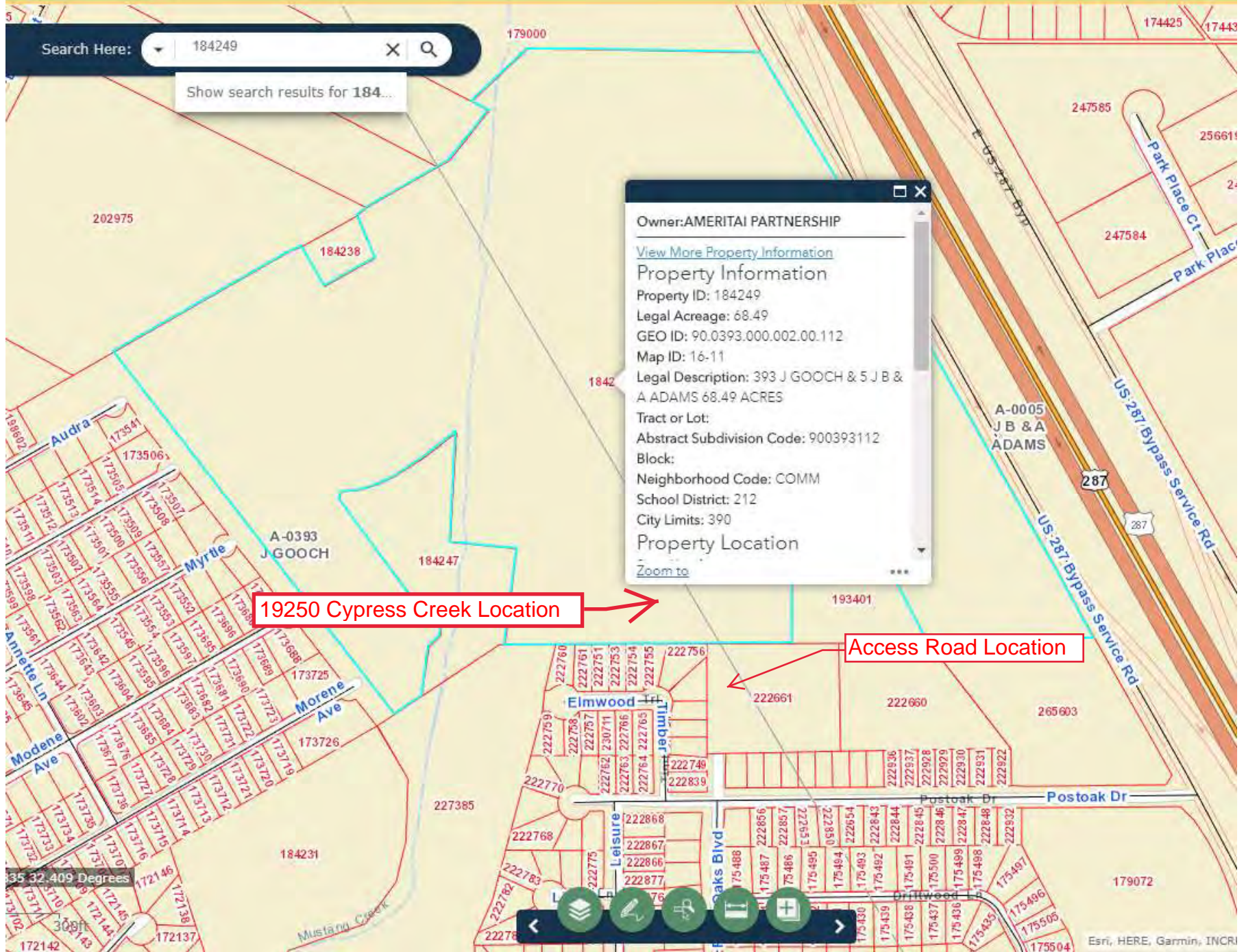
PARKING TABULATIONS					
PARKING REQUIRED			PARKING PROVIDED		
UNIT	QUANTITY	REQ.	TOTAL	TYPE	QUANTITY
1BEDROOM UNITS (A1)	68	1.5 SP/UNIT	102	STANDARD	230 (138C)
2BEDROOM UNITS (B1, B2, B3)	64	1.5 SP/UNIT	96	CARPOR	602(HC)
3BEDROOM UNITS (C1)	32	2.5 SP/UNIT	80	GARAGE	10(HC)
4BEDROOM UNITS (C4)	4	3.0 SP/UNIT	12		
TOTAL	168		290	TOTAL	300(161C)

CLUB: 4,920 SF
MAIL: 460 SF
PAVILION: 740 SF
MAINTENANCE: 1,610 SF

NO DETENTION PONDS ON SITE

ACCESSIBLE ROUTE
SITE PLAN
9.41 ACRES





Search Here: 184249

Show search results for 184...

Owner:AMERITAI PARTNERSHIP

[View More Property Information](#)

Property Information

Property ID: 184249
Legal Acreage: 68.49
GEO ID: 90.0393.000.002.00.112
Map ID: 16-11
Legal Description: 393 J GOOCH & 5 J B & A ADAMS 68.49 ACRES
Tract or Lot:
Abstract Subdivision Code: 900393112
Block:
Neighborhood Code: COMM
School District: 212
City Limits: 390

Property Location

[Zoom to](#)

19250 Cypress Creek Location

Access Road Location

35 32.409 Degrees

Search Here:

184249



Show search results for 184...

19250 Cypress Creek
Road Location

Access Road Location

Owner: SINGLETON MARVIN R JR

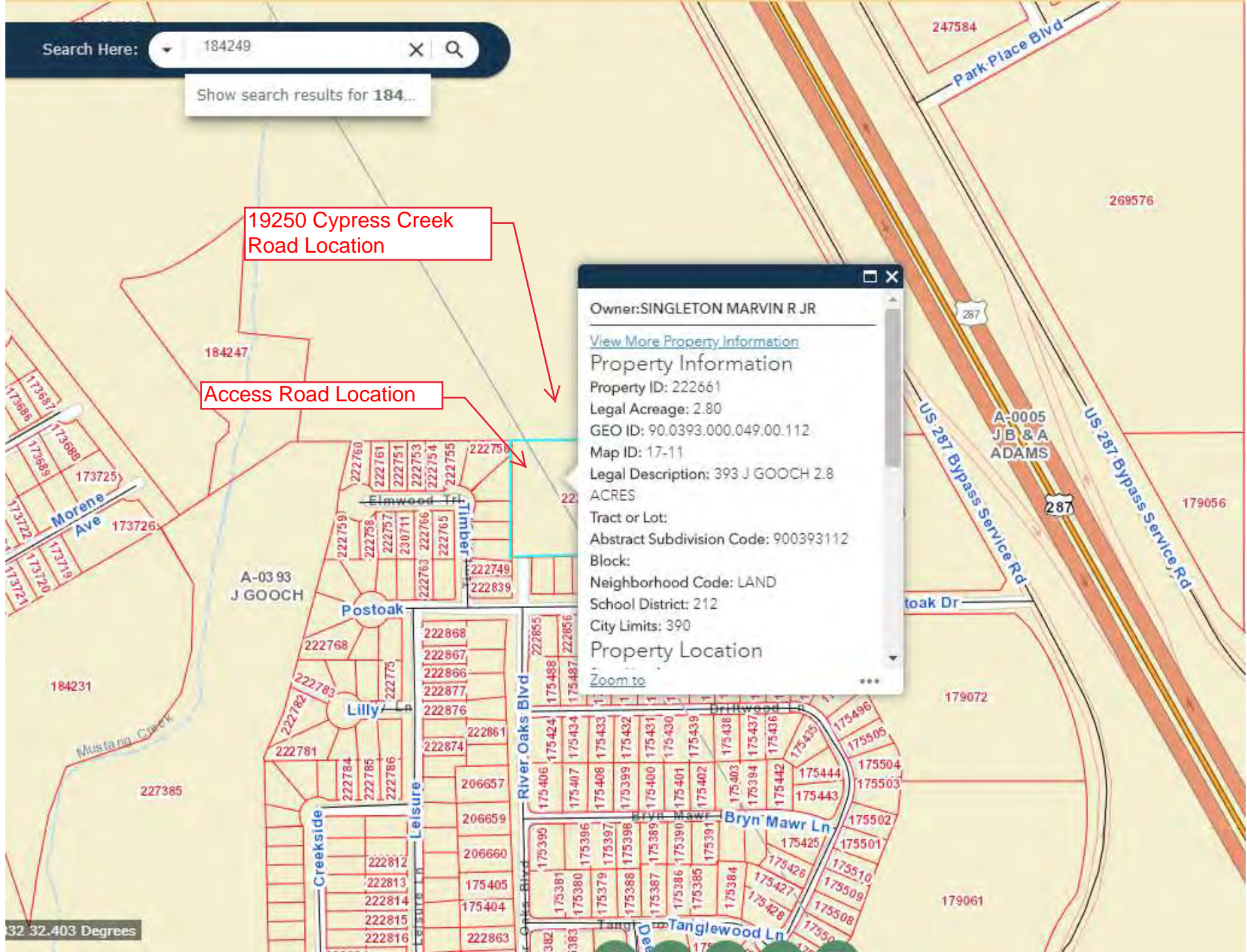
[View More Property Information](#)

Property Information

Property ID: 222661
Legal Acreage: 2.80
GEO ID: 90.0393.000.049.00.112
Map ID: 17-11
Legal Description: 393 J GOOCH 2.8 ACRES
Tract or Lot:
Abstract Subdivision Code: 900393112
Block:
Neighborhood Code: LAND
School District: 212
City Limits: 390

Property Location

[Zoom to](#)



Ellis CAD Property Search

Property ID: 184249 For Year 2019

Map



 Property Details

Account	
Property ID:	184249
Legal Description:	393 J GOOCH & 5 J B & A ADAMS 68.49 ACRES
Geographic ID:	90.0393.000.002.00.112
Agent Code:	
Type:	Real
Location	
Address:	HIGHWAY 287 WAXAHACHIE, TX 75165
Map ID:	16-11
Neighborhood CD:	COMM
Owner	
Owner ID:	63929
Name:	AMERITAI PARTNERSHIP
Mailing Address:	1015 FERRIS AVE WAXAHACHIE, TX 75165-2588
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Ellis CAD Property Search

Property ID: 222661 For Year 2019

Map



 Property Details

Account	
Property ID:	222661
Legal Description:	393 J GOOCH 2.8 ACRES
Geographic ID:	90.0393.000.049.00.112
Agent Code:	
Type:	Real
Location	
Address:	BROADHEAD RD WAXAHACHIE, TX 75165
Map ID:	17-11
Neighborhood CD:	LAND
Owner	
Owner ID:	151975
Name:	SINGLETON MARVIN R JR
Mailing Address:	PO BOX 717 WAXAHACHIE, TX 75168-0717
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

19250
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: ["consulting@bonnecarrington.com"](mailto:consulting@bonnecarrington.com)
Cc: ["Casey Bump"](#)
Subject: RE: 19250 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 12:40:00 PM

Application 19244 is indicated in the text, but the deficiency is for 19250.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

From: Sharon Gamble
Sent: Monday, May 06, 2019 12:36 PM
To: consulting@bonnecarrington.com
Cc: Casey Bump <casey@bonnecarrington.com>
Subject: 19250 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19244 Rosewood Senior Villas**. The request includes information that

was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions whether the Applicant has provided appropriate evidence supporting the access easement required language in the Purchase and Sale Agreement for the development site and/or its access roads to the development site indicated on the Site Plan. Requester notes that the Applicant did not provide for any off-site costs related to the design and construction of the access roads on the Development Cost Schedule nor did the Civil Engineer provide for any costs on the Off-Site Cost Breakdown, which could affect the Applicant's "more than 50% deferred fee test" for the leveraging points.

1. For the main entrance and exit on Highway 287, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.
2. For the secondary exit, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.
3. If there are off-site costs, provide a revised Off-Site Costs Breakdown and Development Costs Schedule. Note that revised documents may affect whether requested points are awarded.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time

when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

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19250
Deficiency Response(s)

CYPRESS CREEK APARTMENT HOMES AT WAXAHACHIE

TDHCA #19250

TDHCA DEFICIENCY NOTICE ISSUED MAY 6, 2019

RESPONSE DUE MAY 13, 2019

SUBMITTED TO SHARON GAMBLE ON MAY 13, 2019

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

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1. For the main entrance and exit on Highway 287, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.
2. For the secondary exit, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.
3. If there are off-site costs, provide a revised Off-Site Costs Breakdown and Development Costs Schedule. Note that revised documents may affect whether requested points are awarded.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

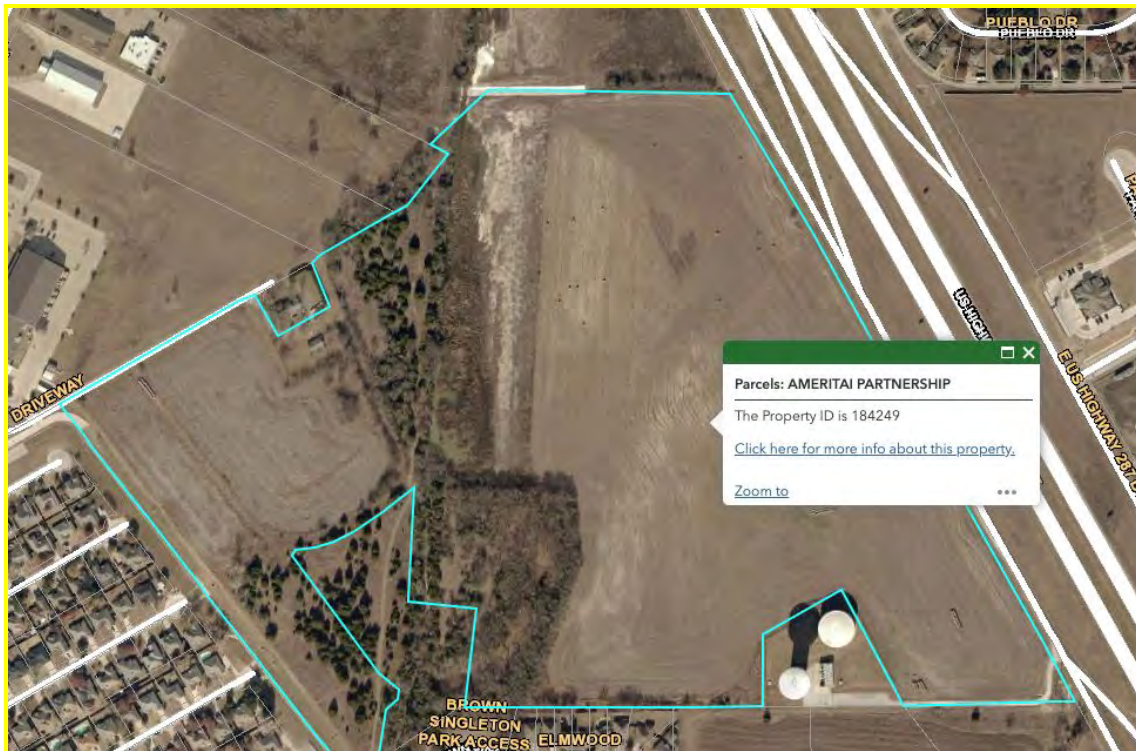
****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

ITEMS

1. For the main entrance and exit on Highway 287, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

RESPONSE: The Applicant always had a provision to access the ROW from the site via land owned by the Seller. The Applicant provided for a provision for the Seller to provide access to the Right of Way via an easement or similar documented access. The Seller owns the property surrounding the Applicant's site (see image below). The exact location of the access point will be determined as part of the permitting process so that the access point(s) compliments the City's thoroughfare and planning provisions. For example, the City may require the entry to be dedicated as ROW by plat and, as a result, the Seller and Purchaser left the ability to document as they see fit pursuant to the requirements and comments from the City when permitting occurs.

The Seller and Applicant contemplated who would be responsible for construction and maintenance of the entry as part of the Purchase Contract. The Seller and Applicant planned to document the various agreements at closing for the entry which may include the requirement for the entry to be covered by the LURA. Pursuant to the request of the TDHCA to provide evidence that LURA may extend to the access point the contract has been amended (see attached).



2. For the secondary exit, provide evidence of an easement, leasehold, or similar documented access, along with evidence that the fee title owner of the property agrees that the LURA may extend to the access easement.

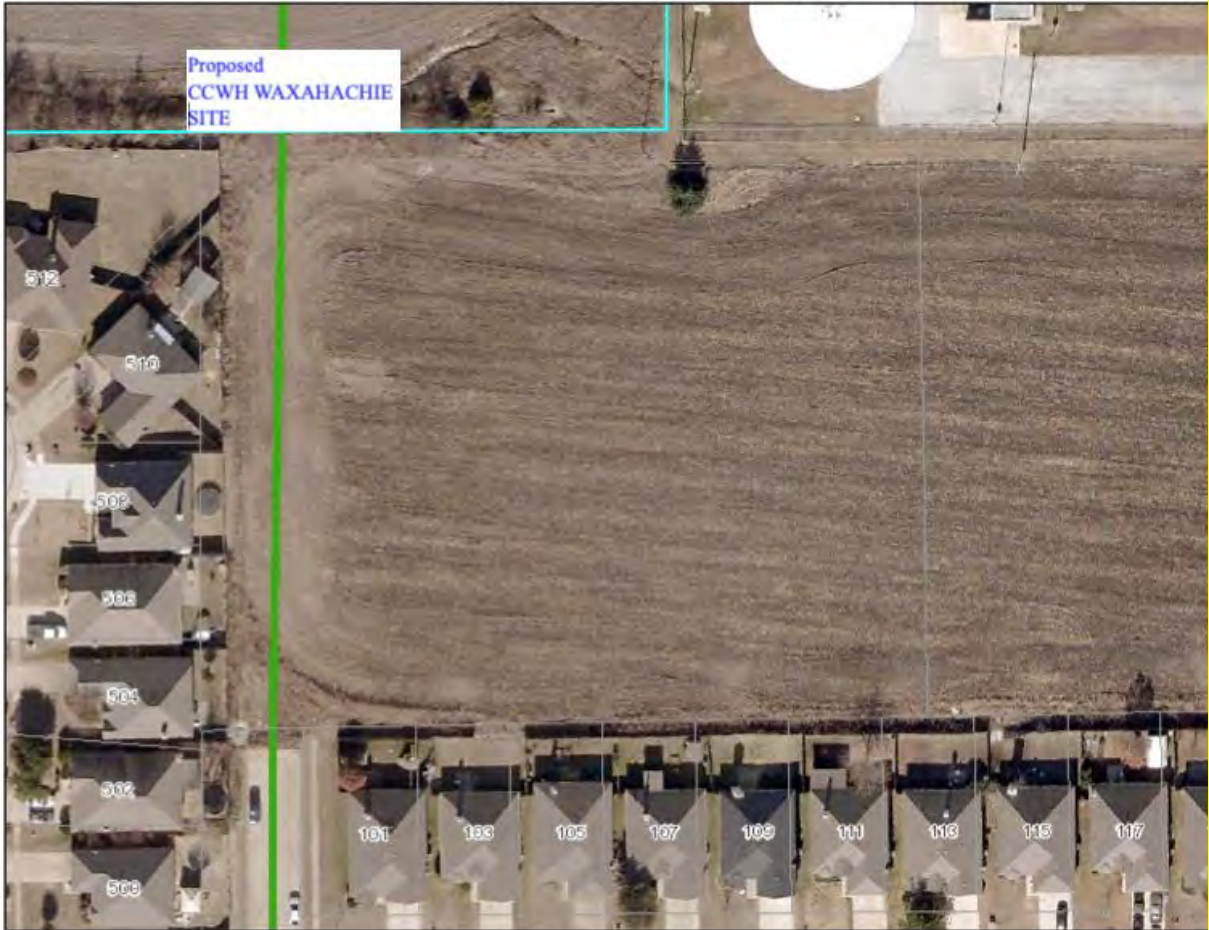
RESPONSE: The exact access point for secondary access, if needed, will be determined during the permitting process with the City of Waxahachie. The secondary access point would be used for emergency vehicles only which is why the Purchase Contract details the emergency access points as Possible Emergency Exits (see the exhibit to Purchase Contract). The Emergency Access Point to the south was proposed because there is proposed City street that will extend to the site of which construction would be the responsibility of the City. That being said, the primary entry is designed with a boulevard so that it can function as both an entry and emergency exit. This is achieved by the boulevard in the center that basically creates two roads for emergency vehicles to access. Finally, the City will determine where the proposed thoroughfare will go through the Seller's site. Depending on the location of the thoroughfare, secondary access can be modified. Please see the attached exhibit that details the City's thoroughfare plan that will be updated/amended as part of the permitting process for CCWH Waxahachie.

3. If there are off-site costs, provide a revised Off-Site Costs Breakdown and Development Costs Schedule. Note that revised documents may affect whether requested points are awarded.

RESPONSE: The cost of the entry drive is currently included in the site work paving costs. The Applicant would be willing to separate out the costs for the entry drive should the TDHCA request it. The overall budget will not need to change, but the Applicant believes that the site work costs are the appropriate place for the cost of the entry drive because the Applicant is responsible for the construction of the entry. Please advise if the TDHCA prefers the entry drive cost be moved from the onsite schedule to the offsite schedule. Finally, since the entry drive could be used as a secondary, emergency access as described above OR the Applicant will connect to the City constructed thoroughfare to the south then there are no additional costs and, thus, no need to modify the schedules in the application unless requested to do so by the TDHCA.

City of Waxahachie Proposed Thoroughfare Plan

City of Waxahachie Proposed Thoroughfare Map



5/10/2019, 12:00:48 PM

- | | | | | |
|------------------------------|-------------------|------------------|------------------|------------------|
| 4/3/2019 Streets | Existing B (110') | Proposed C (90') | Existing E (70') | Proposed F (60') |
| 5/1/2019 Thoroughfare System | Proposed B (110') | Existing D (80') | Proposed E (70') | Existing G (54') |
| Parcels | Existing A (120') | Existing C (90') | Proposed D (80') | Existing F (60') |
| Proposed A (120') | | | Proposed G (54') | |

**SECOND AMENDMENT TO AGREEMENT OF SALE AND PURCHASE
(12-14 ACRES +/-, WAXAHACHIE, ELLIS COUNTY, TEXAS)**

THIS SECOND AMENDMENT TO AGREEMENT OF SALE AND PURCHASE (this “**Amendment**”) is made and entered into effective as of May 10, 2019 by and between AMERITAI PARTNERSHIP (“**Seller**”) and CYPRESS CREEK WAXAHACHIE LP (“**Purchaser**”).

RECITALS:

A. Seller and Purchaser are parties to that certain Agreement of Sale and Purchase dated January 8, 2018, as amended on February 1, 2019 (the “**Agreement**”):

B. Seller and Purchaser mutually desire to enter into this Amendment for the purpose of clarifying Section 1.1.10, as hereinafter set forth.

NOW, THEREFORE, the parties hereto, in consideration of the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. The foregoing recitals are true and correct and are hereby incorporated into this Amendment for all purposes.

2. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

3. The Paragraph 1.1.10 is amended to add the following:

“To the extent necessary and to further elaborate on the provisions in Paragraph 1.1.10, the Seller shall grant Purchaser a perpetual easement (or easements) for access. The exact location of the access across Seller’s property will be determined in the permitting process with the City of Waxahachie in a form that is acceptable to the City.

Additionally, the Seller understands that any easement or access points on Seller’s property may be subject to the Land Use Restriction Agreement that will be filed against Purchaser’s property as required by the Texas Department of Housing and Community Affairs.”

4. Except as expressly further modified by this Amendment, the Agreement shall and does remain unmodified and in full force and effect. The Agreement, as modified by this Amendment, is hereby ratified and affirmed. In the event of a conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall control.

5. This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts shall be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment. For purposes of this Amendment,

signatures delivered by facsimile or as a pdf attached to an e-mail shall be as binding as originals upon the parties so signing.

[Remainder of page intentionally left blank for signature]

Executed to be effective as of the date set forth above.

Seller:


AMERITAI PARTNERSHIP



Ladd Vien

Purchaser:


CYPRESS CREEK WAXAHACHIE LP



Stuart B. Shaw, Manager of its General Partner

Acknowledged:

STUART SHAW FAMILY PARTNERSHIP, LTD.



Stuart B. Shaw, Manager of its General Partner

19266

Request for Administrative Deficiency



VIA EMAIL

April 29, 2019

Texas Department of Housing and Community Affairs
Attn: Marni Holloway - Director of Multifamily Finance
Attn: Sharon Gamble – 9% HTC Program Administrator
221 East 11th Street
Austin, TX 78701

RE: 19266 – County Line Lofts

Dear Marni and Sharon:

In accordance with Section 11.10 of the 2019 QAP, Palladium USA is requesting staff to consider whether the matters described in this letter and supporting documentation should be the subject of an Administrative Deficiency. We are also providing a copy to the representative for Application 19266.

In Section 11.9(d)(1)(B) an Application can receive points under clause (i) or (ii) and under clause (iii) or (iv) if located within the extraterritorial jurisdiction (ETJ) of a municipality. At the end of the Application Acceptance Period (03-01-2019) the site contracted for 19266 – County Line Lofts was located in the ETJ of Venus, TX. The Applicant submitted a resolution of support from the City of Venus but did not provide a resolution of support from Johnson County. Please see attached documentation. Based on the documentation provided the Application for 19266 County Line Lofts is not eligible for the 8.5 points referenced in 11.9(d)(1)(B)(iii).

Should you have any questions or require additional information please contact me. My contact information is below.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. E. Huth", is written over a light blue horizontal line.

Thomas E. Huth
President and CEO
Palladium USA International, Inc.
Phone: 972-774-4400
Fax: 972-774-4484
Email: thuth@palladiumusa.com

Site Information Form Part I

Self Score Total:

1. Development Address (All Programs)

NEQ County Road 109 and Harley Meadows Circle

Venus

ETJ? Yes

Address

City

Region

Zip

County

Rural/Urban

2. Census Tract Information (All Programs)

48251130408

No

Median Household Income:

Quartile:

Poverty Rate:

Census Tract Number

QCT?

(11 digits)

No

The poverty rate for the Census Tract is above 40% (55% for Regions 11 or 13), and the Neighborhood Risk Factors Report and required documentation has been submitted.

3. Resolutions (Competitive HTC and Tax-Exempt Bonds, if applicable) [10 TAC §11.3]

Check the boxes of true statements below. Resolutions must be provided to demonstrate eligibility for any **unchecked** item.

Twice the State Average Per Capita. The proposed Development is **NOT** located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private Activity Bonds. (QAP §11.3(c))

One Mile Three Year Rule. The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located one mile or less from a New Construction HTC or Bond Development serving the same type of household and awarded within the applicable three-year period and has not been withdrawn or terminated, **OR** the Development meets one of the exceptions in §11.3(d)(2) of the QAP (provide evidence of exception).

Limitations on Developments in Certain Census Tracts. The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located in a census tract that has more than 20% HTC units per total households. (§11.3(e))

4. Two Mile Same Year Rule (Competitive HTC Only) [10 TAC §11.3(b)]

The site is not located in a county with a population that exceeds one million.

The site is located in a county with a population that exceeds one million and is not located within 2 linear miles of the proposed Development Site of any eligible Pre-application in the same county.

The site is located in a county with a population that exceeds one million and is located within 2 linear miles of the site of the following eligible Pre-application(s) within the same county:

NA

5. Proximity of Development Sites (Competitive HTC Only) [10 TAC §11.3(g)]

The site is contiguous to or within 1,000 feet of the site for the following eligible Pre-application(s) serving the same Target Population:

NA

6. Zoning [10 TAC §11.204(11)] and Flood Zone Designation [10 TAC §11.101(a)(1)] (All Programs)

Development Site is appropriately zoned?

No

Zoning Designation: Ag

Flood Zone Designation:

X

Entire Development Site is outside the 100 year floodplain.

Yes

Farmland Designation (New Construction (including adaptive re-use) seeking Section 811 and/or Direct Loan funds):

7. Site & Neighborhood Standards (New Construction Direct Loan only) [10 TAC §13.11(o)(6)(B)]; [24 CFR 92.202, 93.150]

Confirm the following supporting documents are provided behind this tab.

Statement explaining **how** the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.

Community Input Scoring Items

TDHCA#: 19266

1. Local Government Support - §11.9(d)(1) - Only check the box if support documents are included in the Application.

Resolution(s) of either "no objection" or "support" is included behind this tab.**

City of Venus

Name of Local Government Body

Name of Local Government Body (if applicable)

** Note that resolutions are due March 1, 2019

2. Quantifiable Community Participation - §11.9(d)(4)

Application expects to receive QCP points.

** Note that QCP Packets are due March 1, 2019 and MAY NOT be submitted by the Applicant. Packets MUST be received from Neighborhood Organization!

3. Community Support from State Representative - §11.9(d)(5)

Application expects to receive points for a letter from a Representative.

Letter of either "support" or "opposition" is included behind this tab.**

** Note that letters are due March 1, 2019

4. Input from Community Organizations - §11.9(d)(6)

Applicant has included one or more letters of support or opposition behind this tab.

List information for each of the letters below:

A. Meals on Wheels of Johnson and Ellis Counties

Name of Community Organization

Christine Hockin-Boyd

Contact Name

Support

Opposition

B. The Food Connection

Name of Community Organization

Cynthia Jones

Contact Name

Support

Opposition

C. The Anchor

Name of Community Organization

Lisa Rainey

Contact Name

Support

Opposition

D.

Name of Community Organization

Contact Name

Support

Opposition

E.

Name of Community Organization

Contact Name

Support

Opposition

F.

Name of Community Organization

Contact Name

Support

Opposition



**CITY OF VENUS SPECIAL CALLED MEETING
VENUS COUNCIL CHAMBERS,
103 W. 3RD STREET
VENUS, TEXAS 76084
MONDAY, FEBRUARY 25, 2019, 6:30 PM**

Special Called Meeting Agenda

- I. Call to Order, Invocation, Roll Call**
- II. Announcements from Mayor – *Cell phones are to be turned off or placed on vibrate/silent only. No conversation or comment from the audience is permitted unless specifically called upon by the Mayor. Please remain respectfully quiet.***
- III. Citizen Public Comment Period – *Citizens may sign up before the meeting begins and will be allowed up to 5 minutes to address the Mayor and Council. No personal attacks on any elected official or city employee will be allowed. The Mayor, Council members and staff members may not respond or converse with speakers during this time. The comments from the speaker must be in the form of a statement. By State law, no questions may be asked or answered.***
- IV. Items for Consideration**
 1. Discuss and consider an Ordinance annexing a property into the City limits of Venus, Texas for approximately 8.0 acres of land which was voluntarily requested through a petition filed by Walid Alameddine of Saldena Properties, LP in association with Palladium Properties.
 2. Discuss and consider Resolution Granting a petition for annexation from Property Owner Rabwa Investment, LLC, a Texas limited liability company, of property identified as Johnson CAD Property ID 95750, generally located south of E 5th Street, north of E County Road 109 and east of Wheat Valley Boulevard and being an approximate 17.35 acre tract of land situated in the William Hill Survey, Abstract No. 379, Johnson County, Texas; setting a date, time, and place for public hearings on the proposed annexation of certain property by the City of Venus, Texas; authorizing and directing the City Secretary to have published notice of such public hearings; and directing the preparation of a service plan.
 3. Discuss and consider an Ordinance canceling the Special Election to be held within the City of Venus on Saturday May 4, 2019, for the purpose of adopting a Home Rule Charter.

EXECUTIVE SESSION

The City Council reserves the right to meet in a closed session on any of the following items should the need arise and if applicable, pursuant to authorization by TEXAS GOVERNMENT CODE, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), 418.183 (homeland security).

- **Deliberation of Request for Proposal Property Exchange 105 E. US Hwy 67.**

Reconvene into Regular Session

- Take action on any items discussed in Executive Session if necessary.

I. Adjournment

This is to certify that a copy of this Notice of Meeting was posted on the bulletin of City Hall, 105 East Hwy 67 Venus, Texas and at a place readily accessible to the general public at all times and to the City's website www.cityofvenus.org, no later than 72 hours prior to the meeting.



Rana Gamel, City Secretary

If you plan to attend the public meeting and have a disability, please make the request at least 48 hours in advance of the meeting if possible. To make arrangements call (972) 366-3348 and leave a message if it is after hours or email rgamel@cityofvenus.org. Thank you.

Date Posted: 2/22/19 Time 11:15 am pm

**CITY OF VENUS CITY COUNCIL
REGULAR MEETING MINUTES
MONDAY, FEBRUARY 25, 2018**
Council Chambers 103 W. 3rd Street
Venus, Texas 76084

COUNCIL MEMBERS PRESENT

James Burgess, Mayor
Jeannie Prazak, Place 1
Laurna Shaw, Place 2
Jeanie Toland-Scott, Mayor Pro-Tem, Place 3
Geronimo Hernandez, Place 4
Robert McCurdy, Place 5

Mayor Burgess called the meeting to order at 6:30 PM. followed by the invocation and the Pledge of Allegiance.

ANNOUNCEMENTS

None

CITIZEN PUBLIC COMMENT PERIOD

- Citizen, Sandra Jones who resides at 112 Mt. Vernon Ln. thanked the city for letting her serve on the Home Rule Charter Commission. She explained that she believes the Home Rule Charter will be good for the City of Venus.
- Citizen, Linda Harris who resides at 120 Mt. Vernon Ln. spoke asking the council to allow the citizens of Venus to be given a chance to vote on the Home Rule Charter.

PROCLAMATIONS

None

PUBLIC HEARINGS

ITEMS FOR CONSIDERATION

1. **DISCUSS AND CONSIDER AN ORDINANCE ANNEXING A PROPERTY INTO THE CITY LIMITS OF VENUS, TEXAS FOR APPROXIMATELY 8.0 ACRES OF LAND WHICH WAS VOLUNTARILY REQUESTED THROUGH A PETITION FILED BY WALID ALAMEDDINE OF SALDENA PROPERTIES, LP IN ASSOCIATION WITH PALLADIUM PROPERTIES.**

Council Member Prazak made a motion to approve the item as presented, Resolution 06-2019-02, Seconded by Council Member Shaw. Motion carried unanimously (5,0).

2. **DISCUSS AND CONSIDER RESOLUTION GRANTING A PETITION FOR ANNEXATION FROM PROPERTY OWNER RABWA INVESTMENT, LLC, A TEXAS LIMITED LIABILITY COMPANY, OF PROPERTY IDENTIFIED AS JOHNSON CAD PROPERTY ID 95750, GENERALLY LOCATED SOUTH OF E 5TH STREET, NORTH OF E COUNTY ROAD 109 AND EAST OF WHEAT VALLEY**

BOULEVARD AND BEING AN APPROXIMATE 17.35 ACRE TRACT OF LAND SITUATED IN THE WILLIAM HILL SURVEY, ABSTRACT NO. 379, JOHNSON COUNTY, TEXAS; SETTING A DATE, TIME, AND PLACE FOR PUBLIC HEARINGS ON THE PROPOSED ANNEXATION OF CERTAIN PROPERTY BY THE CITY OF VENUS, TEXAS; AUTHORIZING AND DIRECTING THE CITY SECRETARY TO HAVE PUBLISHED NOTICE OF SUCH PUBLIC HEARINGS; AND DIRECTING THE PREPARATION OF A SERVICE PLAN.

3. DISCUSS AND CONSIDER AN ORDINANCE CANCELING THE SPECIAL ELECTION TO BE HELD WITHIN THE CITY OF VENUS ON SATURDAY MAY 4, 2019, FOR THE PURPOSE OF ADOPTING A HOME RULE CHARTER.

Mayor gave a speech against the Home Rule Charter. He explained several issues he had. The City Attorney, Brenda McDonald, intervened during Mayor Burgess' speech explaining it was off topic from what the actual item was regarding. Mayor Burgess decided to continue. Council Members Prazak and Council Member Shaw spoke in favor of the citizens needing to have the chance to vote for or against the Home Rule Charter, rather than having it decided for them. Council Member Hernandez brought up one of the sections in the Charter the Mayor had spoken about in his speech he had an issue with. The issue Mayor had stated that was in the Charter explained, in order for a citizen to get a place on the ballot for a general election, there would need to be 10 registered voter that would have to sign a petition on behalf of a citizen wanting to run for office. Council Member Hernandez was in agreeance with Mayor Burgess. Hernandez spoke saying he felt like he was losing all of his power. City Attorney, Brenda McDonald and other Council Members had a discussion saying the charter only refers to having a petition signed by citizens in the recall, initiative, and referendum section. Mayor Burgess asked if anyone had any other comments. Council Member McCurdy spoke in favor of the citizens of Venus needing to get the chance to vote on the Home Rule Charter. Council member Prazak made a motion to respect the work of the Home Rule Charter Commission, deny the Ordinance, and have the Home Rule Charter on the ballot for the May 4th Election. Seconded by Council Member Shaw. Motion Carried (3,0) with 2 against, (Scott)(Hernandez).

EXECUTIVE SESSION

{recessed into Executive Session at 7:33 p.m.}

- *551.072 Deliberation of request for proposal property exchange 105 e. Us hwy 67.*

RECONVENE INTO REGULAR SESSION

{reconvened into Regular Session 8:04 p.m.}

- **TAKE ACTION ON ANY ITEMS DISCUSSED IN EXECUTIVE SESSION IF NECESSARY.**

After Executive Session City Attorney, Brenda McDonald made a correction to one of her statements given during item 3. She explained she was incorrect on the recall, initiative, and referendum being the only place the charter refers to a petition being signed. The charter does state a person running for office needs 10 signatures to run.

Council Member Shaw made a motion to accept the proposal form Champion and authorize the city Administrator to negotiate a contract for the purchase of a new City Hall facility on the terms discussed in Executive Session and authorize the Mayor to sign the contract

and the deed conveying the current City Hall property. Seconded by Council Member Prazak. Motion carried unanimously (5,0).

I. ADJOURNMENT: 8:05 p.m.

APPROVE: _____
James Burgess, Mayor

DATE: _____

ATTEST: _____
Rana Gamel, City Secretary



AMENDED AGENDA

VENUS REGULAR COUNCIL MEETING

VENUS COUNCIL CHAMBERS,
103 W. 3RD STREET
VENUS, TEXAS 76084

MONDAY, April 8, 2019, 7:00 PM

Regular Agenda

- I. Call to Order, Invocation, Pledge of Allegiance, Roll Call
- II. Announcements from Mayor – *Cell phones are to be turned off or placed on vibrate/silent only. No conversation or comment from the audience is permitted unless specifically called upon by the Mayor. Please remain respectfully quiet.*
- III. Citizen Public Comment Period – *Citizens may sign up before the meeting begins and will be allowed up to 5 minutes to address the Mayor and Council. No personal attacks on any elected official or city employee will be allowed. The Mayor, Council members and staff members may not respond or converse with speakers during this time. The comments from the speaker must be in the form of a statement. By State law, no questions may be asked or answered.*
- IV. Proclamations- *Proclaim the month of April Motorcycle Safety and Awareness*
- V. Public Hearing
None

Consent Agenda

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately. Otherwise, approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff's recommendation.

1. Approval of all minutes for the month of March.
2. Ratifying the payment of bills for the month of March.

Items for Consideration

1. Discuss possible changes to the Venus Garage Sale Ordinance, section 10-84 and Venus Sign Ordinance section 20-9 & 20-11.
2. Discuss and consider adopting an Ordinance voluntarily annexing a property into the City limits of Venus, Texas located in Johnson County, CAD Property ID 95750.
3. Discuss and act upon amending the City of Venus Solid Waste Ordinance.



4. Discuss and act upon a Resolution authorizing the City's continued participation in the **Atmos** Cities Steering Committee.
5. Discuss and act upon a Resolution authorizing the City's continued participation in the **Oncor** Cities Steering Committee.
6. Presentation of monthly department reports:
 - Police Department - Captain James Groom-monthly Police activity
 - Fire Department - Chief Allen-monthly fire activity
 - Public Works - City Administrator, Michael Boese monthly Water/Sewer and Public Works activity.
 - Administration - City Administrator, Michael Boese monthly Administration activity.

Executive Session

The City Council reserves the right to meet in a closed session on any of the following items should the need arise and if applicable, pursuant to authorization by TEXAS GOVERNMENT CODE, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), 418.183 (homeland security).

Reconvene into Regular Session

7. Act upon Executive Session Items if needed.

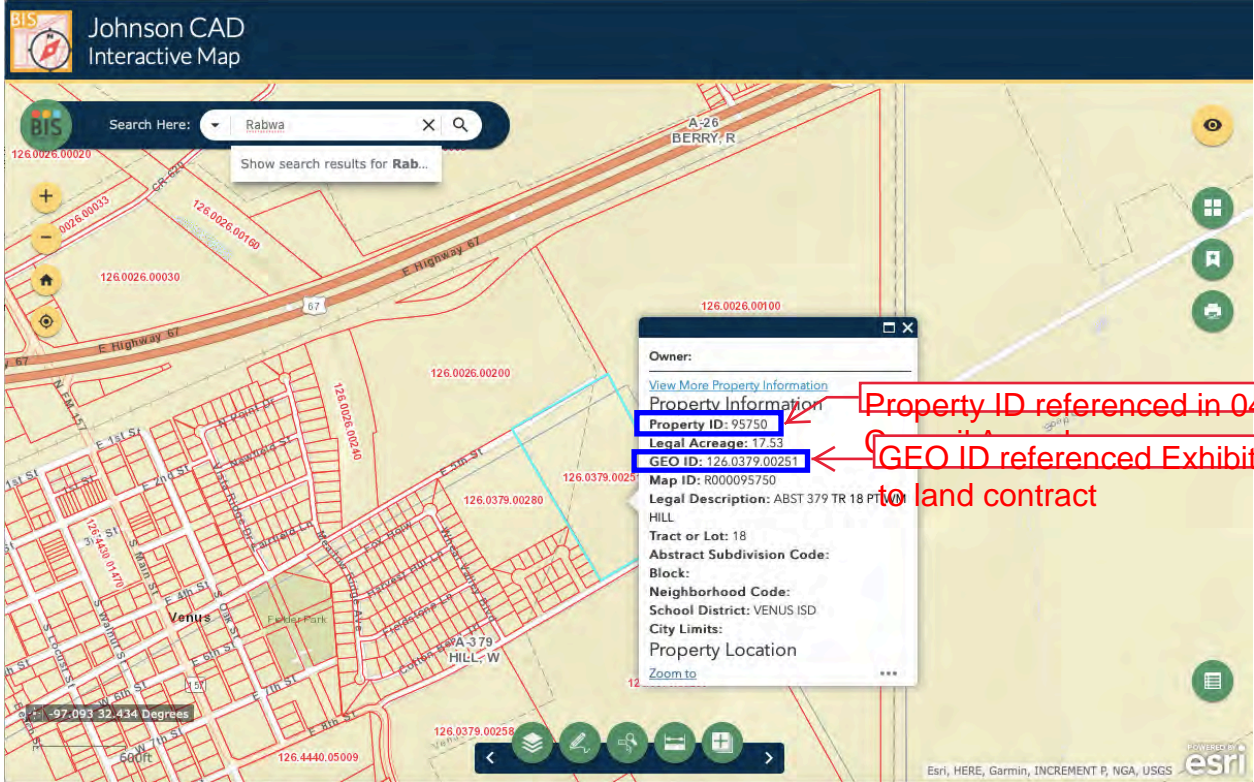
VI. Adjournment

This is to certify that a copy of this Notice of Meeting was posted on the bulletin of City Hall, 105 East Hwy 67 Venus, Texas and at a place readily accessible to the general public at all times and to the City's website www.cityofvenus.org, no later than 72 hours prior to the meeting.

Rana Gamel, City Secretary

If you plan to attend the public meeting and have a disability, please make the request at least 48 hours in advance of the meeting if possible. To make arrangements call (972) 366-3348 and leave a message if it is after hours or email rgamel@cityofvenus.org. Thank you.

Date Posted: 4/4/19



ASSIGNMENT AND ASSUMPTION
OF
EARNEST MONEY CONTRACT

This Assignment and Assumption is made and entered into by **Lakewood Property Management, LLC** (“Assignor”) and **CSH County Line Lofts, Ltd.** (“Assignee”), effective as of January 9, 2019.

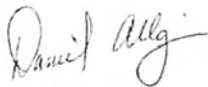
Assignor, as Purchaser, entered into that certain Earnest Money Contract dated January 8, 2019 (the “Agreement”) wherein Assignor agreed to purchase from Rabwa Investment, LLC., the property consisting of an approximately 9 +/- acre tract or parcel of land out of the ABST 379 TR 18 PT WM HILL, located in the City of Venus, Johnson County, Texas (the “Property”). Assignor desires to assign to Assignee the rights, titles and interests of Assignor as Purchaser under the Agreement, and Assignee desires to accept such assignment and to assume all the obligations of Assignor set forth in the Agreement from and after the date hereof relating to the purchase of the Property.

For and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns to Assignee all of Assignor’s rights, titles and interests in, to and under the Agreement and all due diligence materials furnished to Assignor by Seller, or obtained by Assignor, in connection therewith. It is expressly understood and agreed that such assignment shall include Assignor’s rights, titles and interests in and to the earnest money which has been deposited by Assignor under the Agreement. Assignor represents to Assignee that Assignor has furnished to Assignee a true, correct and complete copy of the Agreement.

In witness whereof, Assignor and Assignee have executed this Assignment and Assumption effective as of the date above.

ASSIGNOR:

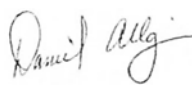
Lakewood Property Management, LLC, a Texas Limited Liability Company

By: 
_____ Dan Allgeier, Manager

ASSIGNEE:

CSH County Line Lofts, Ltd., a Texas limited partnership

By: CSH County Line Lofts GP, LLC, its general partner, a Texas limited liability company

By: 
_____ Dan Allgeier, Manager

**FIRST AMENDMENT
TO
EARNEST MONEY CONTRACT**

This First Amendment to Earnest Money Contract (this “Amendment”) is made and entered into by and between **Rabwa Investment, LLC**, (hereinafter called “**Seller**”) and **CSH County Line Lofts, Ltd.**, a Texas limited partnership (hereinafter called “**Purchaser**”), effective as of February 22, 2019 (the “Effective Date”).

Recitals

1. Lakewood Property Management, LLC and Purchaser are parties to that certain Earnest Money Contract having an effective date of January 8, 2019 and assigned to the Purchaser and receipted with the title company on January 9, 2019 (as amended, the “Contract”), wherein Seller agreed to sell to Purchaser, and Purchaser agreed to purchase from Seller, subject to the terms and provisions of the Contract, the “Property,” as such term is defined in the Contract. Other capitalized terms used but not defined herein shall have the meanings given to them in the Contract.

2. Seller and Purchaser by this Amendment desire to amend the Contract in certain respects.

Agreements

For and in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree to amend the Contract as follows:

A. Article I entitled Purchase and Sale and Exhibit A are hereby replaced in their entirety with the following:

Upon satisfaction of the conditions herein, Seller will sell and convey, and Purchaser will purchase and pay for the real property described as follows:

An approximately 10.15 +/- acre tract or parcel of land out of the ABST 379 TR 18 PT WM HILL, which is located in the City of Venus, Johnson County, Texas and being more particularly described on Exhibit “A” attached hereto and incorporated herein by reference.

The conveyance shall be together with all and singular the rights, appurtenances and entitlements pertaining to the property, including the Seller’s right, title, and interest in any utilities, adjacent streets on which the property fronts (all of such real property, rights, and appurtenances being hereinafter referred to as the “**Property**”), for the consideration and upon and subject to the terms, provisions, and conditions hereinafter set forth. Seller shall retain mineral rights.

B. Article 2 entitled Purchase Price is hereby replaced in its entirety with the following:

2.01 The purchase price for said Property shall be SEVEN HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS (\$775,000.00) (the "Purchase Price"). The Purchase Price is calculated on the basis of \$1.75 per square foot.

C. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original hereof. Each of Seller and Purchaser agrees that its signature page may be detached from any one such counterpart and attached to an identical counterpart so that there is one counterpart containing the signature pages of both Seller and Purchaser.

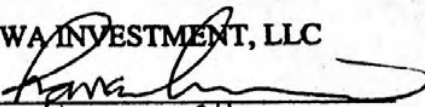
D. This Amendment shall (i) inure to, and be binding upon, Seller and Purchaser and their respective successors, assigns and legal representatives; and (ii) be governed by and construed in accordance with the laws of the State of Texas.

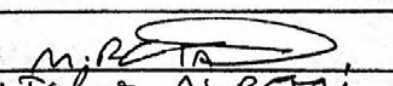
E. Except as amended by this Amendment, the Contract remains in full force and effect as written. Seller and Purchaser hereby ratify and reaffirm the terms and provisions of the Contract, as amended by this Amendment. The terms of Article XI in the Contract shall apply to both access roads.

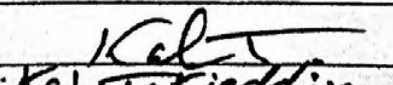
In witness whereof, Seller and Purchaser have executed this Amendment as of the date set forth above.

SELLER:

RABWA INVESTMENT, LLC

By: 
Name: Hassan Alhusaini
Title: _____

By: 
Name: Taher Al-Restai
Title: _____

By: 
Name: Kal Takieddin
Title: _____

PURCHASER:

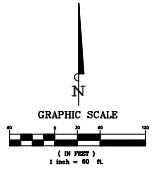
CSH County Line Lofts, Ltd., a Texas limited partnership

By: CSH County Line Lofts GP, LLC, its general partner, a Texas limited liability company

By: 
Dan Allgeier, Manager

EXHIBIT A

Description of the Property



WILD LAND
 DEVELOPMENT
 CONSULTING
 3800 S. 100th St.
 Suite 100
 Tulsa, OK 74134
 Phone: 918.259.1111
 Fax: 918.259.1112
 www.wildlanddevelopment.com

THIS
 DRAWING IS TO
 BE
 USED FOR
 EXHIBIT
 PURPOSES
 ONLY

COUNTY LINE LOFTS

EXHIBIT "A"

Project Number
 13100-102
 Date:
 EXHIBIT

EARNEST MONEY CONTRACT

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF JOHNSON

This Earnest Money Contract (“**Agreement**”) is made by and between RABWA INVESTMENT, LLC (hereinafter referred to as “**Seller**”), and LAKEWOOD PROPERTY MANAGEMENT, LLC, a Texas limited liability company, or its assigns (hereinafter referred to as “**Purchaser**”), upon the terms and conditions set forth herein. In consideration of the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto agree:

ARTICLE I.
PURCHASE AND SALE

Upon satisfaction of the conditions herein, Seller will sell and convey, and Purchaser will purchase and pay for the real property described as follows:

An approximately 9 +/- acre tract or parcel of land out of the ABST 379 TR 18 PT WM HILL, which is located in the City of Venus, Johnson County, Texas and being more particularly described on Exhibit “A” attached hereto and incorporated herein by reference.

The conveyance shall be together with all and singular the rights, appurtenances and entitlements pertaining to the property, including the Seller’s right, title, and interest in any utilities, adjacent streets on which the property fronts (all of such real property, rights, and appurtenances being hereinafter referred to as the “**Property**”), for the consideration and upon and subject to the terms, provisions, and conditions hereinafter set forth. Seller shall retain mineral rights.

ARTICLE II.
PURCHASE PRICE

Amount of Purchase Price

2.01 The purchase price for said Property shall be SIX HUNDRED EIGHTY FIVE THOUSAND AND 00/100 DOLLARS (\$685,000.00) (the “Purchase Price”). The Purchase Price is calculated on the basis of \$1.75 per square foot.

2.02 Adjustment to Purchase Price. None

Payment of Purchase Price

2.03 The Purchase Price shall be payable as follows:

(a) Purchaser has delivered for deposit with Commonwealth Land Title Insurance Company 5949 Sherry Lane, Suite 111 Dallas, Texas 75225, Attention: James Lazar (hereinafter referred to as the “**Title Company**”) a cash sum (hereinafter referred to as the “**Earnest Money**”) in the amount of \$10,000.00 not later than three (3) days after the Effective Date, as set out in Article III, which shall be credited to the Purchase Price.

(b) At closing, the entire Purchase Price shall be paid in cash.

ARTICLE III. EARNEST MONEY

For the purpose of securing performance of Purchaser under the terms and provisions of this Agreement, Purchaser has deposited Earnest Money in the amount of \$10,000.00 with the Title Company, which sums shall be credited to Purchaser at closing.

ARTICLE IV. CONDITIONS TO PURCHASER’S OBLIGATIONS

4.01 Seller shall cooperate with Purchaser in re-platting or re-zoning, if necessary. Any such re-platting or re-zoning will be at Purchaser’s cost.

4.02 In the event that the Property is not currently zoned to allow multi-family residential development or if site plan approval is necessary, Seller agrees to cooperate with Purchaser in making application with the City of Venus/County of Johnson for a zoning change or for site plan approval, such that Purchaser will be able to develop and construct a multi-family residential development project on the Property. The re-zoning applications or site plan approval application shall be signed by Seller and shall request zoning or site plan approval to accommodate a multi-family residential development with such re-zoning or approval to take effect on or before the Closing Date. If the Property is not zoned for multi-family development or if site plan approval is not received by the necessary authorities from the City of Venus/County of Johnson on or before such date, Purchaser may terminate this Agreement and receive full return of the Earnest Money and any Extension Fees.

Title Insurance Commitment

4.03 The parties hereby instruct the Title Company to deliver to Purchaser and Seller (and the Surveyor) within twenty (20) days after the Effective Date, a title commitment covering the Property indicating all exceptions, if any, to Seller’s title (the “**Title Commitment**”) and binding the Title Company to issue at the closing an Owner’s Policy of Title Insurance issued by a title insurance company approved by Purchaser on the standard form of policy prescribed by the Texas Department of Insurance and in the full amount of the Purchase Price, together with legible copies of all documents constituting exceptions to Seller’s title (the “**Exception Documents**”).

Survey

4.04 It is agreed that following execution of this Agreement, Purchaser shall obtain an updated survey at Purchaser's expense (the "**Survey**"). The parties hereto agree that the metes and bounds description of the Property prepared by the surveyor, once approved by the Title Company, shall be substituted for Exhibit "A" attached to this Agreement.

Title Review

4.05 Purchaser shall have twenty (20) days (the "**Title Review Period**") after receipt of the Survey, the Title Commitment and the Exception Documents to notify Seller, in writing, of such objections as Purchaser may have to anything contained in the Title Commitment or the Survey. Any item contained in the Title Commitment, the Exception Documents or the Survey to which Purchaser does not object during the Title Review Period shall be deemed a "**Permitted Exception.**"

Cure or Removal of Unpermitted Exceptions and Encumbrances

4.06 If Purchaser delivers to Seller written objections within twenty (20) days after receipt of the Survey, Title Commitment and the Exception Documents, Seller shall in good faith attempt to cure (but has no obligation to cure) the objections prior to Closing. If by Closing, Seller, in good faith, is unable to cure such defects, then Purchaser as its sole remedy may either (i) terminate this Agreement and receive a full refund of the Earnest Money or (ii) waive the objections and accept such title as Seller is able to convey (with each uncured objection being also deemed a Permitted Exception).

ARTICLE V. CONDITION OF PROPERTY AND FEASIBILITY PERIOD

5.01 Seller shall deliver possession of the premises to Purchaser in its present condition "AS IS, WHERE IS AND WITH ALL FAULTS."

5.02 IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING CONVEYED "AS IS, WHERE IS AND WITH ALL FAULTS". THE OCCURRENCE OF THE CLOSING SHALL CONSTITUTE AN ACKNOWLEDGEMENT BY PURCHASER THAT THE PROPERTY WAS ACCEPTED WITHOUT REPRESENTATION OR WARRANTY, STATUTORY, EXPRESS OR IMPLIED, AND OTHERWISE IN AN "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION BASED SOLELY ON PURCHASER'S OWN INSPECTION THEREOF AND THE PROVISIONS OF THIS PARAGRAPH HEREIN, AS WELL AS THE FOLLOWING PARAGRAPH WHICH PARAGRAPH SHALL BE INCORPORATED INTO THE DEED CONVEYING SUCH PROPERTY:

SELLER CONVEYS THE PROPERTY "AS IS", "WHERE IS" AND "WITH ALL FAULTS." SELLER DISCLAIMS ALL EXPRESS WARRANTIES (OTHER THAN THE WARRANTY OF TITLE CONTAINED HEREIN), ALL STATUTORY WARRANTIES, AND ALL IMPLIED WARRANTIES WITH RESPECT TO THE PROPERTY CONVEYED HEREBY, ALL WARRANTIES OF HABITABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. SELLER DISCLAIMS ALL REPRESENTATIONS OTHER THAN FOR THOSE SET FORTH IN THIS EARNEST MONEY CONTRACT FOR THIS PROPERTY.

5.03 PURCHASER ACKNOWLEDGES THAT PURCHASER SHALL FULLY INSPECT THE PROPERTY AND THAT NO STATEMENT OR DECLARATION, REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, HAS BEEN MADE BY SELLER, OR BY ANY OFFICER, EMPLOYEE, AGENT OR SALES REPRESENTATIVE OF SELLER TO PURCHASER CONCERNING ANY MATTER RESPECTING THE PROPERTY WHICH HAS BEEN RELIED ON BY PURCHASER IN ENTERING INTO THIS AGREEMENT OR WHICH HAS FORMED AN INDUCEMENT TO PURCHASER TO ENTER INTO THIS AGREEMENT.

Feasibility Period

5.04 Purchaser may terminate this Agreement for any reason on or before August 15, 2019 (the "Feasibility Period") by providing Seller written notice of termination subject to the following conditions:

(a) If this Agreement is terminated by Purchaser on or before June 30, 2019, the Earnest Money will be refunded to Purchaser.

(b) If this Agreement is terminated by Purchaser after June 30, 2019 but prior to or on August 15, 2019, the Earnest Money will be refunded to Purchaser less \$10,000.00 that Seller will retain as independent consideration for Purchaser's unrestricted right to terminate during this time.

(d) Purchaser has tendered the independent consideration to Seller upon payment of the amount specified in Article III above. The independent consideration is to be credited to the Purchase Price only upon closing.

Representations by Seller

5.05 Seller represents and warrants the following:

(a) Seller has full right, title and authority to enter into this Agreement, and that no other party has any right, option, interest, or claim to all or any part of the Property, whether subject to earnest money contract, option agreement, right of first refusal, reversionary or future interests; and this Agreement, when executed and delivered

by Seller and Purchaser will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms.

- (b) Seller is not a “foreign person” within the meaning of Section 1445 of the Internal Revenue Code of 1986 (i.e., Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate, as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder).
- (c) No party has or shall have on the Closing Date any rights in the Property, or any right to acquire the Property.
- (d) There are no tenant leases covering any part of the Property and Purchaser shall have full right to possession of the Property after closing.
- (e) There are no actions, suits, claims, assessments, or proceedings pending, to Seller’s actual knowledge, threatened, against the Property.
- (f) From the date hereof through Closing Date, Seller will not create, nor consent to any changes in the condition of title (except as provided in (a) above), except liens that will be paid at closing.
- (g) To Seller’s actual knowledge, Seller has received no notice of any alleged, threatened or actual violation of any law, ordinance or regulation.
- (h) To Seller’s actual knowledge, there is no pending condemnation or similar proceeding affecting the Property, or any portion thereof, nor does Seller have any actual knowledge that any such action is presently contemplated; nor to the actual knowledge of Seller are there any pending public improvements in, about or outside the Property that will in any manner affect access to the Property or result in additional assessments against the Property.
- (i) No attachment, execution, assignment for the benefit of creditors, receivership, conservatorship or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relieve laws has been filed by or against Seller or the Property nor to Seller’s actual knowledge is any such action contemplated or pending by or against Seller or the Property.
- (j) To Seller’s actual knowledge, Seller has not caused or permitted any Hazardous Materials to be used, generated, released, discharged, stored, disposed, placed, handled or transported on, under, in, above, to or from the Property or any part thereof. For the purposes of the foregoing representations and warranties, (i) “Hazardous Materials” shall mean any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9602 et seq.), as amended

from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance; (vi) any substance the presence of which on the Property is prohibited by any federal, state, county, municipal or other local governmental statutes, regulations, ordinances or resolutions; and (vii) any other substance which by any federal, state, county, municipal or other local governmental statutes, regulations, ordinances or resolutions require special handling or notification in its collection, storage, treatment or disposal.

- (k) From and after the Effective Date hereof and prior to the Closing Date, Seller shall not, without Purchaser's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), execute or enter into any development, restrictive covenant agreements, leases, licenses, easements or other material contracts or agreements of any kind or nature affecting the Property, or any portion thereof.

5.06 THE PROVISIONS OF THIS SECTION V SHALL SURVIVE THE CLOSING AND THE DELIVERY OF THE DEED FOR A PERIOD OF TWELVE (12) MONTHS.

ARTICLE VI. PURCHASERS' REPRESENTATIONS

6.01 Purchaser has taken all corporate and other action necessary to approve and effect the transaction contemplated hereby and authorize execution of this Agreement by the individuals who are executing it. Purchaser is a duly formed and validly existing business in the jurisdiction where the Property is located.

6.02 The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of or constitute a default under, the Purchaser's organizing document, any agreement of Purchaser or any instrument to which Purchaser is a party or by which Purchaser is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

ARTICLE VII. CLOSING

7.01 Closing shall occur at the Title Company's office on or before 30 days after the expiration of the Feasibility Period (the "**Closing Date**"). General real estate taxes for the year of closing relating to the Property shall be prorated as of the Closing Date. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of taxes shall be upon the basis of the most recently approved tax rates applied to the latest assessed valuation and adjusted when actual figures are available. There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds.

Seller will pay any “rollback” taxes assessed for the periods prior to closing, and pay or credit to Purchaser Seller’s pro-rata share of taxes for the year of closing. Purchaser shall assume the payment of taxes for the year of closing, and thereafter.

Extension of Closing Date

7.02 Purchaser shall have the right to extend the Closing Date for five (5) additional periods of thirty (30) days each for a fee of \$2,500.00 (“**Extension Fee**”) per extension period. All Extension Fees shall be paid to the Title Company and shall be immediately released to Seller and non-refundable but applicable to the Purchase Price.

7.03 All costs and expenses of closing in consummating the sale and purchase of the Property shall be borne and paid as follows:

- (a) Surveys and studies commissioned by Purchaser to be paid by Purchaser.
- (b) Purchaser’s owner’s title policy shall be paid by Seller for a title insurance policy with an insured face value of the Purchase Price;
- (c) Recording fees paid by Purchaser.
- (d) Title Company charges for escrow fees and messenger fees to be paid fifty percent (50%) by Seller and fifty percent (50%) by Purchaser. Incidental fees and fees incurred to remove standard exceptions from the title policy to be paid by Purchaser; tax certificates to be paid by Seller.
- (e) All costs and fees associated with platting and re-zoning of the Property shall be paid by Purchaser.

7.04 Seller’s Responsibilities. The obligations of Purchaser hereunder shall be subject to the delivery to Purchaser at Closing, of the following documents, all of which shall be fully executed at Seller’s sole cost and expense:

- (a) A commitment for an Owner’s Policy of Title Insurance for the Property issued by the Title Company in the full amount of the Sales Price, dated as of the Closing Date, insuring Purchaser’s fee simple title to the Property and access easements associated with the Property to be good and indefeasible subject only to the Permitted Exceptions, and the standard printed exceptions contained in the usual form of the Title Policy.
- (b) Special Warranty Deed in the form and substance substantially similar to that attached hereto as **Exhibit B** conveying to Purchaser the Property, subject only to the Permitted Exceptions and such additional encumbrances as Purchaser shall agree upon.

- (c) A Non-Foreign Certificate in accordance with Section 1445 of the Internal Revenue Code.
- (d) Reasonable evidence (satisfactory to the Title Company) of Seller's capacity and authority for closing this transaction.
- (e) Other documents reasonably requested by the Title Company as administrative requirements for closing this transaction.

7.05 Purchaser's Responsibilities. On the Closing Date, Purchaser shall deliver to Seller, at Purchaser's sole cost and expense, the following:

- (a) The Purchase Price of the Property paid in "good funds".
- (b) Reasonable evidence (satisfactory to the Title Company) of Purchaser's capacity and authority for closing this transaction.
- (c) Other documents reasonably requested by the Title Company as administrative requirements for closing this transaction.

ARTICLE VIII. BREACH BY SELLER

In the event of a breach of this Agreement by Seller, Purchaser's only remedy against Seller shall be (i) the return to Purchaser of the Purchaser's Earnest Money and any Extension Fees, if applicable, or (ii) enforce specific performance of this agreement. Purchaser waives all other rights, remedies and damages. If Purchaser shall choose to have the Earnest Money and any Extension Fees, if applicable, refunded, Seller shall deliver to Purchaser an executed release within five (5) days of demand on a form approved by the title company, releasing the Title Company and Purchaser from all known and unknown liabilities and claims, including claims to the Earnest Money and directing the Title Company to pay the Earnest Money and Extension Fees, if applicable, to Purchaser. Purchaser shall likewise, execute such release, releasing Seller from all known and unknown claims. If Seller fails to timely and duly execute such a release to Purchaser within five (5) days of demand, Purchaser shall be entitled to elect and recover other damages and/or remedies.

ARTICLE IX. BREACH BY PURCHASER

In the event of a breach of this Agreement by Purchaser, Seller's only remedy against Purchaser shall be the payment to Seller of the Earnest Money and any paid Extension Fees, which shall be paid to Seller as Seller's sole remedy, provided that Purchaser delivers to Seller within five (5) days of demand, all surveys, reports and studies relating to the Property and an executed release within five (5) days of demand on a form approved by the title company, releasing the Title Company and Seller from all known and unknown liabilities and claims, including claims to the Earnest Money, Extension Fees and/or the Property and directing the Title Company to pay the

Earnest Money and any Extension Fees to Seller. Seller shall likewise, execute such release, releasing Purchaser from all known and unknown claims. Seller waives all other rights, remedies and damages.

ARTICLE X.
BROKERAGE FEES

Seller will pay all brokerage fees. Seller will pay a sales commission equal to three percent (3%) of the purchase price to Wiens Real Estate upon closing of this transaction.

ARTICLE XI.
MISCELLANEOUS

Ingress/Egress Access Road

Purchaser agrees to construct ingress/egress access road using reinforced concrete that conforms to all codes and standards required and further agrees to create curb-cut and/or carve-outs to adjacent properties for future use of said ingress/egress access road. Both Purchaser and Seller agree to reasonable cooperate on design and placement of said access road and curb-cuts to benefit adjacent properties. If the ingress/egress access road is not a dedicated public road, Purchaser agrees to grant a perpetual appurtenant access easement to Seller and Seller's assigns for the benefit of the balance of Seller's property adjacent to the Property.

Assignment of Contract

Purchaser shall have the right to assign this Agreement.

Notice

All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing by either: (i) personally delivered to the intended recipient; (ii) sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified on the signature page hereof; (iii) delivered in person to the address set forth on the signature page hereof for the party to whom the notice was given; (iv) deposited into the custody of a nationally recognized overnight delivery service such as Federal Express, addressed to such party at the address specified on the signature page hereof; or (v) sent by e-mail and facsimile provided that receipt for such facsimile is verified by the sender and followed by a notice sent in accordance with one of the other provisions set forth above. Notices shall be effective on the date of delivery or receipt, or if delivery is not accepted, on the earlier of the date that delivery is refused or three (3) days after the notice is mailed. For purposes hereof, the addresses of the parties for all notices are as set forth on the signature pages hereof (unless changed by similar notice in writing given by the particular person whose address is to be changed).

Texas Law to Apply

This contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Johnson County, Texas.

Parties Bound

This contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this contract.

Prior Agreements Superseded

This Agreement between Seller and Purchaser, constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

Effective Date

Time is of the essence hereof. For purposes of calculation of all time periods mentioned herein, the effective date of this Agreement (the “**Effective Date**”) shall be the date upon which the Title Company receipts for a fully executed copy of this Agreement.

Compliance

In accordance with the requirements of Section 28 of the Texas Real Estate License Act, Purchaser is hereby advised that it should be furnished with or obtain a policy of title insurance or have the abstract covering the Property examined by an attorney of its own selection.

Holidays

In the event that the date upon which any duties or obligations hereunder to be performed shall occur upon a Saturday, Sunday or legal holiday, then, in such event, the due date for performance of any duty or obligation shall thereupon be automatically extended to the next succeeding business day.

Counterpart Execution

To facilitate execution, this Agreement may be executed in as multiple counterparts. It shall not be necessary that the signature of all persons required to bind any party appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the

legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages. Copies of signature pages to this Agreement are effective as original signatures.

[Remainder of page intentionally left blank.]

SELLER:

RABWA INVESTMENT, LLC

By: M Refai
Name: Mhd ~~Q~~aher Alrefai
Date: 1/7/2019

By: Kalid
Name: khaldoun Takieddin
Date: 1/7/2019

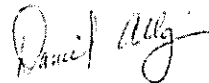
By: hassan husaini
Name: Hassan Alhusaini
Date: 1/7/2019

ADDRESS OF SELLER:

3827 Club Crest Ct.
Grand Prairie, TX 75052
Phone: _____
Email: _____

PURCHASER:

LAKWOOD PROPERTY MANAGEMENT, LLC
a Texas Limited Liability Company




By: _____
Dan Allgeier, Manager

ADDRESS OF PURCHASER:

6333 E. Mockingbird Lane, Suite 147-903
Dallas, Texas 75214
E-mail: dan@lakewoodmanagement.com

RECEIPT PAGE

Earnest Money Contract received by
Commonwealth Land Title Insurance Company
8 January 2019

By: 

James P. Lazar, Vice President

EXHIBIT "A"

DESCRIPTION OF THE PROPERTY

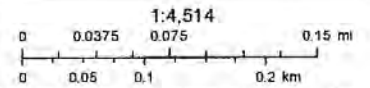
RABWA INVESTMENT LLC



December 6, 2018

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.

- Parcels
- Abstracts



Source: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand)

Johnson County Appraisal District, BIS Consulting - www.bisconsultants.com
Esri, HERE, Garmin, INCREMENT P, NGA, USGS | Esri, HERE |

19266
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: dan@lakewoodmanagement.com
Cc: "Matt Higgins"
Subject: 19266 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 12:47:00 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19266 County Line Lofts**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request questions the Applications eligibility for 8.5 points under Local Government Support as on March 1, 2019 the Site was located in the ETJ of the City of Venus and the Applicant only submitted a resolution of support from the City of Venus. Per the request, annexation of the Site did not occur until after the Application was submitted.

1. Explain how the Application is eligible for the points requested under 10 TAC §11.9(d)(1) (B).

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the

satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable

housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19266
Deficiency Response(s)

From: dan@lakewoodmanagement.com
To: [Sharon Gamble](#)
Cc: "[Matt Higgins](#)"
Subject: RE: 19266 - 9% HTC Application Deficiency Notice
Date: Friday, May 10, 2019 4:49:38 PM

In response to the Third Party Request for Administrative Deficiency (RFAD) regarding application 19266, County Line Lofts, we offer the following response. The site for this application was in the process of voluntary annexation into the Venus City Limits on the application date - March 1, 2019. It was annexed on April 8, 2019. The applicant had no control over the annexation process timeline. The land sellers had to submit the annexation request and did so but in part because of a change in Venus City personnel, the process was delayed. The first reading was held February 25, 2019 without objections before the application date, however. The required multiple public hearings and timeline for annexation are statutory. The site is now in the City Limits and the County has no control over the development process.

Although approached for a resolution of support, Johnson County Commissioner's Court refused to even place a request for a support resolution on their agenda because they have no history of providing support resolutions for housing tax credit projects and because of the pending annexation.

We request that TDHCA retain the 17 points for Local Government Support as the site is in the City Limits and the City has supplied a support resolution.

Dan Allgeier
Lakewood Property Management, LLC

From: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Sent: Monday, May 6, 2019 12:47 PM
To: dan@lakewoodmanagement.com
Cc: 'Matt Higgins' <mhiggins@msh-icservices.com>
Subject: 19266 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19266 County Line Lofts**. The request includes information that was

19277

Request for Administrative Deficiency



600 Congress, Suite 2200
Austin, TX 78701
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Cynthia L. Bast
Direct Telephone: 512-305-4707
Direct Fax: 512-391-4707
cbast@lockelord.com

May 1, 2019

Via Electronic Mail and Hand Delivery

Texas Department of Housing and Community Affairs
Attn.: Ms. Marni Holloway, Dir of Multifamily Finance
Attn.: Ms. Sharon Gamble, 9% HTC Program Administrator
221 East 11th Street
Austin, Texas 78701

RE: Cielo Place, #19277 ("**Cielo Place**")
Third Party Request for Administrative Deficiency

Dear Ms. Holloway and Gamble:

We represent the applicant for Palladium Fain Street, #19008 ("**Fain Street**"). In accordance with Section 11.10 of the 2019 Rules, our client is bringing material information about Cielo Place to staff's attention. Our client is requesting that staff consider whether the matters described in this letter and supporting documentation should be the subject of one or more Administrative Deficiencies¹. A copy of this request has been delivered concurrently to a representative for Cielo Place.

Statement of Position

Pursuant to Section 11.9(d)(7)(A)(iv)(II) of the Rules, each of Cielo Place and Fain Street is seeking two (2) points for location within the boundaries of a concerted revitalization plan and providing a resolution from the municipality that its respective Development contributes more than any other to the concerted revitalization efforts of the municipality (the "**CRP Contribution Points**"). The proposed Development for each Application is located in the Neighborhood Empowerment Zone Area 4 ("**NEZ 4**"). Cielo Place attempts to distinguish itself as being part of the Six Points Urban Village (the "**Urban Village**"). Because the Urban Village is wholly contained within NEZ 4, it is not a separate and distinct area. Therefore, Cielo Place should not be entitled to the CRP Contribution Points under Section 11.9(d)(7)(A)(iv)(II) of the Rules.

¹ Capitalized terms used but not defined in this letter shall have the meanings given them in TDHCA's Qualified Allocation Plan (the "**Rules**").

Ms. Marni Holloway
Ms. Sharon Gamble
May 1, 2019
Page 2

Facts and Legal Discussion

Both Cielo Place and Fain Street are located wholly within NEZ 4, as evidenced by the map attached as **Exhibit A**. **The two Developments are less than a mile from one another.** In its CRP Application Packet, Cielo Place does not seek the CRP Contribution Points for being in NEZ 4; it attempts to distinguish itself from Fain Street by identifying its location in the Urban Village.

Section 11.9(d)(7)(A)(iv)(II) of the Rules states:

A municipality or county may only identify one Development per CRP area during each Application Round for the additional points under this subclause, unless the concerted revitalization plan includes more than one **distinct area** within the city or county, in which case a resolution may be provided for each Development in its respective area. (emphasis added)

In correspondence with representatives of our client, Fain Street, TDHCA staff confirmed that for both Applicants to receive points, they would need to be in "separate, distinct areas." See **Exhibit B**.

The CRP Application Packet for Cielo Place does not substantiate the Applicant's request for the CRP Contribution Points for being in the Urban Village. A letter from the City of Fort Worth, included with the CRP Application Packet for Cielo Place, attempts to validate Cielo Place's eligibility for these points. The City fails to establish a distinction between the Urban Village and NEZ 4 that is necessary for the points to be awarded. In fact, the City also provided such a letter for Fain Street, and the similarities between the two letters are notable. See excerpts from the City's letter for Cielo Place and Fain Street as **Exhibit C**. The language is almost identical. As each letter goes through the required elements for CRP Contribution Points, each letter refers to NEZ 4. In other words, the City's letter for Cielo Place does not describe how the Urban Village CRP is distinct from NEZ 4. If the City cannot distinguish between the Urban Village and NEZ 4, how can TDHCA do so?

Quite simply, there is no evidence that the Urban Village in which Cielo Place is located is separate and distinct from NEZ 4, in which Fain Street is located. Rather, the Urban Village is totally subsumed by NEZ 4. Fain Street is the only Application that has a resolution from the City Council for CRP Contribution Points in NEZ 4. Therefore, Fain Street should receive the CRP Contribution Points and the CRP Contribution Points for Cielo Place should be revoked.

Thank you for your consideration in this matter. If you require any further information or clarification, please feel free to contact us.

Sincerely,



Cynthia L. Bast

Ms. Marni Holloway
Ms. Sharon Gamble
May 1, 2019
Page 3

cc: Tom Huth
Palladium Fain Street Applicant
13455 Noel Road, Suite 400
Dallas, Texas 75240
thuth@palladiumusa.com

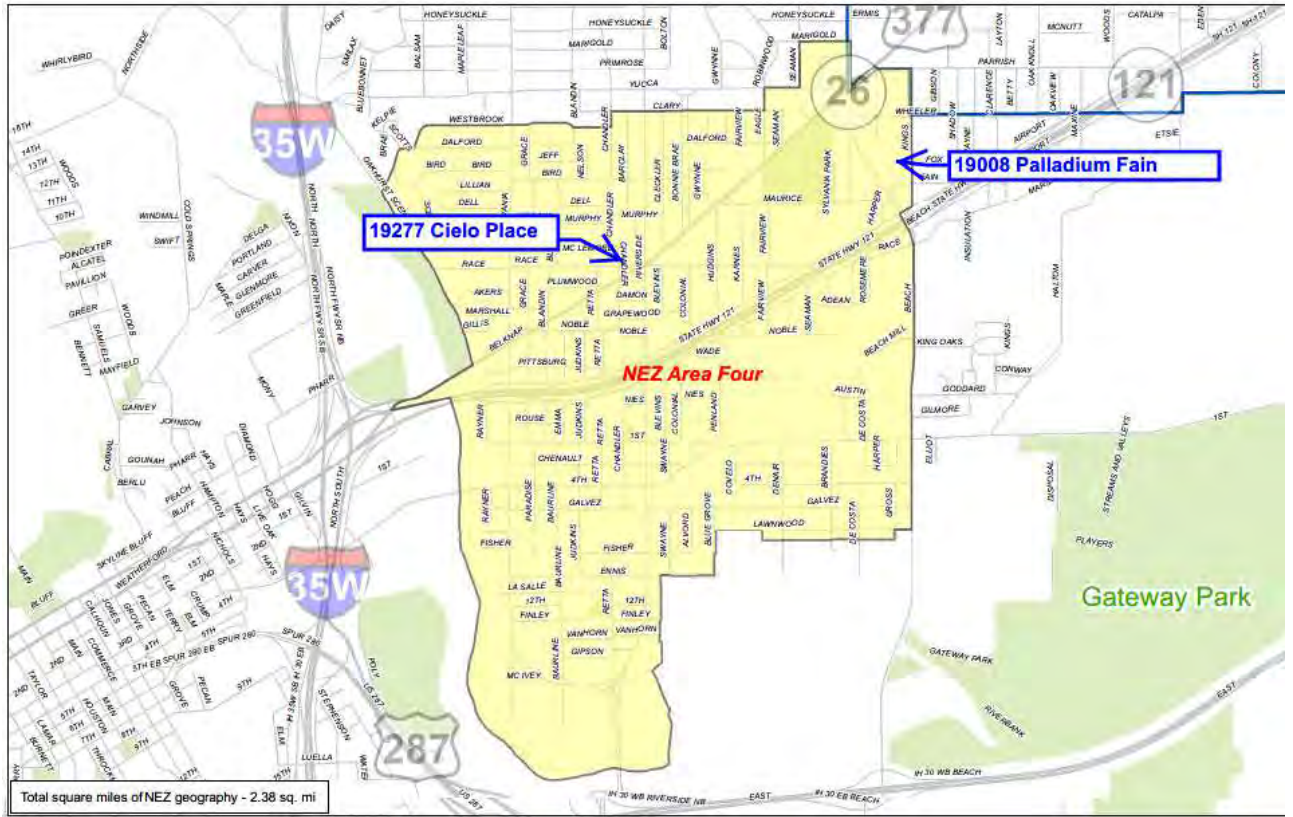
Linda Brown and Sara Reidy
Palladium Fain Street Consultant
2010 Kessler Parkway
Dallas, Texas 75208
lbrown@cldctx.com
sreidy@cldctx.com

Lisa Stephens
Cielo Place Applicant
5501-A Balcones Dr. #302
Austin, Texas 78731
lisa@saigebrook.com

Alyssa Carpenter
Cielo Place Consultant
1305 E 6th, Suite 12
Austin, Texas 78702
ajcarpen@gmail.com

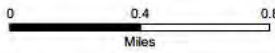
Exhibit A Map of NEZ 4
Exhibit B Email Correspondence with TDHCA Staff
Exhibit C Excerpts from Both CRP Application Packets

Exhibit A
Map of NEZ 4



Neighborhood Empowerment Zone Area Four

NEZ Area Four
 City Limits



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Exhibit B

Email Correspondence with TDHCA Staff

From: Linda Brown
Sent: Friday, February 1, 2019 5:16 PM
To: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Marni Holloway <marni.holloway@tdhca.state.tx.us>
Cc: John Shackelford <jshackelford@shackelford.law>
Subject: Re: Question Related to CRP

Thank you Marni. That helps. LB

Get [Outlook for Android](#)

From: Marni Holloway
Sent: Friday, February 1, 5:15 PM
Subject: RE: Question Related to CRP
To: Linda Brown, Sharon Gamble
Cc: John Shackelford

Hi Linda –

In order for both to receive points, they would have to be in separate, distinct areas. The areas could both be described in one plan, or they can be in separate plans. The sites would each have to contribute most to the area described in the plan(s).

Let us know if there are any questions –

Thanks,
Marni

Marni Holloway
Multifamily Finance Director
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
(512) 475-1676

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).

About TDHCA

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From: Linda Brown <lbrown@cldctx.com>
Sent: Friday, February 01, 2019 3:36 PM
To: Marni Holloway <marni.holloway@mail.tdhca.state.tx.us>; Sharon Gamble <sharon.gamble@mail.tdhca.state.tx.us>
Cc: John Shackelford <JShackelford@Shackelford.law>
Subject: Question Related to CRP

Marni/Sharon,

If a City by Resolution determines two proposed tax credit developments in the same concerted revitalization plan area as the development contributing more than any other development, how will you evaluate the additional point? Will both developments receive the 2 points or will they cancel each other out and no additional points are earned? Or some other way?

Thank you, LB

***Please note my email address has changed. Please update your contact list.
Thank you.***

Linda S. Brown
Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, TX 75208
214-941-0090 – Office
888-811-2360 – Fax
lbrown@cldctx.com



Exhibit C

Excerpts from Both CRP Application Packets

Excerpt from City of Fort Worth Letter

Cielo Place

(1) An application may qualify to receive points if the Development Site is located in a distinct area that was once vital and has lapsed into a condition requiring concerted revitalization, and where a concerted revitalization plan (“plan” or “CRP”) has been developed and executed.

What is now NEZ Area 4 was once the vibrant Riverside neighborhood which was connected to downtown Fort Worth in the early 1900s by a bridge over the Trinity River. By the 1980s the neighborhood and surrounding area began to experience a decline in part because middle-income families from central city areas like Riverside began moving to the new suburban neighborhoods. The Riverside area’s income and demographic profile began to change in the 1990s. By 2000, neighborhood residents worked with the City on strategies that could lead to community revitalization. This public engagement and new state laws offered options for the City to put into place a concerted revitalization plan for the Riverside neighborhood, now incorporated into new NEZ Area 4 and Reinvestment Zone 4R. The creation of the Six Points Urban Village followed in 2005 and its Master Plan in 2007.

Excerpt from City of Fort Worth Letter

Fain Street

(1) An application may qualify to receive points if the Development Site is located in a distinct area that was once vital and has lapsed into a condition requiring concerted revitalization, and where a concerted revitalization plan (“plan” or “CRP”) has been developed and executed.

What is now NEZ Area 4 was once the vibrant Riverside neighborhood connected to downtown by a bridge across the Trinity River in the early 1900s. By the 1980s the neighborhood and surrounding area began to experience a decline in part because middle-income families from central city areas like Riverside began moving to the new suburban neighborhoods. The Riverside area’s income and demographic profile began to change in the 1990s. Aging houses and once new apartments became attractive to families with less income which burdened the businesses serving the community. By 2000, neighborhood residents worked with the City on strategies that could lead to community revitalization. This public engagement and new state laws offered options for the City to put into place a concerted revitalization plan for the Riverside neighborhood, now incorporated into new NEZ Area 4 and Reinvestment Zone 4R.

Excerpt from City of Fort Worth Letter

Cielo Place

(I) The concerted revitalization plan, or each of the local planning documents that compose the plan, must have been adopted by the municipality or county in which the Development Site is located. The resolution adopting the plan, or if development of the plan and budget were delegated, the resolution of delegation and other evidence in the form of certifications by authorized persons confirming the adoption of the plan and budget, must be submitted with the application.

As shown in the attached Resolutions and M&C, NEZ Area 4 was adopted by City Council in 2019 for a period of 5 years. The attached M&C G-15010 shows the adoption of the Six Points Urban Village and the attached M&C G-15990 shows the adoption of its related Master Plan.

Excerpt from City of Fort Worth Letter

Fain Street

(I) The concerted revitalization plan, or each of the local planning documents that compose the plan, must have been adopted by the municipality or county in which the Development Site is located. The resolution adopting the plan, or if development of the plan and budget were delegated, the resolution of delegation and other evidence in the form of certifications by authorized persons confirming the adoption of the plan and budget, must be submitted with the application.

As shown in the attached Resolutions and M&C, NEZ Area 4 was adopted by City Council in 2019 for a period of 5 years.

Excerpt from City of Fort Worth Letter

Cielo Place

(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. Eligible problems that are appropriate for a concerted revitalization plan may include the following:

Stakeholder meetings were held in 2017 and throughout 2018 on the City's NEZ policy and the individual NEZs. On January 29, 2019, the City Council held a final public hearing regarding the designation of the six new NEZ areas including NEZ Area 4. This lengthy series of City-wide meetings and public hearings afforded a reasonable opportunity for all interested persons to speak. A similar public process of stakeholder meetings and public hearings was followed prior to the designation of the Six Points Urban Village and its Master Plan.

Excerpt from City of Fort Worth Letter

Fain Street

(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. Eligible problems that are appropriate for a concerted revitalization plan may include the following:

Stakeholder meetings were held in 2017 and throughout 2018 on all of the City's NEZs and its NEZ policy. On January 29, 2019, the City Council held a final public hearing regarding the designation of the six new NEZ areas including NEZ Area 4. This lengthy series of City-wide meetings and public hearings afforded a reasonable opportunity for all interested persons to speak.

Excerpt from City of Fort Worth Letter

Cielo Place

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, streets infrastructure neglect, and/or sidewalks in significant disrepair;

(-b-) declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(-c-) lack of a robust economy for that neighborhood area, or, if economic revitalization is already underway, lack of new affordable housing options for long-term residents.

The 2018 City's Comprehensive Plan states "Neighborhood Empowerment Zone (NEZ) Program is a City Council initiative encouraging central city revitalization. Development incentives such as tax abatements and fee waivers, authorized by state law, have been approved by the City Council." NEZ Area 4 (including the Six Points Urban Village) qualified as a NEZ because it met the criteria for Reinvestment Zone designation including the following:

1. The area is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the area and that would contribute to the economic development of the City; and
2. The area is substantially arresting and impairing the sound growth of the municipality creating the zone because of the presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures.
3. The area be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality.

Excerpt from City of Fort Worth Letter

Fain Street

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, streets infrastructure neglect, and/or sidewalks in significant disrepair;

(-b-) declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(-c-) lack of a robust economy for that neighborhood area, or, if economic revitalization is already underway, lack of new affordable housing options for long-term residents.

The 2018 City's *Comprehensive Plan* states, "Neighborhood Empowerment Zone (NEZ) Program is a City Council initiative encouraging central city revitalization. Development incentives such as tax abatements and fee waivers, authorized by state law, have been approved by the City Council." NEZ Area 4 qualified as a NEZ because it met the criteria for Reinvestment Zone designation including the following:

1. The area is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the area and that would contribute to the economic development of the City; and
2. The area is substantially arresting and impairing the sound growth of the municipality creating the zone because of the presence of a substantial number of substandard, slum, deteriorated, or deteriorating structures.
3. The area be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality.

19277

Administrative Deficiency Notice(s)

None Required

19301

Request for Administrative Deficiency

First Request



May 1, 2019

Ms. Sharon Gamble
Administrator, Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Via: sharon.gamble@tdhca.state.tx.us

Re: Prince Hall, Port Arthur, Application #19301

Dear Ms. Gamble,

I am writing to formally submit a Request for Administrative Deficiency for TDHCA #19301 Prince Hall in Port Arthur, Texas. This request relates to the Phase I ESA and the Applicant's disclosure in Tab 2, both of which consist of an insufficient assessment of the Development Site's environmental risks, which we believe render the Site inappropriate for housing, in accordance with 10 Texas Administrative Code ("TAC") §11.101(a)(2)(J) and (K). This letter and the enclosed supporting materials show that there are Undesirable Site Features located within unacceptable distances to the proposed Development and that the subsequent exposure to environmental factors cannot be adequately mitigated. In light of these Undesirable Site Features, we ask that the Department relay to the Board that the Development Site is not acceptable and recommend that the Development Site be found ineligible for funding from the Department.

Proximity to Refineries

Adopted on December 21, 2018, 10 TAC §11.101(a)(2) states that a Development Site proposed within 2 miles of a refinery capable of refining more than 100,000 barrels of oil daily will be considered ineligible for Department financing unless mitigation is possible. The current location of Prince Hall places residents within one half mile of several environmental risks, including three refineries capable of refining more than 100,000 barrels of oil per day:

1. the Air Products Port Arthur Facility located on the Valero Port Arthur Refinery Property (Air Products Refinery);
2. the Premcor Refining Group Port Arthur Refinery (Premcor Refinery); and
3. the Motiva Oil Refinery (Motiva Refinery), **which is the largest refinery in the United States.**

The latter two of these collectively refine more than 900,000 barrels of crude oil per day, which is nine times larger than TDHCA's standard of 100,000 barrels for reporting refinery production capabilities as an undesirable site feature.

Although the Applicant for Prince Hall did disclose the proximity to these refineries in Tab 2 and in the Phase I ESA, the Applicant did not adequately disclose the health and safety risks of the proposed site **nor**

did the Applicant make any mention of mitigation efforts to reduce these risks to residents. In fact, the current violations assessed against Premcor and Motiva indicate that mitigation is not underway and that public health is at risk any time the facility is out of compliance. Based on the first clause of 10 TAC §11.101(a)(2), which states that development sites “will be considered ineligible unless it is determined by the Board that **information regarding mitigation** of the applicable undesirable site feature(s) is sufficient...”, the Application’s lack of any information regarding mitigation should constitute ineligibility.

Environmental Compliance History

The EPA’s Enforcement and Compliance History Online (ECHO) database shows that within one mile of the proposed Prince Hall site, there are 16 EPA-regulated facilities, seven of which have current violations and two of which have significant violations. Incidentally, the two facilities with significant violations are two of the three facilities listed above within one half mile of the site.

The first site with significant violations is the Premcor Refining Group Port Arthur Refinery (Facility #2, above). In addition to violating the Clean Water Act at its last inspection in August 2018, this facility was found to be in significant violation of the Clean Air Act and has been in significant violation consistently for the past 3 years. The other site with significant violations is the Motiva Port Arthur Refinery (Facility #3, above). This facility was found to be in significant violation of the Clean Air Act and has likewise been in significant violation consistently for the past 3 years. Please see pages 12 through 45 of the documentation packet for the full ECHO Detailed Facility Reports for these two refineries.

Premcor and Motiva have long histories of non-compliance. The Texas Commission on Environmental Quality (TCEQ) reports that since 2003, Premcor was assessed penalties totaling \$899,757 for 24 state or federal air quality violations. Although Premcor’s environmental non-compliance is significant, Motiva’s non-compliance is even more so. TCEQ reports that since 2004, Motiva was assessed penalties totaling \$2,598,246 for 32 state or federal air quality violations. Based on both long-standing and recent demonstrations of non-compliance, there is no indication that these two refineries will seek to comply with the law or conduct their operations in a manner that is protective of the public health, and especially the health of those residing just one half mile away from their operations. As such, mitigation or any expectation that these refineries will only emit pollutants within allowable limits is unlikely. Please see pages 313 through 317 of the documentation for the full TCEQ List of Administrative Orders Issued to Premcor Refining Group, Inc. and Motiva Enterprises, LLC.

Refinery Emission Readings and Health Impacts

Due to the site’s proximity to refineries Prince Hall residents are and will be exposed to several possible emissions risks:

1. emissions ‘upsets’ from unplanned maintenance events;
2. excessive emissions from poor maintenance and operations; and
3. slow and steady leaks of emissions from equipment above the permitted levels.

These risks are not speculative on our part, they were compiled from actual events that have occurred at the Premcor and Motiva Refineries.

At the Premcor refinery, In 2013, the operator failed to comply with the volatile organic compound (VOC) emission limitation in its permit. Premcor put 15.7 tons of unauthorized VOCs into the air due to a leak in its cooling tower. (See 2013-1862-AIR-E on pages 94-145 of the documentation packet). Among

other unauthorized releases, Premcor released 988.8 pounds of sulfur dioxide (SO₂) because of unplanned maintenance on a coke drum that resulted in over pressurization of the system. In its report on this matter, TCEQ states that the emissions event could have been avoided by better operation and/or maintenance. At the same site, mismanagement of operations resulted in more than 5 hours of unauthorized releases of 8,857 pounds of SO₂, 5,748.8 pounds of VOCs, 2,398 pounds of Carbon Monoxide (CO), 331 pounds of Nitrogen Oxides (NO_x), and 94.2 pounds of Hydrogen Sulfide (H₂S) emissions caused by on-site flares resulting from damaged wires in an electrical conduit (2015-0594-AIR-E on pages 46-93 of the documentation).

The operations at the Motiva Refinery are also concerning. The TCEQ stated in its enforcement order that Motiva failed to prevent 17,503 pounds of unauthorized SO₂ emissions due to an overload and overheating of three incinerators. (See 2014-1514-AIR-E). Again, operational errors at the refinery caused significant releases of harmful pollutants that present a danger to the residents.

Health Impact of Noxious Emissions

The accidental emissions listed above have real and lasting impact on the humans who are exposed to them. VOCs, Sulfur Dioxide, Carbon Monoxide, Nitrogen Oxides and Hydrogen Sulfides are all serious pollutants causing known and lasting harm to the human respiratory system when inhaled in excessive amounts. Each of these compounds has been linked to serious harm to humans by credible sources:

- The U.S. National Library of Medicine states that *VOCs cause eye, nose and throat irritation, frequent headaches, nausea, and can damage the liver, kidney and central nervous system.*
- Emissions of VOCs from industrial facilities contribute to elevated levels of ground-level ozone. Through ground-level ozone, the TCEQ links VOCs to *“acute respiratory health effects when people breathe high concentrations of it over several hours. These effects include decreased lung function and pain with deep breaths, and aggravated asthma symptoms.”*
- Exposure to SO₂ can harm the human respiratory system and make breathing difficult. People with asthma, particularly children, are sensitive to these effects of SO₂, according to the EPA.
- Also according to the EPA: *“Breathing air with a high concentration of NO₂ can irritate airways in the human respiratory system. Such exposures over short periods can aggravate respiratory diseases, particularly asthma, leading to respiratory symptoms (such as coughing, wheezing or difficulty breathing), hospital admissions and visits to emergency rooms. Longer exposures to elevated concentrations of NO₂ may contribute to the development of asthma and potentially increase susceptibility to respiratory infections.”*
- High concentrations of Carbon Monoxide are a particular concern for people with heart disease: According to the EPA, *“Breathing air with a high concentration of CO reduces the amount of oxygen that can be transported in the bloodstream to critical organs like the heart and brain.”* It is harder for people with heart disease to get oxygenated blood to their hearts when the heart needs more oxygen—for example when exercising. At very high levels, CO can cause dizziness, confusion, unconsciousness and death.
- According to the Agency for Toxic Substances and Disease registry, exposure to H₂S may *“cause irritation to the eyes, nose, or throat. It may also cause difficulty in breathing for some*

asthmatics. Respiratory distress or arrest has been observed in people exposed to very high concentrations of hydrogen sulfide.”

Pages 307 through 312 of the documentation show examples of recent complaints submitted to TCEQ from people in the area near the Prince Hall site. These include complaints of dust, foul odors, green/yellow Hydrogen Sulfide cloud sightings, and burning eyes and noses. The small sample of events provided here demonstrate that by exceeding the limits set in their permits, the refineries create a significant health risk and the site should be found ineligible for development with funds from TDHCA.

Premcor alone has emitted an overage of 15.7 tons of VOCs into the air near Prince Hall in the past. There are no guarantees that such a harmful level of emissions will not happen again. The TCEQ and EPA set limits for a reason – to ensure the safety of public health. There is no mitigation plan in place that can prevent accidental emissions and the adverse health effects they cause. And there is certainly no way the owner or developer of an affordable housing development near these refineries would be able to mitigate something so out of its own control.

2013 Disposition of Carver Terrace/Lincoln Square Apartments

The Applicant’s disclosure suggests that rehabilitating the existing Prince Hall will improve the quality of life for existing and future residents. Living in a new, modern building is without a doubt preferable to living in a dilapidated, outdated building, but the Applicant’s suggestion that the site of Prince Hall will increase quality of life for residents is in direct contradiction with the Port Arthur Housing Authority’s (PAHA) and the City of Port Arthur’s (City) own actions at adjacent properties. PAHA and the City recently undertook an extensive effort to relocate existing multifamily developments adjacent to this site to more environmentally-appropriate locations: Carver Terrace and Lincoln Square Apartments.

The two developments contained 204 units and PAHA proposed relocation to HUD on the basis that the *“conditions in the area surrounding the project adversely affect the health and safety of the tenants or the feasible operation of the project by PAHA.”* The City followed suit in this initiative by passing a resolution in December 2012, indicating the City’s desire to dispose of the 204 units *“more or less due to adverse neighborhood conditions that affect the quality of life for residents.”*

A 136-page memo from the Department of Housing and Urban Development (“HUD”), dated April 2013, details a number of negative environmental and low opportunity conditions present in the area. The memo is filled with substantive and alarming data regarding the conditions on the site and is included in its entirety with this letter. HUD concluded that conditions in the area justified the demolition and relocation of Carver Terrace and Lincoln Square Apartments. HUD concurred with PAHA’s determination that *“the disposition is in the best interest of the residents and the PHA because, due to changes in the neighborhood, the project no longer provides a healthy living environment.”* (Page 149 of enclosed documentation).

The HUD memo provides the following rationale for its decision: ***“Carver Terrace and Lincoln Square are properties located near two oil refineries (Motiva and Valero). The census tract and PH properties are about 99% minority (African American). There is a lack of employment for those with limited skills and businesses have moved out of the area; there are limited retail stores and social services; there is poor air quality and safety and environmental hazards due to the petrochemical industry; there is deteriorating infrastructure and increase in crime, decay and blight. The west side location is not conducive to a residential community.”*** (Page 190 of the documentation).

The HUD memo also references a Phase I Environmental Assessment from March 17, 2014, indicating ***“the property has been associated with 191 upset emissions events since January 2007, the largest of those occurring in September 2013.”*** (Page 208 of documentation).

Finally, HUD imposed several mitigation efforts and property conditions for the disposition and demolition of the properties, as a result of the 24 CFR Part 58 Environmental Review process. These measures were meant to *“protect the neighboring residences”* present *“due to the health and safety threats caused by the close proximity of the refineries,”* and included the following:

1. *The property will be converted to vacant land in perpetuity, enforced as a condition of sale through a deed restriction; and*
2. *The property must be fenced off to prevent unauthorized uses after it is vacant.* (page 155 of Documentation)

Clearly, HUD, PAHA and the City all concluded that the area was not safe for housing now, nor in the future.

Deficiencies in the ESA

In addition to the failure of the Applicant to provide mitigation efforts, we believe the ESA report for Prince Hall is also deficient. While they evaluate the same area and refineries, the report for Carver Terrace and Lincoln Square paints a much different picture than the report provided to TDHCA for Prince Hall. The Phase I ESA report for Prince Hall presents map imagery showing the site’s proximity to hazards like the refineries (see pages 146-172 of the Phase I), but the ESA provider fails to address the dozens of state and federal violations committed by Motiva Refinery **that are identified on pages 168 through 170 of the Phase I.**

Information regarding both state and federal violations is relevant to the determination of a site’s suitability for housing, and yet in spite of the presence of this information later on in the report, the ESA provider concludes on page 28 of the Phase I that *“there is no indication that the sites identified in the ASTM Standard Environmental Record Sources search have had or will have an environmental impact to the subject property.”* The Phase I makes no mention whatsoever of HUD’s findings in relation to the 2014 Part 58 Environmental Review for adjacent properties.

The findings in the ESA of a property adjacent to Prince Hall are of particular interest, **because they share a developer.** The managing member of the General Partner for the proposed Prince Hall application was part of the development team which requested the relocation of Carver Terrace and Lincoln Square and was responsible for developing the replacement units. The developer was likely in possession of information regarding the health and safety risk of the adjacent Carver Terrace/Lincoln Hall Apartments as evidenced by their being named an end user of the Phase I ESA report for Carver Terrace and Lincoln Square (page 213 of the packet).

Conclusions

Based on the information outlined in this letter, we believe that the inadequate assessment of Prince Hall’s Undesirable Site Features in the Phase I ESA, along with the project’s lack of mitigation, are grounds for termination. The threat that the surrounding refineries and other environmental risks pose to the health and safety of current and future residents, along with an absence of jobs, grocery stores, and other community amenities, make this Development Site unsuitable for housing. Moreover, the ESA provided

was inadequate and failed to disclose the true nature of the environmental hazards surrounding the proposed site.

Please let me know if you have any questions or concerns about this Request for Administrative Deficiency. A copy has been provided to the Applicant for Prince Hall.

Thank you for your consideration.

Sincerely,


A handwritten signature in black ink, appearing to read "Sarah Andre", with a long horizontal flourish extending to the right.

Sarah Andre
Development Consultant,
Structure Development
sarah@structuretexas.com
(512) 698-3369

Location of Prince Hall

934 W 14th Street,
Port Arthur, Texas

Legend

 Prince Hall

**MOTIVA
REFINERY**

**PREMCO
REFINING
GROUP**

MOTIVA

Google Earth

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© 2018 Europa Technologies

1 mi





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Facility Search Results

Missouri, Nebraska, North Carolina, Vermont, Washington, and West Virginia are working with EPA to fix problems with their Clean Water Act violation data. [Read More...](#)

Hide Map

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Report Violation



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Map Legend

Basemap Options

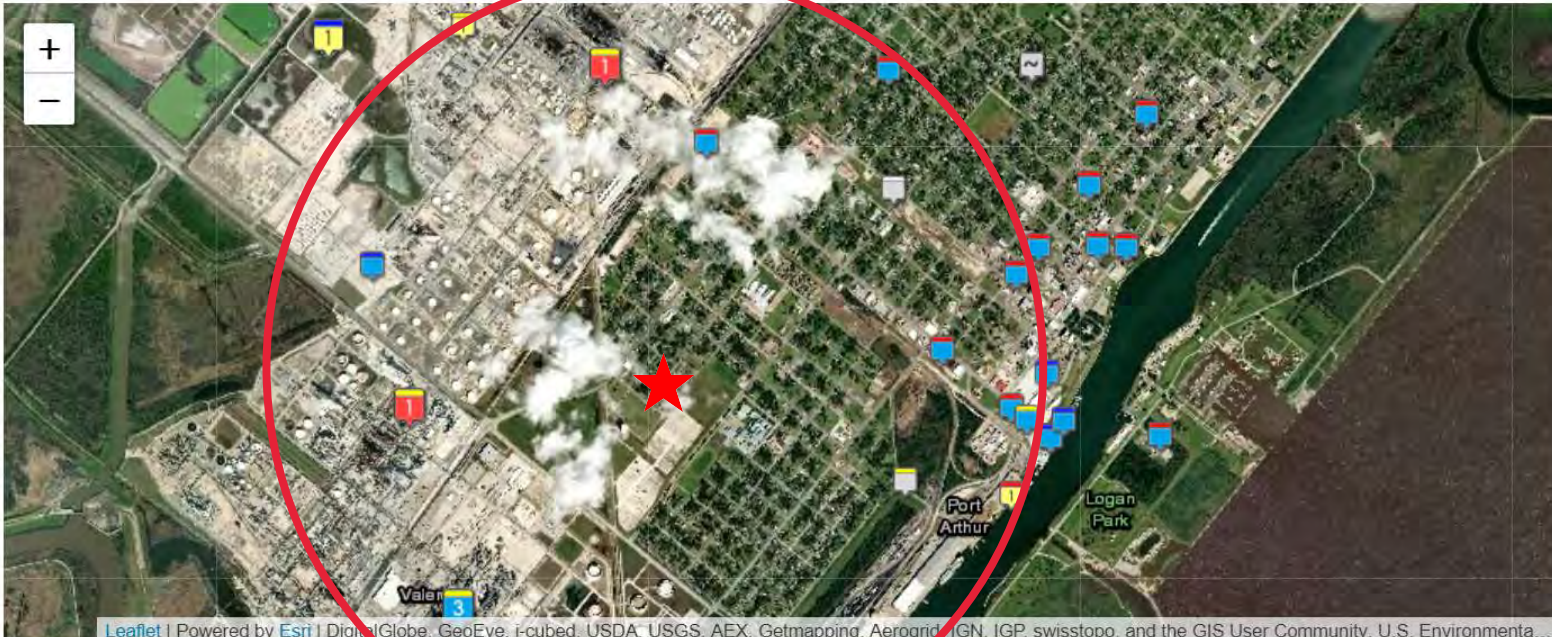
Zoom To:



port arthur, texas



Sync Map and Table



Facility Summary

Select a facility row from the search results table.

Current Search

41 Facilities Found

Selected Criteria

Search Type: All Data

Active/Operating: Yes

City, State, and/or ZIP Code: port arthur, texas

Explore Enforcement and Compliance Criteria

- 7 Facilities with Current Violations
- 3 Facilities with Significant Violations
- 8 Facilities with Violations (3 years)
- 3 Facilities with Formal Enforcement Actions (5 years)
- 4 Facilities with Informal Enforcement Actions (5 years)

[View Search Form for More Criteria...](#)

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Results Guide

Page 1 of ECHO Facility Search Results

Facility Name	Mapped	Street Address	City	State	FRS ID	Reports	Significant Violations	Quarters with Noncompliance (3 years)	Inspections (5 years)	Formal Enforcement Actions (5 years)
AIR PRODUCTS PORT ARTHUR FACILITY		1801 S GULFWAY DR (WITHIN VALERO REFINERY)	PORT ARTHUR	TX	110043802819		No	1	3	1
BIG 9 VACUUM TRUCK INC		FM 365 OUTSIDE CITY BLDG 2	PORT ARTHUR	TX	110008173172		No	0	0	0
BROUSSARD PIT		TRAVEL SE ON TX 82E FROM HWY 73 FOR 1.8 MILES, TUR	PORT ARTHUR	TX	110070367690		No	0	0	0
CHAMPION MACHINE		836 5TH ST	PORT ARTHUR	TX	110005023152		No	0	0	0
CHEVRON ENVIRONMENTAL MANAGEMENT		2001 B S GULFWAY DR	PORT ARTHUR	TX	110005191693		No	0	0	0
CLAYTON MEMORIAL USARC		449 TB ELLISON PARKWAY	PORT ARTHUR	TX	110005186949		No	0	0	0
CLEAN HARBORS ENVIRONMENTAL SERVICES		HIGHWAY 73, 11 MILES W OF TAYLORS BAYOU, PORT ARTH	PORT ARTHUR	TX	110034200102		No	0	0	0
CONTAINER PRODUCTS		SABINE ROAD HWY 87	PORT ARTHUR	TX	110008144007		No	0	0	0
DERRICK OIL & SUPPLY		1349 AUSTIN AVENUE	PORT ARTHUR	TX	110017836699		No	0	0	0
DERRICK OIL & SUPPLY OF PORT ARTHUR		947 PROCTER ST	PORT ARTHUR	TX	110034660757		No	0	0	0
DERRICK OIL AND SUPPLY		947 PROCTER ST	PORT ARTHUR	TX	110070122927		No	0	0	0
DOMINION RANCH SUBDIVISION		FROM HWY 69-96-287, EXIT TOWARD PORT ARTHUR. TAKE	PORT ARTHUR	TX	110070368546		No	0	0	0
FAMILY DOLLAR #2671		190 GILLHAM CIR	PORT ARTHUR	TX	110063679693		No	0	0	0
GENERAL ATLANTIC RESOURCES		NEAR JEFFERSON COUNTY AIRPORT	PORT ARTHUR	TX	110007200518		No	0	0	0
GULF COPPER MANUFACTURING		320 HOUSTON AVE	PORT ARTHUR	TX	110005037682		No	0	0	0
J.V OIL RECLAMATION		HIGHWAY 365 BLDG 1	PORT ARTHUR	TX	110008153078		No	0	0	0
KANSAS CITY SOUTHERN		548 WEST 5TH	PORT							

Page 2 of ECHO Facility Search Results

Facility Name	Mapped	Street Address	City	State	FRS ID	Reports	Significant Violations	Quarters with Noncompliance (3 years)	Inspections (5 years)	Formal Enforcement Actions (5 years)
KANSAS CITY SOUTHERN RAILWAY		548 WEST 5TH STREET	PORT ARTHUR	TX	110002346505		No	0	0	0
MID-COUNTY DIRT PIT INC		SAVANNAH AVE & HWY 69	PORT ARTHUR	TX	110008147380		No	0	0	0
MOTION INDUSTRIES TX61		740 HOUSTON AVE	PORT ARTHUR	TX	110067678597		No	0	0	0
MOTIVA - PORT ARTHUR REFINERY		2555 SAVANNAH AVE	PORT ARTHUR	TX	110000464024		Yes	12	7	16
PAYLESS TIRE SERVICE		849 GULFWAY	PORT ARTHUR	TX	110005014705		No	0	0	0
PLANT 1-HOUSTON AVENUE FACILITY		101 HOUSTON AVE	PORT ARTHUR	TX	110064617026		No	5	2	0
PORT ARTHUR OIL REFINERY		NW END OF HOUSTON AVE IN PORT	PORT ARTHUR	TX	110064637442		No	7	3	0
PORT ARTHUR PDX STATION		5300 W PORT ARTHUR RD AND H O MILLS	PORT ARTHUR	TX	110046247806		No	0	1	0
PORT ARTHUR PRODUCT STATION		5600 OLD WEST PORT ARTHUR RD	PORT ARTHUR	TX	110064633954		Yes	6	0	0
PORT ARTHUR TRANSIT FACILITY		320 DALLAS AVE	PORT ARTHUR	TX	110070367302		No	0	0	0
PORT OF PORT ARTHUR- BERTH 5 CONSTRUCTION PROJECT		100 LAKESHORE DR	PORT ARTHUR	TX	110070362819		No	0	0	0
PORT OF PORT ARTHUR INTERNATIONAL PUBLIC PORT BERTH 3		100 LAKESHORE DR	PORT ARTHUR	TX	110070389666		No	0	0	0
PORT OF PORT ARTHUR NAVIGATION DISTRICT		221 HOUSTON AVENUE	PORT ARTHUR	TX	110024271777		No	0	0	0
PRAXAIR INC PORT ARTHUR HYDROGEN FACILITY 497		2555 SAVANNAH AVE	PORT ARTHUR	TX	110016761823		No	4	2	0
PRAXAIR PORT ARTHUR HYDROGEN FACILITY		2100 HOUSTON AVE	PORT ARTHUR	TX	110035367643		No	0	0	0

Page 3 of ECHO Facility Search Results

Facility Name	Mapped	Street Address	City	State	FRS ID	Reports	Significant Violations	Quarters with Noncompliance (3 years)	Inspections (5 years)	Formal Enforcement Actions (5 years)
PREMCOR REFINING GROUP INC - PORT ARTHUR REFINERY		1801 GULFWAY DR	PORT ARTHUR	TX	110000464006		Yes	12	9	16
PREVOST PIT STOP		548 7TH STREET	PORT ARTHUR	TX	110005174319		No	0	0	0
PRO METAL FABRICATORS		1048 7TH ST	PORT ARTHUR	TX	110005017739		No	0	0	0
R AND R MARINE		700 SEVENTH ST	PORT ARTHUR	TX	110005171866		No	0	0	0
RAMS AUTO		1449 7TH	PORT ARTHUR	TX	110005163624		No	0	0	0
RELADYNE - PORT ARTHUR AUSTIN		1349 AUSTIN AVE	PORT ARTHUR	TX	110070070487		No	--	0	0
SI-17		SITE IS LOCATED ADJACENT TO MOTIVA XYZ GATE. SITE	PORT ARTHUR	TX	110070506150		No	0	0	0
STANDARD ALLOYS PORT ARTHUR		201 LAKESHORE DR	PORT ARTHUR	TX	110070372015		No	0	0	0
STANDARD ALLOYS PORT ARTHUR		201 W LAKESHORE DR	PORT ARTHUR	TX	110000599530		No	2	2	0
TOMMYS GULF SEAFOOD		3939 MLK JR DRIVE	PORT ARTHUR	TX	110070370230		No	0	0	0
VEOLIA RAIL TRANSFER FACILITY		3100 COKE-DOCK RD	PORT ARTHUR	TX	110022308037		No	0	0	0



Detailed Facility Report

Facility Summary

**MOTIVA - PORT ARTHUR
REFINERY
2555 SAVANNAH AVE, PORT
ARTHUR, TX 77640**

FRS.(Facility Registry Service) ID:
110000464024
EPA Region: 06
Latitude: 29.883333
Longitude: -93.958333
Locational Data Source: EIS
Industry:
Indian Country: N

Enforcement and Compliance Summary

--

Statute	CAA
Insp (5 Years)	3
Date of Last Inspection	07/19/2016
Current Compliance Status	High Priority Violation
Qtrs with NC (of 12)	12
Qtrs with Significant Violation	12
Informal Enforcement Actions (5 years)	4
Formal Enforcement Actions (5 years)	14
Penalties from Formal Enforcement Actions (5 years)	\$512,649
EPA Cases (5 years)	2
Penalties from EPA Cases (5 years)	\$956,000
Statute	CWA
Insp (5 Years)	2
Date of Last Inspection	12/11/2018
Current Compliance Status	No Violation Identified
Qtrs with NC (of 12)	0
Qtrs with Significant Violation	0
Informal Enforcement Actions (5 years)	--
Formal Enforcement Actions (5 years)	--
Penalties from Formal Enforcement Actions (5 years)	--
EPA Cases (5 years)	--
Penalties from EPA Cases (5 years)	--
Statute	RCRA
Insp (5 Years)	2
Date of Last Inspection	12/08/2015
Current Compliance Status	No Violation Identified
Qtrs with NC (of 12)	0
Qtrs with Significant Violation	0
Informal Enforcement Actions (5 years)	1
Formal Enforcement Actions (5 years)	--
Penalties from Formal Enforcement Actions (5 years)	--
EPA Cases (5 years)	--
Penalties from EPA Cases (5 years)	--

Regulatory Information

Clean Air Act (CAA): Operating Minor (TX0000004824500047), Operating Major (TX0000004824500020)

Clean Water Act (CWA): Minor, Permit Effective (TXR15802T), Minor, Permit Effective (TXR05DZ91), Minor, Permit Effective (TXR15195O)

Resource Conservation and Recovery Act (RCRA): Inactive () Other (TXD000792911), Active (HPA) LQG Operating TSDF TSDF Transporter (TXD008097529)
 Safe Drinking Water Act (SDWA): No Information

Other Regulatory Reports

Air Emissions Inventory (EIS): 5650711

Greenhouse Gas Emissions (eGGRT): 1007458

Toxic Releases (TRI): 77640TXCRFNORTH

Compliance and Emissions Data Reporting Interface (CEDRI): CEDRI123189, CEDRI10002325, CEDRI97543

Known Data Problems

Facility/System Characteristics

Facility/System Characteristics

System	Statute	Identifier	Universe	Status	Areas	Permit Expiration Date	Indian Country	Latitude	Longitude
FRS		110000464024					N	29.883333	-93.958333
RMP	CAA	100000157297		ACTIVE			N		
CEDRI	CAA	CEDRI123189					N		
AIR	CAA	TX0000004824500047	Minor Emissions	Operating	CAASIP		N		
GHG	CAA	1007458	Supplier, Direct Emitter	Subject	General Stationary Fuel Combustion, Petroleum Refining, Petroleum Product Supply		N	29.890182	-93.948254
CEDRI	CAA	CEDRI10002325					N		
AIR	CAA	TX0000004824500020	Major Emissions	Operating	CAAMACT, CAANESH, CAANSPS, CAAPARGDC, CAASIP, CAATVP		N		
CEDRI	CAA	CEDRI97543					N		
EIS	CAA	5650711		OPERATING			N	29.883333	-93.958333
ICP	CWA	TXR15802T	Minor: General Permit Covered Facility	Effective	Storm Water Construction	03/04/2023	N	29.883055	-93.966388
ICP	CWA	TXR05DZ91	Minor: General Permit Covered Facility	Effective	Storm Water Industrial	08/13/2021	N	29.883055	-93.966388
ICP	CWA	TXR151950	Minor: General Permit Covered Facility	Effective	Storm Water Construction	03/05/2023	N	29.883055	-93.966388
TRI	EP313	77640TXCRFNORTH	Toxics Release Inventory	Last Reported for 2017			N	29.883333	-93.958333
RCR	RCRA	TXD000792911	Other	Inactive ()			N	29.875511	-93.955136
RCR	RCRA	TXD008097529	LQG Operating TSDF TSDF Transporter	Active (HPA)			N	29.891407	-93.960747
TSCA	TSCA	TSCA77781					N		
TSCA	TSCA	TSCA6793					N		

System	Statute	Identifier	Universe	Status	Areas	Permit Expiration Date	Indian Country	Latitude	Longitude
TSCA	TSCA	200003013					N		
TSCA	TSCA	100607173					N		

Facility Address

System	Statute	Identifier	Facility Name	Facility Address
FRS		110000464024	MOTIVA - PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
RMP	CAA	100000157297	PORT ARTHUR REFINERY	2555 SAVANNAH AVENUE, PORT ARTHUR, TX 77641
CEDRI	CAA	CEDRI123189	PORT ARTHUR REFINERY	2100 HOUSTON AVE, PORT ARTHUR, TX 77640
AIR	CAA	TX0000004824500047	STAR ENTERPRISE	401 WEST 19TH STREET, PORT ARTHUR, TX 77641
GHG	CAA	1007458	MOTIVA ENTERPRISES LLC	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
CEDRI	CAA	CEDRI10002325	MOTIVA ENTERPRISES LLC	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
AIR	CAA	TX0000004824500020	PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
CEDRI	CAA	CEDRI97543	MOTIVA - PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
EIS	CAA	5650711	PORT ARTHUR REFINERY	AT THE NORTH END OF HOUSTON AVE, PORT ARTHUR, TX 77640
ICP	CWA	TXR15802T	PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640-3672
ICP	CWA	TXR05DZ91	PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640-3672
ICP	CWA	TXR151950	PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640-3672
TRI	EP313	77640TXCRFNORTH	MOTIVA-PORT ARTHUR REFINERY	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
RCR	RCRA	TXD000792911	STAR ENTERPRISES INC	401 W 19TH ST, PORT ARTHUR, TX 77640
RCR	RCRA	TXD008097529	MOTIVA ENTERPRISES PORT ARTHUR REFINERY	2100 HOUSTON AVE, PORT ARTHUR, TX 77640-3300
TSCA	TSCA	TSCA77781	MOTIVA ENTERPRISES, LLC	2055 SAVANNAH AVE., PORT ARTHUR, TX 77641
TSCA	TSCA	TSCA6793	MOTIVA ENTERPRISES LLC	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640
TSCA	TSCA	200003013	MOTIVA ENTERPRISES LLC	2100 HOUSTON AVENUE, PORT ARTHUR, JEFFERSON, TX 77640
TSCA	TSCA	100607173	MOTIVA ENTERPRISES LLC	2555 SAVANNAH AVE, PORT ARTHUR, TX 77640

Facility SIC (Standard Industrial Classification) Codes

System	Identifier	SIC Code	SIC Description
TRI	77640TXCRFNORTH	2011	Meat Packing Plants
TRI	77640TXCRFNORTH	2211	Broadwoven Fabric Mills, Cotton
TRI	77640TXCRFNORTH	2911	Petroleum Refining
TRI	77640TXCRFNORTH	5171	Petroleum Bulk Stations & Terminals
AIR	TX0000004824500047	5171	Petroleum Bulk Stations & Terminals
ICP	TXR05DZ91	2911	Petroleum Refining
ICP	TXR151950	1629	Heavy Construction
ICP	TXR15802T	1541	Industrial Buildings And Warehouses
ICP	TXR15802T	1629	Heavy Construction

Facility NAICS (North American Industry Classification System) Codes

System	Identifier	NAICS Code	NAICS Description
RMP	100000157297	32411	Petroleum Refineries
GHG	1007458	324110	Petroleum Refineries
EIS	5650711	324110	Petroleum Refineries
TRI	77640TXCRFNORTH	311611	Animal (except Poultry) Slaughtering
TRI	77640TXCRFNORTH	313210	Broadwoven Fabric Mills
TRI	77640TXCRFNORTH	324110	Petroleum Refineries
TRI	77640TXCRFNORTH	424710	Petroleum Bulk Stations and Terminals
AIR	TX0000004824500020	324110	Petroleum Refineries
AIR	TX0000004824500047	999999	
RCR	TXD000792911	42271	
RCR	TXD008097529	32411	Petroleum Refineries

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	TX0000004824500020	AIR	Stack Test	State	08/07/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	07/28/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500020	AIR	Stack Test	State	07/20/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/20/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/20/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	06/22/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500020	AIR	Stack Test	State	05/31/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	05/19/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	05/05/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	02/21/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	02/21/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	02/21/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	02/20/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	02/09/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500020	AIR	Stack Test	State	01/31/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/18/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/18/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/18/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/14/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/14/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/14/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	11/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	10/19/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	09/09/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	08/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	08/03/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	07/19/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500020	AIR	FCE On-Site	State	07/19/2016	
CAA	TX0000004824500020	AIR	Stack Test	State	06/29/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	06/29/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	TV ACC Receipt/Review	State	06/20/2016	Finding: There are Facility Report Deviations

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	TX0000004824500020	AIR	112(r)(7) Inspection	EPA	08/14/2014	
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/25/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/23/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500020	AIR	Stack Test	State	07/22/2014	Findings: Pass

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>TV ACC Receipt/Review</i>	<i>State</i>	<i>05/21/2014</i>	<i>Finding: There are Facility Report Deviations</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/21/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500020</i>	<i>AIR</i>	<i>Stack Test</i>	<i>State</i>	<i>05/15/2014</i>	<i>Findings: Pass</i>
CAA / § 112[R][1]	3402059046	ICIS	112(r)(7) Inspection	EPA	08/14/2014	
CAA / § 112[R][7]	3400287707	ICIS	112(r)(7) Inspection	EPA	08/14/2014	
CWA / § 311	3601699577	ICIS	Evaluation	EPA	12/11/2018	
CWA / § 311	3601699578	ICIS	Evaluation	EPA	12/11/2018	
RCRA	TXD008097529	RCR	COMPLIANCE EVALUATION INSPECTION ON-SITE	State	12/08/2015	No Violations Or Compliance Issues Were Found
RCRA	<i>TXD008097529</i>	<i>RCR</i>	<i>NON-FINANCIAL RECORD REVIEW</i>	<i>State</i>	<i>07/24/2014</i>	<i>No Violations Or Compliance Issues Were Found</i>
RCRA	TXD008097529	RCR	COMPLIANCE EVALUATION INSPECTION ON-SITE	State	04/21/2014	Violations Or Compliance Issues Were Found

Entries in italics are not counted in EPA compliance monitoring strategies or annual results.

Compliance Summary Data

Statute	Source ID	Current SNC (Significant Noncompliance)/HPV (High Priority Violation)	Current As Of	Qtrs with NC (Noncompliance) (of 12)	Data Last Refreshed
CAA	TX0000004824500047	No	04/20/2019	0	04/19/2019
CAA	TX0000004824500020	Yes	04/20/2019	12	04/19/2019
CWA	TXR15802T	No	12/31/2018	0	04/19/2019

Statute	Program/Quarterly Violation Noncompliance Report History	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7	QTR 8	QTR 9	QTR 10	QTR 11
CWA (Source ID: TXR151950)		01/01-03/31/16	04/01-06/30/16	07/01-09/30/16	10/01-12/31/16	01/01-03/31/17	04/01-06/30/17	07/01-09/30/17	10/01-12/31/17	01/01-03/31/18	04/01-06/30/18	07/01-09/30/18
	Facility-Level Status	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified
	Quarterly Noncompliance Report History											

Statute	Program/Pollutant/Violation Type	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7	QTR 8	QTR 9	QTR 10	QTR 11
RCRA (Source ID: TXD000792911)		07/01-09/30/16	10/01-12/31/16	01/01-03/31/17	04/01-06/30/17	07/01-09/30/17	10/01-12/31/17	01/01-03/31/18	04/01-06/30/18	07/01-09/30/18	10/01-12/31/18	01/01-03/31/19
	Facility-Level Status	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified
RCRA (Source ID: TXD0008097529)		07/01-09/30/16	10/01-12/31/16	01/01-03/31/17	04/01-06/30/17	07/01-09/30/17	10/01-12/31/17	01/01-03/31/18	04/01-06/30/18	07/01-09/30/18	10/01-12/31/18	01/01-03/31/19
	Facility-Level Status	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified	No Violation Identified

Informal Enforcement Actions (5 Years)

Statute	System	Source ID	Type of Action	Lead Agency	Date
CAA	AIR	TX0000004824500020	Notice of Violation	State	02/28/2019
CAA	AIR	TX0000004824500020	Notice of Violation	State	05/22/2018
CAA	AIR	TX0000004824500020	Notice of Violation	State	05/22/2014
CAA	AIR	TX0000004824500020	Notice of Violation	State	05/22/2014
RCRA	RCR	TXD0008097529	WRITTEN INFORMAL	State	05/23/2014

Formal Enforcement Actions (5 Years)

Statute	System	Law/Section	Source ID	Action Type	Case No.	Lead Agency	Case Name	Issued/Filed Date	Settlements/Actions	Settlement/Act Date
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A101401092017012	State		02/14/2018	1	02/14/2018
CAA	AIR	112[R] [7]	AIR/TX0000004824500020 RMP/100000157297	Administrative - Formal	06-2017-3335	EPA	Motiva Port Arthur RMP CAFO	03/29/2017	1	03/29/2017
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A431343412016039	State		10/11/2016	1	10/11/2016
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A916306472015117	State		10/11/2015	1	10/11/2015
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A391263572014164	State		10/01/2015	1	10/01/2015
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A975399162014286	State		04/09/2015	1	04/09/2015
CAA	ICIS	211	ICIS/37274	Administrative - Formal	EF-2015-8069	EPA	Shell (Equilon, Motiva and Deer Park Refining)	01/16/2015	1	01/16/2015
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A222439022012031	State		10/17/2014	1	10/17/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A200438462012031	State		10/17/2014	1	10/17/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A483353252014064	State		10/17/2014	1	10/17/2014

State	System	Law/Section	Source ID	Administrative Type	Case No.	Lead Agency	Case Name	Issued/Filed Date	Settlements/Actions	Settlement/Action Date
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A48542912013115	State	PORT ARTHUR REFINERY 482450002001333	08/15/2014	1	08/15/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A0000482450002001329	State	PORT ARTHUR REFINERY 482450002001329	08/15/2014	1	08/15/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A0000482450002001342	State	PORT ARTHUR REFINERY 482450002001342	07/11/2014	1	07/11/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A0000482450002001346	State	PORT ARTHUR REFINERY 482450002001346	07/11/2014	1	07/11/2014
CAA	AIR	OTHER	AIR/TX0000004824500020	Administrative - Formal	TX000A485473862013347	State		07/11/2014	1	07/11/2014

Environmental Conditions

Water Quality

Permit ID	Combined Sewer System?	Number of CSO (Combined Sewer Overflow) Outfalls	12-Digit WBD (Watershed Boundary Dataset) HUC (RAD (Reach Address Database))	WBD (Watershed Boundary Dataset) Subwatershed Name (RAD (Reach Address Database))	State Waterbody Name (ICIS (Integrated Compliance Information System))	Impaired Waters	Impaired Class	Causes of Impairment(s) by Group(s)	Watershed with ESA (Endangered Species Act)-listed Aquatic Species?
TXR15802T					CITY OUTFALL CANAL	No			Yes
TXR05DZ91						No			Yes
TXR151950						No			Yes

Waterbody Designated Uses

Reach Code	Waterbody Name	Exceptional Use	Recreational Use	Aquatic Life Use	Shellfish Use	Beach Closure Within Last Year	Beach Closure Within Last Two Years
		No	No	No	No	No	No
		No	No	No	No	No	No
		No	No	No	No	No	No

Air Quality

Nonattainment Area?	Pollutant(s)	Applicable Nonattainment Standard(s)
Yes	Ozone	8-Hour Ozone (1997)
No	Lead	
No	Particulate Matter	
No	Carbon Monoxide	
No	Nitrogen Dioxide	
No	Sulfur Dioxide	

Chemical Name	2017	2016	2015	2014	2013	2012	2011	2010	2009
CARBON DISULFIDE	0	1	241	0	0	0			
CARBONYL SULFIDE									
CHLORINE	136	122	118	105		37	35	40	45
CHLOROBENZENE									
CHLORODIFLUOROMETHANE									
CHLOROTRIFLUOROMETHANE									
CHROMIUM									
CHROMIUM COMPOUNDS(EXCEPT CHROMITE ORE MINED IN THE TRANSVAAL REGION)									265
COBALT									
COBALT COMPOUNDS		90	0	0		0	0		189,175
COPPER									
COPPER COMPOUNDS	4				0	0			
CRESOL (MIXED ISOMERS)									
CUMENE	447								98
CYCLOHEXANE									1,360
DICHLORODIFLUOROMETHANE									
DIOXIN AND DIOXIN-LIKE COMPOUNDS (in grams)	0	0	0	0	0	0	0	1	0
ETHYLBENZENE	4,665	4,404	5,380	3,369	2,753	4,523	7,009	2,508	4,414
ETHYLENE	639	119	730	90	1,880	992	968	1,546	27,463
ETHYLENE GLYCOL	0	0	0	2	2				0
HYDROCHLORIC ACID (1995 AND AFTER ACID AEROSOLS ONLY)	712	639	617	548	380				231
HYDROGEN CYANIDE	274,452								
HYDROGEN SULFIDE	28,756	26,855	30,434	28,791	24,063	21,635			
LEAD									
LEAD COMPOUNDS	752	571	1,608	740	653	2,149	4,800	4,449	735
MANGANESE									
MANGANESE COMPOUNDS									145
MERCURY									
MERCURY COMPOUNDS	558	429	2,708	590	382	1,394	3,485	48	143
METHANOL	6								278
METHYL ETHYL KETONE									
METHYL ISOBUTYL KETONE									
METHYL TERT-BUTYL ETHER									
MOLYBDENUM TRIOXIDE	0	0	0	2	1	4	172	358	101,072
N-BUTYL ALCOHOL									56
N-HEXANE	25,752	16,300	20,775	17,557	7,168	9,268	13,455	12,341	15,480
N-METHYL-2-PYRROLIDONE	0	0	0	0	0	0	0	916	0
NAPHTHALENE	400	3,345	2,804	352	388	371	667	626	523
NICKEL									
NICKEL COMPOUNDS	37	677	67	118	85	224	1,054		255,917

Chemical Name	2017	2016	2015	2014	2013	2012	2011	2010	2009
NITRATE COMPOUNDS	1,255,391	1,199,882	1,220,851	1,121,620	1,121,573	1,065,813	813,405	773,172	678,464
NITROBENZENE									
PHENANTHRENE									
PHENOL	731	20,207	15,661	265	253	251	1,537	315	517
PHOSPHORIC ACID									
PHOSPHORUS (YELLOW OR WHITE)									
POLYCYCLIC AROMATIC COMPOUNDS	43	314	42	40	40	41	27	26	25
PROPYLENE	5,291	2,624	19,612	2,297	8,095	2,551	1,687	36,205	112,679
SELENIUM									
SELENIUM COMPOUNDS									
SODIUM HYDROXIDE (SOLUTION)									
SODIUM SULFATE (SOLUTION)									
STYRENE	31	36	37	36	34	92	19	23	0
SULFURIC ACID (1994 AND AFTER ACID AEROSOLS ONLY)		33,639	30,310	27,337	31,493				2,243
TETRACHLOROETHYLENE	112	61	130	63	94	170	73	0	1
TOLUENE	16,058	15,082	13,925	11,823	9,030	13,493	7,121	5,824	17,307
TRICHLOROETHYLENE									
XYLENE (MIXED ISOMERS)	14,721	14,957	12,674	13,480	9,999	8,596	7,903	4,523	13,600
ZINC (FUME OR DUST)									
ZINC COMPOUNDS	0			0	0	0			

Demographic Profile

Demographic Profile of Surrounding Area (3 Miles)

This section provides demographic information regarding the community surrounding the facility. ECHO compliance data alone are not sufficient to determine whether violations at a particular facility had negative impacts on public health or the environment. Statistics are based upon the 2010 US Census and American Community Survey data, and are accurate to the extent that the facility latitude and longitude listed below are correct. The latitude and longitude are obtained from the EPA Locational Reference Table (LRT) when available.

General Statistics	
Total Persons	22,289
Population Density	970/sq.mi.
Percent Minority	90%
Households in Area	8,210
Housing Units in Area	9,862
Households on Public Assistance	148

Age Breakdown - Persons (%)	
Children 5 years and younger	1,724 (8%)
Minors 17 years and younger	6,076 (27%)
Adults 18 years and older	16,213 (73%)
Seniors 65 years and older	3,084 (14%)

Race Breakdown - Persons (%)	
White	4,585 (21%)

General Statistics	
Persons Below Poverty Level	12,021

Geography	
Radius of Selected Area	3 mi.
Center Latitude	29.883333
Center Longitude	-93.958333
Land Area	80%
Water Area	20%

Income Breakdown - Households (%)	
Less than \$15,000	2,210 (26.38%)
\$15,000 - \$25,000	1,248 (14.9%)
\$25,000 - \$50,000	2,602 (31.06%)
\$50,000 - \$75,000	1,162 (13.87%)
Greater than \$75,000	1,155 (13.79%)

Race Breakdown - Persons (%)	
African-American	13,360 (60%)
Hispanic-Origin	5,760 (26%)
Asian/Pacific Islander	859 (4%)
American Indian	171 (1%)
Other/Multiracial	3,314 (15%)

Education Level(Persons 25 & older) - Persons (%)	
Less than 9th Grade	1,551 (11.03%)
9th through 12th Grade	2,239 (15.93%)
High School Diploma	5,035 (35.82%)
Some College/2-year	4,377 (31.14%)
<u>B.S./B.A. (Bachelor of Science/Bachelor of Arts) or More</u>	854 (6.08%)

Detailed Facility Report

Facility Summary

**PREMCOR REFINING GROUP INC -
PORT ARTHUR REFINERY
1801 GULFWAY DR, PORT ARTHUR,
TX 77640**

FRS.(Facility Registry Service) ID:

110000464006

EPA Region: 06

Latitude: 29.868333

Longitude: -93.968333

Locational Data Source: EIS

Industry:

Indian Country: N

Enforcement and Compliance Summary

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Statute	CAA
Insp (5 Years)	2
Date of Last Inspection	08/15/2017
Current Compliance Status	High Priority Violation
Qtrs with NC (of 12)	12
Qtrs with Significant Violation	12
Informal Enforcement Actions (5 years)	19
Formal Enforcement Actions (5 years)	12
Penalties from Formal Enforcement Actions (5 years)	\$579,590
EPA Cases (5 years)	1
Penalties from EPA Cases (5 years)	\$50,000
Statute	CWA
Insp (5 Years)	4
Date of Last Inspection	08/13/2018
Current Compliance Status	Violation Identified
Qtrs with NC (of 12)	6
Qtrs with Significant Violation	0
Informal Enforcement Actions (5 years)	--
Formal Enforcement Actions (5 years)	2
Penalties from Formal Enforcement Actions (5 years)	\$14,062
EPA Cases (5 years)	1
Penalties from EPA Cases (5 years)	\$0
Statute	RCRA
Insp (5 Years)	3
Date of Last Inspection	10/07/2015
Current Compliance Status	Violation
Qtrs with NC (of 12)	12
Qtrs with Significant Violation	0
Informal Enforcement Actions (5 years)	3
Formal Enforcement Actions (5 years)	--
Penalties from Formal Enforcement Actions (5 years)	--
EPA Cases (5 years)	--
Penalties from EPA Cases (5 years)	--

Regulatory Information

Clean Air Act (CAA): Operating Major (TX0000004824500004), Operating Major (TX0000004824500746)

Clean Water Act (CWA): Major, Permit Effective (TX0005991)

Resource Conservation and Recovery Act (RCRA): Active (HPA) LQG TSDf (TXD008090409)

Safe Drinking Water Act (SDWA): No Information

Other Regulatory Reports

Air Emissions Inventory (EIS): 4863211

Greenhouse Gas Emissions (eGGRT): 1002657

Toxic Releases (TRI): 77640CLRKR1801S

Compliance and Emissions Data Reporting Interface (CEDRI): CEDRI110564

Known Data Problems

Facility/System Characteristics

Facility/System Characteristics

System	Statute	Identifier	Universe	Status	Areas	Permit Expiration Date	Indian Country	Latitude	Longitude
FRS		110000464006					N	29.868333	-93.968333
RMP	CAA	100000196218		ACTIVE			N		
RMP	CAA	100000116634		ACTIVE			N		
EIS	CAA	4863211		OPERATING			N	29.868333	-93.968333
AIR	CAA	TX0000004824500004	Major Emissions	Operating	CAAMACT, CAANESH, CAANSPS, CAAPARGDC, CAAPSD, CAASIP, CAATVP		N		
AIR	CAA	TX0000004824500746	Major Emissions	Operating	CAASIP		N		
CEDRI	CAA	CEDRI110564					N		
GHG	CAA	1002657	Supplier, Direct Emitter	Subject	General Stationary Fuel Combustion, Petroleum Refining, Petroleum Product Supply		N	29.866498	-93.965146
ICP	CWA	TX0005991	Major: NPDES Individual Permit	Effective		07/01/2019	N	29.855556	-93.965556
TRI	EP313	77640CLRKR1801S	Toxics Release Inventory	Last Reported for 2017			N	29.868333	-93.968333
RCR	RCRA	TXD008090409	LQG TSDF	Active (HPA)			N	29.846338	-93.9786
TSCA	TSCA	TSCA8552					N		
TSCA	TSCA	100607622					N		

Facility Address

System	Statute	Identifier	Facility Name	Facility Address
FRS		110000464006	PREMCO REFINING GROUP INC - PORT ARTHUR REFINERY	1801 GULFWAY DR, PORT ARTHUR, TX 77640
RMP	CAA	100000196218	AIR PRODUCTS LLC (PORT ARTHUR II HYDROGEN/COGEN)	1801 SOUTH GULFWAY DRIVE, PORT ARTHUR, TX 77640
RMP	CAA	100000116634	VALERO PORT ARTHUR REFINERY	1801 S. GULFWAY DRIVE, PORT ARTHUR, TX 77640
EIS	CAA	4863211	VALERO PORT ARTHUR REFINERY	1801 S GULFWAY DRIVE, PORT ARTHUR, TX 77640
AIR	CAA	TX0000004824500004	VALERO PORT ARTHUR REFINERY	1801 GULFWAY DR, PORT ARTHUR, TX 77640
AIR	CAA	TX0000004824500746	VALERO PARTNERS PORT ARTHUR	1801 GULFWAY DR, PORT ARTHUR, TX 77640

System	Statute	Identifier	Facility Name	Facility Address
CEDRI	CAA	CEDRI110564	PREMCO REFINING GROUP INC - PORT ARTHUR REFINERY	1801 S GULFWAY DR, PORT ARTHUR, TX 77640
GHG	CAA	1002657	PREMCO REFINING GROUP INCORPORATED PORTARTHUR REFINERY	1801 SOUTH GULFWAY DRIVE, PORT ARTHUR, TX 77640
ICP	CWA	TX0005991	VALERO PT ARTHUR EFINERY	0.5 MILES N OF THE MLK BRIDGE ON ST HWY 82, CITY OF PORT ARTHUR, TX 77641
TRI	EP313	77640CLRKR1801S	PREMCO REFINING GROUP INC PORT ARTHUR	1801 S GULFWAY DR, PORT ARTHUR, TX 77640
RCR	RCRA	TXD008090409	THE PREMCO REFINING GROUP	1801 GULFWAY DR, PORT ARTHUR, TX 77640-4416
TSCA	TSCA	TSCA8552	PREMCO REFINING GROUP INC PORT ARTHUR	1801 SOUTH GULFWAY DRIVE, PORT ARTHUR, TX 77640
TSCA	TSCA	100607622	PREMCO REFINING GROUP INC PORT ARTHUR	1801 SOUTH GULFWAY DRIVE, PORT ARTHUR, TX 77640

Facility SIC (Standard Industrial Classification) Codes

System	Identifier	SIC Code	SIC Description
TRI	77640CLRKR1801S	2911	Petroleum Refining
ICP	TX0005991	2911	Petroleum Refining

Facility NAICS (North American Industry Classification System) Codes

System	Identifier	NAICS Code	NAICS Description
RMP	100000116634	32411	Petroleum Refineries
RMP	100000196218	32512	Industrial Gas Manufacturing
GHG	1002657	324110	Petroleum Refineries
EIS	4863211	324110	Petroleum Refineries
TRI	77640CLRKR1801S	324110	Petroleum Refineries
AIR	TX0000004824500004	324110	Petroleum Refineries
AIR	TX0000004824500746	324110	Petroleum Refineries
RCR	TXD008090409	32411	Petroleum Refineries

Facility Tribe Information

Reservation Name	Tribe Name	EPA Tribal ID	Distance to Tribe (miles)
No data records returned			

Enforcement and Compliance

Compliance Monitoring History (5 years)

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	11/26/2018	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	08/20/2018	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	08/13/2018	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/09/2018	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	06/27/2018	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	01/26/2018	Finding: There are Facility Report Deviations

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	TX0000004824500004	AIR	Stack Test	State	11/14/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	11/14/2017	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	FCE On-Site	State	08/15/2017	
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	08/15/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	05/31/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	04/05/2017	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	10/21/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	10/20/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/29/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/25/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	Stack Test	State	07/11/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	05/06/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	05/06/2016	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	Stack Test	State	04/05/2016	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	10/27/2015	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	10/06/2015	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	Stack Test	State	09/03/2015	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	08/19/2015	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	08/19/2015	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	08/19/2015	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	08/14/2015	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	08/14/2015	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	05/20/2015	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	PCE On-Site	EPA	05/15/2015	
CAA	TX0000004824500004	AIR	Stack Test	State	04/17/2015	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	12/09/2014	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	Stack Test	State	10/16/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	10/16/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	10/16/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	10/16/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	Stack Test	State	10/16/2014	Findings: Pass Pollutants: FACIL
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	09/22/2014	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	PCE Off-Site	State	09/22/2014	
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	09/21/2014	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	PCE Off-Site	State	09/08/2014	
CAA	TX0000004824500004	AIR	PCE Off-Site	State	09/08/2014	
CAA	TX0000004824500004	AIR	PCE Off-Site	State	09/08/2014	
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/25/2014	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	PCE Off-Site	State	07/25/2014	
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/24/2014	Finding: There are Facility Report Deviations
CAA	TX0000004824500004	AIR	TV ACC Receipt/Review	State	07/11/2014	

Statute	Source ID	System	Compliance Monitoring Type	Lead Agency	Date	Finding (if applicable)
CAA	<i>TX0000004824500004</i>	AIR	<i>PCE Off-Site</i>	State	06/27/2014	
CAA	<i>TX0000004824500004</i>	AIR	<i>TV ACC Receipt/Review</i>	State	06/27/2014	<i>Finding: There are Facility Report Deviations</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>TV ACC Receipt/Review</i>	State	06/26/2014	<i>Finding: There are Facility Report Deviations</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Partial Evaluation</i>	EPA	06/18/2014	
CAA	<i>TX0000004824500004</i>	AIR	<i>PCE On-Site Record/Report Review</i>	EPA	06/18/2014	
CAA	<i>TX0000004824500004</i>	AIR	<i>TV ACC Receipt/Review</i>	State	06/14/2014	
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	06/04/2014	<i>Findings: Pass</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	06/04/2014	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	06/04/2014	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	06/04/2014	<i>Findings: Pass</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass Pollutants: FACIL</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>Stack Test</i>	State	05/20/2014	<i>Findings: Pass</i>
CAA	<i>TX0000004824500004</i>	AIR	<i>PCE Off-Site</i>	State	05/16/2014	
CAA / § 112[R][7]	3600137433	ICIS	PCE On-Site	EPA	05/15/2015	
CWA	TX0005991	ICP	Evaluation	State	08/13/2018	
CWA	TX0005991	ICP	Evaluation	State	08/04/2016	
CWA	TX0005991	ICP	Evaluation	State	07/24/2014	
CWA	TX0005991	ICP	Evaluation	State	07/24/2014	
RCRA	TXD008090409	RCR	COMPLIANCE EVALUATION INSPECTION ON-SITE	State	10/07/2015	Violations Or Compliance Issues Were Found
RCRA	TXD008090409	RCR	FOCUSED COMPLIANCE INSPECTION	State	04/30/2015	Violations Or Compliance Issues Were Found
RCRA	TXD008090409	RCR	FOCUSED COMPLIANCE INSPECTION	State	04/02/2015	Violations Or Compliance Issues Were Found

Entries in italics are not counted in EPA compliance monitoring strategies or annual results.

Compliance Summary Data

Statute	Source ID	Current SNC (Significant Noncompliance)/HPV (High Priority Violation)	Current As Of	Qtrs with NC (Noncompliance) (of 12)	Data Last Refreshed
CAA	TX0000004824500004	Yes	04/20/2019	12	04/19/2019
CAA	TX0000004824500746	No	04/20/2019	0	04/19/2019
CWA	TX0005991	No	12/31/2018	6	04/19/2019
RCRA	TXD008090409	No	04/20/2019	12	04/19/2019

Three-Year Compliance History by Quarter

Statute	Program/Pollutant/Violation Type	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7
CAA	(Source ID: TX0000004824500004)	07/01-09/30/16	10/01-12/31/16	01/01-03/31/17	04/01-06/30/17	07/01-09/30/17	10/01-12/31/17	01/01-03/31/18
	Facility-Level Status	High Priority Violation	High Priority Violation	High Priority Violation	High Priority Violation	High Priority Violation	High Priority Violation	High Priority Violation
	HPV History	Unaddressed-State	Unaddressed-State	Unaddressed-State	Unaddressed-State	Unaddressed-State	Unaddressed-State	Unaddressed-State
	Violation	Agency	Programs	Pollutants				

Statute	Program/Pollution Type	Agency	QTR 1	QTR 2	QTR 3	QTR 4	QTR 5	QTR 6	QTR 7	QTR 8	QTR 9	QTR 10	QTR 11
RCRA	262.A: Generators - General	EPA	04/14/1997	→	→	→	→	→	→	→	→	→	→

Informal Enforcement Actions (5 Years)

Statute	System	Source ID	Type of Action	Lead Agency	Date
CAA	AIR	TX0000004824500004	Notice of Violation	State	02/19/2019
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/29/2018
CAA	AIR	TX0000004824500004	Notice of Violation	State	05/30/2018
CAA	AIR	TX0000004824500004	Notice of Violation	State	05/30/2018
CAA	AIR	TX0000004824500004	Notice of Violation	State	05/14/2018
CAA	AIR	TX0000004824500004	Notice of Violation	State	12/18/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/30/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/30/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/23/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/23/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/23/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/01/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	05/24/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	03/16/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	03/16/2017
CAA	AIR	TX0000004824500004	Notice of Violation	State	07/25/2016
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/11/2014
CAA	AIR	TX0000004824500004	Notice of Violation	State	06/11/2014
CAA	AIR	TX0000004824500746	Notice of Violation	State	04/12/2018
RCRA	RCR	TXD008090409	WRITTEN INFORMAL	State	12/18/2015
RCRA	RCR	TXD008090409	WRITTEN INFORMAL	State	07/17/2015
RCRA	RCR	TXD008090409	WRITTEN INFORMAL	State	06/30/2015

Formal Enforcement Actions (5 Years)

Statute	System	Law/Section	Source ID	Action Type	Case No.	Lead Agency	Case Name	Issued/Filed Date	Settlements/Actions	Settlement/Action Date
CAA	AIR	112[R] [7]	AIR/TX0000004824500004	Administrative - Formal	06-2018-3316	EPA	Premcor (Valero) Refining RMP CAFO	06/06/2018	1	06/06/2018
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A436583092016257	State		07/12/2017	1	07/12/2017
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A566612192015106	State		03/04/2016	1	03/04/2016
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A594404042015259	State		03/01/2016	1	03/01/2016
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A711556802014322	State		09/15/2015	1	09/15/2015
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A303487242015048	State		08/17/2015	1	08/17/2015
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A515551432014085	State		04/09/2015	1	04/09/2015

Statute	System	Law/Section	Source ID	Action Type	Case No.	Lead Agency	Case Name	Issued/Filed Date	Settlements/Actions	Settlement/Action Date
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A309478032014119	State		03/13/2015	1	03/13/2015
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A403518692014176	State		02/13/2015	1	02/13/2015
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A0000482450000401166	State	VALERO PORT ARTHUR REFINERY 482450000401166	08/25/2014	1	08/25/2014
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A337388862013273	State		08/15/2014	1	08/15/2014
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A0000482450000401161	State	VALERO PORT ARTHUR REFINERY 482450000401161	08/15/2014	1	08/15/2014
CAA	AIR	OTHER	AIR/TX0000004824500004	Administrative - Formal	TX000A968575032009173	State		01/01/0001	1	05/12/2014
CWA	ICP	OTHER	NPDES/TX0005991	Administrative - Formal	TX-2016-1834-IWD-E	State		01/15/2019	1	01/15/2019
CWA	ICP	OTHER	NPDES/TX0005991	Administrative - Formal	TX-2015-0432-IWD-E	State		01/28/2016	1	01/28/2016
CWA	ICP	301/402	NPDES/TX0005991	Administrative - Formal	06-2015-1846	EPA	Premcor Refining Group, Inc.	09/02/2015	1	09/02/2015

Environmental Conditions

Water Quality

Permit ID	Combined Sewer System?	Number of CSO (Combined Sewer Overflow) Outfalls	12-Digit WBD (Watershed Boundary Dataset) HUC (RAD (Reach Address Database))	WBD (Watershed Boundary Dataset) Subwatershed Name (RAD (Reach Address Database))	State Waterbody Name (ICIS (Integrated Compliance Information System))	Impaired Waters	Impaired Class	Causes of Impairment(s) by Group(s)	Watershed with ESA (Endangered Species Act)-listed Aquatic Species?
TX0005991			120402010300	Salt Bayou	JCDD #7 MAIN OUTFALL CANAL	303(D) Listed	5	TOTAL TOXICS	Yes

Waterbody Designated Uses

Reach Code	Waterbody Name	Exceptional Use	Recreational Use	Aquatic Life Use	Shellfish Use	Beach Closure Within Last Year	Beach Closure Within Last Two Years
12040201000569		No	Yes	Yes	No	No	No

Air Quality

Nonattainment Area?	Pollutant(s)	Applicable Nonattainment Standard(s)
Yes	Ozone	8-Hour Ozone (1997)
No	Lead	
No	Particulate Matter	
No	Carbon Monoxide	
No	Nitrogen Dioxide	
No	Sulfur Dioxide	

Pollutants

Toxics Release Inventory History of Reported Chemicals Released in Pounds per Year at Site

Air Pollutant Report TRI Pollution Prevention Report

TRI Facility ID	Year	Total Air Emissions	Surface Water Discharges	Off-Site Transfers to POTWs (Publicly Owned Treatment Works)	Underground Injections	Releases to Land	Total On-site Releases	Total Off-site Releases
77640CLRKR1801S	2017	698,413	77,950	0		3,848	780,211	90,941
77640CLRKR1801S	2016	570,889	72,584	0		199	643,672	61,330
77640CLRKR1801S	2015	470,270	78,639	0			548,909	107,625
77640CLRKR1801S	2014	458,232	58,836	0		0	517,068	64,100
77640CLRKR1801S	2013	481,631	68,388	0		0	550,019	86,580
77640CLRKR1801S	2012	601,613	122,566	0			724,179	91,719
77640CLRKR1801S	2011	542,383	25,008	0		0	567,391	231,096
77640CLRKR1801S	2010	143,099	29,654	0		0	172,753	295,189
77640CLRKR1801S	2009	157,593	38,282	0		0	195,875	188,533

Toxics Release Inventory Total Releases and Transfers in Pounds by Chemical and Year

Chemical Name	2017	2016	2015	2014	2013	2012	2011	2010	2009
1,2,4-TRIMETHYLBENZENE	6,501	982	791	1,020	1,087	1,040	554	916	1,334
1,3-BUTADIENE	886	219	178	108	98	118	112	115	255
2,4-DIMETHYLPHENOL	127			79	91	96	70	86	113
AMMONIA	22,813	20,820	22,508	23,290	23,220	25,335	22,475	20,729	22,195
ANTHRACENE	270	247	442	81	93	99	81	96	123
ASBESTOS (FRIABLE)	65,916								
BENZENE	21,032	18,919	16,444	11,803	14,588	15,079	12,709	13,372	14,768
BENZO(G,H,I)PERYLENE	7	6	0	1	1	1	1	1	1
BIPHENYL					4	4	5	5	5
CARBON DISULFIDE	3,604	3,352	3,095	3,350	3,503	3,532	3,086	3,156	3,424
CARBONYL SULFIDE	5,420	4,879	5,228	5,112	5,223	5,022	4,090	5,059	8,658
CERTAIN GLYCOL ETHERS									
CHLORINE							393	297	356
CHROMIUM COMPOUNDS(EXCEPT CHROMITE ORE MINED IN THE TRANSVAAL REGION)					451	466	548	251	249
COBALT COMPOUNDS	4,194	28,061	51	19,605	27,556	19,374	10,242	22,494	31,348
COPPER COMPOUNDS									
CRESOL (MIXED ISOMERS)	377	275	130	108	120	120	88	93	113
CUMENE	829	214	660	119	155	153	73	152	210
CYANIDE COMPOUNDS	1,306	1,295	890	946	1,177	1,490	1,451	1,096	1,315
CYCLOHEXANE	15,865	8,735	6,863	5,838	16,730	18,131	4,211	15,115	10,795
DIETHANOLAMINE						0			

Chemical Name	2017	2016	2015	2014	2013	2012	2011	2010	2009
DIOXIN AND DIOXIN-LIKE COMPOUNDS (in grams)	1	1	0	1	1	0	0	0	1
ETHYLBENZENE	7,608	3,262	2,985	1,730	2,147	2,476	1,898	2,024	4,043
ETHYLENE	2,558	9,887	15,546	8,211	8,167	8,407	11,759	8,868	9,604
HYDROCHLORIC ACID (1995 AND AFTER ACID AEROSOLS ONLY)	2,603	2,549	127	139	160	202	196	153	175
HYDROGEN CYANIDE	425,755	351,780	239,669	325,622	319,597	410,470	398,797	509	3,135
HYDROGEN FLUORIDE	5	40	33	5	5	5	5		
HYDROGEN SULFIDE	18,377	30,466	31,792	9,085	9,290	24,382			
LEAD									
LEAD COMPOUNDS	360	338	1,074	473	231	542	3,356	1,619	491
MANGANESE COMPOUNDS					1,132	1,143	1,104	500	622
MERCURY									
MERCURY COMPOUNDS	10	9	192	108	14	11	9	12	18
METHANOL	2,232	477							
METHYL ETHYL KETONE									
METHYL TERT-BUTYL ETHER									
MOLYBDENUM TRIOXIDE	3,309	9,139	8,188	4,315	11,454	10,289	119,509	190,095	155,161
N-HEXANE	38,911	29,141	24,389	7,640	13,678	13,323	8,480	9,513	12,516
NAPHTHALENE	4,214	1,617	3,536	147	141	132	101	64	88
NICKEL COMPOUNDS	17,456	20,591	81,784	34,168	46,421	58,890	98,580	82,753	4,054
NITRATE COMPOUNDS	75,187	70,058	72,376	55,755	64,181	119,399	19,716	24,131	31,619
PHENANTHRENE	808	573	1,105	160	175	173	131	88	115
PHENOL	829	405	662	312	1,500	290	229	274	303
POLYCYCLIC AROMATIC COMPOUNDS	8,784	3,860	1,586	220	182	156	168	12	12
PROPYLENE	6,583	17,539	40,328	8,090	8,533	9,576	17,692	10,044	10,284
SODIUM NITRITE									
STYRENE	6,450	670	655	561	601	633	625	734	1,058
SULFURIC ACID (1994 AND AFTER ACID AEROSOLS ONLY)	42,399	34,430	28,455	29,135	31,630	37,868	36,093	33,468	34,350
TETRACHLOROETHYLENE	106	99	5	5	5	5	5		
TOLUENE	35,087	19,855	21,852	12,783	14,942	16,475	12,487	12,467	12,342
VANADIUM COMPOUNDS	34	2,668	16,260	5,588					
XYLENE (MIXED ISOMERS)	21,750	6,987	6,362	5,222	7,412	9,157	5,754	5,991	7,083
ZINC COMPOUNDS	589	557	292	234	903	1,834	1,603	1,589	2,072

Demographic Profile

Demographic Profile of Surrounding Area (3 Miles)

This section provides demographic information regarding the community surrounding the facility. ECHO compliance data alone are not sufficient to determine whether violations at a particular facility had negative impacts on public health or the environment. Statistics are based upon the 2010 US Census and American Community Survey data, and are accurate to the extent that the facility latitude and longitude listed below are correct. The latitude and longitude are obtained from the EPA Locational Reference Table (LRT) when available.

General Statistics	
Total Persons	9,925
Population Density	467/sq.mi.
Percent Minority	96%
Households in Area	4,034
Housing Units in Area	4,962
Households on Public Assistance	78
Persons Below Poverty Level	5,675

Geography	
Radius of Selected Area	3 mi.
Center Latitude	29.868333
Center Longitude	-93.968333
Land Area	76%
Water Area	24%

Income Breakdown - Households (%)	
Less than \$15,000	1,311 (30.97%)
\$15,000 - \$25,000	546 (12.9%)
\$25,000 - \$50,000	1,324 (31.28%)
\$50,000 - \$75,000	536 (12.66%)
Greater than \$75,000	516 (12.19%)

Age Breakdown - Persons (%)	
Children 5 years and younger	715 (7%)
Minors 17 years and younger	2,504 (25%)
Adults 18 years and older	7,421 (75%)
Seniors 65 years and older	1,779 (18%)

Race Breakdown - Persons (%)	
White	627 (6%)
African-American	8,800 (89%)
Hispanic-Origin	638 (6%)
Asian/Pacific Islander	33 (0%)
American Indian	21 (0%)
Other/Multiracial	444 (4%)

Education Level(Persons 25 & older) - Persons (%)	
Less than 9th Grade	485 (6.74%)
9th through 12th Grade	1,037 (14.41%)
High School Diploma	2,736 (38.02%)
Some College/2-year	2,458 (34.15%)
B.S./B.A. (Bachelor of Science/Bachelor of Arts) or More	481 (6.68%)

Executive Summary – Enforcement Matter – Case No. 50396
The Premcor Refining Group Inc.
RN102584026
Docket No. 2015-0594-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Valero Port Arthur Refinery, 1801 Gulfway Drive, Port Arthur, Jefferson County

Type of Operation:

Petroleum refinery

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: September 11, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$46,876

Amount Deferred for Expedited Settlement: \$9,375

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$18,751

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$18,750

Name of SEP: Southeast Texas Regional Planning Commission (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 50396
The Premcor Refining Group Inc.
RN102584026
Docket No. 2015-0594-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: March 5, 2015, March 9, 2015, March 10, 2015, March 18, 2015, and April 13, 2015

Date(s) of NOE(s): April 7, 2015, April 8, 2015, April 16, 2015, and May 5, 2015

Violation Information

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,857 pounds ("lbs") of sulfur dioxide ("SO₂"), 5,748.8 lbs of volatile organic compounds ("VOC"), 2,398 lbs of carbon monoxide ("CO"), 331 lbs of nitrogen oxides ("NO_x"), and 94.2 lbs of hydrogen sulfide ("H₂S") from Flare Nos. 103, 19, and 22, Emissions Point Numbers ("EPNs") F-103-FLARE, F-19-FLARE, and F-22-FLARE, respectively, during an emissions event (Incident No. 207996) that began on January 2, 2015 and lasted five hours and 26 minutes. The emissions event occurred when a maintenance contractor accidentally damaged wires in an electrical conduit for the K-1300 Wet Gas Compressor, causing it to trip offline which led to flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Federal Operating Permit ("FOP") No. 01498, Special Terms and Conditions ("STC") No. 18, New Source Review ("NSR") Permit Nos. 6825A, PSDTX49, and N65, Special Conditions ("SC") No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 6,764.16 lbs of SO₂, 537.88 lbs of CO, 179.04 lbs of VOC, 150.19 lbs of NO_x, 70.88 lbs of H₂S, and 25.89 lbs of particulate matter ("PM") from Heater 147-F-1100, Heater 147-F-1200, Heater 843-H1, Heater 843-H3, Flare No. 23, Hydrocracking Unit ("HCU") 943 Flare, Heater 246-H1, and Sulfur Recovery Unit ("SRU") 545, EPNs E-01-147, E-02-147, E-01-843, E-03-843, E-23-FLARE, E-26-FLARE, E-01-246, and E-03-SCOT, respectively, during an emissions event (Incident No. 208007) that began on January 2, 2015 and lasted four hours and 30 minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Executive Summary – Enforcement Matter – Case No. 50396
The Premcor Refining Group Inc.
RN102584026
Docket No. 2015-0594-AIR-E

3. Failed to prevent unauthorized emissions. Specifically, the Respondent released 7,909 lbs of SO₂, 84 lbs of H₂S, 50 lbs of CO, 31.11 lbs of VOC, and 6.9 lbs of NO_x from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208135) that began on January 5, 2015 and lasted 12 hours and 48 minutes. The emissions event occurred when the Hot Low Pressure Separator Air Vapor Cooler, C-1221 of HCU 942, became plugged as a result of Incident No. 208007; the blockage caused a process safety valve to intermittently relieve to the flares. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 12,597.19 lbs of SO₂, 145.51 lbs of CO, 41.26 lbs of VOC, and 20.47 lbs of NO_x from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208163) that began on January 6, 2015 and lasted five minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

5. Failed to prevent unauthorized emissions. Specifically, the Respondent released 17.83 lbs of NO_x, 5.11 lbs of CO, 0.87 lb of PM, 0.63 lb of VOC, and 0.1 lb of H₂S from SRU 546, EPN E-04-SCOT, during an emissions event (Incident No. 208834) that began on January 17, 2015 and lasted 15 hours. The emissions event occurred during a shutdown of SRU 546; the shutdown was done to replace tubes in the amine reboiler that began leaking in early January but were not timely addressed by operators. Since this emissions event could have been prevented by better maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Executive Summary – Enforcement Matter – Case No. 50396
The Premcor Refining Group Inc.
RN102584026
Docket No. 2015-0594-AIR-E

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. By February 9, 2015, issued a safety bulletin and reviewed the incident with contractors stressing the use of spotters while performing maintenance work in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 207996;
- b. By March 27, 2015, repaired the process safety valve in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208135;
- c. By March 20, 2015, reviewed the cause of the incident with each shift of operators and updated procedures for bringing HCU 942 back online in the future in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208135; and
- d. By April 8, 2015, updated and reviewed with operators the operating procedures for the lube oil system for HCU 942 in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 208007 and 208163.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
 - a. Within 30 days, implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208834; and
 - b. Within 45 days, submit written certification to demonstrate compliance with a.

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Executive Summary – Enforcement Matter – Case No. 50396
The Premcor Refining Group Inc.
RN102584026
Docket No. 2015-0594-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: David Carney, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565

Respondent: J. Greg Gentry, Vice President and General Manager, The Premcor
Refining Group Inc., P.O. Box 909, Port Arthur, Texas 77641

Paula LaRocca, Environmental Manager, The Premcor Refining Group Inc., P.O. Box
909, Port Arthur, Texas 77641

Respondent's Attorney: N/A

Attachment A
Docket Number: 2015-0594-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Premcor Refining Group Inc.
Penalty Amount:	Thirty-Seven Thousand Five Hundred One Dollars (\$37,501)
SEP Offset Amount:	Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
Location of SEP:	Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

The Premcor Refining Group Inc.
Agreed Order - Attachment A

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

The Premcor Refining Group Inc.
Agreed Order - Attachment A

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	11-May-2015			
	PCW	18-May-2015	Screening	18-May-2015	EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent	The Premcor Refining Group Inc.		
Reg. Ent. Ref. No.	RN102584026		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	50396	No. of Violations	5
Docket No.	2015-0594-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$26,250
-------------------------------------------------------------	-------------------	-----------------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	100.0% Enhancement	Subtotals 2, 3, & 7	\$26,250
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Notes: Enhancement for five NOV's with same/similar violations, one NOV with dissimilar violations, six agreed orders containing denials of liability, and two agreed orders without denials of liability. Reduction for six notices of intent to conduct an audit and three disclosures of violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$5,624
------------------------------------------------------	-------------------	-----------------

Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$1,030
 Estimated Cost of Compliance \$57,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$46,876
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$46,876

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$46,876
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DEFERRAL	20.0% Reduction	Adjustment	-\$9,375
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Reduces the Final Assessed Penalty by the Indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$37,501
------------------------	-----------------

Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E



Respondent The Premcor Refining Group Inc.

Policy Revision 4 (April 2014)

Case ID No. 50396

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	5	25%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	6	120%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	6	-6%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	3	-6%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 185%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for five NOVs with same/similar violations, one NOV with dissimilar violations, six agreed orders containing denials of liability, and two agreed orders without denials of liability. Reduction for six notices of intent to conduct an audit and three disclosures of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 185%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E

Policy Revision 4 (April 2014)
PCW Revision March 26, 2014

Respondent The Premcor Refining Group Inc.

Case ID No. 50396

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Federal Operating Permit ("FOP") No. 01498, Special Terms and Conditions ("STC") No. 18, New Source Review ("NSR") Permit Nos. 6825A, PSDTX49, and N65, Special Conditions ("SC") No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 8,857 pounds ("lbs") of sulfur dioxide ("SO2"), 5,748.8 lbs of volatile organic compounds ("VOC"), 2,398 lbs of carbon monoxide ("CO"), 331 lbs of nitrogen oxides ("NOx"), and 94.2 lbs of hydrogen sulfide ("H2S") from Flare Nos. 103, 19, and 22, Emissions Point Numbers ("EPNs") F-103-FLARE, F-19-FLARE, and F-22-FLARE, respectively, during an emissions event (Incident No. 207996) that began on January 2, 2015 and lasted five hours and 26 minutes. The emissions event occurred when a maintenance contractor accidentally damaged wires in an electrical conduit for the K-1300 Wet Gas Compressor, causing it to trip offline which led to flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

Number of violation days 1

mark only one with an x

x

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0%

\$1,875

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on February 9, 2015, prior to the Notice of Enforcement ("NOE") dated April 7, 2015.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 50396
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling	\$250	2-Jan-2015	9-Feb-2015	0.10	\$1	\$0	\$1
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs

Estimated cost to issue a safety bulletin and review the incident with contractors stressing the use of spotters while performing maintenance work in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 207996. The Date Required is the date of the emissions event and the Final Date is the compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$1

Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 4 (April 2014)

Case ID No. 50396

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 6,764.16 lbs of SO2, 537.88 lbs of CO, 179.04 lbs of VOC, 150.19 lbs of NOx, 70.88 lbs of H2S, and 25.89 lbs of particulate matter ("PM") from Heater 147-F-1100, Heater 147-F-1200, Heater 843-H1, Heater 843-H3, Flare No. 23, Hydrocracker Unit ("HCU") 943 Flare, Heater 246-H1, and Sulfur Recovery Unit ("SRU") 545, EPNs E-01-147, E-02-147, E-01-843, E-03-843, E-23-FLARE, E-26-FLARE, E-01-246, and E-03-SCOT, respectively, during an emissions event (Incident No. 208007) that began on January 2, 2015 and lasted four hours and 30 minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	15.0%
Potential				

Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

\$21,250

\$3,750

Violation Events

Number of Violation Events 1 Number of violation days 1

mark only one with an x

Annual	
Quarterly	X
Monthly	
Bi-monthly	
Bi-annual	
Other	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

\$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent came into compliance on April 8, 2015, prior to the NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$20

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 50396
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EE Amount
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Delayed Costs							
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling	\$1,500	2-Jan-2015	8-Apr-2015	0.26	\$20	\$0	\$20
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs: Estimated cost to update and review with operators the operating procedures for the lube oil system for HCU 942 in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 208007 and 208163. The Date Required is the date of the first emissions event and the Final Date is the compliance date.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance	\$1,500	TOTAL	\$20
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Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 4 (April 2014)

Case ID No. 50396

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. O1498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 7,909 lbs of SO2, 84 lbs of H2S, 50 lbs of CO, 31.11 lbs of VOC, and 6.9 lbs of NOx from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208135) that began on January 5, 2015 and lasted 12 hours and 48 minutes. The emissions event occurred when the Hot Low Pressure Separator Air Vapor Cooler, C-1221 of HCU 942, became plugged as a result of Incident No. 208007; the blockage caused a process safety valve to intermittently relieve to the flares. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

Regulatory Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

Quarterly	
Bi-Weekly	
Monthly	
Quarterly	X
Semi-Annual	
Annual	
Single Event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent came into compliance on March 27, 2015, prior to the NOE dated April 8, 2015.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Yes

Estimated EB Amount \$779

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 50396
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment	\$50,000	5-Jan-2015	27-Mar-2015	0.22	\$37	\$740	\$777
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0		\$0
Record Keeping System				0.00	\$0		\$0
Training/Sampling	\$250	5-Jan-2015	20-Mar-2015	0.20	\$3		\$3
Remediation/Disposal				0.00	\$0		\$0
Permit Costs				0.00	\$0		\$0
Other (as needed)				0.00	\$0		\$0

Notes for DELAYED costs

Estimated cost to repair the process safety valve (completed March 27, 2015) and to review the cause of the incident with each shift of operators and update procedures for bringing HCU 942 back online in the future (completed March 20, 2015) in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208135. The Date Required is the date of the emissions event and the Final Dates are the compliance dates.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,250

TOTAL

\$779

Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E

Policy Revision 4 (April 2014)
PCW Revision March 26, 2014

Respondent The Premcor Refining Group Inc.

Case ID No. 50396

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 12,597.19 lbs of SO2, 145.51 lbs of CO, 41.26 lbs of VOC, and 20.47 lbs of NOx from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208163) that began on January 6, 2015 and lasted five minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 30.0%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1

Number of violation days 1

mark only one with an x

100% of violation	
75% of violation	
50% of violation	x
25% of violation	
10% of violation	
5% of violation	
1% of violation	
0% of violation	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

25.0%

\$1,875

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes

The Respondent came into compliance on April 8, 2015, prior to the NOE dated April 16, 2015.

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$13,125

This violation Final Assessed Penalty (adjusted for limits) \$13,125

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 50396
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs

Economic benefit included in Violation No. 2.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 18-May-2015

Docket No. 2015-0594-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 4 (April 2014)

Case ID No. 50396

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 17.83 lbs of NOx, 5.11 lbs of CO, 0.87 lb of PM, 0.63 lb of VOC, and 0.1 lb of H2S from SRU 546, EPN E-04-SCOT, during an emissions event (Incident No. 208834) that began on January 17, 2015 and lasted 15 hours. The emissions event occurred during a shutdown of SRU 546; the shutdown was done to replace tubes in the amine reboiler that began leaking in early January but were not timely addressed by operators. Since this emissions event could have been prevented by better maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

Number of violation days 1

mark only one with an x

Quarterly	
Bi-Quarterly	
Quarterly	X
Semi-Annual	
Annual	
Bi-Annual	
Tri-Annual	
Other	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0%

\$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$229

Violation Final Penalty Total \$7,500

This violation Final Assessed Penalty (adjusted for limits) \$7,500

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 50396
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)	\$5,000	17-Jan-2015	18-Dec-2015	0.92	\$229	\$0	\$229

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208834. The Date Required is the date of the emissions event and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$229



Compliance History Report

PUBLISHED Compliance History Report for CN601420748, RN102584026, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN601420748, The Premcor Refining Group Inc.	Classification: SATISFACTORY	Rating: 34.58
Regulated Entity:	RN102584026, Valero Port Arthur Refinery	Classification: SATISFACTORY	Rating: 46.11
Complexity Points:	30	Repeat Violator: NO	
CH Group:	02 - Oil and Petroleum Refineries		
Location:	1801 GULFWAY DRIVE, PORT ARTHUR, TEXAS 77640-4416, JEFFERSON COUNTY		
TCEQ Region:	REGION 10 - BEAUMONT		

ID Number(s):

- | | |
|---------------------------------------------------------------------|------------------------------------------------------------------------------|
| AIR OPERATING PERMITS PERMIT 3423 | AIR OPERATING PERMITS ACCOUNT NUMBER JE0042B |
| AIR OPERATING PERMITS PERMIT 1498 | AIR OPERATING PERMITS PERMIT 2227 |
| AIR OPERATING PERMITS PERMIT 2228 | AIR OPERATING PERMITS PERMIT 2229 |
| INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD008090409 | INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30004 |
| INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50350 | AIR NEW SOURCE PERMITS REGISTRATION 17038 |
| AIR NEW SOURCE PERMITS PERMIT 6825A | AIR NEW SOURCE PERMITS REGISTRATION 12454A |
| AIR NEW SOURCE PERMITS REGISTRATION 12553A | AIR NEW SOURCE PERMITS REGISTRATION 13635A |
| AIR NEW SOURCE PERMITS REGISTRATION 13698A | AIR NEW SOURCE PERMITS REGISTRATION 28778 |
| AIR NEW SOURCE PERMITS ACCOUNT NUMBER JE0042B | AIR NEW SOURCE PERMITS AFS NUM 4824500004 |
| AIR NEW SOURCE PERMITS EPA PERMIT N65 | AIR NEW SOURCE PERMITS PERMIT 80812 |
| AIR NEW SOURCE PERMITS REGISTRATION 84929 | AIR NEW SOURCE PERMITS REGISTRATION 84905 |
| AIR NEW SOURCE PERMITS PERMIT 86757 | AIR NEW SOURCE PERMITS REGISTRATION 87917 |
| AIR NEW SOURCE PERMITS REGISTRATION 91727 | AIR NEW SOURCE PERMITS REGISTRATION 91911 |
| AIR NEW SOURCE PERMITS REGISTRATION 94365 | AIR NEW SOURCE PERMITS EPA PERMIT PSDTX49M1 |
| AIR NEW SOURCE PERMITS REGISTRATION 103875 | AIR NEW SOURCE PERMITS REGISTRATION 131468 |
| AIR NEW SOURCE PERMITS REGISTRATION 112591 | AIR NEW SOURCE PERMITS REGISTRATION 118687 |
| AIR NEW SOURCE PERMITS REGISTRATION 109221 | AIR NEW SOURCE PERMITS REGISTRATION 114829 |
| IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 30004 | AIR EMISSIONS INVENTORY ACCOUNT NUMBER JE0042B |
| POLLUTION PREVENTION PLANNING ID NUMBER P00987 | |

Compliance History Period:	September 01, 2009 to August 31, 2014	Rating Year:	2014	Rating Date:	09/01/2014
Date Compliance History Report Prepared:	June 26, 2015				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	June 26, 2010 to June 26, 2015				

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: David Carney **Phone:** (512) 239-2583

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 11/18/2011 ADMINORDER 2010-0909-MLM-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O1498, GTC OP
FOP O1498, STC 18 OP
NSR Permit 6825A, SC 1 PERMIT
Description: Failed to prevent unauthorized emissions at the Port Arthur Refinery.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)
30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O1498 OP
FOP O1498, GTC OP
Description: Failed to submit an initial report within 24 hours for Incident No. 134571 at the Port Arthur Refinery. Specifically, the incident occurred on January 15, 2010 at 5:51 p.m., but was not reported until January 18, 2010 at 9:20 a.m.
- 2 Effective Date: 02/18/2012 ADMINORDER 2011-1355-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O1498 STC 18 OP
FOP O1498, General Terms and Conditions OP
NSR Permit 6825A, SC 1 PERMIT
Description: Failed to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O2228 OP
FOP O2228, STC 14 OP
Description: Failed to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: FOP O2228, General Terms and Conditions OP
FOP O2228, STC 14 OP
Description: Failed to prevent unauthorized emissions.
- 3 Effective Date: 08/15/2014 ADMINORDER 2013-1862-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-5(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: General Terms and Conditions OP
Special Condition 18 OP
Special Condition 5A PERMIT

Description: Failure to equip each sampling system connection with a closed-purged, closed-loop, or closed-vent system. B19g1

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP
Special Condition 14A PERMIT
Special Condition 18 OP

Description: Failure to orientate the inlet/outlet sampling taps on the cooling tower properly to obtain a representative sample as required by Appendix P of the TCEQ Sampling Procedures Manual.

A8 1G

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP
Special Condition 1 PERMIT
Special Condition 18 OP

Description: Failure to maintain an emission rate below the allowable limit for VOC at Cooling Tower 136B, Emission Point Number (EPN F-136BCT), from March 13, 2012, through June 1, 2012.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP
Special Condition 1 PERMIT

Description: Failure to maintain an emission rate below the allowable emission limits.

4 Effective Date: 02/13/2015 ADMINORDER 2014-0903-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP
Special Condition 1 PERMIT

Description: Failure to maintain an emission rate below the allowable emission limits.

5 Effective Date: 03/13/2015 ADMINORDER 2014-0630-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP
Special Condition 1 PERMIT
Special Condition 18 OP

Description: Failure to maintain an emission rate below the allowable emission limits.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP

Special Condition 1 PERMIT

Special Condition 18 OP

Description: Failure to maintain an emission rate below the allowable emission limits.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP

Special Condition 1 PERMIT

Special Condition 18 OP

Description: Failure to maintain an emission rate below the allowable emission limits.

6 Effective Date: 04/09/2015 ADMINORDER 2014-0465-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: General Terms and Conditions OP

Special Condition 1 PERMIT

Special Condition 18 OP

Description: Failure to maintain an emission rate below the allowable emission limits.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	August 02, 2010	(842714)
Item 2	November 15, 2010	(871779)
Item 3	November 30, 2010	(872652)
Item 4	April 15, 2011	(906545)
Item 5	October 25, 2011	(956400)
Item 6	October 29, 2011	(956377)
Item 7	November 02, 2011	(951193)
Item 8	November 29, 2011	(963859)
Item 9	January 17, 2012	(976419)
Item 10	February 17, 2012	(983674)
Item 11	February 21, 2012	(987303)
Item 12	March 16, 2012	(994426)
Item 13	March 23, 2012	(988369)
Item 14	April 30, 2012	(988371)
Item 15	May 17, 2012	(995645)
Item 16	August 07, 2012	(1019646)
Item 17	August 14, 2012	(1023815)
Item 18	August 28, 2012	(1023318)
Item 19	September 11, 2012	(1023427)
Item 20	October 11, 2012	(1036849)
Item 21	October 13, 2012	(1028000)
Item 22	October 15, 2012	(1036124)
Item 23	November 20, 2012	(1042742)
Item 24	February 20, 2013	(1051546)
Item 25	April 30, 2013	(1086243)

Item 26	August 08, 2013	(1109778)
Item 27	August 17, 2013	(1113514)
Item 28	August 26, 2013	(1113154)
Item 29	August 27, 2013	(1115289)
Item 30	October 30, 2013	(1123618)
Item 31	February 27, 2014	(1140405)
Item 32	February 28, 2014	(1152033)
Item 33	April 21, 2014	(1163529)
Item 34	May 08, 2014	(1165599)
Item 35	May 16, 2014	(1164072)
Item 36	May 20, 2014	(1166837)
Item 37	May 27, 2014	(1163802)
Item 38	June 04, 2014	(1171088)
Item 39	July 02, 2014	(1178891)
Item 40	August 22, 2014	(1191121)
Item 41	September 08, 2014	(1191077)
Item 42	September 12, 2014	(1192217)
Item 43	September 16, 2014	(1196076)
Item 44	September 25, 2014	(1196875)
Item 45	September 29, 2014	(1197191)
Item 46	October 16, 2014	(1190360)
Item 47	October 27, 2014	(1203120)
Item 48	December 15, 2014	(1211921)
Item 49	January 13, 2015	(1215946)
Item 50	February 03, 2015	(1222026)
Item 51	April 17, 2015	(1245963)
Item 52	April 21, 2015	(1245925)
Item 53	April 23, 2015	(1246737)
Item 54	May 08, 2015	(1251886)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	07/02/2014	(1173802)		
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 18 OP Special Condition 1A OP Special Condition 3A PERMIT Special Condition 5A PERMIT Special Condition 6A PERMIT			
	Description:	Failure to maintain a minimum of 300 British Thermal Units per standard cubic feet (BTUs/scf) net heating value for the gas sent to the Pressure Flare 13 as reported in the FOP O-01498 semi-annual deviation report for the reporting period of January 1, 2013, through June 30, 2013, and July 1, 2013, through December 31, 2013.			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(5) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 18 OP Special Condition 1A OP Special Condition 3A PERMIT Special Condition 5A PERMIT			

Special Condition 6B PERMIT

Description: Failure to operate a flare with a flame present at all times and to continuously monitor the pilot flame by thermocouple or infrared monitor as reported in the FOP O-01498 semi-annual deviation reports for the reporting periods of January 1, 2013, through June 30, 2013, and July 1, 2013, through December 31, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 3E PERMIT
Special Condition 46E PERMIT
Special Condition 5A PERMIT

Description: Failure to install a plug, cap, or blind on an open-ended line as reported in the FOP O-01498 semi-annual deviation reports covering the reporting periods of January 1, 2013, through June 30, 2013, and July 1, 2013, through December 31, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 19B PERMIT

Description: Failure to degas liquid sulfur to a H2S content of 100 parts per million by weight (ppmw) prior to loading into tank trucks as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2013, through December 31, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 25C PERMIT
Special Condition 3A PERMIT

Description: Failure to limit the refinery fuel gas to no more than 10 grains total sulfur per dry standard cubic feet (dscf) or 160 ppmv on a 1-hour rolling average as reported in the FOP O-01498 semi-annual deviation reports for the reporting periods of January 1, 2013, through June 30, 2013, and July 1, 2013, through December 31, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 3E PERMIT
Special Condition 46H OP
Special Condition 5A PERMIT

Description: Failure to make the first attempt of repair within five days as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2013, through December 31, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085
General Terms and Conditions OP
Special Condition 13 PERMIT
Special Condition 18 OP

Description: Failure to maintain the pressure drop minimum value of 6.5 inches of water in the wet gas scrubber as reported in the FOP O-01498 semi-annual deviation report for the reporting period of January 1, 2013, through June 30, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.780
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1568(a)(1)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 3A PERMIT
Special Condition 5B PERMIT

Description: Failure to maintain compliance with MACT UUU concentration limit for SO2 (250ppm at zero excess O2) as reported in the FOP O-01498 semi-annual deviation report for the reporting period January 1, 2013, through June 30, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

Description: Failure to report all instances of deviations as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2013, through December 31, 2013.

2 Date: 07/30/2014 (1179598) CN601420748

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Ja 60.107a(f)(1)(ii)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 1 OP
Special Condition 13 OP
Special Condition 3A PERMIT

Description: Failure to use a flow sensor with a measurement sensitivity of no more than 5% of the flow rate or 10 cubic feet per minute, which ever is greater, for Flare 26 as reported in the FOP O-3423 semiannual deviation report (SDR) covering the compliance period of May 16, 2013, through November 15, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Ja 60.103a(h)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 13 OP
Special Condition 3A PERMIT

Description: Failure to limit the refinery fuel gas to no more than 162 ppmv determined hourly on a 3-hour rolling average basis as reported in the FOP O-3423 semi-annual deviation reports for the reporting periods of May 16, 2013, through November 15, 2013.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

General Terms and Conditions OP
Special Condition 1 PERMIT
Special Condition 13 OP
Special Condition 24C and D PERMIT
Description: Failure to maintain an emission rate below the allowable emission limits as reported in the FOP - O3423 in the semiannual deviation reports covering the compliance period of May 16, 2013, through May 15, 2014.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085
General Terms and Conditions OP
Special Condition 13 OP
Special Condition 1A OP
Special Condition 3E PERMIT
Special Condition 46E PERMIT
Special Condition 5A PERMIT

Description: Failure to install a plug, cap, or blind on an open-ended line as reported in the FOP O-03423 semi-annual deviation report covering the reporting period of May 16, 2013, through November 15, 2013.

3 Date: 09/19/2014 (1192635) CN601420748

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 40(E) PERMIT

Description: Failure to submit performance test reports for SRU 543 and 544 in a timely manner.

4 Date: 09/26/2014 (1195799) CN601420748

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 13 OP
Special Condition 1A OP
Special Condition 3E PERMIT
Special Condition 46E PERMIT
Special Condition 5A PERMIT

Description: Failure to install a cap, blind flange, plug, or second valve on open-ended lines (OELs) as reported in the deviation reports for FOP O-02227 covering the reporting periods of June 12, 2013, through June 11, 2014.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT Y 63.563(a)(4)(i)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 11B(2) PERMIT
Special Condition 13 OP
Special Condition 1A OP

Description: Failure to ensure the marine vessels loaded are leak tight by obtaining a passing annual vapor tightness test for determination of cargo tank pressure as reported in the semiannual deviation reports for FOP O-02227 covering the compliance period of June 12, 2013, through June 11, 2014.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Special Condition 5 PERMIT
 Description: Failure to maintain the six-minute average temperature above the minimum one hour average temperature maintained during the last satisfactory stack test as reported in the semiannual deviation report for FOP O-02227 covering the compliance period of June 12, 2013, through June 11, 2014.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter C 122.210(a)
 5C THSC Chapter 382 382.085(b)

Description: Failure to submit an application to the executive director for a revision to a permit for those activities at a site which change, add, or remove one or more permit terms or conditions.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP

Description: Failure to report a deviation and accurately certify compliance in the FOP O-02227 for the reporting periods of June 12, 2013, through June 11, 2014.

5 Date: 12/10/2014 (1209630)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-5(d)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 13 OP

Description: Failure to operate the RTO at all times while emissions are routed to it as reported on the SDR covering the compliance period of May 21, 2013, through November 20, 2013.

6 Date: 05/27/2015 (1241778)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP

Description: Failure to prevent the release of unauthorized VOC emissions from the Coker vents to the atmosphere.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 1 PERMIT
 Special Condition 15 OP

Description: Failure to maintain an emission rate below the allowable emission limits at DCU-843 and HCU-942.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Ja 60.102a(g)(1)(ii)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 15 OP
 Special Condition 1A OP
 Special Condition 3A PERMIT
 Special Condition 25C and 25D PERMIT

Description: Failure to maintain the 1-hour permit limit of 160 parts per million by volume (ppmv) and 3-hour rolling average of 162 ppmv of Hydrogen Sulfide (H₂S) on January 21, 2014.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-2(a)(5)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP
 Special Condition 15 OP
 Special Condition 3F PERMIT

Description: Failure to make the first attempt at repair within 24 hours of the failed visual

Inspection of the drain clean out on March 26, 2014.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 113, SubChapter C 113.340
 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
 5C THSC Chapter 382 382.085
 General Terms and Conditions OP
 Special Condition 15 OP
 Special Condition 3E PERMIT
 Special Condition 46E PERMIT
 Special Condition 5A PERMIT
 Description: Failure to operate without a cap, blind flange, plug, or a second valve installed on equipment in VOC service.

F. Environmental audits:

Notice of Intent Date: 08/21/2009 (775707)

Disclosure Date: 09/08/2010

Viol. Classification: Moderate

Citation: 40 CFR Chapter 122, SubChapter D, PT 122, SubPT C 122.41(a)

Rqmt Prov: PERMIT TPDES Permit # 00309, Pg 20, Cond. 10

Description: Failure to notify the regulatory agency of azure blue dye use. Azure blue dye was being used to treat the tertiary treatment pond, to limit algae growth, without the permit required notifications to the regulatory agency. An initial notification of application was submitted on March 8, 2007 but no further notifications have been made. Dye application typically ends in the Fall, and resumes each Spring. Notifications were not made in 2008 or 2009.

Viol. Classification: Minor

Citation: 40 CFR Chapter 110, SubChapter D, PT 110 112.5(b)

Description: Failed to sign or date the SPCC Plan Form. Figure E-2 of the SPCC Plan contained an "Acknowledgement of SPCC Review" but the form was not signed or dated.

Viol. Classification: Major

Citation: 40 CFR Chapter 122, SubChapter D, PT 122, SubPT B 122.26

Rqmt Prov: PERMIT TPDES Permit # 00309, Condition 9

Description: Failed to implement a SWP3 plan for 7 demolition projects. These projects include the MEK Unit, Pump House #1, Decoker, 9 CO Boiler and Precipitator, 11 Boiler House, 11 Warehouse and the ISOM Unit. Field visits indicated that all the projects had been completed with the exception of the MEK Unit and Boiler House No. 11 projects which are in progress. An expansion project began in the 3rd Quarter, 2007 but no plan was implemented until November, 2008. A final plan was dated February 6, 2009

Notice of Intent Date: 02/18/2011 (905312)

No DOV Associated

Notice of Intent Date: 06/10/2011 (934095)

No DOV Associated

Notice of Intent Date: 01/19/2012 (988335)

No DOV Associated

Notice of Intent Date: 05/01/2012 (1014133)

No DOV Associated

Notice of Intent Date: 10/17/2012 (1058561)

Disclosure Date: 01/28/2013

Viol. Classification: Minor

Citation: 40 CFR Part 61, Subpart FF 61.356(f)(2)(i)(G)

Description: Failed to be able to locate a certification letter and corresponding design calculation for a carbon adsorption system commissioned on an oil water sump at RSU 1747.

Viol. Classification: Minor

Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1574(f)

Description: Failed to have an operation, maintenance and monitoring plan for the bypass lines on SRU-54. The lines are HV-1806 for SRU-545 and HV-2682 for SRU-546.

Notice of Intent Date: 07/25/2013 (1105606)

Disclosure Date: 07/23/2014

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)

Description: Failed to have Tank Nos 926, 2110, and 2133 inspected for their 10 year internal inspection.

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: THE PREMCOR REFINING GROUP INC

Reg Entity Add: 1801 SOUTH GULFWAY DRIVE

Reg Entity City: PORT ARTHUR

Reg Entity No: RN102584026

EPA Case No: 06-2013-0905

Order Issue Date (yyyymmdd): 20130401

Case Result:

Statute: RCRA **Sect of Statute:** 3013

Classification: Minor

Program: Solid Waste Management **Citation:**

Violation Type:

Cite Sect: **Cite Part:**

Enforcement Action: Administrative Compliance Order

EPA Case No: 06-2011-0975

Order Issue Date (yyyymmdd): 20111118

Case Result:

Statute: RCRA **Sect of Statute:** 3013

Classification: Minor

Program: RCRA Corrective Action **Citation:**

Violation Type:

Cite Sect: **Cite Part:**

Enforcement Action: Administrative Compliance Orders

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
THE PREMCOR REFINING
GROUP INC.
RN102584026

§
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BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2015-0594-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding The Premcor Refining Group Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a petroleum refinery located at 1801 Gulfway Drive in Port Arthur, Jefferson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about April 12, 13, 21, and May 10, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Forty-Six Thousand Eight Hundred Seventy-Six Dollars (\$46,876) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Eighteen Thousand Seven

- Hundred Fifty-One Dollars (\$18,751) of the administrative penalty and Nine Thousand Three Hundred Seventy-Five Dollars (\$9,375) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
 8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
 9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By February 9, 2015, issued a safety bulletin and reviewed the incident with contractors stressing the use of spotters while performing maintenance work in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 207996;
 - b. By March 27, 2015, repaired the process safety valve in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208135;
 - c. By March 20, 2015, reviewed the cause of the incident with each shift of operators and updated procedures for bringing Hydrocracking Unit ("HCU") 942 back online in the future in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208135; and
 - d. By April 8, 2015, updated and reviewed with operators the operating procedures for the lube oil system for HCU 942 in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 208007 and 208163.
 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), Federal Operating Permit ("FOP") No. 01498, Special Terms and Conditions ("STC") No. 18, New Source Review ("NSR") Permit Nos. 6825A, PSDTX49, and N65, Special Conditions ("SC") No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 9, 2015. Specifically, the Respondent released 8,857 pounds ("lbs") of sulfur dioxide ("SO₂"), 5,748.8 lbs of volatile organic compounds ("VOC"), 2,398 lbs of carbon monoxide ("CO"), 331 lbs of nitrogen oxides ("NO_x"), and 94.2 lbs of hydrogen sulfide ("H₂S") from Flare Nos. 103, 19, and 22, Emissions Point Numbers ("EPNs") F-103-FLARE, F-19-FLARE, and F-22-FLARE, respectively, during an emissions event (Incident No. 207996) that began on January 2, 2015 and lasted five hours and 26 minutes. The emissions event occurred when a maintenance contractor accidentally damaged wires in an electrical conduit for the K-1300 Wet Gas Compressor, causing it to trip offline which led to flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 5, 2015. Specifically, the Respondent released 6,764.16 lbs of SO₂, 537.88 lbs of CO, 179.04 lbs of VOC, 150.19 lbs of NO_x, 70.88 lbs of H₂S, and 25.89 lbs of particulate matter ("PM") from Heater 147-F-1100, Heater 147-F-1200, Heater 843-H1, Heater 843-H3, Flare No. 23, HCU 943 Flare, Heater 246-H1, and Sulfur Recovery Unit ("SRU") 545, EPNs E-01-147, E-02-147, E-01-843, E-03-843, E-23-FLARE, E-26-FLARE, E-01-246, and E-03-SCOT, respectively, during an emissions event (Incident No. 208007) that began on January 2, 2015 and lasted four hours and 30 minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 18, 2015. Specifically, the Respondent released 7,909 lbs of SO₂, 84 lbs of H₂S, 50 lbs of CO, 31.11 lbs of VOC, and 6.9 lbs of NO_x from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208135) that

began on January 5, 2015 and lasted 12 hours and 48 minutes. The emissions event occurred when the Hot Low Pressure Separator Air Vapor Cooler, C-1221 of HCU 942, became plugged as a result of Incident No. 208007; the blockage caused a process safety valve to intermittently relieve to the flares. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on March 10, 2015. Specifically, the Respondent released 12,597.19 lbs of SO₂, 145.51 lbs of CO, 41.26 lbs of VOC, and 20.47 lbs of NO_x from Flare No. 23 and HCU 943 Flare, EPNs E-23-FLARE and E-26-FLARE, respectively, during an emissions event (Incident No. 208163) that began on January 6, 2015 and lasted five minutes. The emissions event occurred when an operator mistakenly turned off one of two lube oil pumps feeding the HCU 942, causing the unit to trip offline which resulted in flaring. Since this emissions event could have been prevented by better operational practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F) and (c), and 122.143(4), FOP No. 01498, STC No. 18, NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on April 13, 2015. Specifically, the Respondent released 17.83 lbs of NO_x, 5.11 lbs of CO, 0.87 lb of PM, 0.63 lb of VOC, and 0.1 lb of H₂S from SRU 546, EPN E-04-SCOT, during an emissions event (Incident No. 208834) that began on January 17, 2015 and lasted 15 hours. The emissions event occurred during a shutdown of SRU 546; the shutdown was done to replace tubes in the amine reboiler that began leaking in early January but were not timely addressed by operators. Since this emissions event could have been prevented by better maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: The Premcor Refining Group Inc., Docket No. 2015-0594-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement measures and/or procedures designed to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 208834; and
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

Penny Moore J
For the Executive Director

1/22/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit application submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeing other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

J. Greg Gentry
Signature

11/5/15
Date

J. Greg Gentry
Name (Printed or typed)
Authorized Representative of
The Premcor Refining Group Inc.

Vice President and General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2015-0594-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Premcor Refining Group Inc.
Penalty Amount:	Thirty-Seven Thousand Five Hundred One Dollars (\$37,501)
SEP Offset Amount:	Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
Location of SEP:	Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

The Premcor Refining Group Inc.
Agreed Order - Attachment A

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

The Premcor Refining Group Inc.
Agreed Order - Attachment A

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Executive Summary – Enforcement Matter – Case No. 47768
The Premcor Refining Group Inc.
RN102584026
Docket No. 2013-1862-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Valero Port Arthur, 1801 Gulfway Drive, Port Arthur, Jefferson County

Type of Operation:

Refinery

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2011-2300-AIR-E, 2013-2180-AIR-E, 2013-0839-AIR-E, and 2014-0465-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 9, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$55,063

Amount Deferred for Expedited Settlement: \$11,012

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$22,026

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$22,025

Name of SEP: Southeast Texas Regional Planning Commission

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Investigation Information

Executive Summary – Enforcement Matter – Case No. 47768
The Premcor Refining Group Inc.
RN102584026
Docket No. 2013-1862-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: May 14, 2013 to June 13, 2013 and September 6, 2013

Date(s) of NOE(s): August 29, 2013 and October 16, 2013

Violation Information

1. Failed to equip each sampling system connection with a closed-purged, closed-loop, or closed-vent system. Specifically, the sampling connections located in the central valve pump station are not closed-looped, closed-purged, or closed-vented [30 TEX. ADMIN. CODE §§ 101.20(1), (2), and (3), 113.340, 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS (“CFR”) §§ 60.482-5(a) and 63.648(a), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review (“NSR”) Permit Nos. 6825A, PSDTX49, and N65, Special Conditions (“SC”) No. 5.A., and Federal Operating Permit (“FOP”) No. O1498, General Terms and Conditions (“GTC”) and Special Terms and Conditions (“STC”) No. 18].
2. Failed to orientate the inlet/outlet sampling taps on the the cooling tower properly to obtain a representative sample as required by Appendix P of the TCEQ Sampling Procedures Manual. Specifically, the sampling location on the cooling tower in the Catalytic Reforming Unit (“CRU”) 1344 Unit appeared to be located on a dead leg and not on a return line header [30 TEX. ADMIN. CODE §§ 116.115(c), 101.20(3), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 14.A].
3. Failed to comply with the emissions rate for volatile organic compounds (“VOC”). Specifically, Cooling Tower 136B (Emission Point Number F-136BCT) is permitted for 11.96 tons per year of VOC and from March 13, 2012 through June 1, 2012, approximately 15.7 tons of unauthorized VOC was released when a bundle in the cooling tower was leaking [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1].
4. Failed to prevent unauthorized emissions. Specifically, the Respondent released 229.6 pounds (“lbs”) of sulfur dioxide (“SO₂”), 2.5 lbs of hydrogen sulfide (“H₂S”), 2.4 lbs of nitrogen oxides (“NO_x”), 17.2 lbs of carbon monoxide (“CO”) and 1.1 lbs of ethylene from FLARE-26 and 988.8 lbs of SO₂, 10.3 lbs of NO_x, 74.2 lbs of CO, 4.7 lbs of ethylene, and 10.7 lbs of H₂S from FLARE-23 during an emissions event (Incident No. 179750) on February 25, 2013 that lasted 51 minutes. The incident occurred because an unplanned maintenance event occurred on the D-2200 coke drum that caused the coke drum cycles to get out of sequence. During the preparation for blowdown of the D-2100 coke drum, excess foaming occurred, causing it to be sent to

Executive Summary – Enforcement Matter – Case No. 47768
The Premcor Refining Group Inc.
RN102584026
Docket No. 2013-1862-AIR-E

blowdown early. Opening D-2100 coke drum in the blowdown system while D-3200 coke drum was already in blowdown caused the system to overpressurize. The water seal blew causing flaring at Flares 23 and 26. Since the emissions event could have been avoided by better operation and/or maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c), 101.20(3), and 122.143(4), TEX. HEALTH & SAFETY CODE 382.085(b), FOP No. 01498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. On April 30, 2013, a training document was issued to retrain operators regarding two coke drums in blowdown and eliminating blowing the water seal; and
- b. On September 11, 2013, emergency procedures were published to allow quenching two coke drums without flaring from the water seal drum and how to handle high coke drum level/pressure during the coking cycle by safely mitigating a high foam level and taking a coke drum to blowdown without flaring.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Within 90 days:
 - i. Equip connectors in the central valve pump station with a closed-purged, closed-loop, or closed-vent system;
 - ii. Correctly place the CRU 1344 Unit cooling tower inlet/outlet sample taps to ensure a representative sample is obtained; and
 - iii. Demonstrate compliance with maximum allowable emission rates for VOC from Emission Point Number F-136BCT.
 - b. Within 105 days, submit written certification to demonstrate compliance with Ordering Provision a.

Executive Summary – Enforcement Matter – Case No. 47768
The Premcor Refining Group Inc.
RN102584026
Docket No. 2013-1862-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Katie Hargrove, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2569; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565
Respondent: J. Greg Gentry, Vice President and General Manager, The Premcor
Refining Group Inc., 1801 Gulfway Drive, Port Arthur, Texas 77640
Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-1862-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Premcor Refining Group Inc.
Penalty Amount:	Forty-Four Thousand Fifty-One Dollars (\$44,051)
SEP Offset Amount:	Twenty-Two Thousand Twenty-Five Dollars (\$22,025)
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
Location of SEP:	Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants’ homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator

The Premcor Refining Group Inc.
Agreed Order - Attachment A

will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

The Premcor Refining Group Inc.
Agreed Order - Attachment A

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

The Premcor Refining Group Inc.
Agreed Order - Attachment A

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

DATES	Assigned	9-Sep-2013	Screening	25-Sep-2013	EPA Due	26-May-2014
	PCW	14-Mar-2014				

RESPONDENT/FACILITY INFORMATION	
Respondent	The Premcor Refining Group Inc.
Reg. Ent. Ref. No.	RN102584026
Facility/Site Region	10-Beaumont
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	47768	No. of Violations	4
Docket No.	2013-1862-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Katie Hargrove
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$28,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$28,000**

Notes: Enhancement for four NOVs with same or similar violations, seven agreed orders and one final judgement containing a denial of liability, and two agreed orders without a denial of liability. Reduction for seven notices of intent to conduct an audit, three disclosures of violations, and participation in an environmental management system.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$937**

Economic Benefit **0.0%** Enhancement **Subtotal 6** **\$0**

Total EB Amounts: \$1,129
 Approx. Cost of Compliance: \$12,000
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$55,063**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$55,063**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$55,063**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$11,012**

Reduces the Final Assessed Penalty by the Indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **\$44,051**

Screening Date 25-Sep-2013

Docket No. 2013-1862-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 3 (September 2011)

Case ID No. 47768

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	4	20%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	7	140%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	2	50%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	1	30%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	7	-7%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	3	-6%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	Yes	-10%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 217%

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) 0%

>> **Compliance History Person Classification (Subtotal 7)**

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for four NOVs with same or similar violations, seven agreed orders and one final judgement containing a denial of liability, and two agreed orders without a denial of liability. Reduction for seven notices of intent to conduct an audit, three disclosures of violations, and participation in an environmental management system.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 217%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 100%

Screening Date 25-Sep-2013

Docket No. 2013-1862-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 3 (September 2011)

Case ID No. 47768

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(1), (2), and (3), 113.340, 116.115(c), and 122.143(4), 40 Code of Federal Regulations ("CFR") §§ 60.482-5(a) and 63.648(a), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit Nos. 6825A, PSDTX49, and N65, Special Conditions ("SC") No. 5.A., and Federal Operating Permit ("FOP") No. O1498, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 18

Violation Description

Failed to equip each sampling system connection with a closed-purged, closed-loop, or closed-vent system. Specifically, the sampling connections located in the central valve pump station are not closed-looped, closed-purged, or close-vented.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

134 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$7,500

Two quarterly events are recommended based off the May 14, 2013 investigation start date to the September 25, 2013 screening date.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$400

Violation Final Penalty Total \$15,000

This violation Final Assessed Penalty (adjusted for limits) \$15,000

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 47768
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	OneTime Costs	EB Amount
No commas or \$							

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	OneTime Costs	EB Amount
Equipment	\$3,500	14-May-2013	31-Dec-2014	1.63	\$19	\$381	\$400
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to equip sampling connections in the central valve pump station with a closed-purged, closed-loop, or closed-vent system. The date required is the investigation start date and the final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	OneTime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,500

TOTAL

\$400

Screening Date 25-Sep-2013

Docket No. 2013-1862-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 3 (September 2011)

Case ID No. 47768

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 101.20(3), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. Q1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 14.A.

Violation Description

Failed to orientate the inlet/outlet sampling taps on the the cooling tower properly to obtain a representative sample as required by Appendix P of the TCEQ Sampling Procedures Manual. Specifically, the sampling location on the cooling tower in the Catalytic Reforming Unit ("CRU") 1344 Unit appeared to be located on a dead leg and not on a return line header.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			X

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

134 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$1,750

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$408

Violation Final Penalty Total \$3,500

This violation Final Assessed Penalty (adjusted for limits) \$3,500

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.
Case ID No. 47768
Reg. Ent. Reference No. RN102584026
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$5,000	14-May-2013	31-Dec-2014	1.63	\$408	n/a	\$408
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to correctly place the CRU 1344 cooling tower inlet/outlet sample taps to ensure a representative sample. The date required is the investigation date and the final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$408

Screening Date 25-Sep-2013

Docket No. 2013-1862-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 3 (September 2011)

Case ID No. 47768

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F), 116.115(c), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSCTX49, and N65, SC No. 1

Violation Description Failed to comply with the emissions rate for volatile organic compounds ("VOC"). Specifically, Cooling Tower 136B (Emission Point Number F-136BCT) is permitted for 11.96 tons per year of VOC and from March 13, 2012 through June 1, 2012, approximately 15.7 tons of unauthorized VOC was released when a bundle in the cooling tower was leaking.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual		X		30.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

Matrix Notes Human health or the environment has been exposed to significant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 2 47 Number of violation days

mark only one with an x

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$15,000

Two monthly events are recommended from the first day of emissions released on March 13, 2012 through the last day of emissions released on June 1, 2012.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$15,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$280

Violation Final Penalty Total \$30,000

This violation Final Assessed Penalty (adjusted for limits) \$30,000

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.

Case ID No. 47768

Reg. Ent. Reference No. RN102584026

Media Air

Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,000	13-Mar-2012	31-Dec-2014	2.90	\$280	n/a	\$280

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure compliance with the VOC annual emission rates. The date required is the first date of noncompliance and the final date is estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$280

Screening Date 25-Sep-2013

Docket No. 2013-1862-AIR-E

PCW

Respondent The Premcor Refining Group Inc.

Policy Revision 3 (September 2011)

Case ID No. 47768

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102584026

Media [Statute] Air

Enf. Coordinator Katie Hargrove

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F), 116.115(c), 101.20(3), and 122.143(4), Tex. Health & Safety Code 382.085(b), FOP No. 01498, GTC and STC No. 18, and NSR Permit Nos: 6825A, PSDTX49, and N65, SC No. 1

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 229.6 pounds ("lbs") of sulfur dioxide ("SO2"), 2.5 lbs of hydrogen sulfide ("H2S"), 2.4 lbs of nitrogen oxides ("NOx"); 17.2 lbs of carbon monoxide ("CO"), and 1.1 lbs of ethylene from FLARE-26 and 988.8 lbs of SO2, 10.3 lbs of NOx, 74.2 lbs of CO, 4.7 lbs of ethylene, and 10.7 lbs of H2S from FLARE-23 during an emissions event (Incident No. 179750) on February 25, 2013 that lasted 51 minutes. The incident occurred because an unplanned maintenance event occurred on the D-2200 coke drum that caused the coke drum cycles to get out of sequence. During the preparation for blowdown of the D-2100 coke drum, excess foaming occurred, causing it to be sent to blowdown early. Opening D-2100 coke drum in the blowdown system while D-3200 coke drum was already in blowdown caused the system to overpressurize. The water seal blew causing flaring at Flares 23 and 26. Since the emissions event could have been avoided by better operation and/or maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

Number of violation days 1

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on September 11, 2013 before the NOE was issued on October 16, 2013.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$41

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent The Premcor Refining Group Inc.

Case ID No. 47768

Req. Ent. Reference No. RN102584026

Media Air

Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No entries or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)	\$1,500	25-Feb-2013	11-Sep-2013	0.54	\$41	\$0	\$41

Notes for DELAYED costs

Estimated costs to publish emergency procedures and training documents to prevent another occurrence of this type of emissions event. The Date Required is the date of the emissions event and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$41

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN601420748, RN102584026, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN601420748, The Premcor Refining Group Inc. **Classification:** SATISFACTORY **Rating:** 41.48
Regulated Entity: RN102584026, VALERO PORT ARTHUR REFINERY **Classification:** SATISFACTORY **Rating:** 55.00
Complexity Points: 30 **Repeat Violator:** NO
CH Group: 02 - Oil and Petroleum Refineries
Location: 1801 GULFWAY DR PORT ARTHUR, TX 77640-4416, JEFFERSON COUNTY
TCEQ Region: REGION 10 - BEAUMONT

ID Number(s):

AIR OPERATING PERMITS PERMIT 3423	AIR OPERATING PERMITS ACCOUNT NUMBER JE0042B
AIR OPERATING PERMITS PERMIT 1498	AIR OPERATING PERMITS PERMIT 2227
AIR OPERATING PERMITS PERMIT 2228	AIR OPERATING PERMITS PERMIT 2229
INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD008090409	INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30004
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50350	AIR NEW SOURCE PERMITS REGISTRATION 17038
AIR NEW SOURCE PERMITS PERMIT 6825A	AIR NEW SOURCE PERMITS REGISTRATION 12454A
AIR NEW SOURCE PERMITS REGISTRATION 12553A	AIR NEW SOURCE PERMITS REGISTRATION 13635A
AIR NEW SOURCE PERMITS REGISTRATION 13698A	AIR NEW SOURCE PERMITS REGISTRATION 28778
AIR NEW SOURCE PERMITS ACCOUNT NUMBER JE0042B	AIR NEW SOURCE PERMITS AFS NUM 4824500004
AIR NEW SOURCE PERMITS EPA PERMIT N65	AIR NEW SOURCE PERMITS PERMIT 80812
AIR NEW SOURCE PERMITS REGISTRATION 84929	AIR NEW SOURCE PERMITS REGISTRATION 84905
AIR NEW SOURCE PERMITS PERMIT 86757	AIR NEW SOURCE PERMITS REGISTRATION 87917
AIR NEW SOURCE PERMITS REGISTRATION 91727	AIR NEW SOURCE PERMITS REGISTRATION 91911
AIR NEW SOURCE PERMITS REGISTRATION 94365	AIR NEW SOURCE PERMITS EPA PERMIT PSDTX49M1
AIR NEW SOURCE PERMITS REGISTRATION 103875	AIR NEW SOURCE PERMITS REGISTRATION 112591
AIR NEW SOURCE PERMITS REGISTRATION 109221	AIR NEW SOURCE PERMITS REGISTRATION 114829
IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION # (SWR) 30004	AIR EMISSIONS INVENTORY ACCOUNT NUMBER JE0042B
POLLUTION PREVENTION PLANNING ID NUMBER P00987	

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: December 20, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: December 20, 2008 to December 20, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Katie Hargrove

Phone: (512) 239-2569

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 01/30/2009 ADMINORDER 2007-1455-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(F)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:O-01498, General Terms and Conditions OP
Description: Failure to properly report an emissions event.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:6825A/PSD-TX-49, Special Condition 5A PERMIT
O-01498, General Terms and Conditions OP
O-01498, Special Condition 18A OP
Description: Failure to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:7600A, Special Condition 1 PERMIT
O-01498, General Terms and Conditions OP
O-01498, Special Condition 18A OP
Description: Failure to properly operate Tank 283 and Tank 284.
- 2 Effective Date: 02/22/2009 ADMINORDER 2008-0742-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)
5C THSC Chapter 382 382.085(b)
Description: Failure to submit a final report in a timely manner.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:6825A/PSD-TX-49, SPECIAL CONDITION 5A PERMIT
O-01498, SPECIAL CONDITION 18 OP
Description: Failure to maintain an emission rate below the allowable emission limit.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:6825A / PSD-TX-49, Special Condition 5A PERMIT
O-01498, General Terms and Conditions OP
Description: Failure to maintain emission rates below the allowable emission limits.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
5C THSC Chapter 382 382.085(b)
Description: Failure to properly report an emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 111, SubChapter A 111.111(a)(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, Special Condition 5A PERMIT
O-01498, General Terms and Conditions OP

Description: Failure to maintain emission rates below the allowable emission limits

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, Special Condition 5A PERMIT
O-01498, General Terms and Conditions OP

Description: Failure to maintain an emission rate below the allowable emission limit.

3 Effective Date: 06/01/2009 ADMINORDER 2008-1043-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failed to prevent the release of unauthorized contaminants into the atmosphere.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failed to prevent the release of unauthorized contaminants into the atmosphere.

4 Effective Date: 08/31/2009 ADMINORDER 2009-0151-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failed to prevent unauthorized emissions during Incident No. 108928.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failed to prevent unauthorized emissions during Incident No. 111065.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failed to prevent unauthorized emissions during Incident No. 113023.

5 Effective Date: 09/23/2009 COURTORDER (Final Judgement-Agreed Order With Denial)

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about April 4, 2003, referred to as investigation no. 28570. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 44442, 44448, 44454, 44459, 44462, 44472, 44477, 44496, 44498, 44512, 44517, 44519, 44532, 44535, 44550, 44557 . . .

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 116, SubChapter G 116.715(c)(7)

5C THSC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT

PSD-TX-49, SC 5B PERMIT

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)

5C THSC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption No. 88 PA

Description: Failure to satisfy the condition of a standard exemption.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)

5C THSC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption 88 PA

Description: Failure to meet the conditions of a standard exemption.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

5C THSC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT

PSD-TX-49, SC 5B PERMIT

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption 88 PA

Description: Failure to meet the conditions of a standard exemption.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT

PSD-TX-49, SC 5B PERMIT

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption 88 PA

Description: Failure to meet the conditions of a standard exemption.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:5215A, SC1 PERMIT

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT

PSD-TX-49, SC 5B PERMIT

Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC19 PERMIT

PSD-TX-49, SC 19 PERMIT

Description: Failure to comply with requirements of a permit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:Flexible Permit, 6825A SC 5B PERMIT
PSD-TX-49, SC5B PERMIT
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:Flexible permit 6825A, SC 5B PERMIT
PSD-TX-49, SC 5B PERMIT
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT
PSD-TX-49, SC 5B PERMIT

Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption No. 88 PA
Description: Failure to satisfy the condition of a standard exemption.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)(4)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Standard Exemption No. 88 PA
Description: Failure to meet the conditions of a standard exemption.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT
PSD-TX-49, SC 5B PERMIT
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.110(a)(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT
PSD-TX-49, SC 5 PERMIT
Standard Exemption No. 88 PA
Description: Failure to maintain emission rate below allowable limit and meet the conditions of a standard exemption.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Flexible Permit 6825A, SC 5B PERMIT
PSD-TX-49, SC 5B PERMIT
Description: Failure to maintain emission rate below allowable limit.

Classification: Moderate
Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
Description: Failure to prevent unauthorized emissions.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to maintain emission rate below allowable limit.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to report an upset within 24 hours of the event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(G)
30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.
Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for an emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for an emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for an emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for an emissions event.

Failure to report all information required for emissions event.

Failure to report all information required for emissions event.

Failure to report all information required for emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report all information required for an emissions event.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)

Description: Failure to report all information required for an emissions event.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about August 12, 1998. By an August 31, 1998 letter to the Defendants, The TCEQ listed the violations observed during the investigation. A copy of the August 12, 1998 investigation, without attachments, is attached as Appendix A and incorporated herein for all purposes

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about March

12, 1999. By a March 22, 1999 letter to the Defendants, the TCEQ listed the violations observed during the investigation. A copy of the March 22, 1999, letter to the Defendants is attached as Appendix C and incorporated herein for all purposes.

Classification: Moderate

Citation: 5C THC Chapter 382, SubChapter A 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about June 17, 1999. The TCEQ describes the violation observed during the investigation in a July 9, 1999, Enforcement Action Referral. A copy of the July 9, 1999, Enforcement Action Referral, without attachments, is attached as Appendix D and incorporated herein for all purposes.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in investigations conducted at the Port Arthur, Texas refinery on or about June 14, 1999 and August 4, 1999. By June 30, 1999 and August 24, 1999, letters to the Defendants, the TCEQ listed the violations observed during the two investigations. A copy of the June 14, 1999 investigation, without attachments, is attached as Appendix E and incorporated

Classification: Minor

Citation: 5C THSC Chapter 382 382.085

Rqmt Prov:SC39A PERMIT

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about July 20, 2000. By a September 7, 2000, letter to the Defendants, the TCEQ listed the violations observed during the investigation. A copy of the July 20, 2000 investigation, without attachments, is attached as Appendix I and incorporated herein for all purposes . . .

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Rqmt Prov:NA PERMIT

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in investigations conducted at the Port Arthur, Texas refinery on or about November 3, 2000, and March 26, 2001. By April 21, 2001 letter to the Defendants, the TCEQ listed the violations observed during the investigation. A copy of the November 3, 2000 investigation, without attachments, is attached as Appendix K and incorporated herein for all purposes

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about April 3, 2001. By April 24, 2001 letter to the Defendants, the TCEQ listed the violation observed during the investigation. A copy of the April 3, 2001 investigation, without attachments, is attached as Appendix N and incorporated herein for all purposes

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about November 12, 2003, referred to as investigation no. 258663. The investigation describes the violation in narrative form and identifies the violation by tracking number 150854 in the investigation. A copy of investigation no. 258663, without attachments

Classification: Minor

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about April 20, 2004 referred to as investigation no. 270296. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 161061 and 161062 in the investigation. A copy of investigation no. 270296, without attachments

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 116, SubChapter G 116.715(c)(7)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Permit 6825A Special Condtion 5B PA

PSD-TX-49 Special Condtion 5B PA

Description: Failure to prevent unauthorized emissions release at the facility.

Classification: Minor

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about January 20, 2005, referred to as investigation no. 276009. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 188937, 188938, 188940, 188941, 188942, 188943, 188944, 188945,

188946, 188947, 188948, 188949, 188950, and . . .

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)(1)(B)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 25A PERMIT

Description: Failure to prevent visible emissions at the Atmospheric Vacuum Unit (AVU)-146 H-101 Heater.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the emission cap's hourly contribution limit.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(G)
30 TAC Chapter 101, SubChapter F 101.201(b)(7)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly notify the regional office of a reportable emissions event, which began on April 14, 2004 (STEERS Incident 37961).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly identify authorized emissions limits for an emissions event, which began on April 14, 2004 (STEERS Incident 37961).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the emission cap limits.

Failure to maintain an emission rate below the emission cap limits.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(D)
30 TAC Chapter 101, SubChapter F 101.201(b)(4)
30 TAC Chapter 101, SubChapter F 101.201(b)(7)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly notify the regional office of a reportable emissions event, which began on April 14, 2004 (STEERS Incident 37962).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly identify authorized emissions limits for an emissions event, which began on April 14, 2004 (STEERS Incident 37962).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the emission cap limits.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(7)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly notify the regional office of a reportable emissions event, which began on April 14, 2004 (STEERS Incident 38022).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(2)(H)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly identify authorized emissions limits for an emissions event, which began on April 14, 2004 (STEERS Incident 38022).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the emission cap limits.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(7)
30 TAC Chapter 101, SubChapter F 101.201(b)(8)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to properly notify the regional office of a reportable emissions event, which began on April 14, 2004 (STEERS Incident 38026).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the emission cap's hourly contribution limit.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about January 24, 2005, referred to as investigation no. 346253. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 190534, 190543, 190551, and 190558 in the investigation. A copy of investigation no. 346253, without attachments . . .

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Permit 6825A, PSD-TX-49, SC 5A PA

Description: Failure to prevent unauthorized emissions from the Atmospheric Vacuum Unit (AVU) 146 during incident No. 32824.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to report an emission event (Incident No. 33539) within 24 hours

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:Permit 6825A, PSD-TX-49, SC 17C PA

Permit 6825A, PSD-TX-49, SC 5A PA

Description: Failure to prevent unauthorized emissions from the Scot 1 Incinerator during incident No. 33539 and failure to continuously monitor from hydrocarbon layer thickness by electronic gauge.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation conducted at the Port Arthur, Texas refinery on or about April 8, 2005, referred to as investigation no. 348169. The investigation describes the violations in narrative form and identifies the violation by tracking numbers 208879 in the investigation. A copy of investigation no. 348169, without attachments, is attached as Appendix U

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to

implement the TCAA, as documented in an investigation the Port Arthur, Texas refinery on or about June 30, 2005, referred to as investigation no. 396901. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 210570 and 210577 in the investigation. A copy of investigation no. 396901, without attachments, is attached as Appendix V

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49 PERMIT

Description: Failure to prevent unauthorized emissions during Incident Nos. 40540, 40543, 51468, and 53830.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation the Port Arthur, Texas refinery on or about July 27, 2005, referred to as investigation no. 402102. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 212393 and 212460 in the investigation. A copy of investigation no. 402102, without attachments, is attached as Appendix X and incorpo

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49 PERMIT

Description: Failure to prevent unauthorized emissions during Incident Nos. 51075, 51078, 51081, 51084, and 51087.

Classification: Minor

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation the Port Arthur, Texas refinery on or about July 26, 2005, referred to as investigation no. 403310. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 213083, 213088, and 213090 in the investigation. A copy of investigation no. 403310, without attachments

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)
30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 101, SubChapter F 101.211(a)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to submit an initial notification for an emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT

Description: Failure to maintain an emission rate below the allowable emission limit.

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation the Port Arthur, Texas refinery on or about August 8, 2005, referred to as investigation no. 337449. The investigation describes the violations in narrative form and identifies the violations by tracking numbers 214475 and 214478 in the investigation. A copy of investigation no. 337449, without attachments, is attached as Appendix Y

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(c)(9)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to maintain the CO 9 Boiler bypass valve to prevent unauthorized emissions during normal operation from April 2004 to the end of February 2005. B13

Classification: Moderate

Citation: 5C THSC Chapter 382 382.085

Description: Defendants violated Section 382.085 of the TCAA, and regulations promulgated and permits issued to implement the TCAA, as documented in an investigation the Port Arthur, Texas refinery on or about August 29, 2005, referred to as investigation no. 418593. The investigation describes the violations in narrative form and identifies the violations by tracking number 218082 in the investigation. A copy of investigation no. 418593, without attachments, is

attached as Appendix Z and

6 Effective Date: 03/20/2010 ADMINORDER 2009-0511-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49 PERMIT
O-01498 OP

Description: Failure to maintain an emission rate below the allowable emission limits.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failure to maintain an emission rate below the allowable emission limits.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:6825A/PSD-TX-49, SC 5A PERMIT
O-01498, GENERAL CONDITIONS OP

Description: Failure to maintain an emission rate below the allowable emission limits.

7 Effective Date: 11/18/2011 ADMINORDER 2010-0909-MLM-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1498, GTC OP
FOP O1498, STC 18 OP
NSR Permit 6825A, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions at the Port Arthur Refinery.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(A)
30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1498 OP
FOP O1498, GTC OP

Description: Failed to submit an initial report within 24 hours for Incident No. 134571 at the Port Arthur Refinery. Specifically, the incident occurred on January 15, 2010 at 5:51 p.m., but was not reported until January 18, 2010 at 9:20 a.m.

8 Effective Date: 02/18/2012 ADMINORDER 2011-1355-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1498 STC 18 OP

FOP 01498, General Terms and Conditions OP
NSR Permit 6825A, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP 02228 OP

FOP 02228, STC 14 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.4(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP 02228, General Terms and Conditions OP

FOP 02228, STC 14 OP

Description: Failed to prevent unauthorized emissions.

See addendum for information regarding federal actions.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	February 18, 2009	(726815)
Item 2	March 03, 2009	(736950)
Item 3	March 05, 2009	(737300)
Item 4	March 20, 2009	(739247)
Item 5	April 02, 2009	(741291)
Item 6	June 29, 2009	(760309)
Item 7	August 26, 2009	(763057)
Item 8	August 28, 2009	(761367)
Item 9	August 31, 2009	(762200)
Item 10	October 07, 2009	(775036)
Item 11	October 13, 2009	(766946)
Item 12	October 14, 2009	(767494)
Item 13	November 06, 2009	(764488)
Item 14	December 09, 2009	(784945)
Item 15	December 11, 2009	(783903)
Item 16	December 21, 2009	(781035)
Item 17	December 23, 2009	(785403)
Item 18	January 29, 2010	(786198)
Item 19	February 01, 2010	(788081)
Item 20	March 19, 2010	(795261)
Item 21	May 06, 2010	(800545)
Item 22	May 24, 2010	(801617)
Item 23	June 01, 2010	(788840)
Item 24	June 02, 2010	(803054)
Item 25	June 07, 2010	(825637)
Item 26	June 11, 2010	(824255)
Item 27	August 02, 2010	(842714)
Item 28	November 15, 2010	(871779)
Item 29	November 30, 2010	(872652)
Item 30	April 15, 2011	(906545)
Item 31	October 25, 2011	(956400)
Item 32	October 29, 2011	(956377)

Item 33	November 02, 2011	(951193)
Item 34	November 29, 2011	(963859)
Item 35	January 17, 2012	(976419)
Item 36	February 17, 2012	(983674)
Item 37	February 21, 2012	(987303)
Item 38	March 16, 2012	(994426)
Item 39	March 23, 2012	(988369)
Item 40	April 30, 2012	(988371)
Item 41	May 17, 2012	(995645)
Item 42	August 07, 2012	(1019646)
Item 43	August 14, 2012	(1023815)
Item 44	August 28, 2012	(1023318)
Item 45	September 11, 2012	(1023427)
Item 46	October 11, 2012	(1036849)
Item 47	October 13, 2012	(1028000)
Item 48	October 15, 2012	(1036124)
Item 49	November 20, 2012	(1042742)
Item 50	February 20, 2013	(1051546)
Item 51	April 30, 2013	(1086243)
Item 52	August 08, 2013	(1109778)
Item 53	August 17, 2013	(1113514)
Item 54	August 26, 2013	(1113154)
Item 55	August 27, 2013	(1115289)
Item 56	October 30, 2013	(1123618)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/09/2013 (1076957)	CN601420748
	Self Report?	NO	Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 14B PERMIT Special Condition 18 OP	
	Description:	Failure to sample the cooling water for total dissolved solids (TDS).	
	Self Report?	NO	Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(1) 30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 113, SubChapter C 113.780 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1568(a)(1) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 18 OP Special Condition 1A OP Special Condition 3A PERMIT Special Condition 5B PERMIT	
	Description:	Failure to maintain the 12-hour average concentration of Sulfur Dioxide (SO2) at or below 250 ppmv as reported in the FOP O-2229 semi-annual deviation report for the reporting period of January 1, 2012, through December 31, 2012.	
	Self Report?	NO	Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 18 OP Special Condition 25C PERMIT	
	Description:	Failure to limit the refinery fuel gas to no more than 10 grains total sulfur per dry standard cubic feet (dscf) or 160 ppmv on a 1-hour rolling average as reported in the FOP O-2229 semi-annual deviation reports for the reporting periods of	

January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 46E PERMIT
Special Condition 5A PERMIT
Description: Failure to install a cap, blind flange, plug, or second valve on open-ended lines (OELs) as reported in the deviation reports for FOPs O-02229 covering the reporting periods of July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.354(2)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 46F PERMIT
Special Condition 5A PERMIT
Description: Failure to monitor a valve in VOC service as reported in the deviation reports for FOP O-02229 covering the reporting period of July 1, 2012, through December 31, 2012.

2

Date: 08/29/2013 (1104962) CN601420748
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 42F PERMIT
Description: Failure to limit Continuous Emission Monitoring System (CEMS) downtime to less than 5% as reported in the Federal Operating Permit (FOP) O-01498 semi-annual deviation reports for the reporting periods of January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 6B PERMIT
Description: Failure to operate a flare with a flame present at all times and to continuously monitor the pilot flame by thermocouple or infrared monitor as reported in the FOP O-01498 semi-annual deviation reports for the reporting periods of January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGG 60.592(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 46E PA
Special Condition 5A PA
Special Conditions 1A OP

Description: Failure to install a plug, cap, or blind on an open-ended line for the FOP O-01498 as reported in the FOP O-01498 semi-annual deviation report for the reporting period of January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.100
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 1A OP
Special Condition 6A PERMIT

Description: Failure to maintain the net heating value of the flare gas above 300 British Thermal Units (BTU) per standard cubic feet (SCF) as reported as reported in the FOP O-01498 semi-annual deviation report for the reporting period of January 1, 2012, through June 30, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 25C PERMIT

Description: Failure to limit the refinery fuel gas to no more than 10 grains total sulfur per dry standard cubic feet (dscf) or 160 ppmv on a 1-hour rolling average as reported in the FOP O-01498 semi-annual deviation reports for the reporting periods of January 1, 2012, through June 30, 2012, and July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 23B PERMIT

Description: Failure to maintain the tail gas incinerator (TGI) Hydrogen Sulfide (H₂S) concentrations below 5.0 parts per million (ppm) at 3% Oxygen as reported in the FOP O-01498 semi-annual deviation report for the reporting period of January 1, 2012, through June 30, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 3A PERMIT

Description: Failure to install, operate, calibrate, and maintain an instrument for continuously monitoring and recording the concentration of NO_x emissions into the atmosphere as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 113, SubChapter C 113.780

30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(2)(i)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1568(a)(1)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 5B PERMIT

Description: Failure to limit the Sulfur Dioxide (SO₂) concentration at or below 250 ppmv at zero percent excess air as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Part 60, Subpart J 60.103
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 3A PERMIT

Description: Failure to comply with the Carbon Monoxide (CO) emission standard of 500 ppm per 1-hour as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2012, through December 31, 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Condition 18 OP
Special Condition 24C PERMIT

Description: Failure to maintain the NO_x emissions from the Hydrocracker Unit furnace as reported as reported in the FOP O-01498 semi-annual deviation report for the reporting period of July 1, 2012, through December 31, 2012.

3 Date: 11/22/2013 (1124668) CN601420748

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.349(a)(2)(i)(C)
5C THSC Chapter 382 382.085(b)
General Terms and Condition OP
Special Condition 14 OP
Special Condition 1A OP

Description: Failure to maintain the temperature of the Regenerative Thermal Oxidizer (RTO) in the Waste Water Treatment Unit (WWTU) above 1400 F on April 14, 2013, from 1300 hours to 1500 hours.

4 Date: 11/26/2013 (1133465)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.4
5C THSC Chapter 382 382.085(b)

Description: Failure to prevent nuisance conditions.

F. Environmental audits:

Notice of Intent Date: 01/10/2008 (616179)

Disclosure Date: 01/28/2009

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1(a)

Description: Failure to identify and monitor all new equipment added or incorporated into the LDAR program.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)

40 CFR Part 60, Subpart VV 60.482-6

40 CFR Part 63, Subpart H 63.167

Description: Failure to equip open-ended line with a cap, blind flange, or second valve.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)

Description: Failure to repair leaks within 15 days after detection, and make first attempt at repairs no later than 5 days.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(1)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(f)(2)

Description: Failure to develop a difficult-to-monitor valve monitoring plan.

Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-8
40 CFR Part 63, Subpart H 63.169

Description: Failure to monitor components in heavy liquid service using Method 21 within 5 days of detecting a leak by AVO methods.

Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-9
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(5)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(6)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(7)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(8)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)(9)

Description: Failure to repair or replace components during a process unit shutdown, and some delay and repair records were not consistently documented, including not identifying a DOR reason or not signing the DOR.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.485(b)

Description: Failure to properly use 40 CFR 60 Appendix A - Method 21 to identify leaking sources, valves, and pumps.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(e)

Description: Failure to maintain documentation of a signed list of no detectable emission equipment.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)

Description: Failure to include in the semiannual reports the number of non-repaired components or the facts explaining delay of repair for newly designed DOR components, or to report the data by the month.

Notice of Intent Date: 08/21/2009 (775707)

Disclosure Date: 09/08/2010

Viol. Classification: Moderate

Citation: 40 CFR Chapter 122, SubChapter D, PT 122, SubPT C 122.41(a)
Rqmt Prov: PERMIT TPDES Permit # 00309, Pg 20, Cond. 10

Description: Failure to notify the regulatory agency of azure blue dye use. Azure blue dye was being used to treat the tertiary treatment pond, to limit algae growth, without the permit required notifications to the regulatory agency. An initial notification of application was submitted on March 8, 2007 but no further notifications have been made. Dye application typically ends in the Fall, and resumes each Spring. Notifications were not made in 2008 or 2009.

Viol. Classification: Minor

Citation: 40 CFR Chapter 110, SubChapter D, PT 110 112.5(b)

Description: Failed to sign or date the SPCC Plan Form. Figure E-2 of the SPCC Plan contained an "Acknowledgement of SPCC Review" but the form was not signed or dated.

Viol. Classification: Major

Citation: 40 CFR Chapter 122, SubChapter D, PT 122, SubPT B 122.26
Rqmt Prov: PERMIT TPDES Permit # 00309, Condition 9

Description: Failed to implement a SWP3 plan for 7 demolition projects. These projects include the MEK Unit, Pump House #1, Decoker, 9 CO Boiler and Precipitator, 11 Boiler House, 11 Warehouse and the ISOM Unit. Field visits indicated that all the projects had been completed with the exception of the MEK Unit and Boiler House No. 11 projects which are in progress. An expansion project began in the 3rd Quarter, 2007 but no plan was implemented until November, 2008. A final plan was dated February 6, 2009

Notice of Intent Date: 02/18/2011 (905312)

No DOV Associated

Notice of Intent Date: 06/10/2011 (934095)

No DOV Associated

Notice of Intent Date: 01/19/2012 (988335)

No DOV Associated

Notice of Intent Date: 05/01/2012 (1014133)
No DOV Associated

Notice of Intent Date: 10/17/2012 (1058561)
Disclosure Date: 01/28/2013

Viol. Classification: Minor
Citation: 40 CFR Part 61, Subpart FF 61.356(f)(2)(i)(G)

Description: Failed to be able to locate a certification letter and corresponding design calculation for a carbon adsorption system commissioned on an oil water sump at RSU 1747.

Viol. Classification: Minor
Citation: 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1574(f)

Description: Failed to have an operation, maintenance and monitoring plan for the bypass lines on SRU-54. The lines are HV-1806 for SRU-545 and HV-2682 for SRU-546.

Notice of Intent Date: 07/25/2013 (1105606)
No DOV Associated

G. Type of environmental management systems (EMSs):

1 ENVIRONMENTAL MANAGEMENT SYSTEM NON 30 TAC CH 90 CERTIFIED

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Addendum to Compliance History Federal Enforcement Actions

Reg Entity Name: THE PREMCOR REFINING GROUP INC

Reg Entity Add: 1801 SOUTH GULFWAY DRIVE

Reg Entity City: PORT ARTHUR

Reg Entity No: RN102584026

Customer Name: The premcor Refining Group, Inc.

Customer No: CN601420748

EPA Case No: 06-2013-0905

Order Issue Date (yyyymmdd): 20130401

Case Result:

Statute: RCRA **Sect of Statute:** 3013

Classification: Minor

Program: Solid Waste Managemen **Citation:**

Violation Type:

Cite Sect: **Cite Part:**

Enforcement Action: Administrative Compliance Order

Customer Name: Valero Energy Corporation

Customer No: CN600127468

EPA Case No: 06-2011-0975

Order Issue Date (yyyymmdd): 20111118

Case Result:

Statute: RCRA **Sect of Statute:** 3013

Classification: Minor

Program: RCRA Corrective Action **Citation:**

Violation Type:

Cite Sect: **Cite Part:**

Enforcement Action: Administrative Compliance Orders

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
THE PREMCOR REFINING
GROUP INC.
RN102584026**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2013-1862-AIR-E**

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding The Premcor Refining Group Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a refinery at 1801 Gulfway Drive in Port Arthur, Jefferson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notices of the violations alleged in Section II ("Allegations") on or about September 3, 2013 and October 21, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Fifty-Five Thousand Sixty-Three Dollars (\$55,063) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty-Two Thousand Twenty-Six Dollars (\$22,026) of the administrative penalty and Eleven Thousand Twelve Dollars (\$11,012) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Twenty-Two Thousand Twenty-Five Dollars (\$22,025) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On April 30, 2013, a training document was issued to retrain operators regarding two coke drums in blowdown and eliminating blowing the water seal; and
 - b. On September 11, 2013, emergency procedures were published to allow quenching two coke drums without flaring from the water seal drum and how to handle high coke drum level/pressure during the coking cycle by safely mitigating a high foam level and taking a coke drum to blowdown without flaring.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to equip each sampling system connection with a closed-purged, closed-loop, or closed-vent system, in violation of 30 TEX. ADMIN. CODE §§ 101.20(1), (2), and (3), 113.340, 116.115(c), and 122.143(4), 40 CODE OF FEDERAL REGULATIONS ("CFR") §§ 60.482-5(a) and 63.648(a), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit Nos. 6825A, PSDTX49, and N65, Special Conditions ("SC") No. 5.A., and Federal Operating Permit ("FOP") No. O1498, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 18, as documented during an investigation conducted on May 14, 2013 to June 13, 2013. Specifically, the sampling connections located in the central valve pump station are not closed-looped, closed-purged, or close-vented.
2. Failed to orientate the inlet/outlet sampling taps on the the cooling tower properly to obtain a representative sample as required by Appendix P of the TCEQ Sampling Procedures Manual, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 101.20(3), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 14.A., as documented during an investigation conducted on May 14, 2013 to June 13, 2013. Specifically, the sampling location on the cooling tower in the Catalytic Reforming Unit ("CRU") 1344 Unit appeared to be located on a dead leg and not on a return line header.
3. Failed to comply with the emissions rate for volatile organic compounds ("VOC"), in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), 116.115(c), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, as documented during an investigation conducted on May 14, 2013 to June 13, 2013. Specifically, Cooling Tower 136B (Emission Point Number F-136BCT) is permitted for 11.96 tons per year of VOC and from March 13, 2012 through June 1, 2012, approximately 15.7 tons of unauthorized VOC was released when a bundle in the cooling tower was leaking.
4. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c), 101.20(3), and 122.143(4), TEX. HEALTH & SAFETY CODE 382.085(b), FOP No. O1498, GTC and STC No. 18, and NSR Permit Nos. 6825A, PSDTX49, and N65, SC No. 1, as documented during an investigation conducted on September 6, 2013. Specifically, the Respondent released 229.6 pounds ("lbs") of sulfur dioxide ("SO₂"), 2.5 lbs of hydrogen sulfide ("H₂S"), 2.4 lbs of nitrogen oxides ("NO_x"), 17.2 lbs of carbon monoxide ("CO") and 1.1 lbs of ethylene from FLARE-26 and 988.8 lbs of SO₂, 10.3 lbs of NO_x, 74.2 lbs of CO, 4.7 lbs of ethylene, and 10.7 lbs of H₂S from FLARE-23 during an emissions event (Incident No. 179750) on February 25, 2013 that lasted 51 minutes. The incident occurred because an unplanned maintenance event occurred on the D-2200 coke drum that caused the coke drum cycles to get out of sequence. During the preparation for blowdown of the D-2100 coke drum, excess foaming occurred, causing it to be sent to blowdown early. Opening D-2100 coke drum in the blowdown system while D-3200 coke drum was already in blowdown caused the system to overpressurize. The water seal blew causing flaring at Flares 23 and 26. Since the emissions event could have been avoided by better operation and/or maintenance

practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: The Premcor Refining Group Inc., Docket No. 2013-1862-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 (Jurisdiction and Stipulations) above, Twenty-Two Thousand Twenty-Five Dollars (\$22,025) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 90 days after the effective date of this Agreed Order:
 - i. Equip connectors in the central valve pump station with a close-purged, closed-loop, or closed-vent system;
 - ii. Correctly place the CRU 1344 Unit cooling tower inlet/outlet sample taps to ensure a representative sample is obtained; and
 - iii. Demonstrate compliance with maximum allowable emission rates for VOC from Emission Point Number F-136BCT, in accordance with NSR Permit Nos. 6825A, PSDTX49, and N65.

- b. Within 105 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not

effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Davis
For the Executive Director

6/4/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

[Signature]
Signature

4/3/14
Date

J. Greg Gentry
Name (Printed or typed)
Authorized Representative of
The Premcor Refining Group Inc.

VP + General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-1862-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	The Premcor Refining Group Inc.
Penalty Amount:	Forty-Four Thousand Fifty-One Dollars (\$44,051)
SEP Offset Amount:	Twenty-Two Thousand Twenty-Five Dollars (\$22,025)
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Southeast Texas Regional Planning Commission
Project Name:	<i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i>
Location of SEP:	Jefferson County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator

will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

The Premcor Refining Group Inc.
Agreed Order - Attachment A

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

APR 30 2013

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

The Department has reviewed the Port Arthur Housing Authority's (PAHA) application for the disposition of 1 non-dwelling and 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001. The Special Applications Center (SAC) received this application on December 11, 2012, via the Public and Indian Housing Information Center (PIC), Application DDA0004944. Supplemental information was received through February 6, 2013.

I am pleased to approve your request to dispose of 1 non-dwelling and 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid, as described in the application. If no bids are received for FMV or higher, please consult with the HUD Houston Program Center and this office.

Notwithstanding this approval, the PAHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated.

According to the Office of the Chief Financial Officer, there is no outstanding debt on Carver Terrace Apts., TX034000001. The PAHA will realize net proceeds from this disposition. In the application, the PAHA proposes to use the net proceeds of sale to acquire or develop other single family public housing units in a future Phase 3 development. PAHA is also developing 360 units, including 156 public housing units, in Phase 1 and Phase 2 developments of the Park Central and Edison Square projects. This use of proceeds for single family public housing units meets the requirements of the statute, and is approved.

Approval of your application is based on the Department's understanding of your submission, as outlined in the enclosed memorandum from me to the HUD Houston Program Center. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition.

The disposition of these units will affect the PAHA's operating subsidy eligibility significantly. Please contact the HUD financial analyst in the HUD Houston Program Center for additional information about this.

Please make sure that your annual Capital Fund Building and Unit Certification is updated properly to reflect these changes.

If you are interested in applying for housing choice vouchers in connection with the units approved for disposition, you must submit an application to the HUD Houston Program Center Office of Public Housing for review and approval in accordance with the procedures in HUD Notice 2012-9, or HUD's current Notice outlining the application procedures.

In accordance with 24 CFR § 970.35 of the regulation, your agency is required to inform the HUD Houston Program Center of the status of the project. When the disposition has been achieved, please submit a report to the HUD Houston Program Center confirming the action and certifying compliance with all applicable requirements. Files must be maintained which are sufficient for audit purposes and must be made available upon request.

The PAHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in PIC, for the HUD Houston Program Center approval so that the status of the units and acres of land in PIC is changed to "removed from inventory."

As the PAHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD Houston Program Center stands ready to assist you.

Sincerely,



Ainars Rodins, P.E.
Director

Enclosure



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

APR 30 2013

MEMORANDUM FOR: Daniel Rodriguez, Program Center Coordinator, Office of Public Housing, 6EPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

SUBJECT: Approval for the Port Arthur Housing Authority's (PAHA) Request for the Disposition of 1 Non-Dwelling Building, 46 Dwelling Buildings Containing 204 Dwelling Units and 8 Acres of Underlying Land at Carver Terrace Apartments, TX034000001.

The SAC received this application on December 11, 2012, via the Public and Indian Housing Information Center (PIC), DDA0004944. Supplemental information was received through February 6, 2013. The Environmental Assessment was completed by the City of Port Arthur on November 19, 2012, in accordance with 24 CFR Part 58. A Request for Release of Funds (RROF) was submitted on December 10, 2012, and was signed off on by the Houston Program Center on January 25, 2013.

The Houston Program Center provided a certification stating that the subject submission accurately describes the project proposed for disposition, and the reasons provided by the Port Arthur Housing Authority (PAHA) to support the proposed action are correct and factual. On February 25, 2013, the Houston Fair Housing and Equal Opportunity Center (FHEO), Program Compliance Branch, recommended the disposition approval.

Advance drafts of this memorandum and the approval letter were sent to the PAHA for their comments on March 21, 2013. The PAHA responded with comments on March 25, 2013. Advance drafts were sent to the Fort Worth HUB and the Houston Program Center for their comments on March 21, 2013; no comments were received.

Under 24 CFR § 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide a "certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR Part 903, and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part." The Houston Program Center approved the PAHA's agency plan on October 18, 2012, which includes the subject action.

Description of Development

The PAHA proposed the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001. Details of the proposed disposition are as follows:

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

History of the Development

The PAHA has not received any Inventory Removal approvals from HUD for Carver Terrace Apts, TX034000001.

Reason for Action (Justification)

The PAHA proposed the disposition based on 24 CFR § 970.17(a), which requires the PHA to certify that the retention of the property is not in the best interests of the residents or the PHA because conditions in the area surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the PHA.

The Carver Terrace was built in 1953, on the western edge of the City of Port Arthur's historical neighborhood, adjacent to Texaco and Gulf oil refineries. There were many commercial businesses in the historic Westside neighborhood. Many residents worked at the plants and more than 8,000 worked at the refineries. Investment in the refineries, and technological changes, have reduced the permanent workforce needed to about 2,500 persons. Most of these are highly skilled engineering and technical jobs beyond the reach of public housing residents. Many white citizens fled the neighborhood and retail investment shifted to areas closer to wealthier neighborhoods. The loss of local employment, and increases in crime rates, have caused steep declines in population in the Westside neighborhood. Sixteen handwritten notes from current residents of Carver Terrace in support of the proposed disposition were included with the application. These notes made clear that the Carver Terrace development was an adverse environment in which to live. Many expressed fears about the safety of their children at the project. We concur with the PAHA's determination that the disposition is in the best interests of the residents and the PHA because, due to changes in the neighborhood, the project no longer provides a healthy living environment.

Appraisal

The PAHA submitted an appraisal with the application. Tim N. Treadway, an independent appraiser, determined the Fair Market Value (FMV) to be \$1,670,000, as of September 25, 2012.

Method of Sale

The PAHA proposed the disposition via a public bid at FMV or higher.

Use of Proceeds

According to the Office of the Chief Financial Officer, there is no outstanding debt on Carver Terrace Apts., TX034000001. The PAHA will realize net proceeds from this disposition. In the application, the PAHA proposes to use \$837,632 from gross proceeds for relocation and transaction costs. Net proceeds of sale would be used to acquire or develop other single family public housing units. We determined that this use of proceeds meet the requirements of the statute.

Relocation

When the application was developed and transmitted to the Department, 184 units proposed for disposition were occupied. The PAHA has submitted a certification regarding relocation as required by 24 CFR § 970.21(e) (f). The PAHA estimated the relocation cost for the remaining residents to be \$787,532, which includes moving expenses and counseling\ advisory services. The housing resources offered will be other public housing and Housing Choice Vouchers.

Resident Consultation

1. Project(s) Specific Resident Organization(s): Carver Terrace
2. PHA-wide Resident Organization: None
3. Resident Advisory Board (RAB) in accordance with 24 CFR § 903.13: RAB

24 CFR § 970.9 requires that an application for disposition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

The PAHA met with the residents on August 15, 2012, August 29, 2012, September 12, 2012, October 29, 2012 and November 30, 2012 to discuss the proposed disposition. On October 5, 2012, PAHA met with the Carver Terrace Resident Council, the RAB and the residents to address questions concerning the disposition. The agenda, a sign-in-sheet and resident comments were included in the application. The resident comments described unacceptable conditions prevailing at Carver Terrace, and expressed the hope that moving would improve their situation.

Offer for Sale to the Resident Organization

24 CFR § 970.9(b) (1) of the regulations requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The PAHA made a formal offer for purchase of the subject property to the Carver Terrace Resident Council (CTRC) and the RAB via a letter dated October 10, 2012, the 30-day time period to express an interest to purchase the development expired on November 10, 2012. As no response was received from the CTRC or the RAB, The PAHA has satisfied the requirements of 24 CFR § 970.9(b) (1). We concur with the PAHA's determination that it has complied with the requirements of 24 CFR § 970.9.

Mayor/Local Government Consultation

As required by 24 CFR § 970.7(a) (14), the application package includes a letter of support from the Honorable Deloris Prince, Mayor of the City of Port Arthur Texas, dated November 20, 2012.

Board Resolution

As required by the 24 CFR § 970.7(a) (13), the PAHA's Board of Commissioners approved the submission of the application for disposition of the proposed property on December 7, 2012, via Resolution Number 12072012-01. The last resident consultation was on November 30, 2012. The consultation with the local government took place on September 13, 2012.

Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR Part 970, including requirements related to resident consultation, relocation and opportunity to purchase the property by the resident organization. Based upon our review, and finding that the requirements of 24 CFR Part 970 and Section 18 of the Act have been met, the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, as previously identified and described in the application, at the FMV of \$1,670,000, or higher, via a public bid, is hereby approved. If the PAHA fails to receive any bids at FMV or higher, please inform this office as to the PAHA plans.

The PHA has current plans to develop 360 units of the following types off-site in the Phase 1 Park Central, and the Phase 2 Edison Square, developments, as identified below. The \$832,368 in estimated net proceeds from the sale of Carver Terrace would be dedicated to development of single family public housing units planned for a future Phase 3 project. This use of proceeds is also approved.

Total Units to be Redeveloped 360	Less than 80% of Area Median Income		Market Rate
	ACC	Non-ACC	
Rental	156	188	16

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated.

Operating Subsidy

In accordance with 24 CFR § 990.114, the disposition of these units will affect the PAHA's operating subsidy eligibility significantly. The PAHA was advised to contact the HUD financial analyst in the Houston Program Center for additional information.

Housing Choice Vouchers

If the PAHA is interested in applying for housing choice vouchers in connection with the units approved for disposition, it will need to submit an application to the Houston Program Center. The PAHA should submit its application in response to HUD Notice 2012-9, or HUD's current Notice outlining the application procedures.

PIC and Monitoring

The PAHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in PIC, for the Houston Program Center approval so that the status of the units and acres of land in PIC is changed to "removed from inventory."

It is the Houston Program Center's responsibility to monitor this activity based on its latest risk assessment. The Houston Program Center must verify that the actual data is being entered in PIC by the PAHA as the actions occur to ensure the Department is not over paying in operating subsidy, and the Capital Fund formula data is correct. Since this action expects to generate net proceeds of \$832,368, it is the Houston Program Center's responsibility to verify the funds were used as approved, and the PAHA's records are adequately documented to support this assertion.



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

JUN 16 2014

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

On May 7, 2014, the Special Applications Center (SAC) received the Port Arthur Housing Authority's (PRHA) request for an amendment to the disposition approved on April 30, 2013 at Carver Terrace Apartments TX034000001. Supplemental information was received through June 6, 2014.

On April 30, 2013, the Department approved the PRHA's disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid as identified below:

Original Approval (PIC application: DDA0004944)

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

Of the 204 units, 24 units are at the Lincoln Square Townhomes, and the remainder at Carver Terrace.

Current Request

In the current request, the PRHA is seeking to modify the disposition approval in order to proceed with the sale of the property to the highest and only bidder, The Premcor Refining Group, Inc., for a purchase price of \$800,000, subject to certain conditions, which more accurately reflects the value of the property.

The RROF for the environmental review done for the April 30, 2013 letter was approved by the Houston Field Office on January 25, 2013. Another environmental assessment was completed in October 2013. A new environmental assessment has recently been completed in accordance with 24 CFR Part 58.47 and the notice is being republished. The Notice of Intent to Request Release of Funds includes an estimated demolition cost for the buildings approved for disposition of \$750,000.

As part of the environmental review process under 24 C.F. R parts 50 and 58 for the disposition and demolition of the property, the U.S. Department of Housing and Urban Development (HUD) Regional Environmental Officer determined that due to the health and safety threats caused by the close proximity of the refineries certain mitigation efforts must be implemented to protect the neighboring residences. The following mitigation efforts and property conditions are being imposed:

- The property will be converted to vacant land in perpetuity, enforced as a condition of sale through a deed restriction;
- The property must be fenced off to prevent unauthorized uses after it is vacant;
- A historic marker must be created for the Carver Terrace and Lincoln Square public housing projects to commemorate the important history of this community.

Upon disposition and demolition of the property the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. In order for the PAHA to comply with this restriction upon acquisition by Valero/Premcor Refining Group Inc., the property must be subject to a deed restriction. The deed use restriction is the only mitigation measure that will allow the City of Port Arthur to reach a Finding of No Significant Impact for the property. Unfortunately, the deed use restriction prevents any future development on the property, severely devaluing the property well below its original appraised FMV.

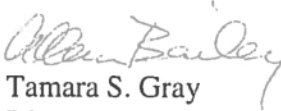
Despite the PAHA's negotiations with The Premcor Refining Group Inc. in an effort to increase the purchase price of the property, the environmental issues and the required deed use restriction prevented the PAHA getting a higher purchase price. The purchaser requires that the PHA must demolish and carry out site preparation of the land they will acquire. Premcor's bid expires on June 23, 2014.

Under the terms and conditions of The Premcor Refining Group., Inc's bid, the gross proceeds will be deposited in an escrow account to be used for the demolition of the property. Following demolition any remaining net proceeds will be used to develop replacement public housing or housing exclusively used for Section 8 units at Edison Square, a mixed-finance project or alternate locations. The PAHA closed on Park Central, the other mix-finance project to which net proceeds from the disposition may be applied.

The SAC has completed its review and based on the information provided by the PAHA, your request to amend the disposition approval, to sell the property to The Premcor Refining Group, Inc., for a purchase price of \$800,000 is approved. These funds may be used to pay for the cost of demolition. Following demolition the use of any remaining net proceeds to develop replacement public housing or housing exclusively used as Section 8 units at Edison Square, and Park Central is also approved. The approval may be modified if further issues emerge during completion of the current environment review process.

A copy of this modification will be forwarded to the HUD Houston Program Center for their records. If you have any questions regarding this modification, please contact Sunny Grover, Public Housing Revitalization Specialist at (312) 913-8329.

Sincerely,


for Tamara S. Gray
Director



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

MAR 12 2015

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

On January 28, 2015 the Special Applications Center received a request to further modify the disposition approval for the Carver Terrace Apartments property, because the intended sale of the property was not consummated.

On April 30, 2013, the Department originally approved the Port Arthur Housing Authority (PRHA)'s disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid as identified below:

Table with 6 columns: Bedroom Size, 1-BR, 2-BR, 3-BR, 4+BR, Total. Rows include Existing Units, Proposed Units, Existing Land, Proposed Land, and various building counts.

Of the 204 units, 24 units are at the Lincoln Square Townhomes, and the remainder at Carver Terrace.

On May 7, 2014, the Special Applications Center (SAC) received the Port Arthur Housing Authority's (PRHA) request for an amendment to the disposition approved on April 30, 2013 at Carver Terrace Apartments. The proposal was to sell the property to the only bidder, the neighboring Premcor Refining Group, for a purchase price of \$800,000. This purchaser required that the PHA must demolish the structures and carry out site preparation of the land, using the proceeds from sale for this purpose. This was approved on June 16, 2014.

The RROF for the environmental review done for the April 30, 2013 letter was approved by the Houston Field Office on January 25, 2013. Another environmental assessment was completed in October 2013. A new environmental assessment was completed in accordance with 24 CFR Part 58.47 and the notice was republished. The Notice of Intent to Request Release of Funds included an estimated demolition cost for the buildings approved for disposition of \$750,000.

As part of the environmental review process under 24 C.F. R parts 50 and 58 for the disposition and demolition of the property, the U.S. Department of Housing and Urban Development (HUD) Regional Environmental Officer determined that due to the health and safety threats caused by the close proximity of the refineries certain mitigation efforts must be implemented to protect the neighboring residences. The following mitigation efforts and property conditions were imposed:

- The property will be converted to vacant land in perpetuity, enforced as a condition of sale through a deed restriction;
- The property must be fenced off to prevent unauthorized uses after it is vacant;
- A historic marker must be created for the Carver Terrace and Lincoln Square public housing projects to commemorate the important history of this community.

Upon disposition and demolition of the property the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. Attaching this deed use restriction to the sale is the only mitigation measure that would allow the City of Port Arthur to reach a Finding of No Significant Impact for the property. Such a deed use restriction prevents any future development on the property, severely devaluing the property well below its original appraised FMV.

Presented with this deed restriction, the Valero/Premcor Refining Group Inc. withdrew its offer to purchase the property. The deed restriction would make the property of little or no use to the neighboring refinery.

Current Request

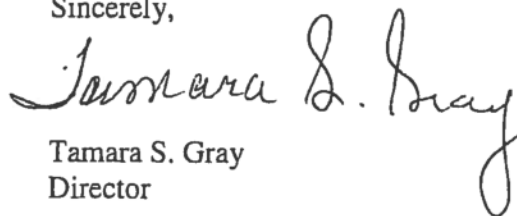
The continued presence of the vacant and deteriorated structures on this land poses serious health and safety concerns. The PAHA has used most of its non-federal funds to fill financing gaps for the development of replacement units for the Park Central and Edison Square property. PAHA states that the Carver Terrace structures must be demolished as soon as possible.

The SAC has completed its review and based on the information provided by the PAHA, the request to amend the disposition approval, to instead demolish the buildings and units on this property, and to continue to see a buyer for the vacant land that will remain, is hereby approved.

The SAC is unable at this time to approve the proposed use of public housing Operating Fund Reserves to pay for the cost of demolition, which had been estimated to be \$750,000. Prior to carrying out the demolition, PAHA must receive approval from the Department that the sources of funds proposed are eligible to be used for this purpose.

A copy of this modification will be forwarded to the HUD Houston Program Center for their records. If you have any questions regarding this modification, please contact Sunny Grover, Public Housing Revitalization Specialist at (312) 913-8329.

Sincerely,

A handwritten signature in cursive script that reads "Tamara S. Gray". The signature is written in black ink and is positioned to the right of the typed name.

Tamara S. Gray
Director

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**Marie Butler
(H09917)**
PIC Main

Housing Agency

Development

Inventory Removals

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Application	Application Review	Comments	Remove from Inventory	Reports	DD w/o HUD Approval	Non-PIC Homeownership
List	Form HUD-52860 Supporting Documents Quality Checklist				Submission	

HQ Office: Public and Indian Housing
 HQ Division: PO Field Operations
 Hub: 6HFTW Fort Worth Hub
 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944
Demolition / Disposition Application
 Application Type: Disposition Processor: SAC-Chicago
 Application Status: HQ Approved Status Date: 11/07/2012

[Add/Remove Development](#)

Section	Section Type	Status	Status Date
Section 1: General Information	Required	Modified	11/07/2012
Section 2: Long-Term Possible Impact of Proposed Action	Required	Modified	12/05/2012
Section 3: Board Resolution, Environmental Review, and Local Government Consultation	Required	Modified	12/07/2012
Section 4: Description of Property TX034000001 CARVER TERRACE APTS	Required	Modified	12/05/2012
Section 5: Description of Proposed Removal Action TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 6: Relocation TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 7: Resident Consultation TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 8: Offer of Sale TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 9: Certification of Compliance TX034000001 CARVER TERRACE APTS	Required	Modified	11/07/2012

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- Reports
- DD w/o HUD Approval
- Non-PIC Homeownership

Marie Butler (H09917)
PIC Main
 Housing Agency
 Development
 Inventory Removals
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Form HUD-52860 Supporting Documents Quality Checklist Submission

HQ Office: Public and Indian Housing
 HQ Division: PO Field Operations
 Hub: 6HFTW Fort Worth Hub
 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944

Application Status
 Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Section 1: General Information

OMB Approval No. 2577-0075
 (exp. 07/31/2008)

Public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required to request permission to demolish or sell all or portion of a development (i.e., dwelling units, non-dwelling property or vacant land) owned and operated by a Housing Authority. The information requested in the application is based on requirements of Section 18 of the United States Housing Act of 1937, as amended and 24 CFR Part 970. HUD will use the information to determine whether, and under what circumstances, to permit HAs to demolish or sell all or a portion of a public housing development. Responses to the collection of information are statutory and regulatory to obtain a benefit. Approval of this application does not substitute approval for funding of the demolition or disposition action. The information requested does not lend itself to confidentiality.

1. Housing Authority: TX034 Port Arthur Housing Authority 2. Date of Application: 12/07/2012

3. Address: 920 DEQUEEN Boulevard
 City/Locality: PORT ARTHUR
 State: Texas Zip Code: 77640-5603
 4. Phone No: (409) 982 - 6442 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

5. Executive Director's Name: Seledonio Quesada
 Phone No: (409) 984 - 2621 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

6. Primary Contact's Name: Seledonio Quesada
 Phone No: (409) 984 - 2621 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

* Designates a required field.

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 - Comments
 - Remove from Inventory
 - Reports
 - DD w/o HUD Approval
 - Non-PIC Homeownership
- List** **Form HUD-52860 Supporting Documents Quality Checklist** **Submission**

Marie Butler (H09917)
PIC Main

Housing Agency

Development

Inventory Removals

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HQ Office: Public and Indian Housing
 HQ Division: PO Field Operations
 Hub: 6HFTW Fort Worth Hub
 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944

Application Status

Application Type:	Disposition	Processor:	SAC-Chicago
		Reviewer:	Lois Johnson
Application Status:	HQ Approved	Status Date:	11/07/2012

Section 2: Long-Term Possible Impact of Proposed Action
 Enter the total number of units proposed for removal **204**

1. Performance Funding Subsidy (PFS)

In FY 2012 , this HA received \$ 385 per unit in PFS funds.
 The HA realizes that after this activity takes place, PFS will decrease by \$ 78540 / year.

2. Capital Fund Program

In FY 2012 , this HA received \$ 1080 per unit in Capital funds.
 The HA realizes that after this activity takes place, Capital funding will decrease by \$ 220320 / year.

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Submission
- Non-PIC Homeownership

Marie Butler (H09917)
PIC Main
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HQ Office: Public and Indian Housing
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 Hub: 6HFTW Fort Worth Hub
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 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944

Application Status
 Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Section 3: Board Resolution, Environmental Review, and Local Government Consultation

1. Board Resolution Number 1207201	2. Date of Board Resolution 12/07/2012
---------------------------------------	-------------------------------------------

3. Who is conducting the environmental review?

- Field Office under 24 CFR Part 50
- Responsible Entity under 24 CFR Part 58

If the environmental review is to be performed by a responsible entity, name the entity.

City of Port Arthur

4. Jurisdictions covered by the HA (list all cities, counties, etc.):

City of Port Arthur

5. Letter of Support from Appropriate Government Official is dated :11/20/2012.

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 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944
 Development: TX034000001 CARVER TERRACE APTS

Application Status

Application Type: Disposition Processor: SAC-Chicago
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Section 4: Description of Property

- 1. Development Name: CARVER TERRACE APTS
- 2. Development Number: TX034000001
- 3. Date of Full Availability: 12/28/1953
- 4. No. of Residential Buildings: 46
- 5. No. of Non-Residential Buildings: 0
- 6. Date Constructed:
- 7. Scattered Site: N
- 8. Single Family Houses: Duplexes:
3-Plexes: 4-Plexes:
- 9. Row House: 24 Walk-Up: 180
High Rise: 0
- 10. Total Acres of the Development: 8.00

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11. Existing Unit Distribution

	General Occupancy	Elderly/Disabled Units	Total Units Being Used for Non-Dwelling Purposes	Merged Units	Total Existing Units	Approved Units yet to be Removed	Total Adjusted Units
0 Bdrm	0	0	0	0	0	0	0
1 Bdrm	0	0	0	0	0	0	0
2 Bdrms	0	0	0	0	0	0	0
3 Bdrms	0	0	0	0	0	0	0
4 or more Bdrms	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

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Section 5: Description of Proposed Removal Action

1. Proposed Action By Building Type

Calendar Year:

Available Buildings :
 (Building Number\Building Number
 Entrance\Address Line1 Text)

Proposed Buildings :
 (Building Number\Building Number
 Entrance\Address Line1 Text)

01 \8 \1100 CARVER TERRACE / 2012	
02 \8 \1102 CARVER TERRACE / 2012	^
03 \8 \1104 CARVER TERRACE / 2012	
04 \8 \1106 CARVER TERRACE / 2012	v

indicates Non Dwelling Building Structures

2. Proposed Action By Unit Designation

Select the building number(s):

* - indicates the building has units that are assigned in this application.

@ - indicates the building is proposed in this application.

No Units Information Found

Available Units :
 (Unit Number\Unit Designation\Bedroom Count)

Proposed Units :
 (Unit Number\Unit Designation\Bedroom Count)

3. Proposed Action for Non Residential Inventory

A. Acres included in Proposed Disposition

Calendar Year: 2012

Number of Acres : 8.00

B. Buildings included in Proposed Disposition

Calendar Year : 2012

Number of Non-Dwelling Buildings without PIC building numbers : 1

4.

Intentionally deleted to conform to HUD-52860

5. If the proposed action involves a partial removal of a Development, a site map is required
Attach a copy of the site map and reference it as Section 5, line 5

6. If the proposed action involves a partial removal of a development, attach a description of the property to be removed along with a narrative explaining why the PHA is proposing to remove this portion of the development and if disposition is for vacant land, attach the legal description of each parcel of vacant land. Reference this attachment as Section 5, line 6

7. Which of the following describe the proposed disposition? (Check that which applies)

- A. Disposition at Fair Market Value (FMV)
 B. Disposition at less than Fair Market Value (e.g. donation)
 C. Disposition which includes an exchange of property

If B and/or C are checked, provide a justification and reference it as Section 5, line 7.

8. What is the value of the property subject to disposition:

\$ 1670000.00

Attach evidence verifying the value (e.g. executive summary of the appraisal) and reference it as Section 5, line 8

9. Was an appraiser used to determine the value of the property listed at Number 8?

Yes

If so, name of appraiser who conducted the appraisal:

The Gerald A. Teel Company, Inc.

Date of appraisal:

09/25/2012

10. Calculation of Net Proceeds

Estimated Sales Price **\$1670000.00** - Debt \$ - Cost & Fees **\$837632.00** = Estimated Net Proceeds **\$832,368.00**

Attach an itemization of costs and fees (including relocation, moving, and counseling costs) to be paid out of gross proceeds and reference it as Section 5, line 10

11. How will the Net Proceeds be used?

Attach a narrative providing details concerning the use of Net Proceeds and reference it as Section 5, line 11

12. What is the estimated cost of demolition?

(Include professional fees, hazardous waste removal, building and site improvement, demolition costs, and seeding and sodding of land. Do not include relocation costs or site improvements such as landscaping, playground, retaining walls, streets, sidewalks, etc.)

(a) \$ **354,250.00**

(b) Indicate the source of funds:

- Operating Funds for FY
 CFP Funds for FY
 CDBG Funds
 Other

If Other, attach a narrative explaining how the PHA will fund the demolition and reference it as Section 5, line 12

13. General Timetable: The HA is to provide a brief timetable based on the number of days after approval of the application that the following major actions will occur:

- A. Begin relocation of residents 150 B. Complete relocation of residents 485
C. Execution of contract for removal (e.g. sales contract or demolition contract) 515 D. Actual Removal Action (e.g. demolition or sale closing) 730
-

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Section 6: Relocation

1. Occupied units:
 - a. Of the 204 units proposed for removal, 184 are occupied as of the date of this application. *Attach a narrative explaining the circumstances that resulted in the units becoming vacant and the relocation of the residents and reference it as Section 6, line 1(a).*
 - b. Of the 204 total units in the development, 0 units will remain after removal.
 - c. Of the 0 units that will remain after removal, 0 are occupied as of the date of this Application.

If any units are listed as occupied in 1(a), complete questions 2-8

2. How many individuals will be affected by this action? **188**

3. How will counseling and advisory services be provided?
Attach a narrative explaining and reference it as Section 6, line 3.

4. What housing resources are expected to be used for relocation?
 Other Public Housing Section 8 Other
Attach a narrative explaining and reference it as Section 6, line 4.

7. Total cost of relocation expenses

	Per Unit Cost x	No. of Units =	Total
5. Estimated cost of counseling and advisory services	\$2,489.00	188	\$467,932.00
6. Estimated cost of moving expenses	\$1,700.00	188	\$319,600.00
		\$787,532.00	

8. What sources of funding will be used to pay for relocation activities?
- Operating Funds for FY:
 - Capital Fund for FY: **2011**
 - Other
- If Other, provide an attachment explaining and reference it as Section 6, line 8.*

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- List** **Form HUD-52860 Supporting Documents Quality Checklist** **Submission**

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Section 7: Resident Consultation

1. Describe how the residents of the development were informed and consulted about the proposed action.

Attach a narrative explaining the PHA's consultation with the residents of the affected Development and reference it as Section 7, line 1

If proposed action is for Demolition and/or Disposition under Section 18 of the Act, complete questions 2-5

2. Resident Council (at development): Provide the name of the Resident Council representing the residents of the development Carver Terrace Resident Council

Attach a narrative explaining the PHA's consultation with the Resident Council of the affected Development and reference it as Section 7, line 2

3. Resident Council (PHA-jurisdiction-wide): Provide the name of the PHA-wide Resident Council representing the interests of the residents of the development None

Attach a narrative explaining the PHA's consultation with Resident Council (PHA jurisdiction-wide), and reference it as Section 7, line 3

4. Resident Advisory Board (RAB) (as defined by 24 CFR 903.13):
Attach a narrative explaining the PHA's consultation with the RAB and reference it as Section 7, line 4.

5. Did you receive any written comments from the residents, the Resident Council(s), or the RAB? Yes No

If yes, attach the comments, along with any evaluation the PHA has made of those comments and reference it as Section 7, line 5

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Section 8: Offer of Sale

1. Is the PHA exercising any of the exceptions to the offer of sale requirement permitted by 24 CFR 970.9(b)(3): Yes No

Note: Additional options may be displayed upon selecting an answer

3. State the names of all Established Eligible Organizations (as defined by 24 CFR 970.9(c)) for the affected development, including the following organizations (if none, state none):

Resident Council: **Carver Terrace Resident Council**
 Resident Management Corporation: **None**
 Outside Organization acting on behalf of residents: **None**

4. The PHA sent an initial written notification of the sale of the development to each Established Eligible Organization on **10/10/2012**

5. The PHA received a written initial expression of interest from one or more Eligible Established Organization within 30 days of the date it sent its notification Yes No

6. The PHA received a proposal to purchase the development from an Eligible Established Organization within 60 days of the date that it provided the organization with all necessary terms and information Yes No

7. The PHA Accepted or Rejected the organization's proposal to purchase the development.

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Section 9: Certification of Compliance

1. Attach the applicable PHA Certification of Compliance from the HUD-52860 for the applicable removal action and reference it as Section 9, Line 1: Certification of Compliance

PHA Certification of Compliance: HUD 52860

- Section 18 Demolition/Disposition
- Section 18 Disposition 24 CFR Subpart F
- De Minimis Exception to Demolition
- Section 32 Homeownership
- Section 33 Required Conversion
- Section 22 Voluntary Conversion
- Eminent Domain

[These Certifications can be found at the SAC web site](#)

2. Attach any applicable addendum(s) from the HUD-52860 (as identified below) for the specific removal action for which you are applying for and reference it as Section 9, Line 2: Addendums

The new HUD-52860 form and its addendums include:

- HUD-52860-B: Total Development Cost (TDC) Calculation** Attach for all Demolition actions and for all Disposition actions where the justification is obsolescence
- HUD-52860-C: Homeownership** Attach for all actions involving homeownership
- HUD-52860-D: Required Conversion** Attach for all actions involving the required conversion of public housing units
- HUD-52860-E: Voluntary Conversion** Attach for all actions involving the voluntary conversion of public housing units
- HUD-52860-F: Eminent Domain** Attach for all disposition actions involving eminent domain proceedings

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Summary of Demolition and/or Disposition Activity

[View Land Information](#)

Development	0-Bdrm Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4 & 4+ Units	Total Resid. Units	Total Non-Resid. Units	Resid. Bldgs.	Non-Resid. Bldgs.	Total Bldgs.	Acres Disposed
TX034000001 CARVER TERRACE APTS	0	24	120	60	0	204	0	46	1	47	8.00
Totals:	0	24	120	60	0	204	0	46	1	47	8

Application Submission

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Upload Inventory Removal Application Supporting Documentation

Attachment Type: [Please Select]

Enter Description:

The recommended maximum attachment file size is 8 megabytes. Files larger than 8 MB in size may take longer to upload or may not get uploaded.

Select File:

Allowed file types: doc, docx, xls, xlsx, pdf, gif, jpeg, bmp, png, mpp, rtf, ppt, pptx, txt, zip

Applicat

Supporting Documents for DDA 0004944

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Se	Download	Delete
Se	Download	Delete
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	Download	Delete
Approval Letter	Download	Delete
Attachment hook 01	Download	Delete
Attachment hook 02	Download	Delete
Attachment hook 03	Download	Delete
Attachment hook 04	Download	Delete
Attachment hook 05	Download	Delete
Attachment hook 06	Download	Delete
Attachment hook 07	Download	Delete

Attachment hook 08	MAYOR 20121120	02/25/2019-23:50:34	Marie Butler	Download	Delete
Attachment hook 09	PHA CERT 20121207	02/25/2019-23:52:23	Marie Butler	Download	Delete

Development Attachments

Section	Development	Description	Date - Time	Owner Name	Download	Delete
Section 5, Line 7 : Sale Justification	CARVER TERRACE APTS	Description of Disposition	12/07/2012-16:23:52	Cele Quesada	Download	Delete
Section 5, Line 8 : Appraisal	CARVER TERRACE APTS	Appraisal Summary	12/07/2012-16:25:51	Cele Quesada	Download	Delete
Section 5, Line 10 : Net Proceeds Calculation	CARVER TERRACE APTS	Costs and Fees	12/07/2012-16:30:59	Cele Quesada	Download	Delete
Section 5, Line 11 : Net Proceeds Usage	CARVER TERRACE APTS	Use of Proceeds	12/07/2012-16:32:08	Cele Quesada	Download	Delete
Section 5, Line 12 : Source of Funds	CARVER TERRACE APTS	Demolition	12/07/2012-16:33:59	Cele Quesada	Download	Delete
Section 5, Line 12 : Source of Funds	CARVER TERRACE APTS	Demolition Quote	12/07/2012-16:35:00	Cele Quesada	Download	Delete
Section 5, Line 13 : Timetable	CARVER TERRACE APTS	Timeline	12/07/2012-16:38:47	Cele Quesada	Download	Delete
Section 6, Line 1(a) : Occupied Units as of The Date of This Application	CARVER TERRACE APTS	Relocation Plan	12/07/2012-16:40:34	Cele Quesada	Download	Delete
Section 6, Line 3 : Counseling Services	CARVER TERRACE APTS	Counseling Services	12/07/2012-16:42:53	Cele Quesada	Download	Delete
Section 6, Line 4 : Housing Resources	CARVER TERRACE APTS	Relocation Resources	12/07/2012-16:45:34	Cele Quesada	Download	Delete
Section 6, Line 8 : Relocation Funding	CARVER TERRACE APTS	Sources for Relocation	12/07/2012-16:50:04	Cele Quesada	Download	Delete
Section 7, Line 1 : Consultation Process	CARVER TERRACE APTS	Resident Consultation	12/07/2012-16:51:52	Cele Quesada	Download	Delete
Section 7, Line 2 : Consultation with Resident Council	CARVER TERRACE APTS	Resident Council Consultation	12/07/2012-16:59:48	Cele Quesada	Download	Delete
Section 7, Line 4 : Consultation with Resident Advisory Board (RAB)	CARVER TERRACE APTS	Resident Meeting Agenda	12/07/2012-17:01:15	Cele Quesada	Download	Delete
Section 7, Line 4 : Consultation with Resident Advisory Board (RAB)	CARVER TERRACE APTS	RAB Consultation	12/07/2012-17:02:33	Cele Quesada	Download	Delete
Section 7, Line 5 : Written Comments	CARVER TERRACE APTS	Resident Letters	12/07/2012-17:05:22	Cele Quesada	Download	Delete
Section 8, Line 3 : Established Organization	CARVER TERRACE APTS	Resident Organizations	12/07/2012-17:07:20	Cele Quesada	Download	Delete
Section 8, Line 4 : Initial Written Notification	CARVER TERRACE APTS	Offer of Sale	12/07/2012-17:08:23	Cele Quesada	Download	Delete
Section 8, Line 3 : Established Organization	CARVER TERRACE APTS	Resident Organizations	12/07/2012-17:16:08	Cele Quesada	Download	Delete
Section 9, Line 1 : Certification of Compliance	CARVER TERRACE APTS	Certificate of Compliance	12/07/2012-17:21:22	Cele Quesada	Download	Delete

Self Contained Appraisal Report

Of

**Carver Terrace & Lincoln Square Apartments
1400 DeWalt
Port Arthur, Jefferson County, Texas**

Prepared for

**ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642**

GATCO File No.: H12505



THE GERALD A. TEEL COMPANY, INC.

Real Estate Consultants and Appraisers

September 27, 2012

Mr. Chris Akbari
ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Carver Terrace/Lincoln Square Apartments

Dear Mr. Akbari:

In fulfillment of the agreement outlined in the letter of engagement dated September 17, 2012, this letter is to transmit the attached report of our appraisal of the property rights identified within the report concerning the referenced above, as of, September 25, 2012. The report sets forth supporting data and reasoning which form the basis of our opinion of the market value.

The value opinion reported is qualified by certain definitions, limiting conditions, and certifications which are set forth within this report. The reader is directed to review all assignment conditions set forth in the introduction section of this report. Those included are the General Assumptions, General Limiting Conditions, Extraordinary Assumptions, and any Hypothetical Conditions which may affect the final opinion of value.

This report was prepared for and invoiced to ITEX Property Management LLC. It is intended only for use by ITEX Property Management LLC. It may not be distributed to or relied upon by other persons or entities without our written permission.

The property was inspected by David D. Magnuson, and the appraisal was developed by Tim N. Treadway and David D. Magnuson. If you have any questions concerning the report, please contact our office.

The Gerald A. Teel Company appreciates the opportunity to provide these real estate valuation and consultation services. We look forward to working with you in the future.

THE GERALD A. TEEL COMPANY, INC.

BY: Tim N. Treadway, MAI, CCIM, Partner
State Certified TX 1323331-G

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Market Value

Project:	Carver Terrace/Lincoln Square	
Location:	1400 DeWalt Avenue Port Arthur, Texas 77640	
Year of Construction:	1952	
Effective Age (after repair):	40 Years	(60 Yrs Econ. Life)
Total Number of Rentable Units:	204	
Number of Residential Buildings:	24 + office/maint bldgs (2)	
Net Rentable Area:	139,160 SQ FT	
Average Size Unit:	682 SQ FT	
Land Area:	8.0690	351,486 SQ FT
Estimated Land Value (as if vacant):	\$160,000	\$0.46 /SQ FT

Market Values

	<u>Land As-Is</u>	<u>Land As If Vacant Hypothetical Vacant Land</u>
Indicated Value By Sales Comparison Approach:	\$1,670,000	
Indicated Value By Sales Comparison Approach:		\$160,000
Final Value Estimate:	\$1,670,000	
	\$8,186 /Unit	
As-Is Valuation Date	September 25, 2012	

SIGNIFICANT ISSUES

- This is a property in two locations about two blocks away from each other. This valuation is for both sites and their improvements. The property is known as Carver Terrace for the DeWalt address, and Lincoln Square for the site on Abe Lincoln Avenue.
- The subject property is an older project that has historically been operated as a low income project by the Port Arthur Housing Authority. Though originally built in a very solid manner, its age and styling leaves it less competitive to newer properties. We noted a fairly new roof and what appeared to be newer condensing units. The interiors showed signs of functional obsolescence with small closets, lack of dryer connections, worn-out counters/cabinetry, and kitchen styling that does not accommodate full size appliances in some cases. As if frozen in a different time, clothes lines adorn the courtyard and are still used due to lack of dryers. One of the questions to be answered in this report will be whether or not the existing improvements offer any remaining contributory value to a renovator, or if the property has more value as vacant land.
- The property is nearly 100% occupied due to the tenants paying little or no rent (housing authority owns). Were the property to be offered on market terms and rents, it would have difficulty being competitive in its current configuration and with its existing amenities and finish appointments, and considering its age and functional obsolescence.
- One building is burned containing eight units, and two more units are burned in another building.
- We have relied on the PCNA by JPS & Associates for the unit mix, count, unit square footages, and deferred maintenance. The land area in the PCNA was disregarded as it appeared to be incomplete (not containing both parcels).
- The Income Approach is typically used on income properties but not used herein because of the large amount of repair needs and functional obsolescence. A typical buyer would not be able to continue with the current tenant set because the government pays for their rent; however, the property is operating. There could be many forms of renovation and associated costs with the buyer pool for this sort of asset (poor location, fair to poor condition, costly repair needs as indicated by the PCNA). Some buyers might spend less and attempt to eke out some remaining life. Some buyers might spend more to remove most of the obstacles and reposition the property. This is beyond the scope of the report to determine every possible repair or renovation proposition. Brokers for this type of property tend to sell these assets on a price per unit basis, with an eye to the replacement value of the shell more so than income characteristics. As such, the Sales Comparison Approach is used herein to estimate value.

Section 5, Line 10

Itemization of Costs and Fees

Sales purchase price (FMV)	\$ 1,670,000
Less: Moving Costs (\$ 1,200 p/family)	\$ 225,600*
Security and Utility Deposits Contingency	\$ 94,000
Relocation Counseling Costs (\$ 2,489 p/family)	\$ 467,932*
Realtor Commission (3%)	\$ 50,100
 NET PROCEEDS	 <u>\$ 832,368</u>

* Based on occupancy of 188 families as of the date of submission of the Disposition Application

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

PHA Certification of Compliance
Section 18 Demolition/Disposition

Acting on behalf of the Board of Commissioners of the Port Arthur Housing Authority (PHA), as its Chairman, Executive Director, or other authorized PHA official, I approve the submission of this Inventory Removal Application (HUD-52860) dated November 7, 2012 and known as DDA # 0004944, hereinafter referred to as the "Application", of which this document is a part, and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of this Application and the implementation thereof:

- 1) All information contained in the Application (including all attachments and Addendums) is true and correct as of the date of this Application;
- 2) The proposed removal action does not violate any remedial civil rights orders or agreements, compliance agreements, final judgments, consent decrees, settlement agreements, or other court orders or agreements to which this PHA is a party;
- 3) The PHA certifies that it will carry out the proposed removal action in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990 and will affirmatively further fair housing in carrying out the proposed removal action;
- 4) If this proposed removal action involves a disposition and the PHA did not claim an exemption to the Offer of Sale requirement, this PHA sent all required initial written notifications (as described at 24 CFR 970.11) of the proposed sale of the Development to all Established Eligible Organization and the PHA certifies that either it did not receive a response from any notified organization within a 30-day time frame or each notified Established Eligible Organization waived its opportunity to purchase the Development or otherwise rejected the Offer of Sale. The PHA further certifies that it maintains documentation of all documents required by 24 CFR 970.11 on file at its primary business office;
- 5) If an appraisal was submitted at Section 5, the PHA verified that the appraiser was licensed/certified in the state in which the PHA property and received a certification from the appraiser that the appraisal was conducted using generally accepted appraisal methods and maintains this written documentation on file at its central office;
- 6) All dwelling units at the affected development are vacant and have been approved by HUD for demolition, OR, if any dwelling units at the affected development are occupied:
 - The PHA created a Relocation Plan in compliance with all applicable federal, state, and local laws (to the extent those requirements apply), including, without limitation, the Act, 24 CFR 970.21, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations at 49 CFR Part 24, and maintains a written copy of the Relocation Plan on file at the central office;
 - The PHA will notify each family residing in a unit affected by this proposed removal action at least 90 days prior to the displacement date, except in cases of imminent threat to health and safety and such notice;
 - The PHA will provide for all actual and reasonable relocation expenses of each resident displaced by this proposed removal action, including residents requiring reasonable accommodation because of disabilities;
 - The PHA will offer any necessary counseling for residents displaced by this proposed removal action;
 - The PHA will not commence the demolition or complete the disposition of any occupied building until all residents residing in the units affect by this proposed removal action are actually relocated;
 - The PHA will provide each family affected by this proposed removal action with comparable housing that meets Housing Quality Standards (HQS) and that is located in an area that is generally not less desirable than the location of the displaced person's housing. This comparable housing may include: (a) actual relocation into the private rental market with Housing Choice Voucher assistance; (b) actual relocation into housing with project-based assistance; or (c) other PHA properties;
- 7) The PHA described the proposed removal action in its PHA Annual Plan and timetable under 24 CFR Part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and the description in the PHA Annual Plan is identical to the removal action proposed in this Application and otherwise complies with the Act;
- 8) The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or 24 CFR Part 50;
- 9) All attachments and supporting documentation referenced in the Application have been and will continue to be available at all times in the PHA's primary business office;
- 10) The PHA will comply with all reporting and recordkeeping requirements of HUD (including the requirements set forth at 24 CFR 970.35) and shall make all required reports to the applicable HUD Field Office. The PHA acknowledges that reporting and

recordkeeping requirements are ongoing and certifies that it will comply with all applicable reporting requirements after it receives any approvals to this action from the SAC;

- 11) The PHA certifies that the proposed removal action complies with all applicable Federal statutory and regulatory requirements;
- 12) The PHA will not take any action to commence the proposed removal action, including without limitation the expenditure of HUD funds, until it receives written approval of this proposed action from HUD.
- 13) The PHA certifies that the reason(s) for this proposed removal action is as described in Exhibit A, attached to and made a part of this Certification.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official: Cele Quesada

Title: Executive Director

Signature



Date

12.7.12

DELORIS "BOBBIE" PRINCE, MAYOR
WILLIE "BAE" LEWIS, MAYOR PRO TEM

COUNCIL MEMBERS:

RAYMOND SCOTT, JR.
ELIZABETH "LIZ" SEGLER
HAROLD DOUCET, SR.
MORRIS ALBRIGHT, III
ROBERT E. WILLIAMSON
DERRICK FREEMAN
KERRY "TWIN" THOMAS



FLOYD JOHNSON
CITY MANAGER

SHERRI BELLARD
CITY SECRETARY

VAL TIZENO
CITY ATTORNEY

November 20, 2012

Mr. Seldonio (Cele) Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Blvd
Port Arthur, TX 77640

Dear Mr. Quesada:

It is with great pleasure that I write to express my enthusiastic support for this Disposition Application. This application would permit the Port Arthur Housing Authority ("PAHA") to dispose of Carver Terrace and Lincoln Square, which is comprised of 204 family units located in Port Arthur, Texas and redevelop affordable housing options at off-site locations in the city.

I acknowledge the consultation process that has occurred with the Housing Authority over the past several months, and I will continue to support the redevelopment of Carver Terrace and Lincoln Square through a collaborative effort between our agencies. I look forward to working closely with your agency to advance this important redevelopment project for the City and the Housing Authority in Port Arthur.

Sincerely,

A handwritten signature in cursive script that reads "Deloris Prince".

Deloris Prince
Mayor

PORT ARTHUR HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
FRIDAY, DECEMBER 7, 2012

RESOLUTION NO. 12072012-01

CARVER TERRACE/LINCOLN SQUARE DISPOSITION APPLICATION

WHEREAS, the Port Arthur Housing Authority (the "*Housing Authority*") desires to dispose of 204 units at Carver Terrace and Lincoln Square, consisting of approximately 8 acres, more or less due to adverse neighborhood conditions that affect the quality of life for residents; and

WHEREAS, the disposition will allow the Housing Authority desires to redevelop public housing units at off-site locations that will be more effectively operated as low-income housing developments; and

WHEREAS, the Housing Authority desires to offer the Carver Terrace and Lincoln Square properties for sale at fair market value to facilitate the redevelopment of the Carver Terrace/Lincoln Square units at off-site locations; and

WHEREAS, the Department of Housing and Urban Development ("*HUD*") requires the Housing Authority to submit an application to the Special Applications Center prior to the undertaking of any disposition activities; and

WHEREAS, the Housing Authority held multiple meetings with the residents to discuss the demolition and/or disposition application and the relocation plan; and

WHEREAS, the Housing Authority met with the Resident Council and Resident Advisory Board members on October 5, 2012, to discuss the disposition in accordance with HUD requirements and offered the property for sale as required; and

WHEREAS, the Housing Authority met with the City of Port Arthur on multiple occasions including September 13, 2012, to discuss the potential demolition and/or disposition in accordance with HUD requirements;

BE IT THEREFORE RESOLVED by the Board of Commissioners of the Port Arthur Housing Authority, that the Executive Director is hereby authorized to execute documents, provide certifications and submit the disposition application for the Carver Terrace and Lincoln Square properties to the Special Applications Center of the Department of Housing and Urban Development.

EXECUTED THIS 7TH DAY OF DECEMBER 2012.



CHAIR

ATTEST:



SECRETARY

**FHEO CHECKLIST
REVIEWING DEMOLITION/DISPOSITION APPLICATIONS**

Please provide all requested information and any supporting data in the "COMMENTS" column. Further justification may be submitted as an attachment to the checklist.

NAME OF PHA: Port Arthur Housing Authority

ADDRESS OF PHA: 920 DeQueen Blvd, Port Arthur, TX 77640

PHA CONTACT PERSON: Seledonio Quesada, Executive Director

DATE OF REVIEW: 2/22/2013

FHEO LOCAL OFFICE CONDUCTING REVIEW: Houston FHEO

NAME OF FHEO ANALYST: Carolyn Greer

NAME OF FHEO REVIEWING OFFICIAL: Christina Lewis, Houston FHEO Director

PHONE NUMBER OF FHEO REVIEWING OFFICIAL: 713-718-3189

NAME OF LOCAL PIH REVIEWER: _____

PHONE NUMBER OF LOCAL PIH REVIEWER: _____

DATE APPLICATION RECEIVED FROM SAC: 1/8/2013

DATE FHEO REVIEW DUE: 2/23/2013

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

I. General Considerations	Comments			
1. Is this a demolition or a disposition application or both?	Disposition			
2. What is the underlying rationale and justification for the proposed demolition/disposition? (See section 5, items 6 and 7 of the applicant's narrative).	Carver Terrace and Lincoln Square are properties located near two oil refineries (Motiva and Valero). The census tract and PH properties are about 99% minority (African American). There is a lack of employment for those with limited skills and businesses have moved out of the area; there are limited retail stores and social services; there is poor air quality and safety and environmental hazards due to the petrochemical industry; there is deteriorating infrastructure and an increase in crime, decay and blight. The west side location is not conducive to a residential community.			
3. Comparison of Demographic Characteristics of the Population of the Proposed Demo/Dispo Units with Surrounding Areas				
	Demo/Dispo Project %	Census Tract %	PHA-Wide Inventory %	PHA Jurisdictional Area %
White	3%	.79%	%	36.1%
Black or African American	86%	96%	86%	40.7%
Asian	0%	0%	0%	5.9%
American Indian or Alaska Native	0%	.21%	0%	0.7%
Native Hawaiian or Other Pacific Islander	0%	0%	0%	0.1%
Hispanic or Latino	21%	2.2%	14%	29.6%

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

4. How many units are in the PHA's overall housing unit inventory? Please indicate by unit bedroom (BD) type. (See PIC data).	Total # of units: 302	
	# 0 - 0 BD	Carver Terrace/Lincoln Square; Lakeview Palms; Scattered Sites
	# 42 - 1 BD	
	# 154 - 2 BD	
	# 106 - 3 BD	
	# 0 - 4 BD	
# 0 - 5 BD		
5. How many units are currently occupied by tenants? Please indicate by unit bedroom (BD) type. (See PIC Special Report run for this information).	Total # of units: 292	
	# 0 - 0 BD	10 of the 3-bedroom units are vacant due to fire damage. Those units are uninhabitable.
	# 42 - 1 BD	
	# 154 - 2 BD	
	# 96 - 3 BD	
	# 0 - 4 BD	
# 0 - 5 BD		
II. Project/Description of Proposed Demolition/Disposition		Comments
6. What is the name and address of the project(s)? (See section 4 of the application).	Carver Terrace - 1400 Dewalt Ave., Port Arthur, TX; Lincoln Square - 1300 Lincoln Ave., Port Arthur, TX	
7. What is the total number of building(s) in the project? (See section 5, paragraph 3 of the application).	Total # of buildings: 46	
8. What is total number of units proposed for demo/dispo, and the breakdown of the loss of units for the proposed demo/dispo by unit bedroom (BD) type? (See Section 5, paragraph 2 of the application).	Total # of units: 204	
	# 0 - 0BD	
	# 24 - 1BD	
	# 120 - 2BD	
	# 60 - 3BD	
	# 0 - 4BD	
# 0 - 5BD		

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

9. How many units are occupied/vacant by each unit bedroom BD type in the project(s) to be demolished/disposed? (See PIC Special Report run for this breakdown).	Total # of units: 194 Occupied	
	# 0 - 0BD	There are 10 3-bedroom units that are vacant due to fire damage.
	# 24 - 1BD	
	# 120 - 2BD	
	# 50 - 3BD	
	# 0 - 4BD	
	# 0 - 5BD	
10. Is there a percentage loss of units for the proposed demo/dispo by unit bedroom (BD) type for the entire project? (Calculate based on information provided in sections 4 and 5 of the application).	0 % - 0BD	
	12 % - 1BD	
	59 % - 2BD	
	29 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	
	11. Is there a percentage loss of units for the proposed demo/dispo of the total number of units for the PHA's housing inventory by unit bedroom (BD) size? (Calculate based on information in this checklist).	0 % - 0BD
57 % - 1BD		
78 % - 2BD		
57 % - 3BD		
0 % - 4BD		
0 % - 5BD		
12. Is there a percentage loss of UFAS accessible units by unit bedroom (BD) type for the entire project? (See PIC data).		0 % - 0BD
	12.5 % - 1BD	
	1.6 % - 2BD	
	0 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

13. If the answer to question 12 is yes, what is the percentage loss of UFAS accessible units by unit bedroom (BD) type for the PHA's entire housing inventory?	0 % - 0BD	
	7.14 % - 1BD	
	1.2 % - 2BD	
	0 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	

14. List the civil rights characteristics (race, national origin, familial status, and/or disability, etc.) of the project's current residents by unit size. (See PIC Special Report run for this information). Please use Section VI, Additional Comments & Analysis on page 12, if you need additional space.

0Bedroom	Hispanic	White Non-Hispanic	African American Non-Hispanic	Asian Non-Hispanic	Other (e.g., Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
0Bedroom	0%	0%	0%	0%	
1Bedroom	4%	4%	92%	0%	
2Bedroom	11%	3%	86%	0%	
3Bedroom	14%	0%	86%	0%	
4Bedroom	0%	0%	0%	0%	
5Bedroom	0%	0%	0%	0%	

III. Civil Rights/Affirmatively Furthering Fair Housing (AFFH) _{xx}	Comments
15. Does the PHA have any outstanding lawsuits, consent decrees, settlement so, please describe the relationship agreements, VCAs, letters of findings or pending investigations? If so, please describe the relationship between these actions and the demo/dispo application. These actions could serve as the basis for disapproving the demo/dispo application depending on the factual and legal circumstances.	No.

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>16. Under section 7 "Resident Consultation" in the applicant's narrative, do tenants raise any civil rights/fair housing issues or concerns? Were these issues and concerns adequately addressed by the PHA in their narrative?</p>	<p>No.</p>
<p>17. How does this proposed demo/disposition affect the PHA's obligation to affirmatively further fair housing under 24 CFR 903.7(o)? If applicable, does the application narrative indicate that tenants will have realistic choices to live in higher opportunity areas (e.g., better quality public elementary schools, greater public transportation, employment, health care, retail, recreational and cultural opportunities)?</p>	<p>The PHA will issue vouchers to tenants. This will give them greater opportunities for mobility and housing choice in surrounding areas that provide better housing, schools, transportation, employment, social services, etc.</p>
<p>18. If applicable, has the applicant's narrative described sufficient counseling and advisory services to affected tenants that promote fair housing choice and the opportunity to assist residents obtain housing in high opportunity areas? (See section 6, item 3 of the application).</p>	<p>Yes.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>19. If applicable, does the proposed demo/dispo create the conditions for minority de-concentration among the PHA's existing tenant population? (See the information contained in this application and the application narrative).</p>	<p>Yes, vouchers will give tenants greater opportunities for housing choice outside segregated areas. The use of a relocation mobility housing counseling agency will provide assistance to all voucher recipients to help them relocate to areas of higher opportunity.</p>
<p>20. Identify and analyze any potential discriminatory effects that the proposed demo/dispo may have upon the supply, location, availability, or affordability of housing for protected class members under the federal civil rights laws, including but not limited to discriminatory effects prohibited by 24 CFR 1.4. To the extent that such discriminatory effects are identified, consider less discriminatory alternatives and identify concrete steps reasonably calculated to avoid, minimize, or mitigate the discriminatory effects.</p>	<p>There will be a loss of five (5) accessible units for persons who are disabled. The PHA has not clearly indicated how these units will be replaced.</p>
<p>21. Are there any objections raised by third party advocacy groups or other interested parties (e.g., legal aid organizations local community groups etc.) regarding the proposed demo/disposition that are not stated in the application? (Notify SAC personnel of these objections).</p>	<p>No.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>22. Are there any objections raised by third party advocacy groups or other interested parties (e.g., legal aid organizations local community groups etc.) regarding the proposed demo/disposition that are not stated in the application? (Notify SAC personnel of these objections).</p>	<p>Duplicate question as #21 - No</p>
<p>IV. Relocation Plan (If Applicable)</p>	<p align="center">Comments</p>
<p>23. Please indicate the anticipated types of proposed relocation housing opportunities, the numbers of tenants for each type of relocation housing opportunity, and the types of relocation services that will be offered (See section 6 of the application and the accompanying narrative).</p>	<p><input type="checkbox"/> A: newly constructed PHA building(s) with comparable rents and amenities.</p> <p align="center">Total # of tenants:</p> <p><input type="checkbox"/> B: rehabilitated public housing within the PHA's jurisdiction with comparable rents and amenities.</p> <p align="center">Total # of tenants:</p> <p><input checked="" type="checkbox"/> C. private housing through HCV assistance</p> <p align="center">Total # of tenants: 188</p> <p><input checked="" type="checkbox"/> D: placement in existing vacant PHA units within the PHA's jurisdictional area with comparable rents and amenities.</p> <p align="center">Total # of tenants: 6</p> <p><input checked="" type="checkbox"/> E. counseling and advisory services</p> <p><input checked="" type="checkbox"/> F. relocation expenses (moving expenses, rent subsidies, security deposit, etc.)</p> <p><input checked="" type="checkbox"/> G. other relocation services (please specify) <u>Utility deposits; asst. to the disabled</u></p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>24. If comparable replacement housing is already planned, evaluate the applicant's narrative concerning the proposed quality, rent levels, services, amenities of the housing, and its geographical area. (See section 6 of the application). Is the replacement housing comparable to or better than the existing proposed demo/dispo housing?</p>	<p>The PHA plans to give Housing Choice Vouchers to the residents. Vouchers will give tenants greater housing opportunity choices outside the impacted area. The housing mobility counseling program will provide assistance in locating housing in areas of increased opportunity. See #25</p>
<p>25. Will the proposed replacement housing project, if applicable, be located in a housing market area that is less minority concentrated? (Consider the applicant's narrative and Census data by census tract).</p>	<p>The PHA narrative (Section 6, Line 3) indicated they will build 300 new units of replacement housing but did not indicate a location or provide any additional details. Mr. Seledonio Quesada, PAHA Executive Director, said 150 of those new units will be low rent housing and project a two year period for completion.</p>
<p>26. Has the application described how many new replacement housing units by bedroom size will meet the accessibility requirements of section 504 of the Rehabilitation Act of 1973? Has the application also specifically described if the replacement housing will fulfill the 5 percent, two percent requirements by bedroom size? If existing accessible housing units are identified as replacement units, where is the location of these units and what are available bedroom sizes?</p>	<p>No. However, the Executive Director stated the 5% and 2% requirements will be met for the projected 150 low rent replacement housing. He said relocating disabled tenants could be placed at one of their four multifamily affordable housing complexes: Valley View - 23 accessible units; Brittany Place - 22 accessible units; Bellbrook - 14 accessible units; and Lakeview - 13 accessible units.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>27. If relocation to private housing is contemplated, will tenants have a realistic opportunity to move to higher opportunity areas (e.g., areas with better schools, employment, transportation opportunities) based on the extent of assistance offered (HCVs, housing market area rents, counseling services, and other relocation assistance) described in section 6 of the application?</p>	<p>Yes, See #24.</p>
<p>28. Please comment on the likely housing market areas/communities where tenants will relocate through HCV assistance or other HUD assistance programs and the extent of improved housing choices and opportunities under the relocation plan.</p>	<p>Surrounding communities and cities have greater opportunities for employment, better schools, transportation, retail, and social services. Some of these areas include Bridge City, Groves, Nederland, Orange, Port Neches, Beaumont, etc. The relocation plan will provide needed services for the move, including moving expenses, utility and security deposits, and assistance for disabled individuals.</p>
<p>29. Discuss the strength of the applicant's narrative in section 6 in describing assistance for individuals with disabilities in finding accessible housing (e.g., HCVs, agreements with private landlords, assistance with reasonable modifications)? What types of specific assistance and their projected costs are discussed?</p>	<p>Disabled individuals will receive one-on-one counseling to locate accessible housing units and transportation will be provided to visit prospective units. Landlords will be given incentives to modify units to make them accessible. There was no discussion of projected costs.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

30. List the demographic characteristics (race, national origin, familial status, and/or disability, etc.) of the PHA's HCV program. (See PIC Special Report Run for this information).	Hispanic	White Non-Hispanic	African American Non-Hispanic	Other (e.g. Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
	4%	10%	83%	0%
31. List the demographic characteristics (race, national origin, familial status, and/or disability, etc.) of the PHA's HCV waiting list.	Hispanic	White Non-Hispanic	African American Non-Hispanic	Other (e.g. Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
	3%	11%	85%	%
32. Please describe what affirmative steps the PHA has taken in the past to assist HCV individuals find housing in high opportunity areas? What new efforts or strategies are contemplated in the application narrative?				
33. Are displaced tenants given preference to any Site Based Waiting Lists managed by the PHA?				

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

34. In your opinion, is this relocation plan acceptable? Please elaborate on the reasons why or why not.

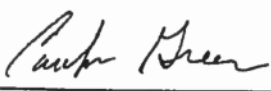
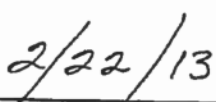
Yes. The plan adheres to regulations in 24 CFR 970.21. The plan includes the number of occupied and vacant units, a proposed month by month relocation schedule, counseling services for displaced residents, relocation moving expenses, proposed schedule of notices to residents, assistance to the disabled tenant population, etc. Housing Choice Vouchers will give tenants greater opportunities for housing choice.

V. Additional Comments & Analysis. Please use additional sheets if necessary.

In particular, focus on any changes, modifications, or conditions to the proposed application that would improve fair housing choice for residents, or that would avoid, minimize, or mitigate any discriminatory effects of the proposed demolition/disposition application.

#14 - Families with Children: 88.3% occupy 2 bedroom units and all 50 3 bedroom units are occupied by families with children. The disabled population for the complex occupies 33% of the 1 bedroom units, 7.5% of the 2 bedroom units and 6% of the 3 bedroom units. ----- #30 - There are 74% of families with children with vouchers and there are 19% of disabled individuals with vouchers. #31 - There are 15 individuals who are disabled and on the HCV waiting list (.9%) and 994 families are on the HCV waiting list (64.5%). -----
Concerns: The complex will lose five accessible units and it is not clear how they will be replaced. Those tenants who reside in those accessible units will be relocated to other available accessible housing within the PHA portfolio or through landlords given incentives for accessible units. The Executive Director has stated they have three possible sites as replacement locations and propose building 300 new units as replacement housing and 150 will be low rent public housing units. He believes the process will cover a two-year period. He was advised that new construction rental projects must meet site and neighborhood standards prior to committing funds for the project.

Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist

For HUD - Office of Fair Housing and Equal Opportunity Use Only	
Recommendation for Approval/Disapproval: Approval (Indicate only one)	
Carolyn Greer	
FHEO Reviewer	(print name)
Houston	
FHEO Local Field Office	
	
Signature of FHEO Reviewer	Date



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Fair Housing & Equal Opportunity
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3199 - FAX (713) 718-3255
www.hud.gov

MEMORANDUM FOR: Dan Rodriguez, Director, Houston Public Housing Program, 6EPH

FROM: Christina Lewis, Director, Houston FHEO

DATE: February 25, 2013

SUBJECT: Disposition Application, Port Arthur Housing Authority, Carver Terrace & Lincoln Square Apartments

We have reviewed the application in accordance with 24 CFR 970.21 and 24 CFR 1.4. The application has been approved with the following concerns:

- The application indicates there will be a loss of five (5) accessible units from Carver Terrace and Lincoln Square Apartments. The Port Arthur Housing Authority has not clearly indicated how these accessible units will be replaced.

If you have any questions regarding this review, please contact Carolyn Greer at (713) 718-3188.

cc: Carolyn Turner

Our Office approved the following document/s for the PHA on 10/18/2012 for Demolition/Disposition, which includes the subject development(s).

Agency Annual Plan

Significant amendment to Annual Plan.

The PHA is not a Qualified PHA, as defined by HERA, and the PHA did not submit an Annual Plan or significant amendment to that Plan that includes a description of the proposed demolition and/or disposition action.

Environmental Review (ER) Compliance (Please check the Box that Applies)

The Environmental Review (ER) was completed by this Office on (DATE) under 24 CFR part 50 for the proposed demolition and/or disposition action.

This Office found that the proposed action is environmentally acceptable.
Indicate any mitigation or environmental conditions for approval

This office found that the proposed action is not environmentally acceptable.

The ER was done by City of Port Arthur under 24 CFR part 58 on 11/19/2012, and a Request for Release of Funds (RROF) was submitted on 12/10/2012,

The RROF was approved by this office on 01/25/2013.

The RROF was not approved by this office because:

The ER was performed by Name of the Responsible Entity under 24 CFR Part 58 on (DATE), and the Responsible Entity has advised this office that the Responsible Entity has made a determination that the project or activity is exempt under 24 CFR § 58.34(a)(12), because the project or activity is categorically excluded under 24 CFR § 58.35(a)(4) or (5) and none of the related environmental laws are triggered.

To my knowledge, an ER was not performed for this proposed demolition and/or disposition action and my office has not signed off on any such review.

Expenditure of Public Housing Funds at the Project:

According to the files in our office, this PHA has expended, by year, the following funds at the subject development(s):



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Public Housing
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3319
www.hud.gov

March 21, 2013

MEMORANDUM FOR: The Demolition/Disposition File for Port Arthur Housing Authority
(PAHA)

ATTENTION: Lois Williams-Johnson, PH Revitalization Specialist, SAC, PIA

FROM: Daniel Rodriguez, Program Center Coordinator, Houston Program Center, Office of
Public Housing, 6EPH



Signature

SUBJECT: Demolition/Disposition Application Submitted by the Port Arthur Housing
Authority, on December 12, 2012 for Carver Terrace Apts., TX03400000,
(PIC Application DDA0004944)

This certification is being submitted to assist the Special Application Center's (SAC) in processing demolition and/or disposition applications based on revised criteria. Specifically, the SAC **will not process** an application that it finds to be substantially incomplete or otherwise deficient on a substantial item including:

- 24 CFR § 970.7(a)(1): Action is not in PHA Plan or Significant Amendment to Plan; and
- 24 CFR § 970.7(a)(15): Application is submitted before an (approved) environmental review of the proposed demo and/or disposition action has been done in accordance with 24 CFR parts 50 or 58.

Thus, I am submitting this application to assist the SAC in verifying the above two items as of the submission date of the demolition and/or disposition application noted above.

Agency Plan Compliance (Please check the Box that Applies)

- The PHA is a Qualified PHA, as defined by the Housing and Economic Recovery Act of 2008 (HERA) and therefore is not required to submit an Annual Plan to HUD.
- A description of the proposed demolition and/or disposition action is included in the following document/s submitted by the PHA to our office on 07/17/2012.
- Annual Plan
- Significant amendment to Annual Plan.



EXECUTIVE DIRECTOR
CELE QUESADA

COMMISSIONERS

CLONIE AMBROISE, CHAIRMAN
ROBERT REID, VICE-CHAIRMAN
BART BRAGG
MELVIN GETWOOD
BRENDA ROY

April 11, 2014

Tamara S. Gray
Director
Special Applications Center
U.S. Department of Housing and Urban Development
77 West Jackson Boulevard, Room 2401
Chicago, Illinois 60604-3507

Re: Port Arthur Housing Authority ("PAHA")
Disposition Approval for Carver Terrace Apartments Application DDA0004944

Dear Ms. Gray:

This letter requests a modification of the terms of the above-referenced disposition approval. This request involves a change in the method of sale and an update regarding the entity to which PAHA will dispose Carver Terrace Apartments. All of the remaining terms of HUD's previous disposition approval will remain in effect.

On April 30, 2013, the Special Applications Center ("SAC") approved the disposition of Carver Terrace Apartments, which includes 1 non-dwelling unit and 46 dwelling buildings containing 204 dwelling units on 8 acres of underlying land (the "Property"). SAC's approval, attached hereto as Exhibit A, provided that the Property would be disposed of at fair market value of \$1,670,000, or higher, via public bid. For the reasons set forth below, PAHA seeks to modify the disposition approval and proceed with the sale of the Property to the highest and only bidder, The Premcor Refining Group, Inc., for a purchase price of \$800,000, which more accurately reflects the value of the Property.

As discussed in SAC's April 30, 2013 approval, the Property is severely dilapidated and unsuitable for residential use. The Property was built in 1953, on the western edge of the City of Port Arthur's historical Westside neighborhood, adjacent to the Texaco and Gulf Oil refineries. The former Texaco oil refinery is now owned by Motiva (Shell/ Saudi Aramco) and the former Gulf oil refinery is now owned by America's largest domestic refiner, Valero Energy Corporation ("Valero"). The expansion of the refineries over the years has caused process units, pipelines, and storage tanks to be placed much closer to the Property, threatening the safety and health of the residents. In fact, the Phase I Environmental Assessment for the Property, dated March 17, 2014, indicates that the Property has been associated with 191 upset emissions events since January 2007, the largest of those occurring in September 2013. The Property is now located in a distressed area plagued by limited employment opportunities, a lack of major investments and commercial activity, increases in crime rates, and serious health and safety concerns. For these reasons, PAHA seeks to dispose of the Property.

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd. • P. O. Box 2295 • Port Arthur, TX 77643
Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

PAHA released an Invitation for Bids No. B13041, followed by two addendums, attached hereto at Exhibit B, for the disposition of the Property. In response, PAHA received only one bid from The Premcor Refining Group, Inc., which is owned by Valero, for \$800,000 and attached hereto as Exhibit C. As part of the environmental review process under 24 C.F.R parts 50 and 58 for the disposition and demolition of the Property, the U.S. Department of Housing and Urban Development ("HUD") Regional Environmental Officer determined that, due to the health and safety threats caused by the close proximity of the refineries, certain mitigation efforts must be implemented to protect the neighboring residences. Upon disposition and demolition of the Property, the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. In order to comply with this restriction, upon acquisition by Valero/Premcor Refining Group, Inc., the Property must be subject to a deed restriction requiring it to remain a vacant green space. The deed use restriction is the only mitigation measure that will allow the City of Port Arthur to reach a Finding of No Significant Impact for the Property. Unfortunately, the deed use restriction, preventing any future development on the Property, severely devalues the Property well below its originally appraised fair market value.

Despite PAHA's negotiations with The Premcor Refining Group, Inc. in an effort to increase the purchase price of the Property, the environmental issues and the required deed use restriction significantly devalue it. As such, PAHA seeks approval to dispose of the Property at less than fair market value to The Premcor Refining Group, Inc., subject to the above-described deed use restriction.

Consistent with HUD requirements and SAC's April 30, 2013 approval as well as the terms and conditions of The Premcor Refining Group, Inc's bid, the gross proceeds will be deposited in an escrow account to be used for the demolition of the Property. Following demolition, any remaining net proceeds will be used to develop replacement public housing or other affordable housing units at Edison Square, a mixed-finance project, or alternate locations. PAHA closed on Park Central, the other mixed-finance project to which net proceeds from the disposition of the Property were to be applied, on March 14, 2014.

Your expedited consideration would be greatly appreciated as the bid holding period is time sensitive. Please feel free to contact me if you have any questions or would like to discuss our request.

Sincerely,



Seledonio Quesada
Executive Director

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd. • P. O. Box 2295 • Port Arthur, TX 77643
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Section 5, Line 7

Description of Disposition

The Port Arthur Housing Authority (PAHA) proposes to dispose of the Carver Terrace and Lincoln Square properties due to a change in the neighborhood, the location of the development is no longer conducive to residential use.

Carver Terrace was built in 1953 on the western edge of the City of Port Arthur's historic Westside neighborhood. At the time, the Westside was a thriving residential neighborhood near property owned by two large oil refineries – Texaco and Gulf. There were many commercial businesses on the Westside and particularly along Houston Avenue. Many Westside residents worked at the plants and many workers rode their bicycles to work. At one time more than 8,000 people worked for these refineries. After WWII unskilled workers with good reputations could be hired in labor gangs and trained by the refineries.

Many of these employees were members of labor unions particularly OCAW, Pipefitters, Machinists, IBEW, Boiler Makers, and Carpenters. The area became characterized by extensive labor unrest and work stoppages became both numerous and violent. In addition, as technology changed companies began reducing the number of workers and particularly those with limited or out-of-date skills. Companies even elected to out-source many skilled workers to independent contractors. The owners of these refineries have changed and have expanded on their own property to such an extent that process units, pipelines and storage tanks are now much closer to Carver Terrace.

The former Texaco refinery, now Motiva (Shell/Saudi Aramco), is the largest refinery in the United States and the former Gulf refinery is now owned by America's largest domestic refiner – Valero. These companies have invested billions in Port Arthur but the combined permanent workforce is estimated at approximately 2,500. The engineering and technical employees of these companies are among the highest paid in America but there are no opportunities for those with limited skills or those with skills in construction/turnaround trades. The air quality in Port Arthur has improved substantially however there is great concern for fence line residents living in Carver Terrace due to occasional upsets.

The integration of the public schools in the mid-sixties has impacted Port Arthur. Many white citizens began moving to nearby cities where a heavy concentration of white citizens lived. This resulted in a serious erosion of the tax base and deep feelings of resentment. The major retail investments in recent years have shifted from the Downtown/Westside to US-69 which is closer to the wealthier neighborhoods in Port Arthur and the other South and Mid-County cities. The loss of ready access to local employment, emergence of large discount retailers on US-69 and increases in crime rates has caused steep declines in the population and businesses on the historic Westside and Downtown area. The recent industrial expansions have dramatically increased tax revenue for schools and City services but student test scores remain low and the City infrastructure needs to revive these areas need major infusions of capital.

The Port Arthur's Carver Terrace/Lincoln Square public housing developments are now located in a dilapidated and declining area of Port Arthur with no job opportunities, limited retail stores and social services.

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

PAHA intends to dispose of the property at Fair Market Value (FMV) which is estimated at \$1,670,000 based on an appraisal prepared by The Gerald A. Teel Company, Inc. dated September 25, 2012. Accordingly, PAHA will offer the property for sale to interested parties at FMV; however the likely buyer for the property will be the adjacent refinery or a consortium of local refineries with the intent to convert the space into a green belt and create a natural barrier between the oil refinery and the adjacent residential community.

Self Contained Appraisal Report

Of

**Carver Terrace & Lincoln Square Apartments
1400 DeWalt
Port Arthur, Jefferson County, Texas**

Prepared for

**ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642**

GATCO File No.: H12505



THE GERALD A. TEEL COMPANY, INC.

Real Estate Consultants and Appraisers

September 27, 2012

Mr. Chris Akbari
ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Carver Terrace/Lincoln Square Apartments

Dear Mr. Akbari:

In fulfillment of the agreement outlined in the letter of engagement dated September 17, 2012, this letter is to transmit the attached report of our appraisal of the property rights identified within the report concerning the referenced above, as of, September 25, 2012. The report sets forth supporting data and reasoning which form the basis of our opinion of the market value.

The value opinion reported is qualified by certain definitions, limiting conditions, and certifications which are set forth within this report. The reader is directed to review all assignment conditions set forth in the introduction section of this report. Those included are the General Assumptions, General Limiting Conditions, Extraordinary Assumptions, and any Hypothetical Conditions which may affect the final opinion of value.

This report was prepared for and invoiced to ITEX Property Management LLC. It is intended only for use by ITEX Property Management LLC. It may not be distributed to or relied upon by other persons or entities without our written permission.

The property was inspected by David D. Magnuson, and the appraisal was developed by Tim N. Treadway and David D. Magnuson. If you have any questions concerning the report, please contact our office.

The Gerald A. Teel Company appreciates the opportunity to provide these real estate valuation and consultation services. We look forward to working with you in the future.

THE GERALD A. TEEL COMPANY, INC.

BY: Tim N. Treadway, MAI, CCIM, Partner
State Certified TX 1323331-G

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Market Value

Project:	Carver Terrace/Lincoln Square	
Location:	1400 DeWalt Avenue Port Arthur, Texas 77640	
Year of Construction:	1952	
Effective Age (after repair):	40 Years	(60 Yrs Econ. Life)
Total Number of Rentable Units:	204	
Number of Residential Buildings:	24 + office/maint bldgs (2)	
Net Rentable Area:	139,160 SQ FT	
Average Size Unit:	682 SQ FT	
Land Area:	8.0690	351,486 SQ FT
Estimated Land Value (as if vacant):	\$160,000	\$0.46 /SQ FT

Market Values

	<u>Land As-Is</u>	<u>Land As If Vacant Hypothetical Vacant Land</u>
Indicated Value By Sales Comparison Approach:	\$1,670,000	
Indicated Value By Sales Comparison Approach:		\$160,000
Final Value Estimate:	\$1,670,000 \$8,186 /Unit	
As-Is Valuation Date	September 25, 2012	

SIGNIFICANT ISSUES

- This is a property in two locations about two blocks away from each other. This valuation is for both sites and their improvements. The property is known as Carver Terrace for the DeWalt address, and Lincoln Square for the site on Abe Lincoln Avenue.
- The subject property is an older project that has historically been operated as a low income project by the Port Arthur Housing Authority. Though originally built in a very solid manner, its age and styling leaves it less competitive to newer properties. We noted a fairly new roof and what appeared to be newer condensing units. The interiors showed signs of functional obsolescence with small closets, lack of dryer connections, worn-out counters/cabinetry, and kitchen styling that does not accommodate full size appliances in some cases. As if frozen in a different time, clothes lines adorn the courtyard and are still used due to lack of dryers. One of the questions to be answered in this report will be whether or not the existing improvements offer any remaining contributory value to a renovator, or if the property has more value as vacant land.
- The property is nearly 100% occupied due to the tenants paying little or no rent (housing authority owns). Were the property to be offered on market terms and rents, it would have difficulty being competitive in its current configuration and with its existing amenities and finish appointments, and considering its age and functional obsolescence.
- One building is burned containing eight units, and two more units are burned in another building.
- We have relied on the PCNA by JPS & Associates for the unit mix, count, unit square footages, and deferred maintenance. The land area in the PCNA was disregarded as it appeared to be incomplete (not containing both parcels).
- The Income Approach is typically used on income properties but not used herein because of the large amount of repair needs and functional obsolescence. A typical buyer would not be able to continue with the current tenant set because the government pays for their rent; however, the property is operating. There could be many forms of renovation and associated costs with the buyer pool for this sort of asset (poor location, fair to poor condition, costly repair needs as indicated by the PCNA). Some buyers might spend less and attempt to eke out some remaining life. Some buyers might spend more to remove most of the obstacles and reposition the property. This is beyond the scope of the report to determine every possible repair or renovation proposition. Brokers for this type of property tend to sell these assets on a price per unit basis, with an eye to the replacement value of the shell more so than income characteristics. As such, the Sales Comparison Approach is used herein to estimate value.

Section 5, Line 10

Itemization of Costs and Fees

Sales purchase price (FMV)	\$ 1,670,000
Less: Moving Costs (\$ 1,200 p/family)	\$ 225,600*
Security and Utility Deposits Contingency	\$ 94,000
Relocation Counseling Costs (\$ 2,489 p/family)	\$ 467,932*
Realtor Commission (3%)	\$ 50,100
 NET PROCEEDS	 <u>\$ 832,368</u>

* Based on occupancy of 188 families as of the date of submission of the Disposition Application

Section 5, Line 11

Use of Net Proceeds

The Port Arthur Housing Authority proposes to use the net proceeds from the disposition of Carver Terrace and Lincoln Square to develop and/or acquire public housing units under an ACC agreement or housing assisted by the Housing Choice Voucher Program in accordance with Section 18(a)(5).

While PAHA intends to leverage the funds, to the maximum extent feasible and possibly develop more units, at a minimum, PAHA expects to develop and/or acquire at least seven (7) ACC or Project-based Housing Choice Voucher units with the net proceeds. The hard cost of construction is anticipated to be approximately \$120,000 per unit. These units will be single family homes located throughout the City of Port Arthur on either PAHA owned or City owned lots. Some or all of these homes may also be potential homeownership units under a Section 32 Homeownership Program.

PAHA further intends to combine the estimated \$ 832,368 in net proceeds from Carver Terrace and Lincoln Square with additional PAHA and non-PHA sources funds which may include, but is not limited to: Operating Reserves, Capital Funds, Replacement Housing Factor Funds, Capital Fund Financing Program, Operating Fund Financing Program, Low-income Housing Tax Credits, conventional mortgage(s) and/or grant funds to develop and/or acquire additional public housing single family homes up to the PAHA's Fair Cloth limit. However, as mentioned above, PAHA will dedicate the net proceeds from Carver Terrace and Lincoln Square to either ACC units or housing assisted by the Housing Choice Voucher Program as required under Section 18(a)(5).

Section 5, Line 12

Demolition

The estimated cost of demolition of Carver Terrace and Lincoln Square is \$354,250 based on a quote from a local contractor, C.A.R.E.S., dated October 3, 2012, which is attached and included herein.

The Port Arthur Housing Authority will not be responsible for the demolition of the buildings at Carver Terrace and Lincoln Square under the terms of the Master Development Agreement for Carver Terrace and Lincoln Square. In accordance with the said MDA, the developer, ITEX Development LLC, has assumed the responsibility for the demolition of the buildings and will include it as an overall project cost that will be funded through non-PAHA sources.

C.A.R.E.S.

Clean Air Remediation Environmental Services

PROPOSAL

October 3, 2012

Owner/Owner Representative

Cisco Abshire

REFERENCE: Carver Terrace Apartment Complex and Lincoln Square Complex Texas

SCOPE OF WORK: Removal and disposal of ACM white fibrous pipe insulation and transite vent pipes throughout complex. Demolition and disposal of Buildings, interior sidewalks, parking lots, etc.

Sir/Madam

We propose to furnish all labor, materials and transportation for the clean up and disposal of asbestos containing materials from the above-mentioned areas as per specifications.

Asbestos Removal and disposal of materials.....	\$9,250.00
Carver Terrace Demolition	\$295,000.00
Lincoln Square Demolition	\$50,000.00
Total.....	\$354,250.00

- A). Project coordination with Contractor and/or Contractor representative.
- B). A full time licensed Superintendent will be at the job site for the extent of the entire project. Additionally, CARES foremen and abatement technicians are licensed and experienced and provide the labor portion for successfully completing each project.
- C). Air Monitoring-OSHA conducted for the project is the Owner responsibility.
- D). A full week notice to CARES will be required to efficiently expedite mobilization.
- E). Labor is based on working Friday and Saturday, 10+ hours per day, for site preparation and removal.
- G). CARES will subcontract the waste hauling and disposal to an independent, certified and licensed firm specializing in waste transporting. The waste will be disposed of in a federal/state-approved landfill
- H) ANY ADDITIONAL WORK, WILL BE CHARGED TO THE GM, OR OWNERS.
- I). OWNER IS RESPONSIBLE FOR NOTIFICATION FEES BY LAW.
- J.) OWNER IS RESPONSIBLE FOR DISCONNECTS AND CAPPING OF ALL UTILITES (WATER, GAS, SEWER, ELECTRIC, ETC.)

Sylvester White

Section 5, Line 13

General Timeline

The Port Arthur Housing Authority will submit the disposition application to the HUD Special Applications Center by December 7, 2012 and proposes the following schedule:

December 7, 2012	Disposition application received by SAC/HUD
January 1, 2013	PAHA or its developer partner contracts for the development of Housing Mobility Program aimed at providing Counseling Services to Carver Terrace and Lincoln Square residents
March 1, 2013	SAC/HUD approval of disposition application
March 2, 2013	PAHA notifies residents of the HUD approval of disposition application
August 1, 2013	Resident Relocation commences
December 1, 2013	Issue Request For Proposals (RFP) for Realtor Services
June 30, 2014	Resident Relocation completed
August 1, 2014	Execution of a sales agreement with Realtor to sell property
February 28, 2015	Closing on sale of property

Section 6, Line 1(a)

Relocation Plan

The Port Arthur Housing Authority (PAHA) has developed this relocation plan in anticipation of the disposition application for 204 family public housing units at Carver Terrace and Lincoln Square in the City of Port Arthur. As a result, the PAHA will apply to the Department of Housing and Urban Development for tenant protection vouchers for the residents upon approval of the disposition application; however this relocation plan is not contingent upon the receipt of said tenant protection vouchers. This disposition application for the Carver Terrace and Lincoln Square properties is based on an estimate of 188 families for the relocation calculation purposes, although PAHA expects the actual number of families in occupancy to vary slightly at the time of approval.

The goals of this relocation plan are to:

1. Fully comply with the requirements of Section 18 of the United States Housing Act of 1937;
2. Provide opportunities for increased housing choice and housing mobility for existing public housing residents;
3. Develop a relocation plan that provides detailed information on all relocation issues and options;
4. Communicate this plan to residents and the community; and
5. Revise this plan, as necessary, based on the feedback and comments from residents, advocacy groups and HUD.

All residents will be surveyed to determine their housing preferences. Upon approval of the disposition application, residents will be properly notified in accordance with Section 18 resident relocation requirements including a 90-day notice and a 30-day notice.

Eligible households that opt for a Section 8 Housing Choice Voucher, will receive a voucher which they can use to relocate to an apartment in the private housing market in accordance with the Authority's Section 8 Administrative Plan. PAHA's attrition rate for the Section 8 Housing Choice Voucher program is approximately twenty (20) vouchers per month. Accordingly, if all 188 families were eligible and choose a Section 8 voucher, it would take approximately ten (10) months from the date the disposition application is approved to accumulate the required vouchers at the typical turnover rate. PAHA will approach the relocation process in three phases. Phase I is expected to be comprised of 80 families, while 60 families will be relocated in Phase II and the remaining families, approximately 50, will be relocated in Phase III. PAHA will strive to strategically relocate families on a building-by-building basis to maximize efficiencies and minimize security issues. As units become vacant, they will be promptly secured and utilities will be disconnected.

PAHA anticipates that not all residents will be eligible or choose a Section 8 voucher. Residents that are not eligible for a Section 8 Housing Choice Voucher for reasons such as over-income or residents that prefer to remain in public housing, shall be moved to the top of the PAHA waiting list in accordance with the Authority's Admissions and Continued Occupancy Policy and shall be offered public housing units at Lakeview Palms or Scattered Sites as they become available.

Residents will be provided with relocation assistance for actual and reasonable expenses. Residents may choose from two options for this assistance:

1. Based on the guidelines established in the Federal Highway Administration's Fixed Residential Moving Cost Schedule (2012) as may be amended, residents may receive a flat fee based on the number of rooms and be responsible for their own relocation.
2. Residents may request that PAHA move their possessions using its contracted moving company within a 50 mile radius. This service shall be coordinated by the PAHA and shall not result in any out-of-pocket expense to the resident.

Although residents will be expected to pack their own personal belongings, all packing supplies will be provided by PAHA. The contracted moving company may also pack and unpack household goods, if requested due to a disability or hardship of the resident. Packing/unpacking requests will be considered on a case-by-case basis.

Security and Utility deposits will be considered an "actual and reasonable" relocation expense. Payments will be made in accordance with 24 CFR 970.21(e) (2). PAHA shall pay such deposits directly to the utility company or landlord with subsequent returns or refunds back to the PAHA. The resident shall hold no interest in a utility or security deposit paid by the PAHA.

Schedule

March 1, 2013	HUD Approval of Disposition Application
March 1, 2013	Apply for Tenant Protection Vouchers/Accumulate Section 8 vouchers from attrition
March 2, 2013	Notify Residents of HUD Approval
April 1, 2013	Implement Housing Mobility Program w/Resident kick-off meeting
May 1, 2013	Issue 90 day relocation notices for Phase I families (approximately 80)
July 1, 2013	Issue 30 day relocation notices Phase I families (approximately 80)
July 1, 2013	Issue Phase I families Section 8 vouchers (approximately 80)
August 1, 2013	Commence relocation - Relocate 20 families
September 1, 2013	Issue 90 day relocation notices for Phase II families (approximately 60)
September 1, 2013	Relocate 20 families
October 1, 2013	Issue 30 day relocation notices for Phase II families (approximately 60)
October 1, 2013	Issue Phase II families Section 8 vouchers (approximately 60)
October 1, 2013	Relocate 20 families
November 1, 2013	Issue 90 day relocation notices for Phase III families (approximately 50)
November 1, 2013	Relocate 20 families
December 1, 2013	Relocate 20 families
January 1, 2014	Issue 30 day notices for Phase II families (approximately 50)
January 1, 2014	Issue Phase III families Section 8 vouchers (approximately 50)
January 1, 2014	Relocate 20 families
February 1, 2014	Relocate 20 families
March 1, 2014	Relocate 20 families
April 1, 2014	Relocate 20 families

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

May 1, 2104	Relocate 20 families
June 1, 2014	Relocate 8 families
June 30, 2014	Relocation complete

Counseling

The Port Arthur Housing Authority will implement a Housing Mobility Program to de-concentrate poverty and reduce racial segregation in the voucher program. Under this approach, PAHA will hire a Housing Mobility Counselor to lead the in-house effort and will be supported by four (4) case managers assigned to the Carver Terrace/Lincoln Square residents. A Case Manager will be available to provide counseling to every affected household. This case manager will be knowledgeable of relocation requirements under Section 18 of the United States Housing Act of 1937 and will promote increased housing choices and housing mobility for existing public housing residents. Case managers will also be available to address resident questions and concerns as they arise.

PAHA is particularly interested in assuring that households that choose to exercise their mobility option have a wide range of neighborhood choices and that this initiative contributes to the de-concentration of low-income households in the City. PAHA will assist households in identifying areas with better employment opportunities, better schools, social services and public transportation systems.

Special Circumstances

Residents who are currently over/under housed and reside in units which do not have the appropriate number of bedrooms for the family size shall be appropriately housed during the relocation process to the maximum extent feasible. This group does not include any household with an approved reasonable accommodation request for an additional bedroom.

Residents whose income exceeds 50% of the Area Median Income (AMI) will not be eligible to receive a Section 8 Voucher. Those residents shall be offered a comparable public housing unit at another PAHA property of the appropriate bedroom size.

Section 6, Line 3

Relocation Counseling Services

The Port Arthur Housing Authority is excited to partner with HCP (Housing Choice Partners) to develop and lead its relocation and housing mobility counseling services for the Carver Terrace and Lincoln Square residents. HCP is a Chicago-based private non-profit fair housing agency. The mission of HCP is to promote racial and economic diversity by utilizing affirmative fair housing strategies to encourage voucher holders to move to areas of opportunity. Programs to de-concentrate poverty and reduce racial segregation in public housing and the voucher program are called mobility programs.

HCP has nine years of direct experience in working with the demolition of public housing and the relocation of residents with a voucher. HCP worked with the Chicago Housing Authority (CHA) as it demolished and replaced thousands of units of public housing under its Plan for Transformation. HCP helped move about 1000 public housing families into the private housing market using vouchers. Approximately 45% of those families went to low poverty or opportunity areas with HCP assistance.

HCP has direct experience in administration of a housing subsidy program. HCP subsidizes 70 units of project-based housing in the Cook County suburbs under a contract with the State of Illinois. The program is called the Rental Housing Support Program and it works essentially as a project-based Section 8 program however, the subsidy funding comes from the State. HCP provides landlord outreach to identify units for the program, refers eligible clients from a wait list, conducts inspections, income certifications, etc. The units are located in all parts of the region including over 40 different communities.

HCP has many years direct experience in developing mobility programs. HCP worked with CHA, the Housing Authority of Cook County and others, assisting them to develop new mobility programs. Right now HCP is implementing a Chicago region-wide demonstration program funded by HUD and private foundations to test several approaches to streamlining portability, regionalizing project-based units and of course, promoting mobility. Eight PHAs in the Chicagoland region are participating. HCP is now 17 years old, is the longest running mobility program in the country.

HCP Services for PAHA

HCP proposes to assist the Port Arthur Housing Authority (PAHA) through ITEX, the developer under contract with the PAHA. PAHA and/or ITEX will dispose of or demolish 204 units of public housing in the Carver Terrace and Lincoln Square developments and build approximately 300 new units of replacement housing. The residents of Carver Terrace and Lincoln Square must be relocated to new housing as a result of the disposition/demolition and they will be offered a housing choice voucher to allow them to move into the private housing market.

ITEX and PAHA want to be sure their residents are provided with a wide range of housing choices including areas they may not be familiar with, so that the resident's fair housing rights are respected. To that end, HCP will provide consulting services so that a mobility program can be created to serve each of the approximately 200 residents guaranteeing that they have adequate time and assistance in choosing a new home.

HCP will act as a consultant and will work with ITEX, PAHA, residents, advocates and others to create a plan for an enhanced mobility program to encourage affected residents to learn about and move to areas of the Port Arthur region that are more racially diverse, have lower poverty rates and greater opportunity in terms of school quality, job access and transportation.

Task 1. HCP will learn about the Port Arthur area including a visit to the area.

Task 2. During the visit HCP will provide an introduction to mobility to ITEX, PAHA and others and discuss the various tasks involved in developing a quality program including material development, landlord outreach, tenant education, search assistance, and follow up services usually provided as part of a mobility program.

Task 3. Develop a time-line for services, and a budget and staffing plan to implement the program.

Task 4. Help define what an opportunity area is including maps and tract lists.

Task 5. Provide PAHA staff training on all aspects of the program.

Task 6. Work with PAHA staff to develop a counseling protocol including a database tracking system to capture activity and outcomes for each resident.

Task 7. Work with PAHA staff to create a landlord outreach plan so that available units in opportunity areas are available when residents need them.

Task 8. Work with PAHA staff to develop a series of workshops including materials to educate residents on opportunity areas but also on how to be successful tenants.

Task 9. Work with PAHA staff to develop a listing of support services for residents in various opportunity communities.

Task 10. Work with PAHA staff to set up follow up services post move so that the residents transition successfully into their new communities.

Task 11. HCP will be available for consultation during program implementation. Implementation will include providing workshops to residents, individual one on one needs assessments, landlord outreach

and unit identification, search assistance with residents, assistance with voucher paperwork when a unit is identified, assistance with the move and post-move support services.

Task 12. HCP will provide a final written report on the project and its outcomes. It is anticipated that some percentage of residents will move to opportunity areas and some will not.

HCP is anticipating a minimum one year time line—six months for planning and development of the program and six months of implementation. The final report should be delivered within three months following the final resident moves.

Section 6, Line 4

Relocation Resources

The Port Arthur Housing Authority (PAHA) will utilize public housing and Housing Choice vouchers to provide replacement housing for displaced residents from Carver Terrace and Lincoln Square. Counseling services will be provided to residents through the development of a Housing Mobility Program by PAHA that is aimed at offering residents greater choices in relocating to higher “opportunity” areas within the City and surrounding areas. The Opportunity areas will be identified based on a number of factors including: lower poverty rates, lower minority concentration, better schools, access to transportation and employers.

PAHA will hire a Housing Mobility Counselor to lead and implement the Housing Mobility Program in-house and utilize four (4) existing Housing Choice Voucher (HCV) staff to carry out the relocation activities for the residents of Carver Terrace and Lincoln Square. PAHA will have the Housing Mobility Counselor assigned to the relocation effort for approximately 18 months from the development of the Housing Mobility Program until the completion of the relocation process. Additionally, four (4) HCV case managers assigned to this relocation effort for a one-year term.

It is anticipated that Housing Choice Partners (HCP) will oversee the counseling services in a consulting role; however PAHA will also have an in-house team leader that is a Housing Mobility Program Specialist assigned to this project as well. The Housing Mobility Program Specialist will work closely with the HCV supervisory staff that oversees the HCV case managers in the issuance of the vouchers as well as the coordination of all aspects of the resident relocation. PAHA will create a cross functional team comprised senior staff from the Finance, Operations and HCV departments as well as the HCV case managers to meet on a weekly basis to review the status of the relocation activities and work closely to resolve issues as they arise in an effort to expedite relocation for the families. Good internal communication is instrumental in the success of the overall relocation and PAHA is committed to providing outstanding service to the Carver Terrace and Lincoln Square residents.

Section 6, Line 8

Sources For Relocation

The Port Arthur Housing Authority (PAHA) has two primary sources of funds immediately available for the relocation costs of the Carver Terrace and Lincoln Square families, namely Operating Fund Reserves for the Fiscal Year Ending September 30, 2012 which are estimated to be in excess of \$1,000,000 as well as \$672,965 in unobligated Capital Funds, FY2009 through 2012, and an additional \$150,000 in FY2013 and 2014 Capital Funds for resident relocation as outlined in the Agency's 2012 PHA Plan and as approved by HUD. Additionally, PAHA's Master Development Agreement for the Redevelopment of Carver Terrace and Lincoln Square will fund \$40,000 in Housing Mobility Consulting Services contract as part of the overall Predevelopment Budget. Combined, these resources far exceed the projected relocation costs of approximately \$ 787,458 needed for the affected families as a result of this disposition activity.

Sources

Operating Fund Reserves	\$1,000,000
Capital Funds	\$ 937,458
Development Project Cost	\$ 40,000
Total Sources	<u>\$1,827,458</u>

Uses

Mobility Consulting Services	\$ 236,000
HVC Case Managers Salary/Benefits (4)	\$ 226,858
Supplies	\$ 5,000
Moving Costs	\$ 225,600
Security and Utility Deposit Contingency	\$ 94,000
Total Uses	<u>\$ 787,458</u>

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

Section 7, Line 1

Resident Consultation

The Port Arthur Housing Authority (PAHA) held a series of five (5) resident meetings at Carver Terrace to discuss the pending demolition and/or disposition application for Carver Terrace and Lincoln Square. The meetings were held on the following dates: August 15, 2012 @ 2:00pm; August 29, 2012 @ 2:00pm; August 29, 2012 @ 6:00pm; September 12, 2012 @ 2:00pm and September 12, 2012 at 6:00pm, October 29, 2012 @ 2:00pm, and a final resident meeting November 30, 2012 @ 2:00pm. Additionally, a Resident Council and Resident Advisory Board meeting was held on October 5, 2012 at 12:00pm to offer the property for sale to resident organizations as required in accordance with HUD disposition regulations.

At the first meeting held on August 15, 2012 @ 2:00pm the PAHA introduced its plan to demolish or dispose of the Carver Terrace and Lincoln Square properties. The meeting was well attended with over 130 persons in attendance. Mr. Cele Quesada, PAHA Executive Director, covered the following topics: Rationale, Resident Consultation Process, Resident Relocation Plan, Relocation Expenses, Timeline and Voucher Issuance Process. At the end of the meeting questions were taken and written comments were encouraged to be submitted to PAHA. Several questions were raised regarding the timing of the issuance of the vouchers and how the relocation expenses would be handled. PAHA committed to providing more information on both topics at the next resident meeting scheduled for August 29, 2012.

Excerpts from the August 15, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: "Where does the deposit go?"

Ms. Sherri Sengsouvana: "If you move to a new unit then your deposit will go with you, or if you choose to switch to HVC program you will get your deposit back. "

Tenant: "Can we take our Section 8 Voucher to Houston?"

Ms. Elaina Lee: "All vouchers are given the option to port anywhere in the United States."

Tenant: "Ms. Noel told me to talk to you (to Mr. Quesada). Can I move?"

Ms. Lee: "Under the Relocation Plan you will have to wait until the application is approved and you receive a voucher. If you move, you will not be eligible for a Tenant Protection Voucher."

Tenant: "What if you are already on the Section 8 waitlist?"

Mr. Quesada: "You have to wait until you are called in if you are on the Section 8 waitlist."

Ms. Lee: "It could be a while."

Mr. Quesada: "You have to request for a transfer and you will be put on a waitlist to be transferred."

Tenant: "Where do I sign up or who do I talk to so I can transfer?"

Mr. Quesada: "Talk to Ms. Noel and tell her that transfer so she can put you on the waitlist."

Mr. Quesada: "You will get an opportunity to move and to be on a Section 8 voucher program to pay your rent. We will explain how this program works. You will complete an application for HUD in or about September and in three months after that we should have response from HUD if it will be ok be

ok to move people. Then in the first of the year we will hire someone to move the people or you will receive check to do it yourself. Right now we are asking if you have questions or comments. You will get help with deposit for rent, water, and lights. This meeting is for you to ask questions.”

Tenant: “Explain, what is section 8?”

Mr. Quesada: “This program you will get a voucher. It will help pay your rent in an apartment or house. We will explain everything to you.”

Tenant: “Will I get help filling out application for Section 8?”

Mr. Quesada: “Yes we will help you one-on-one and explain and give you an appointment.”

Tenant: “Do all qualify for houses in Sec 8? What if I want a house?”

Mr. Quesada: Depending on if you are eligible or if want a house or apartment, a portion of the house will be paid, but you will be responsible for water, gas and other utilities. Right now you are paying minimum amount for an apartment. In a house you will pay more. You will have the first option to move. Depending on your income that is how you will be charged for.”

Tenant: “Will we get help with filling out application?”

Mr. Quesada: “Yes. We will help you step by step.”

At the August 29th meeting, Mr. Quesada recapped some of the highlights from the prior meeting for those who were unable to attend and turned the meeting over the Ms. Shanel Dixon, HCV Manager, to review the voucher issuance process with the attendees. Residents were provided handouts that outlined the income limits and guidelines for the Housing Choice Voucher Program. Ms. Sherri Sengsouvanna, Operations Analyst, committed to providing residents with a draft relocation plan at the next meeting for review and comment. Excerpts from the August 29, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: “When we get the vouchers will they be for the new homes or to move somewhere else?”

Mr. Quesada: “To move somewhere else. We can’t move you into the new homes until they are built, but they will be available for to move into if you choose to come back to this area once they are built.”

Tenant: “How will this effect what we pay in rent?”

Mr. Quesada: “The Section 8 program will subsidize your rent and you could possibly pay the same amount in rent. With that being said, moving into a house or an apartment you may have to pay your own utilities.”

Tenant: “So will we have to find our own place to live?”

Mr. Quesada: “You will have to find your own place to live, but we are working to find landlords in the community so when this comes about that you will have choices for better housing.”

Tenant: “Do we have to remain in Port Arthur? Can we move out of state?”

Mr. Quesada: “The Section 8 program is a national program making it allowable for you to move anywhere in the country.”

Ms. Dixon: “You will be notified to come in for a pre-eligibility meeting to verify your information to see if you qualify for the program. Within thirty days you will be notified by mail whether you are deemed eligible or ineligible for the program. You will have the opportunity for an informal review if you are

deemed ineligible. We will bring you back in once you qualify for the program to receive your voucher and teach you how to use it.”

Tenant: “Do we have to bring in all the information to the meeting again? We already brought to y’all when we came here.”

Ms. Dixon: “Yes, we have to do criminal background on all members of the household over the age of 18 years. We check to see if you’ve been evicted from Section 8 or Public Housing, and if you fall with in the income limits of the program.”

Tenant: “What will happen to those tenants that are out here now that were evicted from Section 8?”

Ms. Dixon: “You will have the opportunity to come in and have us hear your case.”

Tenant: “I was on the Section 8 program and I moved into Public Housing. My Section 8 Voucher was taken away from me. Would I still qualify for the program? This happened a year ago.”

Ms. Dixon: “You would not qualify for Section 8 we would have to move to another Public Housing location.”

Ms. Lee: “This meeting is for general information, if you have personal questions then, we will answer those in a separate meeting in private.”

Tenant: “Are going to build apartments?”

Mr. Quesada: “We are going to build apartments and houses.”

Ms. Sherri Sengsouvanha: “No one will be economically harmed with this demolition process and we are working hard to make sure you understand this process and your concerns are heard. We understand that your lives are being disturbed by this process and we want to commit to you in helping you transition into a home that you can be proud of that doesn’t look anything like Carver Terrace or a Public Housing unit.”

The draft Relocation Plan was distributed to residents at September 12, 2012 resident meeting. Excerpts from the September 12, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: “What if we do not want to stay in Port Arthur?”

Mr. Quesada: “Depending on where you want to go there is portability that will allow you to take your voucher with you where you want to go. If you have a location that you want to go to, we will contact that housing authority for you and we will make sure we work out that paperwork.”

Tenant: “So now it’s changed, we can move out of the area.”

Mr. Quesada: “No, it’s always been that way.”

Tenant: “Before it was stated that we had to stay in the golden triangle area.”

Mr. Quesada: “We obviously want to keep you in our community, but you are welcome to move out of our area. We will be teaching you about the Section 8 program, other opportunities, and better environment.”

Tenant: “Will we have time to relocate?”

Mr. Quesada: “Yes. We will provide case management and will be working with landlords in nice locations to let them know that we are working with you to move you into those areas with better employment opportunities. We have to be good tenants. Make sure you abide by your lease; you may not qualify to take part in this opportunity if you don’t abide by your lease, pay your rent, and don’t

cause commotion for the complex. We have been driving by and seeing a lot of trash especially in family areas. You will be held responsible for your area if you allow it to stay messy. We have to work together and help each other out. Please report to management if you see trash being frequently dumped in your area."

Paula Watts: "There is a charge for picking up trash in front of your unit whether you did it or not. We will charge you, so report who is doing it so that they get the charge."

Tenant: "It used to be that the people that are downstairs were responsible for the trash in the front and the people upstairs were responsible for the trash in the back. Is it still that way?"

Mr. Quesada: "We are all responsible for the front and the back."

Ms. Noel Ozen: "Another thing we will be looking at is your community service hours."

Tenant: "What does "on time" mean about the rent?"

Mr. Quesada: "On time" means you pay by the fifth."

Tenant: "What if we don't get paid until after the fifth?"

Ms. Ozen: "Then you would pay the late charge."

Ms. Watts: "In regards to delinquent rent, it is, for the first time in months, extremely low and I want to commend y'all. Most of you are paying your rent on time. You are doing a great job."

Tenant: "What do you mean by community service?"

Ms. Ozen: "If you are able to work, but are not currently working. Everyone knows if you have community service, you have eight hours per month."

Ms. Sherri Sengsouvanha: Discussion of mobility plan...."You will get at least two notices. A ninety day relocation notice will be sent out after we get approved and then a thirty day notice to actually move."

Ms. Watts: "In regards to delinquent rent, it is, for the first time in months, extremely low and I want to commend y'all. Most of you are paying your rent on time. You are doing a great job."

Mr. Quesada: Introduces Ms. Shanel Dixon, Section 8 Coordinator, Ms. Tanika Traveler, Executive Assistant, and Ms. Valeria Brown, Quality Control Officer.

Ms. Tanisha Moore: Announcement to pick up school supplies.

Mr. Quesada: Discussion of the trash problems and community services.

Pastor Starks: "If you need help with your community service hours we can help with that. We provide services for the kids and if you would like to help, let us know."

Tenant: "I need a little more clarification of the Section 8 Program. What is Section 8?"

Mr. Quesada: "Section 8 subsidizes your rent depending on your income whether you want to live in a house or apartment in our community or even if you want to move outside of our jurisdiction."

Excerpts from the October 29, 2012 resident meeting are as follows:

Mr. Quesada: "We will not issue voucher until HUD have approved the application. We will ask immediately for what is called a tenant protection voucher. We will start talking to you about what the section 8 voucher is and how it works. We have also started looking within our community of housing location for the relocation process. Even though we have to wait on the approval we have already started the process of finding relocation housing within our community."

Ms. Dixon- Speaks with the tenants on what they should expect on the section 8 program. They will receive a letter from the admission department to come in for an orientation meeting. At that time we

be begin our verification process which consist of – back ground check of everyone over the age of 18 in the household, do you owe monies to other housing authorities, have you ever been cancelled from the section 8 program or other housing programs including evictions, and income requirements. After all verification has been verified you will receive a letter within 30 days notifying you if you meet requirements for the program. If you are ineligible you will receive a letter stating why and notifying you that you have the right to request a hearing. If you are eligible you will processed on to the voucher issuance portion.

Tenant- “What are the income requirements?”

Ms. Dixon: “See attachments FY 2012 Income Limits Documentation System.”

Ms. Dixon: Explains the income handout to tenants.

Tenant: “Do we also have the option to stay on public housing?”

MS. Elaina: “Section 8 does not have a flat rent. That is why the income is so important.”

Quesada: “Most....tenants will be eligible for the voucher program.”

Residents generally wanted to know what the next steps would be. Mr. Quesada assured them PAHA would continue to communicate regularly throughout the process but the earliest that anyone could move would be early or mid-2013.

A final resident meeting was held on November 30, 2012 to distribute the draft copies of the draft disposition application. At this meeting residents were encouraged to provide written comments on the application for consideration. PAHA received numerous letters from residents in support of the application, several of which are included herein and made a part thereof.

In summary, the Port Arthur conducted an in depth series of resident meetings over the course of a four month period to provide a high level of resident consultation and engagement in the development of this application. Residents are very supportive of the proposed disposition application and eager to begin the relocation process upon HUD approval.

Section 7, Line 2

Resident Council Consultation

The Port Arthur Housing Authority met with the Resident Advisory Board (RAB) and the Carver Terrace Resident Council on October 5, 2012 to discuss the disposition of Carver Terrace and Lincoln Square. At this meeting, the Offer of Sale to the residents. Nine residents attended the meeting representing the RAB and the Carver Terrace Resident Council.

Mr. Cele Quesada, PAHA Executive Director opened the meeting and welcomed the attendees. Mr. Quesada advised the group the purpose of the meeting was to consult with the organized resident groups representing Carver Terrace and Lincoln Square regarding PAHA's proposed disposition of the property. Mr. Quesada proceeded to review the Offer of Sale to the Residents in detail with the group. Residents were informed the property was valued at \$1,670,000 and they would have 30 days to respond to PAHA if they were interested in purchasing the property. One resident inquired as to whether they would receive Section 8 vouchers if the residents purchased the property and Mr. Quesada responded that Section 8 vouchers would only be provided to the current residents if the Housing Authority receives HUD approval to sell the property to an outside entity. If the residents purchase the property, they would not receive Section 8 vouchers for relocation purposes.

On October 10, 2012, the PAHA issued a First Amended and Restated Offer of Sale to the RAB and the Carver Terrace Resident Council due to an administrative error in the estimated cost of capital improvements for the property as communicated in the October 5, 2012, letter. The First Amended and Restated Offer of Sale was hand delivered on October 10, 2012, to all applicable residents.

PAHA did not receive any response from the RAB or Carver Terrace Resident Council within the 30 day period. As noted in the Offer of Sale, *"If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier."* Accordingly, PAHA has met its requirements to consult with the RAB and provide sufficient time to respond to the Offer of Sale for this property.

CARVER TERRACE/LINCOLN SQUARE DISPOSITION MEETING AGENDA

RESIDENT ADVISORY BOARD & RESIDENT COUNCIL

October 5, 2012 @ 12:00pm

Location: Port Arthur Housing Authority Admin. Office
920 Dequeen Blvd
Port Arthur, TX

Agenda

1. Disposition of Carver Terrace and Lincoln Square
2. Resident Consultation Requirement
3. Offer of Sale to Resident Organization(s)
4. 30 Days to Respond
5. Questions & Answers

Section 7, Line 4

Resident Advisory Board (RAB) Consultation

The Port Arthur Housing Authority met with the Resident Advisory Board (RAB) and the Carver Terrace Resident Council on October 5, 2012 to discuss the disposition of Carver Terrace and Lincoln Square. At this meeting, the Offer of Sale to the residents. Nine residents attended the meeting representing the RAB and the Carver Terrace Resident Council.

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10:00 AM Carver Terrace
Meeting Apartment.

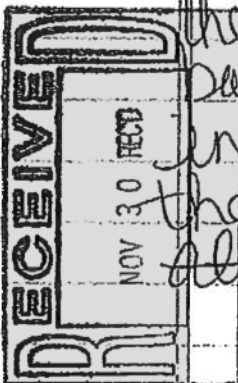
Nov. 30, 2012

(b)(6)

I am looking forward to moving the apartment in Carver Terrace are not up to par at all. So much fighting, shooting. My child can't go outside and play. So I with the disposition / demolition of Carver Terrace, I also have had mold in my apartment me and my child have been sick and forward to the doctor for 3 years I had lived out here I applied for Section 8 2 years ago at Lamar. I have not got anything in the mail at all. Back in 2010 I paid off my balance from Gulf Breeze Apartment Mrs. Pat didn't turn in that important so Celia Quesada & Joe put me on the top of the list for Public Housing. I also applied for Section 8 at the Housing Authority a few year back due to Mrs. Pat not turning in the paper work I didn't get that also. So I have been through a lot.

Thank you.

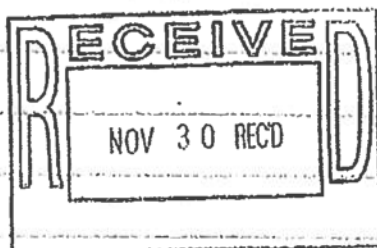
(b)(6)



Its time for a Fresh Start for all
People living out here. There is so
much Drugs & violence & Drama going
on. I ready to move, because im
beyond tired of all of it.

Everyone who works out here never
see what happens when the office
closes at 5pm. I have a few ~~the~~ ideas
on how to fix, but none will get done.

Anyone who dosent want to move is
crazy. Its time for a change but the
bad part is, yall are move the bad with
the good so anyone yall move will
trash-out the new places.

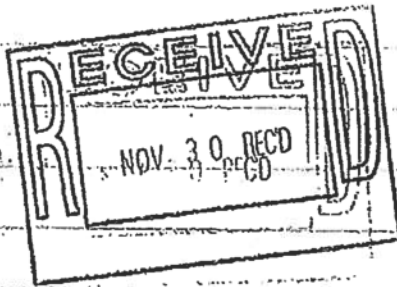


Joseph G. Lopez

(b)(6)

(b)(6)

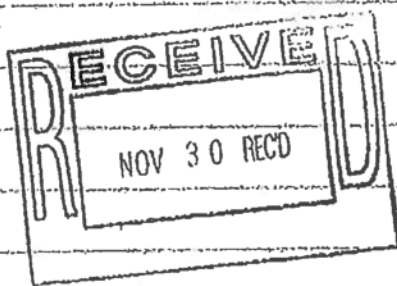
I [redacted] agree that they should move us out because it is bad to me and my kids health



(b)(6)

I appreciate everything that you guys have done for me. I am glad that they are going to move us to other apts. and are giving an opportunity to better ~~o~~ self and have better living conditions.

Thank you



I support Ann's to move from CARLISA Terrace

(b)(6)

(b)(6)

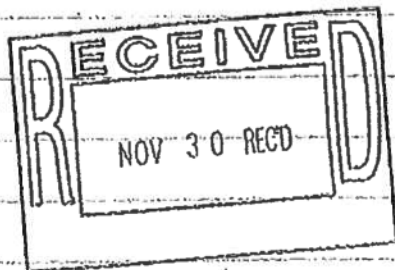
RECEIVED
NOV 30 RECD

I know All Apartments are not
the same. It's not the place
it's the people. I work and
stay in, play ~~the~~ games with
the kids. They are so bored, because
they ~~can't~~ ^{can't} go out side half the
~~time~~
time. I don't mind what
you all do with it, because I
won't be back

(b)(6)

11-30-2012

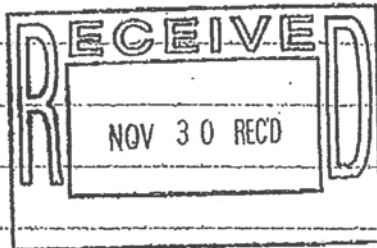
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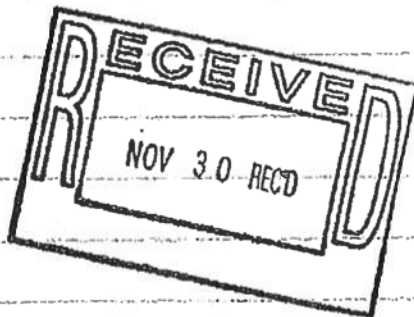
I know that you-all need to
close Carver-Terr Apt down, for a
better inuonment, and better living
for poor people.

(b)(6)

(b)(6)



I'm ready to move out of
Conver Terrace now!!! This is not
where I want my family to be
anyway. I've been suppose receive
a voucher to move + have not
yet possess one!!! The referees
are cause health issues with me.



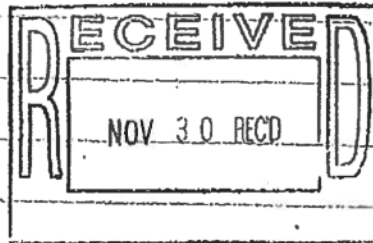
Question: When can I move?
What do I need to do to rust the
process, since I've been waiting for
about 2 years for my voucher?

(b)(6)

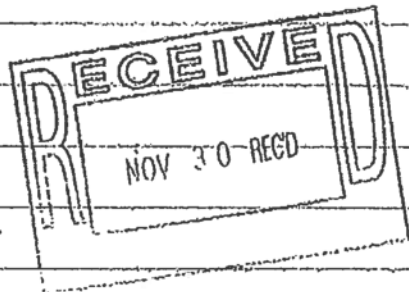
(b)(6)

I am For it. I believe it would
benefit my family to move into
a better environment. I believe
that people with no infractions
should get vouchers first.

I would like the whole idea.



I ^{(b)(6)} believe that
is has been time to due away with
these apartments, not only are the
apartments old, but It's time
to move some of the people
around. It's too crime infested
I barely feel safe letting my
children play outdoors. Also
the inside of these apartments
are mold infested, their are too
many roaches and the air around
here is keeping my children and
myself sick. I'm expecting another
baby real soon. One of my main
concerns are moving people
around to have less crime
around this side of town.



(b)(6)

(b)(6)

11/30/2012

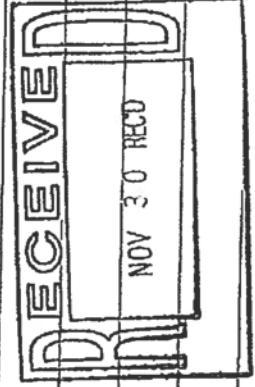
Nov. 30, 2012

(b)(6)

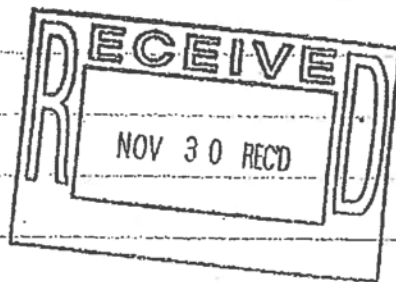
This

(b)(6)

Please help me move from
Port Arthur help me I have
3 kids and one on the way
the community is horrible and
everything falling apart in my apart-
ment. please help me



my name is (b)(6) and I live
in unit (b)(6) I think it would be a
great ideal to move us out of the
area because its ~~so~~ always loud
people fighting and I just hate how
it looks inside and out evry thing
including jobs are distance from us
I'm just sick of being here period!!
I would love to live comfortable
and in a peaceful area.



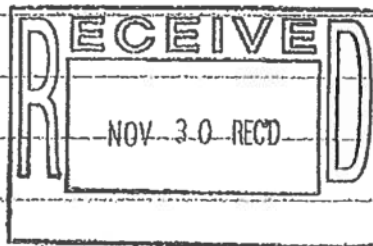
To Whom this may concern,

I think that it is a good thing for Housing to get rid of Carver Terrace finally. Only because people have been here for a lot of years and will feel good about getting out of here.

(b)(6)

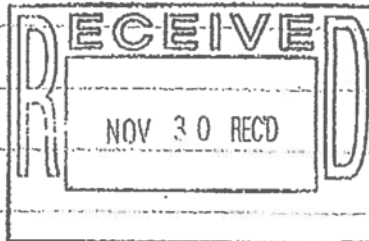
(b)(6)

1106 Carver Terrace



T. support for us to move from CARLER Terrace.

(b)(6)

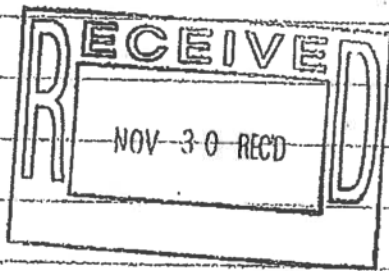


Drugs
Fighting
~~Violence~~

I am (b)(6) in (b)(6) i dont have no
problem but i am glad they are doing thiz. All
apartment is not the same But thiz is not a place
tha kids to hang ~~up~~ out have fun. They got nothing
but fighting, gang bang, shooting nd i am not really
safe with my kids to play outside cause of safety
problem. Thanks for what yall have done but i
just lettin yall know

(b)(6)

(b)(6) Apartment



Section 8, Line 3

Resident Organizations

Resident Council and Resident Advisory Board Members		
	Name	Address
Carver Terrace Council		
President	Shilah Guidry	(b)(6) Port Arthur, TX 77642
Vice President	Angela Mathes	(b)(6) Port Arthur, TX 77642
Secretary	Shayla Lewis	(b)(6) Port Arthur, TX 77642
Resident Advisory Board (RAB)		
	Shilah Guidry	(b)(6) Port Arthur, TX 77640
	Angela Mathes	(b)(6) Port Arthur, TX 77642
	Shayla Lewis	(b)(6) Port Arthur, TX 77642
	Karen Love Lady	(b)(6) Port Arthur, TX 77640
	Jimmie Hayes	(b)(6) Port Arthur, TX 77640
	Willie Carrier	(b)(6) Port Arthur, TX 77640
	Bessie Bob	(b)(6) Port Arthur, TX 77640
	Robert Benbow	(b)(6) Port Arthur, TX 77640
	Rufus Landry	(b)(6) Port Arthur, TX 77640



COMMISSIONERS

REV. RONNIE LINDEN, CHAIRMAN
CLONIE AMBROISE , VICE-CHIRMAN
BART BRAGG
FARHANA SWATI
BRENDA ROY

EXECUTIVE DIRECTOR
CELE QUESADA

October 10, 2012

Port Arthur Housing Authority Resident Advisory Board
and
Carver Terrace and Lincoln Square Resident Council

RE: First Amended and Restated Offer of Sale - Carver Terrace and Lincoln Square

Dear Resident Advisory Board and Carver Terrace/Lincoln Square Resident Council Members:

The Port Arthur Housing Authority (PAHA) is providing this First Amended and Restated Offer of Sale due to an updated cost estimate for the rehabilitation of Carver Terrace and Lincoln Square as noted herein. The PAHA planning to submit a disposition application to the Department of Housing and Urban Development for the Carver Terrace and Lincoln Square properties, said properties are collectively known as HUD AMP #TX034000001 and consist of 204 total public housing family units. As a result, the Housing Authority is required to offer the properties for sale to any Resident Management Corporation, Resident Council or Resident Cooperative of the affected developments.

The Carver Terrace development is located at 1400 Dewalt Avenue, Port Arthur, TX. It consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23, two story structures. The Lincoln Square development is within a block of Carver Terrace at 14th Street and Abe Lincoln, Port Arthur, TX. It consists of 24 units (24 two bedroom apartments) in 2, two story

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd. • P. O. Box 2295 • Port Arthur, TX 77643
Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

structures. The HUD project number for both developments is TX034; AMP number is TX034000001. Carver Terrace and Lincoln Square are currently 94% occupied.

It is the PAHA's intention is to dispose of these structures and use the proceeds to build at least 204 rental units at off-site locations consisting of a combination of new multi-family units, elderly units and single family homes. The bedroom sizes of the new units will be contingent upon the results of a market study and the available financing sources.

Carver Terrace was built in 1953 and underwent a substantial rehabilitation to replace stairwells in 2005. Lincoln Square was built in 1972. An appraisal was performed in the September 2012, which put the value of the property at \$ 1,670,000. The PAHA's consultants have estimated the capital improvement costs for these developments to be approximately \$ 20.6 million to rehabilitate. The Carver Terrace development has been found to be free of lead paint, but there is friable asbestos in the roof flashing material, transite vent pipe and insulation material, all of which have been identified as an Asbestos Containing Material (ACM). The cost for abatement is included in the repair estimate. Ten units have substantial fire damage and are not available for occupancy. The fire damages are included in the cost estimate. The Lincoln Square development has been found to be free of lead paint and asbestos.

Resident groups desiring technical assistance or further information may contact Cele Quesada, Executive Director, Port Arthur Housing Authority at (409) 984-2621. Resident groups requesting technical assistance from the Department of Housing and Urban Development may contact Dan Rodriguez, Director of Public Housing, Houston Field Office at (713) 718-3175.

The PAHA requires your response within 30 days of the date of this letter expressing your interest in pursuing the purchase of this property or waiving your opportunity to purchase. If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier. You may respond earlier than 30 days.

If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.

The PAHA expects to get an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value.

Your proposal will have to contain the following information at a minimum:

- A. The length of time the organization has been in existence;
- B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;

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Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

- C. A statement of financial capability;
- D. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
- E. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
- F. A plan for the low-rent housing use of the property;
- G. The proposed purchase price in relation to the appraised value;
- H. Justification for purchase at less than the fair market value, if appropriate;
- I. Estimated time schedule for completing the transaction;
- J. The response to the PAHA's terms of sale;
- K. A resolution from the resident organization's Board approving the proposal; and
- L. A proposed date of settlement, generally not to exceed six months from the date of PAHA approval of the proposal, or such period as the PAHA may determine to be reasonable.

The Port Arthur Housing Authority has up to 60 days to evaluate the proposal. The resident organization will be formally informed of PAHA's decision within 14 days, i.e., the most amount of time that the PAHA can take is 74 days before giving the resident organization a formal decision.

The resident organization may appeal our decision to the local HUD Office. The appeal to HUD must be made within 30 days of the PAHA's formal reply.

The Port Arthur Housing Authority looks forward to receiving your feedback. Please contact me directly with any questions that you may have at (409) 984-2621 (office).

Sincerely,



Cele Quesada
Executive Director

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COMMISSIONERS

REV. RONNIE LINDEN, CHAIRMAN
CLONIE AMBROISE, VICE-CHIRMAN
BART BRAGG
FARHANA SWATI
BRENDA ROY

EXECUTIVE DIRECTOR
CELE QUESADA

October 5, 2012

Port Arthur Housing Authority Resident Advisory Board
and
Carver Terrace and Lincoln Square Resident Council

RE: Offer of Sale - Carver Terrace and Lincoln Square

Dear Resident Advisory Board and Carver Terrace/Lincoln Square Resident Council Members:

The Port Arthur Housing Authority (PAHA) is planning to submit a disposition application to the Department of Housing and Urban Development for the Carver Terrace and Lincoln Square properties, said properties are collectively known as HUD AMP #TX034000001 and consist of 204 total public housing family units. As a result, the Housing Authority is required to offer the properties for sale to any Resident Management Corporation, Resident Council or Resident Cooperative of the affected developments.

The Carver Terrace development is located at 1400 Dewalt Avenue, Port Arthur, TX. It consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23, two story structures. The Lincoln Square development is within a block of Carver Terrace at 14th Street and Abe Lincoln, Port Arthur, TX. It consists of 24 units (24 two bedroom apartments) in 2, two story

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structures. The HUD project number for both developments is TX034; AMP number is TX034000001. Carver Terrace and Lincoln Square are currently 94% occupied.

It is the PAHA's intention is to dispose of these structures and use the proceeds to build at least 204 rental units at off-site locations consisting of a combination of new multi-family units, elderly units and single family homes. The bedroom sizes of the new units will be contingent upon the results of a market study and the available financing sources.

Carver Terrace was built in 1953 and underwent a substantial rehabilitation to replace stairwells in 2005. Lincoln Square was built in 1972. An appraisal was performed in the September 2012, which put the value of the property at \$ 1,670,000. The PAHA's consultants have estimated the capital improvement costs for these developments to be approximately \$ 56.3 million to rehabilitate. The Carver Terrace development has been found to be free of lead paint, but there is friable asbestos in the roof flashing material, transite vent pipe and insulation material, all of which have been identified as an Asbestos Containing Material (ACM). The cost for abatement is included in the repair estimate. Ten units have substantial fire damage and are not available for occupancy. The fire damages are included in the cost estimate. The Lincoln Square development has been found to be free of lead paint and asbestos.

Resident groups desiring technical assistance or further information may contact Cele Quesada, Executive Director, Port Arthur Housing Authority at (409) 984-2621. Resident groups requesting technical assistance from the Department of Housing and Urban Development may contact Dan Rodriguez, Director of Public Housing, Houston Field Office at (713) 718-3175.

The PAHA requires your response within 30 days of the date of this letter expressing your interest in pursuing the purchase of this property or waiving your opportunity to purchase. If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier. You may respond earlier than 30 days.

If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.

The PAHA expects to get an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value.

Your proposal will have to contain the following information at a minimum:

- A. The length of time the organization has been in existence;
- B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;

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- C. A statement of financial capability;
- D. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
- E. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
- F. A plan for the low-rent housing use of the property;
- G. The proposed purchase price in relation to the appraised value;
- H. Justification for purchase at less than the fair market value, if appropriate;
- I. Estimated time schedule for completing the transaction;
- J. The response to the PAHA's terms of sale;
- K. A resolution from the resident organization's Board approving the proposal; and
- L. A proposed date of settlement, generally not to exceed six months from the date of PAHA approval of the proposal, or such period as the PAHA may determine to be reasonable.

The Port Arthur Housing Authority has up to 60 days to evaluate the proposal. The resident organization will be formally informed of PAHA's decision within 14 days, i.e., the most amount of time that the PAHA can take is 74 days before giving the resident organization a formal decision.

The resident organization may appeal our decision to the local HUD Office. The appeal to HUD must be made within 30 days of the PAHA's formal reply.

The Port Arthur Housing Authority looks forward to receiving your feedback. Please contact me directly with any questions that you may have at (409) 984-2621 (office).

Sincerely,



Cele Quesada
Executive Director

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Section 8, Line 3

The Port Arthur Housing Authority has determined the following two organizations, Carver Terrace Resident Council and the Resident Advisory Board, represent all of the resident organizations for Carver Terrace and Lincoln Square.

Carver Terrace Resident Council and Resident Advisory Board Members		
	Name	Address
Carver Terrace Resident Council		
President	Shilah Guidry	(b)(6) Port Arthur, TX 77642
Vice President	Angela Mathes	(b)(6) Port Arthur, TX 77642
Secretary	Shayla Lewis	(b)(6) Port Arthur, TX 77642
Resident Advisory Board (RAB)		
	Shilah Guidry	(b)(6) Port Arthur, TX 77640
	Angela Mathes	(b)(6) Port Arthur, TX 77642
	Shayla Lewis	(b)(6) Port Arthur, TX 77642
	Karen Love Lady	(b)(6) Port Arthur, TX 77640
	Jimmie Hayes	(b)(6) Port Arthur, TX 77640
	Willie Carrier	(b)(6) Port Arthur, TX 77640
	Bessie Bob	(b)(6) Port Arthur, TX 77640
	Robert Benbow	(b)(6) Port Arthur, TX 77640
	Rufus Landry	(b)(6) Port Arthur, TX 77640

Port Arthur Housing Authority

Invitation for Bid No. B13041

Sale of Carver Terrace
and Lincoln Square



**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square**

The Port Arthur Housing Authority (PAHA) will accept sealed bids from bidders interested in purchasing Carver Terrace, a public housing multi-family development located at 1400 Dewalt Avenue, Port Arthur, Texas. Carver Terrace consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23 buildings. The property is brick construction. Also for public sale is the Lincoln Square public housing multi-family development. Lincoln Square is located approximately two blocks away from the Carver Terrace site, at 1400 Abe Lincoln Avenue, and is also a brick construction with 24 two-bedroom units in two buildings. The properties are combined and will be sold as a single lot. The sale is to the highest and best offer acceptable to the Port Arthur Housing Authority and the Department of Housing and Urban Development, with a restriction to demolish all buildings within 90 days. The property is located in the City of Port Arthur, Jefferson County, Texas as identified herein and available to all persons, business and individual regardless of income on a cash only basis.

This IFB contains submission requirements, terms and conditions and other pertinent information for submitting a proper and responsive bid.

Bids must be enclosed in a sealed envelope and labeled as follows in the UPPER left corner:

Sale of Carver Terrace and Lincoln Square

Property Address: 1400 Dewalt Avenue and 1400 Abe Lincoln Avenue, Port Arthur, Texas

IFB No. B13041

Due Date and Time: September 19, 2013, 4:00 PM (CST).

Written bids in sealed envelopes must be delivered to the Port Arthur Housing Authority, September 19, 2013 before 4:00 PM at the Port Arthur Housing Authority, Attn: Procurement Officer, 920 DeQueen Blvd, Port Arthur, TX 77640.

Bids will be evaluated according to the criteria stated in the IFB.

GENERAL INFORMATION AND REQUIREMENTS

Definitions

Offeror/Bidder As used herein the terms Offeror and Bidder are interchangeable.

Offer/Bid As used herein the terms Offer and Bid are interchangeable.

General Information and Requirements

All bids will be considered for the purchase of Carver Terrace and Lincoln Square in Port Arthur, Texas. All bids are subject to staff analysis. The Port Arthur Housing Authority reserves the right to reject any and all bids and to waive or refuse to waive any technicalities at its discretion.

Based on an independent appraisal dated September 27, 2012 performed by The Gerald A. Teel Company, Inc., the determined Fair Market Value of the Carver Terrace and Lincoln Square

property is \$1,670,000. The Port Arthur Housing Authority hereby offers the property to the highest bidder via this public bid process at FMV or higher. All buildings must be demolished within 90 days of receipt of the Notice of Acceptance of Offer from PAHA of the successful bidder.

Bids will be time stamped upon receipt. Tie bids will be decided according to the earliest time stamp.

Bidders may submit only one bid under this solicitation. Each bidder must submit with the sealed bid a bid deposit in the amount of \$1,000.00. The bid deposit is non refundable for the accepted bid and will be applied to the purchase price. The balance of the purchase price will be due within three (3) business days after receipt of the Notice of Acceptance of Offer. The Notice of Acceptance of Offer is issued by the Port Arthur Housing Authority via email and posted in the Port Arthur Housing Authority's lobby. All payments shall be in the form of a cashier's check, money order or certified check payable to the Port Arthur Housing Authority.

In the event the bidder fails to submit the balance due, within the specified three (3) business days' time period after receipt of Notice of Acceptance of Offer, the Port Arthur Housing Authority may, at its sole discretion, declare the bid unresponsive and void and notify bidder via email. In such event, the bid deposit will be forfeited and the Port Arthur Housing Authority will make an award to the next highest responsive bidder.

The bid deposit will be held until the real estate closing occurs.

The bidder has an opportunity to inspect the real estate described above and all conditions affecting the purchase of the premises described herein, including but not limited to all easements, access to the land and the quality and merchantability of Port Arthur Housing Authority's Title to the premises.

The bidder shall inspect the property at their own risk. The Port Arthur Housing Authority will not be responsible for any claims for injury while inspecting the properties.

The property is being sold in "As Is". The bidder acknowledges that no representations, warranties or guarantees with respect to the condition of the property have been made by the Port Arthur Housing Authority.

It is the responsibility of the bidder to examine applicable zoning ordinances. The Port Arthur Housing Authority expressly disclaims any responsibility for any bids predicated on a use forbidden by the applicable zoning.

The Port Arthur Housing Authority conveys real estate by General Warranty Deed. The Port Arthur Housing Authority will provide the buyer with a title commitment policy in the amount of the accepted bid. The cost of title commitment policy will be the responsibility of the Port Arthur Housing Authority. Possession will be delivered upon closing.

A bid may be withdrawn at any time prior to the bid opening date and time stated in the Notice, provided a request to withdraw the bid is executed in writing by the bidder and filed prior to the bid opening. Such withdrawal of a bid will not prejudice the right of the bidder to file a new bid prior to the specified bid opening date and time. All bids shall be deemed valid for 90 days after the bids are opened unless extended by the Port Arthur Housing Authority in writing.

The Port Arthur Housing Authority reserves the right to reject any and all bids and to waive or refuse to waive any technicalities at its discretion. The award will be based on the highest bid submitted by a responsive bidder. The amount must be written in words and figures in the proper place. If the written words and figures are not consistent, the bid will be rejected. If the bidder submits a bid with percentages, cost plus or any other calculation except for a firm fixed price, the bid will be automatically rejected as non-responsive.

In submitting the bid, the undersigned bidder declares that the only person or parties interested in the bid as principal are those named herein and that such bid is made without collusion with any other parties, firm or corporation. Employees of the Port Arthur Housing Authority and of the U. S. Department of Housing and Urban Development along with members of their immediate families are ineligible to submit a bid.

The undersigned further declares that they have carefully inspected in detail the described property and have familiarized themselves with all of the conditions affecting the sale and understands that, in submitting the bid, they waive all rights to plead any misunderstanding regarding the same.

In the event this bid is awarded to a bidder, it shall constitute a contract between the parties hereto but such contract shall not be assigned or transferred by the undersigned without the express written consent of the Port Arthur Housing Authority, which may consent may be granted or denied at its sole discretion for any reason whatsoever.

BID FORM

_____ Bidder (Individual or Entity Name Printed)	_____ Signature
_____ Print Street Address	_____ Print Name
_____ Print City, State, Zip	_____ Date Signed
_____ Telephone Number	_____ Fax Number
_____ E-mail Address	

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square

Address of Property: 1400 Dewalt Avenue

City/ State/Zip: Port Arthur, TX 77643

Amount of Deposit \$ _____

Amount of Bid (written in figures) \$ _____

Amount of Bid (written in words) \$ _____

Both written words and figures must be consistent to be considered a valid bid.

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature: _____

DATED: This _____ day of _____, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this _____ day of _____ 2013.

(Notary Public)

My Commission Expires: _____

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 1
September 16, 2013**

The due date/time for this IFB are extended as follows:

Sale of Carver Terrace and Lincoln Square

Property Address: 1400 Dewalt Avenue and 1400 Abe Lincoln Avenue, Port Arthur, Texas

IFB No. B13041

Due Date and Time: December 19, 2013, 4:00 PM (CST).

Written bids in sealed envelopes must be delivered to the Port Arthur Housing Authority, December 19, 2013 before 4:00 PM at the Port Arthur Housing Authority, Attn: Procurement Officer, 920 DeQueen Blvd, Port Arthur, TX 77640.

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 2
November 6, 2013**

The purpose of this Addendum is to provide the attached map and legal description of the Carver Terrace and Lincoln Square properties.

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 3
December 13, 2013**

The purpose of this Addendum is to provide additional information on the aforesaid Invitation to Bid. All information provided herein supplements information previously provided in the said IFB. In the event of a conflict between the documents, the most recent issued document shall govern.

1. The Port Arthur Housing Authority will entertain any and all bids for the disposition of Carver Terrace and Lincoln Square.
2. The Port Arthur Housing Authority reserves the right to accept a bid at lower than Fair Market Value if said bid is deemed to be in the best interest of PAHA, subject to approval by the Port Arthur Housing Authority Board of Commissioners and the Department of Housing and Urban Development.
3. All buildings shall be demolished within 90 days of receipt of the Notice of Acceptance of Offer from PAHA of the successful bidder unless the successful bidder requests a waiver to this requirement and justification for the same. Any waiver of this criteria is subject to approval by both PAHA and the Department of Housing and Urban Development during the bid holding period and shall not be deemed approved until receipt of Notice from PAHA.
4. Bidders, at their option, may also submit a bid that is conditional upon taking title to the property following the demolition of said buildings by PAHA provided the bidder includes the actual cost of demolition in the bid which will be finalized upon receipt of public bids for the same by PAHA.
5. The Port Arthur Housing Authority intends to restrict the use of the properties to green space to prohibit the construction of any future residential housing to the maximum extent permitted by the Department of Housing and Urban Development.
6. All Bidders shall agree to hold their bid prices and honor their bids for a period of 180 days from the date bids are due to the Port Arthur Housing Authority to allow for an adequate review period by the Department of Housing and Urban Development. An additional 90 day extension option shall be available upon mutual agreement of both parties.
7. The bid deadline is hereby extended to December 23, 2013 at 2pm CST.

II. BID FORM

Bidder's (s) Name: _____

Bidder's (s) Address: _____

Bidder's (s) Phone Number: _____

Bidder's (s) Email: _____

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square

Address of Property: 1400 Dewalt Avenue

City/ State/Zip: Port Arthur, TX 77643

IFB# _____

AMOUNT OF DEPOSIT: \$ _____

AMOUNT OF BID _____

Amount in written words

Both written words and figures must be consistent to be considered a valid bid.

Alternate(s)/Optional: _____

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature _____

DATED: This _____ day of _____, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this ___ day of _____ 2013.

(Notary Public)

My Commission Expires: _____

Instructions: Please fill in (type) all information required in this form.

Exhibit C

BID FORM

THE PREMIER REFINING GROUP INC.
Bidder (Individual or Entity Name Printed)

[Signature]
Signature

ONE VALERO WAY
Print Street Address

JAMES V. SRGALL
Print Name

SAN ANTONIO, TX 78249
Print City, State, Zip

12-12-13
Date Signed

210-345-4510
Telephone Number

210-370-4590
Fax Number

JAMES.HINES@VALERO.COM
E-mail Address

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

THE PREMIER REFINING GROUP INC.

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square
Address of Property: 1400 Dewalt Avenue
City/ State/Zip: Port Arthur, TX 77643

Amount of Deposit \$ 1,000.00

Amount of Bid (written in figures) \$ 800,000.00

Amount of Bid (written in words) \$ Eight Hundred Thousand Dollars

Both written words and figures must be consistent to be considered a valid bid.

THE ATTACHED EXHIBIT A IS HEREBY INCORPORATED FOR ALL PURPOSES HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

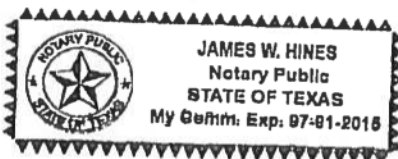
An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature: [Handwritten Signature]

DATED: This 12 day of December, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this 12 day of December 2013.



[Handwritten Signature]

(Notary Public)

My Commission Expires: 7-1-2015

EXHIBIT "A"

To Bid Form

Submitted by The Premcor Refining Group Inc.
[Bid No. B13041 – Sale of Carver Terrace and Lincoln Square,
located in Port Arthur, Jefferson County, Texas]

Notwithstanding any provisions to the contrary contained in the foregoing Invitation for Bid No. B13041, as amended by Addendum No. 1 dated September 16, 2013, Addendum No. 2 dated November 6, 2013, and Addendum No. 3 dated December 13, 2013 (as so amended, the "invitation for Bid"), the foregoing offer made by The Premcor Refining Group Inc. ("Premcor") is made with the following amendments to the terms of the Invitation for Bid. In the event of any conflicts between the terms of the Invitation for Bid and the terms of this Exhibit "A", the terms of this Exhibit "A" shall control. Upon any acceptance of Premcor's bid by the Port Arthur Housing Authority ("PAHA"), the following shall amend the provisions of the Invitation for Bid and become part of the resulting contract (the "Contract") between the parties:

1. **Demolition.** Premcor shall not demolish any buildings on the subject property or perform any other demolition activities described in the Invitation for Bid. Instead, the demolition shall be PAHA's responsibility, and within one (1) year after the date of the Notice of Acceptance of Offer, PAHA shall demolish all buildings located on the subject property and perform all other related demolition responsibilities related to the subject property, including without limitation, the following, all pursuant to applicable federal, state, local and municipal laws, statutes, rules, regulations and ordinances: remove all structures, including foundations; remove all meters; backfill the land as required with topsoil and grade the land such that water shall not pool or stand; perform final, smooth grading to eliminate tripping points; remove and properly dispose of all lead and asbestos located on the subject property; and properly isolate all utilities back to the property line (collectively, "Demolition"). If the Demolition is not completed within the above one-year period, Premcor may terminate the Contract by sending a written notice to PAHA within thirty (30) days after the end of the one-year period, upon which termination the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor.
2. **Escrow by Title Company.** The balance of the purchase price (the "Purchase Price Balance") shall be held in escrow by a title company (mutually acceptable to Premcor and PAHA) (the "Title Company") until the closing, provided that the Purchase Price Balance may be used by PAHA for the costs of the Demolition prior to closing.
3. **Title Commitment; Survey.** Prior to closing, (i) PAHA shall cause the Title Company to issue to Premcor a commitment for title insurance (the "Commitment"), together with copies of all exception documents referenced therein, in connection with the title policy of insurance that will be issued at closing, and (ii) Premcor may cause the subject property to be surveyed, such survey ("Survey") to be at Premcor's sole cost and expense. Also, Premcor may terminate the Contract, by sending a written notice to PAHA prior to closing, if Premcor objects to a title or survey issue revealed by the Commitment or the Survey (after the expiration of a reasonable cure period), upon which termination the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor. Upon closing, the title policy issued to Premcor shall not include any exceptions for "rights of parties in possession" or similar language.
4. **Inspection.** Premcor may terminate the Contract based on Premcor's inspection of the subject property by sending a written notice to PAHA within thirty (30) days after Premcor's receipt of the Notice of Acceptance of Offer, in which

event the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor.

5. Closing. The closing of this transaction shall occur on the later of (i) thirty (30) days after Premcor receives a written notice from PAHA that the Demolition (including final site grading) is complete or (ii) sixty (60) days after Premcor's receipt of the title commitment, exception documents, and Survey described above.

Final Report
Housing Mobility Program
to
ITEX

Chris Akbari, Executive Vice-President
and the

Port Arthur Housing Authority
Seledonio Quesada, Executive Director

From

Housing Choice Partners

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April 10, 2014

Executive Summary

In 2013, the Port Arthur Housing Authority (PAHA) received HUD approval to dispose of 204 units of public housing at Carver Terrace/Lincoln Square in the southwest portion of Port Arthur, Texas. Carver Terrace/Lincoln Square is a development located very near the Motiva Oil Refinery (the largest in the country) and other toxic sites, while also being isolated from grocery stores and commerce. PAHA applied for and received approval from HUD for \$20 million dollars in Community Development Block Grant (CDBG) disaster relief money related to Hurricane Ike to develop new replacement housing for Carver Terrace residents.

During this same period, fair housing issues surfaced in the State of Texas. As a result of the new focus, PAHA determined that fair housing assistance would be beneficial in relocating Carver Terrace residents. HCP was hired as a consultant to assist with the relocation efforts.

HCP's role in this project was to help set up a mobility program that would be carried out by local PAHA staff. HCP would monitor the progress of the program until the last residents were relocated. The program would assist participants in understanding their fair housing rights and would provide expanded housing choice in opportunity areas of the region.

HCP assisted PAHA staff in developing the mobility program and in implementing it. A definition of opportunity areas was developed along with needed written materials/forms and a tracking system. Staff training was conducted and a work plan/timeline was implemented to guide the project. PAHA staff administered resident surveys, workshops, landlord outreach, community tours, one-on-one counseling and handled all the administrative tasks associated with relocation.

The new multi-family site consisting of 184 mixed-income replacement rental units was approved by HUD by the end of the project. Another 104 unit elderly site is currently under review by PAHA and its developer partner, ITEX. All of the former Carver Terrace and Lincoln Square residents have relocated, including 49 movers (representing 33% of the total) to opportunity communities—areas where there is greater racial diversity, less poverty, and greater employment and educational choice.

Those who moved to opportunity areas saw the biggest gains in racial and economic diversity (as might be expected compared to those who stayed in traditional areas). They moved from an area averaging 96% African American population and 55% poverty to areas post-move averaging 19% African American and 15% poverty. That's an 80% increase in racial diversity and a 73% increase in economic diversity on average.

Those who stayed in traditional areas improved their diversity “score” too but far less than those who moved to opportunity areas. Traditional movers went from the average 96% African American population and 55% poverty to areas post-move averaging 50% African American and 32% poverty. That’s a 48% increase in racial diversity and a 42% increase in economic diversity on average (see chart below).

Residents also reported very high levels of satisfaction with the move process (90%), mobility assistance (100%), their new neighborhoods (80%) and new units (75%).

HCP was pleased to be a part of the innovative team assembled in Port Arthur. Seeing the challenges facing this area was both a humbling and enlightening experience resulting in a great deal of learning on the part of HCP and that of the PAHA staff and its residents.

**Carver Terrace/Lincoln Square
Movers by Type of Move**

Move	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver Terrace)	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
Opportunity Movers (49)	55%	96%	15%	19%	-73%	-80%
Traditional Movers (97)	55%	96%	32%	50%	-42%	-48%
All Movers (146)	55%	96%	27%	40%	-51%	-58%

Background Information

This report documents the efforts of the Port Arthur Housing Authority (PAHA) in relocating residents of its Carver Terrace/Lincoln Square public housing development.

In 2013 PAHA received HUD approval to dispose of 204 units of public housing at Carver Terrace/Lincoln Square in the southwest portion of Port Arthur, Texas. New mixed income developments will replace the old public housing properties.

PAHA is a relatively small housing authority administering about 300 units of public housing and over 2600 housing choice vouchers for use in the private rental market.

Port Arthur Texas is a community of approximately 54,000 residents, located in Jefferson County near the Louisiana state line on the Gulf of Mexico. Port Arthur is south of Beaumont, Texas and just over an hour southeast of Houston. The residents of the community are approximately 40% African American, 30% Hispanic and 25% White with a growing Hispanic and shrinking White population.

The family poverty rate is approximately 22%. The median income is \$30,957 and the median value of a home or condo is \$66,836, both low compared to the rest of the state. Lamar State College is located in Port Arthur as is Motiva Oil Refinery, the largest refinery in the United States.

Hurricanes Rita (2005) and Ike (2008) did a great deal of damage to Port Arthur and the surrounding gulf communities. Several redevelopment efforts, funded by HUD CDBG Disaster Relief money, were implemented to rebuild parts of the community.

The ITEX Group is a Port Arthur company that focuses on property management, real estate development and investment, new construction and rehab of residential, mostly multi-family housing. They manage 4000 units in communities such as Port Arthur, Houston, Galveston, Fort Worth and Beaumont, Texas and some properties in Louisiana as well. They employ green initiatives and specialize in constructing and managing affordable and mixed income housing

ITEX recently completed a \$10 million renovation of an historic hotel in Galveston Texas reserving 43 of 83 units for those earning less than 80% of the area median income (see photos on page 6). ITEX is also the developer for two mixed income developments that will replace the Carver Terrace/Lincoln Square public housing developments in Port Arthur.

ITEX Group, renovation of the Jean Lafitte Hotel in Galveston, Texas. It's now a mixed income complex in the heart of the City.



Carver Terrace/Lincoln Square

Carver Terrace/Lincoln Square is a development located very near the Motiva Oil Refinery and the area is isolated from grocery stores and commerce, and is near other toxic sites. Smoke stacks are located near Carver Terrace.

Once PAHA received HUD approval to dispose of the development and relocate current residents, PAHA and ITEX developed a plan to build new replacement housing, after which site selection began. Two parcels of land were identified in Port Arthur to build one elderly and one family development. A third initiative was also identified to build single family homes on the west side of Port Arthur with the hope that the investment there could help to generate other investment in the area (this idea ultimately wasn't included due, in part, to the lack of financial feasibility).

PAHA applied for and received approval from HUD for \$20 million dollars in CDBG disaster relief money to develop new replacement housing for Carver Terrace residents. Carver Terrace is in the process of being sold. PAHA received a bid from one of the local refineries and is currently working with HUD to approve the bid.



Carver Terrace/Lincoln Square Apartments in Port Arthur, Texas.



Lake View Palms, another housing development owned by PAHA.

Fair Housing Issues

During this same period, the State of Texas was the subject of a fair housing complaint to HUD because of a lack of affirmative effort on the part of various Texas agencies to promote greater housing choice when utilizing HUD funds, particularly using HUD CDBG disaster relief funds. The complaint was filed by fair housing advocates and resulted in an agreement by the State of Texas to implement a variety of new activities to ensure that the State was in compliance with federal fair housing law. Incidentally, Galveston, Houston and Vidor, Texas also have a history of issues with regard to fair housing.

As a result of the new fair housing agreement, ITEX and PAHA determined that they needed fair housing assistance in relocating the Carver Terrace residents. HCP was hired as a consultant to assist with the relocation efforts.

HCP of Illinois, Inc. is an 18 year old, private non-profit organization located in Chicago, Illinois. HCP's mission is to reduce intergenerational poverty by promoting expanded housing choice for low-income households. HCP has a great deal of experience in assisting households to access better areas and in helping public housing authorities implement effective programs. HCP provides direct services and consulting to achieve its goals.

PAHA Mobility Program Implementation

A mobility program was created to assure residents of Carver Terrace of their fair housing rights, Mobility programs generally work to expand fair housing choice beyond racially segregated, high poverty areas to areas of opportunity. Where people live generally determines overall life outcomes and recent studies have shown that economic mobility and health outcomes are stunted when low income households live and raise children in highly segregated and poverty concentrated areas (see *Stuck in Place*, a book by Patrick Sharkey and *Housing Voucher Mobility: An Overlooked Fair Housing Issue*, by Alexander Polikoff, John Marshal Law Review).

HCP and other affordable housing advocates see mobility programs as one strategy to change life trajectories. Assisting low-income households to move to areas of opportunity where schools are better, crime lower, good employment more plentiful and where health outcomes will likely be improved is what HCP does best.

HCP's role in this project was to help set up a mobility program that would be carried out by local PAHA staff. HCP would monitor the progress of the program until the last residents were relocated.

HCP began by visiting Port Arthur to learn about the community, the region, the residents and Carver Terrace itself. A meeting was held with city and housing authority officials, various State of Texas agency representatives and others to hear about what is required under the fair housing agreement signed by the State of Texas. A tour of the area followed and ITEX and PAHA staff were introduced. This activity occurred in November/December, 2012.

The team that worked on the relocation/mobility program included Sherri Sengsouvana, a consultant working with PAHA and ITEX on disposition and development, and Seledonio Quesada, the PAHA Executive Director. Karen Bell, who had experience in running a similar mobility program in Rockford, Illinois, was added to the housing authority staff to coordinate the mobility program and provide direct service to clients. Ms. Bell was to be assisted by other PAHA staff as needed. The project began in November, 2012 and wrapped up in March, 2014. PAHA applied for and received relocation vouchers from HUD for all the Carver Terrace families (191) and those vouchers were issued between July and November, 2013.

Definition of Opportunity Area

HCP's next step was learning about the demographics and suggesting a definition of what constitutes an opportunity area in Port Arthur and the surrounding region. Local representatives accepted HCP's suggestion that the average African American and poverty rates would be a good determiner and maps were created to show what Port Arthur and the region would look like with that definition in place.

Port Arthur is 40% African American and it has a 22% family poverty rate according to data from the 2010 census. The region, including Hardin, Orange and Jefferson Counties, is 29% African American and 17% poverty. For the purpose of the relocation/mobility effort, two definitions were used, one for moves within Port Arthur and one for the rest of the region.

The maps prepared for the project and attached to this report, show each census tract in the area. If the tract is less than the average race and poverty figures, it's considered an opportunity area. If the tract is greater than the average, on either count, it's considered a traditional area. The theory is based on the assumption that if there were no discrimination (and no long-term effects of past discrimination) everyone would live in all parts of the region in direct proportion to their general numbers in the area. This has been a common method to determine opportunity areas over the years. New and more sophisticated methods are now available, but at the time that data was expensive and difficult to obtain.

Process and Material Development

Basic decisions

HCP put a number of decisions relating to successful implementation before the PAHA team.

1. Exception rents. Higher rents help households move into better areas.
2. Workshops. A series of workshops was recommended including topics such as landlord/tenant rights and responsibilities, financial management, home maintenance, building community and schools matter. Residents can be more successful in the private market with this knowledge.
3. Time Frame. Additional search time is helpful to allow residents to explore areas they might not be familiar with throughout the region. Providing 120-180 days search time was recommended.

Because of sequestration, exception rents weren't possible but PAHA did implement extended search time and was enthusiastic about providing workshops.

Work Plan and Timeline

After several meetings with PAHA staff, a work plan and timeline were developed. All anticipated activities were outlined, responsible staff was assigned and a deadline for completion was created.

The work plan began in April, 2013 with development of a questionnaire for Carver Terrace households that would be used to learn more about the residents and their needs in relocating. The questionnaire was used at a resident meeting in May to educate households on the relocation plan and to encourage them to sign up for the mobility program. A total of 136 out of 192 families at Carver Terrace signed up for the Housing Mobility Program (HMP). The remaining residents relocated without the assistance of the mobility program.

All employees of PAHA attended a training session to learn about the program. The training included the history of fair housing and mobility, what the goals for the program would be and what would be happening in the next year in terms of mobility.

After the initial training, regular weekly meetings were held with involved staff to ensure that all goals were being met and if necessary, to make adjustments. Overall the timeline worked very well and goals were met (with the exception of those related to workshops and discussed in the next section).

HCP also compiled a notebook documenting the program for on-going mobility training for new staff. The notebook began with HCP sample forms, which were replaced by Port Arthur documents as they were developed so the complete PAHA program is contained for the future in one place.

Mobility Counseling and Workshops

During April and May 2013, workshop using PowerPoint and handouts were completed including local information on schools, employment, crime and other benefits of moving to opportunity areas.

Several additional topics were developed including home maintenance and tenant rights and responsibilities. Other workshop topics such as schooling, financial management and building community were not developed because of time limitations, which became apparent early in the process.

Vouchers began to be issued in June, 2013 but there was sparse attendance at initial workshops because families were more focused on moving (and rightly so). In the end about 56 households attended an orientation, 35 attended a home maintenance course, and 10 attended the tenant rights and responsibilities workshop presented by attorney Tai Ho from Lone Star Legal Aid (thanks to the Dallas Inclusive Communities Project for assisting us in developing this relationship).

No other workshops were offered and only a few community tours were completed, because the move process moved so quickly that there wasn't enough time to organize and educate residents on all their options. Karen Bell did all the mobility counseling for the program, which was primarily conducted on a one on one basis.

PAHA staff did all the relocation administration including conducting eligibility, issuing vouchers, handling the moving expenses and security/utility deposits, plus the usual inspections, rent determinations and landlord contracts. PAHA was also simultaneously issuing vouchers to people on their wait list so it was a very busy time.

Ms. Bell, who had an office on-site, spent a lot of time giving out basic information and keeping everyone on track. Moves from Carver Terrace were done building by building and once moves started to occur, safety became a consideration so finding good units quickly was critical. Most HMP households who relocated needed a two-bedroom unit with a few 1 and 3 bedroom households included as well.

Landlord outreach was done both in person, and on the phone and materials were developed for this task as well. A list of developments in the area was also created (ITEX had a good beginning on this task completed already). All information was shared with interested residents.

Results

Of the 136 households who participated in the mobility program, 39 moved to an opportunity area. Another 10 households who were not part of the mobility program also moved to an opportunity area. Out of a total of 146 moves, 49 were to opportunity areas, 33.5% of the total (see maps attached).

- Looking only at those who moved to opportunity areas, we find that they moved from tracts averaging 96% African American and 55% poverty to tracts averaging only 19% African American and 15% poverty, an enormous improvement in racial diversity.
- Looking only at those who moved to traditional areas, we find they went from the same 96% African American and 55% poverty tracts, to tracts that averaged 50% African American and 32% poverty post move. Far less racial and economic diversity was found in these post move neighborhoods.
- And if we look at all residents who moved, they went from a census tract averaging 96% African American and 55% poverty to areas averaging 40% African American and 26% poverty, a very significant improvement in terms of greater racial and economic diversity.

Opportunity movers vs traditional movers. Clearly the biggest gains are in the group who moved to opportunity areas. Those households saw an 80% increase in racial diversity and a 73% increase in economic diversity on average compared to those who stayed in traditional areas where their racial and economic diversity "score" was raised by 48% and 42% respectively, still significant but not as impressive as those who moved to opportunity areas.

Mobility program participants vs non-mobility program participants. If we look at those who moved who participated in the mobility program we have 108 in total—39 went to opportunity areas while 69 stayed in traditional areas. Those who moved as part of the mobility program (even those who stayed in traditional areas which is their choice) also showed gains in racial and economic diversity. Those households saw a 60% increase in racial diversity and a 53% increase in economic diversity on average.

If we look only at those who didn't participate in the mobility program, we get 10 who moved to opportunity areas and 28 who stayed in traditional areas. This group increased their diversity scores by 52% in terms of racial diversity and 47% in terms of economic diversity (see chart).

Those who participated in the mobility program did better than those who didn't by 8% on the racial diversity score and 6% on the economic score.

Carver Terrace/Lincoln Square Movers by Type of Move

	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver Terrace)	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
Opportunity Movers (49)	55%	96%	15%	19%	-73%	-80%
Traditional Movers (97)	55%	96%	32%	50%	-42%	-48%
All Movers (146)	55%	96%	27%	40%	-51%	-58%

Carver Terrace/Lincoln Square Moves by Program (mobility vs non mobility)						
	Pre move poverty rate by census tract (Carver Terrace)	Pre move African American population by census tract (Carver Terrace)	Post move average poverty rate by census tract	Post move average African American population by census tract	Change in poverty rate	Change in African American population
HMP participant movers (108)	55%	96%	26%	38%	-53%	-60%
Non HMP participant movers (38)	55%	96%	29%	46%	-47%	-52%
All Movers (146)	55%	96%	27%	40%	-51%	-58%

A number of families moved to Southwood Crossing, an ITEX development in Port Arthur which is a mixed income (LIHTC), fairly new development, in an opportunity area. While greater de-concentration would have been preferable, the development—a gated community—has many amenities including a baseball field and basketball court, pool, community gardens, several playgrounds and high end finished (see photos).



In addition to the local moves just discussed, an additional 14 residents ported out of the Port Arthur area, 16 moved to other public housing units, and 15 weren't assisted (some of those were evictions).

The move process went quickly as noted previously because residents were anxious to move and knew for quite some time that relocation was coming. In fact, the average process time from the issuance of the voucher to the contract with a landlord was only 46 days including about 16 days of processing time for paperwork, inspections and rent determination.

Survey of Residents

A simple two page letter/survey was sent to residents who moved, a total of 146.

- Most former residents of Carver Terrace reported that they were happy to be able to move to a better environment-- one resident said "To move to a better neighborhood was a blessing for me and my family."
- Over half the respondents said they already had a location/unit in mind when they were issued their voucher and because of the need to relocate quickly, mobility became a secondary consideration in some instances. Mobility programs generally work better in a situation where there isn't pressure to relocate from public housing, when there's more time to consider where to move, and to really explore new areas.
- Most respondents cited moving to a safer area as their most important priority which is consistent with other mobility program findings. Better schools was the second most mentioned factor along with a better quality unit.
- Almost all residents report being highly satisfied with their new neighborhood and new unit, with a majority giving a 10 to each (on a scale of 1-10 with 10 meaning the resident loves the neighborhood/unit). Residents made statements like "quiet and peaceful" area, "lots of privacy", "less noise and violence", "no drama" and also commented about

liking their neighbors. Several stated they were happy to be near more stores, schools and jobs.

- Almost all respondents said the housing authority was helpful and that they were “patient and understanding” and “I couldn’t ask for anything better”. They said that Ms. Bell (the mobility counselor) was on site and easy to reach and one resident commented “She’s very helpful and serious about her job—love her.” Another said “Ms. Dixon was wonderful.”
- A few residents commented that they couldn’t reach their case worker and that transportation was an issue for them in getting moved.

Overall the mobility program was successful and residents are in much better areas and units, and more integrated into the community. Residents reported very high levels of satisfaction with the move process (90%), mobility counseling (100%), their new neighborhoods (80%) and new units (75%).

While some follow up visits were completed, we urge PAHA to finish up the visits and to monitor the success over time of these families. Moving families to better areas is one step, but keeping them there over time is what leads to better life outcomes for low income residents.

PAHA, under all the circumstances, invested in better outcomes and expanded housing choice and it paid off for everyone. The State of Texas can now point to this effort to “affirmatively further fair housing” and hopefully use this experience to do more of the same. We also urge Port Arthur to continue using the Housing Mobility Program for all its voucher holders.

New Mixed Income Replacement Housing

Most of the Carver Terrace/Lincoln Square families are interested to learn about and possibly move into the new mixed income developments that will replace Carver Terrace/Lincoln Square when they’re ready. HCP was able to assist PAHA in answering HUD’s questions about the proposed sites for those new developments and now the project is moving along.

HUD recently completed a civil rights review of PAHA (not prompted by a complaint but a regular part of HUD procedures). Site selection was a stated fair housing concern. Port Arthur is a majority minority community with few sites available for development in predominantly white, low poverty areas. Without a regional approach to development (which was encouraged by fair housing advocates) in a community like Port Arthur, options are limited.

HUD had concerns about the number of affordable and comparable rental options in opportunity areas if the two proposed developments would not be specifically located in those opportunity areas. The PHA would need to demonstrate that *“sufficient, comparable opportunities exist for housing for minority families, in the income range to be serviced by the proposed project, outside areas of minority concentration.”*

The proposed elderly development, Edison Square, is located in the midst of a middle class neighborhood with access to grocery stores, a hospital and senior center. The tract is 56%

African American and 20% poverty (not the desired levels of diversity) but HUD ultimately approved that site when it was demonstrated that sufficient affordable housing was available in opportunity areas of the community for elderly residents including Low Income Housing Tax Credit properties and other private market units.

The proposed multi-family site, Park Central, is located in a tract that's 65% African American and 12.4% poverty (again not the desired level of racial diversity). PAHA showed that there were comparable affordable units in opportunity areas (the mobility program also proved that) and that the site is in a growth corridor and ultimately HUD approved this site too.

HCP helped make the affordable rents argument by providing median rents and the number of affordable units by tract for the areas in and around Port Arthur. The assistance of fair housing advocates, in particular Texas Appleseed, and the Inclusive Communities Project in Dallas, was sought and they helped in evaluating the sites in the very beginning of the project. Texas Appleseed also assisted in writing a statement to HUD. Both developments were approved with regard to fair housing issues.

An environmental review was also just completed by HUD and both Edison Square and Park Central were approved on those grounds too and are now moving ahead. PAHA closed on Park Central and construction commenced in March 2014. PAHA has closed on the land for Edison Square and is currently seeking additional funding since the Port Arthur City Council did not approve the Low-income tax credits for Edison Square. However, PAHA is confident the Edison Square site will close in mid to late 2014 as either 104 units of elderly housing or a phased approach based on financial resources. Hopefully two beautiful new developments will be available soon in much better locations than the old Carver Terrace/Lincoln Square.

Conclusion

HCP was pleased to be a part of the innovative team assembled in Port Arthur. Learning about the challenges facing this area was a fascinating experience. We learned a lot and we think the staff and the residents in Port Arthur did too.

We encourage PAHA to continue to provide follow up services to those who moved to opportunity areas in particular to assure their success. We also hope that all the effort put into developing the mobility program will continue for those who are part of the overall voucher program. With new affirmatively furthering fair housing rules from HUD, mobility will be an important strategy to fulfill HUD's mandate.

The best part of this project though is that the residents had a good experience in relocating and they are much better off today than before the process started. Some of these residents may move to one of the new mixed income developments that will be built in the coming year and we wish them, PAHA, ITEX and others the best in these future endeavors. We look forward to hearing about the grand opening of Park Central and Edison Square!

Attachments

Opportunity Maps— Jefferson County, Hardin County, Orange County, Port Arthur, Beaumont and Partial Orange County

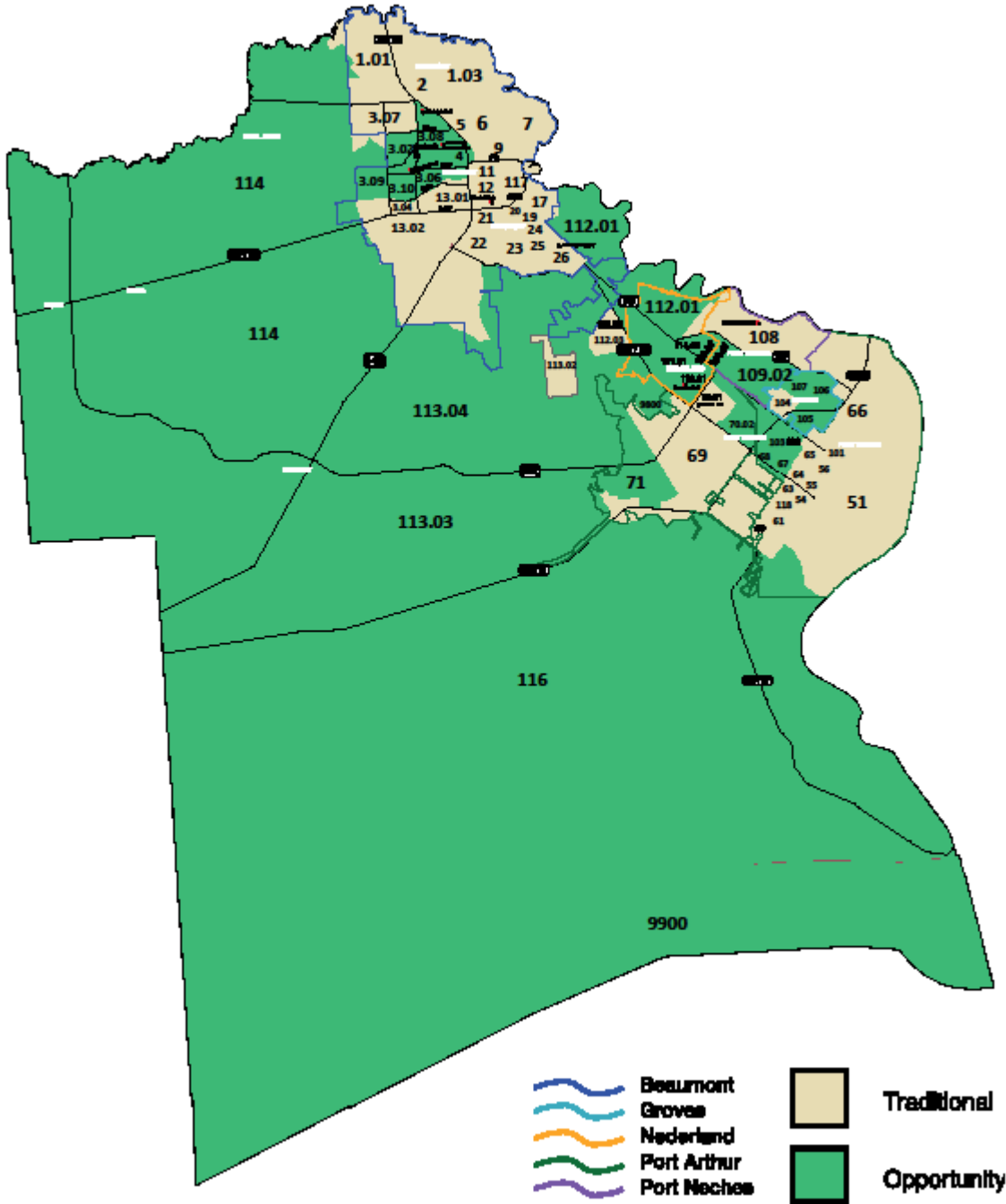
Opportunity moves

Non-mobility participant moves

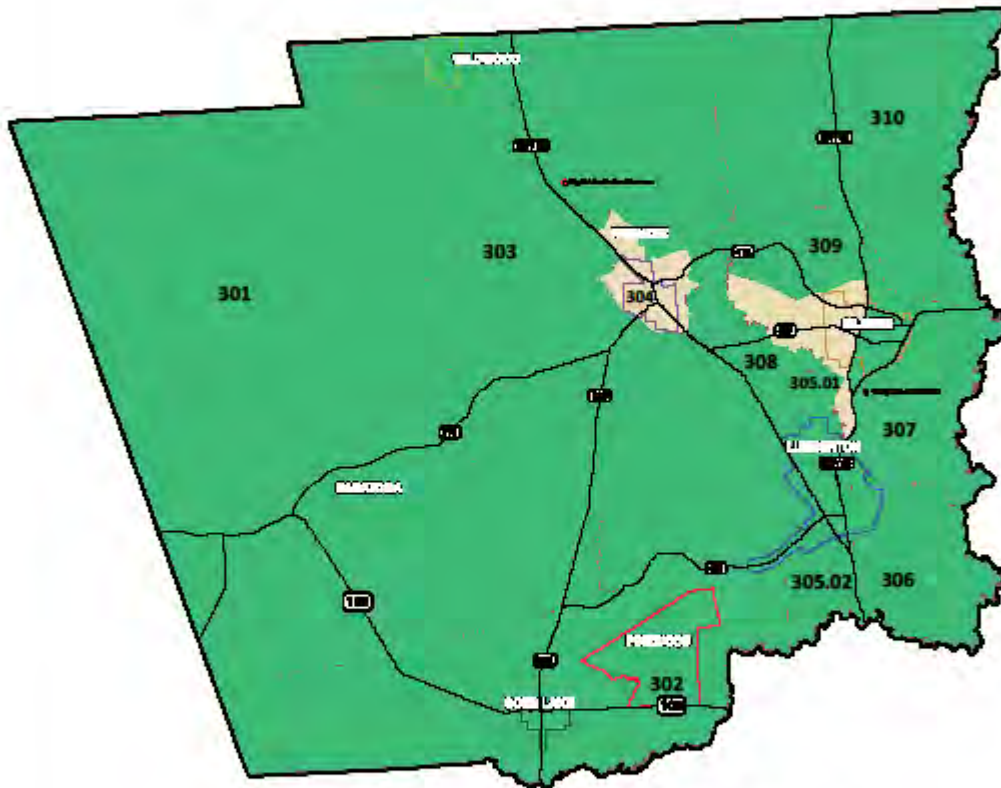
Mobility participant moves

All moves

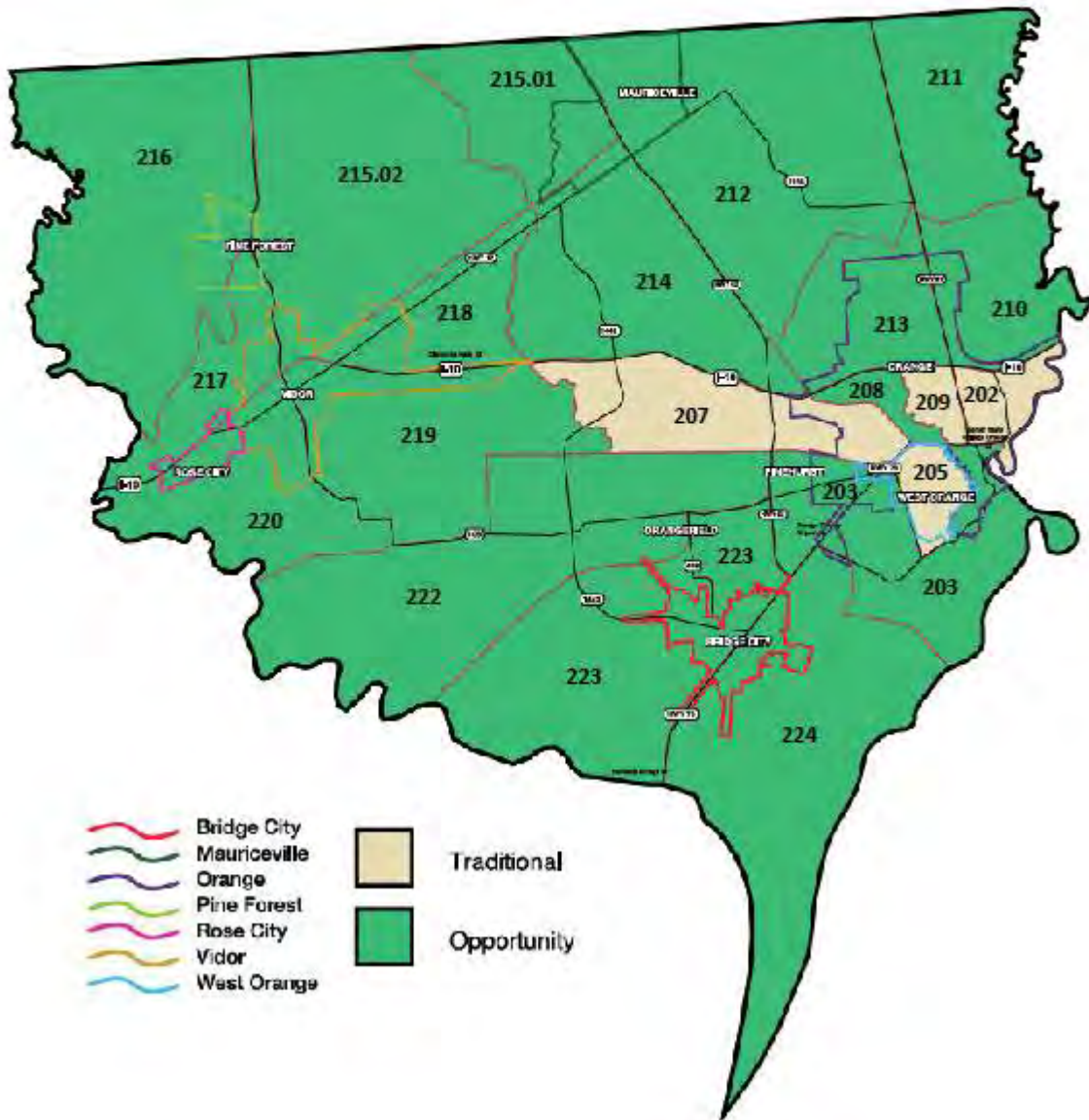
Port Arthur Housing Authority—Housing Mobility Program
 Jefferson County Opportunity Areas by Census Tract



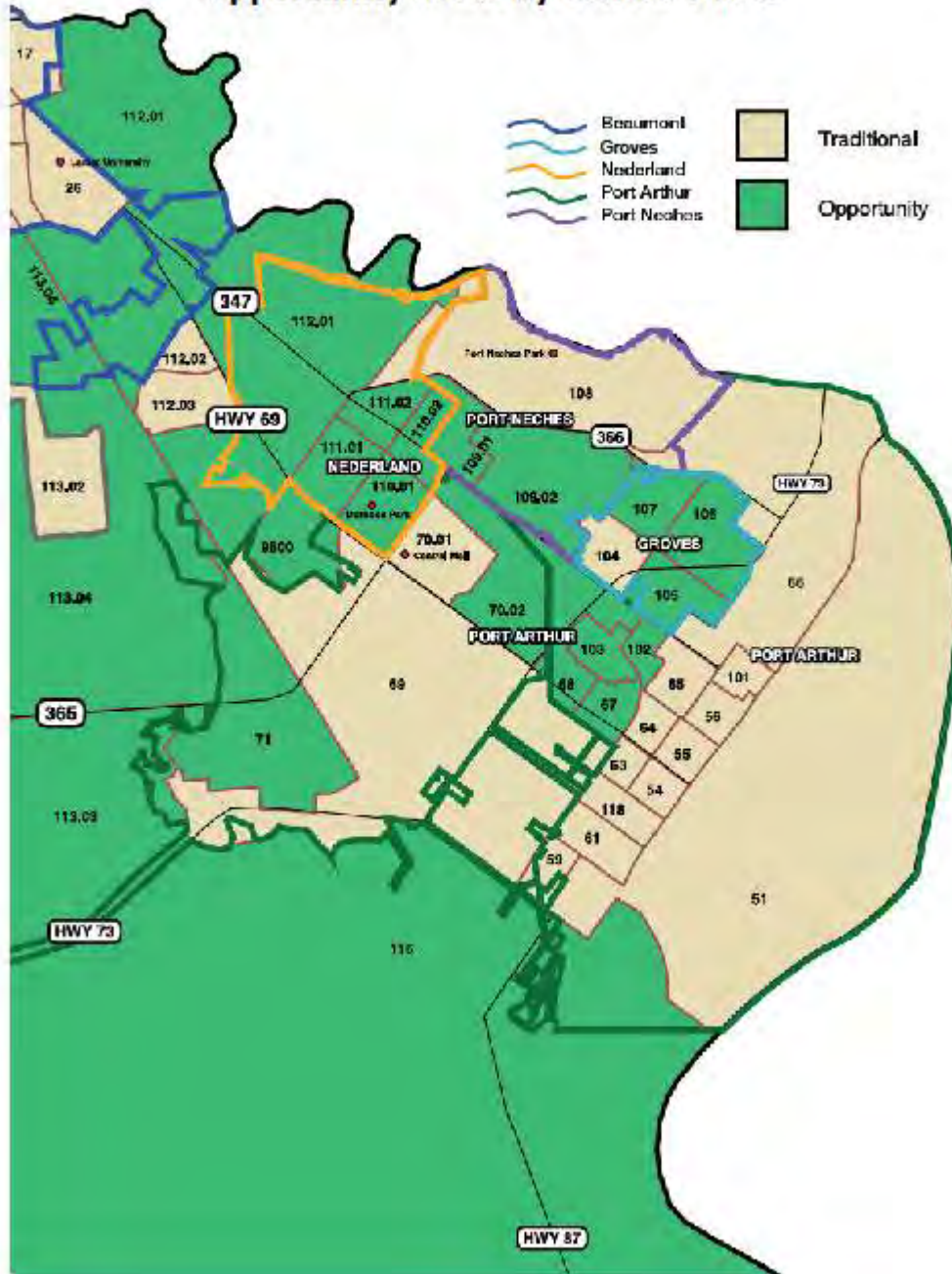
**Port Arthur Housing Authority
Housing Mobility Program
Hardin County Opportunity Areas**



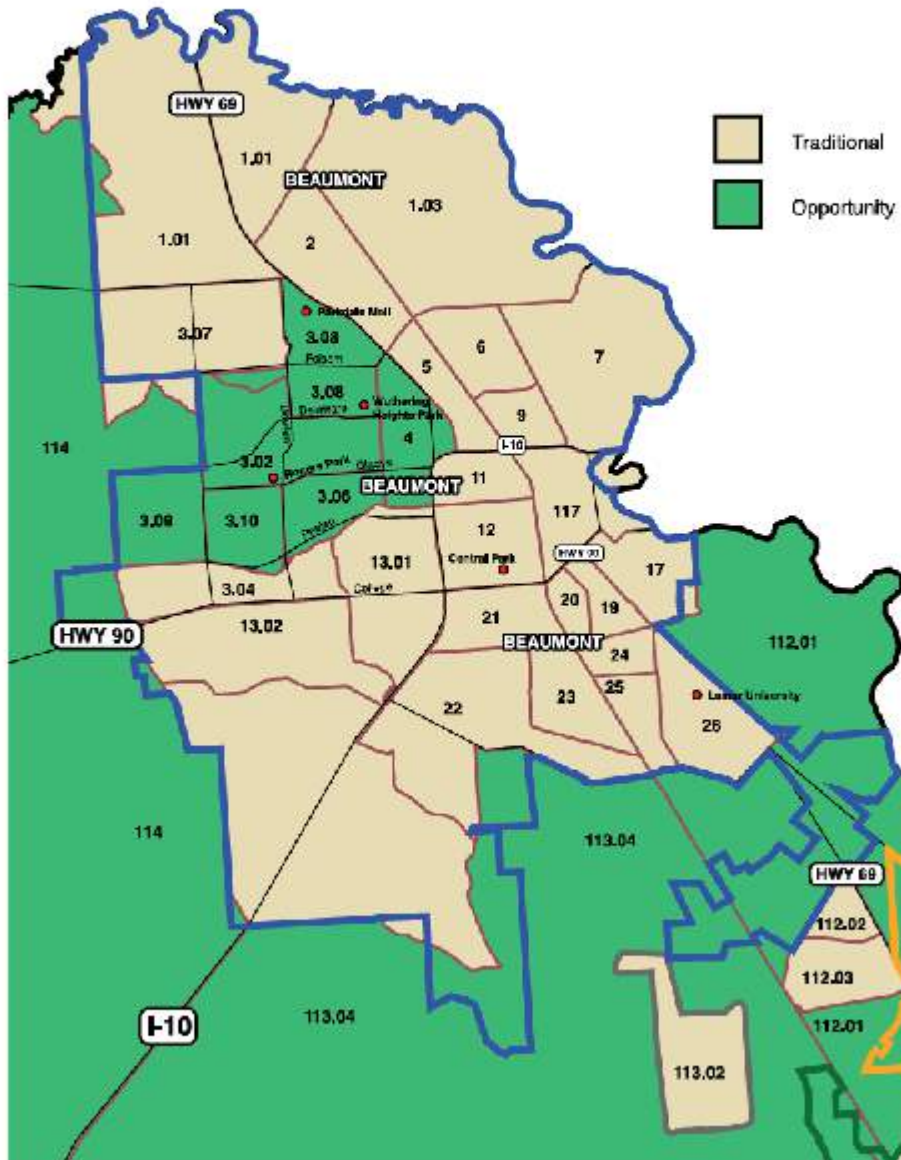
Port Arthur Housing Authority Housing Mobility Program Orange County by Census Tract



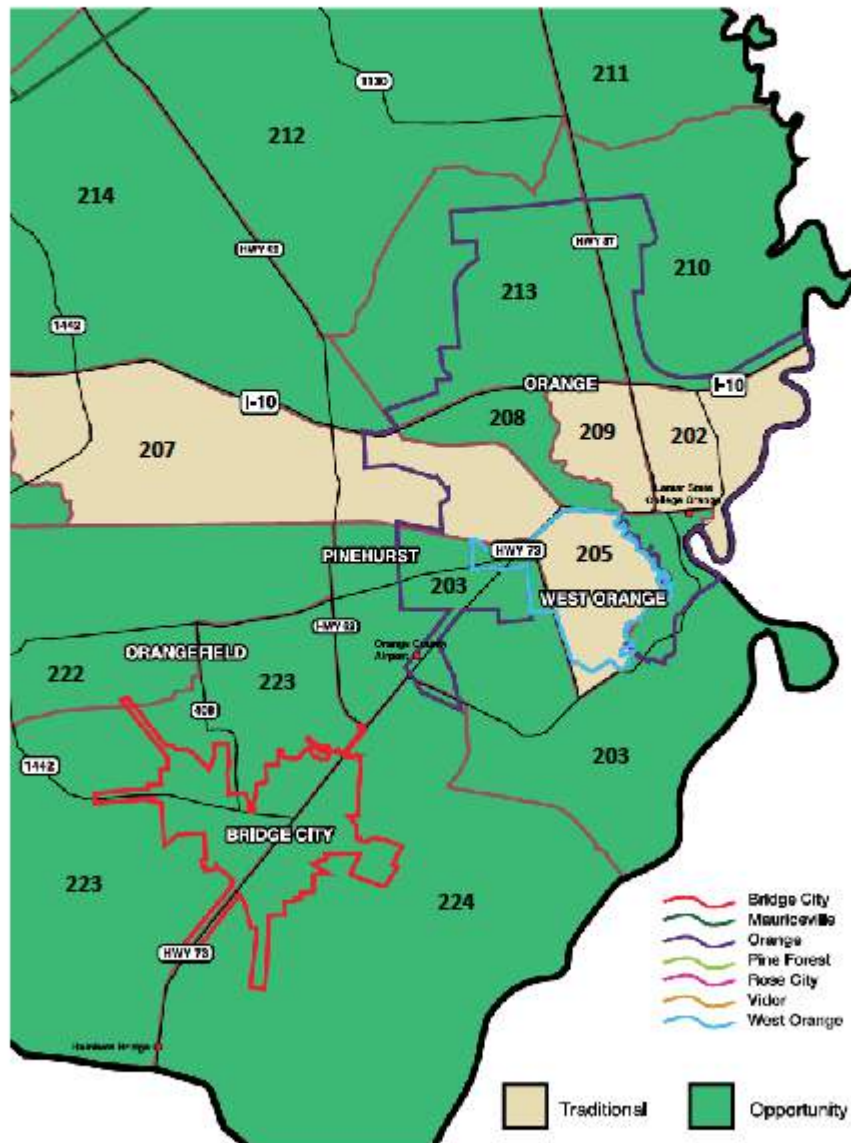
Port Arthur Housing Authority—Housing Mobility Program Port Arthur and Surrounding Community Opportunity Areas by Census Tracts



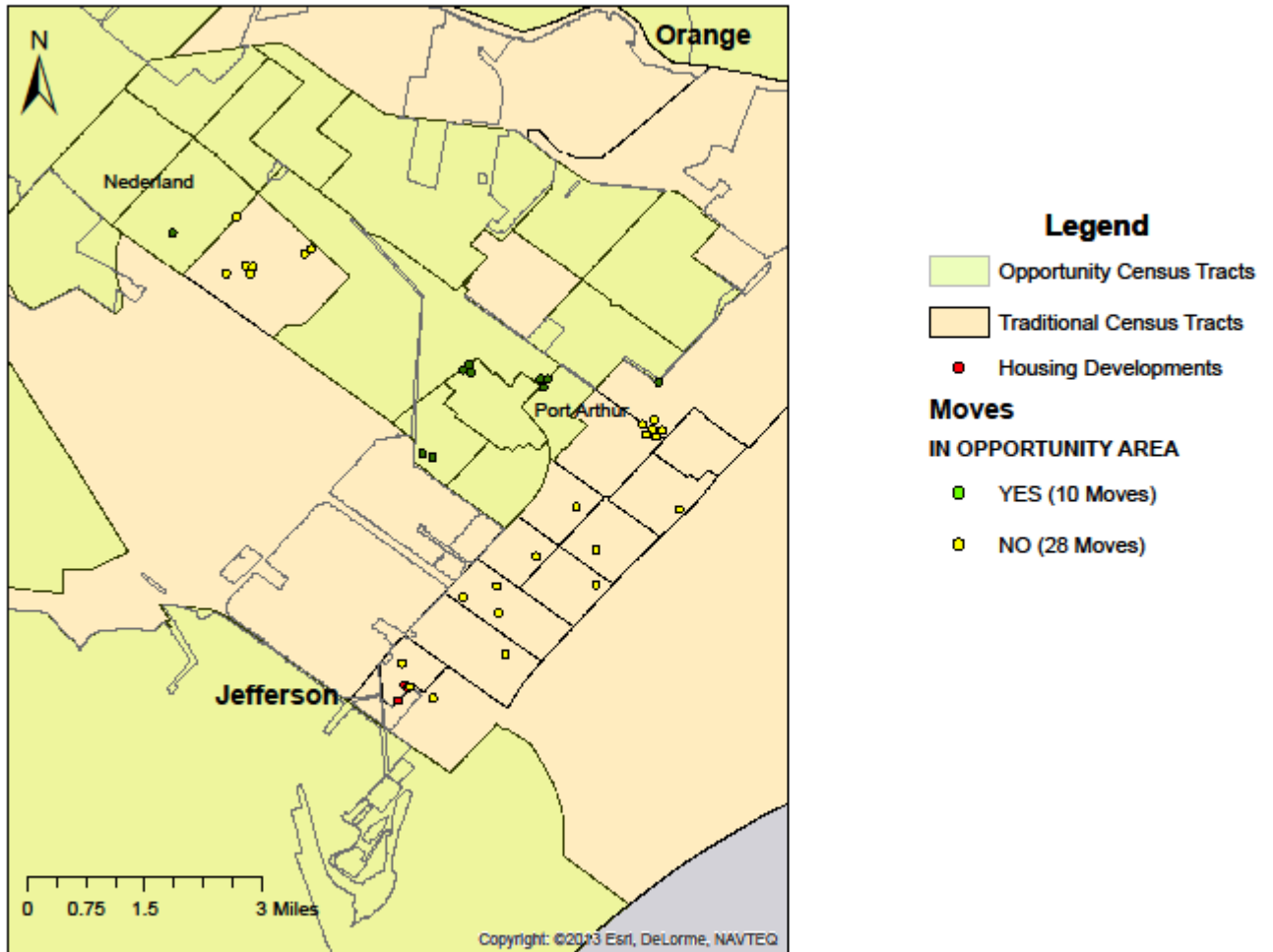
Port Arthur Housing Authority Housing Mobility Program Beaumont Opportunity Areas by Census Tract



Port Arthur Housing Authority
 Housing Mobility Program
 Partial Orange County by Census Tract



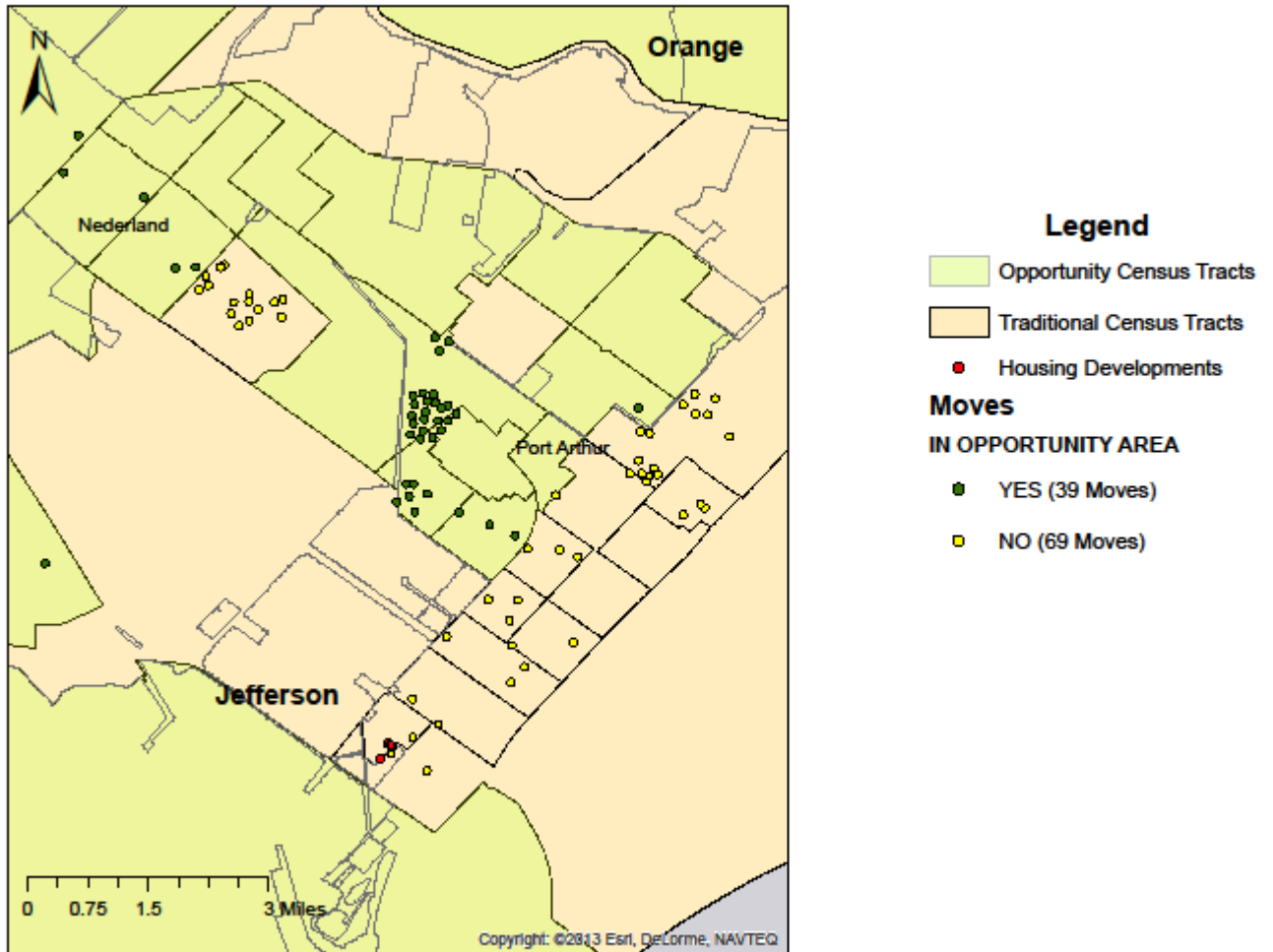
Port Arthur Housing Authority, Non-Housing Mobility Program Participants



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3/20/2014

Data sources: U.S. Census Bureau TIGER/Line® 2013 County Shapefiles; Texas State Data Center, TIGER/Line® - Texas 2010 Redistricting County Shapefiles

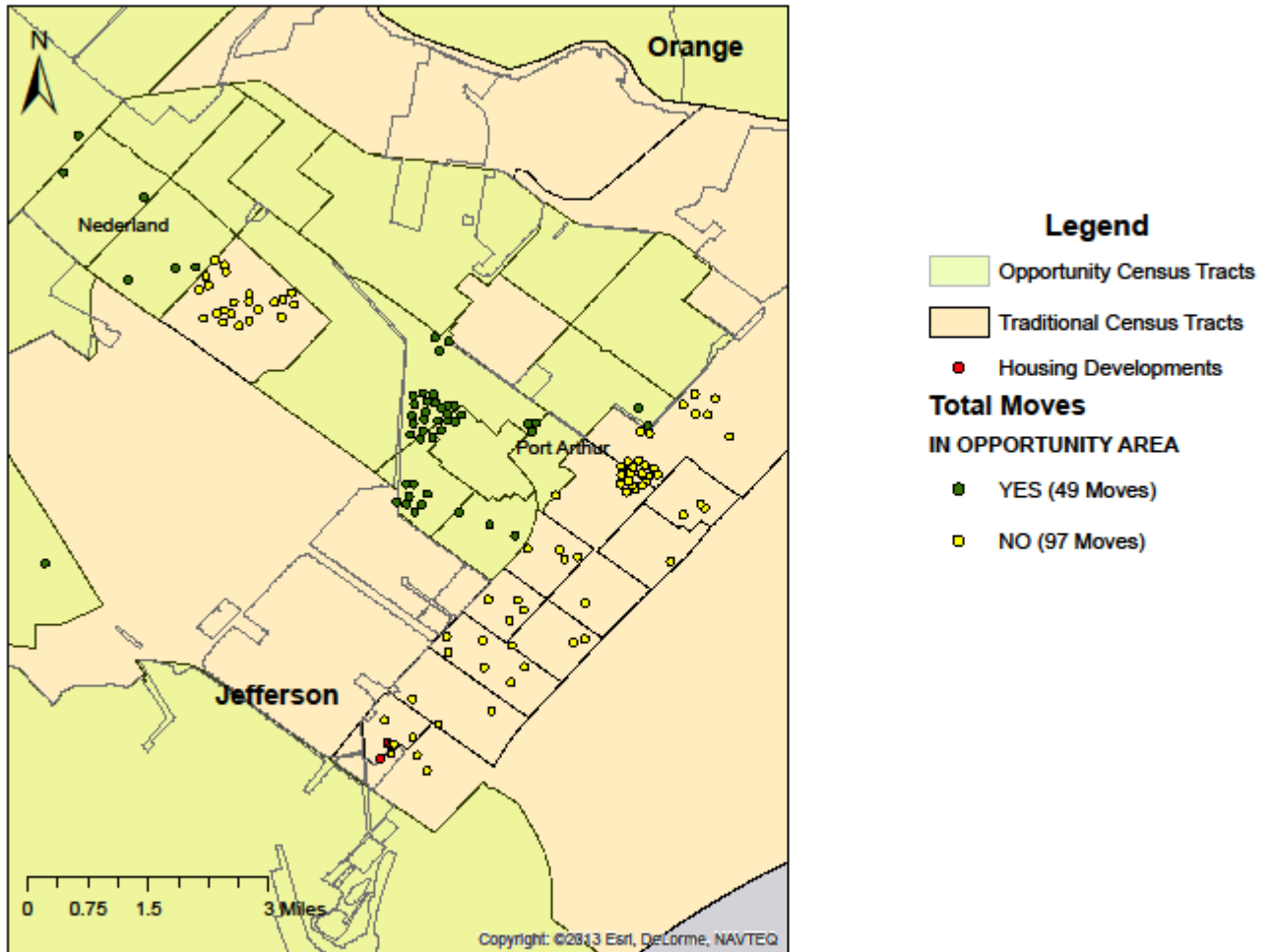
Port Arthur Housing Authority, Housing Mobility Program Participants



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Data sources: U.S. Census Bureau TIGER/Line® 2013 County Shapefiles; Texas State Data Center, TIGER/Line® - Texas 2010 Redistricting County Shapefiles

Port Arthur Housing Authority, Housing Mobility Program and Non-Housing Mobility Participants



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Data sources: U.S. Census Bureau TIGER/Line® 2013 County Shapefiles; Texas State Data Center, TIGER/Line® - Texas 2010 Redistricting County Shapefiles



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Complaint Status

Complaint Tracking #: ?	250850
Complaint Received Date:	01/20/2017
Number Complaining:	1
Status: ?	CLOSED
Status Date: ?	03/10/2017
Nature: ?	DUST
Frequency: ?	CURRENT
Duration: ?	
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Within 30 Calendar Days
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ?	PORT ARTHUR REFINERY
County: ?	JEFFERSON

Description:

Complainant stated that there is soot on their cars and outdoor furniture.

Comment:

THIS COMPLAINT HAS BEEN ASSIGNED AND WILL BE FURTHER INVESTIGATED BY AN ENVIRONMENTAL INVESTIGATOR.

Action Taken:

MORE INFORMATION WILL BE AVAILABLE UPON APPROVAL OF THE INVESTIGATION REPORT.

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Complaint Status

Complaint Tracking #: ?	247613
Complaint Received Date:	11/23/2016
Number Complaining:	8
Status: ?	CLOSED
Status Date: ?	11/30/2016
Nature: ?	ODOR
Frequency: ?	CURRENT
Duration: ?	ACTUAL
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Within 1 Working Day
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ?	PORT ARTHUR REFINERY
County: ?	JEFFERSON

Description:

THE COMPLAINANT STATED THAT THERE'S A STRONG PUNGENT ODOR IN HER AREA CAUSING NOSE/EYES TO BURN.

Comment:

MORE INFORMATION WILL BECOME AVAILABLE UPON APPROVAL OF THE INVESTIGATION REPORT.

Action Taken:

THIS COMPLAINT HAS BEEN ASSIGNED AND WILL BE FURTHER INVESTIGATED BY AN ENVIRONMENTAL INVESTIGATOR.

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›› Questions or Comments:
oce@tceq.texas.gov

Complaint Status

Complaint Tracking #: ?	248249
Complaint Received Date:	12/06/2016
Number Complaining:	1
Status: ?	CLOSED
Status Date: ?	04/24/2017
Nature: ?	ODOR
Frequency: ?	CURRENT
Duration: ?	
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Within 30 Calendar Days
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ?	PORT ARTHUR REFINERY
County: ?	JEFFERSON

Description:

THE COMPLAINANT REPORTED A FOUL SMELL, LIKE SPOILED MILK. THERE WAS A RECENT SPILL FROM A NEARBY REFINERY. SEE ATTACHED EMAIL FOR MORE INFORMATION.

Comment:

MORE INFORMATION WILL BECOME AVAILABLE UPON APPROVAL OF THE INVESTIGATION REPORT.

Action Taken:

THIS COMPLAINT HAS BEEN ASSIGNED AND WILL BE FURTHER INVESTIGATED BY AN ENVIRONMENTAL INVESTIGATOR.

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Complaint Status

Complaint Tracking #: ?	248836
Complaint Received Date:	12/12/2016
Number Complaining:	1
Status: ?	CLOSED
Status Date: ?	03/31/2017
Nature: ?	ODOR
Frequency: ?	CURRENT
Duration: ?	ACTUAL
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Within 30 Calendar Days
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ?	PORT ARTHUR REFINERY
County: ?	JEFFERSON

Description:
PUNGENT ODOR EMITTED BY LOCAL REFINERY IMPACTING NEIGHBORHOOD.

Comment:
MORE INFORMATION WILL BECOME AVAILABLE UPON APPROVAL OF THE INVESTIGATION REPORT.

Action Taken:
THIS COMPLAINT HAS BEEN ASSIGNED AND WILL BE FURTHER INVESTIGATED BY AN ENVIRONMENTAL INVESTIGATOR.

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›› Questions or Comments: oce@tceq.texas.gov

Complaint Status

Complaint Tracking #: ?	268181
Complaint Received Date:	09/19/2017
Number Complaining:	1
Status: ?	CLOSED
Status Date: ?	09/22/2017
Nature: ?	SMOKE
Frequency: ?	CURRENT
Duration: ?	ACTUAL
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Immediate Response required
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ?	VALERO PORT ARTHUR REFINERY
County: ?	JEFFERSON

Description:

STATED THAT A TANK AT VALERO EXPLODED AND WAS ON FIRE. ODORS WERE COMING FROM FIRE. THERE WAS A SHELTER IN PLACE CALLED FOR THE AREA.

Comment:

MORE INFORMATION WILL BECOME AVAILABLE UPON APPROVAL OF THE INVESTIGATION REPORT.

Action Taken:

THIS COMPLAINT HAS BEEN ASSIGNED AND WILL BE FURTHER INVESTIGATED BY AN ENVIRONMENTAL INVESTIGATOR.

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›› Questions or Comments: oce@tceq.texas.gov

Complaint Status

Complaint Tracking #: ? 129781	
Complaint Received Date: 09/19/2009	
Number Complaining: 1	
Status: ?	CLOSED
Status Date: ?	09/28/2009
Nature: ?	OTHER
Frequency: ?	CURRENT
Duration: ?	
Media: ?	AIR
Program: ?	AIR QUALITY - HIGH LEVEL
Priority: ?	Refer or Do Not Respond
Effect: ?	ENVIRONMENTAL
Receiving Water Body: ?	
Regulated Entity: ? VALERO PORT ARTHUR REFINERY	
County: ? JEFFERSON	

Description:

BIG GREEN/YELLOW CLOUD (H2S) BILLOWED OUT OF THE REFINERY.

Comment:

PORT ARTHUR, TEXAS

Investigator's Comments

An email message was sent to the complainant on September 23, 2009. A copy of the email is included below.

"We received your complaint regarding visible emissions from Valero Port Arthur Refinery. Upon reviewing the events that occurred on September 19, 2009, it was determined Valero experienced an emissions event at the Fluid Catalytic Cracking Unit. Valero has reported an emissions event initial report regarding this incident. A final report will be entered within 14 days. The emissions event will be reviewed under the TCEQ emission event regulations. Thank you for your interest in this matter. If you have additional questions, please email me or contact me at (409) 898-3838."

Action Taken:

INCIDENT FORWARDED TO A. ODSTRCIL AND THE AIR SECTION MANAGER.



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AQ	5041	MONDRAGONS PAINT AND BODY	JH0401I	2000-1043-AIR-E	JOHNSON	08/31/2001	\$5,000	\$0	\$5,000	\$0
AQ	36370	Monsanto Ag Products LLC	2701	2008-1314-AIR-E	FLOYD	03/23/2009	\$1,875	\$375	\$1,500	\$0
AQ	5897	MONT BELVIEU COMPLEX	12790	2002-1214-AIR-E	CHAMBERS	08/29/2003	\$1,875	\$375	\$1,500	\$0
AQ	7336	MONT BELVIEU FRACTIONATOR	107	2001-0339-AIR-E	CHAMBERS	01/07/2002	\$2,250	\$450	\$1,800	\$0
AQ	49672	Montgomery Materials, LLC		2014-1723-AIR-E	MONTGOMERY	05/21/2015	\$2,188	\$437	\$1,751	\$0
AQ	43078	MONTOYA, JESUS		2011-2251-AIR-E	TRINITY	10/02/2013	\$2,625	\$0	\$2,625	\$0
AQ	5206	MONTWOOD CHEVRON	EE0893Q	2001-0242-AIR-E	EL PASO	01/07/2002	\$750	\$150	\$600	\$0
AQ	24582	Monument Chemical Houston, Ltd.	HG0929Q	2005-0287-AIR-E	HARRIS	12/30/2005	\$7,140	\$1,428	\$2,856	\$2,856
AQ	42292	Monument Chemical Houston, Ltd.	1596	2011-1443-AIR-E	HARRIS	03/18/2012	\$6,950	\$1,390	\$5,560	\$0
AQ	4591	MOONEY AIRPLANE	2092	1999-1187-AIR-E	KERR	04/20/2000	\$2,500	\$500	\$2,000	\$0
AQ	24034	Moore Wallace North America, Inc.	1684	2005-0170-AIR-E	HARRIS	09/30/2005	\$6,000	\$1,200	\$4,800	\$0
AQ	4817	MOORES ORCHARD PLANT	13134	2000-0429-AIR-E	FORT BEND	01/08/2001	\$2,500	\$500	\$2,000	\$0
AQ	4818	MOORES ORCHARD PLANT	13134	2001-0244-AIR-E	FORT BEND	08/20/2001	\$2,500	\$0	\$2,500	\$0
AQ	5236	MORALES PLATING	KB0193S	2001-0197-AIR-E	KAUFMAN	05/10/2002	\$4,000	\$800	\$3,200	\$0
AQ	13305	Morgan Trailer MFG. CO.	NB0102T	2004-0278-AIR-E	NAVARRO	10/25/2004	\$5,400	\$1,080	\$4,320	\$0
AQ	5570	MORGANS POINT COMPLEX	12140	2002-0145-AIR-E	HARRIS	10/03/2002	\$750	\$150	\$600	\$0
AQ	5514	MORITZ CHEVROLET	26214	2001-1363-AIR-E	TARRANT	05/10/2002	\$450	\$90	\$360	\$0
AQ	38863	MORRIS, GARRY		2009-2035-AIR-E	GRAYSON	06/18/2010	\$1,125	\$225	\$900	\$0
AQ	46280	MORROW, SHAUN		2013-0387-AIR-E	TARRANT	08/08/2013	\$750	\$150	\$600	\$0
AQ	40198	Moss Bluff Hub LLC	2587	2010-1322-AIR-E	LIBERTY	02/20/2011	\$3,375	\$675	\$2,700	\$0
AQ	42999	Moss Bluff Hub LLC	2587	2011-2161-AIR-E	LIBERTY	07/06/2012	\$36,720	\$7,344	\$29,376	\$0
AQ	47377	Moss Bluff Hub LLC	LH0112H	2013-1502-AIR-E	LIBERTY	01/25/2014	\$5,850	\$1,170	\$4,680	\$0
AQ	28468	Moss Bluff HUB Partners, L.P.	20205	2006-0231-AIR-E	LIBERTY	08/28/2006	\$70,000	\$0	\$70,000	\$0
AQ	5332	MOSS BLUFF NATURAL GAS STORAGE FACILITY	20205	2001-0613-AIR-E	LIBERTY	01/28/2002	\$5,000	\$1,000	\$4,000	\$0
AQ	9685	MOTHERAL PRINTING COMPANY	TA0849S	2003-1222-AIR-E	TARRANT	05/09/2005	\$11,155	\$0	\$5,578	\$5,577
AQ	6494	Motiva Enterprises LLC	JE0095D	2002-1272-AIR-E	JEFFERSON	01/08/2004	\$39,750	\$0	\$19,875	\$19,875

* There are Multiple Respondent Names associated to this Case No.



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AQ	40397	Motiva Enterprises LLC	1386	2010-1514-AIR-E	JEFFERSON	05/08/2011	\$85,125	\$17,025	\$34,050	\$34,050
AQ	46192	Motiva Enterprises LLC	1386	2013-0304-AIR-E	JEFFERSON	11/01/2013	\$22,500	\$4,500	\$9,000	\$9,000
AQ	32602	Motiva Enterprises LLC	8404	2007-0203-AIR-E	JEFFERSON	10/25/2007	\$14,085	\$2,817	\$5,634	\$5,634
AQ	37907	Motiva Enterprises LLC	8404	2009-1043-AIR-E	JEFFERSON	06/18/2010	\$312,272	\$62,454	\$124,909	\$124,909
AQ	9617	Motiva Enterprises LLC	JE0095D	2003-1186-AIR-E	JEFFERSON	04/29/2005	\$656,397	\$0	\$328,199	\$328,198
AQ	43465	Motiva Enterprises LLC	3387	2012-0331-AIR-E	JEFFERSON	10/17/2014	\$34,300	\$6,860	\$13,720	\$13,720
AQ	43911	Motiva Enterprises LLC	1386	2012-0735-AIR-E	JEFFERSON	12/19/2013	\$101,038	\$0	\$50,519	\$50,519
AQ	31014	Motiva Enterprises LLC	8404	2006-1513-AIR-E	JEFFERSON	06/19/2008	\$368,445	\$73,689	\$147,378	\$147,378
AQ	43036	Motiva Enterprises LLC	8404	2011-2212-AIR-E	JEFFERSON	08/02/2012	\$10,062	\$2,012	\$4,025	\$4,025
AQ	34615	Motiva Enterprises LLC	JE0095D	2007-1497-AIR-E	JEFFERSON	07/03/2008	\$222,268	\$44,453	\$88,908	\$88,907
AQ	46719	Motiva Enterprises LLC	1386	2013-0885-AIR-E	JEFFERSON	08/15/2014	\$35,689	\$7,137	\$14,276	\$14,276
AQ	48836	Motiva Enterprises LLC	3387	2014-0837-AIR-E	JEFFERSON	10/01/2015	\$72,905	\$14,581	\$29,162	\$29,162
AQ	48364	Motiva Enterprises LLC	1386	2014-0336-AIR-E	JEFFERSON	10/17/2014	\$67,500	\$0	\$33,750	\$33,750
AQ	48031	Motiva Enterprises LLC	8404	2013-2189-AIR-E	JEFFERSON	07/11/2014	\$50,438	\$0	\$25,219	\$25,219
AQ	29560	Motiva Enterprises LLC	8404	2006-0613-AIR-E	JEFFERSON	11/09/2007	\$18,944	\$0	\$18,944	\$0
AQ	42299	Motiva Enterprises LLC	1386	2011-1461-AIR-E	JEFFERSON	06/03/2013	\$92,450	\$18,490	\$36,980	\$36,980
AQ	33184	Motiva Enterprises LLC	357	2007-0586-MLM-E	JEFFERSON	02/25/2008	\$29,362	\$5,872	\$11,745	\$11,745
AQ	46398	Motiva Enterprises LLC	1386	2013-0551-AIR-E	JEFFERSON	11/11/2013	\$30,000	\$6,000	\$24,000	\$0
AQ	34450	Motiva Enterprises LLC	8404	2007-1335-AIR-E	JEFFERSON	04/14/2008	\$24,700	\$4,940	\$9,880	\$9,880
AQ	16787	Motiva Enterprises LLC	JE0095D	2004-0898-AIR-E	JEFFERSON	03/21/2005	\$20,000	\$0	\$20,000	\$0
AQ	35503	Motiva Enterprises LLC	8404	2008-0389-AIR-E	JEFFERSON	09/22/2008	\$9,350	\$1,870	\$3,740	\$3,740
AQ	30745	Motiva Enterprises LLC	357	2006-1259-AIR-E	JEFFERSON	02/18/2007	\$2,500	\$500	\$2,000	\$0
AQ	39238	Motiva Enterprises LLC	8404	2010-0381-AIR-E	JEFFERSON	10/25/2010	\$97,167	\$19,433	\$38,867	\$38,867
AQ	44757	Motiva Enterprises LLC	8404	2012-1628-AIR-E	JEFFERSON	09/30/2013	\$28,688	\$5,737	\$11,476	\$11,475
AQ	22443	Motiva Enterprises LLC	JE0095D	2004-2026-AIR-E	JEFFERSON	12/15/2005	\$4,975	\$0	\$4,975	\$0
AQ	50435	Motiva Enterprises LLC	8404	2015-0630-AIR-E	JEFFERSON	10/11/2015	\$6,563	\$1,312	\$2,626	\$2,625
AQ	24634	Motiva Enterprises LLC	JE0095D	2005-0347-AIR-E	JEFFERSON	11/06/2005	\$10,659	\$0	\$10,659	\$0

* There are Multiple Respondent Names associated to this Case No.



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AQ	11950	Motiva Enterprises LLC	8404	2004-0045-AIR-E	JEFFERSON	11/11/2004	\$38,475	\$0	\$19,238	\$19,237
AQ	27494	Motiva Enterprises LLC	8404	2005-2011-AIR-E	JEFFERSON	02/18/2008	\$32,980	\$0	\$32,980	\$0
AQ	41593	Motiva Enterprises LLC	8404	2011-0688-AIR-E	JEFFERSON	01/27/2012	\$10,000	\$0	\$10,000	\$0
AQ	49471	Motiva Enterprises LLC	1386	2014-1514-AIR-E	JEFFERSON	04/09/2015	\$40,000	\$0	\$40,000	\$0
AQ	4558	MR MUFFLER & BRAKE SHO	GB0648H	1999-1150-AIR-E	GALVESTON	05/22/2000	\$1,000	\$200	\$800	\$0
AQ	47223	Multisources, LTD	106315L001	2013-1335-AIR-E	FAYETTE	12/19/2013	\$7,875	\$1,575	\$6,300	\$0
AQ	50103	MUNOZ, BENJAMIN	R0410783420 2	2015-0258-AIR-E	TARRANT	11/22/2015	\$5,250	\$1,050	\$4,200	\$0
AQ	26126	MUNOZ, FERNANDO JR	ZA0147B	2005-1124-AIR-E	ZAPATA	03/23/2006	\$2,910	\$582	\$2,328	\$0
AQ	34346	Murphy Oil USA, Inc.		2007-1242-AIR-E	EL PASO	09/22/2008	\$7,520	\$1,504	\$6,016	\$0
AQ	43675	Nabors Well Services Co.	93058	2012-0487-AIR-E	TARRANT	09/30/2012	\$3,280	\$656	\$2,624	\$0
AQ	44582	NAJERA, FELIPE	R0510610411 0	2012-1445-AIR-E	ANDERSON	10/26/2012	\$875	\$0	\$875	\$0
AQ	46711	Nalco Company LLC	107923	2013-0799-AIR-E	GRAY	01/02/2014	\$1,250	\$250	\$1,000	\$0
AQ	32831	Nalco Company LLC	FG0025L	2007-0306-AIR-E	FORT BEND	09/21/2007	\$4,750	\$950	\$3,800	\$0
AQ	34378	Name: UNITED STATES ALUMINUM CORPORATION - TEXAS	34802	2007-1266-AIR-E	ELLIS	04/03/2008	\$27,900	\$5,580	\$11,160	\$11,160
AQ	50709	NAPCO Precast, LLC	129264	2015-0946-AIR-E	BEXAR	10/19/2015	\$1,875	\$375	\$1,500	\$0
AQ	50216	National Oilwell Varco, L.P.	106552	2015-0388-AIR-E	TARRANT	07/19/2015	\$2,550	\$510	\$2,040	\$0
AQ	36109	National Oilwell Varco, L.P.	1084	2008-1084-AIR-E	HARRIS	01/30/2009	\$1,140	\$228	\$912	\$0
AQ	27288	National Oilwell Varco, L.P.	ML0047G	2005-1770-AIR-E	MIDLAND	06/15/2006	\$23,000	\$4,600	\$9,200	\$9,200
AQ	47573	National Oilwell Varco, L.P.	2820	2013-1673-AIR-E	TOM GREEN	05/24/2014	\$14,625	\$2,925	\$11,700	\$0
AQ	44099	National Oilwell Varco, L.P.	1084	2012-0969-AIR-E	HARRIS	12/09/2013	\$3,500	\$700	\$2,800	\$0
AQ	35121	National Oilwell Varco, L.P.	1818	2007-2023-AIR-E	HARRIS	07/21/2008	\$12,445	\$2,489	\$9,956	\$0
AQ	42599	National Oilwell Varco, L.P.	1084	2011-1739-AIR-E	HARRIS	04/21/2012	\$6,650	\$1,330	\$5,320	\$0
AQ	28822	National Oilwell Varco, L.P.	HG0878I	2006-0285-AIR-E	HARRIS	09/21/2006	\$85,625	\$17,125	\$34,250	\$34,250
AQ	6878	NATIONSRENT	EE1314K	1998-0158-AIR-E	EL PASO	04/09/1999	\$750	\$0	\$750	\$0
AQ	5546	NATIONSRENT	EE1314K	2002-0095-AIR-E	EL PASO	11/02/2002	\$2,500	\$0	\$2,500	\$0

* There are Multiple Respondent Names associated to this Case No.



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AQ	48953	The Lubrizol Corporation	1935	2014-0971-AIR-E	HARRIS	07/17/2015	\$15,000	\$3,000	\$6,000	\$6,000
AQ	42502	The Lubrizol Corporation	1582	2011-1637-AIR-E	HARRIS	06/07/2012	\$3,425	\$685	\$2,740	\$0
AQ	40884	The Lubrizol Corporation	HG0459J	2010-2043-AIR-E	HARRIS	07/02/2011	\$17,450	\$3,490	\$6,980	\$6,980
AQ	26727	The Lubrizol Corporation	HG0459J	2005-1554-AIR-E	HARRIS	06/15/2006	\$53,400	\$10,680	\$21,360	\$21,360
AQ	50544	The Lubrizol Corporation	1930	2015-0765-AIR-E	HARRIS	02/04/2016	\$30,000	\$6,000	\$12,000	\$12,000
AQ	30859	THE METHODIST HOSPITAL	HX2687K	2006-1372-AIR-E	HARRIS	04/13/2007	\$32,000	\$6,400	\$0	\$25,600
AQ	6999	THE PIT PROS	DB4948P	1998-1121-AIR-E	DALLAS	02/12/2000	\$1,250	\$0	\$1,250	\$0
AQ	49315	The Praxis Companies, LLC	18756	2014-1336-AIR-E	ELLIS	04/27/2015	\$9,150	\$1,830	\$7,320	\$0
AQ	3168	The Premcor Refining Group Inc.	2303A	2003-0053-AIR-E	JEFFERSON	10/10/2003	\$8,000	\$1,600	\$3,200	\$3,200
AQ	50107	The Premcor Refining Group Inc.	1498	2015-0292-AIR-E	JEFFERSON	08/17/2015	\$7,125	\$1,425	\$2,850	\$2,850
AQ	34572	The Premcor Refining Group Inc.	1498	2007-1455-AIR-E	JEFFERSON	01/30/2009	\$14,641	\$0	\$7,321	\$7,320
AQ	48021	The Premcor Refining Group Inc.	1498	2013-2180-AIR-E	JEFFERSON	08/25/2014	\$30,500	\$0	\$15,250	\$15,250
AQ	48619	The Premcor Refining Group Inc.	6825A	2014-0630-AIR-E	JEFFERSON	03/13/2015	\$41,250	\$8,250	\$16,500	\$16,500
AQ	35830	The Premcor Refining Group Inc.	6825A	2008-0742-AIR-E	JEFFERSON	02/22/2009	\$46,213	\$0	\$23,107	\$23,106
AQ	34459	The Premcor Refining Group Inc.	6825A	2007-1358-AIR-E	JEFFERSON	04/14/2008	\$30,400	\$0	\$15,200	\$15,200
AQ	47768	The Premcor Refining Group Inc.	1498	2013-1862-AIR-E	JEFFERSON	08/15/2014	\$55,063	\$11,012	\$22,026	\$22,025
AQ	37432	The Premcor Refining Group Inc.	6825A	2009-0511-AIR-E	JEFFERSON	03/20/2010	\$24,750	\$0	\$12,375	\$12,375
AQ	48895	The Premcor Refining Group Inc.	6825A	2014-0903-AIR-E	JEFFERSON	02/13/2015	\$25,000	\$0	\$12,500	\$12,500
AQ	3167	The Premcor Refining Group Inc.	1134	2002-0429-AIR-E	JEFFERSON	03/20/2003	\$9,375	\$0	\$4,775	\$4,600
AQ	33805	The Premcor Refining Group Inc.	6825A	2007-0956-AIR-E	JEFFERSON	02/25/2008	\$25,150	\$5,030	\$10,060	\$10,060
AQ	48490	The Premcor Refining Group Inc.	6825A	2014-0465-AIR-E	JEFFERSON	04/09/2015	\$200,000	\$0	\$100,000	\$100,000
AQ	32479	The Premcor Refining Group Inc.	6825	2007-0149-AIR-E	JEFFERSON	01/12/2008	\$64,625	\$0	\$32,313	\$32,312
AQ	35546	The Premcor Refining Group Inc.	6825A	2008-0435-AIR-E	JEFFERSON	12/04/2008	\$54,688	\$0	\$27,344	\$27,344
AQ	50396	The Premcor Refining Group Inc.	1498	2015-0594-AIR-E	JEFFERSON	03/04/2016	\$46,876	\$9,375	\$18,751	\$18,750
AQ	36095	The Premcor Refining Group Inc.	6825A	2008-1043-AIR-E	JEFFERSON	06/01/2009	\$17,100	\$3,420	\$6,840	\$6,840
AQ	29721	The Premcor Refining Group Inc.	JE0042B	2006-0738-AIR-E	JEFFERSON	09/21/2007	\$43,437	\$0	\$21,719	\$21,718
AQ	51274	The Premcor Refining Group Inc.	6825A	2015-1423-AIR-E	JEFFERSON	03/01/2016	\$7,500	\$1,500	\$3,000	\$3,000

* There are Multiple Respondent Names associated to this Case No.



Singles Program

Date Range Selected : 09/01/1998 - 6/10/2016

List of Administrative Orders Issued

PGM	Case No.	Respondent Name	TCEQ ID	Docket#	County	Order Date	Penalty Assessed	Penalty Deferred	Payable Amount	SEP Offset
AQ	42206	The Premcor Refining Group Inc.	6825A	2011-1355-AIR-E	JEFFERSON	02/18/2012	\$30,000	\$6,000	\$12,000	\$12,000
AQ	49681	The Premcor Refining Group Inc.	2228	2014-1747-AIR-E	JEFFERSON	09/15/2015	\$35,438	\$7,087	\$14,176	\$14,175
AQ	32927	The Premcor Refining Group Inc.	2229	2007-0385-AIR-E	JEFFERSON	12/20/2007	\$56,166	\$0	\$28,083	\$28,083
AQ	37110	The Premcor Refining Group Inc.	6825A	2009-0151-AIR-E	JEFFERSON	08/31/2009	\$19,600	\$3,920	\$7,840	\$7,840
AQ	25058	The Premcor Refining Group Inc.	JE0042B	2005-0585-AIR-E	JEFFERSON	06/15/2006	\$6,860	\$1,372	\$2,744	\$2,744
AQ	4496	THE SHERWIN-WILLIAMS GARLAND FACILITY	13425	2001-1002-AIR-E	DALLAS	02/11/2002	\$2,500	\$0	\$2,500	\$0
AQ	4495	THE SHERWIN-WILLIAMS GARLAND FACILITY	13425	2001-0010-AIR-E	DALLAS	07/23/2001	\$3,125	\$0	\$3,125	\$0
AQ	4494	THE SHERWIN-WILLIAMS GARLAND FACILITY	13425	1999-0999-AIR-E	DALLAS	05/01/2000	\$2,500	\$500	\$2,000	\$0
AQ	9674	The University of Texas Southwestern Medical Center	DB2459D	2003-1216-AIR-E	DALLAS	07/30/2004	\$2,550	\$510	\$0	\$2,040
AQ	4445	THE USED CAR FACTORY P8788	TA3129P	1999-0616-AIR-E	TARRANT	08/26/2000	\$375	\$0	\$375	\$0
AQ	4741	THELIN RECYCLING	TA3987H	2002-0856-AIR-E	TARRANT	03/20/2003	\$1,250	\$0	\$1,250	\$0
AQ	34200	Thelin Recycling Company, L.P.	TA3987H	2007-1092-AIR-E	TARRANT	02/25/2008	\$9,100	\$1,820	\$7,280	\$0
AQ	13747	Therma Foam, Inc.	TA0374V	2004-0356-AIR-E	TARRANT	10/25/2004	\$4,800	\$960	\$3,840	\$0
AQ	29722	Thomas Steel Drums, Inc.	49060	2006-0804-AIR-E	TARRANT	02/05/2007	\$1,120	\$224	\$896	\$0
AQ	3210	THOMPSON BROWNFIELD BATTERY	17855	2000-0715-AIR-E	TERRY	06/08/2001	\$7,000	\$0	\$7,000	\$0
AQ	7289	THOMPSONVILLE COMPRESSION STATION	19058	2000-1208-AIR-E	JIM HOGG	11/18/2001	\$7,500	\$1,500	\$6,000	\$0
AQ	48272	THORNBURG, RIP		2014-0254-AIR-E	ERATH	09/19/2014	\$10,000	\$0	\$10,000	\$0
AQ	7276	THREE RIVERS PLANT	1997	2000-0999-AIR-E	LIVE OAK	06/08/2001	\$6,750	\$1,350	\$5,400	\$0
AQ	3709	Ticona Polymers, Inc.	1336	1999-0019-AIR-E	NUECES	02/11/2002	\$191,800	\$0	\$95,915	\$95,885
AQ	22279	Tierra DH Pump, Inc.	EE2122O	2004-1968-AIR-E	EL PASO	08/20/2006	\$1,250	\$0	\$1,250	\$0
AQ	27319	Tiffany Brick Co., L.P.	BC0018F	2005-1900-AIR-E	BASTROP	03/23/2006	\$5,200	\$1,040	\$4,160	\$0
AQ	19151	Tige Boats, Inc.	J10080S	2004-1363-AIR-E	TAYLOR	06/09/2005	\$2,600	\$520	\$2,080	\$0
AQ	35609	Tige Boats, Inc.	2674	2008-0526-AIR-E	TAYLOR	08/15/2008	\$5,000	\$1,000	\$4,000	\$0
AQ	34513	Tige Boats, Inc.	2674	2007-1406-AIR-E	TAYLOR	02/08/2008	\$4,750	\$950	\$3,800	\$0
AQ	50408	Tige Boats, Inc.	2674	2015-0602-AIR-E	TAYLOR	08/17/2015	\$7,125	\$1,425	\$5,700	\$0

* There are Multiple Respondent Names associated to this Case No.

19301
Administrative Deficiency Notice(s)
None Required

19301

Request for Administrative Deficiency

Second Request

Texas Housers
1800 W. Sixth Street
Austin, Texas
78703

May 1st, 2019

Marni Holloway
Director of Multifamily Finance
TDHCA
221 E 11th St
Austin, TX
78701
Email: marni.holloway@tdhca.state.tx.us
CC: Miranda Sprague, apps@itexgrp.com

RE: Third party Request for Administrative Deficiency for Prince Hall, TDHCA #19301

As required by 10 TAC S11.101(a)(3) of the 2019 Qualified Allocation Plan, ITEX and their consultants -- henceforth referred to as "the Applicant" -- disclosed the presence of a number of Neighborhood Risk Factors and requested that, given the evidence supplied, TDHCA consider a request for exemption. They disclose a number of factors, including:

1. The proximity of Motiva and Valero (formerly Texaco and Gulf) refineries.
2. A census tract with poverty in excess of 40%
3. 2x average concentration of HTC units

Texas Housers exists to support low-income Texans' efforts to achieve the American dream of a decent, affordable home in a quality neighborhood and we strongly urge TDHCA not to grant any such exemption that would allow for the use of additional funding to go towards supporting subsidized housing at a site such as Prince Hall.

1. The Refineries

The Applicant is requesting a waiver based on the proximity to refining facilities. The proximity to these refineries should disqualify recapitalizing this housing. Included with this letter is the documentation (Attachment 1) to demolish the former Carver Terrace housing development located immediately next to Prince Hall. These two developments are in the same census tract that is in question. It was demolished in 2016 and HUD committed the land to open space in perpetuity because of both the substantial environmental hazard of the refineries and the overall state of the neighborhood being unsuitable for such a development. In their application, the Applicant offers their proximity as a benefit to the site, calling them "major employment centers for the area." According to a 2013 memorandum from HUD from that document:

“The Carver Terrace was built in 1953, on the western edge of the City of Port Arthur’s historical neighborhood, adjacent to Texaco and Gulf oil refineries. There were many commercial businesses in the historic Westside neighborhood. Many residents worked at the plants and more than 8,000 worked at the refineries. Investment in the refineries, and technological changes, have reduced the permanent workforce needed to about 2,500 persons. Most of these are highly skilled engineering and technical jobs beyond the reach of public housing residents. Many white citizens fled the neighborhood and retail investment shifted to areas closer to wealthier neighborhoods. The loss of local employment, and increases in crime rates, have caused steep declines in population in the Westside neighborhood.” (Attachment 2)

The industry has changed and the refineries do not offer the low-income residents of Prince Hall the opportunity that they once did. Residents are currently left with only the negative externalities of the petrochemical industry nearby.

Furthermore the application for #19301 does not disclose the environmental concerns and dire state of the neighborhood for the 2016 demolition of nearby Carver Terrace. It references new developments in Port Arthur but omits the fact that those new developments were built to accommodate residents being relocated away from the Prince Hall neighborhood. This is especially concerning when it was the Applicant or a related subsidiary, also named ITEX, that was contracted to demolish Carver Terrace. In the attached article, “Carver Terrace comes down amid former councilman’s concerns,” Chris Akbari is interviewed regarding the demolition of the former site. (Attachment 3) Chris Akbari also writes the attached “Request for Exemption of Undesirable Site Feature...” letter to TDHCA in regards to waiving the concerns associated with the Prince Hall site for Application #19301. (Attachment 4)

That the application mentions nearby land -- within 500 feet -- owned by Motiva that contains no industrial operations, and characterizes this disclosure as “an abundance of caution.” This is disingenuous at best, considering the history of the neighborhood and the Applicants historical involvement. It currently serves as a parking lot as, again, nearly all of the workers at the refinery live elsewhere.

Furthermore, the Applicant has not included images from Google Maps aerial imagery possibly because it still shows piles of debris and rubble of the former Carver Terrace in mid demolition -- again, immediately adjacent to Prince Hall. (Attachment 5)

2. Poverty in the Census Tract

The Applicant is requesting a waiver for the high poverty rate that exists in the census tract where Prince Hall is located. The Applicant states that, according to the TDHCA demographics, the census tract in question (48245005900) has experienced an

approximate 21% reduction in poverty since 2013. This is an incomplete understanding. A look at the population totals for that census tract reveal that it is shrinking and has lost 17% of its population over the same period of time (Attachment 6). It is true that poverty has fallen in the tract but poverty falls when low income people leave for better opportunity elsewhere. Poverty also falls in a census tract after a subsidized housing development is demolished and its residents are given relocation assistance to leave and find a safer home in a better neighborhood, as was the case with neighboring Carver Terrace.

This alternate narrative -- low income people leaving for better opportunity elsewhere -- fits with HUD's assessment and its description of a neighborhood that has little to offer its low income residents. The applicant has not included any argument to address HUD's overall characterization of the neighborhood being unsuitable for this type of housing or evidence of substantial changes on investment in the neighborhood, community, or local economy that would change this situation.

3. Concentration

If anything is to be understood from the HUD memo, it is that the neighborhood that is currently home to Prince Hall and formerly home to its neighbor, Carver Terrace, is unfit for low income people to thrive. To continue to support a substandard development in an area that already has twice the state average per capita, goes against the purpose of the tax credit program.

Conclusion

It is alarming that TDHCA would allow an applicant to recapitalize a housing development next door to a property that the same Applicant demolished for area environmental hazards and substandard neighborhood conditions as recently as 2016. The tax credit program exists to invest in the futures of many low income Texans -- that we might provide safe homes and opportunity for them and their families. To squander that investment by continuing to support housing in the shadow of the largest American oil refinery, where HUD has documented concern for the hazardous conditions, is of concern to taxpayers and humanitarians alike. Any additional funds that are directed towards this property should be in the form of vouchers to allow residents to move, support services to facilitate that move, and buying the property out to commit it to green space.

Attachment 1

Full Document



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

APR 30 2013

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

The Department has reviewed the Port Arthur Housing Authority's (PAHA) application for the disposition of 1 non-dwelling and 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001. The Special Applications Center (SAC) received this application on December 11, 2012, via the Public and Indian Housing Information Center (PIC), Application DDA0004944. Supplemental information was received through February 6, 2013.

I am pleased to approve your request to dispose of 1 non-dwelling and 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid, as described in the application. If no bids are received for FMV or higher, please consult with the HUD Houston Program Center and this office.

Notwithstanding this approval, the PAHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated.

According to the Office of the Chief Financial Officer, there is no outstanding debt on Carver Terrace Apts., TX034000001. The PAHA will realize net proceeds from this disposition. In the application, the PAHA proposes to use the net proceeds of sale to acquire or develop other single family public housing units in a future Phase 3 development. PAHA is also developing 360 units, including 156 public housing units, in Phase 1 and Phase 2 developments of the Park Central and Edison Square projects. This use of proceeds for single family public housing units meets the requirements of the statute, and is approved.

Approval of your application is based on the Department's understanding of your submission, as outlined in the enclosed memorandum from me to the HUD Houston Program Center. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition.

The disposition of these units will affect the PAHA's operating subsidy eligibility significantly. Please contact the HUD financial analyst in the HUD Houston Program Center for additional information about this.

Please make sure that your annual Capital Fund Building and Unit Certification is updated properly to reflect these changes.

If you are interested in applying for housing choice vouchers in connection with the units approved for disposition, you must submit an application to the HUD Houston Program Center Office of Public Housing for review and approval in accordance with the procedures in HUD Notice 2012-9, or HUD's current Notice outlining the application procedures.

In accordance with 24 CFR § 970.35 of the regulation, your agency is required to inform the HUD Houston Program Center of the status of the project. When the disposition has been achieved, please submit a report to the HUD Houston Program Center confirming the action and certifying compliance with all applicable requirements. Files must be maintained which are sufficient for audit purposes and must be made available upon request.

The PAHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in PIC, for the HUD Houston Program Center approval so that the status of the units and acres of land in PIC is changed to "removed from inventory."

As the PAHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD Houston Program Center stands ready to assist you.

Sincerely,



Ainars Rodins, P.E.
Director

Enclosure



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

APR 30 2013

MEMORANDUM FOR: Daniel Rodriguez, Program Center Coordinator, Office of Public Housing, 6EPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

SUBJECT: Approval for the Port Arthur Housing Authority's (PAHA) Request for the Disposition of 1 Non-Dwelling Building, 46 Dwelling Buildings Containing 204 Dwelling Units and 8 Acres of Underlying Land at Carver Terrace Apartments, TX034000001.

The SAC received this application on December 11, 2012, via the Public and Indian Housing Information Center (PIC), DDA0004944. Supplemental information was received through February 6, 2013. The Environmental Assessment was completed by the City of Port Arthur on November 19, 2012, in accordance with 24 CFR Part 58. A Request for Release of Funds (RROF) was submitted on December 10, 2012, and was signed off on by the Houston Program Center on January 25, 2013.

The Houston Program Center provided a certification stating that the subject submission accurately describes the project proposed for disposition, and the reasons provided by the Port Arthur Housing Authority (PAHA) to support the proposed action are correct and factual. On February 25, 2013, the Houston Fair Housing and Equal Opportunity Center (FHEO), Program Compliance Branch, recommended the disposition approval.

Advance drafts of this memorandum and the approval letter were sent to the PAHA for their comments on March 21, 2013. The PAHA responded with comments on March 25, 2013. Advance drafts were sent to the Fort Worth HUB and the Houston Program Center for their comments on March 21, 2013; no comments were received.

Under 24 CFR § 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide a "certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR Part 903, and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part." The Houston Program Center approved the PAHA's agency plan on October 18, 2012, which includes the subject action.

Description of Development

The PAHA proposed the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001. Details of the proposed disposition are as follows:

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

History of the Development

The PAHA has not received any Inventory Removal approvals from HUD for Carver Terrace Apts, TX034000001.

Reason for Action (Justification)

The PAHA proposed the disposition based on 24 CFR § 970.17(a), which requires the PHA to certify that the retention of the property is not in the best interests of the residents or the PHA because conditions in the area surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the PHA.

The Carver Terrace was built in 1953, on the western edge of the City of Port Arthur's historical neighborhood, adjacent to Texaco and Gulf oil refineries. There were many commercial businesses in the historic Westside neighborhood. Many residents worked at the plants and more than 8,000 worked at the refineries. Investment in the refineries, and technological changes, have reduced the permanent workforce needed to about 2,500 persons. Most of these are highly skilled engineering and technical jobs beyond the reach of public housing residents. Many white citizens fled the neighborhood and retail investment shifted to areas closer to wealthier neighborhoods. The loss of local employment, and increases in crime rates, have caused steep declines in population in the Westside neighborhood. Sixteen handwritten notes from current residents of Carver Terrace in support of the proposed disposition were included with the application. These notes made clear that the Carver Terrace development was an adverse environment in which to live. Many expressed fears about the safety of their children at the project. We concur with the PAHA's determination that the disposition is in the best interests of the residents and the PHA because, due to changes in the neighborhood, the project no longer provides a healthy living environment.

Appraisal

The PAHA submitted an appraisal with the application. Tim N. Treadway, an independent appraiser, determined the Fair Market Value (FMV) to be \$1,670,000, as of September 25, 2012.

Method of Sale

The PAHA proposed the disposition via a public bid at FMV or higher.

Use of Proceeds

According to the Office of the Chief Financial Officer, there is no outstanding debt on Carver Terrace Apts., TX034000001. The PAHA will realize net proceeds from this disposition. In the application, the PAHA proposes to use \$837,632 from gross proceeds for relocation and transaction costs. Net proceeds of sale would be used to acquire or develop other single family public housing units. We determined that this use of proceeds meet the requirements of the statute.

Relocation

When the application was developed and transmitted to the Department, 184 units proposed for disposition were occupied. The PAHA has submitted a certification regarding relocation as required by 24 CFR § 970.21(e) (f). The PAHA estimated the relocation cost for the remaining residents to be \$787,532, which includes moving expenses and counseling\ advisory services. The housing resources offered will be other public housing and Housing Choice Vouchers.

Resident Consultation

1. Project(s) Specific Resident Organization(s): Carver Terrace
2. PHA-wide Resident Organization: None
3. Resident Advisory Board (RAB) in accordance with 24 CFR § 903.13: RAB

24 CFR § 970.9 requires that an application for disposition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

The PAHA met with the residents on August 15, 2012, August 29, 2012, September 12, 2012, October 29, 2012 and November 30, 2012 to discuss the proposed disposition. On October 5, 2012, PAHA met with the Carver Terrace Resident Council, the RAB and the residents to address questions concerning the disposition. The agenda, a sign-in-sheet and resident comments were included in the application. The resident comments described unacceptable conditions prevailing at Carver Terrace, and expressed the hope that moving would improve their situation.

Offer for Sale to the Resident Organization

24 CFR § 970.9(b) (1) of the regulations requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The PAHA made a formal offer for purchase of the subject property to the Carver Terrace Resident Council (CTRC) and the RAB via a letter dated October 10, 2012, the 30-day time period to express an interest to purchase the development expired on November 10, 2012. As no response was received from the CTRC or the RAB, The PAHA has satisfied the requirements of 24 CFR § 970.9(b) (1). We concur with the PAHA's determination that it has complied with the requirements of 24 CFR § 970.9.

Mayor/Local Government Consultation

As required by 24 CFR § 970.7(a) (14), the application package includes a letter of support from the Honorable Deloris Prince, Mayor of the City of Port Arthur Texas, dated November 20, 2012.

Board Resolution

As required by the 24 CFR § 970.7(a) (13), the PAHA's Board of Commissioners approved the submission of the application for disposition of the proposed property on December 7, 2012, via Resolution Number 12072012-01. The last resident consultation was on November 30, 2012. The consultation with the local government took place on September 13, 2012.

Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR Part 970, including requirements related to resident consultation, relocation and opportunity to purchase the property by the resident organization. Based upon our review, and finding that the requirements of 24 CFR Part 970 and Section 18 of the Act have been met, the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, as previously identified and described in the application, at the FMV of \$1,670,000, or higher, via a public bid, is hereby approved. If the PAHA fails to receive any bids at FMV or higher, please inform this office as to the PAHA plans.

The PHA has current plans to develop 360 units of the following types off-site in the Phase 1 Park Central, and the Phase 2 Edison Square, developments, as identified below. The \$832,368 in estimated net proceeds from the sale of Carver Terrace would be dedicated to development of single family public housing units planned for a future Phase 3 project. This use of proceeds is also approved.

Total Units to be Redeveloped 360	Less than 80% of Area Median Income		Market Rate
	ACC	Non-ACC	
Rental	156	188	16

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated.

Operating Subsidy

In accordance with 24 CFR § 990.114, the disposition of these units will affect the PAHA's operating subsidy eligibility significantly. The PAHA was advised to contact the HUD financial analyst in the Houston Program Center for additional information.

Housing Choice Vouchers

If the PAHA is interested in applying for housing choice vouchers in connection with the units approved for disposition, it will need to submit an application to the Houston Program Center. The PAHA should submit its application in response to HUD Notice 2012-9, or HUD's current Notice outlining the application procedures.

PIC and Monitoring

The PAHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in PIC, for the Houston Program Center approval so that the status of the units and acres of land in PIC is changed to "removed from inventory."

It is the Houston Program Center's responsibility to monitor this activity based on its latest risk assessment. The Houston Program Center must verify that the actual data is being entered in PIC by the PAHA as the actions occur to ensure the Department is not over paying in operating subsidy, and the Capital Fund formula data is correct. Since this action expects to generate net proceeds of \$832,368, it is the Houston Program Center's responsibility to verify the funds were used as approved, and the PAHA's records are adequately documented to support this assertion.



OFFICE OF PUBLIC HOUSING

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JUN 16 2014

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

On May 7, 2014, the Special Applications Center (SAC) received the Port Arthur Housing Authority's (PRHA) request for an amendment to the disposition approved on April 30, 2013 at Carver Terrace Apartments TX034000001. Supplemental information was received through June 6, 2014.

On April 30, 2013, the Department approved the PRHA's disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid as identified below:

Original Approval (PIC application: DDA0004944)

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

Of the 204 units, 24 units are at the Lincoln Square Townhomes, and the remainder at Carver Terrace.

Current Request

In the current request, the PRHA is seeking to modify the disposition approval in order to proceed with the sale of the property to the highest and only bidder, The Premcor Refining Group, Inc., for a purchase price of \$800,000, subject to certain conditions, which more accurately reflects the value of the property.

The RROF for the environmental review done for the April 30, 2013 letter was approved by the Houston Field Office on January 25, 2013. Another environmental assessment was completed in October 2013. A new environmental assessment has recently been completed in accordance with 24 CFR Part 58.47 and the notice is being republished. The Notice of Intent to Request Release of Funds includes an estimated demolition cost for the buildings approved for disposition of \$750,000.

As part of the environmental review process under 24 C.F. R parts 50 and 58 for the disposition and demolition of the property, the U.S. Department of Housing and Urban Development (HUD) Regional Environmental Officer determined that due to the health and safety threats caused by the close proximity of the refineries certain mitigation efforts must be implemented to protect the neighboring residences. The following mitigation efforts and property conditions are being imposed:

- The property will be converted to vacant land in perpetuity, enforced as a condition of sale through a deed restriction;
- The property must be fenced off to prevent unauthorized uses after it is vacant;
- A historic marker must be created for the Carver Terrace and Lincoln Square public housing projects to commemorate the important history of this community.

Upon disposition and demolition of the property the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. In order for the PAHA to comply with this restriction upon acquisition by Valero/Premcor Refining Group Inc., the property must be subject to a deed restriction. The deed use restriction is the only mitigation measure that will allow the City of Port Arthur to reach a Finding of No Significant Impact for the property. Unfortunately, the deed use restriction prevents any future development on the property, severely devaluing the property well below its original appraised FMV.

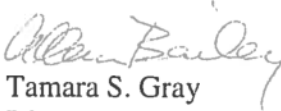
Despite the PAHA's negotiations with The Premcor Refining Group Inc. in an effort to increase the purchase price of the property, the environmental issues and the required deed use restriction prevented the PAHA getting a higher purchase price. The purchaser requires that the PHA must demolish and carry out site preparation of the land they will acquire. Premcor's bid expires on June 23, 2014.

Under the terms and conditions of The Premcor Refining Group., Inc's bid, the gross proceeds will be deposited in an escrow account to be used for the demolition of the property. Following demolition any remaining net proceeds will be used to develop replacement public housing or housing exclusively used for Section 8 units at Edison Square, a mixed-finance project or alternate locations. The PAHA closed on Park Central, the other mix-finance project to which net proceeds from the disposition may be applied.

The SAC has completed its review and based on the information provided by the PAHA, your request to amend the disposition approval, to sell the property to The Premcor Refining Group, Inc., for a purchase price of \$800,000 is approved. These funds may be used to pay for the cost of demolition. Following demolition the use of any remaining net proceeds to develop replacement public housing or housing exclusively used as Section 8 units at Edison Square, and Park Central is also approved. The approval may be modified if further issues emerge during completion of the current environment review process.

A copy of this modification will be forwarded to the HUD Houston Program Center for their records. If you have any questions regarding this modification, please contact Sunny Grover, Public Housing Revitalization Specialist at (312) 913-8329.

Sincerely,


for Tamara S. Gray
Director



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

MAR 12 2015

Mr. Seledonio Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Boulevard
Port Arthur, TX 77640-5603

Dear Mr. Quesada:

On January 28, 2015 the Special Applications Center received a request to further modify the disposition approval for the Carver Terrace Apartments property, because the intended sale of the property was not consummated.

On April 30, 2013, the Department originally approved the Port Arthur Housing Authority (PRHA)'s disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, at the Fair Market Value (FMV) of \$1,670,000, or higher, via a public bid as identified below:

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

Of the 204 units, 24 units are at the Lincoln Square Townhomes, and the remainder at Carver Terrace.

On May 7, 2014, the Special Applications Center (SAC) received the Port Arthur Housing Authority's (PRHA) request for an amendment to the disposition approved on April 30, 2013 at Carver Terrace Apartments. The proposal was to sell the property to the only bidder, the neighboring Premcor Refining Group, for a purchase price of \$800,000. This purchaser required that the PHA must demolish the structures and carry out site preparation of the land, using the proceeds from sale for this purpose. This was approved on June 16, 2014.

The RROF for the environmental review done for the April 30, 2013 letter was approved by the Houston Field Office on January 25, 2013. Another environmental assessment was completed in October 2013. A new environmental assessment was completed in accordance with 24 CFR Part 58.47 and the notice was republished. The Notice of Intent to Request Release of Funds included an estimated demolition cost for the buildings approved for disposition of \$750,000.

As part of the environmental review process under 24 C.F. R parts 50 and 58 for the disposition and demolition of the property, the U.S. Department of Housing and Urban Development (HUD) Regional Environmental Officer determined that due to the health and safety threats caused by the close proximity of the refineries certain mitigation efforts must be implemented to protect the neighboring residences. The following mitigation efforts and property conditions were imposed:

- The property will be converted to vacant land in perpetuity, enforced as a condition of sale through a deed restriction;
- The property must be fenced off to prevent unauthorized uses after it is vacant;
- A historic marker must be created for the Carver Terrace and Lincoln Square public housing projects to commemorate the important history of this community.

Upon disposition and demolition of the property the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. Attaching this deed use restriction to the sale is the only mitigation measure that would allow the City of Port Arthur to reach a Finding of No Significant Impact for the property. Such a deed use restriction prevents any future development on the property, severely devaluing the property well below its original appraised FMV.

Presented with this deed restriction, the Valero/Premcor Refining Group Inc. withdrew its offer to purchase the property. The deed restriction would make the property of little or no use to the neighboring refinery.

Current Request

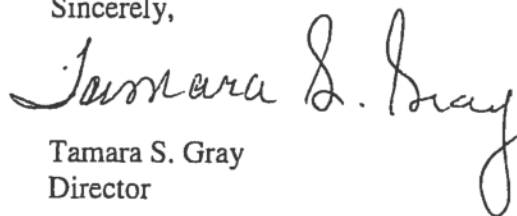
The continued presence of the vacant and deteriorated structures on this land poses serious health and safety concerns. The PAHA has used most of its non-federal funds to fill financing gaps for the development of replacement units for the Park Central and Edison Square property. PAHA states that the Carver Terrace structures must be demolished as soon as possible.

The SAC has completed its review and based on the information provided by the PAHA, the request to amend the disposition approval, to instead demolish the buildings and units on this property, and to continue to see a buyer for the vacant land that will remain, is hereby approved.

The SAC is unable at this time to approve the proposed use of public housing Operating Fund Reserves to pay for the cost of demolition, which had been estimated to be \$750,000. Prior to carrying out the demolition, PAHA must receive approval from the Department that the sources of funds proposed are eligible to be used for this purpose.

A copy of this modification will be forwarded to the HUD Houston Program Center for their records. If you have any questions regarding this modification, please contact Sunny Grover, Public Housing Revitalization Specialist at (312) 913-8329.

Sincerely,

A handwritten signature in cursive script that reads "Tamara S. Gray". The signature is written in black ink and is positioned to the right of the typed name.

Tamara S. Gray
Director

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Marie Butler
(H09917)
PIC Main

Housing Agency

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 HQ Division: PO Field Operations
 Hub: 6HFTW Fort Worth Hub
 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944
Demolition / Disposition Application

Application Type: Disposition Processor: SAC-Chicago
 Application Status: HQ Approved Status Date: 11/07/2012

[Add/Remove Development](#)

Section	Section Type	Status	Status Date
Section 1: General Information	Required	Modified	11/07/2012
Section 2: Long-Term Possible Impact of Proposed Action	Required	Modified	12/05/2012
Section 3: Board Resolution, Environmental Review, and Local Government Consultation	Required	Modified	12/07/2012
Section 4: Description of Property TX034000001 CARVER TERRACE APTS	Required	Modified	12/05/2012
Section 5: Description of Proposed Removal Action TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 6: Relocation TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 7: Resident Consultation TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 8: Offer of Sale TX034000001 CARVER TERRACE APTS	Required	Modified	12/07/2012
Section 9: Certification of Compliance TX034000001 CARVER TERRACE APTS	Required	Modified	11/07/2012

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 Application: DDA0004944

Application Status
 Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Section 1: General Information

OMB Approval No. 2577-0075 (exp. 07/31/2008)

Public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required to request permission to demolish or sell all or portion of a development (i.e., dwelling units, non-dwelling property or vacant land) owned and operated by a Housing Authority. The information requested in the application is based on requirements of Section 18 of the United States Housing Act of 1937, as amended and 24 CFR Part 970. HUD will use the information to determine whether, and under what circumstances, to permit HAs to demolish or sell all or a portion of a public housing development. Responses to the collection of information are statutory and regulatory to obtain a benefit. Approval of this application does not substitute approval for funding of the demolition or disposition action. The information requested does not lend itself to confidentiality.

1. Housing Authority: TX034 Port Arthur Housing Authority 2. Date of Application: 12/07/2012

3. Address: 920 DEQUEEN Boulevard
 City/Locality: PORT ARTHUR
 State: Texas Zip Code: 77640-5603

4. Phone No: (409) 982 - 6442 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

5. Executive Director's Name: Seledonio Quesada
 Phone No: (409) 984 - 2621 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

6. Primary Contact's Name: Seledonio Quesada
 Phone No: (409) 984 - 2621 Ext. Fax No: (409) 983 - 7803
 Email Address: Cele.Quesada@pahousing.org

* Designates a required field.

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Application Status

Application Type:	Disposition	Processor:	SAC-Chicago
		Reviewer:	Lois Johnson
Application Status:	HQ Approved	Status Date:	11/07/2012

Section 2: Long-Term Possible Impact of Proposed Action
 Enter the total number of units proposed for removal **204**

1. Performance Funding Subsidy (PFS)

In FY 2012 , this HA received \$ 385 per unit in PFS funds.
 The HA realizes that after this activity takes place, PFS will decrease by \$ 78540 / year.

2. Capital Fund Program

In FY 2012 , this HA received \$ 1080 per unit in Capital funds.
 The HA realizes that after this activity takes place, Capital funding will decrease by \$ 220320 / year.

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Application Status
 Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Section 3: Board Resolution, Environmental Review, and Local Government Consultation

- | | |
|---------------------------------------|-------------------------------------------|
| 1. Board Resolution Number
1207201 | 2. Date of Board Resolution
12/07/2012 |
|---------------------------------------|-------------------------------------------|

3. Who is conducting the environmental review?

- Field Office under 24 CFR Part 50
- Responsible Entity under 24 CFR Part 58

If the environmental review is to be performed by a responsible entity, name the entity.

City of Port Arthur

4. Jurisdictions covered by the HA (list all cities, counties, etc.):

City of Port Arthur

5. Letter of Support from Appropriate Government Official is dated :11/20/2012.

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 Development: TX034000001 CARVER TERRACE APTS

Application Status

Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Section 4: Description of Property

- 1. Development Name: CARVER TERRACE APTS
- 2. Development Number: TX034000001
- 3. Date of Full Availability: 12/28/1953
- 4. No. of Residential Buildings: 46
- 5. No. of Non-Residential Buildings: 0
- 6. Date Constructed:
- 7. Scattered Site: N
- 8. Single Family Houses: Duplexes:
3-Plexes: 4-Plexes:
- 9. Row House: 24 Walk-Up: 180
High Rise: 0
- 10. Total Acres of the Development: 8.00

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11. Existing Unit Distribution

	General Occupancy	Elderly/Disabled Units	Total Units Being Used for Non-Dwelling Purposes	Merged Units	Total Existing Units	Approved Units yet to be Removed	Total Adjusted Units
0 Bdrm	0	0	0	0	0	0	0
1 Bdrm	0	0	0	0	0	0	0
2 Bdrms	0	0	0	0	0	0	0
3 Bdrms	0	0	0	0	0	0	0
4 or more Bdrms	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

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Application Status

Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson

Application Status: HQ Approved Status Date: 11/07/2012

Section 5: Description of Proposed Removal Action

1. Proposed Action By Building Type

Calendar Year:

Available Buildings :
 (Building Number\Building Number
 Entrance\Address Line1 Text)

Proposed Buildings :
 (Building Number\Building Number
 Entrance\Address Line1 Text)

01 \8 \1100 CARVER TERRACE / 2012	
02 \8 \1102 CARVER TERRACE / 2012	^
03 \8 \1104 CARVER TERRACE / 2012	
04 \8 \1106 CARVER TERRACE / 2012	v

indicates Non Dwelling Building Structures

2. Proposed Action By Unit Designation

Select the building number(s):

* - indicates the building has units that are assigned in this application.

@ - indicates the building is proposed in this application.

No Units Information Found

Available Units :
 (Unit Number\Unit Designation\Bedroom Count)

Proposed Units :
 (Unit Number\Unit Designation\Bedroom Count)

3. Proposed Action for Non Residential Inventory

A. Acres included in Proposed Disposition

Calendar Year: 2012

Number of Acres : 8.00

B. Buildings included in Proposed Disposition

Calendar Year : 2012

Number of Non-Dwelling Buildings without PIC building numbers : 1

4.

Intentionally deleted to conform to HUD-52860

5. If the proposed action involves a partial removal of a Development, a site map is required
Attach a copy of the site map and reference it as Section 5, line 5

6. If the proposed action involves a partial removal of a development, attach a description of the property to be removed along with a narrative explaining why the PHA is proposing to remove this portion of the development and if disposition is for vacant land, attach the legal description of each parcel of vacant land. Reference this attachment as Section 5, line 6

7. Which of the following describe the proposed disposition? (Check that which applies)

- A. Disposition at Fair Market Value (FMV)
 B. Disposition at less than Fair Market Value (e.g. donation)
 C. Disposition which includes an exchange of property

If B and/or C are checked, provide a justification and reference it as Section 5, line 7.

8. What is the value of the property subject to disposition:

\$ 1670000.00

Attach evidence verifying the value (e.g. executive summary of the appraisal) and reference it as Section 5, line 8

9. Was an appraiser used to determine the value of the property listed at Number 8?

Yes

If so, name of appraiser who conducted the appraisal:

The Gerald A. Teel Company, Inc.

Date of appraisal:

09/25/2012

10. Calculation of Net Proceeds

Estimated Sales Price **\$1670000.00** - Debt \$ - Cost & Fees **\$837632.00** = Estimated Net Proceeds **\$832,368.00**

Attach an itemization of costs and fees (including relocation, moving, and counseling costs) to be paid out of gross proceeds and reference it as Section 5, line 10

11. How will the Net Proceeds be used?

Attach a narrative providing details concerning the use of Net Proceeds and reference it as Section 5, line 11

12. What is the estimated cost of demolition?

(Include professional fees, hazardous waste removal, building and site improvement, demolition costs, and seeding and sodding of land. Do not include relocation costs or site improvements such as landscaping, playground, retaining walls, streets, sidewalks, etc.)

(a) \$ **354,250.00**

(b) Indicate the source of funds:

- Operating Funds for FY
 CFP Funds for FY
 CDBG Funds
 Other

If Other, attach a narrative explaining how the PHA will fund the demolition and reference it as Section 5, line 12

13. General Timetable: The HA is to provide a brief timetable based on the number of days after approval of the application that the following major actions will occur:

A. Begin relocation of residents 150 B. Complete relocation of residents 485

C. Execution of contract for removal (e.g. sales contract or demolition contract) 515 D. Actual Removal Action (e.g. demolition or sale closing) 730

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Section 7: Resident Consultation

1. Describe how the residents of the development were informed and consulted about the proposed action.

Attach a narrative explaining the PHA's consultation with the residents of the affected Development and reference it as Section 7, line 1

If proposed action is for Demolition and/or Disposition under Section 18 of the Act, complete questions 2-5

2. Resident Council (at development): Provide the name of the Resident Council representing the residents of the development Carver Terrace Resident Council

Attach a narrative explaining the PHA's consultation with the Resident Council of the affected Development and reference it as Section 7, line 2

3. Resident Council (PHA-jurisdiction-wide): Provide the name of the PHA-wide Resident Council representing the interests of the residents of the development None

Attach a narrative explaining the PHA's consultation with Resident Council (PHA jurisdiction-wide), and reference it as Section 7, line 3

4. Resident Advisory Board (RAB) (as defined by 24 CFR 903.13):
Attach a narrative explaining the PHA's consultation with the RAB and reference it as Section 7, line 4.

5. Did you receive any written comments from the residents, the Resident Council(s), or the RAB? Yes No

If yes, attach the comments, along with any evaluation the PHA has made of those comments and reference it as Section 7, line 5

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Section 8: Offer of Sale

1. Is the PHA exercising any of the exceptions to the offer of sale requirement permitted by 24 CFR 970.9(b)(3): Yes No

Note: Additional options may be displayed upon selecting an answer

3. State the names of all Established Eligible Organizations (as defined by 24 CFR 970.9(c)) for the affected development, including the following organizations (if none, state none):

Resident Council: **Carver Terrace Resident Council**
 Resident Management Corporation: **None**
 Outside Organization acting on behalf of residents: **None**

4. The PHA sent an initial written notification of the sale of the development to each Established Eligible Organization on **10/10/2012**

5. The PHA received a written initial expression of interest from one or more Eligible Established Organization within 30 days of the date it sent its notification Yes No

6. The PHA received a proposal to purchase the development from an Eligible Established Organization within 60 days of the date that it provided the organization with all necessary terms and information Yes No

7. The PHA Accepted or Rejected the organization's proposal to purchase the development.

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(H09917)
PIC Main

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Section 9: Certification of Compliance

1. Attach the applicable PHA Certification of Compliance from the HUD-52860 for the applicable removal action and reference it as Section 9, Line 1: Certification of Compliance

PHA Certification of Compliance: HUD 52860

- Section 18 Demolition/Disposition
- Section 18 Disposition 24 CFR Subpart F
- De Minimis Exception to Demolition
- Section 32 Homeownership
- Section 33 Required Conversion
- Section 22 Voluntary Conversion
- Eminent Domain

[These Certifications can be found at the SAC web site](#)

2. Attach any applicable addendum(s) from the HUD-52860 (as identified below) for the specific removal action for which you are applying for and reference it as Section 9, Line 2: Addendums

The new HUD-52860 form and its addendums include:

- HUD-52860-B: Total Development Cost (TDC) Calculation** Attach for all Demolition actions and for all Disposition actions where the justification is obsolescence
- HUD-52860-C: Homeownership** Attach for all actions involving homeownership
- HUD-52860-D: Required Conversion** Attach for all actions involving the required conversion of public housing units
- HUD-52860-E: Voluntary Conversion** Attach for all actions involving the voluntary conversion of public housing units
- HUD-52860-F: Eminent Domain** Attach for all disposition actions involving eminent domain proceedings

[These Forms can be found at the SAC web site](#)

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Summary of Demolition and/or Disposition Activity

[View Land Information](#)

Development	0-Bdrm Units	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	4 & 4+ Units	Total Resid. Units	Total Non-Resid. Units	Resid. Bldgs.	Non-Resid. Bldgs.	Total Bldgs.	Acres Disposed
TX034000001 CARVER TERRACE APTS	0	24	120	60	0	204	0	46	1	47	8.00
Totals:	0	24	120	60	0	204	0	46	1	47	8

Application Submission

Get Help | Logoff / Return to Secure Systems

pic

Marie Butler
(H09917)
PIC Main

Housing Agency

Development

Inventory Removals

Logoff

- Application List
- Application Review
- Comments
- Remove from Inventory
- Reports
- DD w/o HUD Approval
- Non-PIC Homeownership
- Form HUD-52860
- Supporting Documents
- Quality Checklist
- Submission

HQ Office: Public and Indian Housing
 HQ Division: PO Field Operations
 Hub: 6HFTW Fort Worth Hub
 Field Office: 6EPH HOUSTON PROGRAM CENTER
 Field Office HA: TX034 Port Arthur Housing Authority
 Application: DDA0004944

Application Status
 Application Type: Disposition Processor: SAC-Chicago
 Reviewer: Lois Johnson
 Application Status: HQ Approved Status Date: 11/07/2012

Upload Inventory Removal Application Supporting Documentation

Attachment Type:

Enter Description:

The recommended maximum attachment file size is 8 megabytes. Files larger than 8 MB in size may take longer to upload or may not get uploaded.

Select File:

Allowed file types: doc, docx, xls,xlsx, pdf, gif, jpeg, bmp, png, mpp, rtf, ppt, pptx, txt, zip

Applicat

*Supporting Documents
for DDA 0004944*

Section 3	Download	Delete
Se	Download	Delete
Se	Download	Delete
	Download	Delete
	Download	Delete
	Download	Delete
	Download	Delete
	Download	Delete
	Download	Delete
Approval Letter	Download	Delete
Attachment hook 01	Download	Delete
Attachment hook 02	Download	Delete
Attachment hook 03	Download	Delete
Attachment hook 04	Download	Delete
Attachment hook 05	Download	Delete
Attachment hook 06	Download	Delete
Attachment hook 07	Download	Delete

Attachment hook 08	MAYOR 20121120	02/25/2019-23:50:34	Marie Butler	Download	Delete
Attachment hook 09	PHA CERT 20121207	02/25/2019-23:52:23	Marie Butler	Download	Delete

Development Attachments

Section	Development	Description	Date - Time	Owner Name	Download	Delete
Section 5, Line 7 : Sale Justification	CARVER TERRACE APTS	Description of Disposition	12/07/2012-16:23:52	Cele Quesada	Download	Delete
Section 5, Line 8 : Appraisal	CARVER TERRACE APTS	Appraisal Summary	12/07/2012-16:25:51	Cele Quesada	Download	Delete
Section 5, Line 10 : Net Proceeds Calculation	CARVER TERRACE APTS	Costs and Fees	12/07/2012-16:30:59	Cele Quesada	Download	Delete
Section 5, Line 11 : Net Proceeds Usage	CARVER TERRACE APTS	Use of Proceeds	12/07/2012-16:32:08	Cele Quesada	Download	Delete
Section 5, Line 12 : Source of Funds	CARVER TERRACE APTS	Demolition	12/07/2012-16:33:59	Cele Quesada	Download	Delete
Section 5, Line 12 : Source of Funds	CARVER TERRACE APTS	Demolition Quote	12/07/2012-16:35:00	Cele Quesada	Download	Delete
Section 5, Line 13 : Timetable	CARVER TERRACE APTS	Timeline	12/07/2012-16:38:47	Cele Quesada	Download	Delete
Section 6, Line 1(a) : Occupied Units as of The Date of This Application	CARVER TERRACE APTS	Relocation Plan	12/07/2012-16:40:34	Cele Quesada	Download	Delete
Section 6, Line 3 : Counseling Services	CARVER TERRACE APTS	Counseling Services	12/07/2012-16:42:53	Cele Quesada	Download	Delete
Section 6, Line 4 : Housing Resources	CARVER TERRACE APTS	Relocation Resources	12/07/2012-16:45:34	Cele Quesada	Download	Delete
Section 6, Line 8 : Relocation Funding	CARVER TERRACE APTS	Sources for Relocation	12/07/2012-16:50:04	Cele Quesada	Download	Delete
Section 7, Line 1 : Consultation Process	CARVER TERRACE APTS	Resident Consultation	12/07/2012-16:51:52	Cele Quesada	Download	Delete
Section 7, Line 2 : Consultation with Resident Council	CARVER TERRACE APTS	Resident Council Consultation	12/07/2012-16:59:48	Cele Quesada	Download	Delete
Section 7, Line 4 : Consultation with Resident Advisory Board (RAB)	CARVER TERRACE APTS	Resident Meeting Agenda	12/07/2012-17:01:15	Cele Quesada	Download	Delete
Section 7, Line 4 : Consultation with Resident Advisory Board (RAB)	CARVER TERRACE APTS	RAB Consultation	12/07/2012-17:02:33	Cele Quesada	Download	Delete
Section 7, Line 5 : Written Comments	CARVER TERRACE APTS	Resident Letters	12/07/2012-17:05:22	Cele Quesada	Download	Delete
Section 8, Line 3 : Established Organization	CARVER TERRACE APTS	Resident Organizations	12/07/2012-17:07:20	Cele Quesada	Download	Delete
Section 8, Line 4 : Initial Written Notification	CARVER TERRACE APTS	Offer of Sale	12/07/2012-17:08:23	Cele Quesada	Download	Delete
Section 8, Line 3 : Established Organization	CARVER TERRACE APTS	Resident Organizations	12/07/2012-17:16:08	Cele Quesada	Download	Delete
Section 9, Line 1 : Certification of Compliance	CARVER TERRACE APTS	Certificate of Compliance	12/07/2012-17:21:22	Cele Quesada	Download	Delete

Self Contained Appraisal Report

Of

**Carver Terrace & Lincoln Square Apartments
1400 DeWalt
Port Arthur, Jefferson County, Texas**

Prepared for

**ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642**

GATCO File No.: H12505



THE GERALD A. TEEL COMPANY, INC.

Real Estate Consultants and Appraisers

September 27, 2012

Mr. Chris Akbari
ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Carver Terrace/Lincoln Square Apartments

Dear Mr. Akbari:

In fulfillment of the agreement outlined in the letter of engagement dated September 17, 2012, this letter is to transmit the attached report of our appraisal of the property rights identified within the report concerning the referenced above, as of, September 25, 2012. The report sets forth supporting data and reasoning which form the basis of our opinion of the market value.

The value opinion reported is qualified by certain definitions, limiting conditions, and certifications which are set forth within this report. The reader is directed to review all assignment conditions set forth in the introduction section of this report. Those included are the General Assumptions, General Limiting Conditions, Extraordinary Assumptions, and any Hypothetical Conditions which may affect the final opinion of value.

This report was prepared for and invoiced to ITEX Property Management LLC. It is intended only for use by ITEX Property Management LLC. It may not be distributed to or relied upon by other persons or entities without our written permission.

The property was inspected by David D. Magnuson, and the appraisal was developed by Tim N. Treadway and David D. Magnuson. If you have any questions concerning the report, please contact our office.

The Gerald A. Teel Company appreciates the opportunity to provide these real estate valuation and consultation services. We look forward to working with you in the future.

THE GERALD A. TEEL COMPANY, INC.

BY: Tim N. Treadway, MAI, CCIM, Partner
State Certified TX 1323331-G

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Market Value

Project:	Carver Terrace/Lincoln Square	
Location:	1400 DeWalt Avenue Port Arthur, Texas 77640	
Year of Construction:	1952	
Effective Age (after repair):	40 Years	(60 Yrs Econ. Life)
Total Number of Rentable Units:	204	
Number of Residential Buildings:	24 + office/maint bldgs (2)	
Net Rentable Area:	139,160 SQ FT	
Average Size Unit:	682 SQ FT	
Land Area:	8.0690	351,486 SQ FT
Estimated Land Value (as if vacant):	\$160,000	\$0.46 /SQ FT

Market Values

	<u>Land As-Is</u>	<u>Land As If Vacant Hypothetical Vacant Land</u>
Indicated Value By Sales Comparison Approach:	\$1,670,000	
Indicated Value By Sales Comparison Approach:		\$160,000
Final Value Estimate:	\$1,670,000	
	\$8,186 /Unit	
As-Is Valuation Date	September 25, 2012	

SIGNIFICANT ISSUES

- This is a property in two locations about two blocks away from each other. This valuation is for both sites and their improvements. The property is known as Carver Terrace for the DeWalt address, and Lincoln Square for the site on Abe Lincoln Avenue.
- The subject property is an older project that has historically been operated as a low income project by the Port Arthur Housing Authority. Though originally built in a very solid manner, its age and styling leaves it less competitive to newer properties. We noted a fairly new roof and what appeared to be newer condensing units. The interiors showed signs of functional obsolescence with small closets, lack of dryer connections, worn-out counters/cabinetry, and kitchen styling that does not accommodate full size appliances in some cases. As if frozen in a different time, clothes lines adorn the courtyard and are still used due to lack of dryers. One of the questions to be answered in this report will be whether or not the existing improvements offer any remaining contributory value to a renovator, or if the property has more value as vacant land.
- The property is nearly 100% occupied due to the tenants paying little or no rent (housing authority owns). Were the property to be offered on market terms and rents, it would have difficulty being competitive in its current configuration and with its existing amenities and finish appointments, and considering its age and functional obsolescence.
- One building is burned containing eight units, and two more units are burned in another building.
- We have relied on the PCNA by JPS & Associates for the unit mix, count, unit square footages, and deferred maintenance. The land area in the PCNA was disregarded as it appeared to be incomplete (not containing both parcels).
- The Income Approach is typically used on income properties but not used herein because of the large amount of repair needs and functional obsolescence. A typical buyer would not be able to continue with the current tenant set because the government pays for their rent; however, the property is operating. There could be many forms of renovation and associated costs with the buyer pool for this sort of asset (poor location, fair to poor condition, costly repair needs as indicated by the PCNA). Some buyers might spend less and attempt to eke out some remaining life. Some buyers might spend more to remove most of the obstacles and reposition the property. This is beyond the scope of the report to determine every possible repair or renovation proposition. Brokers for this type of property tend to sell these assets on a price per unit basis, with an eye to the replacement value of the shell more so than income characteristics. As such, the Sales Comparison Approach is used herein to estimate value.

Section 5, Line 10

Itemization of Costs and Fees

Sales purchase price (FMV)	\$ 1,670,000
Less: Moving Costs (\$ 1,200 p/family)	\$ 225,600*
Security and Utility Deposits Contingency	\$ 94,000
Relocation Counseling Costs (\$ 2,489 p/family)	\$ 467,932*
Realtor Commission (3%)	\$ 50,100
 NET PROCEEDS	 <u>\$ 832,368</u>

* Based on occupancy of 188 families as of the date of submission of the Disposition Application

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

PHA Certification of Compliance
Section 18 Demolition/Disposition

Acting on behalf of the Board of Commissioners of the Port Arthur Housing Authority (PHA), as its Chairman, Executive Director, or other authorized PHA official, I approve the submission of this Inventory Removal Application (HUD-52860) dated November 7, 2012 and known as DDA # 0004944, hereinafter referred to as the "Application", of which this document is a part, and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of this Application and the implementation thereof:

- 1) All information contained in the Application (including all attachments and Addendums) is true and correct as of the date of this Application;
- 2) The proposed removal action does not violate any remedial civil rights orders or agreements, compliance agreements, final judgments, consent decrees, settlement agreements, or other court orders or agreements to which this PHA is a party;
- 3) The PHA certifies that it will carry out the proposed removal action in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990 and will affirmatively further fair housing in carrying out the proposed removal action;
- 4) If this proposed removal action involves a disposition and the PHA did not claim an exemption to the Offer of Sale requirement, this PHA sent all required initial written notifications (as described at 24 CFR 970.11) of the proposed sale of the Development to all Established Eligible Organization and the PHA certifies that either it did not receive a response from any notified organization within a 30-day time frame or each notified Established Eligible Organization waived its opportunity to purchase the Development or otherwise rejected the Offer of Sale. The PHA further certifies that it maintains documentation of all documents required by 24 CFR 970.11 on file at its primary business office;
- 5) If an appraisal was submitted at Section 5, the PHA verified that the appraiser was licensed/certified in the state in which the PHA property and received a certification from the appraiser that the appraisal was conducted using generally accepted appraisal methods and maintains this written documentation on file at its central office;
- 6) All dwelling units at the affected development are vacant and have been approved by HUD for demolition, OR, if any dwelling units at the affected development are occupied:
 - The PHA created a Relocation Plan in compliance with all applicable federal, state, and local laws (to the extent those requirements apply), including, without limitation, the Act, 24 CFR 970.21, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations at 49 CFR Part 24, and maintains a written copy of the Relocation Plan on file at the central office;
 - The PHA will notify each family residing in a unit affected by this proposed removal action at least 90 days prior to the displacement date, except in cases of imminent threat to health and safety and such notice;
 - The PHA will provide for all actual and reasonable relocation expenses of each resident displaced by this proposed removal action, including residents requiring reasonable accommodation because of disabilities;
 - The PHA will offer any necessary counseling for residents displaced by this proposed removal action;
 - The PHA will not commence the demolition or complete the disposition of any occupied building until all residents residing in the units affect by this proposed removal action are actually relocated;
 - The PHA will provide each family affected by this proposed removal action with comparable housing that meets Housing Quality Standards (HQS) and that is located in an area that is generally not less desirable than the location of the displaced person's housing. This comparable housing may include: (a) actual relocation into the private rental market with Housing Choice Voucher assistance; (b) actual relocation into housing with project-based assistance; or (c) other PHA properties;
- 7) The PHA described the proposed removal action in its PHA Annual Plan and timetable under 24 CFR Part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and the description in the PHA Annual Plan is identical to the removal action proposed in this Application and otherwise complies with the Act;
- 8) The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or 24 CFR Part 50;
- 9) All attachments and supporting documentation referenced in the Application have been and will continue to be available at all times in the PHA's primary business office;
- 10) The PHA will comply with all reporting and recordkeeping requirements of HUD (including the requirements set forth at 24 CFR 970.35) and shall make all required reports to the applicable HUD Field Office. The PHA acknowledges that reporting and

recordkeeping requirements are ongoing and certifies that it will comply with all applicable reporting requirements after it receives any approvals to this action from the SAC;

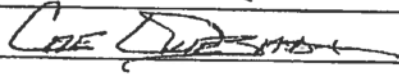
- 11) The PHA certifies that the proposed removal action complies with all applicable Federal statutory and regulatory requirements;
- 12) The PHA will not take any action to commence the proposed removal action, including without limitation the expenditure of HUD funds, until it receives written approval of this proposed action from HUD.
- 13) The PHA certifies that the reason(s) for this proposed removal action is as described in Exhibit A, attached to and made a part of this Certification.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official: Cele Quesada

Title: Executive Director

Signature



Date

12.7.12

DELORIS "BOBBIE" PRINCE, MAYOR
WILLIE "BAE" LEWIS, MAYOR PRO TEM

COUNCIL MEMBERS:

RAYMOND SCOTT, JR.
ELIZABETH "LIZ" SEGLER
HAROLD DOUCET, SR.
MORRIS ALBRIGHT, III
ROBERT E. WILLIAMSON
DERRICK FREEMAN
KERRY "TWIN" THOMAS



FLOYD JOHNSON
CITY MANAGER

SHERRI BELLARD
CITY SECRETARY

VAL TIZENO
CITY ATTORNEY

November 20, 2012

Mr. Seldonio (Cele) Quesada
Executive Director
Port Arthur Housing Authority
920 DeQueen Blvd
Port Arthur, TX 77640

Dear Mr. Quesada:

It is with great pleasure that I write to express my enthusiastic support for this Disposition Application. This application would permit the Port Arthur Housing Authority ("PAHA") to dispose of Carver Terrace and Lincoln Square, which is comprised of 204 family units located in Port Arthur, Texas and redevelop affordable housing options at off-site locations in the city.

I acknowledge the consultation process that has occurred with the Housing Authority over the past several months, and I will continue to support the redevelopment of Carver Terrace and Lincoln Square through a collaborative effort between our agencies. I look forward to working closely with your agency to advance this important redevelopment project for the City and the Housing Authority in Port Arthur.

Sincerely,

A handwritten signature in cursive script that reads "Deloris Prince".

Deloris Prince
Mayor

PORT ARTHUR HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
FRIDAY, DECEMBER 7, 2012

RESOLUTION NO. 12072012-01

CARVER TERRACE/LINCOLN SQUARE DISPOSITION APPLICATION

WHEREAS, the Port Arthur Housing Authority (the "**Housing Authority**") desires to dispose of 204 units at Carver Terrace and Lincoln Square, consisting of approximately 8 acres, more or less due to adverse neighborhood conditions that affect the quality of life for residents; and

WHEREAS, the disposition will allow the Housing Authority desires to redevelop public housing units at off-site locations that will be more effectively operated as low-income housing developments; and

WHEREAS, the Housing Authority desires to offer the Carver Terrace and Lincoln Square properties for sale at fair market value to facilitate the redevelopment of the Carver Terrace/Lincoln Square units at off-site locations; and

WHEREAS, the Department of Housing and Urban Development ("**HUD**") requires the Housing Authority to submit an application to the Special Applications Center prior to the undertaking of any disposition activities; and

WHEREAS, the Housing Authority held multiple meetings with the residents to discuss the demolition and/or disposition application and the relocation plan; and

WHEREAS, the Housing Authority met with the Resident Council and Resident Advisory Board members on October 5, 2012, to discuss the disposition in accordance with HUD requirements and offered the property for sale as required; and

WHEREAS, the Housing Authority met with the City of Port Arthur on multiple occasions including September 13, 2012, to discuss the potential demolition and/or disposition in accordance with HUD requirements;

BE IT THEREFORE RESOLVED by the Board of Commissioners of the Port Arthur Housing Authority, that the Executive Director is hereby authorized to execute documents, provide certifications and submit the disposition application for the Carver Terrace and Lincoln Square properties to the Special Applications Center of the Department of Housing and Urban Development.

EXECUTED THIS 7TH DAY OF DECEMBER 2012.



CHAIR

ATTEST:



SECRETARY

**FHEO CHECKLIST
REVIEWING DEMOLITION/DISPOSITION APPLICATIONS**

Please provide all requested information and any supporting data in the "COMMENTS" column. Further justification may be submitted as an attachment to the checklist.

NAME OF PHA: Port Arthur Housing Authority

ADDRESS OF PHA: 920 DeQueen Blvd, Port Arthur, TX 77640

PHA CONTACT PERSON: Seledonio Quesada, Executive Director

DATE OF REVIEW: 2/22/2013

FHEO LOCAL OFFICE CONDUCTING REVIEW: Houston FHEO

NAME OF FHEO ANALYST: Carolyn Greer

NAME OF FHEO REVIEWING OFFICIAL: Christina Lewis, Houston FHEO Director

PHONE NUMBER OF FHEO REVIEWING OFFICIAL: 713-718-3189

NAME OF LOCAL PIH REVIEWER: _____

PHONE NUMBER OF LOCAL PIH REVIEWER: _____

DATE APPLICATION RECEIVED FROM SAC: 1/8/2013

DATE FHEO REVIEW DUE: 2/23/2013

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

I. General Considerations	Comments			
1. Is this a demolition or a disposition application or both?	Disposition			
2. What is the underlying rationale and justification for the proposed demolition/disposition? (See section 5, items 6 and 7 of the applicant's narrative).	Carver Terrace and Lincoln Square are properties located near two oil refineries (Motiva and Valero). The census tract and PH properties are about 99% minority (African American). There is a lack of employment for those with limited skills and businesses have moved out of the area; there are limited retail stores and social services; there is poor air quality and safety and environmental hazards due to the petrochemical industry; there is deteriorating infrastructure and an increase in crime, decay and blight. The west side location is not conducive to a residential community.			
3. Comparison of Demographic Characteristics of the Population of the Proposed Demo/Dispo Units with Surrounding Areas				
	Demo/Dispo Project %	Census Tract %	PHA-Wide Inventory %	PHA Jurisdictional Area %
White	3%	.79%	%	36.1%
Black or African American	86%	96%	86%	40.7%
Asian	0%	0%	0%	5.9%
American Indian or Alaska Native	0%	.21%	0%	0.7%
Native Hawaiian or Other Pacific Islander	0%	0%	0%	0.1%
Hispanic or Latino	21%	2.2%	14%	29.6%

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

4. How many units are in the PHA's overall housing unit inventory? Please indicate by unit bedroom (BD) type. (See PIC data).	Total # of units: 302	
	# 0 - 0 BD	Carver Terrace/Lincoln Square; Lakeview Palms; Scattered Sites
	# 42 - 1 BD	
	# 154 - 2 BD	
	# 106 - 3 BD	
	# 0 - 4 BD	
# 0 - 5 BD		
5. How many units are currently occupied by tenants? Please indicate by unit bedroom (BD) type. (See PIC Special Report run for this information).	Total # of units: 292	
	# 0 - 0 BD	10 of the 3-bedroom units are vacant due to fire damage. Those units are uninhabitable.
	# 42 - 1 BD	
	# 154 - 2 BD	
	# 96 - 3 BD	
	# 0 - 4 BD	
# 0 - 5 BD		
II. Project/Description of Proposed Demolition/Disposition		Comments
6. What is the name and address of the project(s)? (See section 4 of the application).	Carver Terrace - 1400 Dewalt Ave., Port Arthur, TX; Lincoln Square - 1300 Lincoln Ave., Port Arthur, TX	
7. What is the total number of building(s) in the project? (See section 5, paragraph 3 of the application).	Total # of buildings: 46	
8. What is total number of units proposed for demo/dispo, and the breakdown of the loss of units for the proposed demo/dispo by unit bedroom (BD) type? (See Section 5, paragraph 2 of the application).	Total # of units: 204	
	# 0 - 0BD	
	# 24 - 1BD	
	# 120 - 2BD	
	# 60 - 3BD	
	# 0 - 4BD	
# 0 - 5BD		

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

9. How many units are occupied/vacant by each unit bedroom BD type in the project(s) to be demolished/disposed? (See PIC Special Report run for this breakdown).	Total # of units: 194 Occupied	
	# 0 - 0BD	There are 10 3-bedroom units that are vacant due to fire damage.
	# 24 - 1BD	
	# 120 - 2BD	
	# 50 - 3BD	
	# 0 - 4BD	
	# 0 - 5BD	
10. Is there a percentage loss of units for the proposed demo/dispo by unit bedroom (BD) type for the entire project? (Calculate based on information provided in sections 4 and 5 of the application).	0 % - 0BD	
	12 % - 1BD	
	59 % - 2BD	
	29 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	
	11. Is there a percentage loss of units for the proposed demo/dispo of the total number of units for the PHA's housing inventory by unit bedroom (BD) size? (Calculate based on information in this checklist).	0 % - 0BD
57 % - 1BD		
78 % - 2BD		
57 % - 3BD		
0 % - 4BD		
0 % - 5BD		
12. Is there a percentage loss of UFAS accessible units by unit bedroom (BD) type for the entire project? (See PIC data).		0 % - 0BD
	12.5 % - 1BD	
	1.6 % - 2BD	
	0 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

13. If the answer to question 12 is yes, what is the percentage loss of UFAS accessible units by unit bedroom (BD) type for the PHA's entire housing inventory?	0 % - 0BD	
	7.14 % - 1BD	
	1.2 % - 2BD	
	0 % - 3BD	
	0 % - 4BD	
	0 % - 5BD	

14. List the civil rights characteristics (race, national origin, familial status, and/or disability, etc.) of the project's current residents by unit size. (See PIC Special Report run for this information). Please use Section VI, Additional Comments & Analysis on page 12, if you need additional space.

0Bedroom	Hispanic	White Non-Hispanic	African American Non-Hispanic	Asian Non-Hispanic	Other (e.g., Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
0Bedroom	0%	0%	0%	0%	
1Bedroom	4%	4%	92%	0%	
2Bedroom	11%	3%	86%	0%	
3Bedroom	14%	0%	86%	0%	
4Bedroom	0%	0%	0%	0%	
5Bedroom	0%	0%	0%	0%	

III. Civil Rights/Affirmatively Furthering Fair Housing (AFFH) ₂₀₁₅	Comments
15. Does the PHA have any outstanding lawsuits, consent decrees, settlement so, please describe the relationship agreements, VCAs, letters of findings or pending investigations? If so, please describe the relationship between these actions and the demo/dispo application. These actions could serve as the basis for disapproving the demo/dispo application depending on the factual and legal circumstances.	No.

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>16. Under section 7 "Resident Consultation" in the applicant's narrative, do tenants raise any civil rights/fair housing issues or concerns? Were these issues and concerns adequately addressed by the PHA in their narrative?</p>	<p>No.</p>
<p>17. How does this proposed demo/disposition affect the PHA's obligation to affirmatively further fair housing under 24 CFR 903.7(o)? If applicable, does the application narrative indicate that tenants will have realistic choices to live in higher opportunity areas (e.g., better quality public elementary schools, greater public transportation, employment, health care, retail, recreational and cultural opportunities)?</p>	<p>The PHA will issue vouchers to tenants. This will give them greater opportunities for mobility and housing choice in surrounding areas that provide better housing, schools, transportation, employment, social services, etc.</p>
<p>18. If applicable, has the applicant's narrative described sufficient counseling and advisory services to affected tenants that promote fair housing choice and the opportunity to assist residents obtain housing in high opportunity areas? (See section 6, item 3 of the application).</p>	<p>Yes.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>19. If applicable, does the proposed demo/dispo create the conditions for minority de-concentration among the PHA's existing tenant population? (See the information contained in this application and the application narrative).</p>	<p>Yes, vouchers will give tenants greater opportunities for housing choice outside segregated areas. The use of a relocation mobility housing counseling agency will provide assistance to all voucher recipients to help them relocate to areas of higher opportunity.</p>
<p>20. Identify and analyze any potential discriminatory effects that the proposed demo/dispo may have upon the supply, location, availability, or affordability of housing for protected class members under the federal civil rights laws, including but not limited to discriminatory effects prohibited by 24 CFR 1.4. To the extent that such discriminatory effects are identified, consider less discriminatory alternatives and identify concrete steps reasonably calculated to avoid, minimize, or mitigate the discriminatory effects.</p>	<p>There will be a loss of five (5) accessible units for persons who are disabled. The PHA has not clearly indicated how these units will be replaced.</p>
<p>21. Are there any objections raised by third party advocacy groups or other interested parties (e.g., legal aid organizations local community groups etc.) regarding the proposed demo/disposition that are not stated in the application? (Notify SAC personnel of these objections).</p>	<p>No.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>22. Are there any objections raised by third party advocacy groups or other interested parties (e.g., legal aid organizations local community groups etc.) regarding the proposed demo/disposition that are not stated in the application? (Notify SAC personnel of these objections).</p>	<p>Duplicate question as #21 - No</p>
<p>IV. Relocation Plan (If Applicable)</p>	<p align="center">Comments</p>
<p>23. Please indicate the anticipated types of proposed relocation housing opportunities, the numbers of tenants for each type of relocation housing opportunity, and the types of relocation services that will be offered (See section 6 of the application and the accompanying narrative).</p>	<p><input type="checkbox"/> A: newly constructed PHA building(s) with comparable rents and amenities.</p> <p align="center">Total # of tenants:</p> <p><input type="checkbox"/> B: rehabilitated public housing within the PHA's jurisdiction with comparable rents and amenities.</p> <p align="center">Total # of tenants:</p> <p><input checked="" type="checkbox"/> C. private housing through HCV assistance</p> <p align="center">Total # of tenants: 188</p> <p><input checked="" type="checkbox"/> D: placement in existing vacant PHA units within the PHA's jurisdictional area with comparable rents and amenities.</p> <p align="center">Total # of tenants: 6</p> <p><input checked="" type="checkbox"/> E. counseling and advisory services</p> <p><input checked="" type="checkbox"/> F. relocation expenses (moving expenses, rent subsidies, security deposit, etc.)</p> <p><input checked="" type="checkbox"/> G. other relocation services (please specify) <u>Utility deposits; asst. to the disabled</u></p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>24. If comparable replacement housing is already planned, evaluate the applicant's narrative concerning the proposed quality, rent levels, services, amenities of the housing, and its geographical area. (See section 6 of the application). Is the replacement housing comparable to or better than the existing proposed demo/dispo housing?</p>	<p>The PHA plans to give Housing Choice Vouchers to the residents. Vouchers will give tenants greater housing opportunity choices outside the impacted area. The housing mobility counseling program will provide assistance in locating housing in areas of increased opportunity. See #25</p>
<p>25. Will the proposed replacement housing project, if applicable, be located in a housing market area that is less minority concentrated? (Consider the applicant's narrative and Census data by census tract).</p>	<p>The PHA narrative (Section 6, Line 3) indicated they will build 300 new units of replacement housing but did not indicate a location or provide any additional details. Mr. Seledonio Quesada, PAHA Executive Director, said 150 of those new units will be low rent housing and project a two year period for completion.</p>
<p>26. Has the application described how many new replacement housing units by bedroom size will meet the accessibility requirements of section 504 of the Rehabilitation Act of 1973? Has the application also specifically described if the replacement housing will fulfill the 5 percent, two percent requirements by bedroom size? If existing accessible housing units are identified as replacement units, where is the location of these units and what are available bedroom sizes?</p>	<p>No. However, the Executive Director stated the 5% and 2% requirements will be met for the projected 150 low rent replacement housing. He said relocating disabled tenants could be placed at one of their four multifamily affordable housing complexes: Valley View - 23 accessible units; Brittany Place - 22 accessible units; Bellbrook - 14 accessible units; and Lakeview - 13 accessible units.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

<p>27. If relocation to private housing is contemplated, will tenants have a realistic opportunity to move to higher opportunity areas (e.g., areas with better schools, employment, transportation opportunities) based on the extent of assistance offered (HCVs, housing market area rents, counseling services, and other relocation assistance) described in section 6 of the application?</p>	<p>Yes, See #24.</p>
<p>28. Please comment on the likely housing market areas/communities where tenants will relocate through HCV assistance or other HUD assistance programs and the extent of improved housing choices and opportunities under the relocation plan.</p>	<p>Surrounding communities and cities have greater opportunities for employment, better schools, transportation, retail, and social services. Some of these areas include Bridge City, Groves, Nederland, Orange, Port Neches, Beaumont, etc. The relocation plan will provide needed services for the move, including moving expenses, utility and security deposits, and assistance for disabled individuals.</p>
<p>29. Discuss the strength of the applicant's narrative in section 6 in describing assistance for individuals with disabilities in finding accessible housing (e.g., HCVs, agreements with private landlords, assistance with reasonable modifications)? What types of specific assistance and their projected costs are discussed?</p>	<p>Disabled individuals will receive one-on-one counseling to locate accessible housing units and transportation will be provided to visit prospective units. Landlords will be given incentives to modify units to make them accessible. There was no discussion of projected costs.</p>

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

30. List the demographic characteristics (race, national origin, familial status, and/or disability, etc.) of the PHA's HCV program. (See PIC Special Report Run for this information).	Hispanic	White Non-Hispanic	African American Non-Hispanic	Other (e.g. Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
	4%	10%	83%	0%
31. List the demographic characteristics (race, national origin, familial status, and/or disability, etc.) of the PHA's HCV waiting list.	Hispanic	White Non-Hispanic	African American Non-Hispanic	Other (e.g. Families with Children, Disabled individuals, etc.) <u>See Page 12</u>
	3%	11%	85%	%
32. Please describe what affirmative steps the PHA has taken in the past to assist HCV individuals find housing in high opportunity areas? What new efforts or strategies are contemplated in the application narrative?				
33. Are displaced tenants given preference to any Site Based Waiting Lists managed by the PHA?				

**Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist**

34. In your opinion, is this relocation plan acceptable? Please elaborate on the reasons why or why not.

Yes. The plan adheres to regulations in 24 CFR 970.21. The plan includes the number of occupied and vacant units, a proposed month by month relocation schedule, counseling services for displaced residents, relocation moving expenses, proposed schedule of notices to residents, assistance to the disabled tenant population, etc. Housing Choice Vouchers will give tenants greater opportunities for housing choice.

V. Additional Comments & Analysis. Please use additional sheets if necessary.

In particular, focus on any changes, modifications, or conditions to the proposed application that would improve fair housing choice for residents, or that would avoid, minimize, or mitigate any discriminatory effects of the proposed demolition/disposition application.

#14 - Families with Children: 88.3% occupy 2 bedroom units and all 50 3 bedroom units are occupied by families with children. The disabled population for the complex occupies 33% of the 1 bedroom units, 7.5% of the 2 bedroom units and 6% of the 3 bedroom units. ----- #30 - There are 74% of families with children with vouchers and there are 19% of disabled individuals with vouchers. #31 - There are 15 individuals who are disabled and on the HCV waiting list (.9%) and 994 families are on the HCV waiting list (64.5%). -----
Concerns: The complex will lose five accessible units and it is not clear how they will be replaced. Those tenants who reside in those accessible units will be relocated to other available accessible housing within the PHA portfolio or through landlords given incentives for accessible units. The Executive Director has stated they have three possible sites as replacement locations and propose building 300 new units as replacement housing and 150 will be low rent public housing units. He believes the process will cover a two-year period. He was advised that new construction rental projects must meet site and neighborhood standards prior to committing funds for the project.

Office of Fair Housing and Equal Opportunity
Demolition/Disposition Review Checklist

For HUD - Office of Fair Housing and Equal Opportunity Use Only	
Recommendation for Approval/Disapproval: Approval (Indicate only one)	
Carolyn Greer	
FHEO Reviewer	(print name)
Houston	
FHEO Local Field Office	
<i>Carolyn Greer</i>	2/22/13
Signature of FHEO Reviewer	Date



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Fair Housing & Equal Opportunity
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3199 - FAX (713) 718-3255
www.hud.gov

MEMORANDUM FOR: Dan Rodriguez, Director, Houston Public Housing Program, 6EPH

FROM: Christina Lewis, Director, Houston FHEO

DATE: February 25, 2013

SUBJECT: Disposition Application, Port Arthur Housing Authority, Carver Terrace & Lincoln Square Apartments

We have reviewed the application in accordance with 24 CFR 970.21 and 24 CFR 1.4. The application has been approved with the following concerns:

- The application indicates there will be a loss of five (5) accessible units from Carver Terrace and Lincoln Square Apartments. The Port Arthur Housing Authority has not clearly indicated how these accessible units will be replaced.

If you have any questions regarding this review, please contact Carolyn Greer at (713) 718-3188.

cc: Carolyn Turner

Our Office approved the following document/s for the PHA on 10/18/2012 for Demolition/Disposition, which includes the subject development(s).

Agency Annual Plan

Significant amendment to Annual Plan.

The PHA is not a Qualified PHA, as defined by HERA, and the PHA did not submit an Annual Plan or significant amendment to that Plan that includes a description of the proposed demolition and/or disposition action.

Environmental Review (ER) Compliance (Please check the Box that Applies)

The Environmental Review (ER) was completed by this Office on (DATE) under 24 CFR part 50 for the proposed demolition and/or disposition action.

This Office found that the proposed action is environmentally acceptable.
Indicate any mitigation or environmental conditions for approval

This office found that the proposed action is not environmentally acceptable.

The ER was done by City of Port Arthur under 24 CFR part 58 on 11/19/2012, and a Request for Release of Funds (RROF) was submitted on 12/10/2012,

The RROF was approved by this office on 01/25/2013.

The RROF was not approved by this office because:

The ER was performed by Name of the Responsible Entity under 24 CFR Part 58 on (DATE), and the Responsible Entity has advised this office that the Responsible Entity has made a determination that the project or activity is exempt under 24 CFR § 58.34(a)(12), because the project or activity is categorically excluded under 24 CFR § 58.35(a)(4) or (5) and none of the related environmental laws are triggered.

To my knowledge, an ER was not performed for this proposed demolition and/or disposition action and my office has not signed off on any such review.

Expenditure of Public Housing Funds at the Project:

According to the files in our office, this PHA has expended, by year, the following funds at the subject development(s):



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Public Housing
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3319
www.hud.gov

March 21, 2013

MEMORANDUM FOR: The Demolition/Disposition File for Port Arthur Housing Authority
(PAHA)

ATTENTION: Lois Williams-Johnson, PH Revitalization Specialist, SAC, PIA

FROM: Daniel Rodriguez, Program Center Coordinator, Houston Program Center, Office of
Public Housing, 6EPH



Signature

SUBJECT: Demolition/Disposition Application Submitted by the Port Arthur Housing
Authority, on December 12, 2012 for Carver Terrace Apts., TX03400000,
(PIC Application DDA0004944)

This certification is being submitted to assist the Special Application Center's (SAC) in processing demolition and/or disposition applications based on revised criteria. Specifically, the SAC **will not process** an application that it finds to be substantially incomplete or otherwise deficient on a substantial item including:

- 24 CFR § 970.7(a)(1): Action is not in PHA Plan or Significant Amendment to Plan; and
- 24 CFR § 970.7(a)(15): Application is submitted before an (approved) environmental review of the proposed demo and/or disposition action has been done in accordance with 24 CFR parts 50 or 58.

Thus, I am submitting this application to assist the SAC in verifying the above two items as of the submission date of the demolition and/or disposition application noted above.

Agency Plan Compliance (Please check the Box that Applies)

- The PHA is a Qualified PHA, as defined by the Housing and Economic Recovery Act of 2008 (HERA) and therefore is not required to submit an Annual Plan to HUD.
- A description of the proposed demolition and/or disposition action is included in the following document/s submitted by the PHA to our office on 07/17/2012.
- Annual Plan
- Significant amendment to Annual Plan.



EXECUTIVE DIRECTOR
CELE QUESADA

COMMISSIONERS

CLONIE AMBROISE, CHAIRMAN
ROBERT REID, VICE-CHAIRMAN
BART BRAGG
MELVIN GETWOOD
BRENDA ROY

April 11, 2014

Tamara S. Gray
Director
Special Applications Center
U.S. Department of Housing and Urban Development
77 West Jackson Boulevard, Room 2401
Chicago, Illinois 60604-3507

Re: Port Arthur Housing Authority ("PAHA")
Disposition Approval for Carver Terrace Apartments Application DDA0004944

Dear Ms. Gray:

This letter requests a modification of the terms of the above-referenced disposition approval. This request involves a change in the method of sale and an update regarding the entity to which PAHA will dispose Carver Terrace Apartments. All of the remaining terms of HUD's previous disposition approval will remain in effect.

On April 30, 2013, the Special Applications Center ("SAC") approved the disposition of Carver Terrace Apartments, which includes 1 non-dwelling unit and 46 dwelling buildings containing 204 dwelling units on 8 acres of underlying land (the "Property"). SAC's approval, attached hereto as Exhibit A, provided that the Property would be disposed of at fair market value of \$1,670,000, or higher, via public bid. For the reasons set forth below, PAHA seeks to modify the disposition approval and proceed with the sale of the Property to the highest and only bidder, The Premcor Refining Group, Inc., for a purchase price of \$800,000, which more accurately reflects the value of the Property.

As discussed in SAC's April 30, 2013 approval, the Property is severely dilapidated and unsuitable for residential use. The Property was built in 1953, on the western edge of the City of Port Arthur's historical Westside neighborhood, adjacent to the Texaco and Gulf Oil refineries. The former Texaco oil refinery is now owned by Motiva (Shell/ Saudi Aramco) and the former Gulf oil refinery is now owned by America's largest domestic refiner, Valero Energy Corporation ("Valero"). The expansion of the refineries over the years has caused process units, pipelines, and storage tanks to be placed much closer to the Property, threatening the safety and health of the residents. In fact, the Phase I Environmental Assessment for the Property, dated March 17, 2014, indicates that the Property has been associated with 191 upset emissions events since January 2007, the largest of those occurring in September 2013. The Property is now located in a distressed area plagued by limited employment opportunities, a lack of major investments and commercial activity, increases in crime rates, and serious health and safety concerns. For these reasons, PAHA seeks to dispose of the Property.

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd. • P. O. Box 2295 • Port Arthur, TX 77643
Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

PAHA released an Invitation for Bids No. B13041, followed by two addendums, attached hereto at Exhibit B, for the disposition of the Property. In response, PAHA received only one bid from The Premcor Refining Group, Inc., which is owned by Valero, for \$800,000 and attached hereto as Exhibit C. As part of the environmental review process under 24 C.F.R parts 50 and 58 for the disposition and demolition of the Property, the U.S. Department of Housing and Urban Development ("HUD") Regional Environmental Officer determined that, due to the health and safety threats caused by the close proximity of the refineries, certain mitigation efforts must be implemented to protect the neighboring residences. Upon disposition and demolition of the Property, the land must remain a vacant green space to create an environmental buffer between the refineries and the adjacent residences. In order to comply with this restriction, upon acquisition by Valero/Premcor Refining Group, Inc., the Property must be subject to a deed restriction requiring it to remain a vacant green space. The deed use restriction is the only mitigation measure that will allow the City of Port Arthur to reach a Finding of No Significant Impact for the Property. Unfortunately, the deed use restriction, preventing any future development on the Property, severely devalues the Property well below its originally appraised fair market value.

Despite PAHA's negotiations with The Premcor Refining Group, Inc. in an effort to increase the purchase price of the Property, the environmental issues and the required deed use restriction significantly devalue it. As such, PAHA seeks approval to dispose of the Property at less than fair market value to The Premcor Refining Group, Inc., subject to the above-described deed use restriction.

Consistent with HUD requirements and SAC's April 30, 2013 approval as well as the terms and conditions of The Premcor Refining Group, Inc's bid, the gross proceeds will be deposited in an escrow account to be used for the demolition of the Property. Following demolition, any remaining net proceeds will be used to develop replacement public housing or other affordable housing units at Edison Square, a mixed-finance project, or alternate locations. PAHA closed on Park Central, the other mixed-finance project to which net proceeds from the disposition of the Property were to be applied, on March 14, 2014.

Your expedited consideration would be greatly appreciated as the bid holding period is time sensitive. Please feel free to contact me if you have any questions or would like to discuss our request.

Sincerely,



Seledonio Quesada
Executive Director

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd. • P. O. Box 2295 • Port Arthur, TX 77643
Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

Section 5, Line 7

Description of Disposition

The Port Arthur Housing Authority (PAHA) proposes to dispose of the Carver Terrace and Lincoln Square properties due to a change in the neighborhood, the location of the development is no longer conducive to residential use.

Carver Terrace was built in 1953 on the western edge of the City of Port Arthur's historic Westside neighborhood. At the time, the Westside was a thriving residential neighborhood near property owned by two large oil refineries – Texaco and Gulf. There were many commercial businesses on the Westside and particularly along Houston Avenue. Many Westside residents worked at the plants and many workers rode their bicycles to work. At one time more than 8,000 people worked for these refineries. After WWII unskilled workers with good reputations could be hired in labor gangs and trained by the refineries.

Many of these employees were members of labor unions particularly OCAW, Pipefitters, Machinists, IBEW, Boiler Makers, and Carpenters. The area became characterized by extensive labor unrest and work stoppages became both numerous and violent. In addition, as technology changed companies began reducing the number of workers and particularly those with limited or out-of-date skills. Companies even elected to out-source many skilled workers to independent contractors. The owners of these refineries have changed and have expanded on their own property to such an extent that process units, pipelines and storage tanks are now much closer to Carver Terrace.

The former Texaco refinery, now Motiva (Shell/Saudi Aramco), is the largest refinery in the United States and the former Gulf refinery is now owned by America's largest domestic refiner – Valero. These companies have invested billions in Port Arthur but the combined permanent workforce is estimated at approximately 2,500. The engineering and technical employees of these companies are among the highest paid in America but there are no opportunities for those with limited skills or those with skills in construction/turnaround trades. The air quality in Port Arthur has improved substantially however there is great concern for fence line residents living in Carver Terrace due to occasional upsets.

The integration of the public schools in the mid-sixties has impacted Port Arthur. Many white citizens began moving to nearby cities where a heavy concentration of white citizens lived. This resulted in a serious erosion of the tax base and deep feelings of resentment. The major retail investments in recent years have shifted from the Downtown/Westside to US-69 which is closer to the wealthier neighborhoods in Port Arthur and the other South and Mid-County cities. The loss of ready access to local employment, emergence of large discount retailers on US-69 and increases in crime rates has caused steep declines in the population and businesses on the historic Westside and Downtown area. The recent industrial expansions have dramatically increased tax revenue for schools and City services but student test scores remain low and the City infrastructure needs to revive these areas need major infusions of capital.

The Port Arthur's Carver Terrace/Lincoln Square public housing developments are now located in a dilapidated and declining area of Port Arthur with no job opportunities, limited retail stores and social services.

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

PAHA intends to dispose of the property at Fair Market Value (FMV) which is estimated at \$1,670,000 based on an appraisal prepared by The Gerald A. Teel Company, Inc. dated September 25, 2012. Accordingly, PAHA will offer the property for sale to interested parties at FMV; however the likely buyer for the property will be the adjacent refinery or a consortium of local refineries with the intent to convert the space into a green belt and create a natural barrier between the oil refinery and the adjacent residential community.

Self Contained Appraisal Report

Of

**Carver Terrace & Lincoln Square Apartments
1400 DeWalt
Port Arthur, Jefferson County, Texas**

Prepared for

**ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642**

GATCO File No.: H12505



THE GERALD A. TEEL COMPANY, INC.

Real Estate Consultants and Appraisers

September 27, 2012

Mr. Chris Akbari
ITEX Property Management LLC
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Carver Terrace/Lincoln Square Apartments

Dear Mr. Akbari:

In fulfillment of the agreement outlined in the letter of engagement dated September 17, 2012, this letter is to transmit the attached report of our appraisal of the property rights identified within the report concerning the referenced above, as of, September 25, 2012. The report sets forth supporting data and reasoning which form the basis of our opinion of the market value.

The value opinion reported is qualified by certain definitions, limiting conditions, and certifications which are set forth within this report. The reader is directed to review all assignment conditions set forth in the introduction section of this report. Those included are the General Assumptions, General Limiting Conditions, Extraordinary Assumptions, and any Hypothetical Conditions which may affect the final opinion of value.

This report was prepared for and invoiced to ITEX Property Management LLC. It is intended only for use by ITEX Property Management LLC. It may not be distributed to or relied upon by other persons or entities without our written permission.

The property was inspected by David D. Magnuson, and the appraisal was developed by Tim N. Treadway and David D. Magnuson. If you have any questions concerning the report, please contact our office.

The Gerald A. Teel Company appreciates the opportunity to provide these real estate valuation and consultation services. We look forward to working with you in the future.

THE GERALD A. TEEL COMPANY, INC.

BY: Tim N. Treadway, MAI, CCIM, Partner
State Certified TX 1323331-G

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Market Value

Project:	Carver Terrace/Lincoln Square	
Location:	1400 DeWalt Avenue Port Arthur, Texas 77640	
Year of Construction:	1952	
Effective Age (after repair):	40 Years	(60 Yrs Econ. Life)
Total Number of Rentable Units:	204	
Number of Residential Buildings:	24 + office/maint bldgs (2)	
Net Rentable Area:	139,160 SQ FT	
Average Size Unit:	682 SQ FT	
Land Area:	8.0690	351,486 SQ FT
Estimated Land Value (as if vacant):	\$160,000	\$0.46 /SQ FT

Market Values

	<u>Land As-Is</u>	<u>Land As If Vacant Hypothetical Vacant Land</u>
Indicated Value By Sales Comparison Approach:	\$1,670,000	
Indicated Value By Sales Comparison Approach:		\$160,000
Final Value Estimate:	\$1,670,000 \$8,186 /Unit	
As-Is Valuation Date	September 25, 2012	

SIGNIFICANT ISSUES

- This is a property in two locations about two blocks away from each other. This valuation is for both sites and their improvements. The property is known as Carver Terrace for the DeWalt address, and Lincoln Square for the site on Abe Lincoln Avenue.
- The subject property is an older project that has historically been operated as a low income project by the Port Arthur Housing Authority. Though originally built in a very solid manner, its age and styling leaves it less competitive to newer properties. We noted a fairly new roof and what appeared to be newer condensing units. The interiors showed signs of functional obsolescence with small closets, lack of dryer connections, worn-out counters/cabinetry, and kitchen styling that does not accommodate full size appliances in some cases. As if frozen in a different time, clothes lines adorn the courtyard and are still used due to lack of dryers. One of the questions to be answered in this report will be whether or not the existing improvements offer any remaining contributory value to a renovator, or if the property has more value as vacant land.
- The property is nearly 100% occupied due to the tenants paying little or no rent (housing authority owns). Were the property to be offered on market terms and rents, it would have difficulty being competitive in its current configuration and with its existing amenities and finish appointments, and considering its age and functional obsolescence.
- One building is burned containing eight units, and two more units are burned in another building.
- We have relied on the PCNA by JPS & Associates for the unit mix, count, unit square footages, and deferred maintenance. The land area in the PCNA was disregarded as it appeared to be incomplete (not containing both parcels).
- The Income Approach is typically used on income properties but not used herein because of the large amount of repair needs and functional obsolescence. A typical buyer would not be able to continue with the current tenant set because the government pays for their rent; however, the property is operating. There could be many forms of renovation and associated costs with the buyer pool for this sort of asset (poor location, fair to poor condition, costly repair needs as indicated by the PCNA). Some buyers might spend less and attempt to eke out some remaining life. Some buyers might spend more to remove most of the obstacles and reposition the property. This is beyond the scope of the report to determine every possible repair or renovation proposition. Brokers for this type of property tend to sell these assets on a price per unit basis, with an eye to the replacement value of the shell more so than income characteristics. As such, the Sales Comparison Approach is used herein to estimate value.

Section 5, Line 10

Itemization of Costs and Fees

Sales purchase price (FMV)	\$ 1,670,000
Less: Moving Costs (\$ 1,200 p/family)	\$ 225,600*
Security and Utility Deposits Contingency	\$ 94,000
Relocation Counseling Costs (\$ 2,489 p/family)	\$ 467,932*
Realtor Commission (3%)	\$ 50,100
 NET PROCEEDS	 <u>\$ 832,368</u>

* Based on occupancy of 188 families as of the date of submission of the Disposition Application

Section 5, Line 11

Use of Net Proceeds

The Port Arthur Housing Authority proposes to use the net proceeds from the disposition of Carver Terrace and Lincoln Square to develop and/or acquire public housing units under an ACC agreement or housing assisted by the Housing Choice Voucher Program in accordance with Section 18(a)(5).

While PAHA intends to leverage the funds, to the maximum extent feasible and possibly develop more units, at a minimum, PAHA expects to develop and/or acquire at least seven (7) ACC or Project-based Housing Choice Voucher units with the net proceeds. The hard cost of construction is anticipated to be approximately \$120,000 per unit. These units will be single family homes located throughout the City of Port Arthur on either PAHA owned or City owned lots. Some or all of these homes may also be potential homeownership units under a Section 32 Homeownership Program.

PAHA further intends to combine the estimated \$ 832,368 in net proceeds from Carver Terrace and Lincoln Square with additional PAHA and non-PHA sources funds which may include, but is not limited to: Operating Reserves, Capital Funds, Replacement Housing Factor Funds, Capital Fund Financing Program, Operating Fund Financing Program, Low-income Housing Tax Credits, conventional mortgage(s) and/or grant funds to develop and/or acquire additional public housing single family homes up to the PAHA's Fair Cloth limit. However, as mentioned above, PAHA will dedicate the net proceeds from Carver Terrace and Lincoln Square to either ACC units or housing assisted by the Housing Choice Voucher Program as required under Section 18(a)(5).

Section 5, Line 12

Demolition

The estimated cost of demolition of Carver Terrace and Lincoln Square is \$354,250 based on a quote from a local contractor, C.A.R.E.S., dated October 3, 2012, which is attached and included herein.

The Port Arthur Housing Authority will not be responsible for the demolition of the buildings at Carver Terrace and Lincoln Square under the terms of the Master Development Agreement for Carver Terrace and Lincoln Square. In accordance with the said MDA, the developer, ITEX Development LLC, has assumed the responsibility for the demolition of the buildings and will include it as an overall project cost that will be funded through non-PAHA sources.

C.A.R.E.S.

Clean Air Remediation Environmental Services

PROPOSAL

October 3, 2012

Owner/Owner Representative

Cisco Abshire

REFERENCE: Carver Terrace Apartment Complex and Lincoln Square Complex Texas

SCOPE OF WORK: Removal and disposal of ACM white fibrous pipe insulation and transite vent pipes throughout complex. Demolition and disposal of Buildings, interior sidewalks, parking lots, etc.

Sir/Madam

We propose to furnish all labor, materials and transportation for the clean up and disposal of asbestos containing materials from the above-mentioned areas as per specifications.

Asbestos Removal and disposal of materials.....	\$9,250.00
Carver Terrace Demolition	\$295,000.00
Lincoln Square Demolition	\$50,000.00
Total.....	\$354,250.00

- A). Project coordination with Contractor and/or Contractor representative.
- B). A full time licensed Superintendent will be at the job site for the extent of the entire project. Additionally, CARES foremen and abatement technicians are licensed and experienced and provide the labor portion for successfully completing each project.
- C). Air Monitoring-OSHA conducted for the project is the Owner responsibility.
- D). A full week notice to CARES will be required to efficiently expedite mobilization.
- E). Labor is based on working Friday and Saturday, 10+ hours per day, for site preparation and removal.
- G). CARES will subcontract the waste hauling and disposal to an independent, certified and licensed firm specializing in waste transporting. The waste will be disposed of in a federal/state-approved landfill
- H) ANY ADDITIONAL WORK, WILL BE CHARGED TO THE GM, OR OWNERS.
- I). OWNER IS RESPONSIBLE FOR NOTIFICATION FEES BY LAW.
- J.) OWNER IS RESPONSIBLE FOR DISCONNECTS AND CAPPING OF ALL UTILITES (WATER, GAS, SEWER, ELECTRIC, ETC.)

Sylvester White

Section 5, Line 13

General Timeline

The Port Arthur Housing Authority will submit the disposition application to the HUD Special Applications Center by December 7, 2012 and proposes the following schedule:

December 7, 2012	Disposition application received by SAC/HUD
January 1, 2013	PAHA or its developer partner contracts for the development of Housing Mobility Program aimed at providing Counseling Services to Carver Terrace and Lincoln Square residents
March 1, 2013	SAC/HUD approval of disposition application
March 2, 2013	PAHA notifies residents of the HUD approval of disposition application
August 1, 2013	Resident Relocation commences
December 1, 2013	Issue Request For Proposals (RFP) for Realtor Services
June 30, 2014	Resident Relocation completed
August 1, 2014	Execution of a sales agreement with Realtor to sell property
February 28, 2015	Closing on sale of property

Section 6, Line 1(a)

Relocation Plan

The Port Arthur Housing Authority (PAHA) has developed this relocation plan in anticipation of the disposition application for 204 family public housing units at Carver Terrace and Lincoln Square in the City of Port Arthur. As a result, the PAHA will apply to the Department of Housing and Urban Development for tenant protection vouchers for the residents upon approval of the disposition application; however this relocation plan is not contingent upon the receipt of said tenant protection vouchers. This disposition application for the Carver Terrace and Lincoln Square properties is based on an estimate of 188 families for the relocation calculation purposes, although PAHA expects the actual number of families in occupancy to vary slightly at the time of approval.

The goals of this relocation plan are to:

1. Fully comply with the requirements of Section 18 of the United States Housing Act of 1937;
2. Provide opportunities for increased housing choice and housing mobility for existing public housing residents;
3. Develop a relocation plan that provides detailed information on all relocation issues and options;
4. Communicate this plan to residents and the community; and
5. Revise this plan, as necessary, based on the feedback and comments from residents, advocacy groups and HUD.

All residents will be surveyed to determine their housing preferences. Upon approval of the disposition application, residents will be properly notified in accordance with Section 18 resident relocation requirements including a 90-day notice and a 30-day notice.

Eligible households that opt for a Section 8 Housing Choice Voucher, will receive a voucher which they can use to relocate to an apartment in the private housing market in accordance with the Authority's Section 8 Administrative Plan. PAHA's attrition rate for the Section 8 Housing Choice Voucher program is approximately twenty (20) vouchers per month. Accordingly, if all 188 families were eligible and choose a Section 8 voucher, it would take approximately ten (10) months from the date the disposition application is approved to accumulate the required vouchers at the typical turnover rate. PAHA will approach the relocation process in three phases. Phase I is expected to be comprised of 80 families, while 60 families will be relocated in Phase II and the remaining families, approximately 50, will be relocated in Phase III. PAHA will strive to strategically relocate families on a building-by-building basis to maximize efficiencies and minimize security issues. As units become vacant, they will be promptly secured and utilities will be disconnected.

PAHA anticipates that not all residents will be eligible or choose a Section 8 voucher. Residents that are not eligible for a Section 8 Housing Choice Voucher for reasons such as over-income or residents that prefer to remain in public housing, shall be moved to the top of the PAHA waiting list in accordance with the Authority's Admissions and Continued Occupancy Policy and shall be offered public housing units at Lakeview Palms or Scattered Sites as they become available.

Residents will be provided with relocation assistance for actual and reasonable expenses. Residents may choose from two options for this assistance:

1. Based on the guidelines established in the Federal Highway Administration's Fixed Residential Moving Cost Schedule (2012) as may be amended, residents may receive a flat fee based on the number of rooms and be responsible for their own relocation.
2. Residents may request that PAHA move their possessions using its contracted moving company within a 50 mile radius. This service shall be coordinated by the PAHA and shall not result in any out-of-pocket expense to the resident.

Although residents will be expected to pack their own personal belongings, all packing supplies will be provided by PAHA. The contracted moving company may also pack and unpack household goods, if requested due to a disability or hardship of the resident. Packing/unpacking requests will be considered on a case-by-case basis.

Security and Utility deposits will be considered an "actual and reasonable" relocation expense. Payments will be made in accordance with 24 CFR 970.21(e) (2). PAHA shall pay such deposits directly to the utility company or landlord with subsequent returns or refunds back to the PAHA. The resident shall hold no interest in a utility or security deposit paid by the PAHA.

Schedule

March 1, 2013	HUD Approval of Disposition Application
March 1, 2013	Apply for Tenant Protection Vouchers/Accumulate Section 8 vouchers from attrition
March 2, 2013	Notify Residents of HUD Approval
April 1, 2013	Implement Housing Mobility Program w/Resident kick-off meeting
May 1, 2013	Issue 90 day relocation notices for Phase I families (approximately 80)
July 1, 2013	Issue 30 day relocation notices Phase I families (approximately 80)
July 1, 2013	Issue Phase I families Section 8 vouchers (approximately 80)
August 1, 2013	Commence relocation - Relocate 20 families
September 1, 2013	Issue 90 day relocation notices for Phase II families (approximately 60)
September 1, 2013	Relocate 20 families
October 1, 2013	Issue 30 day relocation notices for Phase II families (approximately 60)
October 1, 2013	Issue Phase II families Section 8 vouchers (approximately 60)
October 1, 2013	Relocate 20 families
November 1, 2013	Issue 90 day relocation notices for Phase III families (approximately 50)
November 1, 2013	Relocate 20 families
December 1, 2013	Relocate 20 families
January 1, 2014	Issue 30 day notices for Phase II families (approximately 50)
January 1, 2014	Issue Phase III families Section 8 vouchers (approximately 50)
January 1, 2014	Relocate 20 families
February 1, 2014	Relocate 20 families
March 1, 2014	Relocate 20 families
April 1, 2014	Relocate 20 families

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

May 1, 2104	Relocate 20 families
June 1, 2014	Relocate 8 families
June 30, 2014	Relocation complete

Counseling

The Port Arthur Housing Authority will implement a Housing Mobility Program to de-concentrate poverty and reduce racial segregation in the voucher program. Under this approach, PAHA will hire a Housing Mobility Counselor to lead the in-house effort and will be supported by four (4) case managers assigned to the Carver Terrace/Lincoln Square residents. A Case Manager will be available to provide counseling to every affected household. This case manager will be knowledgeable of relocation requirements under Section 18 of the United States Housing Act of 1937 and will promote increased housing choices and housing mobility for existing public housing residents. Case managers will also be available to address resident questions and concerns as they arise.

PAHA is particularly interested in assuring that households that choose to exercise their mobility option have a wide range of neighborhood choices and that this initiative contributes to the de-concentration of low-income households in the City. PAHA will assist households in identifying areas with better employment opportunities, better schools, social services and public transportation systems.

Special Circumstances

Residents who are currently over/under housed and reside in units which do not have the appropriate number of bedrooms for the family size shall be appropriately housed during the relocation process to the maximum extent feasible. This group does not include any household with an approved reasonable accommodation request for an additional bedroom.

Residents whose income exceeds 50% of the Area Median Income (AMI) will not be eligible to receive a Section 8 Voucher. Those residents shall be offered a comparable public housing unit at another PAHA property of the appropriate bedroom size.

Section 6, Line 3

Relocation Counseling Services

The Port Arthur Housing Authority is excited to partner with HCP (Housing Choice Partners) to develop and lead its relocation and housing mobility counseling services for the Carver Terrace and Lincoln Square residents. HCP is a Chicago-based private non-profit fair housing agency. The mission of HCP is to promote racial and economic diversity by utilizing affirmative fair housing strategies to encourage voucher holders to move to areas of opportunity. Programs to de-concentrate poverty and reduce racial segregation in public housing and the voucher program are called mobility programs.

HCP has nine years of direct experience in working with the demolition of public housing and the relocation of residents with a voucher. HCP worked with the Chicago Housing Authority (CHA) as it demolished and replaced thousands of units of public housing under its Plan for Transformation. HCP helped move about 1000 public housing families into the private housing market using vouchers. Approximately 45% of those families went to low poverty or opportunity areas with HCP assistance.

HCP has direct experience in administration of a housing subsidy program. HCP subsidizes 70 units of project-based housing in the Cook County suburbs under a contract with the State of Illinois. The program is called the Rental Housing Support Program and it works essentially as a project-based Section 8 program however, the subsidy funding comes from the State. HCP provides landlord outreach to identify units for the program, refers eligible clients from a wait list, conducts inspections, income certifications, etc. The units are located in all parts of the region including over 40 different communities.

HCP has many years direct experience in developing mobility programs. HCP worked with CHA, the Housing Authority of Cook County and others, assisting them to develop new mobility programs. Right now HCP is implementing a Chicago region-wide demonstration program funded by HUD and private foundations to test several approaches to streamlining portability, regionalizing project-based units and of course, promoting mobility. Eight PHAs in the Chicagoland region are participating. HCP is now 17 years old, is the longest running mobility program in the country.

HCP Services for PAHA

HCP proposes to assist the Port Arthur Housing Authority (PAHA) through ITEX, the developer under contract with the PAHA. PAHA and/or ITEX will dispose of or demolish 204 units of public housing in the Carver Terrace and Lincoln Square developments and build approximately 300 new units of replacement housing. The residents of Carver Terrace and Lincoln Square must be relocated to new housing as a result of the disposition/demolition and they will be offered a housing choice voucher to allow them to move into the private housing market.

ITEX and PAHA want to be sure their residents are provided with a wide range of housing choices including areas they may not be familiar with, so that the resident's fair housing rights are respected. To that end, HCP will provide consulting services so that a mobility program can be created to serve each of the approximately 200 residents guaranteeing that they have adequate time and assistance in choosing a new home.

HCP will act as a consultant and will work with ITEX, PAHA, residents, advocates and others to create a plan for an enhanced mobility program to encourage affected residents to learn about and move to areas of the Port Arthur region that are more racially diverse, have lower poverty rates and greater opportunity in terms of school quality, job access and transportation.

Task 1. HCP will learn about the Port Arthur area including a visit to the area.

Task 2. During the visit HCP will provide an introduction to mobility to ITEX, PAHA and others and discuss the various tasks involved in developing a quality program including material development, landlord outreach, tenant education, search assistance, and follow up services usually provided as part of a mobility program.

Task 3. Develop a time-line for services, and a budget and staffing plan to implement the program.

Task 4. Help define what an opportunity area is including maps and tract lists.

Task 5. Provide PAHA staff training on all aspects of the program.

Task 6. Work with PAHA staff to develop a counseling protocol including a database tracking system to capture activity and outcomes for each resident.

Task 7. Work with PAHA staff to create a landlord outreach plan so that available units in opportunity areas are available when residents need them.

Task 8. Work with PAHA staff to develop a series of workshops including materials to educate residents on opportunity areas but also on how to be successful tenants.

Task 9. Work with PAHA staff to develop a listing of support services for residents in various opportunity communities.

Task 10. Work with PAHA staff to set up follow up services post move so that the residents transition successfully into their new communities.

Task 11. HCP will be available for consultation during program implementation. Implementation will include providing workshops to residents, individual one on one needs assessments, landlord outreach

and unit identification, search assistance with residents, assistance with voucher paperwork when a unit is identified, assistance with the move and post-move support services.

Task 12. HCP will provide a final written report on the project and its outcomes. It is anticipated that some percentage of residents will move to opportunity areas and some will not.

HCP is anticipating a minimum one year time line—six months for planning and development of the program and six months of implementation. The final report should be delivered within three months following the final resident moves.

Section 6, Line 4

Relocation Resources

The Port Arthur Housing Authority (PAHA) will utilize public housing and Housing Choice vouchers to provide replacement housing for displaced residents from Carver Terrace and Lincoln Square. Counseling services will be provided to residents through the development of a Housing Mobility Program by PAHA that is aimed at offering residents greater choices in relocating to higher "opportunity" areas within the City and surrounding areas. The Opportunity areas will be identified based on a number of factors including: lower poverty rates, lower minority concentration, better schools, access to transportation and employers.

PAHA will hire a Housing Mobility Counselor to lead and implement the Housing Mobility Program in-house and utilize four (4) existing Housing Choice Voucher (HCV) staff to carry out the relocation activities for the residents of Carver Terrace and Lincoln Square. PAHA will have the Housing Mobility Counselor assigned to the relocation effort for approximately 18 months from the development of the Housing Mobility Program until the completion of the relocation process. Additionally, four (4) HCV case managers assigned to this relocation effort for a one-year term.

It is anticipated that Housing Choice Partners (HCP) will oversee the counseling services in a consulting role; however PAHA will also have an in-house team leader that is a Housing Mobility Program Specialist assigned to this project as well. The Housing Mobility Program Specialist will work closely with the HCV supervisory staff that oversees the HCV case managers in the issuance of the vouchers as well as the coordination of all aspects of the resident relocation. PAHA will create a cross functional team comprised senior staff from the Finance, Operations and HCV departments as well as the HCV case managers to meet on a weekly basis to review the status of the relocation activities and work closely to resolve issues as they arise in an effort to expedite relocation for the families. Good internal communication is instrumental in the success of the overall relocation and PAHA is committed to providing outstanding service to the Carver Terrace and Lincoln Square residents.

Section 6, Line 8

Sources For Relocation

The Port Arthur Housing Authority (PAHA) has two primary sources of funds immediately available for the relocation costs of the Carver Terrace and Lincoln Square families, namely Operating Fund Reserves for the Fiscal Year Ending September 30, 2012 which are estimated to be in excess of \$1,000,000 as well as \$672,965 in unobligated Capital Funds, FY2009 through 2012, and an additional \$150,000 in FY2013 and 2014 Capital Funds for resident relocation as outlined in the Agency's 2012 PHA Plan and as approved by HUD. Additionally, PAHA's Master Development Agreement for the Redevelopment of Carver Terrace and Lincoln Square will fund \$40,000 in Housing Mobility Consulting Services contract as part of the overall Predevelopment Budget. Combined, these resources far exceed the projected relocation costs of approximately \$ 787,458 needed for the affected families as a result of this disposition activity.

Sources

Operating Fund Reserves	\$1,000,000
Capital Funds	\$ 937,458
Development Project Cost	\$ 40,000
Total Sources	<u>\$1,827,458</u>

Uses

Mobility Consulting Services	\$ 236,000
HVC Case Managers Salary/Benefits (4)	\$ 226,858
Supplies	\$ 5,000
Moving Costs	\$ 225,600
Security and Utility Deposit Contingency	\$ 94,000
Total Uses	<u>\$ 787,458</u>

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
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Section 7, Line 1

Resident Consultation

The Port Arthur Housing Authority (PAHA) held a series of five (5) resident meetings at Carver Terrace to discuss the pending demolition and/or disposition application for Carver Terrace and Lincoln Square. The meetings were held on the following dates: August 15, 2012 @ 2:00pm; August 29, 2012 @ 2:00pm; August 29, 2012 @ 6:00pm; September 12, 2012 @ 2:00pm and September 12, 2012 at 6:00pm, October 29, 2012 @ 2:00pm, and a final resident meeting November 30, 2012 @ 2:00pm. Additionally, a Resident Council and Resident Advisory Board meeting was held on October 5, 2012 at 12:00pm to offer the property for sale to resident organizations as required in accordance with HUD disposition regulations.

At the first meeting held on August 15, 2012 @ 2:00pm the PAHA introduced its plan to demolish or dispose of the Carver Terrace and Lincoln Square properties. The meeting was well attended with over 130 persons in attendance. Mr. Cele Quesada, PAHA Executive Director, covered the following topics: Rationale, Resident Consultation Process, Resident Relocation Plan, Relocation Expenses, Timeline and Voucher Issuance Process. At the end of the meeting questions were taken and written comments were encouraged to be submitted to PAHA. Several questions were raised regarding the timing of the issuance of the vouchers and how the relocation expenses would be handled. PAHA committed to providing more information on both topics at the next resident meeting scheduled for August 29, 2012.

Excerpts from the August 15, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: "Where does the deposit go?"

Ms. Sherri Sengsouvanna: "If you move to a new unit then your deposit will go with you, or if you choose to switch to HVC program you will get your deposit back. "

Tenant: "Can we take our Section 8 Voucher to Houston?"

Ms. Elaina Lee: "All vouchers are given the option to port anywhere in the United States."

Tenant: "Ms. Noel told me to talk to you (to Mr. Quesada). Can I move?"

Ms. Lee: "Under the Relocation Plan you will have to wait until the application is approved and you receive a voucher. If you move, you will not be eligible for a Tenant Protection Voucher."

Tenant: "What if you are already on the Section 8 waitlist?"

Mr. Quesada: "You have to wait until you are called in if you are on the Section 8 waitlist."

Ms. Lee: "It could be a while."

Mr. Quesada: "You have to request for a transfer and you will be put on a waitlist to be transferred."

Tenant: "Where do I sign up or who do I talk to so I can transfer?"

Mr. Quesada: "Talk to Ms. Noel and tell her that transfer so she can put you on the waitlist."

Mr. Quesada: "You will get an opportunity to move and to be on a Section 8 voucher program to pay your rent. We will explain how this program works. You will complete an application for HUD in or about September and in three months after that we should have response from HUD if it will be ok be

ok to move people. Then in the first of the year we will hire someone to move the people or you will receive check to do it yourself. Right now we are asking if you have questions or comments. You will get help with deposit for rent, water, and lights. This meeting is for you to ask questions.”

Tenant: “Explain, what is section 8?”

Mr. Quesada: “This program you will get a voucher. It will help pay your rent in an apartment or house. We will explain everything to you.”

Tenant: “Will I get help filling out application for Section 8?”

Mr. Quesada: “Yes we will help you one-on-one and explain and give you an appointment.”

Tenant: “Do all qualify for houses in Sec 8? What if I want a house?”

Mr. Quesada: Depending on if you are eligible or if want a house or apartment, a portion of the house will be paid, but you will be responsible for water, gas and other utilities. Right now you are paying minimum amount for an apartment. In a house you will pay more. You will have the first option to move. Depending on your income that is how you will be charged for.”

Tenant: “Will we get help with filling out application?”

Mr. Quesada: “Yes. We will help you step by step.”

At the August 29th meeting, Mr. Quesada recapped some of the highlights from the prior meeting for those who were unable to attend and turned the meeting over the Ms. Shanel Dixon, HCV Manager, to review the voucher issuance process with the attendees. Residents were provided handouts that outlined the income limits and guidelines for the Housing Choice Voucher Program. Ms. Sherri Sengsouvanna, Operations Analyst, committed to providing residents with a draft relocation plan at the next meeting for review and comment. Excerpts from the August 29, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: “When we get the vouchers will they be for the new homes or to move somewhere else?”

Mr. Quesada: “To move somewhere else. We can’t move you into the new homes until they are built, but they will be available for to move into if you choose to come back to this area once they are built.”

Tenant: “How will this effect what we pay in rent?”

Mr. Quesada: “The Section 8 program will subsidize your rent and you could possibly pay the same amount in rent. With that being said, moving into a house or an apartment you may have to pay your own utilities.”

Tenant: “So will we have to find our own place to live?”

Mr. Quesada: “You will have to find your own place to live, but we are working to find landlords in the community so when this comes about that you will have choices for better housing.”

Tenant: “Do we have to remain in Port Arthur? Can we move out of state?”

Mr. Quesada: “The Section 8 program is a national program making it allowable for you to move anywhere in the country.”

Ms. Dixon: “You will be notified to come in for a pre-eligibility meeting to verify your information to see if you qualify for the program. Within thirty days you will be notified by mail whether you are deemed eligible or ineligible for the program. You will have the opportunity for an informal review if you are

deemed ineligible. We will bring you back in once you qualify for the program to receive your voucher and teach you how to use it.”

Tenant: “Do we have to bring in all the information to the meeting again? We already brought to y’all when we came here.”

Ms. Dixon: “Yes, we have to do criminal background on all members of the household over the age of 18 years. We check to see if you’ve been evicted from Section 8 or Public Housing, and if you fall with in the income limits of the program.”

Tenant: “What will happen to those tenants that are out here now that were evicted from Section 8?”

Ms. Dixon: “You will have the opportunity to come in and have us hear your case.”

Tenant: “I was on the Section 8 program and I moved into Public Housing. My Section 8 Voucher was taken away from me. Would I still qualify for the program? This happened a year ago.”

Ms. Dixon: “You would not qualify for Section 8 we would have to move to another Public Housing location.”

Ms. Lee: “This meeting is for general information, if you have personal questions then, we will answer those in a separate meeting in private.”

Tenant: “Are going to build apartments?”

Mr. Quesada: “We are going to build apartments and houses.”

Ms. Sherri Sengsouvanha: “No one will be economically harmed with this demolition process and we are working hard to make sure you understand this process and your concerns are heard. We understand that your lives are being disturbed by this process and we want to commit to you in helping you transition into a home that you can be proud of that doesn’t look anything like Carver Terrace or a Public Housing unit.”

The draft Relocation Plan was distributed to residents at September 12, 2012 resident meeting. Excerpts from the September 12, 2012 Question and Answer portion of the resident meeting are as follows:

Tenant: “What if we do not want to stay in Port Arthur?”

Mr. Quesada: “Depending on where you want to go there is portability that will allow you to take your voucher with you where you want to go. If you have a location that you want to go to, we will contact that housing authority for you and we will make sure we work out that paperwork.”

Tenant: “So now it’s changed, we can move out of the area.”

Mr. Quesada: “No, it’s always been that way.”

Tenant: “Before it was stated that we had to stay in the golden triangle area.”

Mr. Quesada: “We obviously want to keep you in our community, but you are welcome to move out of our area. We will be teaching you about the Section 8 program, other opportunities, and better environment.”

Tenant: “Will we have time to relocate?”

Mr. Quesada: “Yes. We will provide case management and will be working with landlords in nice locations to let them know that we are working with you to move you into those areas with better employment opportunities. We have to be good tenants. Make sure you abide by your lease; you may not qualify to take part in this opportunity if you don’t abide by your lease, pay your rent, and don’t

cause commotion for the complex. We have been driving by and seeing a lot of trash especially in family areas. You will be held responsible for your area if you allow it to stay messy. We have to work together and help each other out. Please report to management if you see trash being frequently dumped in your area."

Paula Watts: "There is a charge for picking up trash in front of your unit whether you did it or not. We will charge you, so report who is doing it so that they get the charge."

Tenant: "It used to be that the people that are downstairs were responsible for the trash in the front and the people upstairs were responsible for the trash in the back. Is it still that way?"

Mr. Quesada: "We are all responsible for the front and the back."

Ms. Noel Ozen: "Another thing we will be looking at is your community service hours."

Tenant: "What does "on time" mean about the rent?"

Mr. Quesada: "On time" means you pay by the fifth."

Tenant: "What if we don't get paid until after the fifth?"

Ms. Ozen: "Then you would pay the late charge."

Ms. Watts: "In regards to delinquent rent, it is, for the first time in months, extremely low and I want to commend y'all. Most of you are paying your rent on time. You are doing a great job."

Tenant: "What do you mean by community service?"

Ms. Ozen: "If you are able to work, but are not currently working. Everyone knows if you have community service, you have eight hours per month."

Ms. Sherri Sengsouvanha: Discussion of mobility plan...."You will get at least two notices. A ninety day relocation notice will be sent out after we get approved and then a thirty day notice to actually move."

Ms. Watts: "In regards to delinquent rent, it is, for the first time in months, extremely low and I want to commend y'all. Most of you are paying your rent on time. You are doing a great job."

Mr. Quesada: Introduces Ms. Shanel Dixon, Section 8 Coordinator, Ms. Tanika Traveler, Executive Assistant, and Ms. Valeria Brown, Quality Control Officer.

Ms. Tanisha Moore: Announcement to pick up school supplies.

Mr. Quesada: Discussion of the trash problems and community services.

Pastor Starks: "If you need help with your community service hours we can help with that. We provide services for the kids and if you would like to help, let us know."

Tenant: "I need a little more clarification of the Section 8 Program. What is Section 8?"

Mr. Quesada: "Section 8 subsidizes your rent depending on your income whether you want to live in a house or apartment in our community or even if you want to move outside of our jurisdiction."

Excerpts from the October 29, 2012 resident meeting are as follows:

Mr. Quesada: "We will not issue voucher until HUD have approved the application. We will ask immediately for what is called a tenant protection voucher. We will start talking to you about what the section 8 voucher is and how it works. We have also started looking within our community of housing location for the relocation process. Even though we have to wait on the approval we have already started the process of finding relocation housing within our community."

Ms. Dixon- Speaks with the tenants on what they should expect on the section 8 program. They will receive a letter from the admission department to come in for an orientation meeting. At that time we

be begin our verification process which consist of – back ground check of everyone over the age of 18 in the household, do you owe monies to other housing authorities, have you ever been cancelled from the section 8 program or other housing programs including evictions, and income requirements. After all verification has been verified you will receive a letter within 30 days notifying you if you meet requirements for the program. If you are ineligible you will receive a letter stating why and notifying you that you have the right to request a hearing. If you are eligible you will processed on to the voucher issuance portion.

Tenant- “What are the income requirements?”

Ms. Dixon: “See attachments FY 2012 Income Limits Documentation System.”

Ms. Dixon: Explains the income handout to tenants.

Tenant: “Do we also have the option to stay on public housing?”

MS. Elaina: “Section 8 does not have a flat rent. That is why the income is so important.”

Quesada: “Most....tenants will be eligible for the voucher program.”

Residents generally wanted to know what the next steps would be. Mr. Quesada assured them PAHA would continue to communicate regularly throughout the process but the earliest that anyone could move would be early or mid-2013.

A final resident meeting was held on November 30, 2012 to distribute the draft copies of the draft disposition application. At this meeting residents were encouraged to provide written comments on the application for consideration. PAHA received numerous letters from residents in support of the application, several of which are included herein and made a part thereof.

In summary, the Port Arthur conducted an in depth series of resident meetings over the course of a four month period to provide a high level of resident consultation and engagement in the development of this application. Residents are very supportive of the proposed disposition application and eager to begin the relocation process upon HUD approval.

Section 7, Line 2

Resident Council Consultation

The Port Arthur Housing Authority met with the Resident Advisory Board (RAB) and the Carver Terrace Resident Council on October 5, 2012 to discuss the disposition of Carver Terrace and Lincoln Square. At this meeting, the Offer of Sale to the residents. Nine residents attended the meeting representing the RAB and the Carver Terrace Resident Council.

Mr. Cele Quesada, PAHA Executive Director opened the meeting and welcomed the attendees. Mr. Quesada advised the group the purpose of the meeting was to consult with the organized resident groups representing Carver Terrace and Lincoln Square regarding PAHA's proposed disposition of the property. Mr. Quesada proceeded to review the Offer of Sale to the Residents in detail with the group. Residents were informed the property was valued at \$1,670,000 and they would have 30 days to respond to PAHA if they were interested in purchasing the property. One resident inquired as to whether they would receive Section 8 vouchers if the residents purchased the property and Mr. Quesada responded that Section 8 vouchers would only be provided to the current residents if the Housing Authority receives HUD approval to sell the property to an outside entity. If the residents purchase the property, they would not receive Section 8 vouchers for relocation purposes.

On October 10, 2012, the PAHA issued a First Amended and Restated Offer of Sale to the RAB and the Carver Terrace Resident Council due to an administrative error in the estimated cost of capital improvements for the property as communicated in the October 5, 2012, letter. The First Amended and Restated Offer of Sale was hand delivered on October 10, 2012, to all applicable residents.

PAHA did not receive any response from the RAB or Carver Terrace Resident Council within the 30 day period. As noted in the Offer of Sale, *"If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier."* Accordingly, PAHA has met its requirements to consult with the RAB and provide sufficient time to respond to the Offer of Sale for this property.

CARVER TERRACE/LINCOLN SQUARE DISPOSITION MEETING AGENDA

RESIDENT ADVISORY BOARD & RESIDENT COUNCIL

October 5, 2012 @ 12:00pm

Location: Port Arthur Housing Authority Admin. Office
920 Dequeen Blvd
Port Arthur, TX

Agenda

1. Disposition of Carver Terrace and Lincoln Square
2. Resident Consultation Requirement
3. Offer of Sale to Resident Organization(s)
4. 30 Days to Respond
5. Questions & Answers

Section 7, Line 4

Resident Advisory Board (RAB) Consultation

The Port Arthur Housing Authority met with the Resident Advisory Board (RAB) and the Carver Terrace Resident Council on October 5, 2012 to discuss the disposition of Carver Terrace and Lincoln Square. At this meeting, the Offer of Sale to the residents. Nine residents attended the meeting representing the RAB and the Carver Terrace Resident Council.

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PAHA did not receive any response from the RAB or Carver Terrace Resident Council within the 30 day period. As noted in the Offer of Sale, *"If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier."* Accordingly, PAHA has met its requirements to consult with the RAB and provide sufficient time to respond to the Offer of Sale for this property.

10:00 AM Carver Terrace
Meeting Apartment.

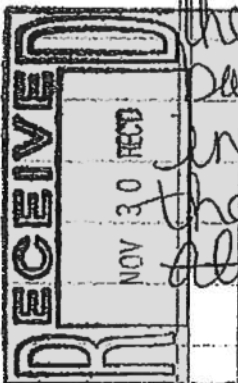
Nov. 30, 2012

(b)(6)

I am looking forward to moving the apartment in Carver Terrace are not up to par at all. So much fighting, shooting. My child can't go outside and play. So I with the disposition / demolition of Carver Terrace, I also have had mold in my apartment me and my child have been sick and forward to the doctor for 3 years I had lived out here I applied for Section 8 2 years ago at Lamar. I have not got anything in the mail at all. Back in 2010 I paid off my balance from Gulf Breeze Apartment Mrs. Pat didn't turn in that important so Celia Quesada & Joe put me on the top of the list for Public Housing. I also applied for Section 8 at the Housing Authority a few year back due to Mrs. Pat not turning in the paper work I didn't get that also. So I have been through a lot.

Thank you.

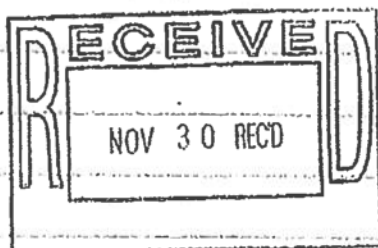
(b)(6)



Its time for a Fresh Start for all
People living out here. There is so
much Drugs & violence & Drama going
on. I ready to move, because im
beyond tired of all of it.

Everyone who works out here never
see what happens when the office
closes at 5pm. I have a few ~~the~~ ideas
on how to fix, but none will get done.

Anyone who dosent want to move is
crazy. Its time for a change but the
bad part is, yall are move the bad with
the good so anyone yall move will
trash-out the new places.

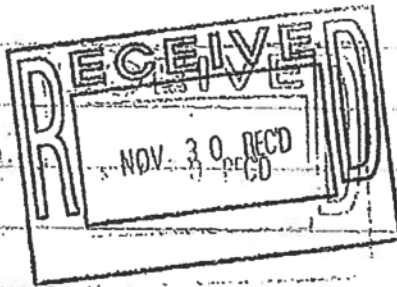


Joseph Sufor

(b)(6)

(b)(6)

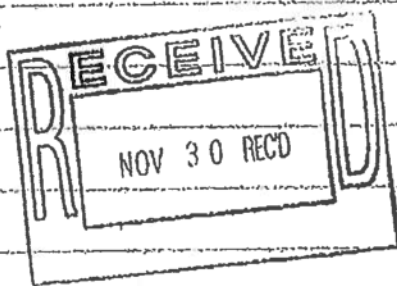
I [redacted] agree that they should move us out because it is bad to me and my kids health



(b)(6)

I appreciate everything that you guys have done for me. I am glad that they are going to move us to other apts. and are giving an opportunity to better ~~o~~ self and have better living conditions.

Thank you



I support Ann's to move from CARLISA Terrace

(b)(6)

(b)(6)

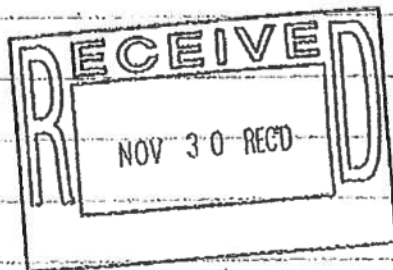
RECEIVED
NOV 30 RECD

I know All Apartments are not
the same. It's not the place
it's the people. I work and
stay in, play ~~the~~ games with
the kids. They are so bored, because
they ~~can't~~ ^{can't} go out side half the
~~time~~
time. I don't mind what
you all do with it, because I
won't be back

(b)(6)

11-30-2012

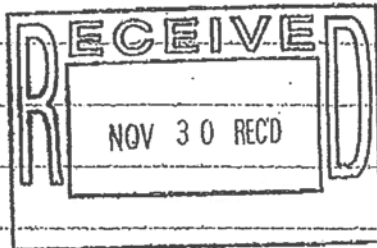
(b)(6)



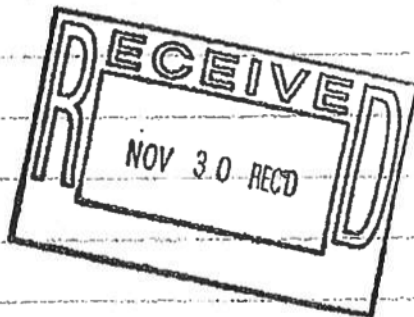
I know that you-all need to
close Carver-Terr Apt down, for a
better inuonment, and better living
for poor people.

(b)(6)

(b)(6)



I'm ready to move out of
Conver Terrace now!!! This is not
where I want my family to be
anyway. I've been suppose receive
a voucher to move + have not
yet possess one!!! The referees
are cause health issues with me.



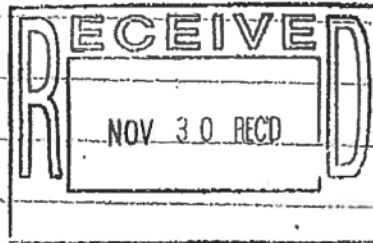
Question: When can I move?
What do I need to do to rust the
process, since I've been waiting for
about 2 years for my voucher?

(b)(6)

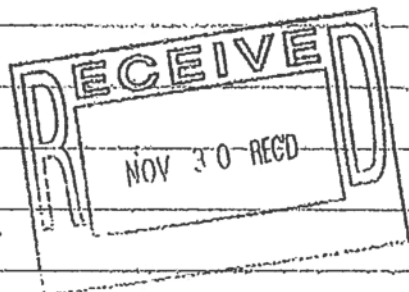
(b)(6)

I am For it. I believe it would
benefit my family to move into
a better environment. I believe
that people with no infractions
should get vouchers first.

I would like the whole idea.



I ^{(b)(6)} believe that
is has been time to due away with
these apartments, not only are the
apartments old, but It's time
to move some of the people
around. It's too crime infested
I barely feel safe letting my
children play outdoors. Also
the inside of these apartments
are mold infested, their are too
many roaches and the air around
here is keeping my children and
myself sick. I'm expecting another
baby real soon. One of my main
concerns are moving people
around to have less crime
around this side of town.



(b)(6)

(b)(6)

11/30/2012

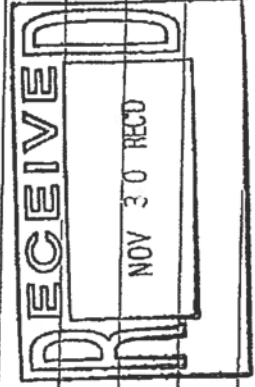
Nov. 30, 2012

(b)(6)

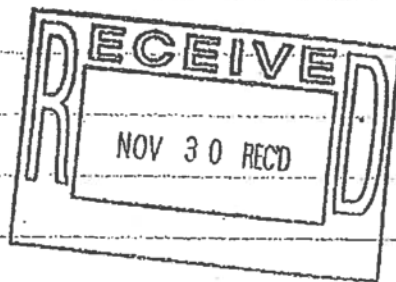
This

(b)(6)

Please help me move from
Port Arthur help me I have
3 kids and one on the way
the community is horrible and
everything falling apart in my apart-
ment. please help me



my name is (b)(6) and I live
in unit (b)(6) I think it would be a
great ideal to move us out of the
area because its ~~so~~ always loud
people fighting and I just hate how
it looks inside and out evry thing
including jobs are distance from us
I'm just sick of being here period!!
I would love to live comfortable
and in a peaceful area.



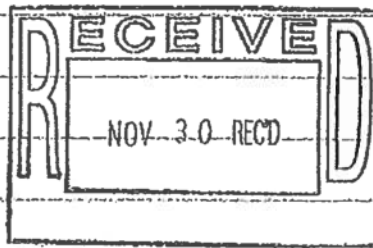
To Whom this may concern,

I think that it is a good thing for Housing to get rid of Carver Terrace finally. Only because people have been here for a lot of years and will feel good about getting out of here.

(b)(6)

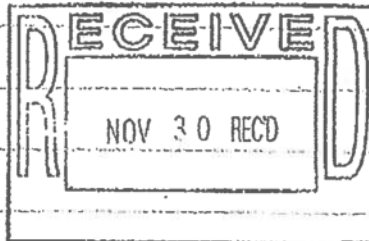
(b)(6)

1106 Carver Terrace



T. support for us to move from CARLER Terrace.

(b)(6)

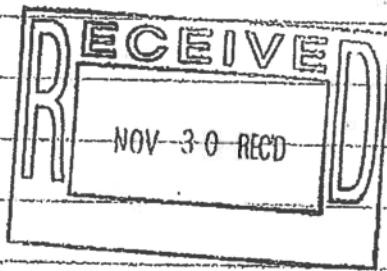


Drugs
Fighting
~~Violence~~

I am (b)(6) in (b)(6) i dont have no
problem but i am glad they are doing thiz. All
apartment is not the same But thiz is not a place
tha kids to hang ~~up~~ out have fun. They got nothing
but fighting, gang bang, shooting nd i am not really
safe with my kids to play outside cause of safety
problem. Thanks for what yall have done but i
just lettin yall know

(b)(6)

(b)(6) Apartment



Section 8, Line 3

Resident Organizations

Resident Council and Resident Advisory Board Members		
	Name	Address
Carver Terrace Council		
President	Shilah Guidry	(b)(6) Port Arthur, TX 77642
Vice President	Angela Mathes	(b)(6) Port Arthur, TX 77642
Secretary	Shayla Lewis	(b)(6) Port Arthur, TX 77642
Resident Advisory Board (RAB)		
	Shilah Guidry	(b)(6) Port Arthur, TX 77640
	Angela Mathes	(b)(6) Port Arthur, TX 77642
	Shayla Lewis	(b)(6) Port Arthur, TX 77642
	Karen Love Lady	(b)(6) Port Arthur, TX 77640
	Jimmie Hayes	(b)(6) Port Arthur, TX 77640
	Willie Carrier	(b)(6) Port Arthur, TX 77640
	Bessie Bob	(b)(6) Port Arthur, TX 77640
	Robert Benbow	(b)(6) Port Arthur, TX 77640
	Rufus Landry	(b)(6) Port Arthur, TX 77640



COMMISSIONERS

REV. RONNIE LINDEN, CHAIRMAN
CLONIE AMBROISE , VICE-CHIRMAN
BART BRAGG
FARHANA SWATI
BRENDA ROY

EXECUTIVE DIRECTOR
CELE QUESADA

October 10, 2012

Port Arthur Housing Authority Resident Advisory Board
and
Carver Terrace and Lincoln Square Resident Council

RE: First Amended and Restated Offer of Sale - Carver Terrace and Lincoln Square

Dear Resident Advisory Board and Carver Terrace/Lincoln Square Resident Council Members:

The Port Arthur Housing Authority (PAHA) is providing this First Amended and Restated Offer of Sale due to an updated cost estimate for the rehabilitation of Carver Terrace and Lincoln Square as noted herein. The PAHA planning to submit a disposition application to the Department of Housing and Urban Development for the Carver Terrace and Lincoln Square properties, said properties are collectively known as HUD AMP #TX034000001 and consist of 204 total public housing family units. As a result, the Housing Authority is required to offer the properties for sale to any Resident Management Corporation, Resident Council or Resident Cooperative of the affected developments.

The Carver Terrace development is located at 1400 Dewalt Avenue, Port Arthur, TX. It consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23, two story structures. The Lincoln Square development is within a block of Carver Terrace at 14th Street and Abe Lincoln, Port Arthur, TX. It consists of 24 units (24 two bedroom apartments) in 2, two story

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
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Phone: (409) 982-6442 • 1(800) 590-6442 • FAX: (409) 983-7803

structures. The HUD project number for both developments is TX034; AMP number is TX034000001. Carver Terrace and Lincoln Square are currently 94% occupied.

It is the PAHA's intention is to dispose of these structures and use the proceeds to build at least 204 rental units at off-site locations consisting of a combination of new multi-family units, elderly units and single family homes. The bedroom sizes of the new units will be contingent upon the results of a market study and the available financing sources.

Carver Terrace was built in 1953 and underwent a substantial rehabilitation to replace stairwells in 2005. Lincoln Square was built in 1972. An appraisal was performed in the September 2012, which put the value of the property at \$ 1,670,000. The PAHA's consultants have estimated the capital improvement costs for these developments to be approximately \$ 20.6 million to rehabilitate. The Carver Terrace development has been found to be free of lead paint, but there is friable asbestos in the roof flashing material, transite vent pipe and insulation material, all of which have been identified as an Asbestos Containing Material (ACM). The cost for abatement is included in the repair estimate. Ten units have substantial fire damage and are not available for occupancy. The fire damages are included in the cost estimate. The Lincoln Square development has been found to be free of lead paint and asbestos.

Resident groups desiring technical assistance or further information may contact Cele Quesada, Executive Director, Port Arthur Housing Authority at (409) 984-2621. Resident groups requesting technical assistance from the Department of Housing and Urban Development may contact Dan Rodriguez, Director of Public Housing, Houston Field Office at (713) 718-3175.

The PAHA requires your response within 30 days of the date of this letter expressing your interest in pursuing the purchase of this property or waiving your opportunity to purchase. If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier. You may respond earlier than 30 days.

If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.

The PAHA expects to get an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value.

Your proposal will have to contain the following information at a minimum:

- A. The length of time the organization has been in existence;
- B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;

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- C. A statement of financial capability;
- D. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
- E. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
- F. A plan for the low-rent housing use of the property;
- G. The proposed purchase price in relation to the appraised value;
- H. Justification for purchase at less than the fair market value, if appropriate;
- I. Estimated time schedule for completing the transaction;
- J. The response to the PAHA's terms of sale;
- K. A resolution from the resident organization's Board approving the proposal; and
- L. A proposed date of settlement, generally not to exceed six months from the date of PAHA approval of the proposal, or such period as the PAHA may determine to be reasonable.

The Port Arthur Housing Authority has up to 60 days to evaluate the proposal. The resident organization will be formally informed of PAHA's decision within 14 days, i.e., the most amount of time that the PAHA can take is 74 days before giving the resident organization a formal decision.

The resident organization may appeal our decision to the local HUD Office. The appeal to HUD must be made within 30 days of the PAHA's formal reply.

The Port Arthur Housing Authority looks forward to receiving your feedback. Please contact me directly with any questions that you may have at (409) 984-2621 (office).

Sincerely,



Cele Quesada
Executive Director

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COMMISSIONERS

REV. RONNIE LINDEN, CHAIRMAN
CLONIE AMBROISE, VICE-CHIRMAN
BART BRAGG
FARHANA SWATI
BRENDA ROY

EXECUTIVE DIRECTOR
CELE QUESADA

October 5, 2012

Port Arthur Housing Authority Resident Advisory Board
and
Carver Terrace and Lincoln Square Resident Council

RE: Offer of Sale - Carver Terrace and Lincoln Square

Dear Resident Advisory Board and Carver Terrace/Lincoln Square Resident Council Members:

The Port Arthur Housing Authority (PAHA) is planning to submit a disposition application to the Department of Housing and Urban Development for the Carver Terrace and Lincoln Square properties, said properties are collectively known as HUD AMP #TX034000001 and consist of 204 total public housing family units. As a result, the Housing Authority is required to offer the properties for sale to any Resident Management Corporation, Resident Council or Resident Cooperative of the affected developments.

The Carver Terrace development is located at 1400 Dewalt Avenue, Port Arthur, TX. It consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23, two story structures. The Lincoln Square development is within a block of Carver Terrace at 14th Street and Abe Lincoln, Port Arthur, TX. It consists of 24 units (24 two bedroom apartments) in 2, two story

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structures. The HUD project number for both developments is TX034; AMP number is TX034000001. Carver Terrace and Lincoln Square are currently 94% occupied.

It is the PAHA's intention is to dispose of these structures and use the proceeds to build at least 204 rental units at off-site locations consisting of a combination of new multi-family units, elderly units and single family homes. The bedroom sizes of the new units will be contingent upon the results of a market study and the available financing sources.

Carver Terrace was built in 1953 and underwent a substantial rehabilitation to replace stairwells in 2005. Lincoln Square was built in 1972. An appraisal was performed in the September 2012, which put the value of the property at \$ 1,670,000. The PAHA's consultants have estimated the capital improvement costs for these developments to be approximately \$ 56.3 million to rehabilitate. The Carver Terrace development has been found to be free of lead paint, but there is friable asbestos in the roof flashing material, transite vent pipe and insulation material, all of which have been identified as an Asbestos Containing Material (ACM). The cost for abatement is included in the repair estimate. Ten units have substantial fire damage and are not available for occupancy. The fire damages are included in the cost estimate. The Lincoln Square development has been found to be free of lead paint and asbestos.

Resident groups desiring technical assistance or further information may contact Cele Quesada, Executive Director, Port Arthur Housing Authority at (409) 984-2621. Resident groups requesting technical assistance from the Department of Housing and Urban Development may contact Dan Rodriguez, Director of Public Housing, Houston Field Office at (713) 718-3175.

The PAHA requires your response within 30 days of the date of this letter expressing your interest in pursuing the purchase of this property or waiving your opportunity to purchase. If you do not respond by the 30 day limit, we will take that as your having no interest in the purchase and the PAHA will continue with its plan to present a disposition application to HUD as outlined earlier. You may respond earlier than 30 days.

If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.

The PAHA expects to get an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value.

Your proposal will have to contain the following information at a minimum:

- A. The length of time the organization has been in existence;
- B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;

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- C. A statement of financial capability;
- D. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
- E. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
- F. A plan for the low-rent housing use of the property;
- G. The proposed purchase price in relation to the appraised value;
- H. Justification for purchase at less than the fair market value, if appropriate;
- I. Estimated time schedule for completing the transaction;
- J. The response to the PAHA's terms of sale;
- K. A resolution from the resident organization's Board approving the proposal; and
- L. A proposed date of settlement, generally not to exceed six months from the date of PAHA approval of the proposal, or such period as the PAHA may determine to be reasonable.

The Port Arthur Housing Authority has up to 60 days to evaluate the proposal. The resident organization will be formally informed of PAHA's decision within 14 days, i.e., the most amount of time that the PAHA can take is 74 days before giving the resident organization a formal decision.

The resident organization may appeal our decision to the local HUD Office. The appeal to HUD must be made within 30 days of the PAHA's formal reply.

The Port Arthur Housing Authority looks forward to receiving your feedback. Please contact me directly with any questions that you may have at (409) 984-2621 (office).

Sincerely,



Cele Quesada
Executive Director

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Section 8, Line 3

The Port Arthur Housing Authority has determined the following two organizations, Carver Terrace Resident Council and the Resident Advisory Board, represent all of the resident organizations for Carver Terrace and Lincoln Square.

Carver Terrace Resident Council and Resident Advisory Board Members		
	Name	Address
Carver Terrace Resident Council		
President	Shilah Guidry	(b)(6) Port Arthur, TX 77642
Vice President	Angela Mathes	(b)(6) Port Arthur, TX 77642
Secretary	Shayla Lewis	(b)(6) Port Arthur, TX 77642
Resident Advisory Board (RAB)		
	Shilah Guidry	(b)(6) Port Arthur, TX 77640
	Angela Mathes	(b)(6) Port Arthur, TX 77642
	Shayla Lewis	(b)(6) Port Arthur, TX 77642
	Karen Love Lady	(b)(6) Port Arthur, TX 77640
	Jimmie Hayes	(b)(6) Port Arthur, TX 77640
	Willie Carrier	(b)(6) Port Arthur, TX 77640
	Bessie Bob	(b)(6) Port Arthur, TX 77640
	Robert Benbow	(b)(6) Port Arthur, TX 77640
	Rufus Landry	(b)(6) Port Arthur, TX 77640

Port Arthur Housing Authority

Invitation for Bid No. B13041

Sale of Carver Terrace
and Lincoln Square



**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square**

The Port Arthur Housing Authority (PAHA) will accept sealed bids from bidders interested in purchasing Carver Terrace, a public housing multi-family development located at 1400 Dewalt Avenue, Port Arthur, Texas. Carver Terrace consists of 180 units (24 one bedroom, 96 two bedroom and 60 three bedroom apartments) in 23 buildings. The property is brick construction. Also for public sale is the Lincoln Square public housing multi-family development. Lincoln Square is located approximately two blocks away from the Carver Terrace site, at 1400 Abe Lincoln Avenue, and is also a brick construction with 24 two-bedroom units in two buildings. The properties are combined and will be sold as a single lot. The sale is to the highest and best offer acceptable to the Port Arthur Housing Authority and the Department of Housing and Urban Development, with a restriction to demolish all buildings within 90 days. The property is located in the City of Port Arthur, Jefferson County, Texas as identified herein and available to all persons, business and individual regardless of income on a cash only basis.

This IFB contains submission requirements, terms and conditions and other pertinent information for submitting a proper and responsive bid.

Bids must be enclosed in a sealed envelope and labeled as follows in the UPPER left corner:

Sale of Carver Terrace and Lincoln Square

Property Address: 1400 Dewalt Avenue and 1400 Abe Lincoln Avenue, Port Arthur, Texas

IFB No. B13041

Due Date and Time: September 19, 2013, 4:00 PM (CST).

Written bids in sealed envelopes must be delivered to the Port Arthur Housing Authority, September 19, 2013 before 4:00 PM at the Port Arthur Housing Authority, Attn: Procurement Officer, 920 DeQueen Blvd, Port Arthur, TX 77640.

Bids will be evaluated according to the criteria stated in the IFB.

GENERAL INFORMATION AND REQUIREMENTS

Definitions

Offeror/Bidder As used herein the terms Offeror and Bidder are interchangeable.

Offer/Bid As used herein the terms Offer and Bid are interchangeable.

General Information and Requirements

All bids will be considered for the purchase of Carver Terrace and Lincoln Square in Port Arthur, Texas. All bids are subject to staff analysis. The Port Arthur Housing Authority reserves the right to reject any and all bids and to waive or refuse to waive any technicalities at its discretion.

Based on an independent appraisal dated September 27, 2012 performed by The Gerald A. Teel Company, Inc., the determined Fair Market Value of the Carver Terrace and Lincoln Square

property is \$1,670,000. The Port Arthur Housing Authority hereby offers the property to the highest bidder via this public bid process at FMV or higher. All buildings must be demolished within 90 days of receipt of the Notice of Acceptance of Offer from PAHA of the successful bidder.

Bids will be time stamped upon receipt. Tie bids will be decided according to the earliest time stamp.

Bidders may submit only one bid under this solicitation. Each bidder must submit with the sealed bid a bid deposit in the amount of \$1,000.00. The bid deposit is non refundable for the accepted bid and will be applied to the purchase price. The balance of the purchase price will be due within three (3) business days after receipt of the Notice of Acceptance of Offer. The Notice of Acceptance of Offer is issued by the Port Arthur Housing Authority via email and posted in the Port Arthur Housing Authority's lobby. All payments shall be in the form of a cashier's check, money order or certified check payable to the Port Arthur Housing Authority.

In the event the bidder fails to submit the balance due, within the specified three (3) business days' time period after receipt of Notice of Acceptance of Offer, the Port Arthur Housing Authority may, at its sole discretion, declare the bid unresponsive and void and notify bidder via email. In such event, the bid deposit will be forfeited and the Port Arthur Housing Authority will make an award to the next highest responsive bidder.

The bid deposit will be held until the real estate closing occurs.

The bidder has an opportunity to inspect the real estate described above and all conditions affecting the purchase of the premises described herein, including but not limited to all easements, access to the land and the quality and merchantability of Port Arthur Housing Authority's Title to the premises.

The bidder shall inspect the property at their own risk. The Port Arthur Housing Authority will not be responsible for any claims for injury while inspecting the properties.

The property is being sold in "As Is". The bidder acknowledges that no representations, warranties or guarantees with respect to the condition of the property have been made by the Port Arthur Housing Authority.

It is the responsibility of the bidder to examine applicable zoning ordinances. The Port Arthur Housing Authority expressly disclaims any responsibility for any bids predicated on a use forbidden by the applicable zoning.

The Port Arthur Housing Authority conveys real estate by General Warranty Deed. The Port Arthur Housing Authority will provide the buyer with a title commitment policy in the amount of the accepted bid. The cost of title commitment policy will be the responsibility of the Port Arthur Housing Authority. Possession will be delivered upon closing.

A bid may be withdrawn at any time prior to the bid opening date and time stated in the Notice, provided a request to withdraw the bid is executed in writing by the bidder and filed prior to the bid opening. Such withdrawal of a bid will not prejudice the right of the bidder to file a new bid prior to the specified bid opening date and time. All bids shall be deemed valid for 90 days after the bids are opened unless extended by the Port Arthur Housing Authority in writing.

The Port Arthur Housing Authority reserves the right to reject any and all bids and to waive or refuse to waive any technicalities at its discretion. The award will be based on the highest bid submitted by a responsive bidder. The amount must be written in words and figures in the proper place. If the written words and figures are not consistent, the bid will be rejected. If the bidder submits a bid with percentages, cost plus or any other calculation except for a firm fixed price, the bid will be automatically rejected as non-responsive.

In submitting the bid, the undersigned bidder declares that the only person or parties interested in the bid as principal are those named herein and that such bid is made without collusion with any other parties, firm or corporation. Employees of the Port Arthur Housing Authority and of the U. S. Department of Housing and Urban Development along with members of their immediate families are ineligible to submit a bid.

The undersigned further declares that they have carefully inspected in detail the described property and have familiarized themselves with all of the conditions affecting the sale and understands that, in submitting the bid, they waive all rights to plead any misunderstanding regarding the same.

In the event this bid is awarded to a bidder, it shall constitute a contract between the parties hereto but such contract shall not be assigned or transferred by the undersigned without the express written consent of the Port Arthur Housing Authority, which may consent may be granted or denied at its sole discretion for any reason whatsoever.

BID FORM

_____ Bidder (Individual or Entity Name Printed)	_____ Signature
_____ Print Street Address	_____ Print Name
_____ Print City, State, Zip	_____ Date Signed
_____ Telephone Number	_____ Fax Number
_____ E-mail Address	

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square

Address of Property: 1400 Dewalt Avenue

City/ State/Zip: Port Arthur, TX 77643

Amount of Deposit \$ _____

Amount of Bid (written in figures) \$ _____

Amount of Bid (written in words) \$ _____

Both written words and figures must be consistent to be considered a valid bid.

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature: _____

DATED: This _____ day of _____, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this _____ day of _____ 2013.

(Notary Public)

My Commission Expires: _____

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 1
September 16, 2013**

The due date/time for this IFB are extended as follows:

Sale of Carver Terrace and Lincoln Square

Property Address: 1400 Dewalt Avenue and 1400 Abe Lincoln Avenue, Port Arthur, Texas

IFB No. B13041

Due Date and Time: December 19, 2013, 4:00 PM (CST).

Written bids in sealed envelopes must be delivered to the Port Arthur Housing Authority, December 19, 2013 before 4:00 PM at the Port Arthur Housing Authority, Attn: Procurement Officer, 920 DeQueen Blvd, Port Arthur, TX 77640.

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 2
November 6, 2013**

The purpose of this Addendum is to provide the attached map and legal description of the Carver Terrace and Lincoln Square properties.

**HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR
920 DeQueen Blvd.
Port Arthur, TX 77640**

**INVITATION FOR BIDS NO. B13041
To Purchase Real Property known as
Carver Terrace and Lincoln Square
Addendum No. 3
December 13, 2013**

The purpose of this Addendum is to provide additional information on the aforesaid Invitation to Bid. All information provided herein supplements information previously provided in the said IFB. In the event of a conflict between the documents, the most recent issued document shall govern.

1. The Port Arthur Housing Authority will entertain any and all bids for the disposition of Carver Terrace and Lincoln Square.
2. The Port Arthur Housing Authority reserves the right to accept a bid at lower than Fair Market Value if said bid is deemed to be in the best interest of PAHA, subject to approval by the Port Arthur Housing Authority Board of Commissioners and the Department of Housing and Urban Development.
3. All buildings shall be demolished within 90 days of receipt of the Notice of Acceptance of Offer from PAHA of the successful bidder unless the successful bidder requests a waiver to this requirement and justification for the same. Any waiver of this criteria is subject to approval by both PAHA and the Department of Housing and Urban Development during the bid holding period and shall not be deemed approved until receipt of Notice from PAHA.
4. Bidders, at their option, may also submit a bid that is conditional upon taking title to the property following the demolition of said buildings by PAHA provided the bidder includes the actual cost of demolition in the bid which will be finalized upon receipt of public bids for the same by PAHA.
5. The Port Arthur Housing Authority intends to restrict the use of the properties to green space to prohibit the construction of any future residential housing to the maximum extent permitted by the Department of Housing and Urban Development.
6. All Bidders shall agree to hold their bid prices and honor their bids for a period of 180 days from the date bids are due to the Port Arthur Housing Authority to allow for an adequate review period by the Department of Housing and Urban Development. An additional 90 day extension option shall be available upon mutual agreement of both parties.
7. The bid deadline is hereby extended to December 23, 2013 at 2pm CST.

II. BID FORM

Bidder's (s) Name: _____

Bidder's (s) Address: _____

Bidder's (s) Phone Number: _____

Bidder's (s) Email: _____

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square

Address of Property: 1400 Dewalt Avenue

City/ State/Zip: Port Arthur, TX 77643

IFB# _____

AMOUNT OF DEPOSIT: \$ _____

AMOUNT OF BID _____

Amount in written words

Both written words and figures must be consistent to be considered a valid bid.

Alternate(s)/Optional: _____

HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature _____

DATED: This _____ day of _____, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this ___ day of _____ 2013.

(Notary Public)

My Commission Expires: _____

Instructions: Please fill in (type) all information required in this form.

Exhibit C

BID FORM

THE PREMIER REFINING GROUP INC.
Bidder (Individual or Entity Name Printed)

[Signature]
Signature

ONE VALERO WAY
Print Street Address

JAMES V. SRGALL
Print Name

SAN ANTONIO, TX 78249
Print City, State, Zip

12-12-13
Date Signed

210-345-4510
Telephone Number

210-370-4590
Fax Number

JAMES.HINES@VALERO.COM
E-mail Address

In submitting this bid the undersigned declares that the only persons or parties interested in the property as principals are those named herein. The undersigned hereby requests that the named Grantee for the purpose of taking title to the property be shown as follows:

THE PREMIER REFINING GROUP INC.

(Grantee(s) Name)

The undersigned submits a bid to purchase the Real Estate as described herein:

Property: Carver Terrace and Lincoln Square
Address of Property: 1400 Dewalt Avenue
City/ State/Zip: Port Arthur, TX 77643

Amount of Deposit \$ 1,000.00

Amount of Bid (written in figures) \$ 800,000.00

Amount of Bid (written in words) \$ Eight Hundred Thousand Dollars

Both written words and figures must be consistent to be considered a valid bid.

THE ATTACHED EXHIBIT A IS HEREBY INCORPORATED FOR ALL PURPOSES HOUSING AUTHORITY OF THE CITY OF PORT ARTHUR

DECLARATION:

I, the above named grantee and/or bidder certify by submission of this bid/offer, that I am not an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development nor am I immediate family member of an employee of the Port Arthur Housing Authority or the U. S. Department of Housing and Urban Development.

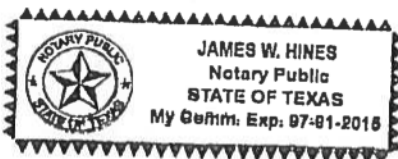
An immediate family member includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, domestic partner, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Bidder's Signature: [Handwritten Signature]

DATED: This 12 day of December, 2013.

Note: BID MUST BE SIGNED AND NOTARIZED TO BE VALID

Subscribed and Sworn to before me this 12 day of December 2013.



[Handwritten Signature]

(Notary Public)

My Commission Expires: 7-1-2015

EXHIBIT "A"

To Bid Form

Submitted by The Premcor Refining Group Inc.
[Bid No. B13041 – Sale of Carver Terrace and Lincoln Square,
located in Port Arthur, Jefferson County, Texas]

Notwithstanding any provisions to the contrary contained in the foregoing Invitation for Bid No. B13041, as amended by Addendum No. 1 dated September 16, 2013, Addendum No. 2 dated November 6, 2013, and Addendum No. 3 dated December 13, 2013 (as so amended, the "invitation for Bid"), the foregoing offer made by The Premcor Refining Group Inc. ("Premcor") is made with the following amendments to the terms of the Invitation for Bid. In the event of any conflicts between the terms of the Invitation for Bid and the terms of this Exhibit "A", the terms of this Exhibit "A" shall control. Upon any acceptance of Premcor's bid by the Port Arthur Housing Authority ("PAHA"), the following shall amend the provisions of the Invitation for Bid and become part of the resulting contract (the "Contract") between the parties:

1. **Demolition.** Premcor shall not demolish any buildings on the subject property or perform any other demolition activities described in the Invitation for Bid. Instead, the demolition shall be PAHA's responsibility, and within one (1) year after the date of the Notice of Acceptance of Offer, PAHA shall demolish all buildings located on the subject property and perform all other related demolition responsibilities related to the subject property, including without limitation, the following, all pursuant to applicable federal, state, local and municipal laws, statutes, rules, regulations and ordinances: remove all structures, including foundations; remove all meters; backfill the land as required with topsoil and grade the land such that water shall not pool or stand; perform final, smooth grading to eliminate tripping points; remove and properly dispose of all lead and asbestos located on the subject property; and properly isolate all utilities back to the property line (collectively, "Demolition"). If the Demolition is not completed within the above one-year period, Premcor may terminate the Contract by sending a written notice to PAHA within thirty (30) days after the end of the one-year period, upon which termination the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor.
2. **Escrow by Title Company.** The balance of the purchase price (the "Purchase Price Balance") shall be held in escrow by a title company (mutually acceptable to Premcor and PAHA) (the "Title Company") until the closing, provided that the Purchase Price Balance may be used by PAHA for the costs of the Demolition prior to closing.
3. **Title Commitment; Survey.** Prior to closing, (i) PAHA shall cause the Title Company to issue to Premcor a commitment for title insurance (the "Commitment"), together with copies of all exception documents referenced therein, in connection with the title policy of insurance that will be issued at closing, and (ii) Premcor may cause the subject property to be surveyed, such survey ("Survey") to be at Premcor's sole cost and expense. Also, Premcor may terminate the Contract, by sending a written notice to PAHA prior to closing, if Premcor objects to a title or survey issue revealed by the Commitment or the Survey (after the expiration of a reasonable cure period), upon which termination the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor. Upon closing, the title policy issued to Premcor shall not include any exceptions for "rights of parties in possession" or similar language.
4. **Inspection.** Premcor may terminate the Contract based on Premcor's inspection of the subject property by sending a written notice to PAHA within thirty (30) days after Premcor's receipt of the Notice of Acceptance of Offer, in which

event the deposit shall be retained by PAHA and the Purchase Price Balance (less any such amounts used by PAHA for Demolition prior to such termination date) shall be refunded to Premcor.

5. Closing. The closing of this transaction shall occur on the later of (i) thirty (30) days after Premcor receives a written notice from PAHA that the Demolition (including final site grading) is complete or (ii) sixty (60) days after Premcor's receipt of the title commitment, exception documents, and Survey described above.

Attachment 2

HUD Description of Neighborhood Concerns

Section 5, Line 7

Description of Disposition

The Port Arthur Housing Authority (PAHA) proposes to dispose of the Carver Terrace and Lincoln Square properties due to a change in the neighborhood, the location of the development is no longer conducive to residential use.

Carver Terrace was built in 1953 on the western edge of the City of Port Arthur's historic Westside neighborhood. At the time, the Westside was a thriving residential neighborhood near property owned by two large oil refineries – Texaco and Gulf. There were many commercial businesses on the Westside and particularly along Houston Avenue. Many Westside residents worked at the plants and many workers rode their bicycles to work. At one time more than 8,000 people worked for these refineries. After WWII unskilled workers with good reputations could be hired in labor gangs and trained by the refineries.

Many of these employees were members of labor unions particularly OCAW, Pipefitters, Machinists, IBEW, Boiler Makers, and Carpenters. The area became characterized by extensive labor unrest and work stoppages became both numerous and violent. In addition, as technology changed companies began reducing the number of workers and particularly those with limited or out-of-date skills. Companies even elected to out-source many skilled workers to independent contractors. The owners of these refineries have changed and have expanded on their own property to such an extent that process units, pipelines and storage tanks are now much closer to Carver Terrace.

The former Texaco refinery, now Motiva (Shell/Saudi Aramco), is the largest refinery in the United States and the former Gulf refinery is now owned by America's largest domestic refiner – Valero. These companies have invested billions in Port Arthur but the combined permanent workforce is estimated at approximately 2,500. The engineering and technical employees of these companies are among the highest paid in America but there are no opportunities for those with limited skills or those with skills in construction/turnaround trades. The air quality in Port Arthur has improved substantially however there is great concern for fence line residents living in Carver Terrace due to occasional upsets.

The integration of the public schools in the mid-sixties has impacted Port Arthur. Many white citizens began moving to nearby cities where a heavy concentration of white citizens lived. This resulted in a serious erosion of the tax base and deep feelings of resentment. The major retail investments in recent years have shifted from the Downtown/Westside to US-69 which is closer to the wealthier neighborhoods in Port Arthur and the other South and Mid-County cities. The loss of ready access to local employment, emergence of large discount retailers on US-69 and increases in crime rates has caused steep declines in the population and businesses on the historic Westside and Downtown area. The recent industrial expansions have dramatically increased tax revenue for schools and City services but student test scores remain low and the City infrastructure needs to revive these areas need major infusions of capital.

The Port Arthur's Carver Terrace/Lincoln Square public housing developments are now located in a dilapidated and declining area of Port Arthur with no job opportunities, limited retail stores and social services.

Port Arthur Housing Authority
Carver Terrace/Lincoln Square Disposition Application
December 2012

PAHA intends to dispose of the property at Fair Market Value (FMV) which is estimated at \$1,670,000 based on an appraisal prepared by The Gerald A. Teel Company, Inc. dated September 25, 2012. Accordingly, PAHA will offer the property for sale to interested parties at FMV; however the likely buyer for the property will be the adjacent refinery or a consortium of local refineries with the intent to convert the space into a green belt and create a natural barrier between the oil refinery and the adjacent residential community.



OFFICE OF PUBLIC HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
77 W. Jackson Blvd., Room 2401
Chicago, Illinois 60604-3507
Phone: (312) 353-6236 Fax: (312) 886-6413

APR 30 2013

MEMORANDUM FOR: Daniel Rodriguez, Program Center Coordinator, Office of Public Housing, 6EPH

FROM: Ainars Rodins, P.E., Director, Special Applications Center (SAC), PIA

SUBJECT: Approval for the Port Arthur Housing Authority's (PAHA) Request for the Disposition of 1 Non-Dwelling Building, 46 Dwelling Buildings Containing 204 Dwelling Units and 8 Acres of Underlying Land at Carver Terrace Apartments, TX034000001.

The SAC received this application on December 11, 2012, via the Public and Indian Housing Information Center (PIC), DDA0004944. Supplemental information was received through February 6, 2013. The Environmental Assessment was completed by the City of Port Arthur on November 19, 2012, in accordance with 24 CFR Part 58. A Request for Release of Funds (RROF) was submitted on December 10, 2012, and was signed off on by the Houston Program Center on January 25, 2013.

The Houston Program Center provided a certification stating that the subject submission accurately describes the project proposed for disposition, and the reasons provided by the Port Arthur Housing Authority (PAHA) to support the proposed action are correct and factual. On February 25, 2013, the Houston Fair Housing and Equal Opportunity Center (FHEO), Program Compliance Branch, recommended the disposition approval.

Advance drafts of this memorandum and the approval letter were sent to the PAHA for their comments on March 21, 2013. The PAHA responded with comments on March 25, 2013. Advance drafts were sent to the Fort Worth HUB and the Houston Program Center for their comments on March 21, 2013; no comments were received.

Under 24 CFR § 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide a "certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR Part 903, and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part." The Houston Program Center approved the PAHA's agency plan on October 18, 2012, which includes the subject action.

Description of Development

The PAHA proposed the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001. Details of the proposed disposition are as follows:

Carver Terrace Apts, TX034000001					
DOFA: 12/28/1953					
Bedroom Size	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	24	120	60	0	204
Proposed Units	24	120	60	0	204
Existing Land				8 Acres	
Proposed Land				8 Acres	
Number of Dwelling Buildings Existing					46
Number of Dwelling Buildings Proposed					46
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					302

History of the Development

The PAHA has not received any Inventory Removal approvals from HUD for Carver Terrace Apts, TX034000001.

Reason for Action (Justification)

The PAHA proposed the disposition based on 24 CFR § 970.17(a), which requires the PHA to certify that the retention of the property is not in the best interests of the residents or the PHA because conditions in the area surrounding the project adversely affect the health or safety of the tenants or the feasible operation of the project by the PHA.

The Carver Terrace was built in 1953, on the western edge of the City of Port Arthur's historical neighborhood, adjacent to Texaco and Gulf oil refineries. There were many commercial businesses in the historic Westside neighborhood. Many residents worked at the plants and more than 8,000 worked at the refineries. Investment in the refineries, and technological changes, have reduced the permanent workforce needed to about 2,500 persons. Most of these are highly skilled engineering and technical jobs beyond the reach of public housing residents. Many white citizens fled the neighborhood and retail investment shifted to areas closer to wealthier neighborhoods. The loss of local employment, and increases in crime rates, have caused steep declines in population in the Westside neighborhood. Sixteen handwritten notes from current residents of Carver Terrace in support of the proposed disposition were included with the application. These notes made clear that the Carver Terrace development was an adverse environment in which to live. Many expressed fears about the safety of their children at the project. We concur with the PAHA's determination that the disposition is in the best interests of the residents and the PHA because, due to changes in the neighborhood, the project no longer provides a healthy living environment.

Appraisal

The PAHA submitted an appraisal with the application. Tim N. Treadway, an independent appraiser, determined the Fair Market Value (FMV) to be \$1,670,000, as of September 25, 2012.

Method of Sale

The PAHA proposed the disposition via a public bid at FMV or higher.

Use of Proceeds

According to the Office of the Chief Financial Officer, there is no outstanding debt on Carver Terrace Apts., TX034000001. The PAHA will realize net proceeds from this disposition. In the application, the PAHA proposes to use \$837,632 from gross proceeds for relocation and transaction costs. Net proceeds of sale would be used to acquire or develop other single family public housing units. We determined that this use of proceeds meet the requirements of the statute.

Relocation

When the application was developed and transmitted to the Department, 184 units proposed for disposition were occupied. The PAHA has submitted a certification regarding relocation as required by 24 CFR § 970.21(e) (f). The PAHA estimated the relocation cost for the remaining residents to be \$787,532, which includes moving expenses and counseling\ advisory services. The housing resources offered will be other public housing and Housing Choice Vouchers.

Resident Consultation

1. Project(s) Specific Resident Organization(s): Carver Terrace
2. PHA-wide Resident Organization: None
3. Resident Advisory Board (RAB) in accordance with 24 CFR § 903.13: RAB

24 CFR § 970.9 requires that an application for disposition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

The PAHA met with the residents on August 15, 2012, August 29, 2012, September 12, 2012, October 29, 2012 and November 30, 2012 to discuss the proposed disposition. On October 5, 2012, PAHA met with the Carver Terrace Resident Council, the RAB and the residents to address questions concerning the disposition. The agenda, a sign-in-sheet and resident comments were included in the application. The resident comments described unacceptable conditions prevailing at Carver Terrace, and expressed the hope that moving would improve their situation.

Offer for Sale to the Resident Organization

24 CFR § 970.9(b) (1) of the regulations requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The PAHA made a formal offer for purchase of the subject property to the Carver Terrace Resident Council (CTRC) and the RAB via a letter dated October 10, 2012, the 30-day time period to express an interest to purchase the development expired on November 10, 2012. As no response was received from the CTRC or the RAB, The PAHA has satisfied the requirements of 24 CFR § 970.9(b) (1). We concur with the PAHA's determination that it has complied with the requirements of 24 CFR § 970.9.

Mayor/Local Government Consultation

As required by 24 CFR § 970.7(a) (14), the application package includes a letter of support from the Honorable Deloris Prince, Mayor of the City of Port Arthur Texas, dated November 20, 2012.

Board Resolution

As required by the 24 CFR § 970.7(a) (13), the PAHA's Board of Commissioners approved the submission of the application for disposition of the proposed property on December 7, 2012, via Resolution Number 12072012-01. The last resident consultation was on November 30, 2012. The consultation with the local government took place on September 13, 2012.

Approval

We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR Part 970, including requirements related to resident consultation, relocation and opportunity to purchase the property by the resident organization. Based upon our review, and finding that the requirements of 24 CFR Part 970 and Section 18 of the Act have been met, the disposition of 1 non-dwelling building, 46 dwelling buildings containing 204 dwelling units and 8 acres of underlying land at Carver Terrace Apartments, TX034000001, as previously identified and described in the application, at the FMV of \$1,670,000, or higher, via a public bid, is hereby approved. If the PAHA fails to receive any bids at FMV or higher, please inform this office as to the PAHA plans.

The PHA has current plans to develop 360 units of the following types off-site in the Phase 1 Park Central, and the Phase 2 Edison Square, developments, as identified below. The \$832,368 in estimated net proceeds from the sale of Carver Terrace would be dedicated to development of single family public housing units planned for a future Phase 3 project. This use of proceeds is also approved.

Total Units to be Redeveloped 360	Less than 80% of Area Median Income		Market Rate
	ACC	Non-ACC	
Rental	156	188	16

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated.

Operating Subsidy

In accordance with 24 CFR § 990.114, the disposition of these units will affect the PAHA's operating subsidy eligibility significantly. The PAHA was advised to contact the HUD financial analyst in the Houston Program Center for additional information.

Housing Choice Vouchers

If the PAHA is interested in applying for housing choice vouchers in connection with the units approved for disposition, it will need to submit an application to the Houston Program Center. The PAHA should submit its application in response to HUD Notice 2012-9, or HUD's current Notice outlining the application procedures.

PIC and Monitoring

The PAHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in PIC, for the Houston Program Center approval so that the status of the units and acres of land in PIC is changed to "removed from inventory."

It is the Houston Program Center's responsibility to monitor this activity based on its latest risk assessment. The Houston Program Center must verify that the actual data is being entered in PIC by the PAHA as the actions occur to ensure the Department is not over paying in operating subsidy, and the Capital Fund formula data is correct. Since this action expects to generate net proceeds of \$832,368, it is the Houston Program Center's responsibility to verify the funds were used as approved, and the PAHA's records are adequately documented to support this assertion.

Attachment 3

News Article

“Carver Terrace comes down amid former councilman’s concerns”



Large mounds of demolished building materials are all that are left of Port Arthur's first public housing complex, Carver Terrace.

Carver Terrace comes down amid former councilman's concerns



(<https://www.panews.com/author/sherry.koonce/>)

By **Sherry Sturdivant** (<https://www.panews.com/author/sherry.koonce/>)

[Email the author \(mailto:sherry.koonce@panews.com\)](mailto:sherry.koonce@panews.com)

Published 4:42 pm Tuesday, March 8, 2016

Going on a month after demolition work started at the vacant Carver Terrace Apartments, the bulk of the building materials from the one-time low income apartments on the city's West side remain in mountainous heap — a bittersweet reminder of the city's first housing project now reduced to a pile of rubble.

Built in the 1950's, Carver Terrace was home to many Port Arthur residents in need of financial assistance. But, the location — in the shadow of refineries — prompted U.S. Housing and Urban Development Agency officials to decide the facility should not be rebuilt at the same location following significant hurricane damage.

"It is indeed bittersweet for a lot of the residents who lived there through the years," Port Arthur Housing Authority Board President Clonie Ambroise said.

Carver Terrace residents were moved out and given HUD vouchers to allow them to move elsewhere. It's been more than a year since the apartments were fully vacant, and during that time not only was the abandoned 8-acre site an eyesore, the vacant buildings became a safety issue with fires and squatters taking up residence.

"It is a great day now that it is down," Ambroise said.

Not everyone is pleased with the demolition process so far.

Those heaps of trash are concerning former City Councilman John Beard, who is filing complaints with the city, the Southeast Texas Regional Planning Commission, the Port Arthur Housing Authority and to HUD.

"It does not make sense to have all these man-made fibers lying around," Beard said.

Since the demolition started, Beard said little of the materials have been hauled off, and what has is carted away in an uncovered truck with debris flying out into the air.

Of particular interest is fiberglass material, which can be linked to cancer, Beard said.

“Improper demolition and handling of the insulation laced debris, left exposed to the air, is hazardous to the public health and welfare of the surrounding community,” Beard said. “This willful exposure compromises the wellbeing and safety of persons nearby, many of whom have compromised health.”

Senior citizens and families with school age children in the vicinity of the demolition site already suffer from respiratory disease and distress, as well as other related illnesses, Beard said.

Cele Quesada, director of the Port Arthur Housing Authority, said nearby residents should not be worried, and that the demolition process is following state and federal regulations.

“We have taken all the due-diligence precautions,” Quesada said “We’ve had lead and asbestos assessments that we were required to do.”

Local contractor ICON Builders was hired to perform the demolition, which was part of the redevelopment of Carver Terrace.

Instead of rebuilding Carver Terrace, HUD funded another housing project off of FM 365. Park Central has already started leasing and is expected to be fully occupied when fully completed in May.

Of the Park Central re-development funding for Carver Terrace, \$564,857 was dedicated to the Carver Terrace demo project. Adjacent Lincoln Square apartments will also be torn down as part of the demolition.

Chris Akbari, president of The Itex Group, which owns ICON Builders, said the company subcontracted the demo job to Total Safety, a Port Arthur business located on FM 365 in the old Sitel Building.

Akbari said the demolition process is progressing on schedule, and should not pose a health risk.

After the tear down, contractors begin the hauling off process, which is done in stages.

For example, because concrete can be re-used, workers will sift through the rubble and haul the concrete to a salvage company.

“Certain materials can go to certain places, and certain others cannot,” Akbari said.

Additionally, Total Safety workers certified for all environmental requirements and there is an air quality monitor on site.

“We hired Total Safety to make sure everything is done properly and we believe it is,” Akbari said.

When completed, Port Arthur’s Housing Authority is required to maintain the eight-acre site where Carver Terrace and Lincoln Place once stood.

“HUD is requiring we maintain it as a green area and that we fence it. They are not allowing us to do any kind of activities,” Quesada said.

Once the site is all cleaned up and a 6-foot hurricane fence is erected, the Housing Authority plans to put up a historical sign to commemorate the city’s first public housing.

“We plan to pay tribute to the history of the place, but we are glad to have moved on and are finally at a place that has been taken care of,” Quesada said. “We have fought it down to the end, and it has recently gotten bad with fires and vagrants, so it is good to have finally been taken down.”

E-mail: sherry.koonce@panews.com (mailto:sherry.koonce@panews.com)

Twitter: skooncePANews

Attachment 4

Letter from Chris Akbari to TDHCA

Port Arthur PHV, LP

February 28, 2019

Texas Department of Housing and Community Affairs
Attn: Marni Holloway
Director, Multifamily Division
221 E. 11th Street
Austin, TX 78701
Email: marni.holloway@tdhca.state.tx.us

RE: Request for Exemption of Undesirable Site Feature and Finding of Eligibility for Neighborhood Risk Factors

Prince Hall, TDHCA #19301 – 934 W. 14th St., Port Arthur, Texas 77640

Dear Ms. Holloway,

Please accept this letter as a request for an exemption under 10 TAC §11.101(a)(2) of the 2019 Qualified Allocation Plan (“QAP”) related to an Undesirable Site Feature, and a request for a finding of site eligibility under 10 TAC §11.101(a)(3) related to Neighborhood Risk Factors for TDHCA #19301 Prince Hall. As required by the QAP, a Neighborhood Risk Factors Report package has been provided as part of the housing tax credit application.

Prince Hall, located at 934 W. 14th Street in Port Arthur (the “Development”) is an existing housing development that has existing and ongoing federal assistance from HUD under a Project Based Section 8 Housing Assistance Payments contract. The development experienced flooding during Hurricane Harvey, and the current tax credit application proposes the rehabilitation of this existing affordable housing development.

Prince Hall is located within 2 miles of refineries capable of refining more than 100,000 barrels of oil daily, which is an Undesirable Site Feature pursuant to §11.101(a)(2)(J) (see location in Exhibit A). The development site is located within 500 feet of property owned by a refinery. The property that is within 500 feet of the Development does not contain any equipment and thus cannot be considered to be heavy industrial pursuant to §11.101(a)(2)(F) (see Exhibit B); however, the applicant is disclosing this out of an abundance of caution.

Prince Hall is located in an area containing the following Neighborhood Risk Factors under §11.101(a)(3): census tract poverty rate in excess of 40% and development site is within 1,000 feet of more than one blighted structure. The poverty rate for census tract 48245005900 is 44.7% according to the 2019 TDHCA Site Demographics Report. This represents a significant decrease in the poverty rate for the census tract over the past four years. According to TDHCA’s Site Demographics Report, in 2016 the census tract’s poverty rate was 66.3%, in 2017 was 59.6%, and in 2018 was 49.2%. Based on the downward trend line of poverty within the census tract it is reasonable to expect that the census tract’s poverty rate will be below 40% by the time the proposed rehabilitation is complete.

Although blighted structures exist within 1,000 feet of the Development Site, the neighborhood has improved in recent years, with many formerly blighted structures having been demolished or rehabilitated (see Exhibit C to the Neighborhood Risk Factors Report).

The City of Port Arthur is in support of the development as evidenced by its resolution of support, its contribution of funding to the Development, and its authorization of the rehabilitation despite Port Arthur having more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. Prince Hall is an existing, federally subsidized affordable housing development that will be rehabilitated, improving the quality of life for existing and future residents.

The applicant respectfully requests an exemption related to Undesirable Site Features as provided for under §11.101(a)(2) on the basis that Prince Hall is a Rehabilitation Development with ongoing and existing federal assistance from HUD. Additionally, the applicant requests a finding of site eligibility related to poverty and blight on the basis that the poverty rate has decreased significantly in recent years, as has the occurrence of blight in the area. A finding of eligibility is supported by the following TDHCA goals outlined in §11.101(a)(3)(E):

- Preservation of existing occupied affordable housing units to ensure they are safe and suitable; and
- The risk factors that has been disclosed are not of such a nature or severity that should render the Development Site ineligible based on the assessment and mitigation provided

Please do not hesitate to contact me with any questions at chris.akbari@itexgrp.com or (832) 941-5343.

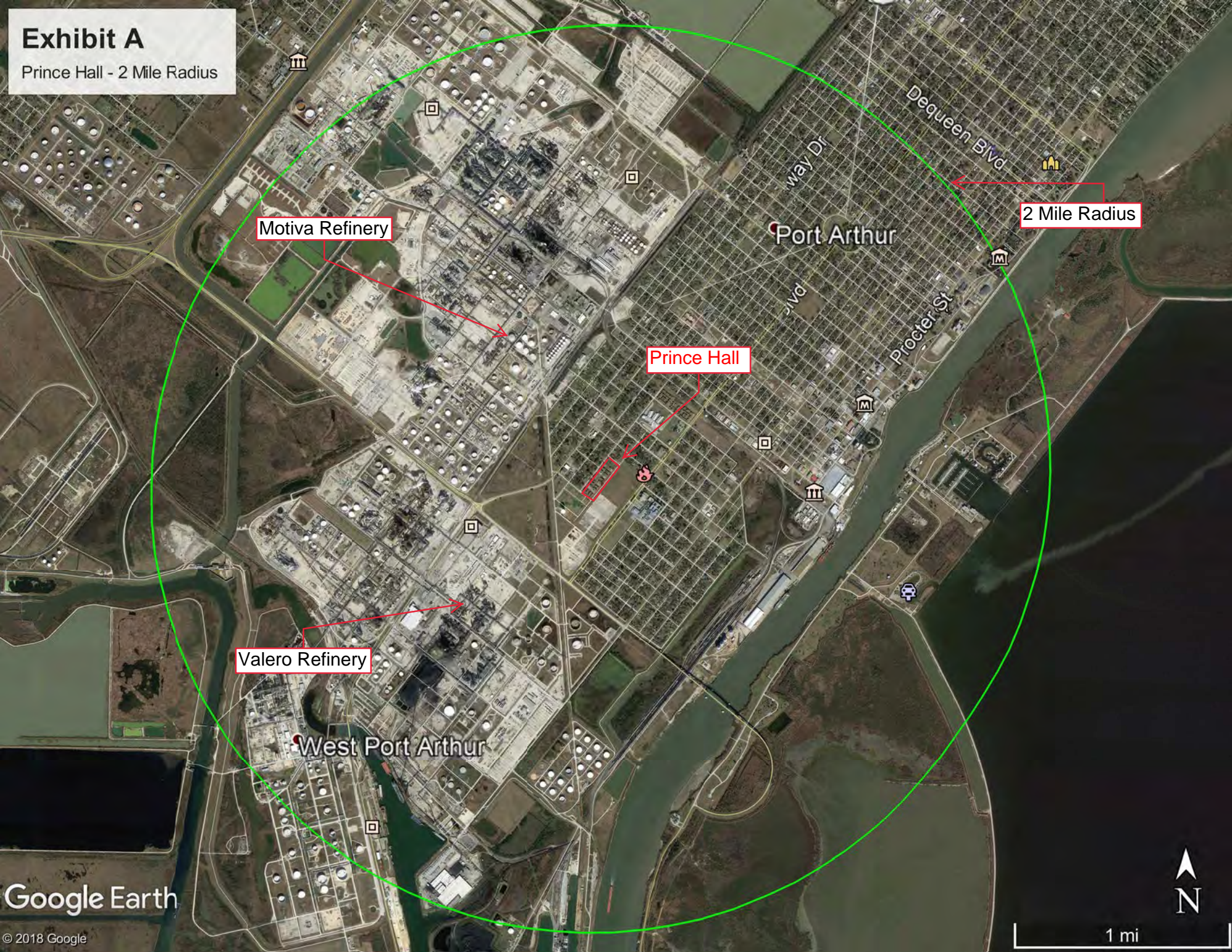
Sincerely,



Christopher A. Akbari
Authorized Representative

Exhibit A

Prince Hall - 2 Mile Radius



Motiva Refinery

Prince Hall

Valero Refinery

West Port Arthur

Port Arthur

2 Mile Radius



Attachment 5

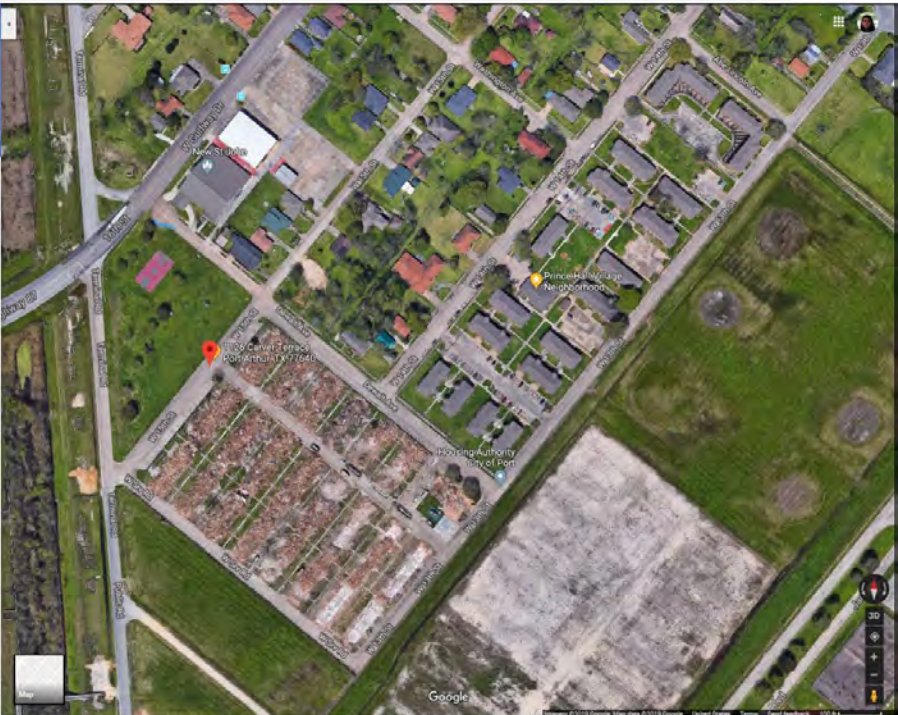
**Screen Capture of Google Map aerial
imagery showing Carver Terrace rubble
adjacent to site in question**

Carver Terrace, Port Arthur, TX 77640



Carver Terrace
Port Arthur, TX 77640

- Directions
- Save
- Nearby
- Send to your phone
- Share
- Add a missing place
- Add your business
- Add a label



Attachment 6

Census Population Numbers for Tract 48245005900

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2009-2013 American Community Survey 5-Year Estimates

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

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Versions of this table are available for the following years:
[2017](#)
[2016](#)
[2015](#)
[2014](#)
[2013](#)
[2012](#)
[2011](#)
[2010](#)

1 - 81 of 81	Census Tract 59, Jefferson County, Texas				
	Subject	Estimate	Margin of Error	Percent	Percent Margin of Error
	SEX AND AGE				
	Total population	1,660	+/-271	1,660	(X)
	Male	682	+/-158	41.1%	+/-6.6
	Female	978	+/-190	58.9%	+/-6.6
	Under 5 years	198	+/-76	11.9%	+/-4.3
	5 to 9 years	213	+/-94	12.8%	+/-4.5
	10 to 14 years	112	+/-72	6.7%	+/-4.0
	15 to 19 years	122	+/-70	7.3%	+/-3.7
	20 to 24 years	133	+/-75	8.0%	+/-4.5
	25 to 34 years	200	+/-88	12.0%	+/-4.8
	35 to 44 years	136	+/-64	8.2%	+/-3.8
	45 to 54 years	187	+/-71	11.3%	+/-4.4
	55 to 59 years	112	+/-66	6.7%	+/-3.8
	60 to 64 years	133	+/-56	8.0%	+/-3.4
	65 to 74 years	26	+/-22	1.6%	+/-1.4
	75 to 84 years	51	+/-34	3.1%	+/-2.0
	85 years and over	37	+/-32	2.2%	+/-1.9
	Median age (years)	25.9	+/-6.5	(X)	(X)
	18 years and over	1,079	+/-166	65.0%	+/-6.2
	21 years and over	982	+/-132	59.2%	+/-6.0
	62 years and over	177	+/-52	10.7%	+/-3.3
	65 years and over	114	+/-42	6.9%	+/-2.6
	18 years and over	1,079	+/-166	1,079	(X)
	Male	451	+/-110	41.8%	+/-6.5
	Female	628	+/-103	58.2%	+/-6.5
	65 years and over	114	+/-42	114	(X)
	Male	53	+/-27	46.5%	+/-12.3
	Female	61	+/-23	53.5%	+/-12.3
	RACE				
	Total population	1,660	+/-271	1,660	(X)
	One race	1,660	+/-271	100.0%	+/-2.2
	Two or more races	0	+/-13	0.0%	+/-2.2
	One race	1,660	+/-271	100.0%	+/-2.2
	White	123	+/-124	7.4%	+/-7.4
	Black or African American	1,537	+/-287	92.6%	+/-7.4
	American Indian and Alaska Native	0	+/-13	0.0%	+/-2.2
	Cherokee tribal grouping	0	+/-13	0.0%	+/-2.2
	Chippewa tribal grouping	0	+/-13	0.0%	+/-2.2
	Navajo tribal grouping	0	+/-13	0.0%	+/-2.2

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2010-2014 American Community Survey 5-Year Estimates

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Versions of this table are available for the following years:

[2017](#)
[2016](#)
[2015](#)
[2014](#)
[2013](#)
[2012](#)
[2011](#)
[2010](#)

1
-
81
of
81

		Census Tract 59, Jefferson County, Texas			
Subject	Estimate	Margin of Error	Percent	Percent Margin of Error	
SEX AND AGE					
Total population	1,681	+/-217	1,681	(X)	
Male	586	+/-122	34.9%	+/-5.2	
Female	1,095	+/-156	65.1%	+/-5.2	
Under 5 years	211	+/-103	12.6%	+/-5.5	
5 to 9 years	200	+/-82	11.9%	+/-4.3	
10 to 14 years	146	+/-73	8.7%	+/-4.2	
15 to 19 years	113	+/-73	6.7%	+/-4.2	
20 to 24 years	130	+/-71	7.7%	+/-4.2	
25 to 34 years	173	+/-55	10.3%	+/-3.1	
35 to 44 years	194	+/-67	11.5%	+/-4.1	
45 to 54 years	183	+/-67	10.9%	+/-3.9	
55 to 59 years	94	+/-57	5.6%	+/-3.4	
60 to 64 years	113	+/-50	6.7%	+/-3.0	
65 to 74 years	45	+/-28	2.7%	+/-1.7	
75 to 84 years	46	+/-29	2.7%	+/-1.8	
85 years and over	33	+/-23	2.0%	+/-1.4	
Median age (years)	27.2	+/-6.4	(X)	(X)	
18 years and over	1,070	+/-139	63.7%	+/-7.3	
21 years and over	983	+/-111	58.5%	+/-6.9	
62 years and over	189	+/-48	11.2%	+/-3.0	
65 years and over	124	+/-40	7.4%	+/-2.7	
18 years and over	1,070	+/-139	1,070	(X)	
Male	383	+/-92	35.8%	+/-5.5	
Female	687	+/-84	64.2%	+/-5.5	
65 years and over	124	+/-40	124	(X)	
Male	42	+/-24	33.9%	+/-14.8	
Female	82	+/-31	66.1%	+/-14.8	
RACE					
Total population	1,681	+/-217	1,681	(X)	
One race	1,681	+/-217	100.0%	+/-2.2	
Two or more races	0	+/-13	0.0%	+/-2.2	
One race	1,681	+/-217	100.0%	+/-2.2	
White	101	+/-99	6.0%	+/-5.8	
Black or African American	1,580	+/-220	94.0%	+/-5.8	
American Indian and Alaska Native	0	+/-13	0.0%	+/-2.2	
Cherokee tribal grouping	0	+/-13	0.0%	+/-2.2	
Chippewa tribal grouping	0	+/-13	0.0%	+/-2.2	
Navajo tribal grouping	0	+/-13	0.0%	+/-2.2	

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2011-2015 American Community Survey 5-Year Estimates

Tell us what you think. [Provide feedback to help make American Community Survey data more useful for you.](#)

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Versions of this table are available for the following years:
[2017](#)
[2016](#)
2015
[2014](#)
[2013](#)
[2012](#)
[2011](#)
[2010](#)

1 84 of 84	Subject	Census Tract 59, Jefferson County, Texas			
		Estimate	Margin of Error	Percent	Percent Margin of Error
	SEX AND AGE				
	Total population	1,561	+/-218	1,561	(X)
	Male	575	+/-105	36.8%	+/-5.1
	Female	986	+/-170	63.2%	+/-5.1
	Under 5 years	188	+/-87	12.0%	+/-5.1
	5 to 9 years	155	+/-75	9.9%	+/-3.9
	10 to 14 years	115	+/-70	7.4%	+/-4.1
	15 to 19 years	82	+/-48	5.3%	+/-2.9
	20 to 24 years	139	+/-61	8.9%	+/-4.0
	25 to 34 years	146	+/-60	9.4%	+/-3.3
	35 to 44 years	184	+/-61	11.8%	+/-3.7
	45 to 54 years	208	+/-66	13.3%	+/-4.1
	55 to 59 years	68	+/-42	4.4%	+/-2.9
	60 to 64 years	115	+/-54	7.4%	+/-3.6
	65 to 74 years	42	+/-26	2.7%	+/-1.6
	75 to 84 years	72	+/-34	4.6%	+/-2.4
	85 years and over	47	+/-24	3.0%	+/-1.6
	Median age (years)	30.0	+/-7.8	(X)	(X)
	18 years and over	1,062	+/-116	68.0%	+/-6.2
	21 years and over	999	+/-106	64.0%	+/-6.0
	62 years and over	232	+/-55	14.9%	+/-3.8
	65 years and over	161	+/-36	10.3%	+/-2.6
	18 years and over	1,062	+/-116	1,062	(X)
	Male	413	+/-79	38.9%	+/-5.6
	Female	649	+/-87	61.1%	+/-5.6
	65 years and over	161	+/-36	161	(X)
	Male	55	+/-25	34.2%	+/-12.8
	Female	106	+/-30	65.8%	+/-12.8
	RACE				
	Total population	1,561	+/-218	1,561	(X)
	One race	1,557	+/-217	99.7%	+/-0.6
	Two or more races	4	+/-10	0.3%	+/-0.6
	One race	1,557	+/-217	99.7%	+/-0.6
	White	67	+/-71	4.3%	+/-4.5
	Black or African American	1,490	+/-222	95.5%	+/-4.6
	American Indian and Alaska Native	0	+/-13	0.0%	+/-2.4
	Cherokee tribal grouping	0	+/-13	0.0%	+/-2.4
	Chippewa tribal grouping	0	+/-13	0.0%	+/-2.4

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2012-2016 American Community Survey 5-Year Estimates

Tell us what you think. [Provide feedback to help make American Community Survey data more useful for you.](#)

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Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the [Methodology](#) section.

Versions of this table are available for the following years:
2017
2016
2015
2014
2013
2012
2011
2010

1 84 of 84	Subject	Census Tract 59, Jefferson County, Texas			
		Estimate	Margin of Error	Percent	Percent Margin of Error
	SEX AND AGE				
	Total population	1,483	+/-228	1,483	(X)
	Male	644	+/-126	43.4%	+/-7.2
	Female	839	+/-185	56.6%	+/-7.2
	Under 5 years	158	+/-109	10.7%	+/-6.8
	5 to 9 years	171	+/-79	11.5%	+/-4.5
	10 to 14 years	100	+/-65	6.7%	+/-4.1
	15 to 19 years	71	+/-55	4.8%	+/-3.5
	20 to 24 years	125	+/-67	8.4%	+/-4.2
	25 to 34 years	124	+/-59	8.4%	+/-3.6
	35 to 44 years	195	+/-71	13.1%	+/-4.4
	45 to 54 years	206	+/-77	13.9%	+/-5.2
	55 to 59 years	73	+/-38	4.9%	+/-2.8
	60 to 64 years	84	+/-42	5.7%	+/-2.9
	65 to 74 years	55	+/-29	3.7%	+/-2.1
	75 to 84 years	87	+/-35	5.9%	+/-2.6
	85 years and over	34	+/-29	2.3%	+/-1.9
	Median age (years)	34.4	+/-9.7	(X)	(X)
	18 years and over	1,022	+/-131	68.9%	+/-7.4
	21 years and over	974	+/-120	65.7%	+/-7.1
	62 years and over	219	+/-44	14.8%	+/-3.7
	65 years and over	176	+/-33	11.9%	+/-3.0
	18 years and over	1,022	+/-131	1,022	(X)
	Male	488	+/-101	47.7%	+/-7.6
	Female	534	+/-101	52.3%	+/-7.6
	65 years and over	176	+/-33	176	(X)
	Male	68	+/-27	38.6%	+/-14.1
	Female	108	+/-34	61.4%	+/-14.1
	RACE				
	Total population	1,483	+/-228	1,483	(X)
	One race	1,477	+/-228	99.6%	+/-0.7
	Two or more races	6	+/-11	0.4%	+/-0.7
	One race	1,477	+/-228	99.6%	+/-0.7
	White	52	+/-55	3.5%	+/-3.7
	Black or African American	1,425	+/-230	96.1%	+/-3.8
	American Indian and Alaska Native	0	+/-13	0.0%	+/-2.5
	Cherokee tribal grouping	0	+/-13	0.0%	+/-2.5
	Chippewa tribal grouping	0	+/-13	0.0%	+/-2.5

ACS DEMOGRAPHIC AND HOUSING ESTIMATES
2013-2017 American Community Survey 5-Year Estimates

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Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the [Technical Documentation](#) section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the [Methodology](#) section.

Versions of this table are available for the following years:
2017
2016
2015
2014
2013
2012
2011
2010

1 - 89 of 89	Census Tract 59, Jefferson County, Texas			
	Subject	Estimate	Margin of Error	Percent Margin of Error
	SEX AND AGE			
	Total population	1,364	+/-317	(X)
	Male	600	+/-162	+/-6.7
	Female	764	+/-204	+/-6.7
	Sex ratio (males per 100 females)	78.5	+/-21.8	(X)
	Under 5 years	132	+/-99	+/-5.6
	5 to 9 years	187	+/-83	+/-4.6
	10 to 14 years	117	+/-69	+/-4.7
	15 to 19 years	82	+/-50	+/-3.5
	20 to 24 years	113	+/-64	+/-4.0
	25 to 34 years	120	+/-57	+/-3.5
	35 to 44 years	160	+/-62	+/-4.0
	45 to 54 years	191	+/-94	+/-6.3
	55 to 59 years	53	+/-33	+/-2.7
	60 to 64 years	113	+/-48	+/-4.1
	65 to 74 years	44	+/-23	+/-1.8
	75 to 84 years	35	+/-23	+/-1.7
	85 years and over	17	+/-17	+/-1.3
	Median age (years)	29.8	+/-8.1	(X)
	Under 18 years	475	+/-185	+/-7.2
	16 years and over	917	+/-178	+/-8.0
	18 years and over	889	+/-170	+/-7.2
	21 years and over	838	+/-156	+/-6.9
	62 years and over	158	+/-59	+/-5.0
	65 years and over	96	+/-40	+/-3.1
	18 years and over	889	+/-170	(X)
	Male	434	+/-124	+/-7.7
	Female	455	+/-92	+/-7.7
	Sex ratio (males per 100 females)	95.4	+/-29.4	(X)
	65 years and over	96	+/-40	(X)
	Male	31	+/-22	+/-17.2
	Female	65	+/-31	+/-17.2
	Sex ratio (males per 100 females)	47.7	+/-41.0	(X)
	RACE			
	Total population	1,364	+/-317	(X)
	One race	1,350	+/-316	+/-1.7
	Two or more races	14	+/-22	+/-1.7
	One race	1,350	+/-316	+/-1.7
	White	52	+/-57	+/-4.0

19301
Administrative Deficiency Notice(s)
None Required

19307
Request for Administrative Deficiency



April 29, 2019

Ms. Sharon Gamble
Administrator, Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Via: sharon.gamble@tdhca.state.tx.us

Re: Briarwest Apartments, Houston, Application #19307

Dear Ms. Gamble,

I am writing to the Department to formally submit a Request for Administrative Deficiency for TDHCA #19307 Briarwest Apartments in Houston, Texas. We are requesting this administrative deficiency as it relates to a lack of disclosure for the Development's proximity to a high voltage transmission line, in accordance with §11.101(a)(2).

Briarwest Apartments is located at 12976 Westheimer Road in West Houston. In addition to sharing a boundary with Centerpoint Energy's high voltage Westheimer Substation, the Development's residential buildings and designated recreational areas are within 100 feet of several high voltage transmission lines, as is evident on maps from the U.S. Energy Information Administration. In addition, the architectural site plan in Tab 22 of the PDF Application for Briarwest Apartments depicts aerial easements which suggest that the Development's residential buildings may be as close as 70 feet from the easement containing the undesirable site features and that the playground is just 10 feet from the easement containing the undesirable site feature. Please see page 2 for a copy of an aerial view map of the Development site's proximity to transmission lines.

The Development Owner Certification in Tab 2 of the application specifically states that "the Application is in compliance with all requirements related to the eligibility of an Applicant, Application, and Development as further defined in 10 TAC §§11.101 and 11.202 of the Qualified Allocation Plan. Any issues of noncompliance have been disclosed."

As the Applicant incorrectly checked that "the Development is not located in an area with undesirable site features as further described in §11.101(a)(2) of the Qualified Allocation Plan" on page 5 of the Development Owner Certification and provided no information relating to mitigation of the proximity to high voltage transmission lines, the Applicant therefore failed to disclose the Development's noncompliance in regards to an Undesirable Site Feature.

Please let me know if you have any questions or concerns about this Request for Administrative Deficiency. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Andre", with a long horizontal flourish extending to the right.

Sarah Andre
Development Consultant,
Structure Development
sarah@structuretexas.com
(512) 698-3369

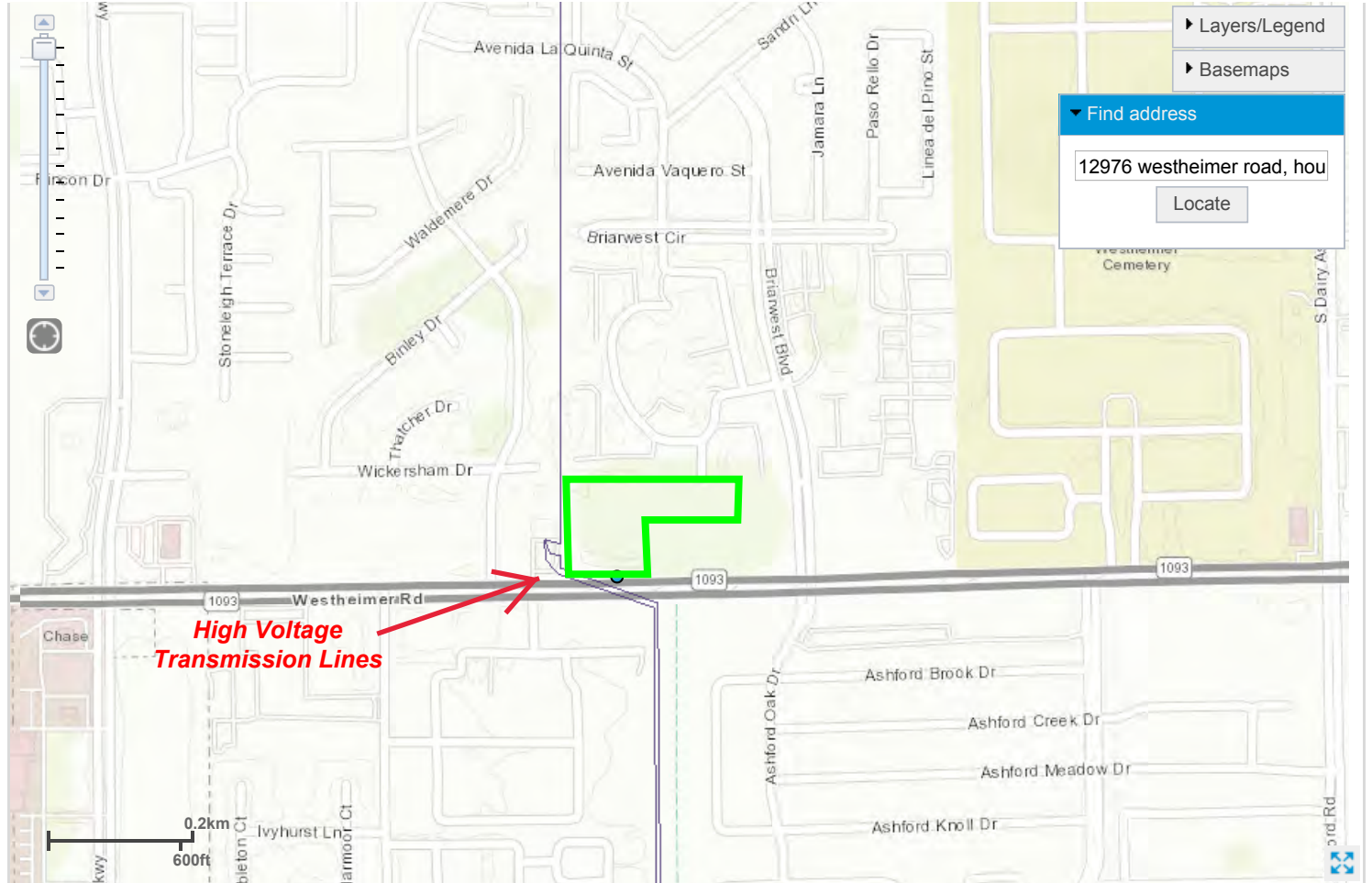


U.S. Energy Information Administration

U.S. States

State Profiles and Energy Estimates

U.S. Energy Mapping System



Layer information and map data

Map questions, comments and suggestions: mapping@eia.gov

Related Maps

- U.S. Energy Mapping System
- Energy Disruptions
- Flood Vulnerability

- State Energy Profiles
- Gulf of Mexico Fact Sheet
- Major Oil and Gas Plays

High Voltage Transmission Lines






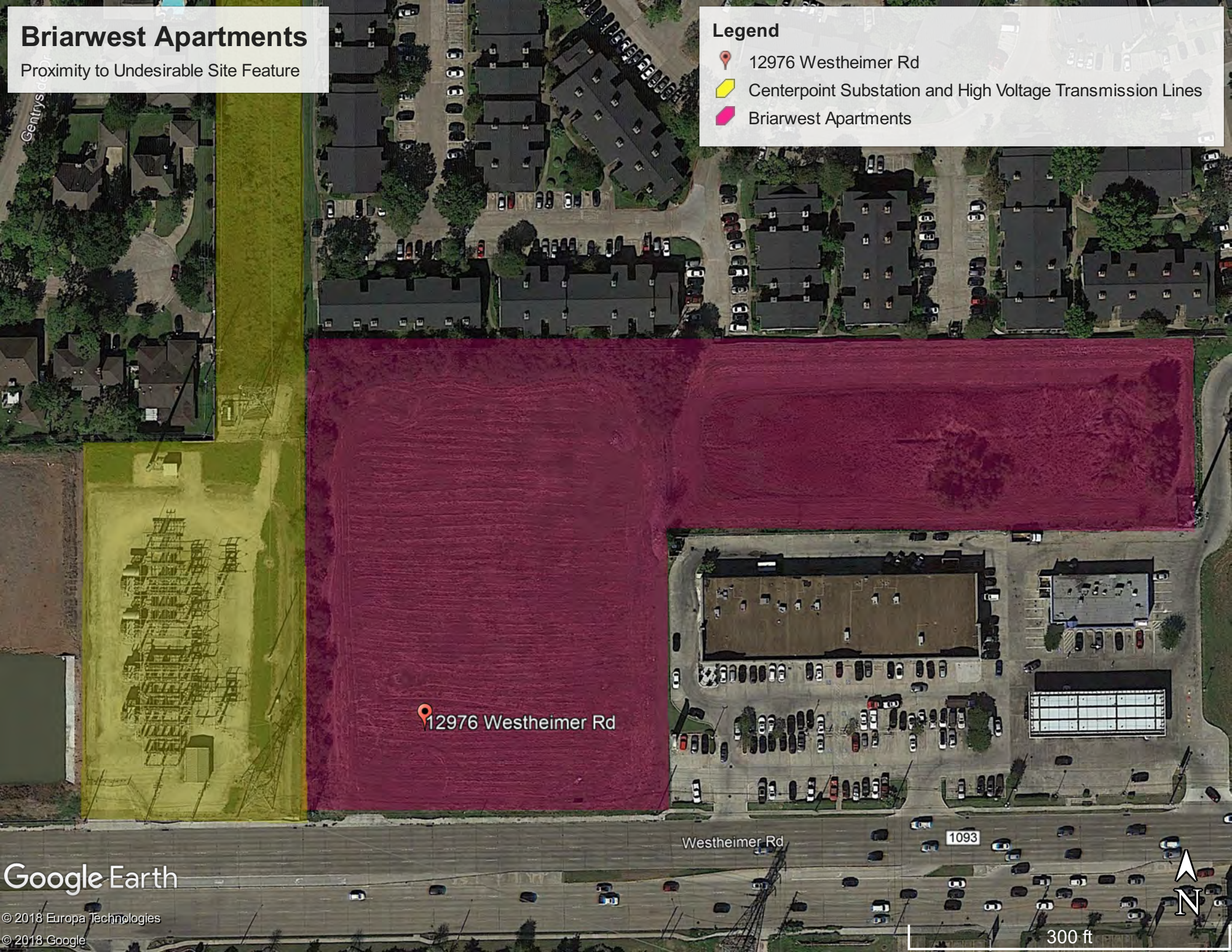
#19307 Briarwest Apartments

Briarwest Apartments

Proximity to Undesirable Site Feature

Legend

-  12976 Westheimer Rd
-  Centerpoint Substation and High Voltage Transmission Lines
-  Briarwest Apartments



 12976 Westheimer Rd

Westheimer Rd

1093

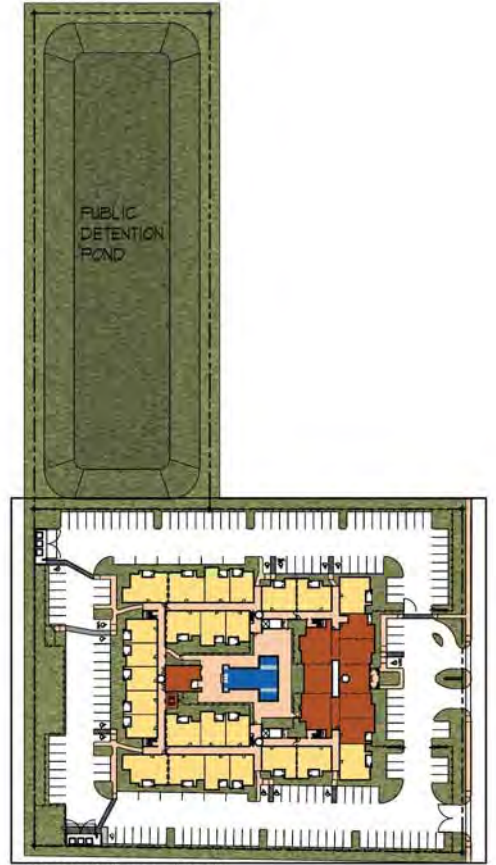
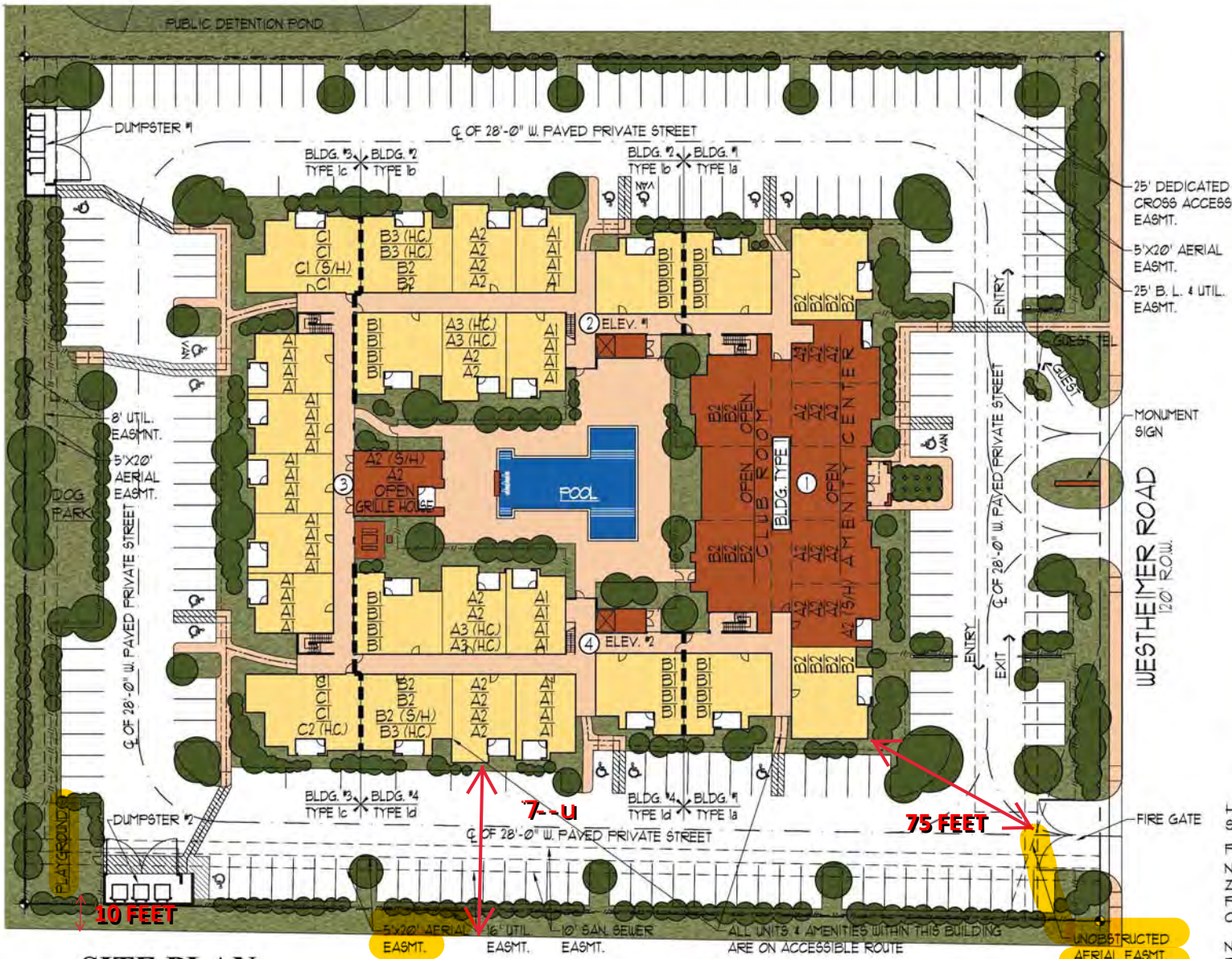
Google Earth

© 2018 Europa Technologies

© 2018 Google

300 ft





KEY PLAN

H.C. INDICATES MOBILITY IMPAIRED UNIT
 S/H INDICATES SIGHT/HEARING IMPAIRED UNIT
 PROPERTY AREA: 5.39 ACRES
 NOTE: PROPERTY PARTIALLY WITHIN UNSHADED ZONE "X" (OUTSIDE 2% ANNUAL CHANCE FLOOD PLAIN) AND SHADED ZONE "AE" (WITHIN 2% ANNUAL CHANCE FLOOD PLAIN)
 NO FLOOD MITIGATION IS NEEDED FOR THIS PROPERTY. DETENTION IS PROVIDED BY EXISTING PUBLIC DETENTION POND.

SITE PLAN

The Briarwest
 Mucasey & Associates, Architects



TDHCA Disclosure: In accordance with the rules of the Texas Department of Housing and Community Affairs, aspects of this development may be subject to change, including but not limited to, changes in the amenities ultimately selected and provided.

19307
Administrative Deficiency Notice(s)

From: [Sharon Gamble](mailto:Sharon.Gamble)
To: nkelley@blazerbuilding.com
Cc: jhenderson@blazerbuilding.com
Subject: 19307 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 3:30:00 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19307 Briarwest Apartments**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request asserts that the Application did not disclose the Development's proximity to high voltage transmission lines.

1. Explain why the presence of the lines described in the request was not disclosed or why disclosure of the lines was not necessary.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant

will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

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19307
Deficiency Response(s)

BRIARWEST DEVELOPERS, LLC

May 10, 2019

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #19307 – Briarwest Apartments, Houston, Harris County, Texas (the “Development”).

Dear Sharon:

This responds to your Administrative Deficiency sent on May 6, 2019, referencing a Third Party Request for Administrative Deficiency (RFAD) asserting that the Application did not disclose the Development’s proximity to high voltage transmission lines. The Administrative Deficiency reads: ***Explain why the presence of the lines described in the request was not disclosed or why disclosure of the lines was not necessary.***

Briarwest Developers, LLC (“Developer”) was aware of the electrical substation and transmission towers located adjacent to the Development’s western boundary, but was not sure whether the transmission lines were high voltage. Although a sign on the fence around the substation warns of hazardous voltage inside, and to keep out, it does not show that there are high voltage wires or facilities located there. Accordingly, we were not sure of the status.

In doing our due diligence regarding the Development, we engaged Ward, Getz & Associates, LLP Consulting Engineers to perform the Site Design Feasibility Report, which mentioned the substation and lines, but nowhere identified them as being “high voltage” transmission facilities. As part of the Site Design Feasibility Report a survey dated January 28, 2019 was done by Interland Surveying & Mapping, Inc. (the “Survey”). The Survey points out an aerial easement on the southwest corner of the Development, but does not otherwise indicate a high-voltage transmission facility.

Likewise, Phase Engineering, Inc., Environmental Consultants performed the environmental site assessment and noted that an electrical substation was located on the west adjoining property. The potential for hazardous wastes, including polychlorinated biphenyls, was noted, but no releases were indicated, and there was no suggestion that the electrical facilities were “high voltage transmission lines, support structures for high voltage transmission lines, or other similar structures.”

Briarwest Developers, LLC
May 10, 2019
Response to RFAD

Both the Survey and the Phase I were provided to Mark S. Mucasey, A.I.A. (the "Architect") of Mucasey & Associates, Architects. The Architect had not been on the Development site, but prepared the Development Site Plan based upon the Survey and the Phase I. Because neither the Survey nor the Phase I identified the adjoining land as having high voltage facilities, the Architect also did not have measurements to delineate the 100-foot line that must be observed from the actual structure of the high voltage electrical facilities. Please see the enclosed letter from the Architect.

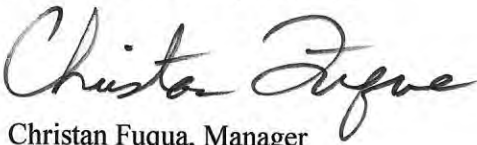
So, the disclosure was not made because we believed disclosure was not necessary, due to our due diligence not highlighting any transmission wires or facilities as being "high voltage." In hindsight, it might have been better for us to have disclosed the existence of the substation and transmission lines, whether or not they were high voltage, since the only adverse effect is the requisite 100-foot setback, which is easily accommodated by the Development site.

Upon being notified that the transmission lines might be high voltage, we had Interland Surveying & Mapping, Inc. come back to the site to determine distances from the actual structures of the transmission lines and the substation. Per the updated survey, the buildings proposed in the Development Site Plan were 15 feet too close to the transmission lines and other structures. The Architect has proposed slipping the apartment complex to the east in order to accommodate the requisite 15 feet, by moving one line of parking spaces to the western side of the apartment complex and pushing the buildings to the east. Additionally, the playground and dog park have been relocated along the northern boundary line. The updated architectural site plan is attached herein for your reference. These minimal revisions resolve the buildings' and recreation area's encroachment into the 100-foot safety area which would have eliminated the need for any disclosure.

If you have any questions concerning our response, please do not hesitate to call me at (713) 914-9200.

Sincerely,

Briarwest Developers, LLC

A handwritten signature in black ink that reads "Christan Fuqua". The signature is written in a cursive, flowing style.

Christan Fuqua, Manager



May 10, 2019

Sharon Gamble, Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

**Re: TDHCA #19307 – Briarwest Apartments, Houston, Harris County, TX;
Response to Administrative Deficiency**

To Whom it May Concern:

I am the architect of record for The Briarwest, a proposed multifamily housing development to be located at 12976 Westheimer Road, Houston, Harris County, Texas 77077 (the "Development"). I have designed numerous low-income housing rental projects and am aware of the requirements of §11.101(a)(2)(D) of the 2019 Qualified Allocation Plan published by the Texas Department of Housing and Community Affairs.

In connection with designing the site plan for the Development, I was supplied with the Phase I Environmental Site Assessment relating to the Development completed by Phase Engineering, Inc. on February 19, 2019 (the "Phase I"), and with a Boundary and Topographic Survey (Category 1A, Condition II) prepared by Interland Surveying | Mapping dated January 28, 2019 (the "Survey") which was prepared as part of the Development's Site Design Feasibility Report (the "Feasibility Report").

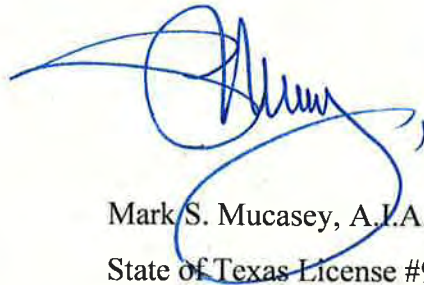
I relied upon the Phase I and the Survey for information concerning the Development site. I was aware there was an electrical substation located west of the Development site because of the Survey and the Phase I, and that there were electric power lines on and adjacent to the site, but neither the Phase I nor the Survey identified any "high voltage" items, or even any transmission lines that would have indicated a potential high-voltage concern. As a result, I believed the power lines that were labeled were distribution lines that were not high-voltage, and was unaware the

Development had an issue under §11.101(a)(2)(D), the Undesirable Site Features portion of the QAP, that would have necessitated a requisite distance be taken into consideration. However, in response to the power facility next door, our firm's design of the site as a centralized building that was surrounded by all the parking lots, provided a substantial buffer to the powerlines. With information my firm had in February, we determined that this site design offered adequate setback from any powerlines, even should they be "high voltage".

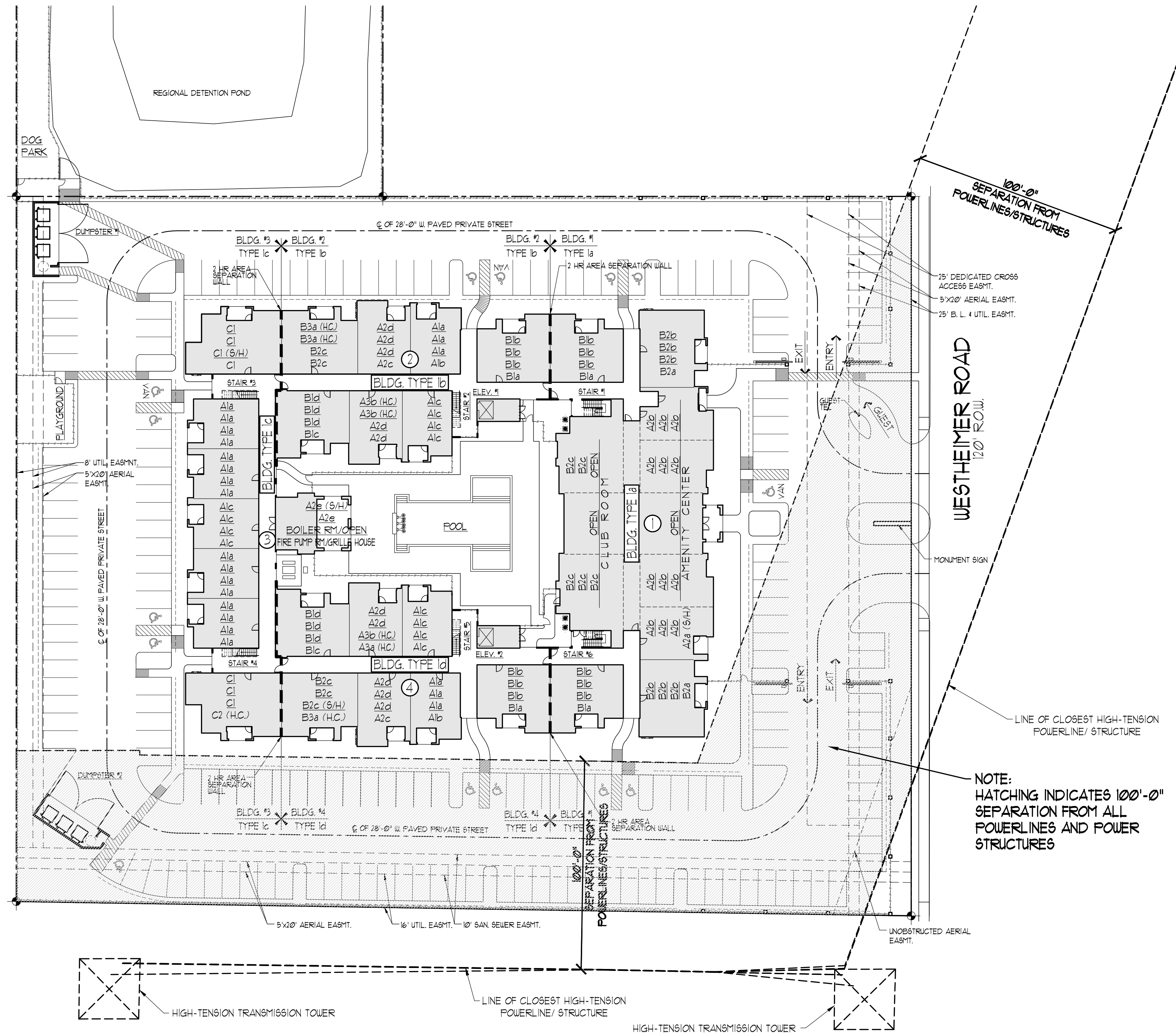
Per a survey conducted after the developer was notified of this administrative deficiency, it was determined the closest buildings shown in the Development Site Plan as submitted in Tab 22 of the Application were only 15 feet too close to the CenterPoint electrical facilities. This issue is easily resolved by moving a line of parking spaces to the western side of the Development and sliding the apartment building a few feet further away from the lines. The playground and dog park have also been relocated onto other green space within the Development, to ensure that no buildings or recreational areas occur within 100' of the lines. All parking and amenities are preserved with this design refinement, and the adjustment is minimal, and hardly noticeable at the site plan scale. The revised Development Site Plan is attached for reference.

Sincerely,



 A handwritten signature in blue ink, appearing to read "Mark S. Mucasey", followed by the letters "AIA" written in a larger, bold font.

Mark S. Mucasey, A.I.A.
State of Texas License #9420



SITE PLAN
 1" = 30' - 0"
 N

Project Summary

Apartments:

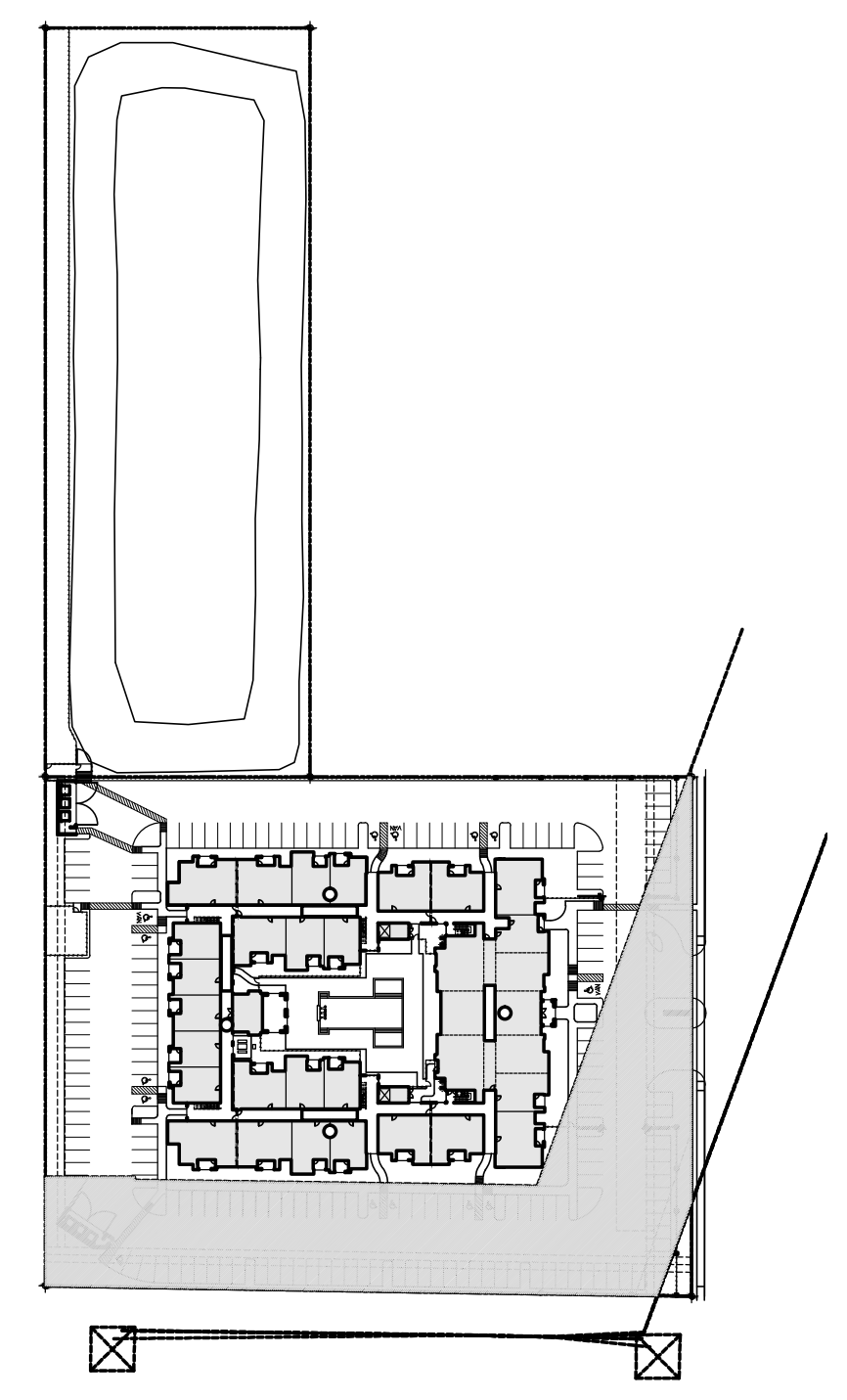
Type	Description	Qty	Area
A1	One Bedroom, 1 Bath	36	688 s.f.
A2	One Bedroom, 1 Bath	27	777 s.f.
A3	One Bedroom, 1 Bath (H.C.)	4	777 s.f.
Total One Bedroom Units		67 Units	
B1	Two Bedroom, 2 Bath	24	947 s.f.
B2	Two Bedroom, 2 Bath	18	1,014 s.f.
B3	Two Bedroom, 2 Bath (H.C.)	3	1,014 s.f.
Total Two Bedroom Units		45 Units	
C1	Three Bedroom, 2 Bath	7	1,180 s.f.
C2	Three Bedroom, 2 Bath (H.C.)	1	1,180 s.f.
Total Three Bedroom Units		8 Units	
Apartments Net Rentable Total		120 Units	102,317 s.f.

Amenity Center	7,834 s.f.
Amenity Porches	247 s.f.
Unit Patio / Balcony	8,191 s.f.
Total Breezeway & Stairs	27,196 s.f.
Other Support Areas	4,793 s.f.
Rentable Storage	1,383 s.f.
Grille House	442 s.f.
Project Total	152,403 s.f.

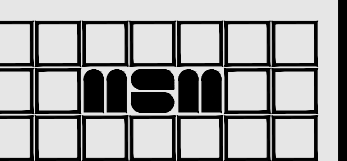
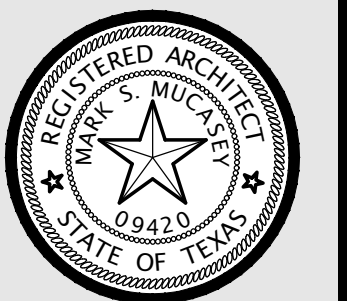
Parking required :

67 One Bedroom Units at 1.33 cars =	89.11 cars
45 Two Bedroom Units at 1.67 cars =	75.15 cars
8 Three Bedroom Units at 2 cars =	16 cars
Total Parking Required:	180.26 cars

Total Parking Provided:	Van	H.C.	Standard	Total
Open Parking (secured):	2	11	153	166 cars
Amenity Parking (non-secured):	1	0	14	15 cars
Total Parking Provided:	3	11	167	181 cars



KEY PLAN
 N



MUCASEY & Associates
 Architects

4808 Gibson, Suite 200
 Houston, Texas 77007
 Tel. (713) 521-1233
 Fax (713) 520-1904
 Email: office@mucaseyarchitects.com

THE BRIARWEST
 A Multi-Family Community
 Houston, Texas
 Job No. 1910

CLIENT REVIEW	
Date:	08-06-18
POWERLINES	
Date:	05-03-19
SITE REVISION	
Date:	05-07-19
Date:	
Date:	
Date:	
Date:	

A1.1

P:\2019 Jobs\1910_The Briarwest\1910_A101.dwg, 5/7/2019 11:06:00 AM, DWG To PDF.pc3
 Agnar, Nielsen, Agnar, Nielsen

19315
Request for Administrative Deficiency



VIA EMAIL

April 29, 2019

Texas Department of Housing and Community Affairs
Attn: Marni Holloway - Director of Multifamily Finance
Attn: Sharon Gamble – 9% HTC Program Administrator
221 East 11th Street
Austin, TX 78701

RE: TDHCA #19315 – Hammack Creek Apartments

Dear Marni and Sharon:

In accordance with Section 11.10 of the 2019 QAP, Palladium USA is requesting staff to consider whether the matters described in this letter and supporting documentation should be the subject of an Administrative Deficiency. We are also providing a copy to the representative for Application #19315.

In Section 11.204(10) an Applicant is required to submit evidence that the Development Owner has Site Control. The Site Control documents submitted with the Full Application included two option agreements dated 11-07-18 between Larry Walter (Optionor) and OM Housing, LLC (Optionee) and Mark Jason Doscocil (Optionor) and OM Housing, LLC (Optionee). The terms of both Option Agreements are identical. Sections 3(a) of the Option Agreements states “The Option granted herein shall only be exercisable by the execution and delivery by Optionor and Optionee of a **real estate sales contract** upon terms and conditions mutually acceptable to Optionor and Optionee (Purchase Agreement)”. Section 3(b) states that if the Option is not exercised on or before the “Termination Date” of 01-15-19 or “Early Termination Date” of 12-21-18 then the Option granted shall automatically terminate and be null and void. Please note Section 3(d) of the Option Agreement states the Optionor shall have no right to enter into an agreement with another party with respect to the purchase of the Project as long as the Option Agreement is in effect.

The Applicant submitted a Commercial Contract for Unimproved Property on or before the Full Application Delivery Date. The contract submitted was between OM Housing, LLC as the Seller and KD Hammack Creek Housing, LP as the Buyer. Deepak Sulakhe is the President and CEO of OM Housing, LLC as well as a Member of KD Hammack Creek Housing, LP. The Option Contract is only exercisable by the execution and delivery by Optionor and Optionee of a **real estate sales contract** upon terms and conditions mutually acceptable to Optionor and Optionee (Purchase Agreement). Since there is not a real estate contract between Larry Walter and OM Housing, LLC and/or Mark Jason Doscocil and OM Housing, LLC in the Application, the Applicant did not have Site Control at the Full Application submission date. Therefore, the Application for 19315-Hammock Creek Apartments should be terminated.

Additionally, in Section 11.205 an Applicant is required to submit a Market Analysis on or before 04-02-19. The Market Analysis submitted for Application 19315-Hammack Creek Apartments was dated 03-02-18 and prepared by Novogradac for The Reserves at Merriwood Ranch in Garland Texas. The Applicant did not submit the required Market Study for 19315 – Hammack Creek Apartments on or before the required due date and therefore Application for 19315-Hammack Creek Apartments should be terminated.

Should you have any questions or require additional information please contact me. My contact information is below.

Sincerely,



Thomas E. Huth
President and CEO
Palladium USA International, Inc.
Phone: 972-774-4400
Fax: 972-774-4484
Email: thuth@palladiumusa.com

Attachments



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED
 ©Texas Association of REALTORS®, Inc. 2006

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: OM Housing, LLC

Address: 5033 Brookview Drive, Dallas, Texas 75220

Phone: 214.432.7610 Fax: 214.594.9753

E-mail: dsulakhe@omhousing.com

Buyer: KD Hammack Creek Housing, LP

Address: 5033 Brookview Drive, Dallas, Texas 75220

Phone: 214.432.7610 Fax: 214.594.9753

E-mail: dsulakneomhousing.co

2. **PROPERTY:**

A. "Property" means that real property situated in Tarrant County, Texas at 133 E. Kennedale Pkwy, and 345 & 337 Kennedale Sublet Rd., Kennedale, TX (address) and that is legally described on the attached Exhibit A or as follows:

Approximately 7.964 Acres out of combined 7.764 Acres 113 E. Kennedale PKWY and 8.021 Acres J.B. Renfro Survey Abstract NO. 1260 Tracts 1&2. Generally identified in Exhibit A.

B. Seller will sell and convey the Property together with:
 (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
 (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

3. **SALES PRICE:**

A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing	\$ <u>1,600,000.00</u>
(2) Sum of all financing described in Paragraph 4	\$ _____
(3) Sales price (sum of 3A(1) and 3A(2))	\$ <u>1,600,000.00</u>

B. Adjustment to Sales Price: (Check (1) or (2) only.)

(1) The sales price will not be adjusted based on a survey.

(2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ _____ per:

(i) square foot of total area net area.

(ii) acre of total area net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

(i) public roadways;

(ii) rights-of-way and easements other than those that directly provide utility services to the Property; and

(iii) _____.

(c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 30 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

A. Third Party Financing: One or more third party loans in the total amount of \$ _____ This contract:

(1) is not contingent upon Buyer obtaining third party financing.

(2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum.

B. Assumption: In accordance with the attached Commercial Contract Financing Addendum, Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.

C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum in the amount of \$ _____.

5. **EARNEST MONEY:**

A. Not later than 3 days after the effective date, Buyer must deposit \$ 500.00 as earnest money with Stewart Title, Carol Erik (escrow agent) at 17304 Preston Road, Suite 110, Dallas TX (address). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract by providing written notice to Buyer before Buyer deposits the earnest money and may exercise Seller's remedies under Paragraph 15.

B. Buyer will deposit an additional amount of \$ _____ with the escrow agent to be made part of the earnest money on or before:

(i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or

(ii) see Addendum A & Exhibit B.

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

Commercial Contract - Unimproved Property Concerning _____

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____
Items in Section 6.C. _____

(see Addendum A)

B. Feasibility Period: ¹Buyer may terminate this contract for any reason within 120 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to timely deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from

Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 15 days after the effective date, Seller will deliver to Buyer:

- (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (d) copies property tax statements for the Property for the previous 2 calendar years;
- (e) plats of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- (g) all communication and/or agreements with public agencies pertaining to the property;
(h) Geotech & Environmental reports, engineering studies, flood plain maps and any other study/report pertaining to the subject property.

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer and all copies that Buyer made of those items; and (b) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed. This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES: Seller shall retain all funds from short term leases until closing of property.

~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any advance sums paid by a tenant under any lease;~~
- ~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must state:~~

Commercial Contract - Unimproved Property Concerning _____

- ~~(1) that no default exists under the lease by the landlord or tenant as of the date the estoppel certificate is signed;~~
- ~~(2) the amount of the scheduled rents to be paid through the end of the lease and any rental payments that have been paid in advance;~~
- ~~(3) the amount of any security deposit;~~
- ~~(4) the amount of any offsets tenant is entitled against rent;~~
- ~~(5) the expiration date of the lease;~~
- ~~(6) a description of any renewal options; and~~
- ~~(7) _____~~

9. BROKERS:

A. The brokers to this sale are:

Cooperating Broker	License No.	Principal Broker	License No.
Address		Address	
Phone	Fax	Phone	Fax
E-mail:		E-mail:	

Cooperating Broker represents buyer.

Principal Broker: *(Check only one box.)*

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

B. Fees. *(Check only one box.)*

- (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- (2) At the closing of this sale, Seller will pay:

Cooperating Broker a total cash fee of:	Principal Broker a total cash fee of:
<input type="checkbox"/> _____ % of the sales price.	<input type="checkbox"/> _____ % of the sales price.
<input type="checkbox"/> _____	<input type="checkbox"/> _____

The cash fees will be paid in _____ County, Texas. Seller authorizes escrow agent to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The closing of the sale will be on or before 30 days after the expiration of the feasibility period and subject to extensions provided in Section 12 or within 7 days after objections made under Paragraph 6C have been cured or waived, whichever date is later (the closing date).
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) an assignment of all leases to or on the Property;
- (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
- (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (5) an affidavit acceptable to the escrow agent stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the escrow agent to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
- (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the escrow agent;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. ~~Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.~~

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: *(Identify exhibit if special provisions are contained in an attachment.)*

Attached hereto as Addendum A and Exhibit B.

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: ~~If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.~~
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
- (1) terminate this contract and receive the earnest money as liquidated damages, thereby releasing the parties from this contract; or
 - (2) ~~enforce specific performance, or seek other relief as may be provided by law, or both.~~

as its sole and
exclusive remedy

F. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Selection of inspectors and repairmen is the responsibility of Buyer and not the brokers.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 02-28-19, the offer will lapse and become null and void.

Commercial Contract - Unimproved Property Concerning _____

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Buyer: OM Housing, LLC

By: _____

Printed Name: Deepak P. Sulakhe

Title: President / CEO

Buyer: _____

By: _____

Printed Name: _____

Title: _____

Seller: KD Hammock Creek Housing, LP

By: _____

Printed Name: Deepak P. Sulakhe

Title: Member

Seller: _____

By: _____

Printed Name: _____

Title: _____

This is not optioner per the option agreement. Person executing for both buyer and seller is the applicant for 19315 - Hammock Creek

AGREEMENT BETWEEN BROKERS

Principal Broker agrees to pay _____ (Cooperating Broker) a fee of \$ _____ or _____ % of the sales price when the Principal Broker's fee is received. Escrow agent is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Cooperating Broker
By: _____

Principal Broker
By: _____

ATTORNEYS

Buyer's attorney is:
Name: Fielder Nelms
Address: Smith, Stern, Friedman & Nelms, P.C.
14160 Dallas Parkway, Suite 800, Dallas, TX 75254
Phone & Fax: 214-739-0606 / Fax: 214-739-0608
E-mail: fnelms@ssfmlaw.com

Seller's attorney is:
Name: _____
Address: _____
Phone & Fax: _____
E-mail: _____

Buyer's attorney requests copies of documents, notices, and other information:
 the title company sends to Buyer.
 Seller sends to Buyer.

Seller's attorney requests copies of documents, notices, and other information:
 the title company sends to Seller.
 Buyer sends to Seller.

ESCROW RECEIPT

Escrow agent acknowledges receipt of:
 A. the contract on this day February 28, 2019 (effective date);
 B. earnest money in the amount of \$ _____ in the form of _____ on _____

Escrow Agent: Stewart Title Company

Address: 15950 Dallas Parkway, Suite 100
Dallas, TX 75248

Phone & Fax: 214-473-5414 F 833-431-4776

By: Carol Erick
Carol Erick

E-mail: Carol.Erick@Stewart.com

ADDENDUM A

TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

THIS ADDENDUM A TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY is attached to, and made a part of, that Commercial Contract - Unimproved Property (the "**Contract**") executed by **KD Hammack Creek Housing, LP**, a to be formed Texas limited partnership (together with its successors and/or assigns, "**Buyer**"); and **OM Housing, LLC**, a Texas limited liability Company (together with its successors and/or assigns, "**Seller**") (Buyer and Seller are collectively referred to as the "**Parties**", and each a "**Party**"). In the event the terms of this Addendum A conflict with the terms of the Contract, the terms of this Addendum A shall control. All references to the terms "contract" in the Contract shall mean the Contract as amended by this Addendum A.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Feasibility Period.** Paragraph 7.B is hereby deleted in its entirety and replaced with the following:

"Buyer may terminate this contract for any reason on or before August 1st, 2019 (Feasibility Period) by providing Seller written notice of Termination (*Check only one box*)."

2. **Inspections.** Paragraph 7.C(1) is hereby amended by adding the following thereto:

"Such inspections, studies and assessments may include, without limitation, one or more environmental site assessments, including without limitation, borings and other physical samplings."

3. **Leases.** Paragraph 8 is hereby deleted in its entirety and replaced with the following:

"Notwithstanding anything to the contrary set forth in this contract, Seller represents and warrants to Buyer that (a) there are no outstanding written or oral leases in any way affecting the Property, (b) no person or entity has any right with respect to all or any portion of the Property (whether by option to purchase, right of first refusal, contract or otherwise) that may prevent or interfere with Buyer taking title to, and exclusive possession of, all of the Property at closing, and (c) Seller shall not enter into any new lease with respect to the Property during the pendency of this contract without Buyer's prior written consent, which may be given or withheld by Buyer in Buyer's sole and absolute discretion." This shall not apply to any mineral lease contracts. Minerals are not being conveyed.

4. **Closing.** Paragraph 10 is hereby amended by adding the following:

"**Extensions.** Buyer shall have the right to extend the closing date for one (1) additional periods (1) from August 1st, 2019 to September 1st 2019. Buyer must request the extension period by delivering (a) written notice thereof to Buyer, and (b) a \$500.00 Extension Payment to escrow agent, prior to the expiration of the feasibility period. The Extension Payments shall be applicable to the purchase price at closing (see Exhibit B)."

Buyer:  Seller: 

5. **Rollback Taxes.** Paragraph 14.B in hereby deleted and replaced with the following:

"Rollback Taxes. If the sale contemplated hereby, a change in the use of the Property, or denial of any special use valuation of the Property would result in the assessment after the closing of additional taxes and interest applicable to the period of time before the closing ("**Rollback Taxes**"), then Seller shall give a credit to Buyer at the closing for 100% of the amount of the Rollback Taxes (including interest and penalties) that may be assessed after the closing as reasonably estimated by the title company, and Buyer shall be responsible for the payment of the Rollback Taxes (including interest and penalties) if and when assessed after the closing. There will be no subsequent adjustment notwithstanding whether the actual Rollback Taxes assessed after the closing differ from the estimate used at the closing. If any Rollback Taxes are due before the closing due to Seller's change in use of the Property or a denial of a special use valuation of the Property, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the closing."

6. **Default.** Paragraph 15.B(1) is hereby deleted and replaced with the following:

"(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7.B(1), together with Seller's reimbursement of Buyer's reasonable out-of-pocket expenses incurred in connection with its due diligence inspection of the Property, as Buyer's sole remedy; or"

7. **Material Facts.** Paragraph 19.B is hereby amended by adding the following:

"(11) any proposed special assessments or condemnation; pending public improvements that will result in any charge being levied or assessed against, or a lien being created upon, the Property; or pending or threatened eminent domain or condemnation proceedings against or involving any portion of the Property or any adjacent parcel; and

(12) any existing or proposed plans to widen, modify or realign any street adjoining or adjacent to the Property, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads.

Seller shall fully disclose to Buyer, promptly upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that may affect the representations and warranties set forth above. The representations and warranties of Seller contained herein shall survive the closing and delivery of the Deed."

8. **Notices.** Paragraph 20 is hereby amended by adding the following:

"Notices sent by facsimile and/or e-mail shall not be effective until the sending party receives confirmation that the notice has been received by the receiving party."

9. **Feasibility Period.** Subject to the terms of Paragraph 7.B(1) of the Contract, the earnest money shall be disbursed by escrow agent to Buyer if Buyer gives written

notice to escrow agent on or before the end of the feasibility period, stating that Buyer has terminated the Contract. Such notice by Buyer shall be conclusive evidence of Buyer's right to receive the earnest money. Seller and Buyer irrevocable instruct escrow agent to disburse the earnest money to Buyer upon receipt of said notice, without any other written authorization and without further verification of the party entitled to receive the earnest money. Seller and Buyer agree to indemnify and hold escrow agent harmless for making any disbursement in an attempt to comply with the provisions hereof. Escrow Agent may rely upon any document or copy which it believes to be genuine, may assume that the Party executing any document is authorized to do so, and shall not be liable for anything, which it in good faith, may or may not do in connection herewith.

10. **Closing Conditions**. In addition to any other conditions set forth in the Contract, Buyer shall not be obligated to close this transaction and purchase the Property unless each of the following are either timely satisfied or waived by Borrower in writing:

a. **Subdivided**. At or prior to closing, if the Property is part of a larger parcel belonging to Seller, the Property shall be subdivided from the larger parcel and/or platted. Conversely, if Property is part of several smaller parcels belonging to Seller, the Property shall be combined into a single parcel and/or platted.

b. **Utilities**. Prior to closing, Buyer shall have received utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Property for its intended purpose without unusual or extraordinary expense to Buyer other than standard "tap in" fees.

c. **Governmental Approvals**. Prior to closing, Buyer shall have received all necessary and customary governmental approvals necessary for Buyer to develop and operate the Property for its intended purpose, including without limitation, those for utilities, zoning, special uses, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation, and ingress/egress easements), and/or approval of a final site plan for the proposed development along with utility commitments and required capacity for the intended number of units. All such approvals, permits and allocations, and any conditions imposed thereon, must be acceptable to Buyer in its sole discretion

d. **Zoning**. At closing the Property shall be zoned to permit the development of the Property for Buyer's intended purpose.

In the event that any condition precedent in this Section 10 is not satisfied by the date specified in this Section 10, Buyer shall have the right to terminate the Contract by delivering written notice thereof to Seller, and Buyer shall receive a full and prompt refund of the earnest money (less the independent consideration referenced in Paragraph 7.B(1) of the contract), together with accrued interest thereon, without the need for Seller's consent for its release.

Buyer:  Seller: 

11. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows:

a. **No Notices.** Seller has not received any notice of, and to the best of its knowledge there are no (i) proposed special assessments or condemnation; (ii) pending public improvements that will result in any charge being levied or assessed against, or a lien being created upon, the Property; or (iii) pending or threatened eminent domain or condemnation proceedings against or involving any portion of the Property or any adjacent parcel.

b. **Access.** Seller has not received notice of any existing or proposed plans to widen, modify or realign any street adjoining or adjacent to the Property, and the Property has full and free access to and from public highways, streets and roads. Seller has no knowledge of any pending or threatened proceeding by any governmental authority, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads

c. **Utility Availability.** Public water, sanitary and storm sewer, electricity, gas, and other required utilities (i) are available to the Property in quantities sufficient for the successful operation of the Property for its intended purpose; (ii) enter the Property through adjoining public streets or, if passing through adjoining private land, do so in accordance with recorded public or private easements; and (iii) are serviced and maintained by the appropriate public or quasi-public entity.

d. **Utility District.** The Property is not situated in a utility or other statutorily created district providing water, sewer, drainage or flood control facilities and services.

e. **Pipelines.** There are no transportation pipelines, including without limitation, pipelines for the transportation of natural gas, natural gas liquids, synthetic gas, liquefied petroleum gas, petroleum or a petroleum product or hazardous substance, located on, under or within the Property.

f. **Owners' Association.** The Property is not subject to mandatory membership in a property owners' association.

g. **Litigation.** There is no pending or threatened litigation, arbitration, administrative action or examination, claim or demand whatsoever related to the Property; and no attachments, execution proceedings, liens, assignments or insolvency proceedings are pending or threatened against Seller of the Property or contemplated by Seller.

Seller shall fully disclose to Buyer, immediately upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that may affect the representations and warranties set forth above. The representations and warranties of Seller contained herein shall survive the closing and delivery of the Deed.

12. **Plans and Approvals.** Buyer shall have the right to file, at Buyer's expense, any and all applications and plans necessary to obtain building permits, any rezoning or subdivision (or the vacation of any existing subdivision or plat) and/or any other agreement, assurance, approval or permit from any and all governmental authorities having jurisdiction

Buyer:  Seller: 

over the Property that Buyer deems appropriate in connection with the intended purpose of the Property. Seller agrees to join in the execution of any application required in order to obtain any such agreement, assurance, permit or approval (or file such application individually if the relevant governmental authority shall so require). Seller further agrees to cooperate with Buyer or its nominee in all respects, including without limitation, attending and giving favorable testimony at any hearings on the petitions or applications, meeting with and providing information to public and private utilities and governmental and quasi-governmental entities, and otherwise working to obtain the agreements, assurances, approvals and permits required by Buyer or its nominee without additional cost or obligation to Buyer or its nominee.

13. **Survey.** Seller agrees to credit the purchase price in the amount of \$5,000, if and only if property closes, at closing to reimburse Buyer for the cost of the survey.

14. **Financing.** Buyer shall have the right to terminate the Contract if Buyer does not secure financing on terms acceptable to Buyer in Buyer's sole and absolute discretion, by delivering written notice thereof to Seller, and Buyer shall receive a full and prompt refund of the earnest money (less the independent consideration referenced in Paragraph 7.B(1) of the Contract), together with accrued interest thereon, without the need for Seller's signature for its release.

15. **Right to Terminate.** Subject to the terms of other terms of the Contract regarding disbursement of the earnest money, Buyer shall have the right to terminate the Contract at any time prior to closing.



16. **Effect of Termination.** The Contract shall be void and of no further force and effect upon any proper termination under the terms of the Contract (other than terms that specifically provide that they survive termination of the Contract).

Buyer: _____ Seller: _____

EXHIBIT A

Legal Description

(to be attached)

Buyer:  Seller: 

LEGAL DESCRIPTION

BEING 7.964 acres of land situated in the J.B. RENFRO SURVEY, ABSTRACT No. 1260, City of Kennedale, Tarrant County, Texas, being a portion of those certain tracts of land described in deed as Tract 1, Tract 3 and Tract 4, to Larry Walker, recorded in Instrument Number D212279455, County Clerk's Records, Tarrant County, Texas, a portion of that certain tract of land described in to Larry M. Walker, recorded in Volume 9632, Page 257, Deed Records Tarrant County, Texas, a portion of that certain tract of land described in deed as Tract 1 and Tract 2, recorded in Clerk's File Number D212048802, County Clerk's Records, Tarrant County, Texas, and a portion of those certain tract of land described in deed to Mark J. Doskocil, recorded in Instrument Number D214158488 and D214158489, County Clerk's Records, Tarrant County, Texas, said 7.964 acres being more particularly described as follows:

COMMENCING at a point at the northwest corner of that certain tract of land described in deed to Mark J. Doskocil, recorded in Clerk's File Number D214158488, County Clerk's Records, Tarrant County, Texas and being the northeast corner of that certain tract of land described in deed to Melvin Uselton and wife, Margaret Uselton, recorded in Volume 5146, Page 152, Deed Records, Tarrant County, Texas, said COMMENCING POINT being (per deed call) S 61°48'24" E, distance of 505.44 feet from the southeast corner of Lot 4-R, Block J, CRESTDALE ADDITION, an Addition to the City of Kennedale, Tarrant County, Texas, according to the Plat recorded in Volume 388-12, Page 21, Plat Records, Tarrant County, Texas;

THENCE S 07°43'55" W, along the common line of said Doskocil and Uselton tracts, a distance of 7.64 feet to the POINT OF BEGINNING and most northerly northwest corner of the herein described 7.964 acre tract, said BEGINNING POINT having a State Plane, NAD 83, Zone 4202 (Grid) coordinate value of NORTH:6921217.807 and EAST:23622806.596, for reference;

THENCE N 87°40'04" E, leaving said common line, across said Doskocil tract (recorded in D214158488), a distance of 141.10 feet to a point;

THENCE S 03°40'20" E, crossing the common line of said Doskocil tracts (recorded in D214158488 and D214158489), and continuing, in all, a distance of 166.89 feet to a point;

THENCE S 68°22'12" E, across said Doskocil tract (recorded in D214158489), a distance of 59.87 feet to a point;

THENCE, S 21°37'48" W, continuing across said Doskocil tract (recorded in D214158489), a distance of 18.00 feet to a point;

THENCE, S 68°22'12" E, continuing across said Doskocil tract (recorded in D214158489) a distance of 67.01 feet to a point;

THENCE, S 25°29'12" W, continuing across said Doskocil tract (recorded in D214158489), a distance of 28.47 feet to a point;

THENCE, S 68°17'14" E, continuing across said Doskocil tract (recorded in D214158489), a distance of 202.48 feet to a point in the northwesterly line of Kennedale-Sublett Road, being at the beginning of a curve to the right, whose radius is 605.31 feet and whose long chord bears S 36°39'32" W, a chord distance of 180.23 feet;

THENCE along the northwesterly line of said Kennedale-Sublett Road, as follows:

Along said curve in a southwesterly direction, through a central angle of 17°07'24", an arc distance of 180.90 feet to a point;
 S 45°13'30" W, a distance of 464.00 feet to a point at the beginning of a curve to the right, whose radius is 225.04 feet and whose long chord bears S 59°40'38" W, a chord distance of 112.30 feet;
 Along said curve in a southwesterly direction, through a central angle of 28°53'45", an arc distance of 113.50 feet to a 1/2" iron rod found in the southerly west line of said Doskocil tract (recorded in D214158489) and being the southeast corner of said Larry Walker Tract 2 (recorded in D212048802) for the most southerly corner of the herein described 7.964 acre tract;

THENCE, N 08°31'21" E, along the common line of said Doskocil tract (recorded in D214158489) and said Larry Walker Tract 2 (recorded in D212048802), along the approximate centerline of a creek, a distance of 242.81 feet to a point;

THENCE, N 03°59'13" E, continuing along the common line of said Doskocil tract (recorded in D214158489) and said Larry Walker Tract 2 (recorded in D212048802), continuing along the approximate centerline of said creek, a distance of 11.41 feet to a point;

THENCE, N 90°00'00" W, leaving said common line and the approximate centerline of said creek across said Larry Walker Tract 2 (recorded in D212048802), a distance of 256.37 feet to a point at the beginning of a curve to the right, whose radius is 55.00 feet and whose long chord bears S 64°23'34" W, a chord distance of 67.40 feet;

THENCE along said curve in a southwesterly direction, crossing the common line of said Larry Walker Tract 2 (recorded in D212048802) and said Larry M. Walker tract (recorded in Vol. 9632, Pg. 257), and continuing, in all, through a central angle of 75°34'15", an arc distance of 72.54 feet to a point;

THENCE, S 45°58'27" W, across said Larry M. Walker tract (recorded in Vol. 9632, Pg. 257), a distance of 232.64 feet to a point in the northeasterly line of East Kennedale Parkway (Right-of-Way varies);

THENCE, N 42°26'58" W, along the northeasterly line of said East Kennedale Parkway, a distance of 58.44 feet to a point;

THENCE, N 45°58'27" E, leaving said northeasterly line, across said Larry M. Walker tract (recorded in Vol. 9632, Pg. 257), a distance of 229.30 feet to a point at the beginning of a curve to the right, whose radius is 55.00 feet and whose long chord bears N 28°59'16" E, a chord distance of 74.49 feet;

THENCE along said curve in a northeasterly direction, crossing the common line of said Larry M. Walker tract (recorded in Vol. 9632, Pg. 257) and said Larry Walker Tract 3 (recorded in D212279455), and continuing, in all, through a central angle of 85°14'35", an arc distance of 81.83 feet to a point

THENCE, N 00°00'00" E, crossing said Larry Walker Tract 3 (recorded in D212279455), said Larry Walker Tract 4 (recorded in D212279455) and said Larry Walker Tract 1 Parcel A, (recorded in D212279455), in all, a distance of 235.51 feet to a point in the north line of said Larry Walker Tract 1 Parcel A, (recorded in D212279455) and being in the south line of said Uselton tract;

THENCE, N 89°32'51" E, along the common line of said Larry Walker Tract 1 Parcel A, (recorded in D212279455) and said Uselton tract, a distance of 69.70 feet to a 1/2" iron rod found at the northeast corner of said Larry Walker Tract 1 Parcel A, (recorded in D212279455) and being the northwest corner of said Larry Walker Tract 4 (recorded in D212279455);

THENCE, S 89°33'48" E, along the common line of said Larry Walker Tract 4 (recorded in D212279455) and said Uselton tract, a distance of 149.79 feet to a point at the northeast corner of said Larry Walker Tract 4 (recorded in D212279455) at the southeast corner of said Uselton tract and being in the northwesterly line of said Larry Walker Tract 3 (recorded in D212279455);

THENCE N 47°27'09" E, along the common line of said Larry Walker Tract 3 (recorded in D212279455) and said Uselton tract, a distance of 221.18 feet to a point at the most north corner of said Larry Walker Tract 3 (recorded in D212279455), being the most easterly southeast corner of said Uselton tract and being in the approximate centerline of said creek;

THENCE N 15°38'01" W, along the common line of said Mark J. Doskocil tract (recorded in D214158489) and said Uselton tract, along the approximate centerline of said creek, a distance of 50.67 feet to a point at the northwest corner of said Mark J. Doskocil tract (recorded in D214158489) and being the southwest corner of said Mark J. Doskocil tract (recorded in D214158488);

THENCE N 07°43'55" E, along the common line of said Mark J. Doskocil tract (recorded in D214158488 and said Uselton tract) and along the approximate centerline of said creek, a distance of 92.23 feet to the POINT OF BEGINNING and containing 7.964 acres (346913 square feet) of land, more or less.



8221 Southwest Boulevard, Suite 100
 Fort Worth, Texas 76132
 (O) 817.231.8100 (F) 817.231.8144
 Texas Registered Engineering Firm F-10998
 Texas Registered Survey Firm F-10158800
 www.barronstark.com

Survey Exhibit Showing
 7.964 Situated in the
J.B. RENFRO SURVEY, ABSTRACT NO. 1260
 City of Kennedale, Tarrant County, Texas

PROJECT No. 307-9537

DATE: FEBRUARY 2019

SHEET

2 OF 2

EXHIBIT B

DELIVERY AND RELEASE OF DEPOSIT AMOUNTS

DATE*	BEGINNING DATE	EXPIRATION DATE	AMOUNT BUYER DELIVERS TO ESCROW	AMOUNT NON-REFUNDABLE TO BUYER (except as otherwise provided in the Contract)	AMOUNT APPLICABLE TO PURCHASE PRICE
Effective Date	Date Escrow Agent receipts fully-executed Contract				
Earnest Money Deposit	3 days after the Effective Date		\$500 for Feasibility Period		Yes
Feasibility Period		August 1 st , 2019			
Delivery of Fee for Extension		August 1 st , 2019	\$500	\$0	Yes
Extension	August 1 st , 2019	September 1 st , 2019			
Last Day to Close		September 1 st , 2019	If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing If Closing does not occur, no amount will be delivered	If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing. If Closing does not occur, no amount will be delivered; however, Seller will keep the amounts previously released as set forth above	Yes

* If any of the above dates occur on a weekend or a holiday, the applicable date will move forward to the next available business day.

Buyer: *b* Seller: *b*

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (the "Option Agreement") is dated the 7th day of November, 2018 and entered into between Larry Walther ("Optionor"), and OM Housing, LLC, a Texas limited liability company ("Optionee").

WHEREAS, Optionee is considering purchasing from Optionor approximately 7.764 acres of land located at 113 E. Kennedale Parkway, Kennedale, Tarrant County, Texas, as more fully described on Exhibit A attached hereto ("Project").

WHEREAS, Optionee has requested Optionor to grant Optionee the sole and exclusive right to purchase the Project for a certain time period, and Optionor has agreed to do so.

NOW, THEREFORE, for the sum of \$500.00 (to be applied to earnest money due under any contract entered into by the parties) and other good and valuable consideration paid to Optionor by Optionee, the receipt and legal sufficiency of which are hereby acknowledged and agreed, Optionor and Optionee mutually covenant and agree as follows:

1. Grant of Option. Subject to the terms and conditions recited herein, Optionor hereby grants to Optionee the sole and exclusive right and option to acquire fee simple title in the Project ("Option").

2. Term of Option. Unless exercised by Optionee strictly in the manner provided herein, this Option shall automatically expire, terminate, and be of no further force or effect January 15th 2019 (Termination Date"). However, if the Kennedale City Council approves a Letter of Support on December 11th 2018, the Option shall automatically expire, terminate, and be of no further force or effect on December 21, 2018 ("Early Termination Date").

3. Exercise of Option.

(a) The Option granted herein shall only be exercisable by the execution and delivery by Optionor and Optionee of a real estate sales contract upon terms and conditions mutually acceptable to Optionor and Optionee ("Purchase Agreement").

(h) If the Option is not exercised on or before the Termination Date or the Early Termination Date, whichever is applicable, then (i) the Option granted herein shall automatically terminate and be null and void and of no further force or effect, and (ii) the rights of Optionee under this Option Agreement shall automatically terminate, and neither party shall have any remaining obligations hereunder.

(i) Neither Optionor nor Optionee shall have any duty to enter into a Purchase Agreement prior to the Termination Date, and neither Option nor Optionee shall incur or suffer liability or monetary responsibility of any kind to the other party hereto or any other person if a Purchase Agreement is not executed on or before the Termination Date.

(j) Optionor shall have no right to enter into an agreement with another party with respect to the purchase of the Project as long as the Option Agreement is in effect.

4. Purchase Price. The purchase price for the Property shall be \$900,000.00.

5. Time of the Essence. Time is of the essence with regard to all time periods and deadlines stated in this Option Agreement.

6. Governing Law and Venue. This Option Agreement shall be construed in accordance with and the rights and remedies of the parties determined under the laws of the State of Texas. The parties agree that exclusive venue for any suit or proceeding relating to this Option Agreement, including the enforcement thereof, shall be in Tarrant County, Texas.

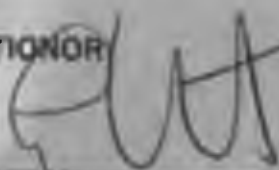
7. Successors and Assigns. The provisions of this Option Agreement are for the benefit of and are binding upon all successors and permitted assigns of Optionor and Optionee. Optionee may assign not this Option Agreement without the prior written consent of Optionor.

8. Amendment. This Option Agreement may only be amended by a written instrument signed by Optionor and Optionee or their respective successors and permitted assigns.

9. Counterparts. This Option Agreement may be executed in counterparts and all such counterparts shall constitute one single agreement.

Executed to be effective as of the date set forth above.

OPTIONOR



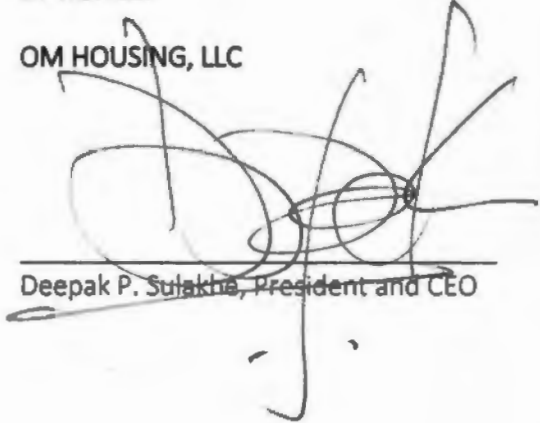
11-19-18

Larry Walther
PO box J1346
Fort Worth, TX 76162

OPTIONEE:

OM HOUSING, LLC

By:



Deepak P. Sulakha, President and CEO

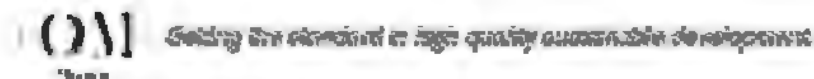
sarah@sarahandersonconsulting.com

From: Jason Lain <jlain@omhousing.com>
Sent: Monday, January 7, 2019 4:20 PM
To: sarah@sarahandersonconsulting.com; Alyssa Carpenter
Cc: Deepak P. Sulakhe
Subject: FW: EOA Consideration Acknowledgment

Follow Up Flag: Follow up
Flag Status: Flagged

Acknowledgement for second site is below.

Sincerely,



Jason G. Lain, MDiv, MA, Broker
Director of Acquisitions
Central: (972) 836-7232
Cell: (325) 661-7232
Fax (214) 594-9753
Email: jlain@omhousing.com



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<http://www.trec.state.tx.us/pdf/contracts/LABS1-0.pdf> - Texas Law requires all real estate licensees to provide the information about the brokerage services found in this link.

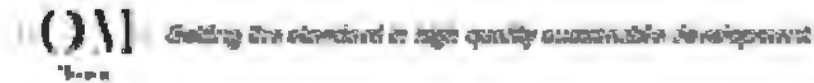
From: Larry Walther <larry.walther@usu.edu>
Date: Monday, January 7, 2019 at 4:15 PM
To: Jason Lain <jlain@omhousing.com>
Cc: "Deepak P. Sulakhe" <dsulakhe@omhousing.com>
Subject: RE: EOA Consideration Acknowledgment

I acknowledge that the \$500 option fee was received and that that option agreement is binding through January 20. Larry

From: Jason Lain <jlain@omhousing.com>
Sent: Monday, January 7, 2019 1:41 PM
To: Larry Walther <larry.walther@usu.edu>
Cc: Deepak P. Sulakhe <dsulakhe@omhousing.com>
Subject: EOA Consideration Acknowledgment

Larry, could we get an email from you acknowledging that you received the \$500 Consideration fee for the EOA? The State requires that we have something from you (can be email) simply stating it's been received. Thank you so much for your help!

Sincerely,



Jason G. Lain, MDiv, MA, Broker
Director of Acquisitions
Central: (972) 836-7232
Cell: (325) 660-7232
Fax (214) 594-9753
Email: jlain@omhousing.com



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<http://www.trec.state.tx.us/pdf/contracts/LABS1-0.pdf> - Texas Law requires all real estate licensees to provide the information about the brokerage services found in this link.

EXCLUSIVE OPTION AGREEMENT

This Exclusive Option Agreement (the "Option Agreement") is dated the 7th day of November, 2018 and entered into between Mark Jason Doskocil ("Optionor"), and OM Housing, LLC, a Texas limited liability company ("Optionee").

WHEREAS, Optionee is considering purchasing from Optionor approximately 8.021 acres located at 345 & 337 Kennedale Sublet Rd., Kennedale, Tarrant County, Texas, as more fully described on Exhibit A attached hereto ("Property").

WHEREAS, Optionee has requested Optionor to grant Optionee the sole and exclusive right to purchase the Property for a certain time period, and Optionor has agreed to do so.

NOW, THEREFORE, for the sum of \$500.00 (to be applied to earnest money due under any contract entered into by the parties) and other good and valuable consideration paid to Optionor by Optionee, the receipt and legal sufficiency of which are hereby acknowledged and agreed, Optionor and Optionee mutually covenant and agree as follows:

1. Grant of Option. Subject to the terms and conditions recited herein, Optionor hereby grants to Optionee the sole and exclusive right and option to acquire fee simple title in the Property ("Option").
2. Term of Option. Unless exercised by Optionee strictly in the manner provided herein, this Option shall automatically expire, terminate, and be of no further force or effect January 15th 2019 (Termination Date). However, if the Kennedale City Council approves a Letter of Support on December 11th 2018, the Option shall automatically expire, terminate, and be of no further force or effect on December 21, 2018 ("Early Termination Date").

3. Exercise of Option.

(a) The Option granted herein shall only be exercisable by the execution and delivery by Optionor and Optionee of a real estate sales contract upon terms and conditions mutually acceptable to Optionor and Optionee ("Purchase Agreement").

(b) If the Option is not exercised on or before the Termination Date or the Early Termination Date, whichever is applicable, then (i) the Option granted herein shall automatically terminate and be null and void and of no further force or effect, and (ii) the rights of Optionee under this Option Agreement shall automatically terminate, and neither party shall have any remaining obligations hereunder.

(c) Neither Optionor nor Optionee shall have any duty to enter into a Purchase Agreement prior to the Termination Date, and neither Optionor nor Optionee shall incur or suffer liability or monetary responsibility of any kind to the other party hereto or any other person if a Purchase Agreement is not executed on or before the Termination Date.

(d) Optionor shall have no right to enter into an agreement with another party with respect to the purchase of the Property as long as the Option Agreement is in effect.

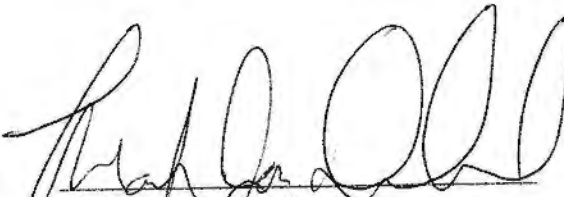
4. Purchase Price. The purchase price for the Property shall be \$595,000.
5. Time of the Essence. Time is of the essence with regard to all time periods and deadlines stated in this Option Agreement.
6. Governing Law and Venue. This Option Agreement shall be construed in accordance with and the rights and remedies of the parties determined under the laws of the State of Texas. The parties agree that exclusive venue for any suit or proceeding relating to this Option Agreement, including the enforcement thereof, shall be in Tarrant County, Texas.
7. Successors and Assigns. The provisions of this Option Agreement are for the benefit of and are binding upon all successors and permitted assigns of Optionor and Optionee. Optionee may assign not this Option Agreement without the prior written consent of Optionor.
8. Amendment. This Option Agreement may only be amended by a written instrument signed by Optionor and Optionee or their respective successors and permitted assigns.
9. Counterparts. This Option Agreement may be executed in counterparts and all such counterparts shall constitute one single agreement.

(SIGNATURE PAGE ON NEXT SHEET)

Executed to be effective as of the date set forth above.

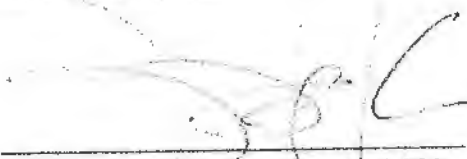
OPTIONOR:

Mark Jason Daskocil
4408 Barnett Blvd.,
Arlington, TX 76017

By: 
Mark Jason Daskocil

OPTIONEE:

OM HOUSING, LLC

By: 
Deepak P. Sulakhe, President and CEO

Subject: FW: Acknowledgement of Consideration for EOA

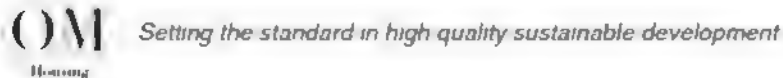
From: Daskocil Properties <jason@dpmrealty.com>
Date: Monday, January 7, 2019 at 3:04 PM
To: Jason Lain <jlain@omhousing.com>
Subject: Re: Acknowledgement of Consideration for EOA

Yes I received the \$500 option fee for the purchase of 337 Kennedale Sublett Rd.
Thank you,

On Mon, Jan 7, 2019 at 2:42 PM Jason Lain <jlain@omhousing.com> wrote:

Jason, could we get an email from you acknowledging that you received the \$500 Consideration fee for the EOA? The State requires that we have something from you (can be email) simply stating it's been received. Thank you so much for your help!

Sincerely,



Jason G. Lain, MDiv, MA, Broker

Director of Acquisitions

Central: (972) 836-7232

Cell: (325) 660-7232

Fax (214) 594-9753

Email: jason@domreality.com

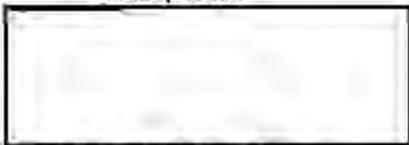


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<http://www.texasalea.com/realty/contract/AR81-0.pdf> - Texas Law requires all real estate licensees to provide the information about the brokerage services found in this link.

Jason Domen
Broker/Owner



Office (817) 472-5455
Cell (817) 229-9773
Fax (817) 784-0703
jason@domreality.com

Information About Brokerage Services as required by Texas Law



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

The Reserves at Merriwood Ranch
Market Study was posted to the
TDHCA website under:
*Current Application Cycle
*2019 9% Competitive Housing Tax
Credit Full-Application
*Market Studies (PDF format)
*19315

A MARKET STUDY OF:

THE RESERVES AT MERRIWOOD RANCH

A MARKET STUDY OF:

THE RESERVES AT MERRIWOOD RANCH

E. Miller Road, east of E. Centerville Road
Garland, Dallas County, TX 75041

Effective Date: February 26, 2018
Report Date: March 2, 2018

Prepared for:
Sally Roth
Overland Property Group, LLC
5345 W. 151st Terrace
Leawood, KS 66224

And

Texas Department of Housing & Community Affairs (TDHCA)
221 East 11th Street
Austin, Texas 78701

Prepared by:
Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, KS 66204
(913) 312-4615



**NOVOGRADAC
& COMPANY LLP,**

CERTIFIED PUBLIC ACCOUNTANTS

19315
Administrative Deficiency Notice(s)

None Required

19319
Request for Administrative Deficiency



VIA EMAIL

April 29, 2019

Texas Department of Housing and Community Affairs
Attn: Marni Holloway - Director of Multifamily Finance
Attn: Sharon Gamble – 9% HTC Program Administrator
221 East 11th Street
Austin, TX 78701

RE: TDHCA #19319 – Bardin Apartments

Dear Marni and Sharon:

In accordance with Section 11.10 of the 2019 QAP, Palladium USA is requesting staff to consider whether the matters described in this letter and supporting documentation should be the subject of an Administrative Deficiency. We are also providing a copy to the representative for Application #19319.

In Section 11.204(10) an Applicant is required to submit evidence that the Development Owner has Site Control and proof of consideration in the form specified in the contract. After a complete review of the final application submitted to TDHCA we are not able to locate the Site Control nor proof of consideration. Based on lack of documentation submitted, Application #19319-Bardin Apartments should be subject to an Administrative Deficiency and ultimately terminated.

In Section 11.204(12) an Applicant is required to submit a title commitment or title policy that includes a legal description that is consistent with the Site Control. It must also list the name of the Development Owner as the proposed insured or show the ownership of the Development Site is vested in the name of the Development Owner. After a complete review of the final application submission we are not able to locate the title commitment or title policy. Based on lack of documentation submitted, the Application #19319-Bardin Apartments should be subject to an Administrative Deficiency and ultimately terminated.

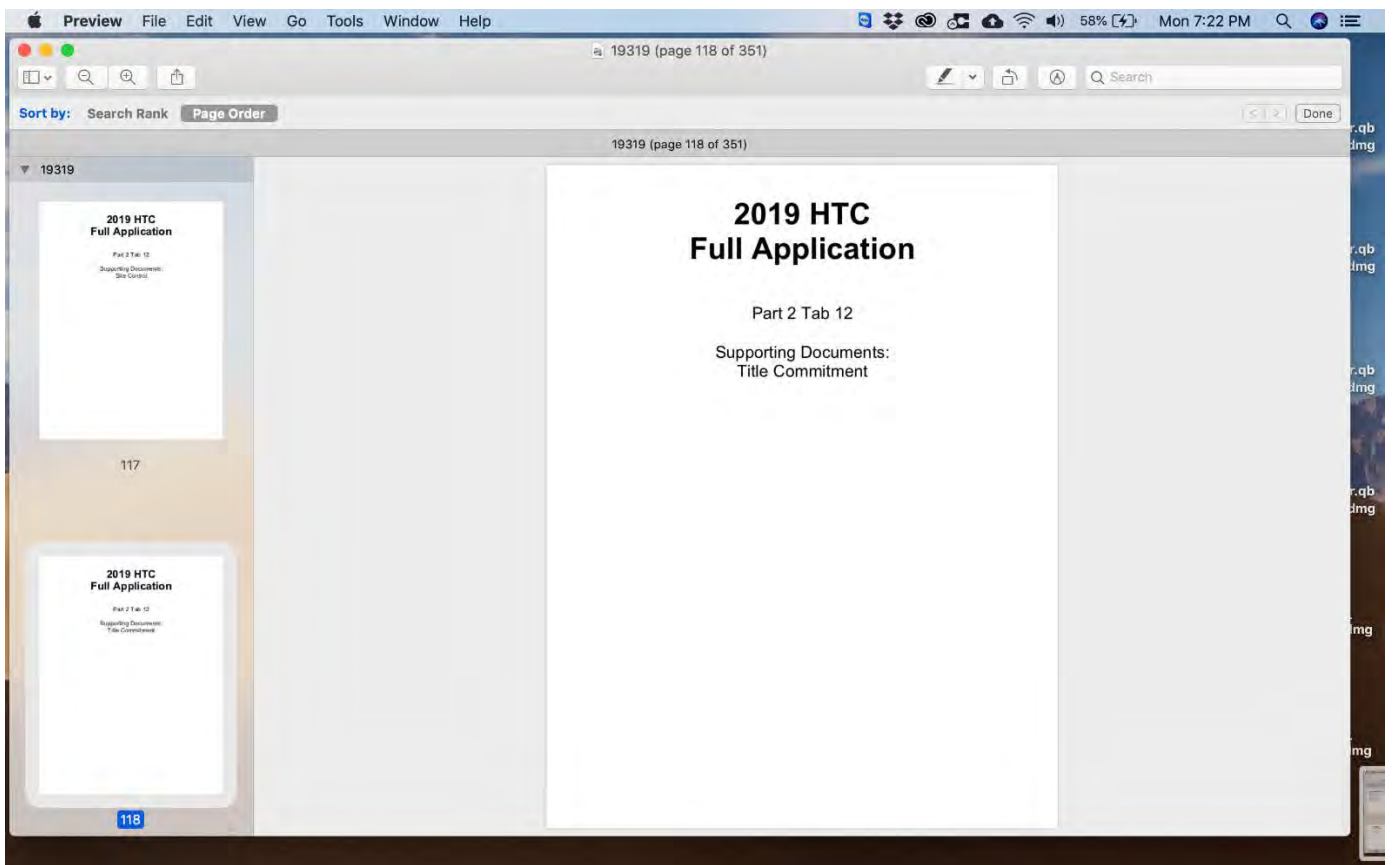
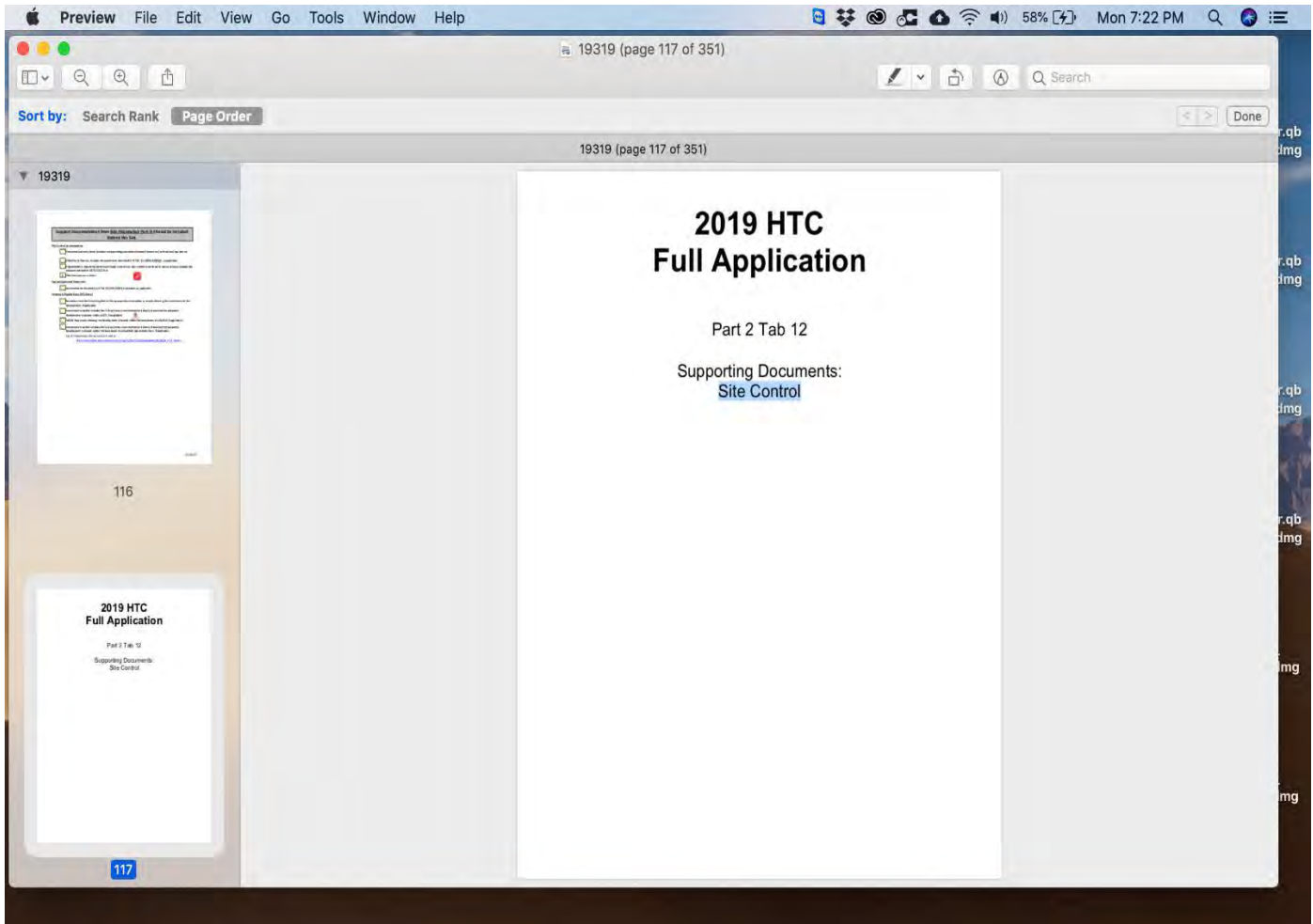
Should you have any questions or require additional information please contact me. My contact information is below.

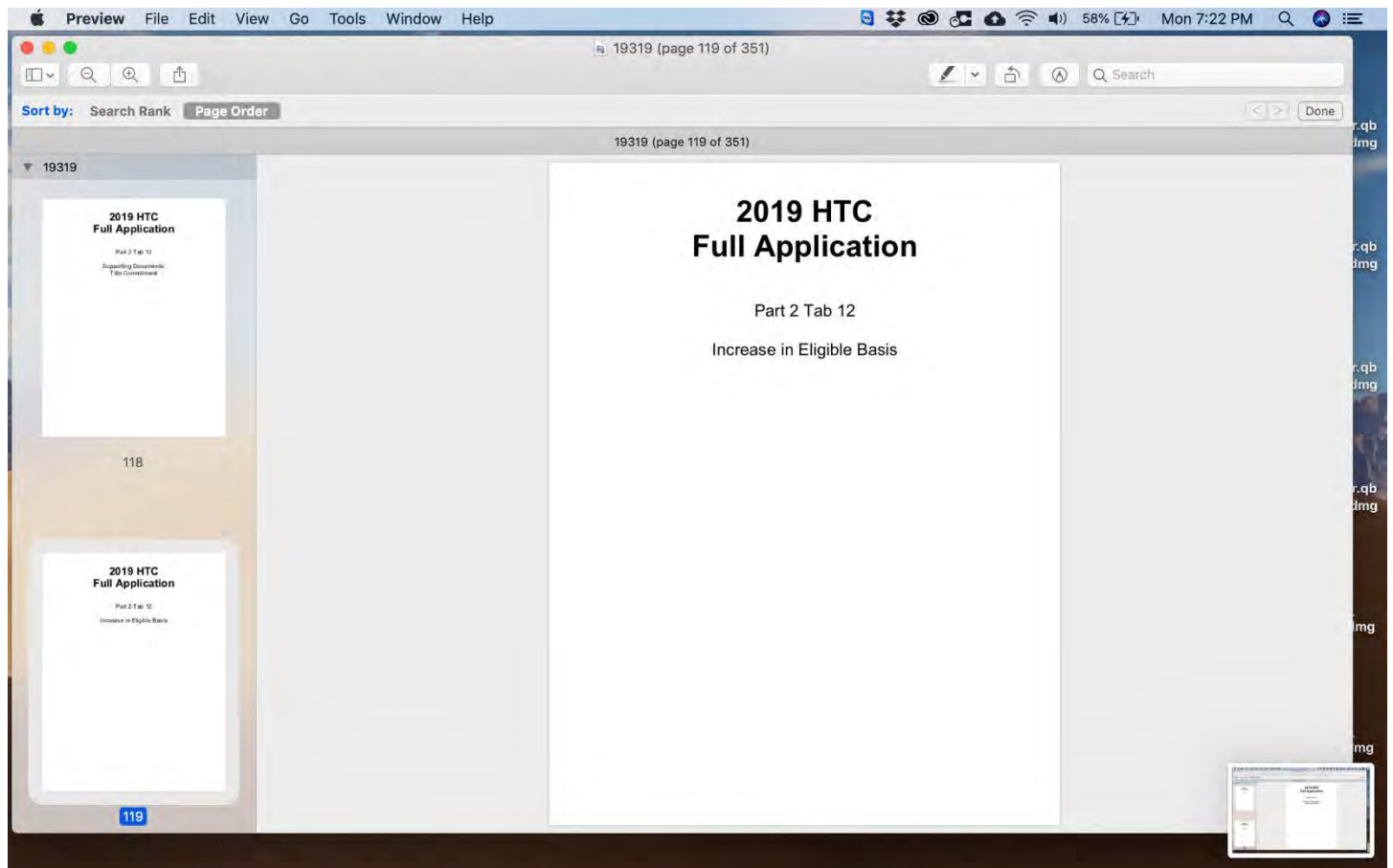
Sincerely,

A handwritten signature in blue ink, appearing to read "T. E. Huth", is written over a light blue horizontal line.

Thomas E. Huth
President and CEO
Palladium USA International, Inc.
Phone: 972-774-4400
Fax: 972-774-4484
Email: thuth@palladiumusa.com

Consecutive Page Numbers 117-119 in the Full Application Submission reflects the required supporting documentation for Site Control – Sales Contract and Title Commitment was not submitted.





19319
Administrative Deficiency Notice(s)

From: [Sharon Gamble](#)
To: dsulakhe@omhousing.com
Cc: "[Alyssa Carpenter](#)"
Subject: 19319 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date: Monday, May 06, 2019 3:50:00 PM
Importance: High

In the course of the Department's Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

The Department has received a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19319 Bardin Apartments**. The request includes information that was not previously provided to the Department, and, pursuant to §11.10 of the QAP, staff believes that the administrative deficiency should be issued. Please refer to the copy of the request that you received from the requestor.

The request states that no Site Control document or Title Commitment was submitted.

1. Provide evidence that Site Control documentation and a Title Commitment existed prior to submission of the Application.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on Monday May 13, 2019. Please respond to this email as confirmation of receipt.****

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant

will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

****All deficiencies must be corrected or clarified by 5 pm Austin local time on , 2019. Please respond to this email as confirmation of receipt.****

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

19319
Deficiency Response(s)

Please consider this a formal response to a Third Party Request for Administrative Deficiency (RFAD) regarding HTC Application **19319 Bardin Apartments**.

The request states that no Site Control document or Title Commitment was submitted. Staff has requested that the Applicant provide evidence that Site Control documentation and a Title Commitment existed prior to submission of the Application.

Below is an overview of documentation provided to support their existence prior to the submission of the Application.

Site Control Documents:

1. Email from Applicant to Consultant with two files containing receipted contract and assignment to the partnership. The email is dated February 28, 2019 at 11:03 PM.
2. Copy of OM Housing, LLC to AT Bardin Housing, LP contract executed February 28, 2019 and receipted by the title company on February 28, 2019.
3. Copy of the Huey Investments, Inc to OM Housing, contract executed January 8, 2019 and receipted by the title company on January 8, 2019.
4. Copy of email from Consultant to Applicant reminding the Applicant of the need for underlying contract for contract so as to have complete contract chain. Dated February 28, 2019 11:08 PM.
5. Copy of South Mayfield, LP to Huey Investments, Inc contract executed October 16, 2017
6. Copy of First Amendment to South Mayfield, LP to Huey Investments, Inc contract executed on December 21, 2018.
7. Copy of Second Amendment to South Mayfield, LP to Huey Investments, Inc contract executed on January 28, 2019.

Title Commitment:

8. Email from title company to Consultant with copy of the Title Commitment dated March 1, 2019 10:14 am.
9. Copy of Title Commitment dated March 1, 2019 9:04 am.

Attachment 1

sarah@sarahandersonconsulting.com

From: Deepak P. Sulakhe <dsulakhe@omhousing.com>
Sent: Thursday, February 28, 2019 11:03 PM
To: Sarah Anderson; Meredith Edwards; Alyssa Carpenter
Subject: Bardin Apartments
Attachments: OMH ATBAHLP 2.28.2019 recpt Contract final.pdf; 4600 Matlock Receipted Contract w.EM.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

All:

Attached is the Receipted Contracts for OMH and Huey and then OMH with the LP.

Hope this works.

Sincerely,



Deepak P. Sulakhe
Off: (214) 432-7610
Cell: (214) 632-1565
Fax (214) 594-9753
Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

From: DEEPAK SULAKHE <dsulakhe@omhousing.com>
Date: Thursday, February 28, 2019 at 10:35 PM
To: Sarah Anderson <sarah@sarahandersonconsulting.com>, Meredith Edwards <meredith@meconsulting.ltd>, Alyssa Carpenter <ajcarpen@gmail.com>
Subject: Hammack Creek Contracts

All:

Attached are following:

1. OMH Walther Contract
2. OMH Daskocil Contract
3. Combined Contract.

Let me know if okay.

Sincerely,



Deepak P. Sulakhe

Off: (214) 432-7610

Cell: (214) 632-1565

Fax (214) 594-9753

Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

Attachment 2



TEXAS ASSOCIATION OF REALTORS® COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: OM Housing, LLC
Address: 5033 Brookview Drive, Dallas, Texas 75220
Phone: 214.432.7610 Fax: 214.594.9753
E-mail: dsulakhe@omhousing.com

Buyer: AT Barding Housing, LP
Address: 5033 Brookview Drive, Dallas, Texas 75220
Phone: 214.432.7610 Fax: 214.594.9753
E-mail: dsulakhe@omhousing.com

2. **PROPERTY:**

A. "Property" means that real property situated in Tarrant County, Texas at 4600 Matlock Rd., Arlington, TX 76018

(address) and that is legally described on the attached Exhibit A or as follows:

Approximately 7.181 acres of Newton, J L Addition Lot 10R-2, Arlington, Tarrant County, Texas. Generally as indicated in Exhibit A.

- B. Seller will sell and convey the Property together with:
- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 - (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
 - (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

3. **SALES PRICE:**

A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ 2,350,763
- (2) Sum of all financing described in Paragraph 4 \$ _____
- (3) Sales price (sum of 3A(1) and 3A(2)) \$ 2,350,763

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- (1) The sales price will not be adjusted based on a survey.
- (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
 - (a) The sales price is calculated on the basis of \$ 6.75 per:
 - (i) square foot of total area net area.
 - (ii) acre of total area net area.
 - (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
 - (i) public roadways;
 - (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
 - (iii) ~~flood plain and wetlands~~
 - (c) If the sales price is adjusted by more than 20.00 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 30 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____ This contract:
 - (1) is not contingent upon Buyer obtaining third party financing.
 - (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum.
- B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum, Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- C. **Seller Financing:** The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 2,500 as earnest money with Stewart Title, Carol Erick (escrow agent) at 17304 Preston Rd., Ste 110, Dallas TX 75252 (address). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract by providing written notice to Buyer before Buyer deposits the earnest money and may exercise Seller's remedies under Paragraph 15.
- B. Buyer will deposit an additional amount of \$ _____ with the escrow agent to be made part of the earnest money on or before:
 - (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) see Addendum A & Exhibit BBuyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by Stewart Title (title company) in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Buyer may object to any restrictive covenants on the Property within the time required under Paragraph 6C.
- (4) Within 15 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 3/1/19 ~~days after the effective date:~~

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's existing survey of the Property dated _____ along with an affidavit required by the title company for approval of the survey. If the survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a survey acceptable to the title company and deliver the acceptable survey to the Buyer and the title company within 15 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 15 days if necessary for Seller to deliver an acceptable survey within the time required.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____
Items in Section 6.C.

(see Addendum A, Section 3)

B. Feasibility Period: Buyer may terminate this contract for any reason within _____ days after the effective date (feasibility period) by providing Seller written notice of termination. *(Check only one box.)*

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 1,000.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to timely deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer. see Addendum A, Section 4

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from

Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information: see Addendum A, Section 5

(1) Delivery of Property Information: Within 15 days after the effective date, Seller will deliver to Buyer:

- (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (d) copies property tax statements for the Property for the previous 2 calendar years;
- (e) plats of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- (g) all communication and/or agreements with public agencies pertaining to the property
(h) Geotech & Environmental reports, engineering studies, flood plain maps and any other study/report pertaining to the subject property.

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer and all copies that Buyer made of those items; and (b) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed. This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any advance sums paid by a tenant under any lease;~~
- ~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must state:~~

- (1) ~~that no default exists under the lease by the landlord or tenant as of the date the estoppel certificate is signed;~~
- (2) ~~the amount of the scheduled rents to be paid through the end of the lease and any rental payments that have been paid in advance;~~
- (3) ~~the amount of any security deposit;~~
- (4) ~~the amount of any offsets tenant is entitled against rent;~~
- (5) ~~the expiration date of the lease;~~
- (6) ~~a description of any renewal options; and~~
- (7) _____

9. BROKERS:

A. The brokers to this sale are:

Cooperating Broker	License No.	Principal Broker	License No.
Address		Address	
Phone		Phone	
Fax		Fax	
E-mail:		E-mail:	

Cooperating Broker represents buyer.

Principal Broker: *(Check only one box.)*

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

B. Fees. *(Check only one box.)*

- (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- (2) At the closing of this sale, Seller will pay:

Cooperating Broker a total cash fee of:	Principal Broker a total cash fee of:
<input type="checkbox"/> _____ % of the sales price.	<input type="checkbox"/> _____ % of the sales price.
<input type="checkbox"/> _____	<input type="checkbox"/> _____

The cash fees will be paid in _____ County, Texas. Seller authorizes escrow agent to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The closing of the sale will be on or before 30 days after the expiration of the feasibility period and subject to extensions provided in Addendum A and B or within 7 days after objections made under Paragraph 6C have been cured or waived, whichever date is later (the closing date).
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) an assignment of all leases to or on the Property;
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the escrow agent stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the escrow agent to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the escrow agent;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. ~~Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.~~

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: *(Identify exhibit if special provisions are contained in an attachment.)*

Attached hereto as Addendum A and Exhibit B.

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. ~~Rollback Taxes~~: ~~If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.~~
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
- (1) terminate this contract and receive the earnest money as liquidated damages, thereby releasing the parties from this contract; ~~or~~ ^{as its sole and exclusive remedy}
 - (2) ~~enforce specific performance, or seek other relief as may be provided by law, or both.~~

- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey, or commitment, Buyer may:
 - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as the sole remedy; or
 - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may: and Extension Fees, Rezoning Fees and Closing Extn. Fees as applicable
 - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages, thereby releasing the parties from this contract; or
 - (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
 - (1) Seller and the sales price will be reduced by the same amount; or
 - (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or any escrow agent is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer.
- ~~B. If both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.~~
- ~~C. If one party makes written demand for the earnest money, escrow agent will give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 15 days after the date escrow agent sent the demand to the other party, escrow agent may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors.~~
- D. Escrow agent will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- ~~E. If escrow agent complies with this Paragraph 18, each party hereby releases escrow agent from all claims related to the disbursement of the earnest money.~~
- ~~F. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to escrow agent are effective upon receipt by escrow agent.~~

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement.

(TAR-1802) 10-18-05

Initialed for Identification by Buyer  , _____ and Seller  , _____

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- B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
 B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: ~~The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.~~

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns.
- B. This contract is to be construed in accordance with the laws of the State of Texas.
- C. This contract contains the entire agreement of the parties and may not be changed except in writing.
- D. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

E. Addenda which are part of this contract are: *(Check all that apply.)*

- (1) Property Description Exhibit identified in Paragraph 2;
 (2) Commercial Contract Financing Addendum;
 (3) Commercial Property Condition Statement;
 (4) Notice to Purchaser of Real Property in a Water District (MUD);
 (5) Addendum for Coastal Area Property;
 (6) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; and
 (7) Addendum A & Exhibit B

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

only to a related entity.

F. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Selection of inspectors and repairmen is the responsibility of Buyer and not the brokers.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 02.28.2019, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Buyer: AT Bardin Housing, LP
By: [Signature]
Printed Name: Deepak P. Sulakhe
Title: President / CEO

Seller: OM Housing, LLC
By: [Signature]
Printed Name: Deepak P. Sulakhe
Title: President / CEO

Buyer: _____
By: _____
Printed Name: _____
Title: _____

Seller: _____
By: _____
Printed Name: _____
Title: _____

AGREEMENT BETWEEN BROKERS

Principal Broker agrees to pay _____ (Cooperating Broker) a fee of \$ _____ or _____ % of the sales price when the Principal Broker's fee is received. Escrow agent is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Cooperating Broker
By: _____

Principal Broker
By: _____

ATTORNEYS

Buyer's attorney is:
Name: Fielder Nelms
Address: Smith, Stern, Friedman & Nelms, P.C.
14160 Dallas Pkw, Suite 800, Dallas, TX 75254
Phone & Fax: (214) 739-0606 / Fax: (214) 739-0608
E-mail: fnelms@ssfmlaw.com

Seller's attorney is:
Name: _____
Address: _____
Phone & Fax: _____
E-mail: _____

Buyer's attorney requests copies of documents, notices, and other information:
 the title company sends to Buyer.
 Seller sends to Buyer.

Seller's attorney requests copies of documents, notices, and other information:
 the title company sends to Seller.
 Buyer sends to Seller.

ESCROW RECEIPT

Escrow agent acknowledges receipt of:
 A. the contract on this day February 28, 2019 (effective date);
 B. earnest money in the amount of \$ _____ in the form of _____ on _____

Escrow Agent: Stewart Title Company
By: [Signature]
Carol Erick

Address: 15950 Dallas Parkway, Suite 100
Dallas, TX 75248
Phone & Fax: 214-473-5414 f 833-431-4776
E-mail: Carol.Erick@Stewart.com

ADDENDUM A

TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

THIS ADDENDUM A TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY is attached to, and made a part of, that Commercial Contract - Unimproved Property (the "**Contract**") executed by **AT Bardin Housing, LP**, a to be formed Texas limited partnership (together with its successors and/or assigns, "**Buyer**"); and **OM Housing, LLC**, a Texas limited liability Company (together with its successors and/or assigns, "**Seller**") (Buyer and Seller are collectively referred to as the "**Parties**", and each a "**Party**"). In the event the terms of this Addendum A conflict with the terms of the Contract, the terms of this Addendum A shall control. All references to the terms "contract" in the Contract shall mean the Contract as amended by this Addendum A.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Adjustment to Sales Price.** Paragraph 3.B.(2)(a)(i) is hereby amended by adding the following:

“, which net area as of the effective date of this contract is calculated to be 351,964.8 square feet.”

2. **Survey.** Seller will provide current survey.

3. **Feasibility Period.** Paragraph 7.B is hereby deleted in its entirety and replaced with the following:

"Buyer may terminate this contract for any reason on or before the last day of the Feasibility Period by providing Seller written notice of termination. The "**Feasibility Period**" is the period of time commencing on the effective date and ending on November 1st, 2019. If Buyer does not exercise its right to terminate this contract during the Feasibility Period, Buyer shall instruct the title company to release all earnest money, currently in Escrow, to Seller. (*Check only one box*)."

4. **Inspections.** Paragraph 7.C(1) is hereby amended by adding the following thereto:

"Such inspections, studies and assessments may include, without limitation, one or more environmental site assessments, including without limitation, borings and other physical samplings."

5. **Property Information.** Paragraph 7.D(1) is hereby amended by adding the following:

“, provided Seller has same in his possession, for the previous 2 calendar years,”

6. **Leases.** Paragraph 8 is hereby deleted in its entirety and replaced with the following:

"Notwithstanding anything to the contrary set forth in this contract, Seller represents and warrants to Buyer that (a) there are no outstanding written or oral leases in any way

affecting the Property, (b) no person or entity has any right with respect to all or any portion of the Property (whether by option to purchase, right of first refusal, contract or otherwise) that may prevent or interfere with Buyer taking title to, and exclusive possession of, all of the Property at closing, and (c) Seller shall not enter into any new lease with respect to the Property during the pendency of this contract without Buyer's prior written consent, which may be given or withheld by Buyer in Buyer's sole and absolute discretion." This shall not apply to any mineral lease contracts. Minerals are not being conveyed.

7. **Cooperating Broker.** Neither Seller nor Buyer are not required to pay any fees to any Broker.

8. **Closing.** Paragraph 10 is hereby amended by adding the following:

"**Extensions.** Buyer shall have the right to extend the Feasibility Period for (2) additional periods: (1) until June 1, 2019, and (2) until August 1, 2019. Buyer must request the applicable extension period by delivering to the escrow agent, prior to the expiration of the Feasibility Period or the current extension period, as applicable, written notice thereof, along with \$1,000.00 (the "**Extension Payment**"). The Extension Payments shall be applied to the purchase price at closing. Buyer also has the right to extend the closing date to November 1, 2019 (the "**Closing Extension**"). Buyer must request the Closing Extension by delivering to Seller, prior to the end of the original closing date, written notice thereof, along with \$1,000.00 (the "**Closing Extension Fee**"). The Closing Extension Fee shall not be applied to the purchase price at closing and may be retained by Seller regardless of whether the closing occurs, unless Seller defaults at Closing, in which event the terms of Paragraph 15.C. of the contract shall apply. Any Extension Payment or Closing Extension Fee paid by Buyer to the escrow agent shall be immediately released by the escrow agent to the Seller.

The earnest money, any Extension Payment, and the Closing Extension Fee, if and when paid to Seller, shall be non-refundable to Buyer, unless Seller defaults at Closing, in which event the terms of Paragraph 15.C. of the contract shall apply. The earnest money and any Extension Payments, except the Closing Extension Fees, shall be applied to the purchase price at closing, but if closing does not occur due to the default of Buyer or due to Buyer's termination of this contract for any reason other than Seller's default at closing, Seller may retain such amounts as consideration for entering into this contract and allowing Buyer to conduct its inspections, studies and assessments of the Property under this contract."

9. **Rollback Taxes.** Paragraph 14.B in hereby deleted and replaced with the following:

"**Rollback Taxes.** If the sale contemplated hereby, a change in the use of the Property, or denial of any special use valuation of the Property would result in the assessment after the closing of additional taxes and interest applicable to the period of time before the closing ("**Rollback Taxes**"), then Seller shall give a credit to Buyer at the closing for 100% of the amount of the Rollback Taxes (including interest and penalties) that may be assessed after the closing as reasonably estimated by the title company, and Buyer shall be responsible for the payment of the Rollback Taxes (including interest and penalties) if and when assessed after the closing. There will be no subsequent adjustment notwithstanding

Buyer:  Seller: 

whether the actual Rollback Taxes assessed after the closing differ from the estimate used at the closing. If any Rollback Taxes are due before the closing due to Seller's change in use of the Property or a denial of a special use valuation of the Property, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the closing."

10. **Default.**

a. Paragraph 15.A(1) is hereby amended by adding the following:

" , any Extension Payments, Closing Extension Fee and Rezoning Fee due to or paid to Seller prior to the termination date"

b. Paragraph 15.C is hereby amended by adding the following:

"within five (5) business days after written notice from Buyer"

c. Paragraph 15.C(1) is hereby amended by adding the following:

" , any Extension Payments, any Closing Extension Fee, or any Rezoning Fee previously paid to Seller, as applicable,"

d. Paragraph 15.C(1) is hereby amended by adding the following:

; provided, however, if on the termination date the earnest money has already been released to Seller as set forth in Paragraph 7.B. of the contract, as amended by Paragraph 3 of Addendum A, then within five (5) business days after such termination Seller will pay Buyer \$1,000.00 (along with any Extension Payments, any Closing Extension Fee, or any Rezoning Fee, as applicable, as set forth above) as liquidated damages, thereby releasing the parties from this contract"

11. **Escrow.** Paragraph 18.A is hereby deleted and replaced with the following:

"At closing, the amount of the earnest money, except Closing Extension Fees, will be applied to the purchase price."

12. **Material Facts.** Paragraph 19.B is hereby amended by adding the following:

Seller shall fully disclose to Buyer, promptly upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that may affect the representations and warranties set forth above. The representations and warranties of Seller contained herein shall survive the closing and delivery of the Deed."

13. **Notices.** Paragraph 20 is hereby amended by adding the following:

"Notices sent by facsimile and/or e-mail shall not be effective until the sending party receives confirmation that the notice has been received by the receiving party."

14. N/A

15. **Feasibility Period.** Subject to the terms of Paragraph 7.B(1) of the Contract, the earnest money shall be disbursed by escrow agent to Buyer if Buyer gives written notice to escrow agent on or before the end of the Feasibility Period stating that Buyer has terminated the Contract. Such notice by Buyer shall be conclusive evidence of Buyer's right to receive the earnest money. Seller and Buyer irrevocably instruct escrow agent to disburse the earnest money to Buyer upon receipt of said notice, without any other written authorization and without further verification of the party entitled to receive the earnest money. If Buyer does not exercise its right to terminate this Contract during the Feasibility Period, Buyer shall instruct the title company to release the earnest money to Seller. Seller and Buyer agree to indemnify and hold escrow agent harmless for making any disbursement in an attempt to comply with the provisions hereof. Escrow Agent may rely upon any document or copy which it believes to be genuine, may assume that the Party executing any document is authorized to do so, and shall not be liable for anything, which it in good faith, may or may not do in connection herewith.



16. **Closing Conditions.** In addition to any other conditions set forth in the Contract, Buyer shall not be obligated to close this transaction and purchase the Property unless each of the following are either timely satisfied or waived by Borrower in writing:

a. **Subdivided.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, if the Property is part of a larger parcel belonging to Seller, the Property shall be subdivided from the larger parcel and/or platted. Conversely, if Property is part of several smaller parcels belonging to Seller, the Property shall be combined into a single parcel and/or platted.

b. **Utilities.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, Buyer shall have received utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Property for its intended purpose without unusual or extraordinary expense to Buyer other than standard "tap in" fees.

c. **Governmental Approvals.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, Buyer shall have received all necessary and customary governmental approvals necessary for Buyer to develop and operate the Property for its intended purpose, including without limitation, those for utilities, zoning, special uses, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation, and ingress/egress easements), and/or approval of a final site plan for the proposed development along with utility commitments and required capacity for the intended number of units. All such approvals, permits and allocations, and any conditions imposed thereon, must be acceptable to Buyer in its sole discretion.

d. **Zoning.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, the Property shall be appropriately zoned for the intended use of Buyer. Any change in zoning must be accomplished by Buyer at its sole cost and expense. Within three (3) days of the date the Property is rezoned for Buyer's use, Buyer shall pay to Seller a "Rezoning Fee" in the amount of \$10,000.00. The Rezoning Fee shall be non-refundable to Buyer and shall be applied to the purchase price

Buyer:  Seller: 

at closing; provided, however, if closing does not occur due to the default of Buyer or due to Buyer's termination of this Contract for any reason other than Seller's default at closing, Seller may retain the Rezoning Fee to cover Seller's costs to rezone the Property to its former classification.

In the event that any condition precedent in this Section 16 is not satisfied by the date specified in this Section 16, Buyer shall have the right to (a) extend the time for performance of such condition precedent up to 15 days and the closing will be extended as necessary, but in not event shall exceed November 1, 2019; or (b) terminate the Contract by delivering written notice thereof to Seller.

17. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer that to the best of Seller's knowledge and belief and except as otherwise set forth herein:

a. **No Notices.** Seller has not received any notice of, and to the best of its knowledge there are no (i) proposed special assessments or condemnation; (ii) pending public improvements that will result in any charge being levied or assessed against, or a lien being created upon, the Property; or (iii) pending or threatened eminent domain or condemnation proceedings against or involving any portion of the Property or any adjacent parcel.

b. **Access.** Seller has not received notice of any existing or proposed plans to widen, modify or realign any street adjoining or adjacent to the Property, and the Property has full and free access to and from public highways, streets and roads. Seller has no knowledge of any pending or threatened proceeding by any governmental authority, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads.

c. **Utility Availability.** Public water, sanitary and storm sewer, electricity, gas, and other required utilities (i) are available to the Property in quantities sufficient for the successful operation of the Property for its intended purpose; (ii) enter the Property through adjoining public streets or, if passing through adjoining private land, do so in accordance with recorded public or private easements; and (iii) are serviced and maintained by the appropriate public or quasi-public entity.

d. **Utility District.** The Property is not situated in a utility or other statutorily created district providing water, sewer, drainage or flood control facilities and services.

e. **Pipelines.** There are no transportation pipelines, including without limitation, pipelines for the transportation of natural gas, natural gas liquids, synthetic gas, liquefied petroleum gas, petroleum or a petroleum product or hazardous substance, located on, under or within the Property.

f. **Owners' Association.** The Property is not subject to mandatory membership in a property owners' association.

g. **Litigation.** There is no pending or threatened litigation, arbitration, administrative action or examination, claim or demand whatsoever related to the Property; and no

attachments, execution proceedings, liens, assignments or insolvency proceedings are pending or threatened against Seller of the Property or contemplated by Seller.

Seller shall fully disclose to Buyer, immediately upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that may affect the representations and warranties set forth above. The representations and warranties of Seller contained herein shall survive the closing and delivery of the Deed.

18. **Plans and Approvals.** Buyer shall have the right to file, at Buyer's expense, any and all applications and plans necessary to obtain building permits, any rezoning or subdivision (or the vacation of any existing subdivision or plat) and/or any other agreement, assurance, approval or permit from any and all governmental authorities having jurisdiction over the Property that Buyer deems appropriate in connection with the intended purpose of the Property. Seller agrees to join in the execution of any application required in order to obtain any such agreement, assurance, permit or approval (or file such application individually if the relevant governmental authority shall so require). Seller further agrees, without charging Buyer any additional costs, to reasonably cooperate with Buyer or its nominee in all reasonable respects, including without limitation, attending and giving favorable testimony at any hearings on the petitions or applications, meeting with and providing information to public and private utilities and governmental and quasi-governmental entities, and otherwise working to obtain the agreements, assurances, approvals and permits required by Buyer or its nominee.

19. **Right to Terminate.** Buyer shall have the right to terminate the Contract at any time prior to closing, subject to the terms hereof regarding payment of the earnest money, the Extension Payments, the Closing Extension Fee and the Rezoning Fee.

20. **Effect of Termination.** The Contract shall be void and of no further force and effect upon any proper termination under the terms of the Contract (other than terms that specifically provide that they survive termination of the Contract).

Buyer:  Seller: 

EXHIBIT A

Legal Description

(to be attached after Commitment is issued)



Buyer:  Seller: 

EXHIBIT B

The following chart is included merely as a visual aid to assist the parties with the timeline for the various payments to be made under Addendum A. In the event the chart conflicts with the terms of Addendum A, the terms of Addendum A shall control.

DELIVERY AND RELEASE OF PAYMENTS

DATE*	BEGINNING DATE	EXPIRATION DATE	AMOUNT BUYER DELIVERS TO ESCROW OR TO SELLER	AMOUNT NON-REFUNDABLE TO BUYER (except as otherwise provided in the Contract)	AMOUNT APPLICABLE TO PURCHASE PRICE
Effective Date	Date Escrow Agent receipts fully-executed Contract				
Earnest Money Deposit	3 days after the Effective Date		\$1,000 to escrow for Feasibility Period; released to Seller 4/31/19 if Contract not terminated by Buyer.	\$1,000 if Buyer does not terminate during Feasibility Period.	YES
Feasibility Period	Effective Date	April 1, 2019			
Delivery of Extension Payment for First Extension		April 1, 2019	\$1,000 to escrow	\$1,000	YES
First Extension	April 2, 2019	June 1, 2019			
Delivery of Extension Payment for Second Extension		June 1, 2019	\$1,000 to escrow	\$1,000	YES
Second Extension	June 2, 2019	August 1, 2019			

Buyer:  Seller: 

Property is rezoned by Buyer	Date of Rezoning		NA	NA	NA
Closing Date		August 31 st , 2019			
Delivery of Closing Extension Fee		August 31 st , 2019	\$1,000 to escrow	\$1,000	YES
Closing Extension	September 1, 2019	November 1, 2019			
Last Day to Close		November 1, 2019	<p>If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing.</p> <p>If Closing does not occur, no amount will be delivered.</p>	<p>If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing.</p> <p>If Closing does not occur, no additional amount will be delivered; and additionally, if there is no Seller's default, then Seller will keep the amounts previously released as set forth above.</p>	

* If any of the above dates occur on a weekend or a holiday, the applicable date will move forward to the next available business day.

Buyer:  Seller: 

Attachment 3



TEXAS ASSOCIATION OF REALTORS® COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Huey Investments, Inc.

Address: 2406 Irving Blvd., Dallas, TX 75207

Phone: (214) 202-8246 Fax: _____

E-mail: dhuey@hueyinvestments.com

Buyer: OM Housing, LLC

Address: 5033 Brookview Drive, Dallas, Texas 75220

Phone: 214.432.7610 Fax: 214.594.9753

E-mail: dsulakhe@omhousing.com

2. **PROPERTY:**

A. "Property" means that real property situated in Tarrant County, Texas at 4600 Matlock Rd., Arlington, TX 76018

(address) and that is legally described on the attached Exhibit A or as follows:

Newton, J L Addition Lot 10R, Arlington, Tarrant County, Texas

10R-2 DA

B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property, and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

3. **SALES PRICE:**

A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing \$ 2,375,763

(2) Sum of all financing described in Paragraph 4 \$ _____

(3) Sales price (sum of 3A(1) and 3A(2)) \$ 2,375,763

(TAR-1802) 10-18-05

Initiated for Identification by Buyer DA and Seller DA

Page 1 of 12

Colliers International 1300 Post Oak Blvd Ste 225 Houston, TX 77056

Phone: (713) 222-2111/309 Fax: (713) 986-4980 Charles Herder

Casa de Espera

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B. Adjustment to Sales Price: (Check (1) or (2) only.)

(1) The sales price will not be adjusted based on a survey.

(2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ 6.75 per:

(i) square foot of total area net area.

(ii) acre of total area net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

(i) public roadways;

(ii) rights-of-way and easements other than those that directly provide utility services to the Property; and

(iii) flood plain and wetlands

(c) If the sales price is adjusted by more than 20.00 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 30 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

A. Third Party Financing: One or more third party loans in the total amount of \$ _____ This contract:

(1) is not contingent upon Buyer obtaining third party financing.

(2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum.

B. Assumption: In accordance with the attached Commercial Contract Financing Addendum, Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.

C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum in the amount of \$ _____.

5. **EARNEST MONEY:**

A. Not later than 3 days after the effective date, Buyer must deposit \$ 10,000.00 as earnest money with Stewart Title, Carol Erick (escrow agent) at 17304 Preston Rd., Ste 110, Dallas TX 75252

_____ (address). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract by providing written notice to Buyer before Buyer deposits the earnest money and may exercise Seller's remedies under Paragraph 15.

B. Buyer will deposit an additional amount of \$ _____ with the escrow agent to be made part of the earnest money on or before:

(i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or

(ii) see Addendum A & Exhibit B

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy

- (1) Seller, at Seller's expense will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by Stewart Title (title company) in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing, and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements.
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Buyer may object to any restrictive covenants on the Property within the time required under Paragraph 6C.
- (4) Within 15 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 3/1/19 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the Texas Society of Professional Surveyors standards for a Category 1A survey under the appropriate condition.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the Texas Society of Professional Surveyors standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's existing survey of the Property dated _____ along with an affidavit required by the title company for approval of the survey. If the survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a survey acceptable to the title company and deliver the acceptable survey to the Buyer and the title company within 15 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 15 days if necessary for Seller to deliver an acceptable survey within the time required.

C. Buyer's Objections to the Commitment and Survey.

- (1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____
Items in Section 6.C. _____

(see Addendum A, Section 3)

B. Feasibility Period: Buyer may terminate this contract for any reason within _____ days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 1,000.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to timely deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer. see Addendum A, Section 4

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from

Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information: see Addendum A, Section 5

- (1) Delivery of Property Information: Within 15 days after the effective date, Seller will deliver to Buyer.
 - X (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - X (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - X (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - X (d) copies property tax statements for the Property for the previous 2 calendar years;
 - X (e) plats of the Property;
 - X (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - X (g) all communication and/or agreements with public agencies pertaining to the property
(h) Geotech & Environmental reports, engineering studies, flood plain maps and
any other study/report pertaining to the subject property.
- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer and all copies that Buyer made of those items; and (b) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed. This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
 - (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any advance sums paid by a tenant under any lease;
 - (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
 - (5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.
- B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must state:

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- (1) that no default exists under the lease by the landlord or tenant as of the date the estoppel certificate is signed;
- (2) the amount of the scheduled rents to be paid through the end of the lease and any rental payments that have been paid in advance;
- (3) the amount of any security deposit;
- (4) the amount of any offsets tenant is entitled against rent;
- (5) the expiration date of the lease;
- (6) a description of any renewal options; and
- (7) _____

9. BROKERS:

A. The brokers to this sale are:

Jason G. Lain	0481762	William H Biesel Jr	
Cooperating Broker	License No.	Principal Broker	License No.
409 Yacht Club Dr			
Address		Address	
Rockwall, TX 75032			
325.660.7232			
Phone	Fax	Phone	Fax
E-mail: jlain@omhousing.com		E-mail:	

Cooperating Broker represents buyer.

Principal Broker: (Check only one box.)

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

B. Fees. (Check only one box.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Cooperating Broker a total cash fee of:	Principal Broker a total cash fee of:
<input type="checkbox"/> _____ % of the sales price.	<input type="checkbox"/> _____ % of the sales price.
<input type="checkbox"/> _____	<input type="checkbox"/> _____

The cash fees will be paid in _____ County, Texas. Seller authorizes escrow agent to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The closing of the sale will be on or before 30 days after the expiration of the feasibility period and subject to extensions provided in Addendum A and B or within 7 days after objections made under Paragraph 6C have been cured or waived, whichever date is later (the closing date).

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) an assignment of all leases to or on the Property;
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the escrow agent stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the escrow agent to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the escrow agent;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.
11. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
12. **SPECIAL PROVISIONS:** *(Identify exhibit if special provisions are contained in an attachment.)*
Attached hereto as Addendum A and Exhibit B.

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
 - (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.

- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
 - (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
 - (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

- B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

as its sole and
exclusive remedy

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
 - (1) terminate this contract and receive the earnest money as liquidated damages, thereby releasing the parties from this contract; or
 - (2) enforce specific performance, or seek other relief as may be provided by law, or both.

- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey, or commitment, Buyer may:
 - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as the sole remedy; or
 - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may: and Extension Fees, Reasoning Fees and Closing Extr. Fees as applicable
 - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages, thereby releasing the parties from this contract; or
 - (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
 - (1) Seller and the sales price will be reduced by the same amount; or
 - (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or any escrow agent is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer.
- B. If both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.
- C. If one party makes written demand for the earnest money, escrow agent will give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 15 days after the date escrow agent sent the demand to the other party, escrow agent may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors.
- D. Escrow agent will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- E. If escrow agent complies with this Paragraph 18, each party hereby releases escrow agent from all claims related to the disbursal of the earnest money.
- F. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to escrow agent are effective upon receipt by escrow agent.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement.

- B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
 B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns.
- B. This contract is to be construed in accordance with the laws of the State of Texas.
- C. This contract contains the entire agreement of the parties and may not be changed except in writing.
- D. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- E. Addenda which are part of this contract are: *(Check all that apply.)*
 - (1) Property Description Exhibit identified in Paragraph 2;
 - (2) Commercial Contract Financing Addendum;
 - (3) Commercial Property Condition Statement;
 - (4) Notice to Purchaser of Real Property in a Water District (MUD);
 - (5) Addendum for Coastal Area Property;
 - (6) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; and
 - (7) Addendum A & Exhibit B

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

F. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Selection of inspectors and repairmen is the responsibility of Buyer and not the brokers.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 01.08.2019, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Buyer: OM Housing, LLC Seller: Huey Investments, Inc
By: _____ By: Douglas E. Huey
Printed Name: Deepak P. Sulakhe Printed Name: DOUGLAS E. HUEY
Title: President / CEO Title: _____
Buyer: _____ Seller: _____
By: _____ By: _____
Printed Name: _____ Printed Name: _____
Title: _____ Title: _____

AGREEMENT BETWEEN BROKERS

Principal Broker agrees to pay _____ (Cooperating Broker) a fee of \$ _____ or _____ % of the sales price when the Principal Broker's fee is received. Escrow agent is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Cooperating Broker By: Jason G. Lain Principal Broker By: _____

ATTORNEYS

Buyer's attorney is: Name: Fielder Nelms Seller's attorney is: Name: _____
Address: Smith, Stern, Friedman & Nelms, P.C. Address: _____
14160 Dallas Pkw, Suite 800, Dallas, TX 75254
Phone & Fax: (214) 739-0606/Fax: (214) 739-0608 Phone & Fax: _____

E-mail: fnelms@ssfmlaw.com E-mail: _____

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Buyer.
- Seller sends to Buyer.

Seller's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

ESCROW RECEIPT

File Number: 342828

Escrow agent acknowledges receipt of:
 A. the contract on this day January 8, 2019 (effective date);
 B. earnest money in the amount of \$ 10,000.00 in the form of Check #1919
on January 11, 2019

Escrow Agent: Stewart Title Company Address: 17304 Preston Road, Suite 110
Dallas, TX 75252

By: Carol Erick Phone & Fax: 214-556-5487

E-mail: Carol.Erick@Stewart.com

ADDENDUM A

TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

THIS ADDENDUM A TO COMMERCIAL CONTRACT - UNIMPROVED PROPERTY is attached to, and made a part of, that Commercial Contract - Unimproved Property (the "**Contract**") executed by **OM Housing, LLC**, a Texas limited liability (together with its successors and/or assigns, "**Buyer**"); and **Huey Investments Inc** (together with its successors and/or assigns, "**Seller**") (Buyer and Seller are collectively referred to as the "**Parties**", and each a "**Party**"). In the event the terms of this Addendum A conflict with the terms of the Contract, the terms of this Addendum A shall control. All references to the terms "contract" in the Contract shall mean the Contract as amended by this Addendum A.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Adjustment to Sales Price.** Paragraph 3.B.(2)(a)(i) is hereby amended by adding the following:

", which net area as of the effective date of this contract is calculated to be 351,964.8 square feet."

2. **Survey.** If and only if the Closing occurs, Seller agrees to credit the purchase price at closing to reimburse Buyer for the actual cost of the survey, not to exceed \$7,500.00.

3. **Feasibility Period.** Paragraph 7.B is hereby deleted in its entirety and replaced with the following:

"Buyer may terminate this contract for any reason on or before the last day of the Feasibility Period by providing Seller written notice of termination. The "**Feasibility Period**" is the period of time commencing on the effective date and ending on April 1st, 2019. If Buyer does not exercise its right to terminate this contract during the Feasibility Period, Buyer shall instruct the title company to release all earnest money, currently in Escrow, to Seller. (*Check only one box*)."

4. **Inspections.** Paragraph 7.C(1) is hereby amended by adding the following thereto:

"Such inspections, studies and assessments may include, without limitation, one or more environmental site assessments, including without limitation, borings and other physical samplings."

5. **Property Information.** Paragraph 7.D(1) is hereby amended by adding the following:

", provided Seller has same in his possession, for the previous 2 calendar years,"

6. **Leases.** Paragraph 8 is hereby deleted in its entirety and replaced with the following:

"Notwithstanding anything to the contrary set forth in this contract, Seller represents and warrants to Buyer that (a) there are no outstanding written or oral leases in any way affecting the Property, (b) no person or entity has any right with respect to all or any portion of the Property (whether by option to purchase, right of first refusal, contract or otherwise) that may prevent or interfere with Buyer taking title to, and

exclusive possession of, all of the Property at closing, and (c) Seller shall not enter into any new lease with respect to the Property during the pendency of this contract without Buyer's prior written consent, which may be given or withheld by Buyer in Buyer's sole and absolute discretion." This shall not apply to any mineral lease contracts. Minerals are not being conveyed.

7. **Cooperating Broker.** Seller is not required to pay any fees to Cooperating Broker. Listing Broker agrees to pay Cooperating Broker per Listing Agreement.

8. **Closing.** Paragraph 10 is hereby amended by adding the following:

"Extensions. Buyer shall have the right to extend the Feasibility Period for two (2) additional periods: (1) until June 1, 2019, and (2) until August 1, 2019. Buyer must request the applicable extension period by delivering to the escrow agent, prior to the expiration of the Feasibility Period or the current extension period, as applicable, written notice thereof, along with \$10,000.00 (the "**Extension Payment**"). The Extension Payments shall be applied to the purchase price at closing. Buyer also has the right to extend the closing date to November 1, 2019 (the "**Closing Extension**"). Buyer must request the Closing Extension by delivering to Seller, prior to the end of the original closing date, written notice thereof, along with \$10,000.00 (the "**Closing Extension Fee**"). The Closing Extension Fee shall not be applied to the purchase price at closing and may be retained by Seller regardless of whether the closing occurs, unless Seller defaults at Closing, in which event the terms of Paragraph 15.C. of the contract shall apply. Any Extension Payment or Closing Extension Fee paid by Buyer to the escrow agent shall be immediately released by the escrow agent to the Seller.

The earnest money, any Extension Payment, and the Closing Extension Fee, if and when paid to Seller, shall be non-refundable to Buyer, unless Seller defaults at Closing, in which event the terms of Paragraph 15.C. of the contract shall apply. The earnest money and any Extension Payments, except the Closing Extension Fees, shall be applied to the purchase price at closing, but if closing does not occur due to the default of Buyer or due to Buyer's termination of this contract for any reason other than Seller's default at closing, Seller may retain such amounts as consideration for entering into this contract and allowing Buyer to conduct its inspections, studies and assessments of the Property under this contract."

9. **Rollback Taxes.** Paragraph 14.B in hereby deleted and replaced with the following:

"Rollback Taxes. If the sale contemplated hereby, a change in the use of the Property, or denial of any special use valuation of the Property would result in the assessment after the closing of additional taxes and interest applicable to the period of time before the closing ("**Rollback Taxes**"), then Seller shall give a credit to Buyer at the closing for 100% of the amount of the Rollback Taxes (including interest and penalties) that may be assessed after the closing as reasonably estimated by the title company, and Buyer shall be responsible for the payment of the Rollback Taxes (including interest and penalties) if and when assessed after the closing. There will be no subsequent adjustment notwithstanding whether the actual Rollback Taxes assessed after the closing differ from the estimate used at the closing. If any Rollback Taxes are due before the closing due to Seller's change in use of the Property or a denial of a special

use valuation of the Property, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the closing."

10. **Default.**

a. Paragraph 15.A(1) is hereby amended by adding the following:

" , any Extension Payments, Closing Extension Fee and Rezoning Fee due to or paid to Seller prior to the termination date"

b. Paragraph 15.C is hereby amended by adding the following:

"within five (5) business days after written notice from Buyer"

c. Paragraph 15.C(1) is hereby amended by adding the following:

" , any Extension Payments, any Closing Extension Fee, or any Rezoning Fee previously paid to Seller, as applicable,"

d. Paragraph 15.C(1) is hereby amended by adding the following:

; provided, however, if on the termination date the earnest money has already been released to Seller as set forth in Paragraph 7.B of the contract, as amended by Paragraph 3 of Addendum A, then within five (5) business days after such termination Seller will pay Buyer \$25,000.00 (along with any Extension Payments, any Closing Extension Fee, or any Rezoning Fee, as applicable, as set forth above) as liquidated damages, thereby releasing the parties from this contract"

11. **Escrow.** Paragraph 18.A is hereby deleted and replaced with the following:

"At closing, the amount of the earnest money, except Closing Extension Fees, will be applied to the purchase price."

12. **Material Facts.** Paragraph 19.B is hereby amended by adding the following:

Seller shall fully disclose to Buyer, promptly upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that may affect the representations and warranties set forth above. The representations and warranties of Seller contained herein shall survive the closing and delivery of the Deed."

13. **Notices.** Paragraph 20 is hereby amended by adding the following:

"Notices sent by facsimile and/or e-mail shall not be effective until the sending party receives confirmation that the notice has been received by the receiving party."

14. N/A

15. **Feasibility Period.** Subject to the terms of Paragraph 7.B(1) of the Contract, the earnest money shall be disbursed by escrow agent to Buyer if Buyer gives written notice to escrow agent on or before the end of the Feasibility Period stating that Buyer has terminated

the Contract. Such notice by Buyer shall be conclusive evidence of Buyer's right to receive the earnest money. Seller and Buyer irrevocably instruct escrow agent to disburse the earnest money to Buyer upon receipt of said notice, without any other written authorization and without further verification of the party entitled to receive the earnest money. If Buyer does not exercise its right to terminate this Contract during the Feasibility Period, Buyer shall instruct the title company to release the earnest money to Seller. Seller and Buyer agree to indemnify and hold escrow agent harmless for making any disbursement in an attempt to comply with the provisions hereof. Escrow Agent may rely upon any document or copy which it believes to be genuine, may assume that the Party executing any document is authorized to do so, and shall not be liable for anything, which it in good faith, may or may not do in connection herewith.

16. **Closing Conditions.** In addition to any other conditions set forth in the Contract, Buyer shall not be obligated to close this transaction and purchase the Property unless each of the following are either timely satisfied or waived by Borrower in writing:

a. **Subdivided.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, if the Property is part of a larger parcel belonging to Seller, the Property shall be subdivided from the larger parcel and/or platted. Conversely, if Property is part of several smaller parcels belonging to Seller, the Property shall be combined into a single parcel and/or platted.

b. **Utilities.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, Buyer shall have received utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Property for its intended purpose without unusual or extraordinary expense to Buyer other than standard "tap in" fees.

c. **Governmental Approvals.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, Buyer shall have received all necessary and customary governmental approvals necessary for Buyer to develop and operate the Property for its intended purpose, including without limitation, those for utilities, zoning, special uses, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation, and ingress/egress easements), and/or approval of a final site plan for the proposed development along with utility commitments and required capacity for the intended number of units. All such approvals, permits and allocations, and any conditions imposed thereon, must be acceptable to Buyer in its sole discretion.

d. **Zoning.** Prior to the end of the Feasibility Period, as same may be extended as set forth in Paragraph 8 of this Addendum A, the Property shall be appropriately zoned for the intended use of Buyer. Any change in zoning must be accomplished by Buyer at its sole cost and expense. Within three (3) days of the date the Property is rezoned for Buyer's use, Buyer shall pay to Seller a "Rezoning Fee" in the amount of \$10,000.00. The Rezoning Fee shall be non-refundable to Buyer and shall be applied to the purchase price at closing; provided, however, if closing does not occur due to the default of Buyer or due to Buyer's termination of this Contract for any reason other than Seller's default at closing, Seller may retain the Rezoning Fee to cover Seller's costs to rezone the Property to its former classification.

In the event that any condition precedent in this Section 16 is not satisfied by the date specified in this Section 16, Buyer shall have the right to (a) extend the time for performance of such condition precedent up to 15 days and the closing will be extended as necessary, but in not event shall exceed November 1, 2019; or (b) terminate the Contract by delivering written notice thereof to Seller.

17. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer that to the best of Seller's knowledge and belief and except as otherwise set forth herein:

a. No Notices. Seller has not received any notice of, and to the best of its knowledge there are no (i) proposed special assessments or condemnation; (ii) pending public improvements that will result in any charge being levied or assessed against, or a lien being created upon, the Property; or (iii) pending or threatened eminent domain or condemnation proceedings against or involving any portion of the Property or any adjacent parcel.

b. Access. Seller has not received notice of any existing or proposed plans to widen, modify or realign any street adjoining or adjacent to the Property, and the Property has full and free access to and from public highways, streets and roads. Seller has no knowledge of any pending or threatened proceeding by any governmental authority, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads.

c. Utility Availability. Public water, sanitary and storm sewer, electricity, gas, and other required utilities (i) are available to the Property in quantities sufficient for the successful operation of the Property for its intended purpose; (ii) enter the Property through adjoining public streets or, if passing through adjoining private land, do so in accordance with recorded public or private easements; and (iii) are serviced and maintained by the appropriate public or quasi-public entity.

d. Utility District. The Property is not situated in a utility or other statutorily created district providing water, sewer, drainage or flood control facilities and services.

e. Pipelines. There are no transportation pipelines, including without limitation, pipelines for the transportation of natural gas, natural gas liquids, synthetic gas, liquefied petroleum gas, petroleum or a petroleum product or hazardous substance, located on, under or within the Property.

f. Owners' Association. The Property is not subject to mandatory membership in a property owners' association.

g. Litigation. There is no pending or threatened litigation, arbitration, administrative action or examination, claim or demand whatsoever related to the Property; and no attachments, execution proceedings, liens, assignments or insolvency proceedings are pending or threatened against Seller of the Property or contemplated by Seller.

Seller shall fully disclose to Buyer, immediately upon its occurrence, any change in facts, assumptions or circumstances of which Seller becomes aware prior to the closing date that

EXHIBIT A

Legal Description

(to be attached after Commitment is issued)


Buyer:  Seller: DH

EXHIBIT B

The following chart is included merely as a visual aid to assist the parties with the timeline for the various payments to be made under Addendum A. In the event the chart conflicts with the terms of Addendum A, the terms of Addendum A shall control.

DELIVERY AND RELEASE OF PAYMENTS

DATE*	BEGINNING DATE	EXPIRATION DATE	AMOUNT BUYER DELIVERS TO ESCROW OR TO SELLER	AMOUNT NON-REFUNDABLE TO BUYER (except as otherwise provided in the Contract)	AMOUNT APPLICABLE TO PURCHASE PRICE
Effective Date	Date Escrow Agent receipts fully-executed Contract				
Earnest Money Deposit	3 days after the Effective Date		\$10,000 to escrow for Feasibility Period; released to Seller 4/31/19 if Contract not terminated by Buyer.	\$10,000 if Buyer does not terminate during Feasibility Period.	YES
Feasibility Period	Effective Date	April 1, 2019			
Delivery of Extension Payment for First Extension		April 1, 2019	\$10,000 to escrow	\$10,000	YES
First Extension	April 2, 2019	June 1, 2019			
Delivery of Extension Payment for Second Extension		June 1, 2019	\$10,000 to escrow	\$10,000	YES
Second Extension	June 2, 2019	August 1, 2019			
Property is Rezoned by Buyer	Date of Rezoning		\$10,000 to escrow	\$10,000	YES
Closing Date		August 31, 2019			

Buyer: _____ Seller: DH

Delivery of Closing Extension Fee		August 31, 2019	\$10,000 to escrow	\$10,000	NO
Closing Extension	September 1, 2019	November 1, 2019			
Last Day to Close		November 1, 2019	<p>If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing.</p> <p>If Closing does not occur, no amount will be delivered.</p>	<p>If Closing occurs, Buyer will deliver the Balance of Purchase Price at Closing.</p> <p>If Closing does not occur, no additional amount will be delivered; and additionally, if there is no Seller's default, then Seller will keep the amounts previously released as set forth above.</p>	

* If any of the above dates occur on a weekend or a holiday, the applicable date will move forward to the next available business day.

Buyer: _____ Seller: DH

Attachment 4

sarah@sarahandersonconsulting.com

From: Deepak P. Sulakhe <dsulakhe@omhousing.com>
Sent: Thursday, February 28, 2019 11:09 PM
To: Alyssa Carpenter
Cc: Sarah Anderson; Meredith Edwards
Subject: Re: Bardin Apartments

He is dropping it off first thing tomorrow ...

Sincerely,



Deepak P. Sulakhe
Off: (214) 432-7610
Cell: (214) 632-1565
Fax (214) 594-9753
Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

From: Alyssa Carpenter <ajcarpen@gmail.com>
Date: Thursday, February 28, 2019 at 11:08 PM
To: DEEPAK SULAKHE <dsulakhe@omhousing.com>
Cc: Sarah Anderson <sarah@sarahandersonconsulting.com>, Meredith Edwards <meredith@meconsulting.ltd>
Subject: Re: Bardin Apartments

Remember that we need the contract between Huey and the actual owner of the site.

Regards,

Alyssa Carpenter

On Fri, Mar 1, 2019 at 12:02 AM Deepak P. Sulakhe <dsulakhe@omhousing.com> wrote:

All:

Attached is the Receipted Contracts for OMH and Huey and then OMH with the LP.

Hope this works.

Sincerely,



Deepak P. Sulakhe

Off: (214) 432-7610

Cell: (214) 632-1565

Fax (214) 594-9753

Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

From: DEEPAK SULAKHE <dsulakhe@omhousing.com>

Date: Thursday, February 28, 2019 at 10:35 PM

To: Sarah Anderson <sarah@sarahandersonconsulting.com>, Meredith Edwards <meredith@meconsulting.ltd>, Alyssa Carpenter <ajcarpen@gmail.com>

Subject: Hammack Creek Contracts

All:

Attached are following:

1. OMH Walther Contract
2. OMH Daskocil Contract
3. Combined Contract.

Let me know if okay.

Sincerely,



Deepak P. Sulakhe

Off: (214) 432-7610

Cell: (214) 632-1565

Fax (214) 594-9753

Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

Attachment 5



NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS® COMMERCIAL CONTRACT OF SALE

[Check all boxes applicable to this Contract - Boxes not checked do not apply to this Contract]

In consideration of the agreements contained in this Commercial Contract of Sale (the "Contract"), Seller shall sell and convey to Purchaser, and Purchaser shall buy and pay for, the Property (defined below) pursuant to the provisions, and subject to the conditions, of this Contract.

1. PARTIES. The parties to this Contract are:

Seller: South Mayfield, L.P.

Address: _____

Phone: (214)405-0775

Fax: (972)423-3116

Email: Ronwalden202@aol.com

Tax ID No.: 75-2787580

Purchaser: Huey Investments, Inc. and/or Assigns

Address: 8244 Westchester Dr., Suite 8100

Dallas, TX 75225

Phone: (214)202-8246

Fax: _____

Email: DHuey@HueyInvestments.com

Tax ID No.: _____

2. PROPERTY. The address of the Property is:

_____, Texas

The Property is located in _____ Tarrant County, Texas, the land portion of which is further described as:

8.088 Acres more or less, northwest corner of Matlock Rd. and Bardin Rd., Arlington, TX

or as described in Exhibit "A", LEGAL DESCRIPTION and/or shown on Exhibit "B", SITE PLAN. The Property includes all improvements, fixtures, and personal property situated thereon, and all rights and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, and rights-of-way (such land, improvements, fixtures, personal property, rights, and appurtenances being collectively referred to in this Contract as the "Property").

DH RW

3. PURCHASE PRICE.

A. Amount and Payable. The purchase price for the Property is \$ 1,000,000.00 (the "Purchase Price"), payable at the Closing as follows (with the Earnest Money to be applied to the Purchase Price) [**Check only one**]:

(1) All in cash (meaning Good Funds, as defined in Section 4.F. below). If this Contract is subject to approval for Purchaser to obtain financing from a third party, then **Addendum B-1, THIRD PARTY FINANCING** is attached.

(2) Part in cash (Good Funds), in the following amount or percentage [**Check only one**]:

(a) \$ _____.

(b) **Twenty Point Zero** percent (20.000 %) of the Purchase Price.

If only part of the Purchase Price is to be paid in cash, then the balance of the Purchase Price will be paid according to the provisions in **Addendum B-2, SELLER FINANCING**. ~~If part of the Purchase Price is to be paid by Purchaser assuming, or taking the Property subject to, an existing promissory note secured by the Property, then **Addendum B-3, EXISTING LOAN**, is attached.~~

B. Adjustment. ~~If this box is checked, then this Section 3.B. applies and the Purchase Price will be adjusted up or down based upon the land area of the Property as determined by the Survey. If the box in the preceding sentence is not checked, then none of this Section 3.B. applies to this Contract. The land area will be multiplied by the following amount per acre or square foot, as applicable, and the product will become the Purchase Price at the Closing [**Check only one**]: \$ _____ per acre; or \$ _____ per square foot. The land area for purposes of determining the Purchase Price will be the gross land area of the Property unless this box is checked, in which case the land area for purposes of determining the Purchase Price will be the Net Land Area [as defined in Section 5.A. (Survey)] of the Property. Notwithstanding the foregoing, the Purchase Price will not be reduced under this Section 3.B. to less than \$ _____.~~

4. EARNEST MONEY AND TITLE COMPANY ESCROW.

A. Title Company. The Title Company to serve as escrow agent for this Contract is (the "Title Company"):

Republic Title Company
2626 Howell St., 10th Floor
Dallas, TX 75204-4064

B. Effective Date. The "Effective Date" is the date the Title Company acknowledges receipt of this fully executed Contract as indicated by the signature block for the Title Company.

C. Earnest Money. Within two Business Days after the Effective Date, Purchaser shall deliver an earnest money deposit in the amount of \$ 5,000.00 (the "Earnest Money") payable to the Title Company in its capacity as escrow agent, to be held in escrow pursuant to the terms of this Contract. Seller's acceptance of this Contract is expressly conditioned upon Purchaser's timely deposit of the Earnest Money with the Title Company. If Purchaser fails to timely deposit the Earnest Money with the Title Company, then Seller may, at Seller's option, terminate this Contract by delivering a written termination notice to Purchaser at any time until Purchaser deposits the Earnest Money with the Title Company.

DA *RM*

Purchaser instructs the Title Company to promptly deposit the Earnest Money upon receipt in one or more insured accounts in a state or federal banking or savings institution. After receipt of necessary tax forms from Purchaser, the Title Company will deposit the Earnest Money in an interest bearing account unless this box is checked, in which case the Title Company will not be required to deposit the Earnest Money in an interest bearing account. Any interest earned on the Earnest Money will become a part of the Earnest Money. At the Closing, the Earnest Money will be applied to the Purchase Price or, at Purchaser's option, will be returned to Purchaser upon full payment of the Purchase Price.

D. Independent Consideration. Notwithstanding anything in this Contract to the contrary, a portion of the Earnest Money in the amount of \$100.00 will be non-refundable and will be distributed to Seller upon any termination of this Contract as independent consideration for Seller's performance under this Contract. If this Contract is properly terminated by Purchaser pursuant to a right of termination granted to Purchaser by any provision of this Contract, the Earnest Money will be promptly returned to Purchaser. Any provision of this Contract that states that the Earnest Money is to be returned to Purchaser means that the Earnest Money, less the non-refundable portion, is to be returned to Purchaser.

E. Escrow. The Earnest Money is deposited with the Title Company with the understanding that the Title Company is not: (1) responsible for the performance or non-performance of any party to this Contract; or (2) liable for interest on the funds except to the extent interest has been earned after the funds have been deposited in an interest bearing account.

F. Definition of Good Funds. "Good Funds" means currently available funds, in United States dollars, paid in the form of a certified check, cashier's check, official bank check or wire transfer acceptable to the Title Company, such that the payment may not be stopped by the paying party. Any reference in this Contract to "cash" means Good Funds.

5. SURVEY AND TITLE.

A. Survey. Within 20 days after the Effective Date *[Check only one]*:

- Seller shall deliver to Purchaser a new survey (the "Survey") of the Property prepared at Seller's expense.
- Purchaser shall obtain a new survey (the "Survey") of the Property prepared at Purchaser's expense.
- Purchaser shall obtain a new survey (the "Survey") of the Property prepared at Purchaser's expense, and Seller will give a credit to Purchaser against the Purchase Price at the Closing for the cost of the Survey in an amount not to exceed \$ _____.
- Seller shall deliver to Purchaser a copy of the most recent existing survey (the "Survey") of the Property in Seller's possession. Seller shall also deliver an Affidavit to the Title Company, in form and substance reasonably satisfactory to the Title Company, stating that none of the improvements on the Property and other matters shown by the existing Survey have changed since the existing Survey was prepared. If Purchaser, Purchaser's lender or the Title Company requires a new survey for any reason, then Purchaser shall obtain and pay for the cost of the new

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Survey, and **[check only one]**: Seller will not be required to pay for any portion of the cost of the new Survey; or Seller will give a credit to Purchaser against the Purchase Price at the Closing for the cost of the new Survey in an amount not to exceed \$ 2,000.00.

Any new Survey must:

- (1) be prepared by a Registered Professional Land Surveyor;
- (2) be in a form reasonably acceptable to Purchaser and the Title Company;
- (3) set forth a legal description of the Property by metes and bounds or by reference to a platted lot or lots;
- (4) show that the Survey was made on the ground with corners marked with monuments either found or placed;
- (5) show any discrepancies or conflicts in boundaries, and any visible encroachments;
- (6) contain the surveyor's certificate that the Survey is true and correct; and
- (7) show the location and size of all of the following on or immediately adjacent to the Property, if any, if recorded or visible and apparent:
 - (a) buildings,
 - (b) building set back lines (as shown on any recorded plat, but not as may be described in any restrictive covenants or zoning ordinances),
 - (c) streets and roads,
 - (d) 100-year flood plain (approximate location),
 - (e) improvements,
 - (f) encroachments,
 - (g) easements,
 - (h) recording information of recorded easements,
 - (i) pavements,
 - (j) protrusions,
 - (k) fences,
 - (l) rights-of-way, and
 - (m) any markers or other visible evidence of utilities.

Any area of the Property within the 100-year flood plain will be shown on the Survey as the approximate location of the 100-year flood plain as shown on any map prepared by the Federal Emergency Management Agency or other applicable governmental authority. The surveyor is authorized to determine the area of the Property within any 100-year flood plain as shown on any map prepared by any governmental authority, and in the absence of such a map, as otherwise reasonably determined by the surveyor. If the area within any 100-year flood plain is to be deducted for the purpose of determining Net Land Area (defined below) then the Survey must show the area of the Property covered by the 100-year flood plain, and that area, as reasonably determined by the surveyor, will be conclusive for purposes of this Contract, even though the surveyor may qualify that determination as approximate.

After the delivery of the Survey, the legal description of the Property set forth in the Survey will be incorporated in this Contract as the legal description of the Property, and will be used in the deed and any other documents requiring a legal description of the Property.

The Survey must show the gross land area of the Property, and if the Purchase Price is based upon the Net Land Area then the Survey must also show the Net Land Area, expressed in both acres and square feet. The term "Net Land Area" means the gross land area of the Property less the area within any of the following (if recorded or visible and apparent, but excluding those within set back areas) **[Check all that apply]**:

DA
RSC

- utility easements;
- drainage easements;
- access easements;
- rights-of-way;
- 100-year flood plain; and
- any encroachments on the Property.

B. Title Commitment. Within 20 days after the Effective Date, Seller shall deliver or cause to be delivered to Purchaser:

- (1) A title commitment (the "Title Commitment") covering the Property binding the Title Company to issue a Texas Owner Policy of Title Insurance (the "Title Policy") on the standard form prescribed by the Texas Department of Insurance at the Closing, in the full amount of the Purchase Price, insuring Purchaser's fee simple title to the Property to be good and indefeasible, subject only to the Permitted Exceptions (defined below); and
- (2) the following (collectively, the "Title Documents"):
 - (a) true and legible copies of all recorded instruments affecting the Property and recited as exceptions in the Title Commitment;
 - (b) a current tax certificate;
 - (c) any written notices required by applicable statutes, including those referenced in Section 20; and
 - (d) if the Property includes any personal property, UCC search reports pertaining to the Seller.

6. REVIEW OF SURVEY AND TITLE.

A. Title Review Period. Purchaser will have thirty (30) days (the "Title Review Period") after receipt of the last of the Survey, Title Commitment and Title Documents to review them and to deliver a written notice to Seller stating any objections Purchaser may have to them or any item disclosed by them. Purchaser's failure to object within the time provided will be a waiver of the right to object. Any item to which Purchaser does not object will be deemed a "Permitted Exception." The items set forth on Schedule C of the Title Commitment, and any other items the Title Company identifies to be released upon the Closing, will be deemed objections by Purchaser. Zoning ordinances and the lien for current taxes are deemed to be Permitted Exceptions.

B. Cure Period. If Purchaser delivers any written objections to Seller ¹⁵ within the Title Review Period, then Seller shall make a good faith attempt to cure the objections within 49 days (the "Cure Period") after receipt of the objections. However, Seller is not required to incur any cost to do so. If Seller cannot cure the objections within the Cure Period, Seller may deliver a written notice to Purchaser, before expiration of the Cure Period, stating whether Seller is committed to cure the objections at or before the Closing. If Seller does not cure the objections within the Cure Period, or does not timely deliver the notice, or does not commit in the notice to fully cure all of the objections at or before the Closing, then Purchaser may terminate this Contract by delivering a written notice to Seller on or before the earlier to occur of: (1) the date that is seven days after the expiration of the Cure Period; or (2) the scheduled Closing Date.

C. New Items. If any new items are disclosed by any new or updated Survey, updated Title Commitment, or any new Title Documents, that were not disclosed to Purchaser when the Survey, Title Commitment, and Title Documents were first delivered to Purchaser, then Purchaser will have 15 days to review the new items and to deliver a written notice to Seller stating any objections Purchaser may have to the

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new items. If Purchaser timely delivers any written objections as to the new items to Seller, then Seller shall make a good faith attempt to cure the objections to the new items within 30 days (the "Additional Cure Period") after receipt of the objections as to the new items. However, Seller is not required to incur any cost to do so. If Seller does not cure the objections as to the new items within the Additional Cure Period, or does not deliver a written notice to Purchaser before the expiration of the Additional Cure Period stating whether Seller is committed to cure the objections as to the new items at or before the Closing, then Purchaser may terminate this Contract by delivering a written notice to Seller on or before the earlier to occur of: (1) that date that is seven days after the expiration of the Additional Cure Period; or (2) the scheduled Closing Date.

D. Return of Earnest Money or Waiver. If Purchaser properly and timely terminates this Contract, the Earnest Money will be returned to Purchaser. If Purchaser does not properly and timely terminate this Contract, then Purchaser will be deemed to have waived any uncured objections and must accept title at the Closing subject to the uncured objections and other Permitted Exceptions. Seller's failure to cure Purchaser's objections under this Section 6 does not constitute a default by Seller.

7. SELLER'S REPRESENTATIONS.

A. Statements. Seller represents to Purchaser, to the best of Seller's knowledge, as follows:

(1) **Title.** At the Closing, Seller will convey to Purchaser good and indefeasible fee simple title to the Property free and clear of any and all liens, assessments, easements, security interests and other encumbrances except the Permitted Exceptions. Delivery of the Title Policy pursuant to Section 15 (the Closing) will be deemed to satisfy the obligation of Seller as to the sufficiency of title required under this Contract. However, delivery of the Title Policy will not release Seller from the warranties of title set forth in the warranty deed.

(2) **Leases.** There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers except tenants under written leases delivered to Purchaser pursuant to this Contract.

(3) **Liens and Debts.** There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property before the Closing that will not be satisfied out of the Closing proceeds. All obligations of Seller arising from the ownership and operation of the Property and any business operated on the Property, including, but not limited to, taxes, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Closing. Except for obligations for which provisions are made in this Contract for prorating at the Closing and any indebtedness taken subject to or assumed, there will be no obligations of Seller with respect to the Property outstanding as of the Closing.

(4) **Litigation.** There is no pending or threatened litigation, condemnation, or assessment affecting Property. Seller shall promptly advise Purchaser of any litigation, condemnation or assessment affecting the Property that is instituted after the Effective Date.

(5) **Material Defects.** Seller has disclosed to Purchaser any and all known conditions of a material nature with respect to the Property which may affect the health or safety of any occupant of the Property. Except as disclosed in writing by Seller to Purchaser, the Property has no known latent structural defects or construction defects of a material nature, and none of the Improvements have been constructed with materials known to be a potential health hazard to occupants of the Property.

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(6) Hazardous Materials. Except as otherwise disclosed in writing by Seller to Purchaser, the Property (including any improvements) does not contain any Hazardous Materials (defined below) other than lawful quantities properly stored in containers in compliance with applicable laws.

B. Remedies. If Purchaser discovers, before the Closing, that any of Seller's representations has been misrepresented in a material respect, Purchaser may notify Seller of the misrepresentation in writing, and Seller shall attempt to correct the misrepresentation. If the misrepresentation is not corrected by Seller before the Closing, Purchaser may: (1) proceed to Closing, without waiving any claim for misrepresentation; or (2) terminate this Contract by delivering a written termination notice to Seller, in which case the Earnest Money will be returned to Purchaser.

8. OPERATION OF THE PROPERTY. After the Effective Date until the Closing Date, Seller shall: (1) operate the Property in the same manner as the Property has been operated by Seller; and (2) maintain the Property in the same condition as existed on the Effective Date, except for ordinary wear and any casualty loss. After the Effective Date, Seller shall not, without Purchaser's prior written approval: (1) further encumber the Property or allow an encumbrance upon the title to the Property, or modify the terms of any existing encumbrance, if the encumbrance would still be in effect after Closing; or (2) enter into any lease or contract affecting the Property, if the lease or contract would still be in effect after Closing. However, Seller may enter into a lease or contract with an independent third party, in the ordinary course of business, without Purchaser's consent, if Purchaser will be entitled to terminate the lease or contract after Closing, without incurring any termination charge, by delivering a termination notice 30 days in advance of the termination date. If Seller enters into any lease or contract affecting the Property after the Effective Date, then Seller shall immediately deliver a photocopy of the signed document to Purchaser.

9. NONCONFORMANCE. Purchaser has or will independently investigate and verify to Purchaser's satisfaction the extent of any limitations of uses of the Property. Purchaser acknowledges that the current use of the Property or the improvements located on the Property (or both) may not conform to applicable Federal, State or municipal laws, ordinances, codes or regulations. Zoning, permitted uses, height limitations, setback requirements, minimum parking requirements, limitations on coverage of improvements to total area of land, Americans with Disabilities Act requirements, wetlands restrictions and other matters may have a significant economic impact upon the intended use of the Property by Purchaser. However, if Seller is aware of any pending zoning changes or current nonconformance with any Federal, State or local laws, ordinances, codes or regulations, Seller shall disclose them to Purchaser.

10. INSPECTION. [Check only A or B]

A. Inspection Not Necessary. Purchaser acknowledges that Purchaser has inspected the Property, including all buildings and improvements, and is thoroughly familiar with their condition. Purchaser accepts the Property in its present "AS IS" condition, with any changes caused by normal wear and tear before the Closing, but without waiving Purchaser's rights by virtue of Seller's representations and agreements expressed in this Contract.

B. Inspection Desired. Purchaser desires to inspect the Property and Seller grants to Purchaser the right to inspect the Property as described below.

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(1) **Inspection Period.** Purchaser will have a period of 60 days after the Effective Date (the "Inspection Period") to inspect the Property and conduct studies regarding the Property. Purchaser's studies may include, without limitation: (a) permitted use and zoning of the Property; (b) core borings; (c) environmental and architectural tests and investigations; (d) physical inspections of improvements, fixtures, equipment, subsurface soils, structural members, and personal property; and (e) examination of agreements, manuals, plans, specifications and other documents relating to the construction and condition of the Property. Purchaser and Purchaser's agents, employees, consultants and contractors will have the right of reasonable entry onto the Property during normal business hours, and upon reasonable advance notice to Seller and any tenants on the Property, for purposes of inspections, studies, tests and examinations deemed necessary by Purchaser. The inspections, studies, tests and examinations will be at Purchaser's expense and risk. Purchaser may also use the Inspection Period to perform feasibility studies, obtain equity funding, seek financing, and satisfy other conditions unrelated to the condition of the Property. Purchaser shall defend and indemnify Seller against any claims that arise due to any actions by Purchaser or Purchaser's agents, employees, consultants and contractors. Purchaser's obligation to defend and indemnify Seller will survive the Closing or termination of this Contract.

(2) **Extension of Inspection Period.** Purchaser may extend the Inspection Period for up to _____ days by delivering an additional earnest money deposit in the amount of \$ _____ to the Title Company. The additional deposit will become part of the Earnest Money.

(3) **Termination.** If Purchaser determines, in Purchaser's sole discretion, no matter how arbitrary, that Purchaser chooses not to purchase the Property for any reason, then Purchaser may terminate this Contract by delivering a written notice to Seller on or before the last day of the Inspection Period, in which case the Earnest Money will be returned to Purchaser. Purchaser's reason for choosing to terminate this Contract does not need to be related to the condition of the Property, and Purchaser is not required to justify Purchaser's decision to terminate this Contract.

(4) **Acceptance.** If Purchaser does not properly and timely terminate this Contract before the expiration of the Inspection Period (or if Purchaser accepts the Property in writing) then Purchaser will be deemed to have waived all objections to the Property, except for any title objections that may be outstanding pursuant to Section 6 (Review of Survey and Title) of this Contract. In that event, except as may be expressly stated otherwise in this Contract, Purchaser accepts the Property in its current "AS IS" condition, with any changes caused by normal wear and tear before the Closing, and this Contract will continue in full force and effect. This provision does not, however, limit or invalidate any express representations and agreements Seller has made in this Contract.

(5) **Restoration.** If the transaction described in this Contract does not close through no fault of Seller, and the condition of the Property was altered due to inspections, studies, tests or examinations performed by Purchaser or on Purchaser's behalf, then Purchaser must restore the Property to its original condition at Purchaser's expense. Purchaser's obligation to restore the Property will survive the termination of this Contract.

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C. Reports. [Check all that apply]

- (a) Within _____ days after the Effective Date, Seller shall deliver to Purchaser a written "Phase I" report of an environmental assessment of the Property. The report will be prepared, at Seller's expense, by an environmental consultant reasonably acceptable to Purchaser. The environmental assessment must include an investigation into the existence of Hazardous Materials (as defined in Section 19.A. of this Contract) in, on or around the Property. The environmental assessment must also include a land use history search, engineering inspections, research and studies that may be necessary to discover the existence of Hazardous Materials.
- (b) Within 10 days after the Effective Date, Seller shall deliver to Purchaser copies of all reports in Seller's possession or control of engineering investigations, tests and environmental studies that have been made with respect to the Property within the three year period before the Effective Date.
- (c) If Purchaser terminates this Contract, Purchaser shall return to Seller, at Purchaser's expense and contemporaneously with the termination, the original, hard copies of any documents Seller delivered to Purchaser. Also, Purchaser shall return, destroy, or delete any other copies of such documents, electronic or otherwise, in Purchaser's possession. This provision will survive the termination of this Contract.
- (d) If Purchaser terminates this Contract, Purchaser shall deliver to Seller, at Purchaser's expense and contemporaneously with the termination, copies of all written reports, inspections, plats, drawings and studies that relate to the condition of the Property made by Purchaser's agents, consultants and contractors. This provision will survive the termination of this Contract.

11. DELIVERY AND REVIEW OF DOCUMENTS.

A. Delivery. Seller agrees to deliver to Purchaser, within 10 days after the Effective Date, complete and legible copies of the following pertaining to the Property, to the extent in Seller's possession or readily available to Seller:

(1) All current leases, including all modifications, amendments, supplements and extensions thereof (including written descriptions of any oral agreements);

(2) A current rent roll certified by Seller to be true, complete and accurate as of the date of delivery, including names of tenants, annual or monthly rents, expenses paid by tenants and by Seller, commencement dates, terms of leases, and renewal options;

(3) A current inventory of all tangible personal property and fixtures owned by Seller and located on, attached to, or used in connection with the Property, to be sold with the Property, certified by Seller to be true and correct as of the date of delivery;

(4) Any Notes, Deeds of Trust and other loan documents pertaining to loans assumed or taken subject to;

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(5) All service, maintenance, management, or other contracts relating to the ownership and operation of the Property;

(6) All warranties and guaranties;

(7) All fire, hazard, liability, and other insurance policies;

(8) The real estate and personal property tax statements for the previous two calendar years;

(9) All leasing and commission agreements;

(10) The "as built" or other plans and specifications;

(11) A statement of utility charges, repair costs and other expenses incurred by Seller for the operation and maintenance of the Property for each month for the two years preceding the Effective Date;

(12) A true and correct statement of income and expenses from _____ to _____;

(13) Any certificate of mold remediation that has been issued for the Property under Section 1058.154 of the Occupations Code within the preceding five years; and

(14) Other _____.

B. Review of Documents. Purchaser will have a period of time (the "Document Review Period") to review the information identified above, ending the later to occur of:

- (1) _____ days after the Effective Date; or
- (2) the end of the Inspection Period (if any).

If Purchaser objects to any information disclosed to or discovered by Purchaser, in Purchaser's sole discretion, no matter how arbitrary, Purchaser may: (i) terminate this Contract by delivery of a written notice to Seller before the expiration of the Document Review Period, in which case the Earnest Money will be returned to Purchaser and Purchaser shall return all documents Seller delivered to Purchaser; or (ii) waive the objections and close the transaction. If Purchaser does not deliver a written termination notice to Seller before expiration of the Document Review Period, then any objections as to the information provided by Seller pursuant to this Section will be deemed to be waived by Purchaser.

12. ESTOPPEL CERTIFICATES. Seller agrees to deliver to Purchaser, at least _____ days before the Closing Date, estoppel certificates executed by each of the tenants under the leases of the Property stating:

- (1) whether the tenant is an assignee or subtenant;
- (2) the expiration date of the lease;
- (3) the number of renewal options under the lease, if any, and the total period of time covered by the renewal options;
- (4) that none of the terms or provisions of the lease have been changed since the original execution of the lease, except as shown on any attached amendments or modifications;
- (5) that no default exists under the terms of the lease by either landlord or tenant;

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- ~~(6) that the tenant has no claim against the landlord under the lease and has no defense or right of offset against collection of rent or other charges accruing under the lease;~~
- ~~(7) the amount and payment date of the last payment of rent, the period of time covered by that payment, and the amount of any rental payments made in advance;~~
- ~~(8) the amount of any security deposits and other deposits, if any; and~~
- ~~(9) the identity and address of any guarantor of the lease.~~

~~If any estoppel certificate is not timely delivered, or is unacceptable to Purchaser, then Purchaser may immediately notify Seller in writing of Purchaser's objections. Seller shall promptly attempt to cure the unacceptable matters without any obligation to incur any cost in connection with the attempt. If Seller is unable to cure the unacceptable matters before the Closing Date, Purchaser may: (i) terminate this Contract by delivering a written termination notice to Seller, in which case the Earnest Money will be returned to Purchaser; or (ii) close the transaction, in which case Purchaser will be deemed to have waived any objections to the unacceptable matters.~~

13. CASUALTY LOSS AND CONDEMNATION.

A. Damage or Destruction. All risk of loss to the Property will remain upon Seller before the Closing. If the Property is damaged or destroyed by fire or other casualty to a Material Extent (defined below), then Purchaser may terminate this Contract by delivering a written termination notice to Seller within 10 days after the date the casualty occurred (and in any event before the Closing), in which case the Earnest Money will be returned to Purchaser. If the Property is damaged by fire or other casualty to less than a Material Extent, the parties shall proceed to the Closing as provided in this Contract. If the transaction is to proceed to the Closing, despite any damage or destruction, there will be no reduction in the Purchase Price and Seller shall either: (1) fully repair the damage before the Closing, at Seller's expense; or (2) give a credit to Purchaser at the Closing for the entire cost of repairing the Property. The term "**Material Extent**" means damage or destruction where the cost of repair exceeds ten percent (10%) of the Purchase Price. If the repairs cannot be completed before the Closing Date, or the cost of repairing the Property cannot be determined before the Closing Date, then either party may postpone the Closing Date by delivering a written notice to the other party specifying an extended Closing Date that is not more than 30 days after the previously scheduled Closing Date.

B. Condemnation. If condemnation proceedings are commenced before the Closing against any portion of the Property, then Seller shall immediately notify Purchaser in writing of the condemnation proceedings, and Purchaser may terminate this Contract by delivering a written notice to Seller within 10 days after Purchaser receives the notice (and in any event before the Closing), in which case the Earnest Money will be returned to Purchaser. If this Contract is not terminated, then any condemnation award will (a) if known on the Closing Date, belong to Seller and the Purchase Price will be reduced by the same amount, or (b) if not known on the Closing Date, belong to Purchaser and the Purchase Price will not be reduced.

14. ASSIGNMENT. *[Check only one]*

- A. Assignment Permitted.** Purchaser may assign this Contract provided the assignee assumes in writing all obligations and liabilities of Purchaser under this Contract, in which event Purchaser will be relieved of any further liability under this Contract.

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~~(6) A current rent roll certified by Seller to be complete and accurate, if there are any leases affecting the Property;~~

(7) Evidence of Seller's authority and capacity to close this transaction; and

(8) All other documents reasonably required by the Title Company to close this transaction.

C. Purchaser's Closing Obligations. At the Closing, Purchaser shall deliver to Seller, at Purchaser's expense:

(1) The cash portion of the Purchase Price (with the Earnest Money being applied to the Purchase Price);

(2) The Note and the Deed of Trust, if **Addendum B-2, SELLER FINANCING**, is attached;

~~(3) An Assumption Agreement in recordable form agreeing to pay all commissions payable under any lease affecting the Property;~~

(4) Evidence of Purchaser's authority and capacity to close this transaction; and

(5) All other documents reasonably required by the Title Company to close this transaction.

D. Closing Costs. Each party shall pay its share of the closing costs which are customarily paid by a seller or purchaser in a transaction of this character in the county where the Property is located, or as otherwise agreed.

E. Prorations. ~~Rents (including any additional rental or reimbursement amounts to be reconciled), lease commissions, interest on any assumed loan, insurance premiums on any transferred insurance policies, maintenance expenses, operating expenses, standby fees, and ad valorem taxes for the year of the Closing will be prorated at the Closing effective as of the date of the Closing (with the Purchaser being considered the owner of the Property for the entire day of the Closing). Seller shall give a credit to Purchaser at the Closing in the aggregate amount of any security deposits deposited by tenants under leases affecting the Property. If the Closing occurs before the tax rate is fixed for the year of the Closing, the apportionment of the taxes will be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation, but any difference between actual and estimated taxes for the year of the Closing actually paid by Purchaser will be adjusted equitably between the parties upon receipt of a written statement of the actual amount of the taxes. This provision will survive the Closing.~~

F. Rollback Taxes. If any Rollback Taxes are due before the Closing due to a change in use of the Property by Seller or a denial of any special use valuation of the Property before the Closing, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the Closing. If this sale or a change in use of the Property or denial of any special use valuation of the Property after the Closing would result in the assessment after the Closing of additional taxes and interest applicable to the period of time before the Closing ("**Rollback Taxes**"), then: (1) Purchaser shall pay the Rollback Taxes (including any interest and penalties) if and when they are assessed, without receiving any credit from Seller; unless (2) this box is checked, in which case Seller shall give a credit to Purchaser at the Closing for the amount of the Rollback Taxes (including interest and penalties) that may be assessed after the Closing as reasonably estimated by the Title Company, and Purchaser shall pay the Rollback Taxes (including any interest and penalties) if and when they are assessed after the Closing. If Seller gives a credit to Purchaser for the

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estimated amount of Rollback Taxes, and the actual Rollback Taxes assessed after the Closing are different from the estimate used at the Closing, then there will be no subsequent adjustment between Seller and Purchaser.

~~G. Loan Assumption. If Purchaser assumes, or takes the Property subject to, an existing loan secured by the Property, then, at the Closing, in addition to the proration of interest on the loan, Purchaser shall pay: (1) to the lender, any assumption or transfer fee charged by the lender; (2) to the lender, reasonable attorney's fees charged by the lenders' attorney; and (3) to Seller, a sum equal to the amount of any reserve accounts held by the lender for the payment of taxes, insurance and any other expenses applicable to the Property for which reserve accounts are held by the lender, and Seller shall transfer the reserve accounts to Purchaser. Purchaser shall execute, at the option and expense of Seller, a Deed of Trust to Secure Assumption with a trustee named by Seller. If consent to the assumption is required by the lender, Seller shall obtain the lender's consent in writing and deliver the consent to Purchaser at the Closing. If Seller does not obtain the lender's written consent (if required) and deliver it to Purchaser at or before the Closing, Purchaser may terminate this Contract by delivering a written termination notice to Seller, and the Earnest Money will be returned to Purchaser.~~

H. Foreign Person Notification. If Seller is a Foreign Person, as defined by the Internal Revenue Code, or if Seller fails to deliver to Purchaser a non-foreign affidavit pursuant to §1445 of the Internal Revenue Code, then Purchaser may withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the withheld proceeds to the Internal Revenue Service, together with appropriate tax forms. A non-foreign affidavit from Seller must include: (1) a statement that Seller is not a foreign person; (2) the U.S. taxpayer identification number of Seller; and (3) any other information required by §1445 of the Internal Revenue Code.

16. DEFAULT.

A. Purchaser's Remedies. If Seller defaults or fails to close this Contract for any reason except Purchaser's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Purchaser may elect to either: (1) enforce specific performance of this Contract (require Seller to sell the Property to Purchaser pursuant to this Contract); or (2) terminate this Contract by delivering a written notice to Seller. If Purchaser elects to terminate this Contract due to Seller's default, then Purchaser will be deemed to have waived the remedy of specific performance and any other remedies available to Purchaser (except for reimbursement for Purchaser's actual expenses as provided in the next paragraph) and the Earnest Money will be returned to Purchaser.

The following sentence applies only if this box is checked: If Seller defaults and Purchaser does not elect to enforce specific performance of this Contract, or the remedy of specific performance is not available, then Seller shall reimburse Purchaser for Purchaser's actual expenses paid by Purchaser to independent third parties in connection with this Contract including, but not limited to, reasonable fees and expenses for engineering assessments, environmental assessments, architectural plans, surveys and legal work (but excluding any indirect, punitive or consequential damages, such as a claim for lost profits) in an amount not to exceed \$ _____.

The foregoing will be Purchaser's sole and exclusive remedies for Seller's default unless this box is checked, in which case Purchaser may sue Seller for additional damages (in addition to the reimbursement of expenses as provided in the previous paragraph, to the extent such additional damages can be proven). If Purchaser chooses to sue Seller for reimbursement of expenses or other damages, then

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Purchaser must elect to pursue either specific performance or a claim for damages at the beginning of any legal action initiated by Purchaser.

B. Seller's Remedies. If Purchaser fails to close this Contract for any reason except Seller's default or the termination of this Contract pursuant to a right to terminate set forth in this Contract, Purchaser will be in default and Seller may terminate this Contract and receive the Earnest Money as liquidated damages for Purchaser's breach of this Contract, thereby releasing Purchaser from this Contract. If Seller terminates this Contract due to Purchaser's default, then the Earnest Money will be paid to Seller.

The right to receive the Earnest Money will be Seller's sole and exclusive remedy for Purchaser's default unless one of the following remedies is selected, in which case Seller may sue Purchaser: to enforce specific performance (force Purchaser to purchase the Property pursuant to this Contract); or for actual damages in lieu of receiving the Earnest Money as liquidated damages. If one or both of the boxes is checked to allow Seller to sue Purchaser to enforce specific performance or for actual damages, then Seller must elect to either receive the Earnest Money or sue Purchaser for one of the other selected remedies at the beginning of any legal action initiated by Seller.

17. AGENCY DISCLOSURE.

A. Agency Relationships. ~~The term "Brokers" refers to the Principal Broker and the Cooperating Broker, if applicable, as set forth on the signature page. Each Broker has duties only to the party the Broker represents as identified below. If either Broker is acting as an intermediary, then that Broker will have only the duties of an intermediary, and the intermediary disclosure and consent provisions apply as set forth below. [Each broker check only one]~~

(1) The Principal Broker is: agent for Seller only; or agent for Purchaser only; or an intermediary.

(2) The Cooperating Broker is: agent for Seller only; or agent for Purchaser only; or an intermediary.

B. Other Brokers. ~~Seller and Purchaser each represent to the other that they have had no dealings with any person, firm, agent or finder in connection with the negotiation of this Contract or the consummation of the purchase and sale contemplated by this Contract, other than the Brokers named in this Contract, and no real estate broker, agent, attorney, person, firm or entity, other than the Brokers, is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of the representing party. Each party agrees to indemnify, defend, and hold the other party harmless from and against any costs, expenses or liability for any compensation, commission, fee, or charges that may be claimed by any agent, finder or other similar party, other than the Brokers, by reason of any dealings or acts of the indemnifying party.~~

C. Fee Sharing. ~~Seller and Purchaser agree that the Brokers may share the Fee (defined below) among themselves, their sales associates, and any other licensed brokers involved in the sale of the Property. The parties authorize the Title Company to pay the Fee directly to the Principal Broker and, if applicable, the Cooperating Broker, in accordance with Section 18 (Professional Service Fee) or any other agreement pertaining to the Fee. Payment of the Fee will not alter the fiduciary relationships between the parties and the Brokers.~~

D. Intermediary Relationship. ~~If either of the Brokers has indicated in Section 17.A. (Agency Relationships) or otherwise that the Broker is acting as an intermediary in this transaction, then Purchaser and Seller hereby consent to the intermediary relationship, authorize such Broker or Brokers to act as an~~

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~~intermediary in this transaction, and acknowledge that the source of any expected compensation to the Brokers will be Seller, and the Brokers may also be paid a fee by Purchaser. A broker, and any broker or salesperson appointed to communicate with and carry out instructions of one party, who acts as an intermediary is required to act fairly and impartially, and may not:~~

- ~~(1) disclose to the buyer that the seller will accept a price less than the asking price, unless instructed in a separate writing by the seller;~~
- ~~(2) disclose to the seller that the buyer will pay a price greater than the price submitted in a written offer to the seller, unless otherwise instructed in a separate writing by the buyer;~~
- ~~(3) disclose any confidential information or any information that a party specifically instructs the broker or salesperson in writing not to disclose, unless:
 - ~~(a) the broker or salesperson is otherwise instructed in a separate writing by the respective party;~~
 - ~~(b) the broker or salesperson is required to disclose the information by the Texas Real Estate License Act or a court order; or~~
 - ~~(c) the information materially relates to the condition of the Property;~~~~
- ~~(4) treat a party to a transaction dishonestly; or~~
- ~~(5) violate the Texas Real Estate License Act.~~

~~Broker is authorized to appoint, by providing written notice to the parties, a license holder associated with Broker to communicate with and carry out instructions of one party, and another license holder associated with Broker to communicate with and carry out instructions of the other party. An appointed license holder may provide opinions and advice during negotiations to the party to whom the license holder is appointed.~~

18. PROFESSIONAL SERVICE FEE.

R. Walden & Associates, Inc. ("RW&A")

A. **Payment of Fee.** Seller agrees to pay ^{to} ~~the Brokers~~ a professional service fee (the "Fee") for procuring the Purchaser and for assisting in the negotiation of this Contract as follows:
Five percent (5%) of the Purchase Price at Closing.

~~The Fee will be earned upon the execution of this Contract and will be paid at the Closing of a sale of the Property by Seller pursuant to this Contract (as may be amended or assigned). The Fee will be paid by Seller to the Brokers in the county in which the Property is located. Seller shall pay any applicable sales taxes on the Fee. The Title Company or other escrow agent is authorized and directed to pay the Fee to the Brokers out of the Closing proceeds. A legal description of the Property, as set forth in this Contract and any Survey delivered pursuant to this Contract, is incorporated by reference in the agreement pertaining to the Fee set forth or referenced in this Section.~~

~~The Fee is earned notwithstanding: (1) any subsequent termination of this Contract (except a termination by Seller or Purchaser pursuant to a right of termination in this Contract); or (2) any default by Seller. If the Closing does not occur due to Purchaser's default, and Seller does not elect to enforce specific performance, the Fee will not exceed one half of the Earnest Money. If either party defaults~~

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~~under this Contract, then the Fee will be paid within 10 days after the scheduled Closing Date, and the Title Company is authorized to pay the fee out of the Earnest Money or any other escrow deposit made pursuant to this Contract. If Seller defaults, then Seller's obligation to pay the Fee will not be affected if Purchaser chooses the remedy of terminating this Contract, and the amount of the Fee will not be limited to the amount of the Earnest Money or any other escrow deposit made pursuant to this Contract.~~

~~**B. Consent Required.** Purchaser, Seller and Title Company agree that the Brokers are third party beneficiaries of this Contract with respect to the Fee, and that no change may be made by Purchaser, Seller or Title Company as to the time of payment, amount of payment or the conditions for payment of the Fee without the written consent of the Brokers.~~

C. Right to Claim a Lien. Pursuant to Chapter 62 of the Texas Property Code, ^{"RW&A"} the Brokers hereby disclose their right to claim a lien based on the commission agreement set forth in this Contract and any other commission agreements applicable to the sale contemplated by this Contract. This disclosure is incorporated in any such commission agreements.

19. MISCELLANEOUS PROVISIONS.

A. Definition of Hazardous Materials. "Hazardous Materials" means any pollutants, toxic substances, oils, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, the Clean Water Act, as amended, or any other Federal, State or local environmental law, ordinance, rule, or regulation, whether existing as of the Effective Date or subsequently enacted.

B. Notices. All notices and other communications required or permitted under this Contract must be in writing and will be deemed delivered on the earlier of: (1) actual receipt, if delivered in person or by courier, with evidence of delivery; (2) receipt of an electronic facsimile ("Fax") transmission with confirmation of delivery to the Fax numbers specified in this Contract, if any; or (3) upon deposit with the United States Postal Service, certified mail, return receipt requested, postage prepaid, and properly addressed to the intended recipient at the address set forth in this Contract. Any party may change its address for notice purposes by delivering written notice of its new address to all other parties in the manner set forth above. Copies of all written notices should also be delivered to the Brokers and to the Title Company, but failure to notify the Brokers or the Title Company will not cause an otherwise properly delivered notice to be ineffective.

- 1. Seller also consents to receive any notices by email.
- 2. Purchaser also consents to receive any notices by email.

C. Termination. If this Contract is terminated for any reason, the parties will have no further rights or obligations under this Contract, except that: (1) Purchaser shall pay the costs to repair any damage to the Property caused by Purchaser or Purchaser's agents; and (2) each party shall perform any other obligations that, by the explicit provisions of this Contract, expressly survive the termination of this Contract. The obligations of this Section 19.C. will survive the termination of this Contract. The terms of any mutual termination agreement will supersede and control over the provisions of this Section 19.C. to the extent of any conflict.

D. Forms. In case of a dispute as to the form of any document required under this Contract, the most recent form prepared by the State Bar of Texas will be used, modified as necessary to conform to the terms of this Contract.

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E. Attorneys' Fees. The prevailing party in any proceeding brought to enforce this Contract, or brought relating to the transaction contemplated by this Contract, will be entitled to recover, from the non-prevailing party, court costs, reasonable attorneys' fees and all other reasonable related expenses.

F. Integration. This Contract contains the complete agreement between the parties with respect to the Property and cannot be varied except by written agreement. The parties agree that there are no oral agreements, understandings, representations or warranties made by the parties that are not expressly set forth in this Contract. Any prior written agreements, understandings, representations or warranties between the parties will be deemed merged into and superceded by this Contract, unless it is clear from the written document that the intent of the parties is for the previous written agreement, understanding, representation or warranty to survive the execution of this Contract.

G. Survival. Any representation or covenant contained in this Contract not otherwise discharged at the Closing will survive the Closing.

H. Binding Effect. This Contract will inure to the benefit of, and will be binding upon, the parties to this Contract and their respective heirs, legal representatives, successors and assigns.

I. Time for Performance. Time is of the essence under each provision of this Contract. Strict compliance with the times for performance is required.

J. Business Day. If any date of performance under this Contract falls on a Saturday, Sunday or Texas legal holiday, such date of performance will be deferred to the next day that is not a Saturday, Sunday or Texas legal holiday.

K. Right of Entry. After reasonable advance notice and during normal business hours, Purchaser, Purchaser's representatives and the Brokers have the right to enter upon the Property before the Closing for purposes of viewing, inspecting and conducting studies of the Property, so long as they do not unreasonably interfere with the use of the Property by Seller or any tenants, or cause damage to the Property.

L. Governing Law. This Contract will be construed under and governed by the laws of the State of Texas, and unless otherwise provided in this Contract, all obligations of the parties created under this Contract are to be performed in the county where the Property is located.

M. Severability. If any provision of this Contract is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the invalid, illegal, or unenforceable provision will not affect any other provisions, and this Contract will be construed as if the invalid, illegal, or unenforceable provision is severed and deleted from this Contract.

N. Broker Disclaimer. ~~The Brokers will disclose to Purchaser any material factual knowledge the Brokers may possess about the condition of the Property. Purchaser understands that a real estate broker is not an expert in matters of law, tax, financing, surveying, hazardous materials, engineering, construction, safety, zoning, land planning, architecture, or the Americans with Disabilities Act. Purchaser should seek expert assistance on such matters. The Brokers do not investigate a property's compliance with building codes, governmental ordinances, statutes and laws that relate to the use or condition of the Property or its construction, or that relate to its acquisition. Purchaser is not relying upon any representations of the Brokers concerning permitted uses of the Property or with respect to any nonconformance of the Property. If the Brokers provide names of consultants or sources for advice or assistance, the Brokers do not warrant the services of the advisors or their products. The Brokers cannot warrant the suitability of property to be acquired. Purchaser acknowledges that current and future federal, state and local laws and regulations may~~

BA RW

~~require any Hazardous Materials to be removed at the expense of those persons who may have had or continue to have any interest in the Property. The expense of such removal may be substantial. Purchaser agrees to look solely to experts and professionals selected or approved by Purchaser to advise Purchaser with respect to the condition of the Property and will not hold the Brokers responsible for any condition relating to the Property. The Brokers do not warrant that Seller will disclose any or all property defects or other matters pertaining to the Property or its condition. Seller and Purchaser agree to hold the Brokers harmless from any damages, claims, costs and expenses including, but not limited to, reasonable attorneys' fees and court costs, resulting from or related to any person furnishing any false, incorrect or inaccurate information with respect to the Property, Seller's concealing any material information with respect to the condition of the Property, or matters that should be analyzed by experts. To the extent permitted by applicable law, the Brokers' liability for errors or omissions, negligence, or otherwise, is limited to the return of the Fee, if any, paid to the responsible Broker pursuant to this Contract. The parties agree that they are not relying upon any oral statements that the Brokers may have made. Purchaser is relying solely upon Purchaser's own investigations and the representations of Seller, if any, and Purchaser acknowledges that the Brokers have not made any warranty or representation with respect to the condition of the Property or otherwise.~~

O. Counterparts. This Contract may be executed in a number of identical counterparts, and all counterparts will be construed together as one agreement. Any signed counterpart transmitted by Fax or email has the same effect as an original.

P. Patriot Act Representation. Seller and Purchaser each represent to the other that: (1) its property interests are not blocked by Executive Order No. 13224, 66 Fed. Reg. 49079; (2) it is not a person listed on the Specially Designated Nationals and Blocked Persons list of the Office of Foreign Assets Control of the United States Department of the Treasury; and (3) it is not acting for or on behalf of any person on that list.

Q. Exchange. Seller and Purchaser shall cooperate with each other in connection with any tax deferred exchange that either party may be initiating or completing in connection with Section 1031 of the Internal Revenue Code, so long as neither party will be required to pay any expenses related to the other party's exchange and the Closing is not delayed. Notwithstanding any other provision that may prohibit the assignment of this Contract, either party may assign this Contract to a qualified intermediary or exchange accommodation title holder, if the assignment is required in connection with the exchange. The parties agree to cooperate with each other, and sign any reasonable documentation that may be required, to effectuate any such exchange.

20. STATUTORY NOTICES.

A. Abstract or Title Policy. At the time of the execution of this Contract, Purchaser acknowledges that the Brokers have advised and hereby advise Purchaser, by this writing, that Purchaser should have the abstract covering the Property examined by an attorney of Purchaser's own selection or that Purchaser should be furnished with or obtain a policy of title insurance.

B. Notice Regarding Unimproved Property Located in a Certificated Service Area. If the Property is unimproved and is located in a certificated service area of a utility service, then Seller shall give to Purchaser a written notice in compliance with §13.257 of the Texas Water Code, and Purchaser agrees to acknowledge receipt of the notice in writing. The notice must set forth the correct name of utility service provider authorized by law to provide water or sewer service to the Property, and must comply with all other applicable requirements of the Texas Water Code.

JA *PK*

~~G. Special Assessment Districts.~~ If the Property is situated within a utility district or flood control district subject to the provisions of §40.452 of the Texas Water Code, then Seller shall give to Purchaser the required written notice and Purchaser agrees to acknowledge receipt of the notice in writing. The notice must set forth the current tax rate, the current bonded indebtedness and the authorized indebtedness of the district, and must comply with all other applicable requirements of the Texas Water Code.

~~D. Property Owners' Association.~~ If the Property is subject to mandatory membership in a property owners' association, Seller shall notify Purchaser of the current annual budget of the property owners' association, and the current authorized fees, dues and/or assessments relating to the Property. In addition, Seller shall give to Purchaser the written notice required under §5.012 of the Texas Property Code, if applicable, and Purchaser agrees to acknowledge receipt of the notice in writing. Also, Seller shall give to Purchaser the resale certificate required under Chapter 207 of the Texas Property Code, if applicable, and Purchaser agrees to acknowledge receipt of the resale certificate in writing.

~~E. Notice Regarding Possible Annexation.~~ If the Property that is the subject of this Contract is located outside the limits of a municipality, the Property may now or later be included in the extraterritorial jurisdiction of the municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

~~F. Notice Regarding Coastal Area Property.~~ If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, then Seller shall give to Purchaser a written notice regarding coastal area property, in compliance with §33.135 of the Texas Natural Resources Code, and Purchaser agrees to acknowledge receipt of the notice in writing.

~~G. Gulf Intraoceanal Waterway Notice.~~ If the Property is located seaward of the Gulf Intraoceanal Waterway, then Seller shall give to Purchaser a written notice regarding the seaward location of the Property, in compliance with §61.025 of the Texas Natural Resources Code, and Purchaser agrees to acknowledge receipt of the notice in writing.

~~H. Notice for Property Located in an Agricultural Development District.~~ If the Property is located in an agricultural development district, then in accordance with §60.063 of the Texas Agricultural Code: (1) Seller shall give to Purchaser a written notice that the Property is located in such a district; (2) Purchaser agrees to acknowledge receipt of the notice in writing; and (3) at the Closing, a separate copy of the notice with current information about the district will be executed by Seller and Purchaser and recorded in the deed records of the county in which the Property is located.

~~I. Certificate of Mold Remediation.~~ If a certificate of mold remediation has been issued for the Property under Section 1959.154 of the Occupations Code within the preceding five years, Seller is required to provide a copy of the certificate to Purchaser.

JA PRC

~~J. Notice of Water Level Fluctuations. If the Property adjoins a lake, reservoir, or other impoundment of water that has a storage capacity of at least 5,000 acre feet at the impoundment's normal operating level, then the following notice applies:~~

~~NOTICE OF WATER LEVEL FLUCTUATIONS: The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions.~~

~~K. Disclosure of Dual Capacity as Broker and Principal. [Complete if applicable]~~

~~_____ is a licensed Texas real estate agent and is acting in a dual capacity as broker for the Purchaser and as a principal in this transaction, as he or she may be the Purchaser (or one of the owners of the Purchaser after any assignment of this Contract).~~

~~_____ is a licensed Texas real estate agent and is acting in a dual capacity as broker for the Seller and as a principal in this transaction, as he or she may be the Seller (or one of the owners of the Seller).~~

21. DISPUTE RESOLUTION.

A. Mediation. If any dispute (the "Dispute") arises between any of the parties to this Contract including, but not limited to, payment of the Fee, then any party (including any Broker) may give written notice to the other parties requiring all involved parties to attempt to resolve the Dispute by mediation. Except in those circumstances where a party reasonably believes that an applicable statute of limitations period is about to expire, or a party requires injunctive or equitable relief, the parties are obligated to use this mediation procedure before initiating arbitration or any other action. Within seven days after receipt of the mediation notice, each party must deliver a written designation to all other parties stating the names of one or more individuals with authority to resolve the Dispute on such party's behalf. Within 14 days after receipt of the mediation notice, the parties shall make a good faith effort to select a qualified mediator to mediate the Dispute. If the parties are unable to timely agree upon a mutually acceptable mediator, any party may request any state or federal judge to appoint a mediator. In consultation with the mediator, the parties shall promptly designate a mutually convenient time and place for the mediation that is no later than 30 days after the date the mediator is selected. In the mediation, each party must be represented by persons with authority and discretion to negotiate a resolution of the Dispute, and may be represented by counsel. The mediation will be governed by applicable provisions of Chapter 154 of the Texas Civil Practice and Remedies Code, and such other rules as the mediator may prescribe. The fees and expenses of the mediator will be shared equally by all parties included in the Dispute.

B. Arbitration. If the parties are unable to resolve any Dispute by mediation, then the parties (including the Brokers) shall submit the Dispute to binding arbitration before a single arbitrator. The Dispute will be decided by arbitration in accordance with the applicable arbitration statute and any rules selected by the arbitrator. After an unsuccessful mediation, any party may initiate the arbitration procedure by delivering a written notice of demand for arbitration to the other parties. Within 14 days after the receipt of the written notice of demand for arbitration, the parties shall make a good faith effort to select a qualified arbitrator acceptable to all parties. If the parties are unable to agree upon the selection of an arbitrator, then any party may request any state or federal judge to appoint an arbitrator. This agreement to arbitrate will be specifically enforceable under the prevailing arbitration law.

SH RW

22. CONSULT AN ATTORNEY. This Contract is a legally binding agreement. The Brokers cannot give legal advice. The parties to this Contract acknowledge that they have been advised to have this Contract reviewed by legal counsel before signing this Contract.

Purchaser's attorney:

Name: _____
Address: _____

Phone: _____
Fax: _____
Email: _____

Seller's attorney:

Name: _____
Address: _____

Phone: _____
Fax: _____
Email: _____

23. EXHIBITS AND ADDENDA. All Exhibits and Addenda attached to this Contract are incorporated herein by reference and made a part of this Contract for all purposes **[check all that apply]:**

- | | | |
|-------------------------------------|--------------|--------------------------------------|
| <input checked="" type="checkbox"/> | Exhibit "A" | Legal Description |
| <input type="checkbox"/> | Exhibit "B" | Site Plan |
| <input type="checkbox"/> | Exhibit "C" | Information About Brokerage Services |
| <input checked="" type="checkbox"/> | Exhibit "D" | <u>Release Provisions</u> |
| <input type="checkbox"/> | Addendum A | Schedule of Personal Property |
| <input type="checkbox"/> | Addendum B-1 | Third Party Financing |
| <input checked="" type="checkbox"/> | Addendum B-2 | Seller Financing |
| <input type="checkbox"/> | Addendum B-3 | Existing Loan |
| <input checked="" type="checkbox"/> | Addendum C | Disclosure Notice |
| <input type="checkbox"/> | Addendum D | Lead Based Paint |
| <input checked="" type="checkbox"/> | Addendum E | Additional Provisions |
| <input type="checkbox"/> | Addendum F | _____ |

24. CONTRACT AS OFFER. The execution of this Contract by the first party to do so constitutes an offer to purchase or sell the Property. If the other party does not accept that offer by signing this Contract and delivering a fully executed copy to the first party by the earlier of this date _____ or the date that is 10 days after the date this Contract is executed by the first party, then that offer will be deemed to have been automatically withdrawn, in which case the Earnest Money, if any, will be returned to Purchaser. Any acceptance of an offer that has been withdrawn will be effective only if the party that withdrew the offer subsequently agrees to the acceptance either in writing or by course of conduct.

25. ADDITIONAL PROVISIONS. *[Additional provisions may be set forth below or on any attached Addendum].*

A. Exhibit "D" Release Provisions:


"D" 1) No credit toward first (2) tracts released for Purchaser's down payment.

DA *PM*

This Contract is executed to be effective as of the date the Title Company acknowledges receipt of this fully executed Contract as indicated by the signature block for the Title Company (the Effective Date).

SELLER:

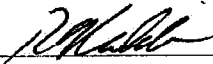
**South Mayfield, L.P.
By Warehouse Holdings, G.P., Inc.
Its General Partner**

By: (Signature) 
Name: Ron Walden
Title: V.P.
Date of Execution: 10/16/17

By: (Signature) _____
Name: _____
Title: _____
Date of Execution: _____

PRINCIPAL BROKER:

R. Walden & Associates, Inc.

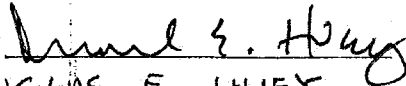
By: (Signature) 
Name: R. Walden
Title: President

Address: 777 E. 15th St., Ste. 202
Plano, TX 75074

Phone: (214)405-0775
Fax: (972)423-3116
Email: Ronwalden202@aol.com
TREC License No.: _____

PURCHASER:

Huey Investments, Inc. and/or Assigns

By: (Signature) 
Name: DOUGLAS E. HUEY
Title: President
Date of Execution: 10/20/17

By: (Signature) _____
Name: _____
Title: _____
Date of Execution: _____

COOPERATING BROKER:

By: (Signature) _____
Name: _____
Title: _____

Address: _____

Phone: _____
Fax: _____
Email: _____
TREC License No.: _____

TITLE COMPANY RECEIPT: The Title Company acknowledges receipt of this Contract on October 20, 2017 (the **Effective Date**). Upon receipt of the Earnest Money, the Title Company accepts the Earnest Money subject to the terms and conditions set forth in this Contract.

TITLE COMPANY:

Republic Title Company of Texas, Inc.

By: (Signature) Patti Windle

Name: Patti Windle

Title: Jr. Vice President

Address: 2626 Howell St., 10th Floor

Dallas, TX 75204-4064

Phone: _____

Fax: _____

Email: _____

pwindle@republictitle.com

214.754.7772

972.516.2525

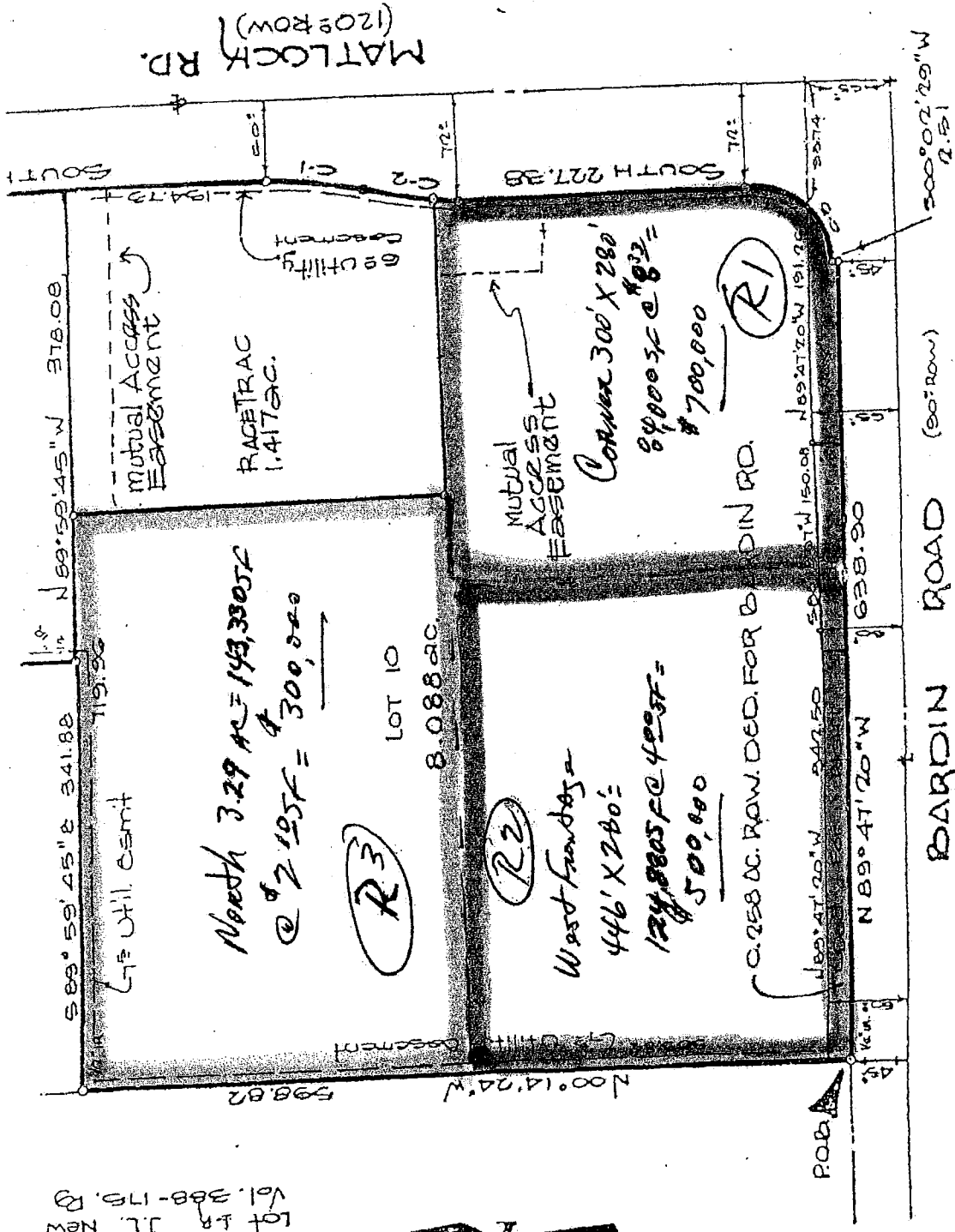
PERMISSION TO USE: This form is provided for use by members of the North Texas Commercial Association of Realtors®, Inc. ("NTCAR"), members of the North Texas Commercial Association of Real Estate Professionals, Inc., and other licensed users of an NTCAR electronic forms system. Permission is given to make limited copies of the current version of this form for use in a particular Texas real estate transaction. Please contact the NTCAR office to confirm you are using the current version of this form. Mass production, or reproduction for resale, is not allowed without express permission. Any changes to this form must be made in a manner that is obvious. If any words are deleted, they must be left in the form with a line drawn through them. If changes are made that are not obvious, the person who made the change could be subject to a claim of fraud or misrepresentation for passing off an altered form as if it were the genuine NTCAR form.

**NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS®
EXHIBIT "A" TO COMMERCIAL CONTRACT OF SALE
LEGAL DESCRIPTION**

Property address or description: _____

8.088 Acres more or less, northwest corner of Matlock Rd. and Bardin Rd., Arlington, TX

JA *PK*



Lot for JL New
Vol. 388-175, B



Exhibit (Releases)

Handwritten initials or signature.

**NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS®
ADDENDUM B-2 TO COMMERCIAL CONTRACT OF SALE
SELLER FINANCING**

Property address or description: 8.088 Acres more or less, northwest corner of Matlock Rd. and Bardin Rd., Arlington, TX

1. Promissory Note. At the Closing, Purchaser shall execute and deliver a promissory note (the "Note") payable to the order of Seller in the amount of \$ 800,000.00 with interest at Five Point Zero percent (5.000 %) per annum, and payable upon the following terms and conditions:

A. In one payment due in full on _____ together with accrued interest.

B. Amortized over 25 years in installments of \$ _____, including interest, plus interest, beginning Ninety (90) days after the date of the Note and continuing at regular quarterly intervals thereafter for 5 years, when the entire unpaid principal balance of the Note and the accrued unpaid interest will then be due and payable.

C. Interest only in _____ installments beginning _____ after the date of the Note for the first _____ years and continuing thereafter until _____, and thereafter in _____ installments of \$ _____ including interest, plus interest, beginning _____ after the date of the Note and continuing at regular _____ intervals thereafter for _____ years, when the entire unpaid principal balance of the Note and the accrued unpaid interest will then be due and payable.

2. Limit of Personal Liability. [To limit personal liability under the Note, check this box]:

The Note will contain nonrecourse provisions limiting Purchaser's personal liability. The noteholder will look only to the collateral provided by the Vendor's Lien, the Deed of Trust and Assignment of Leases to enforce the payment of the Indebtedness and will not seek a deficiency against Purchaser, except for: (1) failure to pay property taxes; (2) misapplication of insurance proceeds or condemnation awards (to the extent not applied to restore the Property or pay the Note); (3) misapplication of prepaid rents (to the extent not applied to pay operating expenses of the Property or pay the Note); and (4) security deposits (to the extent received by Purchaser and not paid to the noteholder or properly refunded to tenants). Any nonrecourse provision will not be construed to impair the rights of noteholder to foreclose upon the liens securing the Note.

3. Security. The Note will be secured by a Vendor's Lien, a Deed of Trust and an Assignment of Leases. The Note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing, and interest will cease on the prepaid principal. The lien securing payment of the Note will be inferior to any lien securing any other promissory note described in this Contract. If an Owner Policy of Title Insurance is furnished, Purchaser shall furnish Seller with a Loan Policy of Title Insurance, and the additional premium for simultaneous issuance of the loan policy will be paid by Purchaser. The Deed of Trust securing the Note will include a provision that any act or occurrence that would constitute default under the terms of any superior lien will constitute a default under the Deed of Trust securing the Note. The Deed of Trust will contain provisions for acceleration of maturity in the event of default or, at the noteholder's option, in the event all or part of the Property is sold, transferred, or further

But 2/11

encumbered without the prior written consent of the noteholder. The Deed of Trust will include a provision for the payment of reasonable attorney's fees if the Note is placed in the hands of an attorney for collection.

4. **Payments.** The ~~Deed~~^{quarterly} of Trust will provide for Purchaser to deposit in escrow with the noteholder additional ~~monthly~~^{fourth} amounts equal to one ~~twelfth~~ of the total annual costs of ad valorem taxes, ~~casualty insurance premiums, property owners' association dues,~~ and any other assessments on the Property. If any payments on the Note are not made when due, Seller may, at Seller's option, impose a late fee on any payment that is more than 10 days past due in an amount not to exceed 5% of the past due amount, but in any event not to exceed the maximum amount allowed by law. A late charge may be imposed only once on each past due payment. Payments received by the noteholder will be applied first to any late fees, second to escrow payments due, third to accrued and unpaid interest, and last to the unpaid principal balance of the Note.

5. ~~Credit Approval.~~ To establish Purchaser's creditworthiness, ~~Purchaser will deliver to Seller the following information ("Purchaser's Financial Documentation") within seven days after the Effective Date of this Contract:~~

- ~~(a) verification of employment, including salary, if Purchaser is an individual;~~
- ~~(b) verification of funds on deposit in financial institutions;~~
- ~~(c) current financial statements including a balance sheet and an income statement;~~
- ~~(d) a credit report, or authorization for Seller to obtain a credit report;~~
- ~~(e) tax returns for the preceding three years; and~~
- ~~(f) _____~~

~~If Purchaser does not timely deliver Purchaser's Financial Documentation or Seller determines, in Seller's sole discretion, that Purchaser's creditworthiness is not acceptable, Seller may terminate this Contract by giving a written notice to Purchaser on or before the date that is 21 days after the Effective Date, in which case the Earnest Money will be returned to Purchaser. If Seller does not timely terminate this Contract under this section, Seller will be deemed to have accepted Purchaser's credit.~~

DJA [Signature]

**NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS®
ADDENDUM C TO COMMERCIAL CONTRACT OF SALE
DISCLOSURE NOTICE**

Property address or description: _____
7.5 Acres more or less, southeast corner of Campbell Rd. and North Garland Rd.

This Disclosure Notice (this "Notice") is a statement by Seller of the condition of the Property made as of the date of this Contract. This is not a substitute for any inspections Purchaser may make or for warranties that may be made by others. **To best of Seller's knowledge**, other than disclosed by Seller in this Notice: (1) the Property does not have any material latent, structural, or construction defects; (2) the Property is not contaminated with Hazardous Materials in violation of applicable laws and regulations; (3) none of the improvements on the Property has been constructed of materials known to be a potential health hazard to occupants of the Property; and (4) the following information is true and correct in all material respects, and Seller has included any material fact concerning the Property of which Seller is aware. **These representations are not warranties or guarantees by Seller.** Seller authorizes the Brokers to disclose to Purchaser all information about the condition of the Property whether disclosed to the Brokers by Seller orally or in writing (by this Notice or otherwise), or otherwise discovered. Seller shall advise Purchaser and the Brokers of any other material fact or condition, not reported here, that may arise or become known to Seller before the Closing. These representations are made by Seller only and are not representations of the Brokers. Seller acknowledges that Purchaser and the Brokers will be relying upon the accuracy and completeness of this information.

Please answer all questions. If the answer to any question is "Yes," explain on a separate sheet.

	N/A	YES	NO	UNKNOWN
1. Buildings and Improvements. Are there any defects or repairs needed to the following?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Roof, parapets, flashing, penetrations, chimneys, skylights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Air conditioning, refrigeration, heating, ventilating systems, air ducting, fans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Foundation piers, slabs, grade beams, footings, retaining walls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Floors, interiors, floor coverings, ceilings, millwork, partitions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Exterior walls, curtain walls, weather proofing, caulking	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Structural components, columns, trusses, beams, bracing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Electrical systems, wiring, lighting, fixtures and equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Plumbing systems, piping, drains, valves, fixtures and equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Elevators, escalators, overhead doors, other built-in mechanical equipment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Windows, doors, plate glass, canopies, other architectural features	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Parking areas, driveways, steps, walks, curbs and other pavements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Landscaping, irrigation systems, embankments, fences, signs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Hazardous Materials. Have there been any Hazardous Materials:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a. Released or deposited on or under or about the Property, or leaking on or from the Property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Used in the construction of the improvements or in finishing materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Released or deposited on or leaking from other properties contiguous to the Property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

DA *290*

N/A YES NO UNKNOWN

3. Subsurface Conditions.

- a. Are there any material soil, geological, groundwater, or foundation problems? N/A YES NO UNKNOWN
- b. Are there underground storage tanks or leaking pipes on the Property? N/A YES NO UNKNOWN
- c. Is the Property situated in a wetland or over a garbage dump or waste landfill? N/A YES NO UNKNOWN

4. Special Conditions.

- a. Are there any public or private easements or agreements for utilities or access? N/A YES NO UNKNOWN
- b. Is the Property flood prone or located in a 100-year flood plain? N/A YES NO UNKNOWN
- c. Are there any violations of building codes, zoning ordinances, EPA regulations, OSHA regulations, or Texas Commission on Environmental Quality rules? N/A YES NO UNKNOWN
- d. Are there any violations of Deed Restrictions covering the Property? N/A YES NO UNKNOWN
- e. Are there any threatened condemnations by public authorities or utility companies, including planned streets, highways, railroads, utilities, or development projects? N/A YES NO UNKNOWN
- f. Is the Property located in a historical district or planned development district? N/A YES NO UNKNOWN
- g. Is the Property in any special zoning district or under a specific use permit? N/A YES NO UNKNOWN
- h. Are there any pending changes in zoning or in the physical condition of the Property? N/A YES NO UNKNOWN
- i. Is the Property subject to membership in a property owners' association or dues? N/A YES NO UNKNOWN

5. Utilities Present. (Strike those not on the Property): ~~City Water, Sanitary Sewer, Storm Drainage, Natural Gas, Electricity.~~

4. a., b. - Survey will disclose easements and 100 year floor plan

Handwritten signatures: JH and RW

**NORTH TEXAS COMMERCIAL ASSOCIATION OF REALTORS®
ADDENDUM E TO COMMERCIAL CONTRACT OF SALE
ADDITIONAL PROVISIONS**

Property address or description: _____

8.088 Acres more or less, northwest corner of Matlock Rd. and Bardin Rd., Arlington, TX

See Page 22 of Contract

DA RW

FIRST AMENDMENT
TO
COMMERCIAL CONTRACT OF SALE

THIS FIRST AMENDMENT TO COMMERCIAL CONTRACT OF SALE (this "**Amendment**") is made and entered into as of the 21ST day of December, 2018, by and between SOUTH MAYFIELD, L.P. a Texas limited partnership (the "**Seller**"), and HUEY INVESTMENTS, INC., a Texas corporation (the "**Purchaser**"),.

RECITALS:

A. Purchaser and Seller have entered into a certain Commercial Contract of Sale dated effective as of October 20, 2017, the "**Contract**"), providing for the sale and purchase of 8.088 acres, more or less, located at the northwest corner of Matlock Road and Bardin Road, in the City of Arlington, Tarrant County, Texas (the "**Property**") more particularly described in the Contract.

C. Purchaser and Seller desire to amend the Contract in certain respects.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Purchaser and Seller agree as follows.

1. **Defined Terms.** All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Contract. Except as amended herein, the terms and conditions of the Contract shall remain in full force and effect. In the event of a conflict between the terms of the Contract and the terms of this Amendment and Reinstatement, this Amendment and Reinstatement shall govern and control.

2. **Additional Earnest Money.** Contemporaneously with the execution of this Amendment, Purchaser shall deposit with the Title Company the sum of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00) as "**Additional Earnest Money**" (herein so called). The Additional Earnest Money, together with the original \$5,000.00 currently being held in escrow by the Title Company pursuant to the Contract shall hereinafter constitute the "**Earnest Money**". The Earnest Money shall be non-refundable except in the event of a default by Seller or the occurrence of a condemnation, but shall be applicable to the Purchase Price at Closing. Upon deposit of the Additional Earnest Money, all of the Earnest Money will be released to the Seller.

3. **Dates and Time Periods.** Notwithstanding anything to the contrary in the Contract, all time periods for performance provided under the Contract shall run forward for the same number of days as if the effective date of the Contract was the date of this Amendment.

4. **Seller Financing.** Section 1 of Addendum B-2 - Seller Financing attached to and made a part of the Contract entitled "Promissory Note" is hereby amended to delete "interest at five point zero percent (5.000%) per annum" and replace it with "six percent (6%) per annum."

5. **Survey.** Section 5.A. of the Contract is amended in the following respects:

- a) Notwithstanding anything to the contrary in Section 5.A. of the Contract, Seller agrees to obtain an ALTA land title boundary survey of the Property prepared by a surveyor licensed in the State of Texas, certified to Purchaser, Seller and the Title Company, sufficient to amend the standard boundaries and encroachments exception to "shortages in area".
- b) At Closing, Seller shall give Purchaser a credit against the Purchase Price for the lesser of (i) the actual cost of the survey and (ii) \$7,500.00.

6. **Consent to Third Party Contract or Assignment.** Notwithstanding anything to the contrary in the Contract, Seller agrees that Purchaser shall be permitted, during the executory period of the Contract, to (a) enter into a contract or contracts to sell the Property to a third party or (b) assign the Contract to a third party for consideration, in which case Seller shall not be entitled to any of such consideration for such assignment or the proceeds of the sale of the Property so long as Purchaser or the assignee of Purchaser pays Seller the Purchase Price agreed to herein at Closing; however, Purchaser may not close on a third-party contract until this Contract is closed.

7. **Closing Date.** Section 15. A. of the Contract is hereby amended such that the Closing Date shall be the later of (a) 30 days after the expiration of the Inspection Period or (b) the date that the rezoning ordinance for the Property has been adopted and platting of the Property has been approved by the City Council of the Arlington, but in no event later than 120 days after the expiration of the Inspection Period.

8. **Binding Agreement.** This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

9. **Ratification.** The Contract, as restated and amended hereby, is in full force and effect and is hereby ratified, adopted and confirmed as hereby amended.

10. **Miscellaneous.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument. Delivery of an executed counterpart of this Amendment electronically or by telecopy shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Amendment electronically or by telecopy shall also deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Amendment. Signature, initial and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Amendment to physically form one (1) executed document.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

SELLER:

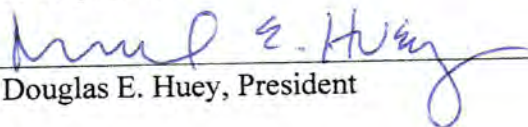
SOUTH MAYFIELD, L.P.
a _____ limited partnership

By: Warehouse Holdings G.P., Inc.
a _____ corporation,
its general partner

By: _____
Ron Walden, Vice President

PURCHASER:

HUEY INVESTMENTS, INC.,
a Texas corporation

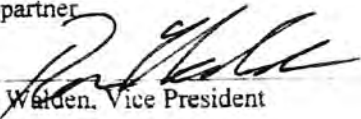
By:  _____
Douglas E. Huey, President

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

SELLER:

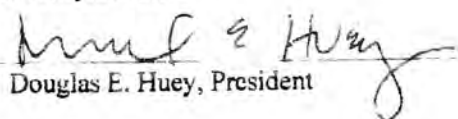
SOUTH MAYFIEL, L.P.
a Texas limited partnership

By: Warehouse Holdings G.P., Inc.
a Texas corporation,
its general partner

By: 
Ron Warden, Vice President

PURCHASER:

HUEY INVESTMENTS, INC.,
a Texas corporation

By: 
Douglas E. Huey, President

Attachment 7

SECONDDAMENDMENT TO COMMERCIAL CONTRACT OF SALE

THIS SECOND AMENDMENT TO COMMERCIAL CONTRACT OF SALE (this "**Amendment**") is made and entered into as of the 28th day of January, 2019, by and between **SOUTH MAYFIELD, L.P.** a Texas limited partnership (the "**Seller**"), and **HUEY INVESTMENTS, INC.**, a Texas corporation (the "**Purchaser**"),.

RECITALS:

A. Purchaser and Seller have entered into a certain Commercial Contract of Sale dated effective as of October 20, 2017, the "**Original Contract**"), providing for the sale and purchase of 8.088 acres, more or less, located at the northwest corner of Matlock Road and Bardin Road, in the City of Arlington, Tarrant County, Texas (the "**Property**") more particularly described in the Contract.

B. Purchaser and Seller amended the Original Contract by First Amendment to Commercial Contract of Sale dated as of December 21, 2018 (the "**First Amendment**"); the Original Contract, as amended by the First Amendment is hereinafter referred to as the "**Contract**".

C. Purchaser and Seller desire to further amend the Contract

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Purchaser and Seller agree as follows.

1. Defined Terms. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the Contract. Except as amended herein, the terms and conditions of the Contract shall remain in full force and effect. In the event of a conflict between the terms of the Contract and the terms of this Amendment, this Amendment shall govern and control.

2. Inspection Period. The first sentence of Section 10.B.(1) of the Contract is hereby deleted in its entirety and replaced with the following: "Purchaser shall have until April 1, 2019 (the "**Inspection Period**") to inspect the Property and conduct studies regarding the Property."

- a) "**Inspection Period Extensions.** Purchaser shall have the right to extend the Inspection Period for two (2) additional periods: (1) until June 1, 2019, and (2) until August 1, 2019. Purchaser must request the applicable extension period by delivering to the Title Company, prior to the expiration of the Inspection Period or the current extension period, as applicable, written notice thereof, along with \$10,000.00 (the "**Extension Payment**"). The Extension Payments shall be non-refundable absent a Seller default and applied to the Purchase Price at Closing. Any Extension Payment paid by Purchaser to the Title Company shall be immediately released by the Title Company to the Seller.

- b) **Characterization and Disposition of Earnest Money and Extension Payments.** The Earnest Money and any Extension Payment, if and when paid to Seller, shall be non-refundable to Purchaser, unless Seller defaults at Closing, in which event the terms of Section 16.A. of the Contract shall apply. The Earnest Money and any Extension Payments shall be applied to the Purchase Price at Closing, but if Closing does not occur due to the default of Purchaser or due to Purchaser's termination of this Contract for any reason other than Seller's default at Closing, Seller may retain The Extension Payments theretofore made to Seller as consideration for entering into the Contract and allowing Purchaser to conduct its inspections, studies and assessments of the Property under the Contract."
3. **Closing.** Section 15. of the Contract is hereby deleted in its entirety and replaced with the following: "The Closing of the sale will be on or before thirty (30) days after the expiration of the Inspection Period, subject extension as provided in this Amendment below (the "**Closing Date**"). Purchaser shall have a one time right to extend the Closing Date to November 1, 2019 (the "**Closing Extension**"). Purchaser must request the Closing Extension by delivering to Seller, prior to the expiration of the original Closing Date, written notice thereof, along with \$10,000.00 (the "**Closing Extension Fee**"). The Closing Extension Fee shall not be applied to the Purchase Price at Closing and may be retained by Seller regardless of whether the closing occurs, unless Seller defaults at Closing, in which event the terms of Section 16.A. of the Contract shall apply. The Closing Extension Fee paid by Purchaser to the Title Company shall be immediately released by the Title Company to the Seller.
4. **Re-Zoning.** Prior to the expiration of the Inspection Period, as same may be extended as set forth in Section 2.a) of this Amendment, the Property shall be appropriately zoned for the intended use of Purchaser. Any change in zoning must be accomplished by Purchaser at its sole cost and expense. Within three (3) days after the date the Property is rezoned for Purchaser's use, Purchaser shall pay to Seller a "**Rezoning Fee**" (herein so called) in the amount of \$10,000.00. The Rezoning Fee shall be non-refundable to Purchaser and shall be applied to the Purchase Price at Closing; provided, however, if Closing does not occur due to the default of Purchaser or due to Purchaser's termination of this Contract for any reason other than Seller's default at Closing, Seller may retain the Rezoning Fee to cover Seller's costs to rezone the Property to its former classification.
5. **Closing Conditions.** The following is added to the Contract as Section 10.D: "**Conditions Precedent**" In the event that any condition precedent in this Section 10.D is not satisfied by the date specified in this Section 10. D., Purchaser shall have the right to (a) extend the time for performance of such condition precedent up to fifteen (15) days and the Closing will be extended as necessary, but in no event shall Closing occur later than November 1, 2019; or (b) terminate the Contract by delivering written notice thereof to Seller.
- a) **Subdivided.** Prior to the expiration of the Inspection Period, as same may be extended as set forth in Paragraph 2.a), if the Property is part of a larger

parcel belonging to Seller, the Property shall be subdivided from the larger parcel and/or platted. Conversely, if Property is part of several smaller parcels belonging to Seller, the Property shall be combined into a single parcel and/or platted.

- b) Utilities. Prior to the end of the Inspection Period, as same may be extended as set forth in Section 2.a) above, Purchaser shall have received utility will-serve letters confirming that all necessary utilities are available in sufficient capacity to service the Property for its intended purpose without unusual or extraordinary expense to Purchaser other than standard "tap in" fees.
- c) Governmental Approvals. Prior to the expiration of the Inspection Period, as same may be extended as set forth in Section 2.a) above, Purchaser shall have received all necessary and customary governmental approvals necessary for Purchaser to develop and operate the Property for its intended purpose, including without limitation, those for utilities, zoning, special uses, building construction, site construction and off-site improvements (such as road widening easements and permits from applicable departments of transportation, and ingress/egress easements), and/or approval of a final site plan for the proposed development along with utility commitments and required capacity for the intended number of units. All such approvals, permits and allocations, and any conditions imposed thereon, must be acceptable to Purchaser in its sole discretion.

Performance Date	Beginning Date	Expiration Date	Amount of Deposit	Amount Applicable to Purchase Price
Effective Date	October 20, 2017		\$5,000.00	YES
Second Deposit	December 21, 2018		\$20,000.00	YES
Inspection Period	December 21, 2018	April 1, 2019	If Purchaser terminates all EM refunded. If Purchaser does not terminate, all earnest money delivered to Seller.	

Survey		March 1, 2019		
Title Commitment		February 7, 2019		
Title & Survey Objections Due Date		30 days after receipt of title commitment, exception documents and survey		
Seller's response to Title Objections		15 days after receipt of Objections.		
Purchaser's right to terminate or waive objections		5 days after the 15 day period immediately above terminates		
Delivery of Extension Payment for First Extension		April 1, 2019	\$10,000.00 Extension Fee	YES
First Extension of Inspection Period	April 2, 2019	June 1, 2019		
Delivery Date for Extension Payment for Second Extension of Inspection Period		June 1, 2019	\$10,000.00	YES
Second Extension to Inspection Period	June 2, 2019	August 1, 2019		
Property is rezoned by Purchaser	Date of Rezoning		\$10,000.00	YES
Closing Date		August 31, 2019		
Delivery of Closing Extension Fee		August 1, 2019	\$10,000.00	NO
Closing Extension	September 1, 2019	November 1, 2019		

Last Day to Close		November 1, 2019	<p>If Purchaser closes, the balance of Purchase Price delivered to Seller</p> <p>If Closing does not occur, there will be no further amounts delivered or paid..</p>	<p>If Closing occurs, Buyer will deliver the balance of the Purchase Price at Closing.</p> <p>If Closing does not occur, no additional amount will be delivered and if there is no Seller default existing,, Seller keeps all amounts previously paid to Seller or held in escrow by the Title Company.</p>
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6. Timeline of Contract. If the Project to be developed on the Property,

- a) is unable to obtain support from City Council or other pertinent elected officials as required for the financing of the project, OR,
- b) if Purchaser does not meet the below “**Target Dates**” (herein so called and listed in Section 7 of this Amendment), then Purchaser and Seller agree to a revised timeline for the Contract within thirty (30) days, then Purchaser will exercise its First and Second Extensions and the Closing Extension as needed and will pay Seller the applicable Extension Payments and Closing Extension Fee, as applicable. If a mutually acceptable timeline is not agreed upon, then Seller may terminate the contract and retain the Earnest Money and all Extension Payments and the Closing Extension Payment theretofore paid to Seller.

7. Target Dates.

- a) Meet with elected officials within 30 days.
- b) Prepare project description within 30 days
- c) Pre-application due 1/09/19
- d) Survey due 3/1/19
- e) City Council support 3/1/19
- f) Final application due 3/1/19
- g) Third party reports due 4/1/19
- h) State Representative Tony Tinderholt support 4/1/19

8. Right to Terminate. Purchaser shall have the right to terminate the Contract at any time prior to Closing, subject to the terms of hereof regarding the Earnest Money, the Extension Payments and Closing Extension Fee.

9. Binding Agreement. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

10. Ratification. The Contract, as restated and amended hereby, is in full force and effect and is hereby ratified, adopted and confirmed as hereby amended.

11. Miscellaneous. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed one and the same instrument. Delivery of an executed counterpart of this Amendment electronically or by telecopy shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Amendment electronically or by telecopy shall also deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Amendment. Signature, initial and acknowledgment pages may be detached from the counterparts and attached to a single copy of this Amendment to physically form one (1) executed document.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

SELLER:

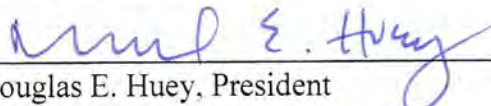
SOUTH MAYFIELD, L.P.,
a Texas limited partnership

By: Warehouse Holdings G.P., Inc.
a Texas corporation,
its general partner

By: _____
Ron Walden, Vice President

PURCHASER:

HUEY INVESTMENTS, INC.,
a Texas corporation

By: 
Douglas E. Huey, President

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the day and year first above written.

SELLER:

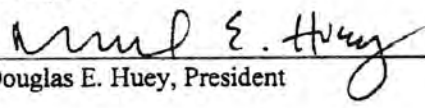
SOUTH MAYFIELD, L.P.,
a Texas limited partnership

By: Warehouse Holdings G.P., Inc.
a Texas corporation,
its general partner

By: 
Ron Walden, Vice President

PURCHASER:

HUEY INVESTMENTS, INC.,
a Texas corporation

By: 
Douglas E. Huey, President

Attachment 8



Alyssa Carpenter <ajcarpen@gmail.com>

Title revision for Bardin

Jordan Gronholz <Jordan.Gronholz@stewart.com>

Fri, Mar 1, 2019 at 10:14 AM

To: "Deepak P. Sulakhe" <dsulakhe@omhousing.com>, Alyssa Carpenter <ajcarpen@gmail.com>

Cc: Carol Erick <Carol.Erick@stewart.com>, Ron Salamie <rsalamie@coletx.com>

Attached please find the Revised Title Commitment.

Thank you,

Jordan

PLEASE NOTE OUR ADDRESS CHANGE BELOW...

JORDAN GRONHOLZ

North Texas Division

Stewart Title Company

15950 Dallas Parkway (Suite 100) – South Tower

Dallas, TX 75248

(214) 473-5425

jordan.gronholz@stewart.com | www.stewart.com/dfw

stewart title

Real partners. Real possibilities.™

NYSE: STC

CALL BEFORE YOU WIRE

Stewart Title requests you CALL TO VERIFY

This email message is for the sole use of the intended recipient(s) and may contain confidential information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.

From: Carol Erick
Sent: Friday, March 01, 2019 8:04 AM
To: Deepak P. Sulakhe <dsulakhe@omhousing.com>; Ron Salamie <rsalamie@coletx.com>; Jordan Gronholz <Jordan.Gronholz@stewart.com>
Cc: Alyssa Carpenter <ajcarpen@gmail.com>
Subject: RE: Title revision for Bardin

Will do!

PLEASE NOTE OUR NEW ADDRESS BELOW:

OUR PHONE NUMBERS REMAIN THE SAME.

Thank you!

CAROL ERICK | Senior Vice President – Commercial Escrow Officer

Office : 214.556.5487 **Direct :** 214.473-5414

Email : Carol.Erick@stewart.com

Stewart Title | 15950 Dallas Parkway | Suite 100 | Dallas, TX 75248
Office: (214) 556-5487 | Direct: (214)-473-5414 | eFax: (833-431-4776)

stewart title

Real partners. Real possibilities.™

Don't be a Victim of Wire Fraud!

Please bring your wiring instructions to closing.

Prior to wiring funds to Stewart Title - **CALL** to confirm our wiring instructions. Please DO NOT rely on emailed wiring instructions.

From: Deepak P. Sulakhe [mailto:dsulakhe@omhousing.com]
Sent: Thursday, February 28, 2019 11:39 PM
To: Ron Salamie <rsalamie@coletx.com>; Carol Erick <Carol.Erick@stewart.com>; Jordan Gronholz <Jordan.Gronholz@stewart.com>
Cc: Alyssa Carpenter <ajcarpen@gmail.com>
Subject: [External] Title revision for Bardin

Ron:

Could you send updated legal description in word?

Carol, once you have it, can you update Title Commitment foor AT Bardin Apartments Housing, LP and send to above group? Make sure to copy Alyssa ...

Thanks.

Sincerely,



Deepak P. Sulakhe

Off: (214) 432-7610

Cell: (214) 632-1565

Fax (214) 594-9753

Email: dsulakhe@omhousing.com



Please consider the environment before printing this e-mail.

 **Revised Title Commitment (3.1.19).pdf**
1590K

stewart title

COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We, STEWART TITLE GUARANTY COMPANY, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

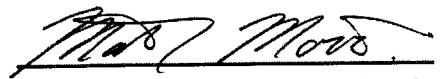
This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

In Witness Whereof, the Company has caused this commitment to be signed and sealed as of the effective date of commitment as shown in Schedule A, the commitment to become valid and binding only when countersigned by an authorized signatory.


Authorized Countersignature

Stewart Title Company
17304 Preston Rd, Ste 110
Dallas, TX 75252





Matt Morris
President and CEO



Denise Carraux
Secretary

For purposes of this form the "Stewart Title" logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing,. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.

STEWART TITLE GUARANTY COMPANY

IMPORTANT INFORMATION

FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELE-
PHONE NUMBER

1-800-729-1902

ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT

1-800-252-3439

to obtain information on:

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company or agent.
4. policyholder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF
INSURANCE

P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007

AVISO IMPORTANTE

PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS

1-800-729-1902

TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL

1-800-252-3439

para obtener informacion sobre:

1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. si una compania de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compania de seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.

TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE
TEXAS

P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007

TEXAS TITLE INSURANCE INFORMATION

<p>Title insurance insures you against loss resulting from certain risks to your title.</p> <p>The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.</p>	<p>El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.</p> <p>El Compromiso para Seguro de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transaccion.</p>
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Your commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the title insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.
- EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.
- CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-729-1902 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.
- Allow the Company to add an exception to "rights of parties in possession". If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

COMMITMENT FOR TITLE INSURANCE SCHEDULE A

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 342828	Effective Date: January 1, 2019 at 8:00AM
CLOSER: Carol Erick	Issued: March 1, 2019 9:04AM

1. The policy or policies to be issued are:
 - a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: \$2,350,763.00
PROPOSED INSURED: AT Barding Housing, LP
 - b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
-ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount: \$
PROPOSED INSURED:
 - c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount: \$
PROPOSED INSURED:
Proposed Borrower:
 - d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount: \$
PROPOSED INSURED:
Proposed Borrower:
 - e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount: \$
PROPOSED INSURED:
Proposed Borrower:
 - f. OTHER:
Policy Amount: \$
PROPOSED INSURED:
2. The interest in the land covered by this Commitment is:

FEE SIMPLE
3. Record title to the land on the Effective Date appears to be vested in:

South Mayfield Limited partnership, a Texas limited partnership
4. Legal description of land:

See Exhibit "A" Attached Hereto

**COMMITMENT FOR TITLE INSURANCE
EXHIBIT "A"
LEGAL DESCRIPTION**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

File No.: 342828

A TRACT OF LAND LOCATED IN THE JOHN L. NEWTON SURVEY, ABSTRACT NO. 1163, TARRANT COUNTY, TEXAS, AND BEING PART OF LOT 10R-2 OF THE LOT 10R-1 & LOT 10R-2, J.L. NEWTON ADDITION TO THE CITY OF ARLINGTON, TEXAS, AS SHOWN ON THE PLAT RECORDED IN CABINET A, SLIDE 6223, OF THE DEED RECORDS OF TARRANT COUNTY, TEXAS (D.R.T.C.T.), MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP MARKED "BHB INC" FOUND IN THE NORTH MARGIN OF WEST BARDIN ROAD, FOR THE SOUTHWEST CORNER OF SAID LOT 10R-2;

THENCE WITH THE WEST LINE OF SAID LOT 10R-2, NORTH 01 DEGREE 01 MINUTE 29 SECONDS WEST, AT A DISTANCE OF 1.45 FEET PASSING A 1/2-INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF LOT 1-R-1 OF THE LOT 1-R-1, J.L. NEWTON ADDITION, AS SHOWN ON THE PLAT RECORDED IN CABINET B, SLIDE 1346 D.R.T.C.T., CONTINUING WITH THE EAST LINE OF SAID LOT 1-R-1 A TOTAL DISTANCE OF 583.89 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF LOT 7 OF THE LOTS 7, 9-R-1 AND 9-R-2, J.L. NEWTON ADDITION, AS SHOWN ON THE PLAT RECORDED IN CABINET B, SLIDE 1040 D.R.T.C.T., THE NORTHWEST CORNER OF SAID LOT 10R-2 AND THE NORTHWEST CORNER HEREOF;

THENCE WITH THE SOUTH LINE OF SAID LOT 7 AND LOT 9-R-1 OF SAID LOTS 7, 9-R-1 AND 9-R-2, J.L. NEWTON ADDITION, THE NORTH LINE OF SAID LOT 10R-2, NORTH 89 DEGREES 21 MINUTES 47 SECONDS EAST, A DISTANCE OF 469.96 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHERLY NORTHEAST CORNER HEREOF;

THENCE ACROSS SAID LOT 10R-2, SOUTH 00 DEGREES 52 MINUTES 52 SECONDS EAST, AT A DISTANCE OF 30.00 FEET PASSING A 5/8-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF LOT 10R-1 OF SAID LOT 10R-1 & LOT 10R-2, J.L. NEWTON ADDITION, AND AN INTERIOR CORNER OF SAID LOT 10R-2, CONTINUING WITH THE WEST LINE OF SAID LOT 10R-1 AND THE WESTERLY EAST LINE OF SAID LOT 10R-2, A TOTAL DISTANCE OF 280.00 FEET TO AN "X" IN CONCRETE FOUND FOR THE SOUTHWEST CORNER OF SAID LOT 10R-1, AN INTERIOR CORNER OF SAID LOT 10R-2 AND AN INTERIOR CORNER HEREOF;

THENCE WITH THE SOUTH LINE OF SAID LOT 10R-1 AND THE SOUTHERLY NORTH LINE OF SAID LOT 10R-2, NORTH 89 DEGREES 21 MINUTES 47 SECONDS EAST, A DISTANCE OF 237.45 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "BHB INC" FOUND IN THE WEST MARGIN OF MATLOCK ROAD, FOR THE SOUTHEAST CORNER OF SAID LOT 10R-1, THE SOUTHERLY NORTHEAST CORNER OF SAID LOT 10R-2 AND THE SOUTHERLY NORTHEAST CORNER HEREOF;

THENCE ALONG THE WEST MARGIN OF SAID MATLOCK ROAD, WITH THE EAST LINE OF SAID LOT 10R-2, WITH A CURVE TO THE LEFT WITH A RADIUS OF 485.00 FEET, DELTA ANGLE OF 02 DEGREES 55 MINUTES 04 SECONDS, ARC LENGTH OF 24.70 FEET, AND CHORD BEARING AND DISTANCE OF SOUTH 00 DEGREES 49 MINUTES 04 SECONDS WEST 24.70 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE POINT OF TANGENCY OF SAID CURVE TO THE LEFT, CONTINUING SOUTH 00 DEGREES 38 MINUTES 28 SECONDS EAST, A DISTANCE OF 138.55 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "COLE" SET FOR A SOUTHEAST CORNER HEREOF;

THENCE ACROSS SAID LOT 10R-2, SOUTH 89 DEGREES 22 MINUTES 55 SECONDS WEST, A DISTANCE OF 235.15 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "COLE" SET FOR AN INTERIOR CORNER HEREOF;

THENCE CONTINUING ACROSS SAID LOT 10R-2, SOUTH 00 DEGREES 37 MINUTES 05 SECONDS EAST, A DISTANCE OF 138.07 FEET TO A 5/8-INCH IRON ROD WITH CAP MARKED "COLE" SET IN THE NORTH MARGIN OF SAID WEST BARDIN ROAD, FOR THE SOUTHERLY SOUTHEAST CORNER HEREOF;

THENCE ALONG THE NORTH MARGIN OF SAID WEST BARDIN ROAD, WITH THE SOUTHERLY LINES OF SAID LOT 10R-2, SOUTH 87 DEGREES 37 MINUTES 31 SECONDS WEST, A DISTANCE OF 127.73 FEET TO 1/2-INCH

**COMMITMENT FOR TITLE INSURANCE
EXHIBIT "A"
LEGAL DESCRIPTION**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

IRON ROD FOUND, AND SOUTH 89 DEGREES 34 MINUTES 12 SECONDS WEST, A DISTANCE OF 341.17 FEET TO THE PLACE OF BEGINNING AND CONTAINING 312,784 SQUARE FEET OR 7.181 ACRES OF LAND.

BEARINGS ARE REFERENCED TO THE STATE PLANE COORDINATE SYSTEM, NORTH TEXAS CENTRAL ZONE 4202, NORTH AMERICAN DATUM OF 1983, ADJUSTMENT REALIZATION 2011.

MAP & DOCS

THE MAP CONNECTED HEREWITH IS BEING PROVIDED AS A COURTESY AND FOR INFORMATIONAL PURPOSES ONLY; THIS MAP SHOULD NOT BE RELIED UPON. FURTHERMORE, THE PARCELS SET OUT ON THIS MAP MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES. STEWART ASSUMES NO LIABILITY, RESPONSIBILITY OR INDEMNIFICATION RELATED TO THE MAPS NOR ANY MATTERS CONCERNING THE CONTENTS OF OR ACCURACY OF THE MAP.

COMMITMENT FOR TITLE INSURANCE SCHEDULE B

ISSUED BY
STEWART TITLE GUARANTY COMPANY

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording date or delete this exception.):

Recorded in/under Volume 14429, Page 188, Real Property Records; and Cabinet A, Slide 6223, Map/Plat Records, Tarrant County, Texas. (Provisions, if any, based on race, color, religion, sex, handicap, familial status or national origins are nullified.)

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Upon receipt of an approved survey, Schedule B, Item 2 may be modified to read in its entirety, "Shortages in area" (Loan Policy only or Owner's Title Policy with prescribed premium.)
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
(Applies to the Owner's Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year 2019 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2019 and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy T-2 only.)

COMMITMENT FOR TITLE INSURANCE SCHEDULE B

ISSUED BY
STEWART TITLE GUARANTY COMPANY

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance. (T-2R)
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
- a) Rights of parties in possession. (Owner Title Policy only)
 - b) Easements as shown on plat recorded in/under Cabinet A, Slide 6223, Map/Plat Records, Tarrant County, Texas.
 - c) Easement, Right of Way and/or Agreement by and between Spies-Roberts, Inc. and Texas Electric Service Company, by instrument dated 2/18/1982, filed 4/15/1982, recorded in/under Volume 7278, Page 1811, Real Property Records, Tarrant County, Texas.
 - d) Easement, Right of Way and/or Agreement by and between Foster Financial Corporation and the City of Arlington, by instrument dated 4/9/1980, filed 5/1/1980, recorded in/under Volume 6928, Page 1653, Real Property Records, Tarrant County, Texas.
 - e) Easement, Right of Way and/or Agreement by and between South Mayfield Limited Partnership and the City of Arlington, by instrument dated 3/27/2002, filed 4/15/2002, recorded in/under Volume 15607, Page 258, Real Property Records, Tarrant County, Texas.
 - f) All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
 - g) An oil, gas and mineral lease dated 8/15/2008, filed 11/4/2008, executed by South Mayfield Limited Partnership, a Texas limited partnership, lessor, in favor of Hott Resources, LLC, a Texas limited liability company, lessee, recorded in/under Clerk's File No. D208415513, Real Property Records, Tarrant County, Texas. Surface rights are waived therein.
 - h) Terms, conditions, provisions and stipulations of Private Water Service Line Easement Agreement, by and between Spies Joint Venture and Arlington Christian Center, dated 4/6/1995, filed 4/8/1995, recorded in/under Volume 11958, Page 1449, Real Property Records, Tarrant County, Texas.
 - i) Terms, conditions, provisions and stipulations of Ingress/Egress Easement Agreement, by and between South Mayfield Limited Partnership, a Texas limited partnership and Mesquite Creek Development, Inc., a Georgia corporation, dated 7/12/2000, filed 7/14/2000, recorded in/under Volume 14429, Page 189, Real Property Records, Tarrant County, Texas.
 - j) Terms, conditions, provisions and stipulations of Easement Use Agreement, by and between The City of Arlington and Mesquite Creek Development, Inc., dated 8/21/2002, filed 1/6/2003, recorded in/under Volume 16273, Page 312, Real Property Records, Tarrant County, Texas.

COMMITMENT FOR TITLE INSURANCE SCHEDULE C

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - all standby fees, taxes, assessments and charges against the property have been paid,
 - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
 - there is legal right of access to and from the land,
 - (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. Note: Procedural Rule P-27 as provided for in Section 2561.202, Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund Account. Procedural Rule P-27 provides a list of the types of financial documents and instruments which satisfy this requirement. Please be advised that we reserve the right to determine on a case-by-case basis what form of good funds is acceptable.
6. Privileged Lien by the City of Arlington, for mowing, in the amount of \$354.08, filed 12/18/2018, recorded in/under Clerk's File No. D218275740, Real Property Records, Tarrant County, Texas.
7. Company requires that the record owner execute an Affidavit as to Debts and Liens evidencing the fact that no mortgages or other indebtedness affect the property in question.
8. Company requires a copy of the limited partnership agreement, and all amendments thereto, in order to determine who is authorized to execute documents in connection with the closing of this transaction. Company requires satisfactory evidence that said limited partnership is registered with the Secretary of State and is in good standing. Company requires all general partners to join in and evidence of the consent of all limited partners to the closing of this transaction, where appropriate.
9. Title is vested as shown above. The applicant seller(s) is/are Huey Investments, Inc.. Company is to be furnished with a properly executed documents from South Mayfield Limited Partnership, a Texas partnership to applicant sellers. Upon our inspection and approval, same will be placed of record. Our Policy will be subject to the conditions contained therein, if any.
10. NOTE: For Information Purposes Only, the vesting on Schedule A as per document recorded in Volume 13476, Page 112, Real Property Records of Tarrant County, Texas.
11. REQUIREMENT: Title Company requires Assignment of Contract from OM Housing, LLC to AT Bardin Housing, LP.

**COMMITMENT FOR TITLE INSURANCE
SCHEDULE C**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

**COMMITMENT FOR TITLE INSURANCE
SCHEDULE D**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Amount		To Whom	For Service
\$	(or %)		
\$	(or %)		
\$	(or %)		

"The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."

19365
Request for Administrative Deficiency

EMANUEL H. GLOCKZIN, JR.

P.O. BOX 3189 Bryan, Texas 77805 (979) 846-8878 emanuel@edgproperties.net

April 29, 2019

Ms. Sharon Gamble
Texas Department of Housing and Community Affairs
21 E 11th Street
Austin, Texas 78701

Via Email: Sharon.gamble@tdhca.state.tx.us

Re: TDHCA Application #19365 Heritage Estates at Huntsville

Dear Ms. Gamble,

Please consider this letter as a third party deficiency notice regarding the scoring on Application #19365, Heritage Estates at Huntsville. According to the application, the site is located in Census Tract 48471790400, which is a 3rd quartile census tract. The applicant has claimed Opportunity Index points based on the fact that a "contiguous site" is census tract 48471790300, a 2nd quartile site. However, the two census tracts are totally separated by Highway 30 and Veterans Memorial Highway, in contravention of the QAP, which states:

(4) Opportunity Index. The Department may refer to locations qualifying for points under this scoring item as high opportunity areas in some materials. A Development is eligible for a maximum of seven (7) opportunity index points.

(A) A proposed Development is eligible for up to two (2) opportunity index points if it is located entirely within a census tract with a poverty rate of less than the greater of 20% or the median poverty rate for the region and meets the requirements in (i) or (ii) below.

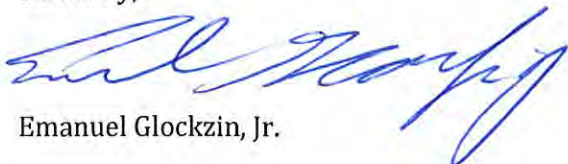
(i) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region and a median household income rate in the two highest quartiles within the uniform service region. (2 points)

(ii) The Development Site is located entirely within a census tract that has a poverty rate of less than the greater of 20% or the median poverty rate for the region, with a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile, without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. For purposes of this scoring item, a highway is a limited-access road with a speed limit of 50 miles per hour or more; and, (1 point)

Attached please find the applicant's Site Information Form Part II, where the points are claimed based on contiguous tract. Also attached is a map showing that the two census tracts are separated by a highway, in contravention of the QAP requirement for contiguous tracts.

I would appreciate it if you could review this latter and application #19365, to see if these points should have been awarded.

Sincerely,



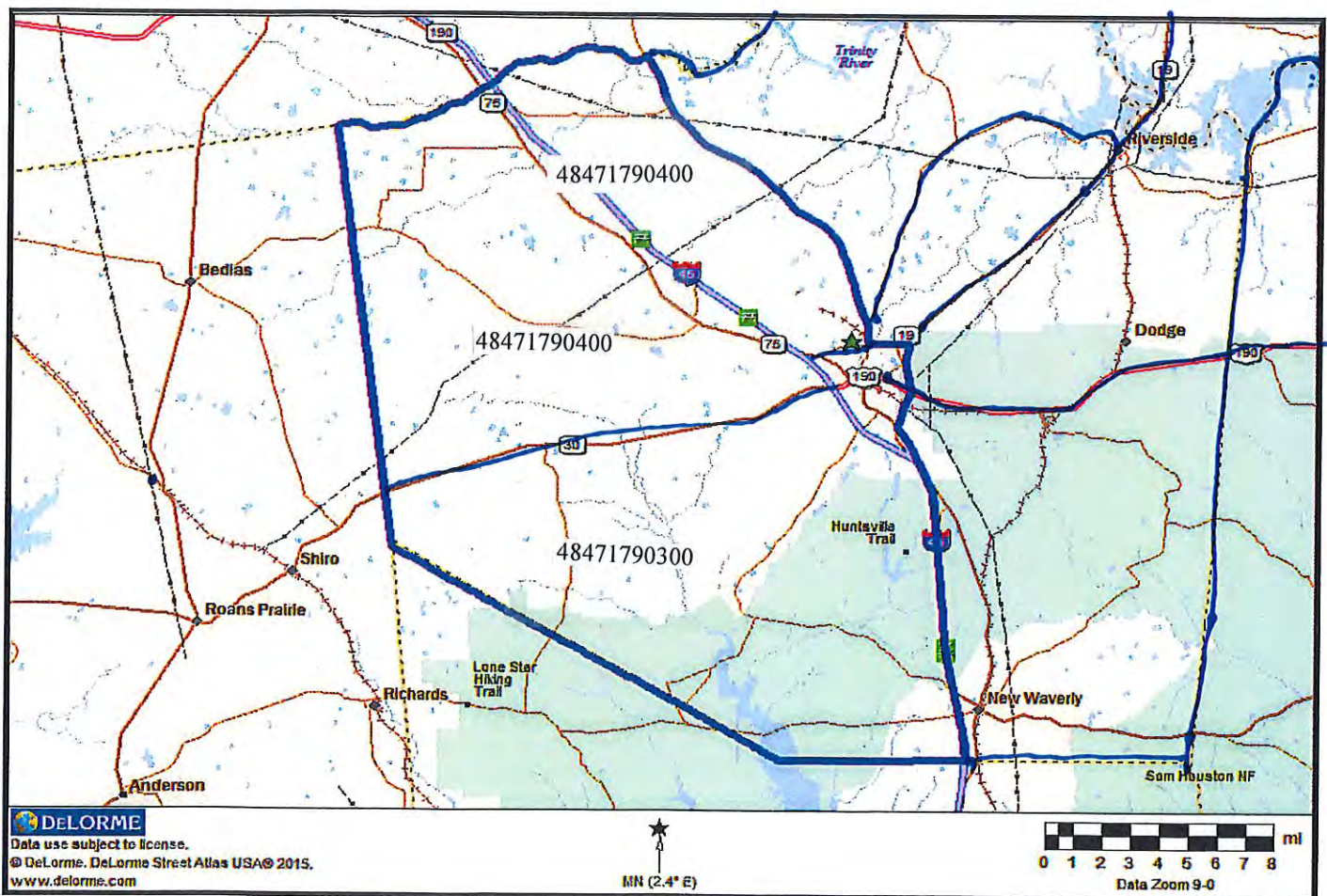
Emanuel Glockzin, Jr.

The proposed site is located in Census Tract 484717904.00, Huntsville, Walker County, Texas.

1.3.2 - Primary Market Area

For this analysis, we utilized a “primary market area” encompassing 406.32 square miles. These boundaries follow the census tracts listed:

Census Tracts	Census Tracts	Census Tracts	Census Tracts
484717903.00	484717904.00	484717905.00	484717906.00
484717907.00	484717908.00		



This area was used as it complies with the definition of a “Primary Market Area” (PMA) as defined by the Texas Department of Housing and Community Affairs (TDHCA). The area shown on the map above, takes into consideration this area’s housing needs, demand draw, natural, political and manmade barriers, and the appropriate demographics of the area applicable to the demand for rental apartments.

At the same time, the PMA was limited to a population of 48,199 and may not be inclusive of the entire area that the analyst expects the subject to draw the majority of its

Heritage Estates at Huntsville

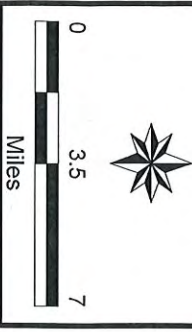
NEC FM 2821 and Industrial Dr Huntsville, Texas

Legend

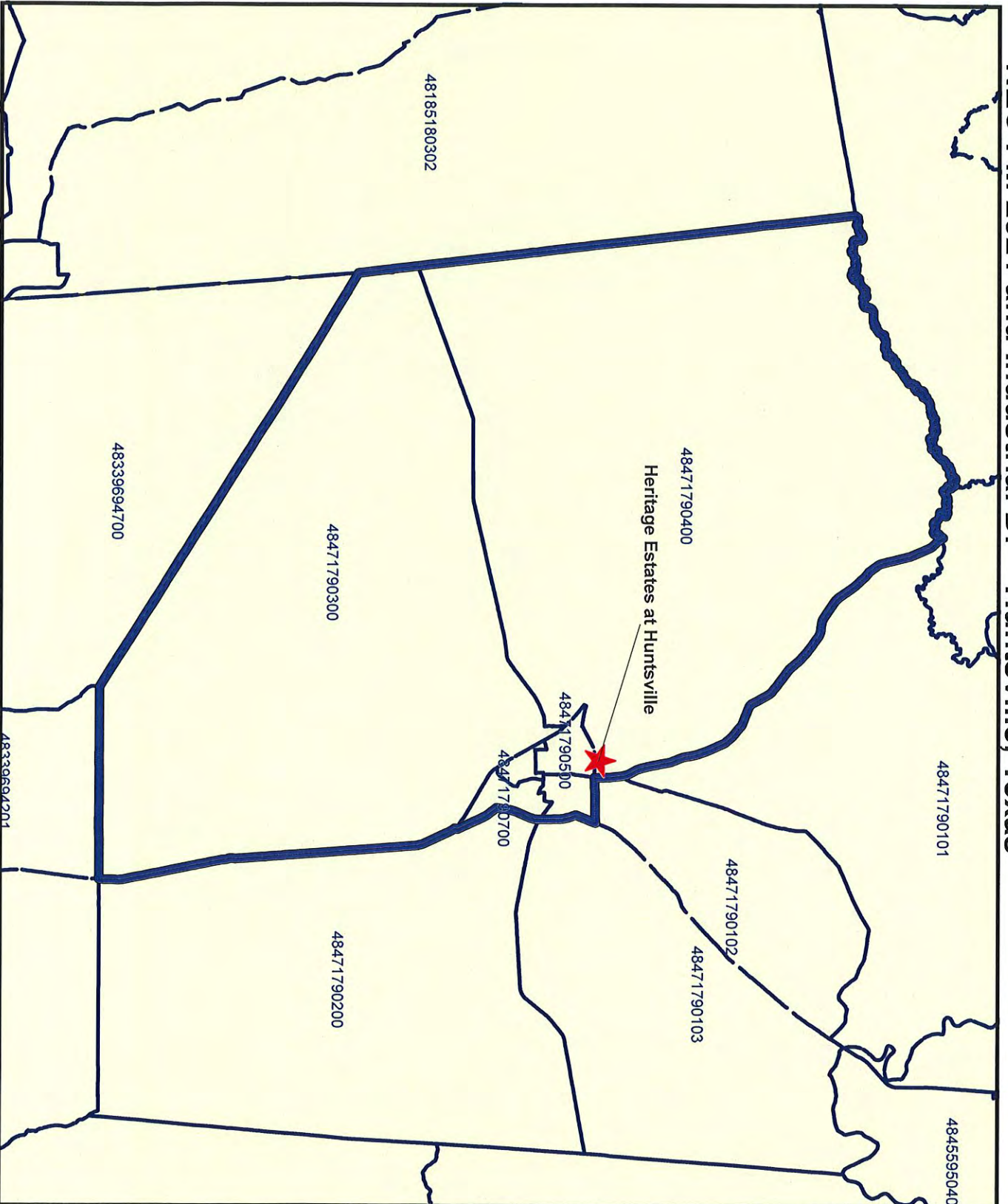
- Site
- Custom Boundary
- CENSUS TRACTS
- County Boundaries
- State Boundaries

Site Coordinates

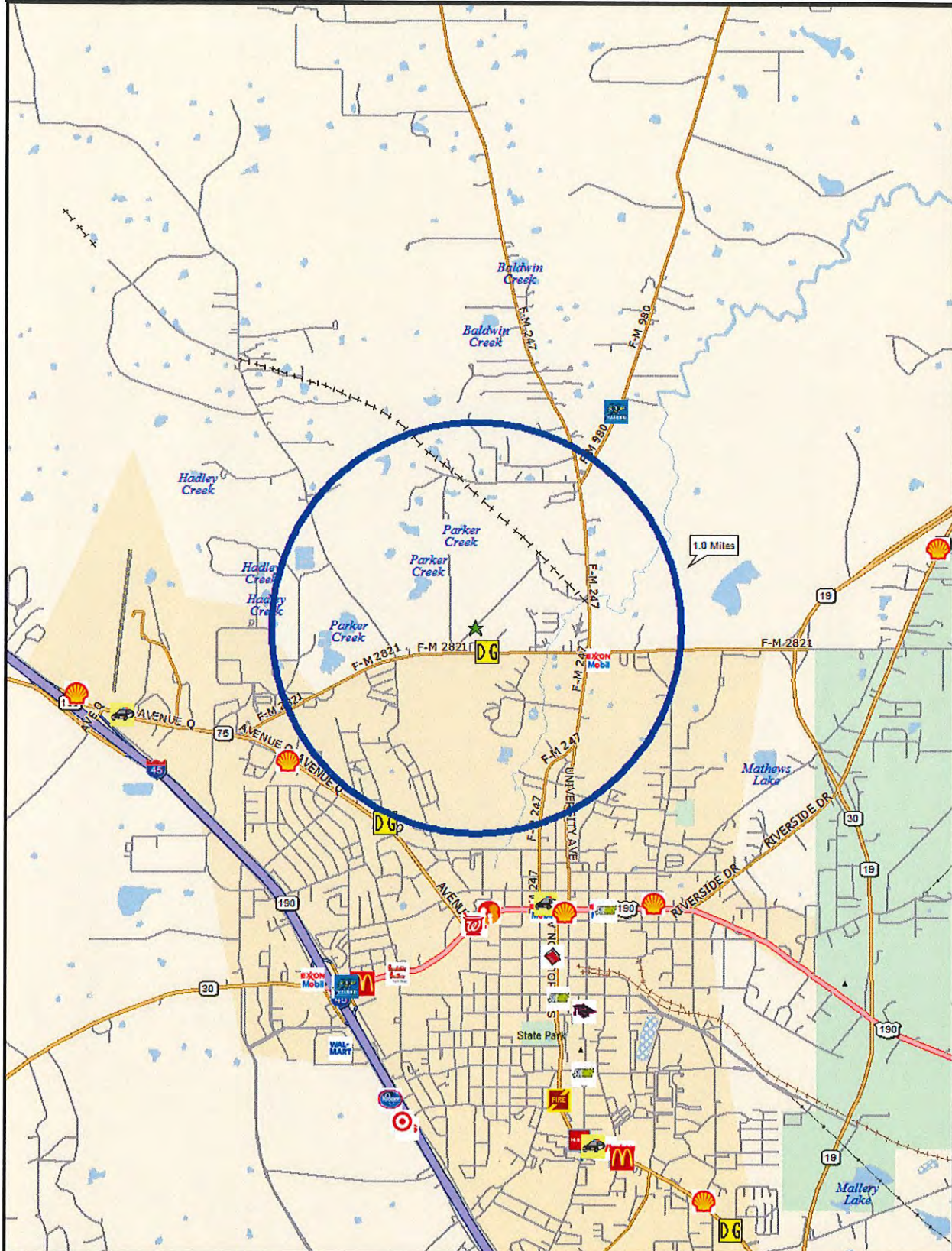
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Latitude/Y: 30.743588 N



0 3.5 7
Miles



Heritage Estates at Huntsville – Area Amenities

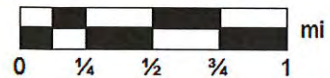


DeLORME

Data use subject to license.

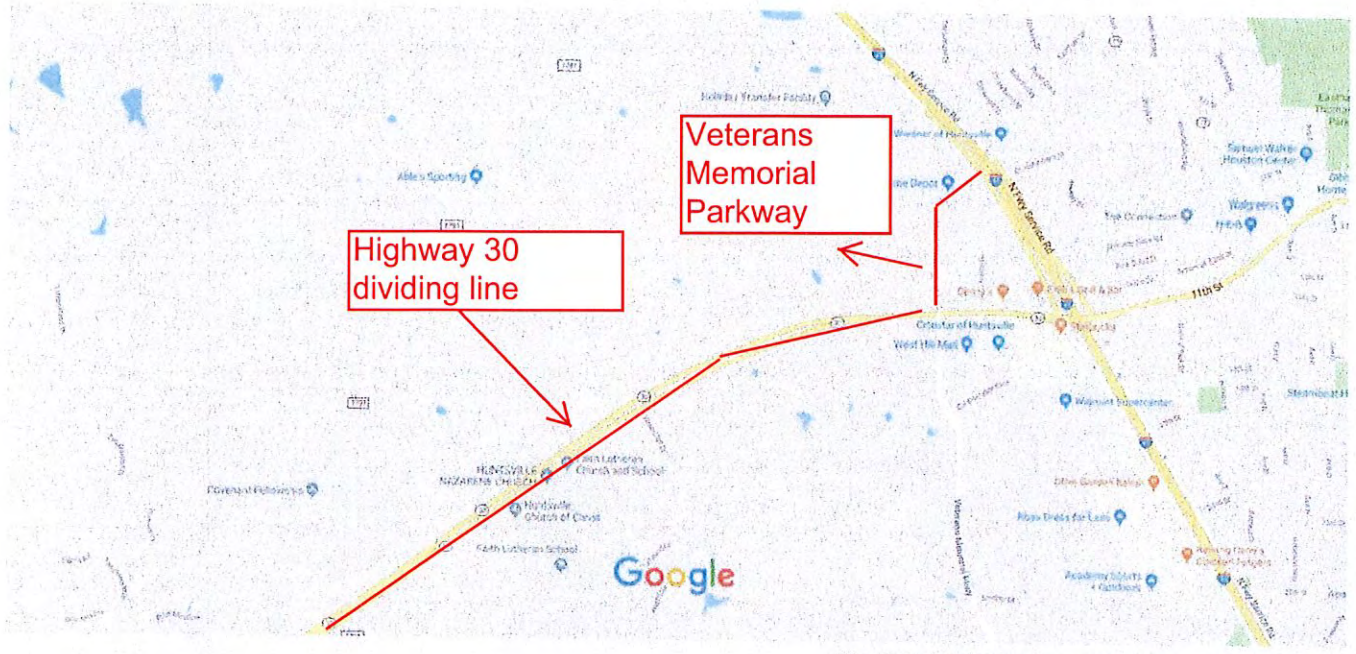
© DeLorme, DeLorme Street Atlas USA© 2015.

www.delorme.com



Data Zoom 12-3

Google Maps



Map data ©2019 Google 1000 ft

Site Information Form Part I

Self Score Total: 120

1. Development Address (All Programs)

NE corner of FM 2821 and American Legion Dr. (fka Industrial Drive) Huntsville ETJ? No
 Address City
6 77320 Walker Rural
 Region Zip County Rural/Urban

2. Census Tract Information (All Programs)

48471790400 No Median Household Income: 45682.00 Quartile: 3q Poverty Rate: 9.9
 Census Tract Number QCT?
 (11 digits) N/A The poverty rate for the Census Tract is above 40% (55% for Regions 11 or 13), and the Neighborhood Risk Factors Report and required documentation has been submitted.

3. Resolutions (Competitive HTC and Tax-Exempt Bonds, if applicable) [10 TAC §11.3]

Check the boxes of true statements below. Resolutions must be provided to demonstrate eligibility for any *unchecked* item.

Twice the State Average Per Capita. The proposed Development is NOT located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private Activity Bonds. (QAP §11.3(c))

One Mile Three Year Rule. The proposed Development is NOT a New Construction or Adaptive Reuse development that will be located one mile or less from a New Construction HTC or Bond Development serving the same type of household and awarded within the applicable three-year period and has not been withdrawn or terminated, OR the Development meets one of the exceptions in §11.3(d)(2) of the QAP (provide evidence of exception).

Limitations on Developments in Certain Census Tracts. The proposed Development is NOT a New Construction or Adaptive Reuse development that will be located in a census tract that has more than 20% HTC units per total households. (§11.3(e))

4. Two Mile Same Year Rule (Competitive HTC Only) [10 TAC §11.3(b)]

The site is not located in a county with a population that exceeds one million.

The site is located in a county with a population that exceeds one million and is not located within 2 linear miles of the proposed Development Site of any eligible Pre-application in the same county.

The site is located in a county with a population that exceeds one million and is located within 2 linear miles of the site of the following eligible Pre-application(s) within the same county:

5. Proximity of Development Sites (Competitive HTC Only) [10 TAC §11.3(a)]

The site is contiguous to or within 1,000 feet of the site for the following eligible Pre-application(s) serving the same Target Population:

6. Zoning [10 TAC §11.204(1)] and Flood Zone Designation [10 TAC §11.101(a)(1)] (All Programs)

Development Site is appropriately zoned? Yes Zoning Designation: Management District

Flood Zone Designation: X Entire Development Site is outside the 100 year floodplain. No

Farmland Designation (New Construction (including adaptive re-use) seeking Section 811 and/or Direct Loan funds):
Prime Farmland

7. Site & Neighborhood Standards (New Construction Direct Loan Only) [10 TAC §13.11(a)(6)(B)]; [24 CFR 92.202, 93.150]

Confirm the following supporting documents are provided behind this tab.

Statement explaining how the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.

19319
Administrative Deficiency Notice(s)
None Required