

BOARD MEETING OF OCTOBER 11, 2007

Beth Anderson, Chair

C. Kent Conine, Vice-Chair



Shadrick Bogany, Member

Sonny Flores, Member

Norberto Salinas, Member

Gloria Ray, Member

MISSION

***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS***

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY
OF LIFE THROUGH THE DEVELOPMENT OF BETTER
COMMUNITIES***

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**BOARD MEETING
October 11, 2007**

ROLL CALL

	Present	Absent
Anderson, Beth, Chair	_____	_____
Conine, C. Kent, Vice-Chair	_____	_____
Bogany, Shadrick, Member	_____	_____
Ray, Gloria, Member	_____	_____
Flores, Sonny, Member	_____	_____
Salinas, Norberto, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

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

**October 11, 2007
8:30 am
Capitol Extension, E1.028
1500 N. Congress**

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 the 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:

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 provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

Item 1: Approval of the following items presented in the Board materials:

HOME Division:

- a) Presentation, Discussion and Possible Approval to amend the 2007 Community Housing Development Organization (CHDO) Rental Housing Development Program Notice of Funding Availability (NOFA)
- b) Presentation, Discussion and Possible Approval to amend the 2007 Rental Housing Development Program Notice of Funding Availability (NOFA)
- c) Presentation, Discussion and Possible Approval of the Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA)

Bond Division:

- d) Presentation, Discussion and Possible Approval of Resolution No. 08-001 authorizing the extension of the certificate purchase period for Single Family Mortgage Revenue Bonds, 2006 Series A-C (Program 66)

Portfolio Management and Compliance Division:

- e) Presentation, Discussion and Possible Approval of a Request for Proposals for Uniform Physical Condition Standards

Community Affairs Division:

- f) Presentation, discussion, and possible approval of the 2008 Emergency Shelter Grants Program Subrecipient Application

ACTION ITEMS

Item 2: Presentation, Discussion and Approval of HOME Division Items:

- a) Presentation, Discussion and Possible Approval of an Amendment to the 2008 Housing Trust Fund Plan

Item 3: Presentation, Discussion and Possible Approval of Office of Colonia Initiatives Division Items:

- a) Presentation, Discussion and Possible Approval of a Memorandum of Understanding between TDHCA and the Office of Rural Community Affairs regarding the management of Community Development Block Grants funds for the Self-Help Center Program

Item 4: Presentation, Discussion and Possible Approval of Disaster Recovery Division Items:

- a) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing
- b) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report relating to non-housing activities for CDBG Round 1 Funding, and infrastructure activities for CDBG Round 2
- c) Presentation, Discussion and Possible Approval of CDBG contract amendments to be administered by Office of Rural Community Affairs (ORCA)
- d) Presentation, Discussion and Possible Approval of set aside critical infrastructure CDBG contracts to be administered by Office of Rural Community Affairs (ORCA)

Item 5: Presentation, Discussion and Possible Approval of Multifamily Division Items:

- a) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

07452	Enclave Gardens, San Antonio San Antonio HFC is the Issuer Recommended Credit Amount of \$601,737
07447	Three Fountains, Amarillo Panhandle Regional HFC is the Issuer Requested Credit Amount of \$466,631
07448	River Falls Apartments, Amarillo Panhandle Regional HFC is the Issuer Requested Credit Amount of \$557,561
07449	Canterbury Apartments, Amarillo Panhandle Regional HFC is the Issuer Recommended Credit Amount of \$154,730
07450	Puckett Place Apartments, Amarillo Panhandle Regional HFC is the Issuer Requested Credit Amount of \$594,336

- b) Presentation, Discussion and Possible Reallocation of 2007 Housing Tax Credits and Possible Allocation of 2008 Housing Tax Credits
- c) Presentation, Discussion and Possible Action on a Policy for Addressing Placement in Service Extensions for 2005 Housing Tax Credit Developments
- d) Presentation, Discussion and Possible Action for Housing Tax Credit Amendments:

98169	Home of Parker Commons	Ft. Worth
01005	Chaparral Townhomes	Allen

EXECUTIVE SESSION

Elizabeth Anderson

- a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- b) The Board may go into Executive Session Pursuant to Texas Government 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
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
 - 1. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
 - 2. With Respect to pending litigation styled *Brandal v. TDHCA* Filed in State Court in Potter County
 - 3. With Respect to pending litigation styled *Ballard v. TDHCA* Filed in Federal Court
 - 4. With regard to contract negotiations with selected vendor on HAP Disaster Recovery RFP
 - 5. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Elizabeth Anderson

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Director's Report

- 1. TDHCA Outreach Activities, September 2007
- 2. Monthly Report on HOME Amendments Granted
- 3. Response to Board Member questions directed to staff regarding HOME Task Force presentation
- 4. Overview of highlights surrounding the closing of TDHCA Single Family Mortgage Revenue Bond Program 70

ADJOURN

Elizabeth Anderson

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

HOME DIVISION
BOARD ACTION REQUEST
October 11, 2007

Action Item

Presentation, Discussion and Possible Approval to amend the 2007 Community Housing Development Organization (CHDO) Rental Housing Development Program Notice of Funding Availability (NOFA).

Requested Action

Approve, Deny or Approve with Amendments the 2007 Community Housing Development Organization (CHDO) Notice of Funding Availability (NOFA).

Background

In July 2007, the Department released the 2007 Community Housing Development Organization (CHDO) Rental Housing Development Program Notice of Funding Availability (NOFA). The NOFA made available \$6,000,000 in HOME funds for qualified applicants to develop affordable rental housing developments. The application submission deadline is June 2, 2008. Due to increased interest in the availability of CHDO funds for single family development and limited awards made for CHDO rental housing developments in July 2007, staff recommends expanding the allowable activities under this NOFA to single family developments for applicants with proven experience and performance with previous HOME funding received from the Department.

The original NOFA is attached with blackline reflecting the amendments proposed.

Recommendation

Approve the amended 2007 Community Housing Development Organization (CHDO) Notice of Funding Availability (NOFA).



Texas Department of Housing and Community Affairs HOME Investment Partnerships Program

Community Housing Development Organization (CHDO) Single Family and Rental Housing Development Program Notice of Funding Availability (NOFA)

1) Summary

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$6,000,000 in funding from the HOME Investment Partnerships Program for Community Housing Development Organizations (CHDO) to develop affordable single family housing for homeownership and rental housing for low-income Texans. The availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 53 (“HOME Rules”) in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306, Texas Government Code. Other Federal regulations may also apply such as, but not limited to, 24 CFR parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR 85.36 and 84.42 for conflict of interest and 24 CFR part 5, subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

2) Allocation of HOME Funds

- a) These funds are made available through unawarded and deobligated HOME funds that are set-aside for eligible CHDO single family developments and rental housing development proposals which involve new construction, rehabilitation, acquisition and rehabilitation of affordable ~~rental~~-housing development activities. All funds released under this NOFA are to be used for the creation of affordable single family and rental housing for low-income Texans earning 80 percent or less of the Area Median Family Income (AMFI).
- b) A rental application may be submitted in a PJ if the HOME units requested are serving persons with disabilities; however the submission will not be processed, reviewed or

potentially recommended to the Board unless there is a balance of uncommitted funds available from the 5% PJ funds.

- c) In accordance with 10 TAC §53.58, this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served Statewide basis. Applications will be accepted until 5:00 p.m. **June 2, 2008** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.
- d) The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §53.54(2). Award amounts are limited to no more than \$3 million per development. The minimum HOME award may not be less than \$1,000 per HOME assisted unit. The maximum award may not exceed 90% of the total development costs. The remaining 10% of total development cost must be in the form of loans or grants from private or public entities. The per-unit subsidy may not exceed the per-unit dollar limits established by the United States Department of Housing and Urban Development (HUD) under §221(d)(3) of the National Housing Act which are applicable to the area in which the development is located, and as published by HUD. For rental housing developments, ~~the~~ Department's underwriting guidelines in 10 TAC § 1.32 will be used which set as a minimum feasibility a 1.15 debt coverage ratio. Where the anticipated debt coverage ratio in the year after completion exceeds 1.35, a loan or partial loan will be recommended.
- e) Each CHDO that is awarded ~~Rental Development~~HOME funds may also be eligible to receive a grant for CHDO Operating Expenses. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME application. The award amount for CHDO Operating Expenses shall not exceed \$50,000. Awards for operating expenses will be drawn over a two-year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.
- f) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

3) Eligible and Ineligible Activities

- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205, the State HOME Rules at 10 TAC §53.53(g), which involve only the acquisition, rehabilitation and construction of affordable ~~rental~~ developments.

- b) Prohibited activities include those under federal HOME rules at 24 CFR 92.214 and 10 TAC §53.56.
- c) ~~Rental-d~~Development funds will not be eligible for use in a Participating Jurisdiction (PJ).
- d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible.

4) Eligible and Ineligible Applicants

- a) The Department provides HOME CHDO funding to qualified nonprofit organizations eligible for CHDO certification. CHDO Certification will be awarded in accordance with the rules and procedures as set forth in the HOME rules at 10 TAC §53.63, Community Housing Development Organization (CHDO) Certification. A separate application process is required for CHDO Certification. Review and approval of the CHDO Certification occurs during the threshold review process, however Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board. The CHDO Application package will be available with all other application materials on the Department's website. A new Application for CHDO certification must be submitted to the Department with each new Application for HOME Development funds under the CHDO set aside.

b) Only Applicants that have proven success and acceptable performance on a previous HOME contract received from the Department, as evidenced by the contract and determined by the Department, are eligible to apply for funding for single family development.

~~b)c)~~ CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development and management of the property, pursuant to 24 CFR §92.300.

~~e)d)~~ Applicants may be ineligible for funding if they meet any of the criteria listed in §53.53(b) of the Department's HOME rule, clarification for §53.53(b)(6) creates ineligibility with any requirements under 10 TAC 49.5(a) of this title excluding subsections (5) thru (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

5) Matching Funds

- a) Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

6) Rental Housing Development Affordability Requirements

- a) Applicants should be aware that there are minimum affordability standards necessary for HOME assisted rental developments. Initial occupancy income restrictions require that at least 90% of the units are affordable to persons below 60% AMFI and that 20% of the units are affordable to person below 50% AMFI. Over the remaining affordability period at least 20% of HOME assisted units should be affordable to persons earning 50% or less than the AMFI, all remaining units must be affordable to persons earning 80% or less than the AMFI.
- b) Each development will have a two-tier affordability term.
 - i) The first tier will entail the federally required affordability term. For new construction or acquisition of new housing, this term is 20 years. For rehabilitation or acquisition of existing housing, the term is 5 years if the HOME investment is less than \$15,000 per unit; 10 years if the HOME investment is \$15,000 to \$40,000 per unit; and 15 years if the HOME investment is greater than \$40,000 per unit. This first tier is subject to all federal laws and regulations regarding HOME requirements, recapture, net proceeds and affordability.
 - ii) The second tier of affordability is the additional number of years required to bring the total term of affordability up to 30 years or the term of the loan agreement. For example, the second tier of affordability on a 10-year federal affordability term is 20 additional years. The second tier, or remaining term, is subject only to state regulations and affordability requirements.
- c) Properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

7) Single Family Development Affordability Requirements

- a) Applicants must ensure that the minimum affordability requirements are met for HOME assisted single family developments pursuant to 24 CFR §92.254. The Department has elected the recapture provision to recoup all or part of the HOME funds provided to the

homebuyer, if the housing does not continue to be the principal residence of the family assisted for the duration of the required affordability period.

- b) Properties will be restricted under the deed of trust or other such instrument as determined and drafted by the Department for these terms.

7)8) Site and Development Restrictions

- a) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926d. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- b) All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).
- c) Housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619). Additionally, pursuant to the 2007 Qualified Allocation Plan (QAP), §49.9(h)(4)(G), Developments involving New Construction (excluding New Construction of nonresidential buildings) where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A certification will be required after the Development is completed from an inspector, architect, or accessibility specialist. Any Developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.
- d) All of the 2007 Qualified Allocation Plan and Rules 10 TAC §49.6, excluding subsections (d), (f), (g) and (h) apply.

- e) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.53(f).

89) Threshold Criteria

- a) Housing units subsidized by HOME funds must be affordable to low, very-low or extremely low-income persons. Mixed Income rental developments may only receive funds for units that meet the HOME program affordability standards. All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
- b) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC §1.37 of this title, pursuant to 10 TAC 53.53(i).
- c) All applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply. If the development is located within a jurisdiction that does not have building codes, developments must meet the most current International Building Code.
- d) Pursuant to 10 TAC §53.53(j), Applicants for Rental Development activities will be required to provide written notification to each of the following persons or entities 14 days prior to the submission of any application package. Failure to provide written notifications 14 days prior to the submission of an application package at a minimum will cause an application to be terminated under competitive application cycles. Applicants must provide notifications to:
 - i) the executive officer and elected members of the governing board of the community where the development will be located. This includes municipal governing boards, city councils, and County governing boards;
 - ii) all neighborhood organizations whose defined boundaries include the location of the Development;
 - iii) executive officer and Board President of the school district that covers the location of the Development;
 - iv) residents of occupied housing units that may be rehabilitated, reconstructed or demolished; and

- v) the State Representative and State Senator whose district covers the location of the Development.
 - vi) the notification letter must include, but not be limited to, the address of the development site, the number of units to be built or rehabilitated, the proposed rent and income levels to be served, and all other details required of the NOFA and Application Manual.
- e) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
- i) An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the Applicant's cash reserve obligation or made promises in connection therewith, pursuant to 10 TAC §53.53(k).
 - ii) All contractors, consulting firms, and Administrators must sign and submit an affidavit with each draw to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions, pursuant to §53.53(l).
 - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants **for rental housing development** must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site.
 - iv) To encourage the involvement of other public agencies and private entities in affordable housing, applicants must provide a minimum of 10% of the total development cost from other public agencies and/or private entities.
 - v) **For rental housing developments,** ~~To~~ encourage reasonable and cost effective building strategies, applicants must limit development cost per square foot to \$70.00 for new construction and \$38.00 for rehabilitation. Please note, use normal rounding when performing this calculation. (\$69.50 and higher would be rounded up to \$70.00, \$69.49 and lower would be rounded down to \$69.00).
 - vi) All of the 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15).
 - vii) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b).

9)10) Review Process

- a) Pursuant to 10 TAC §53.58, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

- b) Pursuant to the QAP 49.5(a)(9) if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. If an application is determined ineligible pursuant to this section, the Application will be terminated without being processed as an Administrative Deficiency.

Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with §1.32 of this title. REA will create an underwriting report identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

- c) Pursuant to 10 TAC §53.59(3), a site visit will be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.
- d) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's

funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.

- e) In accordance with §2306.082 Texas Government Code and 10 TAC §53.58(d), it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.
- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

10)11) Application Submission

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on June 2, 2008. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at barbara.skinner@tdhca.state.tx.us or Skip Beaird at 512-475-0908 or via e-mail at skip.beaird@tdhca.state.tx.us.
- b) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials
- c) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy of the Application materials as detailed in the 2007 Final ASPM. All scanned copies must be scanned in accordance with the guidance provided in the 2007 Final ASPM.
- d) The application consists of three parts: bound items, unbound items and electronic submission. A complete application for each proposed development must be submitted. Incomplete applications or improperly bound applications will not be accepted. The bound volumes of the application must be bound using red pressboard binders. Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the capacity of one binder, a second binder may be

used to subdivide the volume. Applicants must submit one complete printed copy of all application materials and one complete scanned copy stored on compact disc of the application materials as detailed in the 2007 Final ASPM. All scanned copies must be scanned in accordance with the guidance provided in the 2007 Final ASPM.

- e) Third party reports – If third party reports are not received at the time of application submission, the Application will be terminated.
- f) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department’s website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- g) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$500.00 per Application. Payment must be in the form of a check, cashier’s check or money order. Do not send cash. §2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.
- h) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
221 East 11th Street
Austin, TX 78701-2410

or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
Post Office Box 13941
Austin, TX 78711-3941

***NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME CHDO Rental Housing Development Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

HOME DIVISION
BOARD ACTION REQUEST
October 11, 2007

Action Item

Presentation, Discussion and Possible Approval to amend the 2007 Rental Housing Development Program Notice of Funding Availability (NOFA).

Requested Action

Approve, Deny or Approve with Amendments the Rental Housing Development Program Notice of Funding Availability (NOFA).

Background

In June 2007, the Department released the Rental Housing Development Program Supporting New Job Creation and Economic Development in Rural Texas Notice of Funding Availability (NOFA). The NOFA made available \$5,000,000 in HOME funds for qualified applicants to develop affordable rental housing in conjunction with rural economic development projects that have been recently developed or are currently under development. The application submission deadline was October 1, 2007. Two applications, which were subsequently withdrawn, were received in July 2007. No other requests for funding were received. Since the application deadline has passed for this NOFA and due to continued interest in the availability of HOME funds for rental housing development, staff recommends amending the Rental Housing Development (RHD) Program Notice of Funding Availability (NOFA), released in July 2007, to increase the amount of funds available to \$15,000,000. The RHD Program NOFA originally made available \$10,000,000 in HOME funds for qualified applicants to develop affordable rental housing through an open cycle application process. The application submission deadline is June 2, 2008. The rolling of these funds allows applications from applicants who may still want to pursue rural economic development leveraging while not limiting the funds to solely that activity.

The original NOFA is attached with blackline reflecting the amendments proposed.

Recommendation

Approve the amended Rental Housing Development Program Notice of Funding Availability (NOFA) increasing the total amount available to \$15,000,000.



Texas Department of Housing and Community Affairs HOME Investment Partnerships Program

Rental Housing Development Program Notice of Funding Availability (NOFA)

1) Summary

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$~~10~~15,000,000 in funding from the HOME Investment Partnerships Program for the development of affordable rental housing for low-income Texans. The availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 53 (“HOME Rules”) in effect at the time application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306, Texas Government Code. Other Federal regulations may also apply such as, but not limited to, 24 CFR Parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR 85.36 and 84.42 for conflict of interest and 24 CFR Part 5, Subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

2) Allocation of HOME Funds

- a) These funds are made available through unawarded and deobligated HOME funds that are set-aside for rental housing development proposals which involve new construction, rehabilitation, acquisition and rehabilitation of affordable rental housing development activities. All funds released under this NOFA are to be used for the creation of affordable rental housing for low-income Texans earning 80 percent or less of the Area Median Family Income (AMFI).
- b) A rental application may be submitted in a PJ if the HOME units requested are serving persons with disabilities; however the submission will not be processed, reviewed or potentially recommended to the Board unless there are a balance of uncommitted funds available from the 5% PJ funds.
- c) In accordance with 10 TAC 53.58, this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served Statewide basis. Applications will

be accepted until 5:00 p.m. **June 2, 2008** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.

- d) The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC 53.54(2). Award amounts are limited to no more than \$3 million per development. The minimum HOME award may not be less than \$1,000 per HOME assisted unit. The maximum award may not exceed 90% of the total development costs. The remaining 10% of total development cost must be in the form of loans or grants from private or public entities. The per-unit subsidy may not exceed the per-unit dollar limits established by the United States Department of Housing and Urban Development (HUD) under §221(d)(3) of the National Housing Act which are applicable to the area in which the development is located, and as published by HUD. The Department's underwriting guidelines in 10 TAC 1.32 will be used which set as a minimum feasibility a 1.15 debt coverage ratio. Where the anticipated debt coverage ratio in the year after completion exceeds 1.35, a loan or partial loan will be recommended.
- e) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR 92.251(a)(1).

3) Eligible and Ineligible Activities

- a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR 92.205, the State HOME Rules at 10 TAC 53.53(g), which involve only the acquisition, rehabilitation and construction of affordable rental developments.
- b) Prohibited activities include those under federal HOME rules at 24 CFR 92.214 and 10 TAC 53.56.
- c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).
- d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five years of the submission of an Application for assistance will not be permissible.

4) Eligible and Ineligible Applicants

- a) The Department provides HOME funding to qualified nonprofit organizations, for-profit entities, sole proprietors, public housing authorities and units of general local government.

- b) Applicants may be ineligible for funding if they meet any of the criteria listed in §53.53(b) of the Department's HOME rule, clarification for §53.53(b)(6) creates ineligibility with any requirements under 10 TAC 49.5(a) excluding subsections (5) - (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

5) Matching Funds

- a) Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR 92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

6) Affordability Requirements

- a) Applicants should be aware that there are minimum affordability standards necessary for HOME assisted rental developments. Initial occupancy income restrictions require that at least 90% of the units are affordable to persons below 60% AMFI and that 20% of the units are affordable to person below 50% AMFI. Over the remaining affordability period at least 20% of HOME assisted units should be affordable to persons earning 50% or less than the AMFI, all remaining units must be affordable to persons earning 80% or less than the AMFI.
- b) Each development will have a two-tier affordability term.
 - i) The first tier will entail the federally required affordability term. For new construction or acquisition of new housing, this term is 20 years. For rehabilitation or acquisition of existing housing, the term is 5 years if the HOME investment is less than \$15,000 per unit; 10 years if the HOME investment is \$15,000 to \$40,000 per unit; and 15 years if the HOME investment is greater than \$40,000 per unit. This first tier is subject to all federal laws and regulations regarding HOME requirements, recapture, net proceeds and affordability.
 - ii) The second tier of affordability is the additional number of years required to bring the total term of affordability up to 30 years or the term of the loan agreement. For example, the second tier of affordability on a 10-year federal affordability term is 20 additional years. The second tier, or remaining term, is subject only to state regulations and affordability requirements.
- c) Properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed

necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

7) Site and Development Restrictions

- a) Pursuant to 24 CFR 92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926d. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- b) All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR 92.251(a)(1).
- c) Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619). Additionally, pursuant to the 2007 Qualified Allocation Plan (QAP), 10 TAC 49.9(h)(4)(G), Developments involving New Construction (excluding New Construction of nonresidential buildings) where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A certification will be required after the Development is completed from an inspector, architect, or accessibility specialist. Any Developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.
- d) All of the 2007 Qualified Allocation Plan and Rules 10 TAC 49.6, excluding subsections (d), (f), (g) and (h) apply.
- e) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of

rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC 53.53(f).

8) Threshold Criteria

- a) Housing units subsidized by HOME funds must be affordable to low, very-low or extremely low-income persons. Mixed Income rental developments may only receive funds for units that meet the HOME program affordability standards. All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC 1.15.
- b) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC 1.37, pursuant to 10 TAC 53.53(i).
- c) All applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR 982.401, Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply. If the development is located within a jurisdiction that does not have building codes, developments must meet the most current International Building Code.
- d) Pursuant to 10 TAC 53.53(j), Applicants for Rental Development activities will be required to provide written notification to each of the following persons or entities 14 days prior to the submission of any application package. Failure to provide written notifications 14 days prior to the submission of an application package at a minimum will cause an application to be terminated under competitive application cycles. Applicants must provide notifications to:
 - i) the executive officer and elected members of the governing board of the community where the development will be located. This includes municipal governing boards, city councils, and County governing boards;
 - ii) all neighborhood organizations whose defined boundaries include the location of the Development;
 - iii) executive officer and Board President of the school district that covers the location of the Development;
 - iv) residents of occupied housing units that may be rehabilitated, reconstructed or demolished; and
 - v) the State Representative and State Senator whose district covers the location of the Development.

- vi) the notification letter must include, but not be limited to, the address of the development site, the number of units to be built or rehabilitated, the proposed rent and income levels to be served, and all other details required of the NOFA and Application Manual.
- e) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
 - i) An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the Applicant's cash reserve obligation or made promises in connection therewith, pursuant to 10 TAC 53.53(k).
 - ii) All contractors, consulting firms, and Administrators must sign and submit an affidavit with each draw to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions, pursuant to 10 TAC 53.53(l).
 - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site.
 - iv) To encourage the involvement of other public agencies and private entities in affordable housing, applicants must provide a minimum of 10% of the total development cost from other public agencies and/or private entities.
 - v) To encourage reasonable and cost effective building strategies, applicants must limit development cost per square foot to \$70.00 for new construction and \$38.00 for rehabilitation. Please note, use normal rounding when performing this calculation. (\$69.50 and higher would be rounded up to \$70.00, \$69.49 and lower would be rounded down to \$69.00).
 - vi) All of the 2007 Qualified Allocation Plan and Rules at 10 TAC 49.9(h), excluding subsections (4)(I), (11), (12) and (15).
 - vii) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC 1.3(b).

9) Review Process

- a) Pursuant to 10 TAC 53.58, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable.

Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

- b) Pursuant to the QAP 10 TAC 49.5(a)(9) if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. If an application is determined ineligible pursuant to this section, the Application will be terminated without being processed as an Administrative Deficiency.

Phase One will begin as of the received date. Applications not being considered under the CHDO Set-Aside will be passed through to Phase Two upon receipt. Phase One will only entail the review of the CHDO Certification package. The Department will ensure review of these materials and issue notice of any deficiencies on the CHDO Certification package within 30 days of the received date. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase One until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to Phase Two. Applications that have not proceeded out of Phase One within 50 days of the received date will be terminated and must reapply for consideration of funds.

Phase Two will include a review of all application requirements. The Department will ensure review of materials required under the NOFA, and application guidelines and will issue notice of any deficiencies as to threshold and eligibility within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Three and will continue to be prioritized by their received date. Applications with deficiencies not cured within seven business days, will be retained in Phase Two until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon satisfaction of all deficiencies, and of threshold and eligibility requirements will the Application be forwarded to Phase Three. An Application that has not proceeded out of Phase Two within 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds. Application submitted for non-development Activities will not go through a Phase Three evaluation.

Phase Three will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with 10 TAC 1.32. REA will create an underwriting report identifying staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure

financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Three. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Three until all deficiencies have been addressed/resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to the Department's Executive Awards Review and Advisory Committee for recommendation to the Board. Any application that has not finished Phase Three within 65 days of the date it entered Phase Three will be terminated and must reapply for consideration of funds.

Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HOME funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an application has completed all phases of its review. In the case that all HOME funds are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HOME funds become available, applications will continue onward with their review without losing their received date priority. If HOME funds do not become available within 90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

- c) Pursuant to 10 TAC 53.59(3), a site visit will be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.
- d) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.

- e) In accordance with §2306.082 Texas Government Code and 10 TAC 53.58(d), it is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC 1.17.
- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC 1.7.

10) Application Submission

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on June 2, 2008. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at barbara.skinner@tdhca.state.tx.us or Skip Beaird at 512-475-0908 or via e-mail at skip.beaird@tdhca.state.tx.us.
- b) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.
- c) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy of the Application materials as detailed in the 2007 Final ASPM. All scanned copies must be scanned in accordance with the guidance provided in the 2007 Final ASPM.
- d) The application consists of three parts: bound items, unbound items and electronic submission. A complete application for each proposed development must be submitted. Incomplete applications or improperly bound applications will not be accepted. The bound volumes of the application must be bound using red pressboard binders. Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the capacity of one binder, a second binder may be used to subdivide the volume. Applicants must submit one complete printed copy of all application materials and one complete scanned copy stored on compact disc of the application materials as detailed in the 2007 Final ASPM. All scanned copies must be scanned in accordance with the guidance provided in the 2007 Final ASPM.

- e) Third party reports – If third party reports are not received at the time of application submission, the Application will be terminated.
- f) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department’s website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- g) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$500.00 per Application. Payment must be in the form of a check, cashier’s check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.
- h) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
221 East 11th Street
Austin, TX 78701-2410

or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
Post Office Box 13941
Austin, TX 78711-3941

***NOTE:** This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME CHDO Rental Housing Development Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

HOME DIVISION
BOARD ACTION REQUEST
October 11, 2007

Action Item

Presentation, Discussion and Possible Approval of the Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA).

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA).

Background

At the September 2007 Board meeting, the 2008 Housing Trust Fund Annual Plan was approved which included a Rental Production Program component. This program is designed to provide a leveraging of funds with rental properties, primarily in rural areas, to better enable quality properties to target units to households at lower median incomes, 30% to 50% of Area Median Family Income (AMFI).

These funds will be used for low or 0% interest loans to ensure repayment of the fund, are capped at an award amount of no more than \$250,000, and will be limited to financing units that will serve families at or below 50% of AMFI. For those funds that are used to target families at 30% or below, which are not targeted by another subsidy source, the Department may allow a forgivable loan only for those funded units.

Recommendation

Approve the Housing Trust Fund Rental Production Program Notice of Funding Availability (NOFA).



Texas Department of Housing and Community Affairs
Housing Trust Fund
Rental Production Program
Notice of Funding Availability (NOFA)

1) Summary

- a) The Texas Department of Housing and Community Affairs (“the Department”) announces the availability of approximately \$844,000 in funding from the Housing Trust Fund for financing of affordable rental housing for very low-income and extremely low-income Texans. The availability and use of these funds is subject to the state Housing Trust Fund Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 51 (“HTF Rules”) and Chapter 2306, Texas Government Code in effect at the time an application is submitted. Applicants are encouraged to familiarize themselves with all of the applicable rules that govern the program.

2) Allocation of Housing Trust Funds

- a) These funds are made available through General Revenue Funds appropriated to the Housing Trust Fund for financing rental housing developments which involve new construction, rehabilitation or acquisition and rehabilitation. All funds released under this NOFA are to be used for the subsidizing of affordable rental housing units that target very low-income Texans earning 50 percent or less of Area Median Family Income (AMFI) and are not being funded with Housing Tax Credits. Additionally, if the funds are used to target extremely low-income Texans earning 30 percent or less of the AMFI and those units are not designated to serve extremely low-income households through another subsidy source, the Department may allow a forgivable loan only for the extremely low-income units.
- b) In accordance with 10 TAC 51.6 (d), this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served statewide basis. Applications will be accepted until 5:00 p.m. **May 1, 2008** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding.

- c) The Department will award Housing Trust Fund funds as a loan, to eligible recipients for the provision of housing for very low and extremely low-income individuals and families. Funds will be allocated primarily in rural areas and will not be awarded to developments that have received an allocation of Housing Tax Credits so that special emphasis is given to smaller proposed developments. The Department's underwriting guidelines at 10 TAC §1.32 will be used which set as a minimum feasibility a 1.15 debt coverage ratio.
- d) Award amounts are limited to no more than \$250,000 per development.
- e) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program.

3) Eligible and Ineligible Activities and Restrictions

- a) Eligible activities will include the financing, new construction, acquisition and/or rehabilitation of affordable rental housing developments.
- b) Ineligible activities include the acquisition, rehabilitation, reconstruction or refinancing of affordable rental housing constructed within the past 5 years or previously funded by the Department.
- c) Ineligible activities include financing for any property that also has received or will receive Housing Tax Credits.
- d) Restrictions include the displacement of existing affordable housing. Pursuant to §2306.203(a)(4) of the Texas Government Code, Housing Trust Funds shall not be utilized on a development that has the effect of permanently displacing low, very low, and extremely low income persons and families. Low-Income persons who may be temporarily displaced by the rehabilitation of affordable housing may be eligible for compensation of moving and relocation expenses. If a Housing Trust Fund recipient violates the permanent dislocation provision of this subsection, that recipient risks loss of Housing Trust Funds and the landlord/developer must pay the affected tenant's costs and all moving expenses.

4) Eligible and Ineligible Applicants

- a) The Department provides HTF to qualified local units of government, public housing authorities, community housing development organizations, nonprofit organizations and for-profit entities.
- b) Ineligible Applicants will include the following:
 - i) Previously funded recipient(s) whose Housing Trust Funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to the current funding cycle;
 - ii) Applicants, or persons affiliated with the Applicant that have been barred, suspended, or terminated from procurement in a state or federal program and listed in the List of Parties Excluded from Federal Procurement of Non-procurement Programs;
 - iii) Applicants or persons affiliated with the Applicant that are subject of enforcement action under state or federal securities law, or are the subject of an enforcement proceeding with a state or federal agency or another governmental entity;

- iv) Applicants or persons affiliated with the Applicant that have unresolved audit findings related to previous or current funding agreements with the Department;
 - v) Applicants or persons affiliated with the Applicant that have delinquent loans, fees or other commitments with the Department, until payment is made;
 - vi) Applicants who have not satisfied all threshold requirements described in this title, and the NOFA to which they are responding, and for which Administrative Deficiencies were unresolved;
 - vii) Applicants who have submitted incomplete Applications;
 - viii) Applicants or persons affiliated with the Applicant that have been otherwise barred by the Department;
 - ix) Applicants are subject to §1.13 of this title; or
 - x) Applicants or persons affiliated with the Applicant that have breached a contract with a public agency.
- c) Each Application will be reviewed for its compliance history by the Department, consistent with 10 TAC Chapter 60. Applicants, or persons affiliated with an Application, found to have a Development or Contract in Material Noncompliance with the Department, will have their Application(s) terminated.

5) Affordability Requirements

- a) Pursuant to §2306.203 (6) of the Texas Government Code, Applicants proposing multifamily housing, new construction or rehabilitation, will be required to guarantee the Development will remain affordable to income qualified families or individuals for a period of 20 years.
- b) Properties will be restricted under a Land Use Restriction Agreement (“LURA”), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

6) Site and Development Restrictions

- a) Housing that is constructed or rehabilitated with HTF funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of local codes applications will be required to meet Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply.
- b) Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619). Any Developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.

7) Threshold Criteria

- a) Housing units subsidized by HTF funds must be affordable to very-low or extremely low-income persons. Mixed Income rental developments may only receive funds for units that serve very-low or extremely low-income persons. All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.
- b) The Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC §1.37.
- c) The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise. Applicants must demonstrate the application can meet the following threshold criteria to be considered for funding:
 - i) The application is consistent with the requirements established in the HTF rules and the NOFA.
 - ii) The Applicant provides evidence of its ability to carry out the proposal in the areas of financing, acquiring, rehabilitating, developing or managing an affordable housing development.
 - iii) To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants must target units for individuals or families earning 50% or less of area medium income for the development site.
 - iv) To encourage reasonable and cost effective building strategies, applicants must limit development cost per square foot to \$70.00 for new construction and \$38.00 for rehabilitation. Please note, use normal rounding when performing this calculation. (\$69.50 and higher would be rounded up to \$70.00, \$69.49 and lower would be rounded down to \$69.00).
 - v) An applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b).

8) Review Process

- a) Pursuant to 10 TAC §51.6, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their "received date" unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier "received date" but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.
- b) If a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. If an

application is determined ineligible pursuant to this section, the Application will be terminated without being processed as an Administrative Deficiency.

Phase One will include a review of all application requirements. The Department will ensure review of all application materials required under the NOFA and issue notice of any deficiencies on the application's satisfaction of threshold and eligibility within 45 days of the date it enters Phase One. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into Phase Two and will continue to be prioritized by their received date. Applications which do not resolve all deficiencies within seven business days, will be retained in Phase One until all deficiencies have been addressed or resolved by the Applicant to the Department's satisfaction. Only upon resolution of all deficiencies will the Application be forwarded to Phase Two. Applications that have not left Phase One within 65 days of the date it entered Phase One will be terminated and must reapply for consideration of funds.

Phase Two will include a comprehensive review for material noncompliance and financial feasibility by the Department. Financial feasibility reviews will be conducted by the Department's Real Estate Analysis (REA) Division consistent with 10 TAC §1.32, Underwriting Rules and Guidelines. REA will draft an underwriting report that will identify staff's recommended loan terms, the loan or grant amount and any conditions to be placed on the development. The Department will ensure financial feasibility review and issue notice of any required deficiencies for that feasibility review within 45 days of the date it enters Phase Two. Applicants who are able to resolve their deficiencies within seven business days will be forwarded into "Recommended Status" and will continue to be prioritized by their received date. Applications with deficiencies not satisfied within seven business days, will be retained in Phase Two until Applicant resolves all deficiencies to the Department's satisfaction. Only upon satisfaction of all deficiencies will the Application be forwarded to the Department's Executive Award Review and Advisory Committee for final approval before recommendation to the Board. Any application that has not left Phase Two after 65 days of the date it entered Phase Two will be terminated and must reapply for consideration of funds.

Upon completion of the applicable final review Phase, applications will be presented to the Executive Awards Review and Advisory Committee (the Committee). If satisfactory, the Committee will then recommend the award of funds to the Board, as long as HTF funds are still available for this Activity under the applicable NOFA. If the Application is recommended at least 14 days prior to the next Board meeting, it will be placed on the next Board meeting's agenda. If the Application is recommended with less than 14 days before the next Board meeting, the recommendation will be placed on the subsequent month's Board meeting agenda. Applications which are not recommended by the committee will be either returned to Department Staff or terminated.

Because applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HTF funds before an application has completed all phases of its review. In the case that all HTF are committed before an application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for 90 days in its current phase. If new HTF funds become available, applications will continue onward with their review without losing their received date priority. If HTF funds do not become available within

90 days of the notification, the Applicant will be notified that their application is no longer under consideration. The applicant must reapply to be considered for future funding. If on the date an application is received by the Department, no funds are available under this NOFA, the applicant will be notified that no funds exist under the NOFA and the application will not be processed.

- c) Pursuant to 10 TAC §51.6(g)(1), a site visit will be conducted as part of the HTF Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HTF funding by the Board.
- d) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.
- e) In accordance with §2306.082 Texas Government Code and 10 TAC 51.6(j), it is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC 1.17.
- f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

9) Application Submission

- a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **May 1, 2008**. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Barbara Skinner at 512-475-1643 or via e-mail at barbara.skinner@tdhca.state.tx.us or Ann Gusman-MacBeth at 512-475-4606 or via e-mail at ann.macbeth@tdhca.state.tx.us.
- b) If an Application is submitted to the Department for a Development that requests funds from two separate housing finance programs, and only one of the housing finance programs is operated as a competitive cycle, the Application will be handled in accordance with the guidelines for each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs. If an Application is submitted for two separate housing finance programs where both programs are either open cycle, or competitive, the Application will be handled in accordance with the

guidelines of each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs.

- c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.
- d) Applicants must submit two complete printed copy of all Application materials as detailed in the 2007 ASPM for Housing Trust Fund.
- e) The application consists of three parts: bound items, unbound items and electronic submission. A complete application for each proposed development must be submitted. Incomplete applications or improperly bound applications will not be accepted. The bound volumes of the application must be bound using red pressboard binders. Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the capacity of one binder, a second binder may be used to subdivide the volume.
- f) If third party reports are not received at the time of application submission, the Application will be terminated.
- g) All Application materials including manuals, NOFA, program guidelines, and all applicable Housing Trust Fund rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the Housing Trust Fund Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.
- h) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of \$200.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee.
- i) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
221 East 11th Street
Austin, TX 78701-2410

or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
Post Office Box 13941
Austin, TX 78711-3941

NOTE: *This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular Housing Trust Fund Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

BOND FINANCE DIVISION

BOARD ACTION REQUEST

October 11, 2007

Action Items

Presentation, Discussion and Possible Approval of Resolution No. 08-001 authorizing the extension of the certificate purchase period for Single Family Mortgage Revenue Bonds, 2006 Series A-C (Program 66).

Required Action

Approval of Resolution No. 08-001 authorizing the extension of the certificate purchase period for Single Family Mortgage Revenue Bonds, 2006 Series A-C (Program 66).

Background

The mortgage loan origination period related to TDHCA's Single Family Mortgage Revenue Bonds, 2006 Series A-C (Program 66) will terminate on January 1, 2008. If the origination period is not extended, any unspent proceeds will be used for an unexpended bonds proceeds redemption. At the time of bond pricing, investors ask issuers about their history of unspent bond proceeds. Because of these extensions, TDHCA can report positively back to investors. Staff recommends extending the certificate purchase date for Program 66 to January 1, 2009. The table below reflects Program 66's balances, per the master servicer's records, as of September 27, 2007.

Total Lendable Bond Proceeds		<u>\$ 241.3 million</u>
Assisted Funds Unreserved Balance	\$ 0.0 million	
+ Unassisted Funds Unreserved Balance	\$ 0.0 million	
+ Loans in Mortgage Pipeline	<u>\$ 30.4 million</u>	
= Total Unspent Proceeds Balance		\$ 30.4 million
Mortgages Closed and Funded		\$ 210.9 million

A significant amount of the mortgage funds have been purchased. On June 29, 2007, \$16.4 million in funds reserved for families earning 60% Area Median Family Income (AMFI) or below in the Rita Gulf Opportunity Zone became available for families earning up to 140% AMFI. Since then, all of the funds have been reserved at the mortgage rates of 5.625% unassisted, 6.125% assisted and 5.875% assisted (GO Zone) are waiting to be purchased by the master servicer. For families constructing a new home, 180 days are needed to complete the processing of funds reserved in the pipeline. Should any of these loans fall-out, the extension of the certificate purchase period would allow ample time to close and fund new loans.

Recommendation

Approve Resolution No. 08-001 authorizing the extension of the certificate purchase period for Single Family Mortgage Revenue Bonds, 2006 Series A-C (Program 66).

Resolution No. 08-001

RESOLUTION AUTHORIZING THE EXTENSION OF THE CERTIFICATE PURCHASE PERIOD FOR SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, 2006 SERIES A; SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, 2006 SERIES B AND SINGLE FAMILY MORTGAGE REVENUE BONDS, 2006 SERIES C; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS RELATING THERETO; MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH; 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 and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very 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 and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire, finance or acquire participating interests in such mortgage loans, 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 single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, in order to implement its Bond Program No. 66, the Department issued its Single Family Mortgage Revenue Refunding Bonds, 2006 Series A in the aggregate principal amount of \$59,555,000 (the "2006 Series A Bonds"), its Single Family Mortgage Revenue Refunding Bonds, 2006 Series B in the aggregate principal amount of \$70,485,000 (the "2006 Series B Bonds"), and its Single Family Mortgage Revenue Bonds, 2006 Series C in the aggregate principal amount of \$105,410,000 (the "2006 Series C Bonds" and together with the 2006 Series A Bonds and the 2006 Series B Bonds, collectively, the "2006 Series A/B/C Bonds") pursuant to a Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980 between the Department, as successor to the Texas Housing Agency, and The Bank of New York Trust Company, N.A., as successor trustee (the "Trustee"), as supplemented and amended (collectively, the "Single Family Indenture"), and the Forty-Sixth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2006 (the "Forty-Sixth Supplement") with respect to the 2006 Series A Bonds, the Forty-Seventh Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2006 (the "Forty-Seventh Supplement") with respect to the 2006 Series B Bonds and the Forty-Eighth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2006 (the "Forty-Eighth Supplement") with respect to the 2006 Series C Bonds, each between the Department and the Trustee, for the purpose, among others, of providing funds to make and acquire qualified mortgage loans (including participating interests therein) during the Certificate Purchase Period (as described in the Forty-Sixth Supplement); and

WHEREAS, concurrently with the issuance of the 2006 Series A/B/C Bonds, the Department issued its Single Family Mortgage Revenue Refunding Bonds, 2006 Series D in the aggregate principal amount of \$29,685,000 (the "2006 Series D Bonds") and its Single Family Mortgage Revenue Refunding Bonds, 2006 Series E in the aggregate principal amount of \$17,295,000 (the "2006 Series E Bonds") pursuant to the Single Family Indenture and the Forty-Ninth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2006 with respect to the 2006 Series D Bonds and the Fiftieth Supplemental Single Family Mortgage Revenue Bond Trust Indenture dated as of June 1, 2006 with respect to the 2006 Series E Bonds, each between the Department and the Trustee, for the purpose, among others, of refunding certain prior bonds of the Department; and

WHEREAS, the Certificate Purchase Period with respect to the 2006 Series A/B/C Bonds ends on January 1, 2008, unless extended; and

WHEREAS, the Department desires to approve and authorize (i) the extension of the Certificate Purchase Period for the 2006 Series A/B/C Bonds to January 1, 2009 in accordance with the terms of the Forty-Sixth Supplement, (ii) all actions to be taken with respect thereto, and (iii) the execution and delivery of all documents and instruments in connection therewith;

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

ARTICLE I

EXTENSION OF CERTIFICATE PURCHASE PERIOD; APPROVAL OF DOCUMENTS

Section 1.1--Approval of Extension of the Certificate Purchase Period. The extension of the Certificate Purchase Period to January 1, 2009, or the first business day thereafter, is hereby authorized, subject to advice of any financial advisor, bond counsel or other advisor to the Department, such extension to be effectuated under and in accordance with the Single Family Indenture and the Forty-Sixth Supplement, and the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all documents and instruments in connection therewith and to request and deliver all certificates as may be required by the terms of the Forty-Sixth Supplement in connection therewith.

Section 1.2--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chair of the Board; the Vice Chairman of the Board; the Secretary to the Board; the Executive Director of the Department; and the Director of Bond Finance of the Department.

ARTICLE II

GENERAL PROVISIONS

Section 2.1--Purpose of Resolution. The Board has expressly determined and hereby confirms that the acquisition of mortgage loans or the purchase of Mortgage Certificates resulting from the extension of the Certificate Purchase Period will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 2.2--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 2.3--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this

Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[Execution page follows]

PASSED AND APPROVED this 11th day of October, 2007.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

PORTFOLIO MANAGEMENT AND COMPLIANCE

BOARD ACTION REQUEST

October 11, 2007

Action Item

Presentation, Discussion and Possible approval of Portfolio Management and Compliance Division Request for Proposals to outsource Uniform Physical Condition Standards Inspections (UPCS) for multifamily housing rental developments funded by the Texas Department of Housing and Community Affairs.

Required Action

Approve the Request for Proposals to outsource Uniform Physical Condition Standards Inspections for multifamily housing rental developments.

Background

To better utilize existing TDHCA staff UPCS inspections have been outsourced since 2005. The Uniform Physical Condition Standards Inspection performed by the outside vendor details deficiencies of the physical condition of the development site, building exteriors, common areas, building systems, and dwelling units. Department staff evaluate UPCS inspection reports and owners and development staff are provided a copy of the report with a letter from the Department outlining any Minor and/or Major Violations of the Department's Compliance scoring system. The development is provided a corrective action period to repair deficiencies reported. This two step approach utilizes the talents of the vendor and TDHCA staff efficiently to ensure developments are offering decent, safe, and sanitary housing, suitable for occupancy, and to maintain compliance with applicable Housing program requirements.

The current contract expires December 31, 2007. The Department needs to execute a new contract to continue the outsourcing of Uniform Physical Condition Standards. The new contract will be for at least one year with the possibility of renewals. The Request for Proposals will be published in the *Texas Register* and the *Market Place*. The current contractor providing UPCS inspections and other firms that have indicated interests in providing this service will be notified.

Based on the pricing under the current contract there is not a sufficient amount budgeted for inspections of all of the properties that will be monitored in the upcoming year. Once proposals are received, staff will assign for inspection on a priority basis those properties that received funding for acquisition rehabilitation and those properties that received funding for new construction in the early 1990s.

In addition to outsourcing, the Department is developing in house expertise to provide more coverage. There is currently one Compliance Monitor who has attended a week long training at

HUD's Real Estate Assessment Center in Washington D.C. and is proficient in the UPCS protocol. He is designated at the Division's UPCS coordinator. In November of 2007 all TDHCA monitors will be trained in the UPCS protocol. After the training, monitors will accompany the UPCS coordinator on inspections until they are ready to do inspections on their own.

Texas Department of Housing and Community Affairs

**Request for Proposals
Uniform Physical Condition Standards Inspections**

Deadline for Submission: November 16, 2007 at 4pm

TABLE OF CONTENTS

SECTION

- 1. Purpose**
- 2. Background**
- 3. Intent**
- 4. Scope of the Work**
- 5. Evaluation Criteria**
- 6. General Information**
- 7. Deadline for Submission**
- 8. Release of Information**
- 9. Proprietary Information**
- 10. Proposal Format**
- 11. Contract Payment and Retainage**
- 12. Submission of Proposals**
- 13. Insurance**

ATTACHMENTS

Exhibit A: Statement of Work

Exhibit B: Properties in Major Metropolitan and Surrounding Areas

Exhibit C: Properties in Non Metropolitan Areas

Exhibit D: HUB Subcontracting Plan

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REQUEST FOR PROPOSALS

UNIFORM PHYSICAL CONDITION STANDARDS INSPECTIONS

1. PURPOSE

The Texas Department of Housing and Community Affairs ("TDHCA/The Department") seeks proposals in response to this Request for Proposals from architectural, engineering, and/or individuals/firms with experience conducting Uniform Physical Condition Standards Inspections (UPCS). The purpose is to inspect developments funded through the Housing Tax Credit program (HTC), the HOME Investment Partnership program (HOME), the Tax Exempt Bond program (BOND), Community Block Grant program (CDBG) and the Housing Trust Fund/Preservation programs (HTF) to ensure that developments comply with the requirements of the Uniform Physical Condition Standards established by U.S. Department of Housing and Urban Development (HUD) at 24 CFR 5.703. A list, by City, of developments to be inspected is provided in the Attachments Section of this document.

TDHCA reserves the right to accept or reject all or any part of any kind of the proposal, waive minor technicalities and award the bid to serve the best interest of the State. One or multiple awards may be made to satisfy the needs of the Department in all regions statewide. The required experience, knowledge, skills and abilities are as follows:

- Thorough knowledge of Uniform Physical Condition Standards as established by HUD (24 CFR 5.703);
- Skill in interpreting and explaining complex rules and regulations;
- Ability to understand and apply State and Federal laws, regulations and agency policy;
- Ability to complete assigned inspections within an assigned time frame;
- Ability to prepare detailed, concise written reports; and
- Ability to maintain detailed documentation in an orderly, accurate and complete format.

The successful individual(s)/firm(s) will be inspecting specific developments for compliance and submitting all working papers, reports and photographs to TDHCA. Approximately 500 developments may be inspected under this proposal. The properties that may be inspected are listed on Exhibits B and C. Exhibit B lists those properties in major metropolitan and surrounding areas. Exhibit C lists those properties in non Metropolitan Areas.

2. BACKGROUND

Treasury Regulation 1.42-5 provides guidelines for the Housing Tax Credit Program. In 2001, the IRS amended the Regulation and strengthened the required compliance monitoring focus on habitability by requiring increased physical inspections of Housing Tax Credit

developments. In addition, the amendment requires State agencies to choose between two methodologies to conduct physical inspections: the comprehensive UPCS physical inspection methodology developed by HUD, or inspections based on local code. To ensure compliance with IRS Code Section 42, TDHCA has elected to outsource UPCS inspections on a majority of the Housing Tax Credit developments. In addition, all non-Housing Tax Credit developments funded by the Department must be maintained safe, sanitary, and in good repair. To maintain consistency with monitoring practices and the Department's Rules at 10 Texas Administrative Code, Chapter 60, the Department will use HUD's Uniform Physical Condition Standards (UPCS) to determine compliance with property conditions for all developments participating in Housing Programs administered by the Department. All newly constructed developments will not require a UPCS inspection with the first monitoring review by TDHCA.

TDHCA must conduct onsite monitoring reviews of all developments at least once every three years and review a sampling of the low income units and files. It is the intent of Treasury Regulation 1.42-5 and Department policy to have the same unit and file inspected. It is the normal procedure of the Department to make travel assignments at least one month in advance. At the time of travel assignments a list of developments with a TDHCA monitoring review date will be given to the vendor/bidder for UPCS inspection.

3. **INTENT**

TDHCA shall offer inspection assignments as the budget allows. Assignments will be determined at the discretion of TDHCA.

4. **ANTICIPATED SCOPE OF THE WORK**

a. Upon notification by the Department, the vendor/bidder will conduct a UPCS inspection of an assigned development that details the condition of the site, building exteriors, common areas, building systems, and dwelling units. TDHCA will provide the list of specific units to be inspected, addresses and contact information for each owner and development. The inspection may coincide with the TDHCA monitoring review, but never prior to a TDHCA monitoring review.

- Vendor/bidder will conduct the UPCS Inspection within a 30 day time frame established by TDHCA for properties in the metropolitan and surrounding areas or within a 60 day timeframe established by TDHCA for properties in non-metropolitan areas. TDHCA will provide at least 30 days notice before the beginning of the required timeframe.
- The owner and development staff must be provided two weeks written notice of the inspection.
- Failure to perform the inspection within the allotted time frame will result in a 10% reduction in the invoiced amount for every two weeks or portion thereof the inspection is delayed.

- TDHCA reserves the right to request specific inspectors not conduct inspections on TDHCA developments,

For each development inspected, vendor/bidder shall prepare and submit a comprehensive, detailed and signed UPCS Inspection/Compliance Report to TDHCA within 30 days of the date of each inspection visit. The Report is to include the following:

- A comprehensive, detailed report detailing the condition of the site, building exteriors, common areas, building systems, and dwelling units. UPCS deficiencies must be listed by unit and building number.
 - Two copies of the UPCS/Compliance Report and a copy of the report in PDF format through stored medium (CD-ROM disk) is required.
 - Photographs of the development such as buildings, signs, and common area must be included in the report. Violation of Exigent Health and Safety deficiencies should be photographed and original or digital photographs submitted to TDHCA. A sufficient number of photographs should be made to document deficiencies reported and to document the general physical condition of the development.
 - Any deficiencies must be verbally identified by the inspector and communicated to Development staff.
 - Any Exigent or Fire Safety deficiencies must be verbally identified so property representative(s) have the opportunity to immediately correct deficiencies. In addition, Exigent and Fire Safety deficiencies identified must be provided in writing, using the Notification of Exigent and Fire Safety Hazards Observed forms provided by the Department, to the property representative(s) at the end of the inspection, regardless of status. Any deficiencies corrected during the inspection should be noted in the Notification form.
 - The inspector will provide the Department's UPCS coordinator a copy of the Department's Notification of Exigent and Fire Safety Hazards Observed form, via facsimile or email, within seventy-two (72) hours of the completion of the inspection.
- b. As determined and requested by TDHCA, re-inspection of developments to ensure that they have been brought into compliance may be requested.
- Re-inspections shall be conducted within 30 days of the request.
- c. Vendor/Bidder shall prepare and submit a comprehensive, detailed, and signed final UPCS/Compliance Report concerning each project re-examined to TDHCA within 30 days from the date of each re-inspection visit. Two copies of the UPCS/Compliance Report and a copy of the report in PDF format through stored medium (CD-ROM disk) is required.

- d. A copy of any communication, i.e. correspondence, documentation, summary of telephone meetings, or other documentation or documented communication relating to this contract, other than the documents specifically bound by timeframes described above, must be provided to TDHCA upon request.
- e. The vendor/bidder shall provide the following services on an “as needed” basis at an hourly rate:
 - Serve as an expert witness on behalf of TDHCA for lawsuits filed related to Uniform Physical Condition Standards.

5. **EVALUATION CRITERIA**

All responses to this RFP will be evaluated based on the following criteria and rankings. Maximum 100 points.

- (1) Demonstrated Applicable Experience - The number of years of applicable experience for the individual or the organization’s key personnel who will be actively engaged in the project (20 points)
- (2) The number of UPCS inspections performed by the individual or organization over the last three (3) years (15 points)
- (3) System Concept and Solutions Proposed - Demonstrate understanding of the needs of the Department and demonstrate the ability to be responsive to terms and conditions; complete and thorough with technical data and documentation (20 points)
- (4) The ability to conduct inspections throughout the State on a timely basis—detail the number of inspectors to be assigned to perform inspections and describe proposed procedures to schedule inspections for timely completion. If the proposal does not include inspections in all regions of the State, specify the proposed areas of coverage. (25 points)
- (5) Total Price - The combined price of the individual components in the Price Bid. (20 points)

6. **GENERAL INFORMATION**

TDHCA reserves the right to accept or reject any (or all) proposals submitted. TDHCA also reserves the right to assign all or part of the inventory to be inspected, and to expand the inventory as needed for new projects placed in service.

The information contained in this RFP is intended to serve only as a general description of the services requested by TDHCA. TDHCA intends to use responses as the basis for further

awards of specific project details with vendor/bidders. This RFP does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds, per the attached Terms and Conditions. Issuance of this RFP in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a proposal response.

HUB SUBCONTRACTING PLAN (HSP) In accordance with Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, respondents, including State of Texas certified Historically Underutilized Businesses (HUBs), must complete and submit a State of Texas HUB Subcontracting Plan (HSP) with their solicitation response. A copy of the HSP is included as Attachment 3 and is available at:
<http://www.window.state.tx.us/procurement/pub/contractguide/HUBSubcontractingPlan.pdf>

7. **DEADLINE FOR SUBMISSION**

The deadline for submission of a response to this Request for Proposals is November 16, 2007, at 4 p.m. Central Daylight Savings Time. No proposals will be accepted after the deadline.

8. **RELEASE OF INFORMATION**

Information submitted relative to this Request for Proposals shall not be released by TDHCA during the proposed evaluation process or prior to contract award. All information submitted to and retained by TDHCA becomes subject to disclosure under the Texas Public Information Act, unless an exception under such Act is applicable.

9. **PROPRIETARY INFORMATION**

If a firm does not desire proprietary information in the proposal to be disclosed under the Texas Public Information Act or otherwise, the vendor/bidder is required to clearly identify (and segregate if possible) all proprietary information in the proposal. If such information is requested under the Texas Public Information Act, the firm will be notified and given an opportunity to present its position to the Attorney General of Texas, who shall make the final determination. If the firm fails to clearly identify proprietary information, it agrees, by the submission of a proposal, that those sections shall be deemed non-proprietary and made available upon public request after the contract is awarded.

10. **PROPOSAL FORMAT**

The Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief and concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequences:

Part I - Business Organization: State full name and address of your organization and identify parent company if the entity is a subsidiary. Specify the branch office or other subordinate element that will perform, or assist in performing, work herein. Indicate whether the entity operates as a partnership, corporation, or individual. Include the State in which the individual or entity is incorporated or licensed to operate and the organization's Federal tax ID number/ individual's social security number. If the entity is a State of Texas certified HUB, supply the HUB certification.

Part II - Program: Describe the technical plan or standard operating procedures for accomplishing required work. Include such time-related displays, graphs, and charts as necessary to show tasks, sub-tasks, milestones, and decision points related to the Statement of Work and the plan for accomplishment. Specifically indicate:

- i. A description of the inspection work and inspection methodology. For example, detail the steps to be performed in proceeding from assignment of the inspection by TDHCA to completion and submission of reports.
- ii. The technical factors that will be considered in section (i) above, and the depth to which each will be treated.
- iii. The degree of definition provided in each technical element of the plan.
- v. If appropriate, the amount of progress payments the entity will request upon successful completion of milestones or tasks, deducting ten percent (10%), which will be paid upon final acceptance by TDHCA.
- vi. A statement of the entity's compliance with all applicable rules and regulations of Federal, State and Local governing entities. Proposer must state the Proposer's intent to comply with the terms of this Request for Proposals.

Part III - Project Management Structure: Provide a general explanation and an organizational chart which specifies project leadership and reporting responsibilities. Identify personnel that would be working with TDHCA staff. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

Part IV - Prior Experience: Describe only relevant corporate experience and individual experience for personnel who will be actively engaged in the project. Do not include corporate experience unless personnel assigned to this project actively participated. Supply the project title, year, and reference name, as well as title, present address, and phone number of principal person for whom prior projects were accomplished.

Part V - Personnel: Include names, qualifications, including specific training and education, and pertinent certifications and licenses of all professional personnel who will be assigned to this project. State the primary work assigned to this person and the percentage of time each person will devote to this work. Identify key persons by name and title. Provide all resumes

for all key persons identified. Specifically identify the number of inspectors, either direct employees or contractors, to be assigned to perform inspections and the percentage of time performing TDHCA inspections.

Part VI - Authorized Negotiator: Include name, address, and telephone number of person in the organization authorized to negotiate contract terms and render binding decisions on contract matters.

Part XII – Conflict of Interest: Vendor/Bidder must disclose and provide an affidavit of any potential conflicts with any TDHCA’s affiliated Developments, Owners and/or Management Companies. Inspectors cannot perform an inspection or consult for the owner or management company of TDHCA developments that may be inspected under this contract. This will not include inspections for HUD’s Real Estate Assessment Center.

Part XIII - Price Proposal: The proposed method of pricing must be included and described. The bid amount must include all costs associated with the inspection (i.e. travel arrangements, lodging, meals etc.). If progress payments are proposed, the payments should be based on milestones completed; however progress payments will be scheduled as mutually determined to be appropriate. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work is completed.

The following information is required from each bidder:

i. A rate per unit inspection, including the Compliance Report and all required associated materials.

\$ _____ per Unit. Specify portion paid to inspector and amount of overhead.

ii. A rate per project re-inspection, including the Compliance Report and all required associated materials.

\$ _____ per Unit Re-inspection.

iii. An hourly rate for serving as an expert witness on behalf of TDHCA.

\$ _____ per Hour.

11. CONTRACT PAYMENT AND RETAINAGE

The contract shall be prepared under the direction of TDHCA, and shall incorporate all applicable provisions. The proposed method of pricing may or may not be used, but should be described. Progress payments should be proposed based upon milestones completed, however, progress payments will be scheduled as mutually determined to be appropriate. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work products.

12. SUBMISSION OF PROPOSALS

Two copies of the response should be submitted by registered mail or delivered in person to Mike Garrett, Compliance Monitor, Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, TX 78701, no later than the deadline for submission of proposals specified.

13. **INSURANCE**

The Proposer shall provide a certificate of insurance evidencing public liability and property damage insurance. The Proposer must maintain the required insurance policies during the term of this agreement.

Michael Gerber, Executive Director

ATTACHMENTS SECTION

EXHIBIT A: STATEMENT OF WORK

1. Upon notification by the Texas Department of Housing and Community Affairs (TDHCA or the Department), the vendor/bidder will conduct a UPCS inspection of an assigned development. The inspection will detail the condition of the site, building common areas, building exteriors, building systems, and a sample of dwelling units. All buildings will be inspected. TDHCA will provide a list of specific units to be inspected with addresses and contact information for each owner and development.

Vendor/bidder will conduct the UPCS Inspection within a 30 day time frame established by TDHCA for properties in the metropolitan and surrounding areas or within a 60 day timeframe established by TDHCA for properties in non-metropolitan areas. TDHCA will provide at least 30 days notice before the beginning of the required timeframe.

2. For each development, vendor/bidder shall prepare and submit a comprehensive, detailed, and signed UPCS Inspection/Compliance Report to TDHCA within 30 days of the date of the inspection visit. The Report is to include the following:

- Details of the condition of the site, building exteriors, common areas, building systems, and dwelling units. UPCS violations must be listed by building and unit number, with separate detail of site and common area deficiencies.
- Photographs of the development such as buildings, signs, and common area must be included in the report. Violations of Exigent and Fire Safety deficiencies, when warranted, should be photographed and submitted to TDHCA. Additionally, a sufficient number of photographs should be made to document other deficiencies reported and to document the general physical condition of the development.
- Two copies of the UPCS/Compliance Report, including photographs, and a copy of the report in PDF format through stored medium (CD-ROM disk) is required.

3. During the inspection:

- All deficiencies must be verbally identified by the inspector and communicated to Development staff.
- Any Exigent or Fire Safety deficiencies must be verbally identified so property representative(s) have the opportunity to immediately correct deficiencies. In addition, Exigent and Fire Safety deficiencies identified must be provided in writing, using the Notification of Exigent and Fire Safety Hazards Observed forms provided by the Department, to the property representative(s) at the end of the inspection, regardless of status. Any deficiencies corrected during the inspection should be noted in the Notification form.
- The inspector will provide the Department's UPCS coordinator a copy of the Department's Notification of Exigent and Fire Safety Hazards Observed form, via facsimile or email, within seventy-two (72) hours of the completion of the inspection.
- Inspectors should not discuss any potential score or overall result of the inspection with onsite staff. However, inspectors are encouraged to answer questions regarding deficiencies

they identify to ensure onsite staff understand why the deficiency was identified and how the severity level of the deficiency was determined.

4. As determined and requested by TDHCA, re-inspection of developments to ensure deficiencies have been brought into compliance may be requested.
 - Re-inspections shall be conducted within 30 days of notification by TDHCA.
 - Vendor/Bidder shall prepare and submit a comprehensive, detailed, and signed final UPCS/Compliance Report concerning each project re-examined to TDHCA within 30 days from the date of each re-inspection visit. Two copies of the UPCS/Compliance Report and a copy of the report in PDF format through stored medium (CD disk) is required.
5. A copy of any communication, i.e. correspondence, documentation, summary of telephone meetings, or other documentation or documented communication relating to this contract, other than the documents specifically bound by timeframes described above, must be provided to TDHCA upon request.
6. The vendor/bidder shall serve as an expert witness on behalf of TDHCA in the event lawsuits are filed related to Uniform Physical Condition Standards and inspections on an "as needed" basis at a specified hourly rate.

Exhibit B

Properties in Major Metropolitan and Surrounding Areas

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Northridge Apts.	701 Ridgelen Drive	ARLINGTON	76011	126	128	25
Mayfield Apartments	2100 E. Mayfield Road	ARLINGTON	76014	240	240	48
Rosemont at Mayfield	2200 East Mayfield Rd.	Arlington	76014	280	280	56
Providence at Rush Creek II	1200 Mineral Springs Rd.	Arlington	76001	144	144	29
Stone Ridge	600 E. Arkansas	Arlington	76014	204	204	41
Ebenezer Senior Housing	916 Walker St	Austin	78704	12	12	2
French Embassy	9920 QUAIL BLVD.	AUSTIN	78758	142	142	28
Garden Terrace	1015 West William Cannon	Austin	78745	88	85	17
Greentree Apartments	6103 MANOR ROAD	AUSTIN	78723	124	124	25
Spring Terrace	7101 N IH 35	Austin	78752	142	140	28
Arrowhead Park Apartments	805 MASTERSON PASS	AUSTIN	78753	280	290	58
Country Club Creek	4501 E. RIVERSIDE DR.	AUSTIN	78741	212	212	42
Windcrest On Yager Lane	12151 N. IH-35	AUSTIN	78753	360	360	72
Windcrest Parkside Apartments	1088 PARK PLAZA DRIVE	AUSTIN	78753	228	228	46
Rollins Martin	1172 Webberville Road	AUSTIN	78721	15	15	3
St. John's Village	7606 Blessing Ave.	AUSTIN	78752	156	117	23
Trails at the Park	815 Slaughter Ln. W.	AUSTIN	78748	200	148	30
Merrilltown Homes For Seniors	14745 Merrilltown Dr.	AUSTIN	78728	204	204	41
Spring Valley Townhomes	2402 E. William Cannon Dr.	AUSTIN	78744	230	173	35
Villas of Cordoba	5901 E. Stassney	AUSTIN	78744	156	93	19
Springdale Estates	1046-1048 Springdale Rd.	Austin	78721	43	25	5
Pleasant Valley Courtyards	4503 St. Elmo	Austin	78744	163	130	26
Rosemont at Oak Valley	2800 Collins Creek Drive	Austin	78741	280	280	56
Eagle's Landing Apartments	7800 Decker Lane	Austin	78724	240	240	48
Town Vista Apartments	2201 Montopolis Dr.	Austin	78741	280	280	56
Woodway Square Apartments	1700 Teri Road	Austin	78744	240	240	48
King Fisher Creek	4801 E. St. Elmo Rd.	Austin	78744	35	35	7
Collinwood Village Apartments	1001 Collinwood West Drive	AUSTIN	78752	174	174	35
Lincoln Courts	1000 Carver ST	Baytown	77620	30	30	6

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Gateway Village Seniors	2600 S. 12th (NE corner of 12th & Terrell Ave.)	Beaumont	77701	116	110	22
Pine Club Apartments	5015 PINE STREET	BEAUMONT	77703	232	232	46
Statewide CDC Scattered Sites Rental		Beaumont	77701	18	10	2
Villas Of Sunnyside	1425 Washington Village Pkwy.	BEAUMONT	77707	144	100	20
Willow Springs Apartments	4433 5TH STREET	BROOKSHIR	77423	44	44	9
Tamaric Apartments	1507 Cedar Park Drive	CEDAR PAR	78613	24	24	5
Cedar Park Townhomes	606 Brushy Creek Rd.	CEDAR PAR	78613	226	136	27
Casplta Apartments	2101 Lakeline Blvd. South	Cedar Park	78613	236	236	47
Sterling Green Village	15255 Furness	CHANNELVIE	77530	150	150	30
Havenwood Place	600 Hickerson Street	CONROE	77301	64	64	13
Hollow Creek Apts	500 HICKERSON ST	CONROE	77304	120	90	18
Park Village Apartment Homes	1400 S. Frazier Road	CONROE	77301	144	144	29
Arbour East	1615 John West Rd	Dallas	75228	300	300	60
Aspen Chase	11760 Ferguson Road	Dallas	75228	324	324	65
Azalea Court	1221 John West Rd.	Dallas	75228	57	57	11
Champions at North Dallas (Ika) Brightons Mark	4808 Haverwood Ln	Dallas	75287	180	180	36
Enchanted Hills	7963 Villa Cliff	DALLAS	75228	229	229	46
Fairway Crossing	7229 Ferguson Rd.	Dallas	75228	310	297	59
Grove	7209 South Loop 12	Dallas	75217	232	232	46
Heritage Square	4753 Duncanville Road	Dallas	75236	112	112	22
Hillcrest House	834 NORTH MARSALIS	DALLAS	75203	64	64	13
Melody Village (Ika Spindletop)	5929-5921 MELODY LANE	DALLAS	75231	262	262	52
Oakwood Place Apts.	4950 Wadsworth	DALLAS	75216	206	155	31
Pines Point Apartments	3102 ORADELL	DALLAS	75220	321	318	64
Pleasant Village	378 North Jim Miller Road	Dallas	75217	200	200	40
Reflections at highpoint	9010 Markville	Dallas	75243	373	373	75
The Highlands	2359 Highland Rd	Dallas	75228	136	136	27
The Parks @ Wynnewood Apartments	1910 ARGENTIA	DALLAS	75224	404	404	81
The Players Club	2525 Players Court	Dallas	75287	320	320	64

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Waterchase	12365 Plano Road	Dallas	75243	134	134	27
Wellington Place	9940 Forrest Lane	Dallas	75243	164	164	33
Park @ Cliff Creek	7310 Marvin D. Love Freeway	DALLAS	75237	280	280	56
Eban Village Apartments	2710 Jefferies	DALLAS	75215	110	110	22
The Villas Of Sorrento	3130 STAG ROAD	DALLAS	75241	245	220	44
Homes of Persimmon	3100 Persimmons	DALLAS	75241	180	135	27
Eban Village II	3000 Park Row	DALLAS	76215	220	99	20
Roseland Townhomes	2021 N. Washington Ave.	DALLAS	75204	192	114	23
Treymore at LaPrada, The	2800 blk. of John West Rd.	DALLAS	75150	196	147	29
Oak Hollow	2965 E. Ledbetter	Dallas	75216	158	153	31
Roseland Estates	3400 Munger Ave.	Dallas	75204	138	104	21
Prairie Commons	9600 Military Parkway	Dallas	75227	72	54	11
Madison Point Apartments	3600 S R L Thornton Freeway	Dallas	75224	176	140	28
Southern Oaks Apartments	3303 Southern Oaks Blvd.	Dallas	75216	256	256	51
Rose Court at Thorntree	West side of Old Hickory Trail, South of Wheatland Rd.	Dallas	75237	280	280	56
The Oaks III	Pierce St. and Perryton	Dallas	75224	280	280	56
South Boulevard Retirement Center	1811/1821 S. Blvd.	DALLAS	75216	30	30	6
Special Needs/ Denton Aff. Housing/stuart	409 Mill St	Denton	76201	10	10	2
Transitional Housing for Vic of D.V	111 Sawyer, 320 Mill, 410 Mill	Denton	76201	11	11	2
Country Park Apartments	McKinney Street	DENTON	76201	120	120	24
Pebble Brook Apts.	191 Dutchess	DENTON	76201	250	250	50
Quail Creek North	East of Brinker Road, North of Colorado Blvd.	Denton	76201	264	264	53
Springs Apartments, The	N. side of 290 (2 m. w. of	DRIPPING SP	78620	76	76	15
Burgundy Palms	9395 Betel	El Paso	79907	100	100	20
Castner Palms	9700 Cohen	El Paso	79924	100	100	20
Gateway East Apartments	1222 Giles Rd.	El Paso	79915	104	104	21
Geronimo Trails Townhomes	1404 Geronimo Dr.	El Paso	79925	22	22	4
Meadowbrook Townhomes	11520 Vista Del Sol Dr.	El Paso	79936	25	25	5
NCDO Housing, Ltd.	5250 Wren Ave.	EL PASO	79924	16	16	3

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Prado, Ltd.	151 S. Prado Road	EL PASO	79907	64	64	13
Pueblo Montana	14000 Montana Ave.	El Paso	79938	36	36	7
Santa Lucia Housing	596 Giles	El Paso	79915	36	36	7
Alamo Plaza	401 E. Alamo Plaza	Elgin	78621	28	28	6
Meadowpark Apartments	401 N. Highway 95	ELGIN	78621	27	27	5
Autumn Chase Apartments	3500 South Riverside Drive	FORT WORT	76119	184	138	28
Cambridge Courts	8124 Calmont Ave.	Fort Worth	76116	330	330	66
Continental Terrace	2100 Jacocks Ln	Fort Worth	76115	200	200	40
Historic Electric Building	410 W. SEVENTH	FORT WORT	76102	108	62	12
Shady Oaks Manor	6146 San Villa Dr.	Fort Worth	76135	138	138	28
Rock Island Hillside	300 Crump	FORT WORT	76102	176	105	21
Pennsylvania Place Apartments	200 PENNSYLVANIA AVENUE	FORT WORT	76103	152	152	30
Cobb Park Townhomes	2450 East Berry South	Fort Worth	76108	172	172	34
Wildwood Branch	I-820 @ Quebec St.	Fort Worth	76135	280	280	56
Evergreen at Hulen Bend Apartments	6300 Granbury Cut-off Rd.	Fort Worth	76132	237	237	47
The Park @ Sycamore School Apartments	3900 Sycamore School Road	Fort Worth	76133	216	216	43
Apartment	Crowley Rd. and	Fort Worth	76134	280	280	56
Alameda Villas	3000 Alameda St.	Fort Worth	76146	192	192	38
Meadows Apts.	1001 North J	Freeport	77541	87	86	17
Preston Trace Apartments	8660 Preston Trace Blvd	Frisco	75034	40	38	8
Creek Hollow	6218 Finbro Drive	Ft Worth	76133	120	120	24
Centerville Pointe	4266 Duck Creek Drive	GARLAND	75043	250	160	30
Parkview Place	2111 N Austin	Georgetown	78702	176	12	2
Wesleyan Retirement Homes	1105 South Church St.	Georgetown	78626	51	50	10
Georgetown Place Apartments	Nw. crnr. of Maple & Quail	GEORGETO	78626	176	106	21
Timber Oaks Apartments	700 Timber Oaks Lane	Grand Prairie	75051	264	264	53
The Lakes Of Williamsburg Apartments	2950 Mustang Dr.	Grapevine	76051	224	224	45
Green Manor Apartments	2000 4th Street	Hempstead	77445	40	40	8
Hempstead Gardens	700 Factory Outlet Drive	HEMPSTEAD	77445	50	20	4
Apartment	8210 Bauman Rd.	Houston	77022	100	100	20
Arbor Oaks	3434, 3500 West Little York	HOUSTON	77091	298	297	59
Arrowood	8304 South Course Drive	Houston	77072	304	304	81

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Bayou Village Place (Huntington Apt Home)	6310 DUMFRIES DRIVE	HOUSTON	77096	314	314	63
Bridges, The (fka Oaklake)	KUYKENDAHL	HOUSTON	77068	452	452	90
Coppertree Village	1415 WEST GULF BANK ROAD	HOUSTON	77098	324	322	64
Coral Hills Apartments	6383 Beverly Hill Street	Houston	77057	174	173	35
Gentry House Apartments	9001 KEMPWOOD	HOUSTON	77080	280	262	50
Kings Row Apartments	4141 Barberrry Drive	Houston	77051	180	180	36
Monterrey Villa Apartments	9121 Irvington	Houston	77022	36	100	20
Oak Brook	5353 Desoto	Houston	77091	222	222	44
San Jacinto Gardens	6115 La Salette Drive	Houston	77021	72	210	42
Sovereign Apartments	9888 United Drive	HOUSTON	77036	209	208	42
Sterling Grove Apartments	6240 ANTOINE DRIVE	HOUSTON	77091	348	346	69
Village Park Apartments	8701 Hammerly Blvd.	Houston	77080	418	355	71
Windcrest On Sherwood Apartments	1521 & 1621 SHERWOOD FOREST	HOUSTON	77043	212	212	42
Windcrest On Westview Apartments	9595 Westview	HOUSTON	77055	154	154	31
Yale Village Apartments	5873 Yale St.	Houston	77076	250	250	50
Britton's First Townhomes	3700 Lyons Ave	Houston	77020	48	20	4
Blue Ash Apartments	15101 Blue Ash Drive	HOUSTON	77090	216	216	43
Eastend Project	222 S. 66th Street	HOUSTON	77011	150	150	30
Park Yellowstone Townhomes (95120)	3322 Yellowstone Blvd.	HOUSTON	77021	210	100	20
Pleasant Hill Community Apartments	3814 LYONS	HOUSTON	77020	165	165	33
Wood Bayou Apartments	12380 WOOD BAYOU	HOUSTON	77013	35	35	7
Villas on Woodforest	451 Maxey Rd.	HOUSTON	77013	240	180	36
Swis Village II	9803 Homestead Rd.	HOUSTON	77016	88	66	13
Plum Creek Townhomes	Loop 610 s. @ Telephone Rd.	HOUSTON	77002	162	114	23
Quall Chase Apartments	500 Airtex Blvd.	HOUSTON	77090	248	248	50
Shoreham Apartments	Se. crnr. of Aldine Westfield	HOUSTON	77093	120	120	24
Columbia Greens	832 West Greens Street	HOUSTON	77067	232	174	35
Windfern II Townhomes	Sw. crnr. of Windfern &	HOUSTON	77040	144	144	29

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to inspect
Millstone Apartments	SW Crrr W. Fernhurst & Cobla	Houston	77494	248	248	50
West Oak Apartments	Crn.of Adkins Clodine & Gray	Houston	77082	168	168	34
Champlon Forest Apartments	Tomball Pky & Champlon Forest Dr	Houston	77086	192	115	23
Norams Plaza/Sunrise Village Apartments	7526 Martin Luther King Jr. Blvd.	Houston	77033	80	72	14
Heatherbrook Apartments	9405 Alcorn St.	Houston	77093	176	140	28
The Park at Kirkstall	300 Kirkstall Drive	Houston	77090	240	240	48
Kimberly Pointe Apartments	333 Airtex Blvd.	Houston	77090	228	228	46
Shadow Ridge Apartments	12200 Old Walters Rd.	Houston	77014	260	260	52
The Peninsula Apartments	6100 West Fuqua	Houston	77053	280	280	56
Timber Ridge II Apartments	Rd.	Houston	77032	124	140	28
Canal Street Apartments		Houston	77003	133	34	7
Loveft Manor	2056 Antoine	Houston	77055	158	198	40
The Villas in the Pines	Sam Houston Pky. @ Crosswinds	HOUSTON	77032	236	27	5
Fallbrook Ranch Apartments	500 West Rd.	Houston (area	77038	156	196	39
Providence at Veterans Memorial	Veterans Memorial Pky & Gears Rd	Houston (area	77087	250	250	50
Humble Memorial Gardens	9850 J M Hester	Humble	77338	75	71	14
Braxtons Mark	10201 North Macarthur Blvd.	Irving	75063	264	264	53
Shadows of Cottonwood	3950 North Story Road	Irving	75038	252	252	50
Katy Manor	5380 EAST 6TH STREET	KATY	77493	48	48	10
Villas at Park Grove	600 Park Grove Dr.	Katy	77450	120	120	24
Saddle Creek Apartments (fka, Steeplechase Apts.)	21100 IH-35 N.	Kyle	78640	104	80	16
The Gateway at Lake Jackson	111 Loganberry	LAKE JACKS	77566	160	80	16
Cedar Ridge Apts.	2702 Bagdad Rd	Leander	78641	80	80	16
Stone Creek	328 Southwest Parkway	Lewisville	75067	200	200	40
Boxwood Place Apartments	25 Boxwood Circle	LEXINGTON	78947	24	24	5
Highland Oaks Apartments	Mustang Drive and FM 1431	Marble Falls	78654	76	76	15
Marlindale Apartments	Highway #142	MARTINDALE	78655	24	24	5
Redbud Trall	1300 Redbud Blvd.	McKinney	75069	150	150	30
Treymore at McKinney	901 Wilson Creek Boulevard	MCKINNEY	75089	192	144	29

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to Inspect
Tuscany at Wilson Creek	451 Wilson Creek Blvd.	MCKINNEY	75089	215	162	32
Country Lane Seniors Community	2401 Country View Lane	MCKINNEY	75089	230	207	41
Evergreen at Mesquite Apartments	5201 Northwest Drive	Mesquite	75150	200	200	40
Villas on Bear Creek	8009 Davis Boulevard	NORTH RICH	76180	240	180	36
Heatherwilde Villas	16800 Heatherwilde Blvd.	Pflugerville	78660	256	256	51
Greenbridge at Buckingham	535 East Buckingham Road	Richardson	75081	242	242	48
Brazos Bend Villas	2020 Rocky Falls	Richmond	77469	120	120	24
Calcasieu Apartments, The	202-214 BROADWAY	SAN ANTONIO	78205	64	64	13
George Gervin Apts.	Yucca Gardens	San Antonio	78220	4	4	1
Maverick Apartments	606 North Presa Street	SAN ANTONIO	78205	90	75	15
Newlight Village	3144 E Commerce ST	San Antonio	78220	184	92	18
Rainbow House	8915 New World	San Antonio	78239	7	6	1
Saddlebrook Apartments	4032 E. Southcross Blvd.	San Antonio	78222	412	412	82
Villa De San Alphonso (fka Vera Cruz)	2107 Vera Cruz Street	SAN ANTONIO	78207	29	29	6
Vista Verde I & II Apartments	810 & 910 North Frio	San Antonio	78207	190	190	38
West Ave Apts.	3747 West Ave	San Antonio	78213	150	63	13
Westgate Apartments	333 Braham	SAN ANTONIO	78209	48	48	10
Park on Goldfield (fka Stone Ridge)	4848 Goldfield Rd.	SAN ANTONIO	78218	204	177	35
Las Villas De Merida Apartments	1700 S. Hamilton	San Antonio	78207	160	120	24
Warren House	401 Warren St	San Antonio	78213	7	7	1
San Jacinto Elderly	1600 Blk El Paso St	San Antonio	78207	50	50	10
Sutton Square Duplexes	919 Sutton Square	San Antonio	78228	30	30	6
Villas at Costa Brava	7300 blk. of Ingram Rd.	SAN ANTONIO	78251	250	150	30
North Knoll Apartments	6711 North Knoll	SAN ANTONIO	78240	198	99	20
Arboretum Apartments, The	8100 Huebner Rd.	SAN ANTONIO	78240	136	56	11
Westcreek Townhomes	1200 blk. of W. Loop	SAN ANTONIO	78253	220	165	33
Heatherwilde Estates	6300 Old Pearsall Rd.	San Antonio	78242	176	140	28
Refugio Street Apartments	300 Labor St.	San Antonio	78210	210	105	21
Gates of Capernum Apartments	8611 Water's Edge Dr.	San Antonio	78245	248	248	50

METROPOLITAN AND SURROUNDING AREAS

Property Name	address	city	zip code	total units	LI Units	Units to Inspect
Primrose SA II	South of Loop 410 and West of Hwy. 16	San Antonio	78242	280	280	56
Southside Villas B	1327 Mission Grande	San Antonio	78221	280	280	56
Wurzbach Manor	4363 Dean Pannill	San Antonio	78229	161	161	32
Asbury Place (fka: Jackson Community Apts)	1350 Wonder World Drive	SAN MARCO	78666	64	64	13
Stone Brook Seniors Community	300 S. Stagecoach Trail	SAN MARCO	78666	206	206	41
Santa Fe Plaza	12200 11TH STREET	SANTA FE	77510	48	48	10
Windsor Gardens Apartments	1630 Spencer Highway	South Houston	77587	192	153	31
Windcrest Spring Apartments	25469 BOROUGH PARK DRIVE	Spring	77380	304	304	61
The Parks at Stafford Village Apts.	SE corner of Dove Country Road	STAFFORD	77477	266	250	60
Mainland Crossing Townhomes	Emmet F. Lowry Expwy. & State	TEXAS CITY	77591	250	180	30
Copperwood Apartments	4407 South Panther Creek Dr.	The Woodlan	77381	300	300	60
Mid-Towne II Apartments	750 E. Carrèll St.	TOMBALL	77375	24	24	5
Forest View Apartments	4545 S. PANTHER CREEK DR.	Woodlands, T	77381	320	266	51

Exhibit C

Properties in Non Metropolitan Areas

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to inspect
Bentwood	1208 3RD STREET	ABERNATHY	79311	24	24	5
Canterbury Crossing Apartments	1250 YEOMAN'S ROAD	ABILENE	79803	304	304	81
Sunset Arbor Townhomes	3200 West Lake Rd.	ABILENE	79801	220	220	44
Alamo Village	504 North 9th St.	Alamo	78516	56	56	11
Sun Meadow Apartments	404 N. Cesar Chavaz	ALAMO	78516	78	78	15
Mountainview Apartments	801 North Orange Rd.	Alpine	79830	56	55	11
Alvarado Seniors Apartments, L.P.	1035 N. Cummings	ALVARADO	76009	24	24	5
Garden Gate - Alvin	2101 MUSTANG ROAD	ALVIN	77511	126	125	25
Amarillo Green Acres, Ltd.	3107 Plains Blvd.	AMARILLO	79102	192	148	29
Amarillo Greentree Village, Ltd.	6200 N. E. 24th Ave.	AMARILLO	79107	160	120	24
Astoria Park Apartments, Ltd.	3325 Julian Blvd.	AMARILLO	79102	164	123	25
North Grand Villas	2801 North Grand St.	Amarillo	79107	144	115	23
NWTH Meridian, Ltd.	2201 S.W. 6th Ave.	AMARILLO	79106	34	34	7
Rosemeade Apartments	1 Plum Creek Drive	Amarillo	79124	184	184	37
Amherst Capital Apartments	1st Street & Madison	AMHERST	79312	9	9	2
Andrews Manor	1205 N.E. MUSTANG DRIVE	ANDREWS	79714	24	24	5
Aransas Pass Retirement Center	2100 West Wheeler Ave.	Aransas Pass	78336	76	76	15
Walnut Hills Apartments	433 Walnut Hills Dr.	Baird	79804	24	24	5
Lantana Ridge Apartments	2200 N. Adams St.	Beeville	78102	55	55	11
Lantana Ridge Apartments South	2200 N. Adams St.	Beeville	78102	35	35	7
Palisade at Bellville		Bellville	77148	76	46	9
Park Place Apartments	20 S. Mechanic	Bellville	77418	40	40	8
Big Lake Seniors	1304 VICKY STREET	BIG LAKE	76932	20	20	4
Big Sandy Manor	STREET	BIG SANDY	75755	24	24	5
NHS of Dimmit Co. Inc	1603 Grand Street	Big Wells	78830	12	12	2
Blanco Seniors Apartments	380 Blanco Dr.	BLANCO	78808	20	20	4
Bonham Village Apartments	1201 WEST 10TH STREET	BONHAM	75418	25	25	5
Katy Creek Retirement Village	401 Bicentennial Road	BONHAM	75481	40	40	8
Bel Aire Manor Apartments	300 W. Otte	Brady	76825	16	16	3
Breckenridge Manor Apartments	200 North Palmer	BRECKENRIDGE	76424	24	24	5
Estates of Bridgeport	317 Cuba Road	Bridgeport	76426	10	10	2
Henderson Terrace Apts (FKA Crestwood P)	1205 A Henderson	BRIDGEPORT	76426	24	24	5
Classic Chateau	901 E. Reppto	Brownfield	79318	16	16	3
Paseo Plaza Apts.	2701 Paredos Line Road	BROWNSVILLE	78531	184	184	37
Providence at Boca Chica	250 Ash Street	Brownsville	78521	158	93	19

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to inspect
Rancho Del Cielo Apartments	3375 McAllen Road	BROWNSVILLE	78520	130	130	26
Rancho del Cielo, Phase II	3755 McAllen Rd.	BROWNSVILLE	78520	120	62	12
Valley Resaca Palms Apartments	2800 FM 802	BROWNSVILLE	78521	250	250	50
Villa del Sol	700 East St. Charles Street	Brownsville	78520	200	189	38
Brownwood Retirement Village	318 Bluffview Dr.	Brownwood	78801	76	76	15
The Brownwood Apartments	322 BLUFFVIEW DR.	BROWNWOOD	78804	50	50	10
Vicksburg Retirement Community	3020 FOURTH STREET	BROWNWOOD	78801	44	44	9
Sterling Park	1201 N. Simms	Bryan	77801	14	14	3
Brentwood Apts.	300 Southwest Thomas	Burleson	76028	36	36	7
Shenandoah Townhomes, L.P.	1151 Remington Circle	BURLESON	76028	120	120	24
Creekside Townhomes	103 N. Hill St.	Burnet	78611	60	54	11
Burleson Heights Apartments, Ltd.	300 S. Hwy. 36	CALDWELL	77836	24	24	5
Stone Street Retirement	401 Molly Drive	CALDWELL	77836	32	32	6
Calvert Arms Apartments	705 Mitchell	CALVERT	77837	24	10	2
Cameron Associates	1708 W 4th St	Cameron	78520	56	56	11
Westwind Village Apts.	17th & Clamp St	Carrizo Springs	78834	60	60	12
Panola Apartments	1100 S. Adams	Carthage	76633	32	32	6
Village Apartments	1410 NAPLES	CASTROVILLE	78009	39	39	8
Timber Ridge Apartments	427 MARTIN STREET	CHANDLER	75768	44	17	3
Fairview Manor Apartments	915 W. 18th St.	Childress	79201	48	48	10
Cibolo Plaza	730 FM 1103	CIBOLO	78108	24	24	5
Cisco Housing, Ltd.	1512-1518 Primrose Lane	CISCO	78437	16	16	3
Bosque Village Apartments	104 - 112 S. Ave. M	CLIFTON	76634	16	16	3
Clifton Manor Apartments I and II	610 S. Avenue F, 115 S. Avenue P	Clifton	76634	40	40	8
Painted Desert Townhomes	12682 Rio Negro Dr.	Clint	79836	20	20	4
Hillside Terrace	100 HILLSIDE TERRACE DR.	COLDSPRING	77331	48	48	10
Villas Of Rock Prairie	100 Mortier Drive	COLLEGE STATION	77840	132	92	18
Columbus Arms	1880 HIGHWAY 71 SOUTH	COLUMBUS	78934	48	48	10
Comanche Retirement Village	#4 HUETT CIRCLE	COMANCHE	76442	22	22	4
Mountain View Apts	1600 Blk N Main	Copperas Cove	76522	32	32	6
Hampton Port Apartments	6130 Wooldridge Rd.	Corpus Christi	78414	110	110	22
Holly Park Apartments	3210 Holly Rd.	Corpus Christi	78415	172	172	34
L.U.L.A.C. Village Park	1417 Home Road	Corpus Christi	78416	152	152	30

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to Inspect
Vista Verde Apts(fka Cotulla Retirement)	404 Medina Street	COTULLA	78014	24	24	5
Santa Fe Place	1204 EAST HWY. 82	CROSBYTON	78322	24	24	5
Villa Hermosa Apartments	1015 E. Crockett St.	Crystal City	78839	60	60	12
Gables Manor (fka McReynolds)	401 McReynolds Street	Dalingerfield	75638	12	12	2
St. John Colony	895 St. John Rd	Dale	78616	6	6	1
Dayton Square, Ltd.	2800 North Winfree	DAYTON	77535	48	48	10
Dayton Townhomes	550 Arron Street	DAYTON	77535	4	4	1
Retirement Center Of Dayton	1900 N. WINFREE	DAYTON	77535	48	48	10
Eagles Ridge Terrace	1500 South State Street	DECATUR	76234	90	90	18
DeKalb Seniors Apts	400 OAK HILL PLACE	DEKALB	75559	24	24	5
Courtyards At Klrwood	2800 Bolton Boone Rd.	DESOTO	76116	198	198	40
Detroit Apartments	2	DETROIT	75438	24	17	3
Devine Manor Senior Citizens	112 Dixon	DÉVINE	78016	32	32	6
Brush Country Cottages (fka Dilley Ref.)	500 Cross Creek	DILLEY	78017	28	28	6
Cornerstone Apts.	300 CROSS CREEK	DILLEY	78017	40	40	8
La Sombra Apartments	519 NORTH MAIN	DONNA	78537	50	50	10
Dublin Apartments	AVENUE	DUBLIN	76446	24	24	5
3013 Place Apartments	Hwy. 90 (appr. 1/4 mi. w. of	EAGLE LAKE	77434	36	36	7
Rio Grande Apartments	2173 Del Rio Blvd.	EAGLE PASS	78852	100	100	20
Colony Park Apartments, I & II	500 W. Sadosa	Eastland	76448	68	68	14
Delta Estates Apartments	2400 E. Santa Rosa	EDCOUCH	78538	64	64	13
Kingswood Village	521 South 27th Ave.	Edinburg	78539	80	80	16
La Posada Apts. (fka Elsa Retirement)	901 LAMAR AVE.	ELSA	78543	40	40	8
Nueva Vida Rentals	Lots	Elsa	78539	8	8	2
Grace Townhomes	1500-1600 S. Hall Street	ENNIS	76119	112	112	22
Tom Sawyer Place	411-TOM SAWYER ST.	EVANT	76525	17	17	3
Angellca Homes (Angels Oak)	Coner Willford & Wesley	Fairfield	75840	24	24	5
Floresville Square Apartments	100 Betty Jean Drive	Floresville	78114	70	70	14
Oasis Apartments	1501 N. Marshall Road	Fort Stockton	79735	56	56	11
Candlewood Village (fka Frankston)	101 Candlewood Drive	FRANKSTON	75763	24	24	5
East Texas Apartments	757 Garrison Loop	Garrison	75946	32	31	6
Meadowbrook Square Apts.	108 W. Godley Avenue	GODLEY	76044	20	20	4
Lone Oaks Apts.	1510 Carolina Street	GRAHAM	76046	64	64	13
St. Michael Estates	St Michaels St	Graham	76450	24	24	5
Chandler Place	1200 North Meadow Dr	Granbury	76048	24	24	5
Granbury Meadows Apartments	1201 NORTH MEADOW DRIVE	GRANBURY	76048	50	50	10

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	Lf Units	Units to inspect
Hayden Rige II	1225 North Meadow Dr	Granbury	76048	8	8	2
Hayden Ridge Apts.	1275 N Meadow Dr	Granbury	76048	15	15	3
Grandview Retire. Village	502 W Criner	Grandview	76050	24	24	5
Parkside Place Apts.	601 & 603 Parkside Dr.	GROESBECK	76642	44	44	9
Hamilton Manor Apartments	702 S. College St.	Hamilton	76531	18	18	4
Second North Corporation	721 North Second Street	HARLINGEN	78550	10	10	2
Sundance Apts.	1030 S. Hwy. 77- Sunshine Strip	HARLINGEN	78550	176	132	28
Windstar Apartments	2802 North 7th Street	HARLINGEN	78550	80	80	16
Hebronville Apartments	711 N. Sigrid Ave	HEBRONVILLE	78361	20	20	4
Country Terrace Village II	8410 OLEANDER DR.	HIGHLANDS	77562	48	48	10
Allen's Point Apartments	ROAD	HILLSBORO	76645	58	56	11
Hillsboro Gardens	807 Abbott Street	HILLSBORO	76645	76	24	5
Rosemont at Hillsboro II	807 Abbott Street	Hillsboro	76645	62	62	10
Huffman Hollows	25000 FM 2100	Huffman	77336	76	76	15
Hughes Springs Seniors	202 Keasler Street #33	Hughes Springs	75656	32	32	6
Grand Montgomery	Old Montgomery Rd.	Huntsville	75751	12	12	2
Idalou Manor	810 W. 8TH AVENUE	IDALOU	79329	24	24	5
Portside Villas	2798 State Highway 361	Ingle side	78362	144	108	22
Bent Tree Apartments	401 N. 9th STREET	JACKSBORO	76179	24	24	5
Mesquite Trails (FKA Pine Manor)	119 S. 5th St.	JACKSBORO	76458	36	36	7
Joaquin Apartments	Route 1, Box 141, Highway 84	Joaquin	75954	32	31	6
Leuty Avenue Apts.	909 W. 7th STREET	JUSTIN	76247	24	24	5
Fairfield East	905 SOUTH PANA MARIA	KARNES CITY	78118	24	24	5
Brianwood Apartment	613 E. 6th Street	Kaufman	75142	48	48	10
Fireside Trails Apartments	STREET	KEENE	76059	36	36	7
Sherwood Arms Apartments	213 NORTH VAL VERDE	KEENE	76059	66	66	11
Alta Vista	413 Graham	Kenedy	78119	20	20	4
Courts Of Las Palomas Apts.	E. GENERAL CAVAZOS BLVD.	KINGSVILLE	78363	128	128	26
King's Crossing	1700 Corral Ave.	Kingsville	78363	120	120	24
Springfield Manor	4827 Explorer Drive	Kirby	78219	129	129	26
Cimarron Trail	1018 N. MADISON	LA GRANGE	78945	16	16	3
Bahia Palms Apartments	1303 Pino Dr.	LaGuna Vista	78578	64	64	13
Lamesa Seniors Community	124 NORTHEAST 27TH STREET	LAMESA	79331	24	24	5
Villas of Lancaster	2531 W. Pleasant Run Rd.	Lancaster	75146	142	144	29

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to Inspect
Laredo Vista II	Cielito Lindo Blvd. At St. David	Laredo	78046	115	115	23
Villa Del Rio	4000 S. Zapata Hwy.	LAREDO	78046	250	226	45
Levelland Manor Apartments	903-A Alamo Road	LEVELLAND	79336	36	36	7
Thomas Street Apts.	800 W Thomas St	Linden	75563	16	16	3
Littlefield Manor	1601-A South Wicker	LITTLEFIELD	79339	24	24	5
Llano Square, Ltd.	1100 W. Haynie	LLANO	78643	40	40	8
Southpark Village Apartments	1801 South Colorado Street	LOCKHART	78644	72	72	14
Springfield Villas	1300 Pancho Street	LOCKHART	78644	32	32	8
Country Square Apartments	1001 Lakeview	Lone Star	75668	24	24	5
Lone Star Seniors Apartments	Alamo Street	LONE STAR	75688	24	24	5
Castle Garden Apartments	1102 58th St.	Lubbock	79412	152	152	30
South Plains Apartments	5520 58th Street	Lubbock	79414	144	144	29
Windcrest Estacado (fka Estacado Village)	512 N. Martin Luther King Jr.	LUBBOCK	79403	208	208	42
Windcrest Village	1001 N. Indiana Avenue	LUBBOCK	79415	208	208	42
Creekside Estates	1825 Sayers St.	LUFKIN	75901	72	72	14
Creekside Estates, Phase II	1825 Sayers St.	Lufkin	75901	60	60	12
Villa Apartments	1901 Golf Course Rd.	Marfa	79843	24	23	5
Retirement Acres	1139 MCCLANAHAN ROAD	MARLIN	78661	32	32	8
Mariposa Gardens	400 blk. of Hwy. 359 S.	MATHIS	78368	66	66	13
Mathis Apartments	500 FREEMAN STREET	MATHIS	78368	32	32	6
Padre De Vida Apartments	3900 South Ware Rd.	McAllen	78503	180	180	36
Mcgregor Seniors Apartments	1007 S. MADISON STREET	MCGREGOR	76667	36	36	7
Melissa House	STREET	MELISSA	75075	1	1	0
Anacuitas Manor Apartments	1100 Anacuitas Manor	MERCEDES	78570	72	72	14
Hillside Apartments	1125 Ross	MEXIA	76667	48	48	10
Mexia Homes	711-714 N. Nusebam	Mexia	76667	4	4	1
Santa Rita Senior Village	1900 E Golf Course Rd.	Midland	79703	136	136	27
Mineola Seniors Community	1136 N. NEWSOM	Mineola	76773	48	48	10
1209 Keralum	1209 KERALUM	MISSION	78572	4	4	1
4-plex Apartments	624 SOUTH KERALUM	MISSION	78572	4	4	1
905 W. 24th	905 W. 24TH	MISSION	78572	15	15	3
Pueblo de Paz Apartments	Mayberry St. N. of Mile 2 N. Rd.	Mission	78572	160	160	32
Mt. Pleasant Seniors Apts.	602 WEST SCHOOL STREET	MOUNT PLEASANT	75455	28	28	6
Woodland Apartments	500 W. 17th Street	MOUNT PLEASANT	75455	48	48	10
Harmon Elliott Sr Citizens	809 W. Avenue K	Muleshoe	79347	16	16	3
Cardinal Village	Cardinal St., Lot 10b, block 54	Nacogdoches	75961	95	96	19
Spring Hill Apartments	3413 E. Main	Nacogdoches	75963	200	200	40

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to inspect
Laredo Heights Apartments	516 Laredo St.	NAVASOTA	77868	48	48	10
Navasota Landing Apt.	520 Laredo St.	NAVASOTA	77868	40	40	8
Navasota Manor	1015 CHRUCH STREET	NAVASOTA	77868	40	40	8
Nocona Apts.	STREET	NOCONA	76255	36	36	7
Arbor Terrace II Apartments	SE corner Monahans at Terlingua	Odessa	79761	120	120	24
Oaks Apartments (formerly Sabine Oaks)	111 Pine Avenue	ORANGE	77630	200	200	40
Orange Grove Seniors Apartments	520 East Orange Street	ORANGE GROVE	78372	24	24	5
Bay View Apartments (fka Palacios)	1800 blk. of Gray	PALACIOS	77465	28	28	6
Bayshore Manor Apartments	138 Sandpiper Circle	Palacios	77465	56	56	11
Palestine Seniors Community	712 GARDNER DRIVE	PALESTINE	75801	42	42	8
Palestine Seniors Community	712 GARDNER DRIVE	PALESTINE	75801	26	26	5
Paris Retirement Village	1830 W. Washington St.	Paris	75460	68	76	15
The Residence on Stillhouse Road	2600 Stillhouse Rd.	Paris	75460	76	72	14
Athol Apartments	801 ATHOL LANE	PEARSALL	78061	38	38	8
Pearsall Manor Senior Citizens	600 Berry Ranch Road	PEARSALL	78061	36	36	7
La Mirage Villas	309 SE 15th	Perryton	79070	47	47	9
Valley View Apartments	Anaya Rd., East of Jackson Rd.	Pharr	78677	128	128	26
Walker Creek Village, Phase I	E. side of US Hwy. 271	PITTSBURG	75686	76	76	15
Stonebriar Village of Plainview, Ltd.	1500 Yonkers St.	PLAINVIEW	79072	100	90	18
Pleasanton Apartments	1547 Jami Drive #25	PLEASANTON	78064	24	24	5
O.W. Collins Apartments	4440 Gulfway Drive	Port Arthur	77642	200	200	40
SE Texas CDC Rental	456 Shreveport	Port Arthur	77701	19	19	4
The Savannah House	1149 5th Street	Port Arthur	77640	20	20	4
The Shire	4020 Hwy. 365	Port Arthur	77642	310	310	62
Porter Plaza, Ltd.	23473 Partners Way	PORTER	77365	50	50	10
Quitman Square	STREET	QUITMAN	75783	24	24	5
Refugio Elderly Housing	802 W. Commons	REFUGIO	78377	36	14	3
Hilltop Apartments (FKA Rhome Apts.)	175 W. LOGAN COURT	RHOME	76078	24	24	5
Encanta Villa Apartments	Frank Doyno St.	Rio Grande City	78582	24	24	5
Villa Vallarta	600 FAIRGROUND RD.	RIO GRANDE CITY	78582	40	40	8
Casa del Valle (fka Rio Hondo Retiree)	210 MORNING GLORY DRIVE	RIO HONDO	78583	30	30	6
Figueroa Apartments	998 Ruben Chavez St.	Robstown	78380	44	44	9
Linden Oaks	1201 NORTH LIVE OAK	ROCKPORT	78381	28	28	6

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to inspect
Sallgrass Landing Apartments	1602 South Church Street	Rockport	78382	55	55	11
Sea Mist Townhomes	2210 Chaparral St.	ROCKPORT	78382	76	76	15
Rio Vista Apartments	NE corner Hortallza St. & 2nd St.	Roma	78584	28	28	6
Roma Apartments	1751 East 2nd Street	ROMA	78584	40	40	8
Rusk Seniors Apartments	502 West Cherokee	RUSK	75785	24	24	5
Timbercreek Village	1908 W. 6th St.	RUSK	75785	84	84	17
Country Village Apartments	2401 North Lillie St.	San Angelo	78903	160	160	32
San Augustine Seniors Apt.	1000 Desoto Drive	SAN AUGUSTINE	75972	36	36	7
Villa San Benito	870 South McCullough	San Benito	78586	60	60	12
Chula Vista Apts.	ROAD.	SAN DIEGO	78384	44	44	9
San Juan Village	400 North Iowa	San Juan	78589-	86	86	17
Sanger Trails Apartments	11501 Marion Rd.	Sanger	76266	208	208	42
Mira Vista Apartments	Lee & Jefferson Streets	Santa Anna	76878	24	24	5
Santa Rosa Village	FM 506 at Colorado	Santa Rosa	78593-	53	53	11
Deerfield Village	104 SIMPSON	SCHULENBURG	78956	8	8	2
Seagraves Garden	1100 12th STREET	SEAGRAVES	79359	32	32	6
Early Bird Apartments	LANE	SEGUIN	78155	152	104	21
Villas Of Sherman	1212 W. Center Street	SHERMAN	75091	124	93	19
Autumn Trace Apartments	1300 Highway 327 West	SILSBEE	77656	58	58	12
Windridge Apartments	700 GORDON	SINTON	78368	32	28	6
Antelope Ridge Senior Apartments	1000 N. 20th St.	SLATON	79364	25	24	5
Snyder Housing Venture	100 East 37th ST.	Snyder	79549	39	39	8
Mission Del Valle Townhomes	621 Dindinger	Socorro	79927	16	16	3
Casitas de Merced	8135 First Street	SOMERSET	78069	40	28	6
Somerville Plaza	1501 3rd Street	SOMERVILLE	77879	24	24	5
Lake Seniors, Ltd	880 E. Hwy 105	SOUR LAKE	77659	36	36	7
Spring Garden	100-121 Senior Place	Springtown	76082	12	12	2
Riverwalk Townhomes	1001 East Washington St.	Stephenville	76401	76	76	15
Primrose Estates	1000 S League	Sulphur Springs	75482	24	24	5
Sweeny Manor Senior Citizens	902 TEXAS AVENUE	SWEENY	77480	32	32	6
Foundation of Hope Apts.	Rincon	Taft	78390	36	36	7
Mary Olson Apartments	300B East 9th Street	Taylor	76574	50	50	10
Meadow Village Apartments	3915 South 31st St.	Temple	76502	200	200	40
Temple College Housing	2600 S 1st Street	Temple	76604	25	25	5
Tembell Homes	210 W Ave R	Temple	76604	48	26	5
Lakeridge Apartments	3708 S. Lake Drive	Texarkana	75501	112	112	22
Town North Apartments	4624 Elizabeth St.	Texarkana	75503	100	100	20
Live Oak Manor Apartments	1870 EAST KING DRIVE	THREE RIVERS	78071	36	36	7

NON METROPOLITAN AREAS

Property name	Address	City	Zip code	Total Units	LI Units	Units to inspect
Lone Oak Manor Apts	8000 Highway 72 East	THREE RIVERS	78071	24	24	5
Timpson Seniors Apartments	1 MARCUS STREET	TIMPSON	75975	28	28	6
Tomball Square Apartments	611 JAMES STREET	TOMBALL	77374	24	24	6
Northside Apartments	Lot 28A, block 1200	Tyler	75702	95	98	19
Parkview Gardens Townhomes	Sw. cnrn. of Bellwood Rd. & S.	TYLER	75701	120	120	24
The Park at Shiloh Apartments	2911 Shiloh Road	Tyler	75703	176	176	35
Villas Of Pine Ridge	3110 Towne Park Drive	TYLER	75701	148	111	22
Granada Apartments Limited	834 S. Getty Street	UVALDE	78801	100	100	20
Valley View Apts.	Trail	VALLEY VIEW	76272	24	24	5
Van Senior Citizens	412 E. PENNSYLVANIA RD. #800	VAN	75790	28	28	6
Crown Point Apartments	700 S. Main St.	VENUS	76084	24	24	5
Honeysuckle Court Apartments	600 S. MAIN ST.	VIDOR	77662	47	47	9
Park Vista Townhomes	6500 blk. of Denton Hwy.	WATAUGA	76148	222	169	32
Lexington Arms	Vermont & Drexel Drive	WAXAHACHIE	75166	61	61	12
Park Manor Apartments	200 Park School House Rd.	Waxahachie	75165	60	60	12
Cypress View Villas	200 Atwood Ct.	Weatherford	76086	192	192	38
Willows Bend Apartments	303 N. SMITH	WEIMAR	78962	16	16	3
Sevilla Apartments	600 North Airport Dr.	Weslaco	78596	80	80	16
Keystone	1409 Business Highway 83	Weslaco	78596	136	28	6
Red River Senior Living Center	1821 RedRiver Place	Wharton	77488	100	46	9
University Place Apartments	310 University	Wharton	77488	82	82	16
Woodview Apartments	1607 32nd St.	Wichita Falls	76302	98	98	20
Gulf Coast Trades Center	18873 I-45 North	Willis	77378	24	24	5
Willis Rental Apartments	207 E. WATSON DR.	WILLIS	77378	24	24	5
Willis South	205 E. Watson Drive	Willis	77378	24	24	5
Winnie Square	Rt. 2 Box 220-33	WINNIE	77665	32	32	6

Exhibit D

HUB Subcontracting Plan (HSP)

HUB SUBCONTRACTING PLAN (HSP)

In accordance with Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, respondents, including State of Texas certified Historically Underutilized Businesses (HUBs), must complete and submit a State of Texas HUB Subcontracting Plan (HSP) with their solicitation response.

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the State of Texas Disparity Study. The HUB goals defined in 1 TAC §111.13 are: **11.9 percent for heavy construction other than building contracts, 26.1 percent for all building construction, including general contractors and operative builders contracts, 67.2 percent for all special trade construction contracts, 20 percent for professional services contracts, 33 percent for all other services contracts, and 12.6 percent for commodities contracts.**

-- Agency Special Instructions/Additional Requirements --

SECTION 1 - RESPONDENT AND SOLICITATION INFORMATION

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
 Point of Contact: _____ Phone #: _____
- b. Is your company a State of Texas certified HUB? - Yes - No
- c. Solicitation #: _____

SECTION 2 - SUBCONTRACTING INTENTIONS

After having divided the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, the respondent must determine what portion(s) of work, including goods or services, will be subcontracted. Note: In accordance with 1 TAC §111.12, a "Subcontractor" means a person who contracts with a vendor to work, to supply commodities, or contribute toward completing work for a governmental entity. Check the appropriate box that identifies your subcontracting intentions:

- Yes, I will be subcontracting portion(s) of the contract.
 (If Yes, in the spaces provided below, list the portions of work you will be subcontracting, and go to page 2.)
- No, I will not be subcontracting any portion of the contract, and will be fulfilling the entire contract with my own resources.
 (If No, complete SECTION 9 and 10.)

Line Item # - Subcontracting Opportunity Description	Line Item # - Subcontracting Opportunity Description
(#1) -	(#11) -
(#2) -	(#12) -
(#3) -	(#13) -
(#4) -	(#14) -
(#5) -	(#15) -
(#6) -	(#16) -
(#7) -	(#17) -
(#8) -	(#18) -
(#9) -	(#19) -
(#10) -	(#20) -

*If you have more than twenty subcontracting opportunities, a continuation page is available at http://www.tbpc.state.tx.us/hub/forms/HSP_sep06_cont1.doc.

Enter your company's name here: _____

Solicitation #: _____

IMPORTANT: You must complete a copy of this page for each of the subcontracting opportunities you listed in SECTION 2. You may photocopy this page or download copies at http://www.tbpc.state.tx.us/hub/forms/HSP_sep05_conf2.doc.

SECTION 3 - SUBCONTRACTING OPPORTUNITY

Enter the line item number and description of the subcontracting opportunity you listed in SECTION 2.

Line Item # _____ Description: _____

SECTION 4 - MENTOR-PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting their Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3, constitutes a good faith effort towards that specific portion of work. Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

- Yes (if Yes, complete SECTION 8 and 10.) - No / Not Applicable (if No or Not Applicable, go to SECTION 5.)

SECTION 5 - PROFESSIONAL SERVICES CONTRACTS ONLY

This section applies to Professional Services Contracts only. All other contracts go to SECTION 6.

Does your HSP contain subcontracting of 20% or more with HUB(s)?

- Yes (if Yes, complete SECTION 8 and 10.) - No / Not Applicable (if No or Not Applicable, go to SECTION 6.)

In accordance with Gov't Code §2254.004, "Professional Services" means services: (A) within the scope of the practice, as defined by state law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.

SECTION 6 - NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes Good Faith Effort towards the portion of work listed in SECTION 3. After performing the requirements of this section, complete SECTION 7, 9 and 10.

- a. Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas' Centralized Master Bidders List (CMBL), found at <http://www.tbpc.state.tx.us/cmb/cmbhub.html>, and its HUB Directory, found at <http://www.tbpc.state.tx.us/cmb/hubonly.html>, to identify available HUBs. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- b. Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.tbpc.state.tx.us/hub/minoritywomenbuslinks.html>. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- c. Written notifications should include the scope of the work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. Unless the contracting agency has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond, and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to the contracting agency.

SECTION 7 - HUB FIRMS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List three (3) State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the vendor ID number, date you provided notice, and if you received a response. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.

Company Name	VID #	Notice Date (mm/dd/yyyy)	Was Response Received?
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

SECTION 8 - SUBCONTRACTOR SELECTION

List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the expected percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas certified HUB.

Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?
_____	_____	%	\$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No*
_____	_____	%	\$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No*

*If the subcontractor(s) you selected is not a Texas certified HUB, provide written justification of your selection process below:

Enter your company's name here: _____ Solicitation #: _____

SECTION 9 - SELF PERFORMANCE JUSTIFICATION
 (If you responded "No" to SECTION 2, you must complete SECTION 9 and 10.)

Does your response/proposal contain an explanation demonstrating how your company will fulfill the entire contract with its own resources?

- Yes **If Yes**, in the space provided below, list the specific page/section of your proposal which identifies how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.
- No **If No**, in the space provided below, explain how your company will perform the entire contract with its own equipment, supplies, materials, and/or employees.

SECTION 10 - AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP are true and correct. Respondent understands and agrees that, if awarded any portion of the solicitation:

- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying their compliance with the HSP, including the use/expenditures they have made to subcontractors. (The PAR is available at <http://www.thpc.state.tx.us/hub/forms/subcontractorprogress.doc>).
- The respondent must seek approval from the contracting agency prior to making any modifications to their HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to debarment pursuant to Gov't Code §2461.253(d).
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are to be performed and must provide documents regarding staff and other resources.

 Signature Printed Name Title Date

**COMMUNITY AFFAIRS DIVISION
EMERGENCY SHELTER GRANTS PROGRAM**

**BOARD ACTION REQUEST
October 11, 2007**

Action Item

Presentation, Discussion and Possible Approval of Emergency Shelter Grant Program (ESGP) Action Plan and Application.

Required Action

Department staff recommends that the Board approve the ESGP Application Packet to be used by the Department in its competitive FFY 2008 ESGP funds distribution and obligation process. The Department expects to receive approximately \$5 million from the U. S. Department of Housing and Urban Development (HUD) for FY 2008.

Background

The Department has administered the ESGP since 1987 and has used a process like the one proposed in this item for distributing 22 rounds of ESGP funding. The Department receives its ESGP funding from HUD as part of the State of Texas Consolidated Annual Plan. The ESGP program year is from February 1 though January 31. The Department is authorized to make grants to units of general local government and to private nonprofit organizations if the unit of government in which services will be provided approves such application. ESGP funds may be used for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain operating expenses and essential services in connection with emergency shelters for the homeless, and for homelessness prevention activities.

The Department annually prepares an Application Packet for use by eligible applicant organizations interested in applying for ESGP funding. ESGP regulations require that the Department obligate the funds within 65 days of the date of its annual grant award letter, which the Department receives sometime between February and May of each year. Due to the critical timeline for obligation of ESGP funds, the Department usually begins the application process in mid September by reviewing and revising the ESGP application packet, in late October notifying interested parties that the application is available which will be done through the Department's list serve, and establishing an application deadline before the Department receives its grant award letter.

The deadline for receipt of applications for ESGP funding usually is set for mid-January so that Department staff can review and score the applications and make funding recommendations in time to meet the 65-day obligation deadline. It is anticipated that the awards will be brought to the Board in May of 2008.

The Department regionally allocates 95% of the annual ESGP allocation based on the poverty population of each Uniform Service Region. Applicants from a particular region compete only against other applicants from the same region. The Department maintains 5% of the ESGP funds for administration and monitoring of the grant and shares a portion of this reserve with units of local government that receive an ESGP award from the Department.

The Department utilizes review teams and a standardized scoring instrument to evaluate and score each eligible application. The scoring instrument follows the content and order of the ESGP application packet. Review Team Leaders average the scores to establish a raw score. Points are deducted for previous contract compliance/performance deficiencies. The Department's Compliance Division is consulted to determine if applicants have any audit issues.

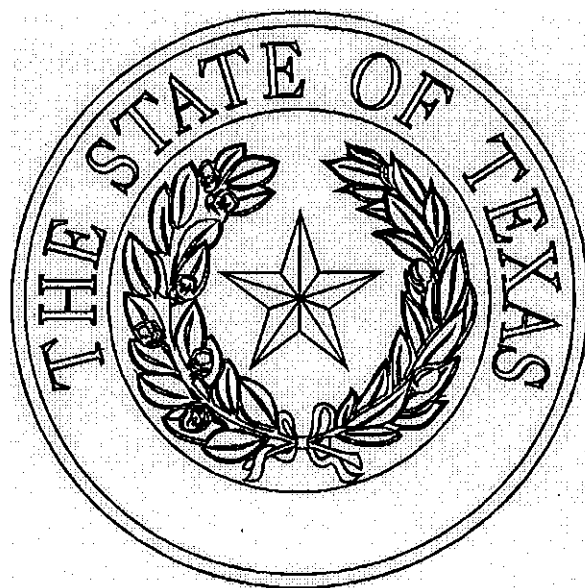
Due to limits on total funds, not all applications are fully funded in order to meet legislative targets for number of organizations funded. The system for determining the awarded funds will be based on the amount of funds available in the region, a percentage of funds requested, and the ranking of the application within the region.

Recommendation

Staff recommends the Board approve the Department's FY 2008 ESGP Application Packet.

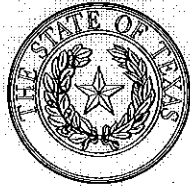
Attachment--FFY 2008 ESGP Application Packet

**STATE OF TEXAS
EMERGENCY SHELTER GRANTS PROGRAM**



**APPLICATION PACKET
FEDERAL FISCAL YEAR 2008**

Application Release Date: October 2007



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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GOVERNOR

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EXECUTIVE DIRECTOR

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Sonny Flores
Gloria Ray
Norberto Salinas

To: ESGP Interested Parties
Texas Emergency Shelter Grants Program

From: E. E. Fariss
Director, Community Affairs Division

Date: October 22, 2007

RE: FFY 2008 Texas Emergency Shelter Grants Program

The Texas Department of Housing and Community Affairs (the Department) is pleased to provide you with an application packet for the FFY 2008 Texas Emergency Shelter Grants Program (ESGP), funded through the U.S. Department of Housing and Urban Development (HUD).

The Department will sponsor an ESGP Application Workshop on Thursday, November 29, 2007 in the small auditorium at the Commons Center, located at the University of Texas J.J. Pickle Research Campus (see attached map). Registration will begin at 8:00 a.m. Attendees do not need to pre-register for the workshop and no fee will be charged for attendance. Attendance is not mandatory, but all potential applicants are welcome. The Department encourages entities who are applying for ESGP funds for the first time or entities that have not attended an application workshop in prior years to attend the workshop.

During this workshop, Department staff will review the enclosed application packet and answer general questions regarding its completion. **Please review the enclosed application packet prior to the workshop and bring your copy to the workshop.**

Participation in this workshop does not imply that a represented applicant organization will receive FFY 2008 ESGP funding.

The Department looks forward to receiving your completed application. Questions pertaining to the content of this application packet or eligible activities may only be directed to Rita Gonzales-Garza, Project Manager for Planning & Contract Implementation at (512)475-3905 (Rita.Garza@tdhca.state.tx.us) and Al Almaguer, Planner, at (512) 475-3908 (Al.Almaguer@tdhca.state.tx.us). This application is posted on the Department's website: <http://www.tdhca.state.tx.us/cs.htm#ESGP>.

ESGP APPLICATION SUBMISSION

DEADLINE FOR RECEIPT: Thursday, January 10, 2008
by 5:00 p.m. CST

TWO COPIES DUE: One Original and Two Complete Copies

Applicants must submit one original and two complete copies of the application on or before the deadline. Applications that arrive after the deadline will not be considered. Diskettes or other electronic documents will not be accepted. If you would like to confirm the Department's receipt of application, e-mail Sylvia Mallinger at s.mallinger@tdhca.state.tx.us two weeks after your submission.

Mailing Address:

(All U.S. Postal Service
including Express)

Mr. Jesse Mitchell
Manager, Community Services Section
Texas Department of Housing and Community Affairs
Post Office Box 13941
Austin, Texas 78711-3941

Courier Delivery:

(Fed Ex, UPS,
Overnite, etc.),

1st Floor
221 East 11th Street
Austin, Texas 78701

Hand Delivery:

If you are hand delivering the application, contact Sylvia Mallinger at (512) 475-4576 or Al Almaguer (512) 475-3908 when you arrive at the lobby of our building so they may accept your application.

Please use the following format for the narrative portion of the application:

- Minimum 11 font
- Double spaced
- Standard 8½ " x 11" paper with 1" margins
- Narrative must not exceed 10 consecutively numbered pages, double spaced.
- Collaborative applications are allowed two additional pages for each additional organization with a maximum of 20 pages for the entire proposal.

Complete applications must be bound using binder clips. **DO NOT USE FOLDERS OR NOTEBOOKS OF ANY TYPE.** The original application must contain original signatures and original pictures.

Questions pertaining to the content of this application packet may only be directed to Rita Gonzales-Garza, Project Manager for Planning & Contract Implementation at (512)475-3905. This application is posted on the Department's website: <http://www.tdhca.state.tx.us/cs.htm#ESGP>.

Table of Contents

GRANT INFORMATION AND REQUIREMENTS

Background, Program Purpose	1
Eligible Applicant Organizations, Eligibility Documentation	2
Award Amounts	3
Financial Documentation	4
Contracts and Reporting	4
Eligible Activities	4-7
Special Initiative Project	8
Ineligible Activities	8
Match Requirement	8-9
Environmental Review Procedures	9-10
Selection Process and Funds Distribution	10-12

APPLICATION INSTRUCTIONS

Application Content	13-16
Project Narrative Instructions	17-19

FORMS

FFY 2008 State of Texas ESGP Application Form

ATTACHMENTS

Table of Contents

APPENDICES

Appendix I	TDHCA Service Regions Map
Appendix II	Data Sources for Resource Documentation Table
Appendix III	Sample Budget and Match
Appendix IV	Sample Budget and Match for Collaboratives
Appendix V	ESGP Entitlement Cities and Counties
Appendix VI	Federal Poverty Income Guidelines
Appendix VII	ESGP Federal Regulations

Grant Information and Requirements

BACKGROUND

The Emergency Shelter Grants Program (ESGP) is to be utilized for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain operating expenses and essential services in connection with emergency shelters for the homeless, and for homeless prevention activities. The program is designed to be the first step in a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness.

ESGP was established by the Homeless Housing Act of 1986 in response to the growing issue of homelessness in the United States. In 1987, the ESG program was incorporated into Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. Sec. 11371- 11378), now known as the McKinney-Vento Homeless Assistance Act. ESGP funds are federal funds awarded to the State of Texas by the U. S. Department of Housing and Urban Development (HUD).

The Texas Legislature designated the Texas Department of Housing and Community Affairs (the Department) to administer this program pursuant to Sec. 2306.094, Texas Government Code. ESGP funds will be made available to eligible applicants to carry out the purpose of the Emergency Shelter Grants Program based on this statewide competitive application process. The Department has not been notified of the ESGP award amount for Texas in FY 2008.

PROGRAM PURPOSE

The Emergency Shelter Grants Program (ESGP) is designed to be part of a continuum of assistance to enable homeless individuals and families to move toward independent living as well as to prevent homelessness. The objectives of the ESGP shall be to:

1. Help improve the quality of emergency shelters for the homeless;
2. Help meet the costs of operating and maintaining emergency shelters;
3. Provide essential services so that homeless individuals have access to the assistance they need to improve their situation; and
4. Provide emergency intervention assistance to prevent homelessness.

Note: ESGP funds cannot be utilized for permanent housing projects.

Definition of Homeless

The term "homeless" or "homeless individual" includes:

1. An individual who lacks a fixed, regular, and adequate nighttime residence, or
2. An individual who has a primary nighttime residence that is:
 - (a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - (b) an institution that provides a temporary residence for individuals intended to be institutionalized; or,

Grant Information and Requirements

- (c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. (Exclusion: The term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.)

Note: ESGP funds cannot be utilized to assist or care for children in State custody.

ELIGIBLE APPLICANT ORGANIZATIONS

Units of general local government

To be considered as a unit of general local government, an applicant organization must have, among other responsibilities, the authority to assess and collect local taxes and to provide general governmental services.

Private nonprofit organizations

To be considered as a private nonprofit organization, an applicant organization must document existing status as a 501(c) tax-exempt entity. Private nonprofit organizations applying for ESGP funds must be established for eleemosynary purposes and whose activities include, but are not limited to, the promotion of social welfare and the prevention or elimination of homelessness. The entity's net earnings may not inure the benefit of any individual(s). Refer to documentation requirements under Eligibility Documentation.

Faith-based organizations receiving ESGP funds, like all organizations receiving HUD funds, must serve all eligible beneficiaries without regard to religion.

Collaborative applications

The Department will accept collaborative applications; however, we will not assign bonus points. To be considered as a collaborative, the application must include two or more organizations that will use ESGP funds to provide services to the target population as part of a local continuum of care. If a unit of general local government applies for only one organization, this will not be considered a collaborative application. The Department intends for collaborative applications to be an effort among organizations who serve the homeless population to coordinate services and prevent duplication of services. If an ESGP applicant organization plans to utilize another organization to provide a service such as child care, the organization providing child care should not be considered a collaborative partner but should be considered a subcontractor.

ELIGIBILITY DOCUMENTATION

The following information **must be included** in each ESGP application. **Failure to provide this documentation will deem the application ineligible for funding:**

1. Documentation of the participation of a **homeless or formerly homeless individual** on the board of directors or other equivalent policymaking entity of such recipient, to the extent that such entity considers and makes policies and decisions regarding any facility, services, or other assistance of the recipient. Applicants who have not previously received ESGP funds from the Department are exempt from the requirement, but must comply with the requirement prior to execution of a contract with the Department.
2. Attachments B, C, and D must be completed to provide information regarding this requirement. A copy of the section in the bylaws which authorizes the governing board or equivalent policymaking entity to make policies for the organization must also be included.
3. All private nonprofit organizations must document their status as a 501(c) tax-exempt entity. The Department prefers that the ruling be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings from the IRS are not acceptable. Other documentation which may be utilized to document a 501(c) tax-exempt status may be a letter from the State of Texas Comptroller of Public

Grant Information and Requirements

Accounts or a certified legal document showing status. Local nonprofit affiliate of a State or national nonprofit can be submitted if your organization is a subsidiary of a parent organization. In case of the latter, provide a copy of the page listing your organization in the documents filed with the IRS.

4. Private nonprofit organizations must document that the activities proposed for ESGP funding have received local government approval from the city or county in which the project is located. Such approval is to be documented on Attachment E – Local Government Certification Form which must be signed by the county judge or mayor, or their official designee (such as city manager, assistant city manager, community development director or human services director) for the locality in which the project is located.

NOTE: Any partner in the collaborative who fails to provide eligibility documentation will be deemed ineligible for funding. If the application is selected for funding and one of the organization(s) in the collaborative was deemed ineligible, the Department will negotiate the final grant amount only with the organization(s) that met all three eligibility requirements.

Eligibility Documentation and Other Requirements for Collaborative Applications:

1. Each organization, including the lead organization in a collaborative application, must submit Attachments B, C, and D, along with a copy of the section in the bylaws which authorizes the board of directors or equivalent policymaking entity to make policies and decisions for the organization. A lead organization that provides only administrative support and not direct client services is excluded from this requirement. The proposal should state whether the lead agency will only provide administrative support.
2. Each organization in a collaborative application must document the current 501(c) tax-exempt status. The ruling must be on IRS letterhead that is legible and signed by the IRS District Director. Expired advanced rulings or letters from the State of Texas Comptroller of Public Accounts are not acceptable.
3. A private nonprofit organization, acting as the lead agency in a collaborative application, must document that the project(s) proposed for ESGP funding has received approval from the city or county in which the administrative office of the lead agency is located (Attachment E). Refer to Eligibility Documentation section for additional information.
4. Due to the limited amount of ESGP funding, collaborative applications are limited to a request of no more than \$100,000 per each partner with a maximum of \$300,000 for the application.

AWARD AMOUNTS

The Department has established a minimum of \$30,000 and a maximum of \$100,000 for ESG program awards. **An organization can only submit one application either as a single entity or as part of a collaborative effort.** Applicants submitting an application for the Special Initiative Project are limited to submitting an application for only the Special Initiative Project. A collaborative application is limited to a maximum request of \$300,000, with a limit of \$100,000 per partner. The Department will not set limitations on the number of organizations that can be part of a collaborative application, but the Department does recommend that collaborative applications consider limiting the collaboration to no more than 5 organizations. The limitations are based on the amount of ESGP funds estimated to be available to each region and the ESGP funding pattern utilized by the Department. The limitations are not to be interpreted as a commitment by the Department to award these amounts. All projects should be planned for a maximum of 12 months.

The Department will provide administrative funds to a unit of general local government (city or county) selected for ESGP funding, whether the entity provides services directly or acts as the lead agency in a collaborative application. These funds will be provided during the final stage of contract negotiation and will not exceed 4% of the applicant's ESGP award.

Grant Information and Requirements

The Department reserves the right to negotiate the final grant amounts and local match with successful applicants to ensure judicious use of ESGP funds. The Department may consider the amount of HUD funds awarded to entitlement entities (see Appendix V) when making funding decisions to applicants that are a unit of general local government. This consideration does not apply to private nonprofit organizations located in ESGP entitlement cities or counties.

FINANCIAL DOCUMENTATION

All applications must include documentation of fiscal accountability, even if this information has been previously submitted to the Department. All collaborative applications from non-profits must submit financial documentation for each organization in a collaborative. For collaborative applications from units of general local government, the Department expects that fiscal accountability documentation will be reviewed by the city or county.

An applicant organization that spends more than \$500,000 in *federal funds* during its fiscal year must have a single audit conducted for that year. The threshold for expenditure of *federal funds* was increased from \$300,000 to \$500,000 for organizations with fiscal years ending after December 31, 2003. If a single audit is required for your organization, a portion of the audit cost may be included in the proposed ESGP budget.

An applicant organization that *does not exceed* the \$500,000 federal fund expenditure threshold is exempt from the single audit requirements. In this case, audit costs may **not** be included in the proposed ESGP budget.

An applicant organization must include its most recent complete audit report and if applicable, a management letter as part of the financial documentation for this application. An audit on diskette will not be accepted. If your agency is not required to have a single audit performed, the application must include the end-of-the-year financial statements (balance sheet, income statement, and statement of cash flow).

CONTRACTS AND REPORTING

ESGP contracts will be signed electronically. Applicant organizations must have a computer on-site with the capability of downloading software from the Internet.

ESGP monthly reporting will be electronic via the Internet. Applicant organizations must have a computer on-site with the capability to transmit monthly financial and programmatic reports and receive electronic transmissions. Specific information on the format and due dates of required reports will be provided to grant subrecipients.

ELIGIBLE ACTIVITIES

ESGP funds are designed to address the immediate needs of homeless persons to assist their movement to permanent housing. ESGP funds may also benefit persons at risk of becoming homeless. ESGP funds cannot be utilized to care for or assist children in State custody.

The Department encourages applications that include an innovative approach to providing emergency shelter and/or transitional housing to homeless individuals and families. Transitional housing projects should be designed to provide housing and appropriate essential services to homeless persons in order to facilitate the movement of individuals or families to permanent housing within a specified time, usually 24 months.

Grant Information and Requirements

ESGP grant amounts may be used for one or more of the following activities:

A. OPERATION ADMINISTRATION

Not more than **10%** of an applicant's ESGP budget may be requested for administrative salaries (including fringe benefits). The 10% limitation applies to each partner in the collaborative application. Appropriate staff which may be charged as administrative staff are the executive director, program director, supervisors, administrative support staff, etc. Job descriptions for these positions are **not** required to be included in the ESGP application.

B. REHABILITATION

Rehabilitation is defined as the labor, materials, tools, and other costs of improving buildings. Examples of allowable rehabilitation projects include, but are not limited to, accumulated deferred maintenance (replacing flooring), replacement of principle fixtures and components, improvements to increase energy efficiency (replacing a furnace or air conditioning unit), and structural changes necessary to make the facility accessible for persons with physical disabilities. Rehabilitation projects include deferred repairs for items that are inoperable or broken and in need of replacement prior to the submission of the ESGP application. Rehabilitation does not include non-deferred repairs.

Types of rehabilitation projects include:

- **Conversion:** a change in the use of a building to an emergency shelter or transitional housing where rehabilitation costs exceed 75% of the value of the building **after** conversion. If selected for funding, the facility would be required to be used as a shelter for the homeless for at least **10 years**.
- **Major rehabilitation:** rehabilitation or conversion involving costs in excess of 75% of the value of the building **prior to** the proposed rehabilitation or conversion. If selected for funding, the facility would be required to be used as a shelter for the homeless for at least **10 years**.
- **Renovation:** rehabilitation that involves costs of 75% or less of the value of the building **prior to** the proposed rehabilitation. If selected for funding, the facility would be required to be used as a shelter for the homeless for at least **3 years**.

All rehabilitation activity funded through ESGP must occur **within the existing structure**, must not increase the square footage of the structure involved, and must comply with local government safety and sanitation requirements. (Refer to Section 504 of the Rehabilitation Act of 1973, as amended, as provided in 24 CFR 8.23 (a) or (b)).

Deferred repairs are items that are inoperable or broken and in need of replacement prior to the application period. These types of repairs are considered Rehabilitation activities.

ESGP funds shall not be used for the following activities:

- Permanent housing;
- Acquisition of real property;
- New construction;
- Addition of square footage;
- Property clearance or demolition; and
- Building maintenance and repairs (see Maintenance and Operations).

C. ESSENTIAL SERVICES

ESGP legislation limits to 30% the amount of funds that may be used for Essential Services activities. Therefore, the Department will require ESGP applications to **limit requests** for Essential Services activities to **30%** of the proposed budget. The 30% limitation applies to each partner in a collaborative application.

Grant Information and Requirements

Essential Services activities address the immediate needs of homeless individuals and enable homeless persons to become more independent and/or to secure permanent housing. Essential services may include direct client services concerned with employment, health, drug abuse prevention, and education, including but not limited to:

- Assistance in obtaining permanent housing;
- Medical and psychological counseling and supervision;
- Employment counseling, job placement, and job training (including tuition and books);
- Nutritional counseling and the salary of food preparers (cooks);
- Substance abuse treatment and counseling;
- Assistance in obtaining other federal, state, and local assistance including mental health benefits, medical assistance, Veteran's benefits, and income support assistance such as SSI, TANF, and Food Stamps;
- Other services such as childcare, food vouchers, client clothing, or medical assistance (doctor visits, prescriptions, eye glasses or other prostheses, etc.);
- Transportation costs directly associated with ESGP service delivery, such as bus tokens, bus fare, cab fare, airfare, salary of van driver, etc; and,
- Salary for staff whose **sole duty** is to work directly with clients to provide the above services. Staff salaries may include wages and fringe benefits as described in the applicant organization's personnel policies. **No administrative salaries may be paid with Essential Services funds.**

The application **must include a job description** for any position to be paid in full or in part with ESGP funds under this category.

If your agency received local funds (locally generated tax revenue) from a unit of local government in the past 12 months, and if your ESGP application includes a request for funds to provide essential services, your Project Narrative must describe how the service(s) will be a new service or will result in a quantifiable increase in the level of service that was provided with local funds during the previous 12 months.

ESG funds can be used by grantees or their recipients for a new service or a quantifiable increase in the level of service above that provided during the immediately previous 12-month period. This provision in the legislation prohibits using ESG funds to replace existing government or non-profit funding of services. However, once a new or increased level of service meets the above standards, then ESG funds may be used to continue funding that service in subsequent years.

D. MAINTENANCE, OPERATION, AND FURNISHINGS

ESGP funds may be used for maintenance, operation, furnishings, and equipment costs. The Department will accept applications that include Maintenance, Operation, and Furnishings as a part of the project or as the sole activity of a project.

Maintenance costs include contract services for copier or security system maintenance, pest control, lawn care, contracted janitorial service, etc.

Operation costs include facility rent, utilities, internet service, and telephone; building maintenance and non-deferred repairs; food for shelter residents; vehicle maintenance, registration, repairs, and fuel; building or equipment insurance; fidelity bond coverage; office and maintenance supplies; contracted security services; single audit expenses (if required), staff mileage reimbursement (for travel relating to ESGP service delivery), and pre-award travel expenses (for successful applicants to attend an orientation workshop).

Grant Information and Requirements

Non-deferred repairs are items that break during the contract period, such as:

- repairing a window that is broken;
- repairs due to water damage; or
- repairing a broken furnace or air conditioning unit.

Deferred repairs are items that are inoperable or broken and in need of replacement prior to the application period. These types of repairs are considered Rehabilitation activities.

Equipment may include computers, printers, software, refrigerator, stove, tools, vehicles, etc. All equipment with a useful life of more than one year and an acquisition cost of \$500 or more must be included in a cumulative inventory report submitted to the Department each contract year.

Furnishings may include beds, mattresses, linens, desks, tables, chairs, etc.

- An applicant that participates in a local Continuum of Care may use ESGP funds to facilitate the required Homeless Management Information System (HMIS) which may include the purchase of software and/or annual access fees to facilitate data collection and reporting of client-level information.

E. HOMELESSNESS PREVENTION

Homelessness Prevention funds may be used to assist individuals who are homeless or at risk of becoming homeless. The Department will accept applications that include Homelessness Prevention as a part of the project or as the sole activity of a project. There are no limitations in the amount of funds which may be requested for homelessness prevention.

Homelessness Prevention funds may be used to provide direct monetary assistance on behalf of individuals whose annual income is at or below the federal poverty guideline when **all** of the following conditions are met:

- 1) The individual or family is unable to make the required payments due to a sudden reduction in income or a sudden increase in expenses;
- 2) The assistance is necessary to avoid the foreclosure, eviction, or termination of utility services (excluding telephone service);
- 3) There is reasonable prospect that the individual or family will be able to resume the payments within a reasonable period of time (determined by the applicant organization and used consistently among all clients); and
- 4) The assistance does not replace funding for pre-existing homelessness prevention activities from any other sources.

Homelessness Prevention funds must be used to assist those individuals and families that would actually become or remain homeless without ESGP homelessness prevention funds. Homelessness Prevention assistance may include:

- 1) Short-term subsidies to help defray rent and utility arrearages for families that have received a notice of eviction, termination of utility services, or payments to prevent the transfer of service;
- 2) Security deposits or first month's rent to enable a homeless family (or individuals in emergency/transitional housing) to acquire permanent housing;
- 3) Programs to provide mediation for landlord/tenant disputes;
- 4) Programs to provide legal services for the representation of indigent tenants in eviction proceedings;
- 5) Payments to prevent foreclosure on a home; and,
- 6) Other innovative programs and activities designed to prevent the incidence of homelessness.

Ineligible homelessness prevention activities include: Direct payment to individuals.

Grant Information and Requirements

ELIGIBLE ACTIVITIES

SPECIAL INITIATIVE PROJECT

The Department will accept applications to provide funding to support the implementation of a statewide Homeless Management Information System for ESG subrecipients in the Texas Balance of State area and ESG subrecipients not currently participating in a HUD funded Continuum area. **The funding of this project is contingent upon approval by HUD.** ESGP funds for this initiative will be limited to operation administration, essential services, maintenance, operation, and furnishings categories.

Applicants submitting an application for this initiative must meet the definition of an eligible applicant organization and the eligibility documentation requirements as specified in this application packet and must complete all attachments as specified in the Application Content section of this packet. However, instead of following the Project Narrative Instructions on pages 17-19 of this packet, the following information must be provided. The successful applicant must meet the following criteria:

- 1) Describe the organization's history and mission and include information on current staff size and educational background and experience of key management staff;
- 2) Describe the organization's involvement with homeless issues statewide;
- 3) Describe how the organization's board of directors reflects a statewide presence and includes at least one homeless or formerly homeless person;
- 4) Describe the organization's experience in providing statewide training and technical assistance to homeless coalitions and organizations serving the homeless population;
- 5) Describe the organization's experience in providing training and technical assistance in the implementation and operation of a Homeless Management Information System;
- 6) Describe the organization's statewide experience with local coalition building; and
- 7) Describe the organization's experience working with HUD programs.
- 8) Describe the proposed use of ESGP funds by category and subcategory.
- 9) Describe the proposed services/technical assistance or training to be delivered with the ESGP funds. Provide estimates on the number of training or technical assistance sessions to be provided. Specify if any subcontractors will be utilized.
- 10) Describe how the organization plans to measure the effectiveness of the services provided.

INELIGIBLE ACTIVITIES

Rehabilitation activities funded through ESGP cannot increase the square footage of the structure involved and must occur within the existing structure. (Refer to Section 504 of the Rehabilitation Act of 1973, as amended, as provided in 24 CFR 8.23 (1) or (b).)

ESGP funds shall not be utilized for permanent housing; acquisition of real property; new construction; addition of square footage, property clearance or demolition; direct payments to individuals; to support inherently religious activities such as worship, religious instruction, or proselytization; or to rehabilitate or repair buildings such as sanctuaries, chapels, and other rooms that a congregation uses as its principal place of worship.

Grant Information and Requirements

MATCH REQUIREMENT

ESGP subrecipients must match their award amount with an equal or greater amount of resources other than ESGP funds. Therefore, ESGP applicant organizations must demonstrate access to resources that may be used as match **after** the date of the grant award. Matching funds used for this ESGP project may not be used to match any other project or grant. ESGP funds received from units of local government may not be used to match State the ESGP grant. Supportive Housing Program and Community Development Block Grants from the U.S. Housing and Urban Development Department may be used as match sources. Match resources may include:

DONATED SUPPLIES: Donated goods such as clothing, furniture, equipment, etc. Include the source and an estimated value for all donated goods.

CASH DONATIONS OR GRANTS: Private donations or grants from foundations, nonprofits, or local, state, and federal sources. A single grant may serve as the required match.

VALUE OF DONATED BUILDING: The fair market value of a donated building in the year that it is donated. The building must be proposed for ESGP-related activities and must not currently be in use for these activities. The narrative should state when the building was donated and for what purpose, the current use of the building, and how long the building has been used for its current purpose. The application must include documentation from a realtor or appraiser as to the fair market value of the property.

RENT OR LEASE: Rent paid for space currently used to provide services to the homeless. *Include the source of funds used to pay rent.* The fair market rent or lease value of a building owned by or space that is donated (rent-free) to the applicant organization is also an acceptable match resource. To document fair market value, the application must include a letter from a realtor or appraiser that specifies the location of building, square footage, value per square foot, and total lease or rent value based on 12-month occupancy.

SALARIES: Any staff salary paid with general operating funds or grant funds (CSBG, CDBG, United Way, VOCA, etc.). The position(s) used as match must be involved in ESGP-related activities and the hours utilized for match must be for hours worked for ESGP related activities. For each position include the title, annual salary, percentage of time dedicated to ESGP activities, source of funds and the dollar amount proposed as match.

VOLUNTEERS: Time and services contributed by volunteers, with a value not to exceed \$5 per hour.

ENVIRONMENTAL REVIEW PROCEDURES – Rehabilitation Projects Only

The 1988 McKinney Amendment Act revised the environmental review procedures for assistance under Title IV of the Act, including ESGP, by making applicable the provisions of, and regulations and procedures under section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. Sec. 5304 (f)). The regulations are codified at 24 CFR Part 58. Also, see 24 CFR 576.57e (Release of Funds), and 24 CFR 35 (Lead Based Paint Hazard Reduction).

1. An application from a *private nonprofit organization* that requests funding for Rehabilitation activities must include a letter documenting that the applicant has requested assistance with environmental requirements from the Chief Elected Official (CEO) of the city or county in which the assisted project will be located. If the applicant is considering using a prior environmental review, refer to environmental review requirements under the Environmental Review Procedures section. *Collaborative applications* must include this documentation for each applicant organization requesting rehabilitation funds.

Grant Information and Requirements

2. Applications including a request for Rehabilitation funds must include a completed **Preliminary Environmental Review Checklist (Attachment N)** which has been executed by the authorized signatory for the applicant organization or by a local elected official (or designee) of the city or county that has agreed to assist with the environmental requirements. An organization that is awarded funds for rehabilitation activities must submit a final Environmental Review Checklist.
3. No funds may be obligated or expended for rehabilitation activities until the project has been environmentally cleared. For ESGP funds distributed by the State *to units of general local government*, the unit of general local government must assume the environmental responsibilities, and the State will be responsible for providing a release of funds in accordance with the requirements of 24 CFR Part 58.

For funds distributed by the State *to nonprofit organizations*, the State must assume the environmental responsibilities, and HUD will provide the release of funds in this instance.

In either case, funds may be obligated or expended only after the *Request for Release of Funds and Certification of Compliance with Environmental Regulations* at 24 CFR Part 58 have been approved in writing.

4. The Department may accept a previous environmental review if: 1) the environmental review is not more than 5 years old and no structural changes have occurred; 2) the certifying entity provides documentation that no environmentally significant changes have occurred since the review was done; and 3) a copy of the environmental review is submitted as part of the ESGP application.
5. *Units of general local government* that request Rehabilitation funds must assume the required environmental review responsibilities.
6. If the structure proposed for Rehabilitation activities was built prior to 1978, the application must address the risk of the presence of lead-based paint according to the guidelines contained in 24 CFR 35 "*Requirements for Notification, Evaluation and Reduction of Lead-Based paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance.*" The HUD website includes helpful information, including a certification for lead-based paint risk assessment (www.hud.gov/lead/ click on "Training" in left hand column). *Collaborative applications* must include this documentation for each facility for which rehabilitation funds are requested.

SELECTION PROCESS & FUNDS DISTRIBUTION

The Department utilizes a statewide competitive application to obligate ESGP funds.

In FFY 2008, ESGP funds will be reserved for each of the 13 Uniform State Service Regions (Appendix I). A portion of the total funds available will be reserved for each of the 13 Uniform State Service Regions based on the poverty population of each region (i.e. 3.95% of the State's available ESGP allocation will be reserved for Region 1 with 3.95% of the state's poverty population). Poverty population is based on the 2000 U.S. Census figures.

A team of reviewers will first pre-screen all applications to ensure they meet all eligibility requirements. Applications will be grouped, reviewed, and evaluated according to region. If an application does not meet all eligibility requirements, it will be deemed ineligible and will not be scored. Since this is a competitive process, the Department **will not** notify organizations of any deficiencies during the pre-screening and review process. It is the Department's expectation that before an application is submitted, each organization in a collaborative as well as single organizations, have thoroughly reviewed the application and its requirements.

Grant Information and Requirements

Applications which meet all eligibility requirements will be reviewed and scored using a standard review instrument, *based on this instruction packet*. The scores for each application will be averaged to obtain a team score. Point adjustments will be made based on bonus point criteria and/or identified monitoring issues. Applications will then be ranked according to adjusted score within each region. **Applications that receive a score below 70% of the highest score in their region will not be considered for funding.** Applicants who have unresolved monitoring and audit findings from any TDHCA funded program will be ineligible for ESGP funding. The Department also considers the most recent monitoring results for organizations that have previously received ESGP funds and timely submission of reports. The Department's Executive Director must approve all funding recommendations and the Board must ratify awards.

Applicants not selected to receive ESGP funds may request a review of their application no later than 30 days after the date of the written funding notification from the Department as per Texas Administrative Code, Title 10, Part 1, Chapter 1, Subchapter A, Section 1.7.

The Department will determine the number of applications which can be funded within each region based on the amount of funds available for distribution in each region. ESGP funds reserved for a particular region will be obligated to eligible applicant organizations within that region. If the region does not have enough eligible applications which meet the funding threshold, funds will be redistributed to regions whose funding is below \$250,000. Applicants with a higher score will be awarded a larger percentage of the amount of amount of funds requested.

The Department will award **bonus points** in the FFY 2008 application process as follows:

- A. Three points for applications received from an ESGP non-entitlement area (See Appendix V),
- B. One point for an application which requests ESGP funds to provide homelessness prevention assistance; and,
- C. Three points for an application from a single applicant organization who has not previously received ESGP funds from the Department.
- D. One point for documentation of attendance by homeless representative at 75% or more of Board meeting or Policy making entity meeting.

Factors to be considered in the review of each eligible application include, but are not limited to:

(1) APPLICATION CONTENT (15 POINTS TOTAL) 1 Point will be awarded for the submission of each required item specified in the Application Instructions, pages 12-15 of Application. For applicants requesting to use ESGP funds for Rehabilitation, up to 6 points may be deducted for failure to provide information requested on Application Instructions, page 14-15, item 25. (a) thru (f).

(2) COMPLETION OF TABLES (30 POINTS TOTAL)

(A) Proposed Budget Table – Attachment F (12 pts)

(B) Match Table - Attachment G (8 pts)

(C) Resource Documentation Table - Attachment H (10 pts)

Possible point deductions if tables are not completed according to instructions, if the amount requested in categories exceeds allowable percentages as specified in application instructions, and if required match support was not included. Points may also be deducted for not including job descriptions for Essential Service positions to be funded with ESGP. For collaborative applications, points will be deducted if budget, match, and resource tables were not submitted for each applicant and a comprehensive budget for the entire project. A Resource

Grant Information and Requirements

Documentation Table must be submitted for each county to be served, points will be deducted if not submitted.

(3) NARRATIVE (50 TOTAL POINTS)

I. Description of Applicant Organization

- A. Organization and Services Provided. Questions on page 17 of Application, I.A. 1. thru 6., maximum of 20 points.
- B. Coordination Efforts. Questions on page 17-18, I. B. 1. thru 3., maximum of 10 points.
- C. Previous ESGP Funding. Questions on page 18 of Application, I.C. 1.thur 2., maximum of 4 possible point deductions for failure to provide information.

II. Unmet Need. Questions on page 18 of Application, II.A., maximum of 10 points.

III. Proposed Use of ESGP funds. Questions on page 18-19 of Application, III.1. thru 5., maximum of 10 points and possible point deductions of 27 points for failure to provide information requested in questions 3.a. thru e. regarding use of funds by category.

IV. Conclusion. Questions on page 19 of Application, IV. 1. thru 3., maximum of 5 points.

(4) PAST PERFORMANCE REVIEW. The Department will also take into consideration performance related to any funding received from the Department and the results of the Single Audit. The results of this review may deem an applicant ineligible to receive funding. The Department will also review the history of submission of ESGP reports and the expenditure rate of ESGP funds and points will be deducted for late reports and for expenditure rates below 83%. Organizations with expenditure rates below 50% may not be eligible to receive ESGP funds.

Application Instructions

APPLICATION CONTENT

ALL PAGES OF THE APPLICATION (excluding the audit) must be numbered. The original and the two copies must have required signatures when the form requires a signature.

Each application must contain the items listed below **in the following order:**

1. **State of Texas ESGP Application Form** – Form must be placed on the top of the application.
2. **Table of Contents** – must include page numbers.
3. **Attachment A (Standard Form 424)** – Complete the blank spaces but do not complete the shaded boxes. On #12., only list the counties where the ESGP funded services will be provided. The counties identified in the Form 424 must match the counties identified in the ESGP Application Form and in the application. The person signing this form must be the authorized signatory for the ESGP contract, if awarded. For collaborative applications, only the lead agency must sign and submit a Standard Form 424.
4. **Attachment B – Eligibility Documentation Regarding Homeless Representation.** Complete this form to identify the homeless or formerly homeless person that serves on the Board of Directors or on a Policymaking Entity. If the homeless person serves on the Policymaking Entity, then complete a form for both the Board and the Policymaking Entity. This form is required for each organization in a collaborative application.
5. **Attachment C –Roster for Board of Directors or Policymaking Entity.** Complete the form and provide the requested information for member of the applicant’s board of directors or equivalent policymaking entity. If the homeless person serves on the Policymaking Entity, then complete a form for both the Board and the Policymaking Entity. The homeless or formerly homeless individual must be identified by placing an X in the name column on the form. This form is required for each organization in a collaborative application.
6. **Attachment D- Attendance Roster for Board of Directors or Policymaking Entity.** Complete this form using the official attendance records for the board of directors or equivalent policymaking entity. If the homeless person serves on the Policymaking Entity, then complete a form for both the Board and the Policymaking Entity. The homeless or formerly homeless individual must be identified by placing an X in the name column on the form. This form is required for each organization in a collaborative application.
7. **Articles of Incorporation** - Include a copy of the section in the Articles of Incorporation which includes the mission and goals for which the organization was established.
8. **Copy of Bylaws** – Include a copy of the section in the organization’s bylaws which authorizes the governing board or equivalent policymaking entity to make policies and decisions for the organization. This documentation is required for each organization in a collaborative application.
9. **Attachment E - Local Government Certification Form** – all private nonprofit applicants must document that the project proposed for ESGP funding received local government approval. The certification form may be signed by the county judge or mayor, or their official designee (such as city manager, assistant city manager, community development director or human services director) for the locality in which the project is located. For a collaborative application, only the lead agency needs to submit a completed Attachment E.
10. **Existing Internal Revenue Service (IRS) ruling** – All private nonprofit organizations must document their status as a **501(c) tax-exempt** entity. The Department prefers that the ruling be on IRS letterhead which is legible and signed by the IRS District Director. Expired advanced rulings from the IRS are not acceptable. Other documentation which may be utilized to document a **501(c)** status may be a letter from the State of Texas Comptroller of Public Accounts or a certified legal document showing status. Local

Application Instructions

nonprofit affiliate of a State or national nonprofit can be submitted if your organization is a subsidiary of a parent organization. In case of the latter, provide a copy of the page listing your organization in the documents filed with the IRS.

11. **Project Narrative** – The narrative must not exceed 10 pages. Collaborative applications are allowed two additional pages for each additional organization (maximum of 20 pages). The narrative must be formatted using a minimum of 11 font size, double spaced, on standard 8 ½” x 11” paper with 1” margins. Refer to instructions on pages 11-13.
12. **Job Descriptions** – Job descriptions for all positions paid for with Essential Services must be included.
13. **Attachment F – Proposed Budget Table.** For each of the ESGP eligible activities categories, enter a description and of each item, the method of calculation, the basis for cost, the line item total and category total. Include staff titles where appropriate. In the Detail of Activities by Category and Method of Calculation Column, briefly describe the item for which ESGP funds are requested and the method of calculation. In the Basis for Cost Column, briefly describe how the cost estimate was established. In the Line Item Totals Column, list the total cost for each item requested. In the Category Totals column, provide the total dollar requested figure for each of the categories in A-E. Collaborative applications must include a comprehensive Budget Table that includes all activities proposed by the collaborative effort, as well as one Budget Table for each organization in the collaborative.
14. **Attachment G – Proposed Match Table.** The Match Table must include a brief description of the type of match, the dollar value of the match, the source of match funds (name of grant or donor) and the method of calculation for each match resource proposed. The Match Total must equal or exceed the amount of ESGP funds requested. Collaborative applications must include a comprehensive Match Table that includes all activities proposed by the collaborative effort, as well as one Match Table for each organization in the collaborative.
15. **Note:** If the fair market rent or lease value of any building is proposed for match, a letter from a realtor or appraiser documenting the location of the building, square footage, value per square foot, and total lease or rent value based on 12-month occupancy must be included after the Match Table.
16. **Attachment H -Resource Documentation Table** – A separate table must be completed for each county in which the organization proposes to provide ESGP services. Include verifiable sources for all data included. See Appendix II for a listing of websites that may be useful in gathering this information. Fill in the name of the county and the organization. The Data Required column states the information that is being requested. In the ESGP Data Provided column, provide the requested information. The data should be the most recently available data and should be presented briefly and concisely. The text should be a comprehensive summary of the needs of the homeless and poverty population in the county to be served. In the Data Source column, provide the data sources utilized in the Data Provided column and provide dates that census, assessments, or surveys were conducted.
17. **Photographs** – The original application must include original or digital photographs of at least two different views (one of the exterior and one of the interior) of the facility from which assistance is to be provided. The second copy of the application can have copies of photos. For collaborative applications, each organization must submit photographs of at least two different views (one of the exterior and one of the interior) of the facility from which services are provided.
18. **Attachment I – Homeless Management Information System Reporting form.** All applicants must include this form to fulfill the requirement under various statutory authorities and Congressional direction to collect information about the nature and extent of homelessness. This form must be completed by each organization in the collaborative project.
19. **Attachment J – Previous ESGP Funding form.** This form must be used to identify ESGP funds received from TDHCA (or TDCA) directly or through a subcontract agreement. This form must be completed, as applicable, by each organization in the collaborative project.

Application Instructions

20. **Attachment K – ESGP Applicant Certification.** All applicants must include a signed certification form. For collaborative applications, only the lead agency must provide this certification.
21. **Attachment L – Certification Regarding Lobbying.** All applicants must include a signed certification form. For collaborative applications, only the lead agency must provide this certification.
22. **Attachment M – Audit Certification Form.** All applicants must submit a completed form. For collaborative applications, all partners, including the lead agency must submit a completed form for the most recently completed fiscal year.
23. **Fiscal Accountability** - All applications must include documentation of fiscal accountability, even if this information has been previously submitted to the Department. All collaborative applications from non-profits must submit financial documentation for each organization in a collaborative. For collaborative applications from units of general local government, the Department expects that fiscal accountability documentation will be reviewed by the city or county. Submit one complete unbound copy of your organization's most recent Single Audit report. A duplicate copy of the Single Audit report does not need to be submitted. **If applicable, a management letter must be included with the audit.** If your organization does not have a Single Audit, the following end-of-the-year financial statements must be included: (1) balance sheet; (2) income statement; and (3) a statement of cash flow. Refer to page 4 for information on audit requirements.
24. **Documentation of a Current Fidelity Bond** – All applicants and each partner in the collaborative must include documentation of a current fidelity bond or a letter of commitment to obtain the same prior to execution of an ESGP contract. Fidelity bond coverage must include all persons authorized to sign or counter-sign checks or to disburse sizable amounts of cash. Fidelity Bond or letter of commitment must be for a minimum of \$10,000.
25. **Rehabilitation Documentation - (only for applicants requesting Rehabilitation funds).**

All applications that include a request for Rehabilitation funds must include as applicable:

- (a) **Attachment N – Preliminary Environmental Review Statutory Checklist.**
An application that requests ESGP funding for Rehabilitation activities must include the completed Preliminary Environmental Review Checklist (Attachment N) signed by the authorized signatory for the applicant organization and by the Chief Elected Official of the city or county that has agreed to assist with the environmental requirements (See page 9 of this document for more details on Rehabilitation requirements). Collaborative applications must include an Attachment N for each organization requesting Rehabilitation funds. Copy this form as necessary. Units of general local government requesting Rehabilitation funds must assume the required environmental review responsibilities and must submit documentation as required.
- (b) **Property Appraisal.** Any reasonable method for determining property value is acceptable. Examples of no cost or low cost appraisals include a city or county tax appraisal or a broker's price opinion based on sales of comparable properties in the area. **Collaborative applications must include an appraisal of each property proposed for rehabilitation.**
- (c) **Flood Plain Map.** Maps must be certified by the Federal Emergency Management Agency (FEMA) or the City/County in which project is located and include the panel number and indicate the location of the project. **Collaborative applications must include a flood plain map for each project proposed for rehabilitation.**
- (d) **Letter from the Texas Historical Commission (THC)** regarding the historical significance of the facility. A copy of the letter requesting THC clearance is acceptable to meet the application deadline. If your organization is awarded ESGP funds, you will be required to forward THC response to the Department. When requesting clearance from the Texas Historical Commission, include any written

Application Instructions

information regarding the structure and pictures of at least two sides of the structure. Address your letter to: Stan Graves, Director of Architecture, Texas Historical Commission, Post Office Box 12276, Austin, Texas 78711, 512-463-6100. **Collaborative applications must include a THC letter for each site proposed for rehabilitation.**

- (e) **Photographs.** Photos must be submitted for the specific areas proposed for rehabilitation. Collaborative applications must include photographs of the areas proposed for rehabilitation by each organization requesting rehabilitation funds.
- (f) **Private nonprofit organizations requesting rehabilitation funds must:** 1) provide a letter documenting that the organization has requested assistance with environmental review requirements from the Chief Elected Official (CEO) of the city or county in which the assisted project will be located or a letter that documents this assistance. If using a prior environmental review, refer to Environmental Review Procedures.

Collaborative applications must include this documentation for each applicant organization requesting rehabilitation funds.

Application Instructions

PROJECT NARRATIVE INSTRUCTIONS

The narrative portion of the application must provide all the information requested when applicable. The narrative must be formatted with one-inch margins and double-spaced on 8 1/2" X 11" paper. Minimum font size is 11 pitch. The narrative must not exceed 10 pages for applications involving one organization. Collaborative applications will be allowed two additional pages per organization up to a maximum of 20 pages. All projects should be planned for a maximum of 12 months.

Organize the project narrative with clear headings and subheadings and in the same order as the following. If any heading or subheading does not apply to your project, please indicate N/A next to it.

Part I. Description of Applicant Organization

This section should give a clear and concise description of the applicant's organization. Collaborative applications should include descriptions for each organization included in the collaborative.

A. Organization and Services Provided

1. Describe your organization's history and mission. Include information on the current staff size and the educational background and work experience of key management staff.
2. Provide information about the board of directors, such as a list of subcommittees, how often the board and subcommittees meet, how the board has utilized recommendations from the homeless representative to change the organization's policies, practices, or services.
3. Describe:
 - a. The type(s) of services currently provided.
 - b. The total number of persons served annually in the program to be supported with ESGP funds.
 - c. The target group(s) served.
 - d. The location of office(s) or shelter providing assistance. Location includes the cities and/or counties to be served through the proposed ESGP project.
 - e. Shelter capacity (bed space), if applicable.
4. Describe the services provided which have a long-term impact/outcome on the homeless individuals served. Such services could include, but not be limited to, education, employment, substance abuse, family functioning skills, transitional or permanent housing, etc.
5. Describe case management services provided to homeless individuals.
6. If applicable, describe any formal or informal restrictions on services provided and the basis for these restrictions.

B. Coordination Efforts

1. Describe how services are coordinated. Describe what types of services your organization coordinates with other service providers to meet the various needs of the homeless clients or clients who may become homeless.
2. **For collaborative applications only**, provide information on how and which services will be coordinated among the organizations included in the collaborative application.
3. Describe your organization's participation in the local homeless coalition or coordinating council which coordinates social services in your service area and describe your organization's participation

Application Instructions

in the development of the Continuum of Care application to HUD for the community in which the proposed services will be provided.

C. Previous ESGP Funding (if applicable)

1. Describe how previous ESGP funds improved or increased the services available from your organization. If ESGP funds have not been received previously, state such.
2. Describe new sources of funds acquired during previous years when an ESGP grant was received. Additionally, describe the recent efforts made to develop other funding sources during the past five years and provide information on new funding received from these efforts.

Part II. Unmet Need

This section of the proposal must address the unmet needs of the homeless population in your service area and describe the specific unmet needs and gaps in services that your organization will address if the ESGP proposal is funded.

- A. Based on the data provided in the Resource Documentation Table, describe the unmet needs or gaps in services for the homeless population in your service area. The needs or gaps in services should represent the array of services that are necessary, but either do not exist or are not adequately being provided by the existing service delivery system.
- B. Based on the data in the Resource Documentation Table, provide a description of the specific unmet need(s) and gaps in services that your organization will meet and address if the proposed ESGP project is funded. Specify the specific services which will be provided and state whether the service is currently not provided in the community or is not being adequately provided by the existing service delivery system.

Part III. Proposed Use of ESGP funds

A detailed description of the project for which you are requesting funding. Include the following information in the description:

1. Who are the customers? Include demographic information (sex, race, age, gender, etc.) on the population that will benefit from ESGP funding.
2. How many customers do you plan to assist with ESGP services?
3. Based on the proposed ESGP budget, provide a description of:
 - a. **Essential Services –**
 - (1) Provide a description of the Essential Services to be funded with ESGP.
 - (2) Provide the name and title of the Essential Services staff whose salary will be paid in whole or in part, with ESGP funds and provide relevant information on their education and experience.
 - (3) Applicants requesting Essential Services funds must provide information on whether the applicant organization previously received local funds (city or county) to provide Essential Services activities. If local funds were received to provide Essential Services, describe of how the proposed service(s) will be a new service or will be a quantifiable increase in the level or service provided during the 12 calendar months before the receipt of ESGP funds.

Application Instructions

- b. **Maintenance, Operation, and Furnishings** – Describe the Maintenance, Operation, and Furnishings to be funded with ESGP funds and describe how the items funded with ESGP funds will benefit your organization’s ability to deliver services.
 - c. **Homelessness Prevention** – Describe the type(s) of prevention activities to be provided with ESGP funds. Also, include a detailed implementation plan which includes:
 - (1) Staff positions which will be responsible for providing the homelessness prevention activities;
 - (2) The criteria which will be used to determine eligibility to receive assistance; and,
 - (3) A description of the method which will be used to determine if the applicant meets the eligibility requirements for homelessness prevention assistance as per ESGP regulations and requirements.
 - d. **Rehabilitation** – Include a description of the Rehabilitation activities to be funded with ESGP funds. Also include documentation on the construction date and current appraised value of the facility. If the facility was constructed prior to 1978, include a discussion of abatement of lead-based paint and/or asbestos. Non-profit organizations must include documentation that the city or county has been contacted regarding (or has agreed) assistance with required environmental review.
 - e. Provide the names of any subcontractors (e.g. a child care provider) which will be utilized to deliver ESGP funded services and provide information on the services they will deliver.
- 4. Describe how your organization plans to measure the effectiveness of the services provided to your clients. In measuring effectiveness, your organization may set outcome measures for some of the services to be delivered on clients to be served. For example, 25 of the 200 persons provided with emergency shelter will be placed in a permanent job. Twelve (12) of the 25 persons placed in a job will earn an income above 100% of federal poverty income guidelines.
 - 5. Describe how your organization will involve homeless families and individuals in rehabilitating, maintaining and operating the shelter or other facilities, and/or providing services.

Part IV. Conclusion

- 1. What significant and beneficial impact(s) will the proposed project have on the homeless population in your service area? What are the results or benefits to be achieved by carrying out the proposed activities?
- 2. Describe the outcome related services, which have a long term impact, provided to ESGP clients. Such services and assistance can include assistance at setting and attaining educational goals, obtaining job skills, obtaining employment, completing a substance abuse rehabilitation program, etc.
- 3. If your organization is not currently providing outcome related services which have a long term impact, describe plans to provide such and a timeline.

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
October 11, 2007**

Action Item

Presentation, Discussion and Possible Approval of an Amendment to the 2008 Housing Trust Fund Plan.

Required Action

Presentation, Discussion and Possible Approval of an Amendment related to the 2008 Housing Trust Fund (HTF) set-aside for the Disaster Recovery Homeowner Repair Gap Financing Program (HTF Disaster Recovery Program).

Background

On September 13, 2007, TDHCA's Governing Board approved the 2008 Housing Trust Fund Annual Report (Annual Plan or Plan). The Department set-aside \$1,000,000 in the Annual Plan for the HTF Disaster Recovery Program. Associated administrative fees were not provided as part of the funding.

The purpose of the set-aside was to assist in the removal of a major barrier to providing assistance under the Community Development Block Grant Disaster Recovery Program (CDBG Disaster Recovery Program) as identified by the three Councils of Government (COGs) administering housing assistance under Round I of CDBG funding.

The CDBG Disaster Recovery Program can provide all of the funding necessary to rehabilitate or reconstruct a home unless the funding represents a duplication of benefits, which is prohibited. This has resulted in a funding gap to households and is preventing otherwise qualified households from program participation. In response, the Department set-aside \$1,000,000 in HTF dollars with a maximum per household award of \$10,000. Subsequent to the Annual Plan's approval, the COGs have expressed concerns that the funding intent cannot be met if assistance is required to be provided in the form of a loan as required in the Plan. Specifically, a zero percent interest repayable loan will be a disincentive to households because it does not complement the existing program that primarily provides assistance in the form of a grant. Also, a loan secured by residential housing could result in loan closing costs that exceed the amount actually needed by the households. The average gap amount is \$3,000 per household.

Approximately 80% of the households with gap funding needs that have been prioritized by the COGs for assistance are very low income, elderly, and disabled, and some still reside in Federal Emergency Management Agency (FEMA) trailers. These households have a limited ability to repay a loan and lack only a small portion of funds needed to rehabilitate and reconstruct safe, decent and affordable housing.

The Annual Plan as approved by the Governing Board September 13, 2007 requires that the HTF funds be loaned in the form of a zero percent interest loan for rehabilitation and reconstruction of housing. Pursuant to Chapter 2306 of the Texas Government Code, housing trust fund loans used to finance residential construction and rehabilitation are required to be mortgage loans or temporary loans and advances in anticipation of permanent mortgage loans. Mortgage loans must be secured by a mortgage lien on real property. Estimated closing costs for HTF loans will range from \$1,400 to \$1,800 based on

the maximum loan amount of \$10,000. Although the average gap funding need of some households is \$3,000, it can range from as little as \$100 up to \$10,000 or more.

Staff is recommending that the HTF dollars be provided in the form of a grant in all instances except when the assistance is greater than \$5,000 and the household's Area Family Median Income (AMFI) exceeds 60%. This structure will complement and combine with the existing CDBG fund delivery. It will also result in greater participation of very low income households and ensure there is a greater ability to repay, that loan related closing costs will not exceed the actual amount needed, and that the HTF Program is structured in a way that can better address the major barrier to the CDBG Disaster Recovery Program as identified by the COGs.

If the Governing Board approves the proposed action, the Department will amend the applicable section of the Annual Plan as follows (indicated in bold):

General Program Description: Currently the CDBG Disaster Recovery Funds are limited in the amount of federal assistance that can be provided to a household. Otherwise qualified households, who are lacking only a small portion of funds to fulfill their full cost of construction, are unable to begin their reconstruction or complete their home. This is preventing them from taking advantage of the CDBG assistance for which they have qualified and preventing them from reestablishing their homes, **and is a major impediment to program implementation.** It is estimated that the gap in needed funds for many of these households is less than \$10,000 **and averages around \$3,000.** This Program would be designed to complement and combine with the existing CDBG fund delivery structure which is administered by three Councils of Government (COG). A process would be established by which each COG would be able to access some portion of these funds for qualified households. This funding would be structured as **a grant in all instances except when the assistance is greater than \$5,000 and the household's Area Family Median Income (AMFI) exceeds 60%. Assistance to households earning more than 60% AMFI with needs greater than \$5,000 will be provided such assistance in the form of a zero percent interest loan. The amortization period will depend on the income level of the family to ensure ability to repay.**

Recommendation

Authorize the provision of the 2008 HTF Disaster Recovery Homeowner Repair Gap Financing Program be implemented as described above.

Authorize and direct the staff to amend the Annual Plan as required pursuant to Rider 10d related to the Disaster Recovery Homeowner Repair Gap Financing Program.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

September 13, 2007

Action Items

Presentation, Discussion and Possible Approval of a Memorandum of Understanding (MOU) between the Texas Department of Housing and Community Affairs (TDHCA) and the Office of Rural Community Affairs (ORCA) regarding the management of Community Development Block Grant (CDBG) funds for the Colonia Self-Help Center Program.

Required Action

Approve, deny or approve with modifications the Memorandum of Understanding (MOU) between TDHCA and ORCA.

Background

The Office of Colonia Initiatives (OCI) Division of TDHCA was created and charged with the responsibility of coordinating Department and legislative initiatives involving border issues and managing a portion of the Department's existing programs targeted at colonias. In accordance with a note referenced in Section 487.351 of the Texas Government Code (Section 2.15 of Acts 2001, Chapter 1367, 77th Legislative Session), the purpose of this MOU is to transfer federal Community Development Block Grant (CDBG) funds from ORCA to TDHCA for the administration, operation and program activities of TDHCA's Colonia Field Offices and the Colonia Self-Help Centers (SHC) pursuant to the provisions of Rider 7 to ORCA's appropriations and as authorized pursuant to Subchapter Z of Chapter 2306, Texas Government Code and Rider 8 to TDHCA's appropriation for the 2007-2008 biennium.

The execution of the MOU is the final step in the resolution of TDHCA Internal Audit Issue # 413. The audit finding called for clarification of monitoring roles, responsibilities and objectives to ensure full compliance with federal, state and programmatic rules and regulations. This MOU is different from the previous MOU in that it clearly mandates the full responsibility for oversight and monitoring of Colonia SHC contracts to TDHCA; ORCA retains the right to periodically review the monitoring process to ensure that their responsibilities for compliance with applicable laws, rules and regulations are met. The Portfolio, Management and Compliance (PMC) Division of TDHCA will now perform the monitoring functions for the Colonia SHC Program under objectives as outlined in the MOU. Furthermore, in conjunction with the monitoring objectives outlined in the MOU, the Department's OCI Division and three border field offices, (which employ three Border Field Officers), will provide administrative technical assistance and general oversight to ensure that CDBG activities are completed, performance goals are met and funds expended in accordance with the Colonia SHC Program Rules, contract provisions, applicable state and federal rules, regulations, policies, circulars, and related statutes.

On July 27, 2007, ORCA's Executive Committee approved the enclosed MOU; however, minor edits have been included since that date. The edits are the result of coordination between TDHCA and ORCA staff to perform clean-up of the document to remove unnecessary language or clarify terms that were unclear. The CDBG Director for ORCA, Mark Wyatt, participated in the editing

process and in his opinion, the changes do not necessitate that the MOU go before the ORCA Executive Committee again. Upon approval of the Board, the MOU will be fully executed by the Executive Directors of TDHCA and ORCA.

Recommendation

Approve or approve with modifications the MOU between TDHCA and ORCA.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
OFFICE OF RURAL COMMUNITY AFFAIRS
AND
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

SECTION I. PARTIES

This Memorandum of Understanding, hereinafter referred to as "Memorandum," is made and entered into between the Office of Rural Community Affairs, hereinafter referred to as "OFFICE," an agency of the State of Texas, and the Texas Department of Housing and Community Affairs, hereinafter referred to as "TDHCA," an agency of the State of Texas.

SECTION II. PURPOSE

In accordance with a note to Section 487.351 of the Texas Government Code, the purpose of this Memorandum is to make available federal Community Development Block Grant (CDBG) funds from the OFFICE to TDHCA for the administration, operation, and program activities of the Colonia Self-Help Centers (SHC) and to partially fund TDHCA's border field offices pursuant to the provisions of Rider 8 of TDHCA's appropriation and the Rider 7 of the OFFICE's appropriation for the 2008-2009 biennium under the General Appropriations Act of the 80th Legislature, Regular Session, and authorized pursuant to Subchapter Z of Chapter 2306, Texas Government Code.

SECTION III. PERIOD OF PERFORMANCE

This Memorandum shall begin on September 1, 2007 and shall terminate on January 31, 2009.

SECTION IV. TDHCA PERFORMANCE

TDHCA shall allocate the funds received under this Memorandum to each county in which a Colonia SHC, designated in accordance with Section 2306.583, Texas Government Code, is located. TDHCA shall then ensure that each county receiving funds under this MOU enters into an agreement with a nonprofit organization for the operation of the Colonia SHC within its jurisdiction consistent with program rules and regulations. TDHCA oversight of the program administration shall ensure that all activities are carried out in accordance with the federal law and regulations at 42 USC Sec. 5301 et seq. and 24 CFR Part 570, Subpart I and the state law and rules at Chapter 2306, Subpart Z of the Texas Government Code and 10 T.A.C. § 255 and § 3. In addition, TDHCA shall:

- A. Approve all awards, amendments and modifications related to the funding of the Colonia SHCs in accordance with the Texas Community Development Block Grant (TxCDBG) Program and Colonia SHC Program Rules.
- B. Participate in public hearings to solicit comments regarding the funds provided under this contract and provide input as necessary.
- C. Adhere to the certifications the OFFICE makes to the U.S. Department of Housing and Urban Development (HUD) in order to receive CDBG funding.
- D. Ensure that each activity included in a Colonia SHC contract meets a national objective, and qualifies as an eligible activity as identified under the state CDBG regulations. Compliance with this requirement shall be clearly reflected in the Performance Statements and Budgets of all Colonia SHC contracts.
- E. Ensure that each activity in the contract's Performance Statement has a corresponding budget line item in the budget.
- F. Work in coordination with the OFFICE staff to determine a reasonable amount of administrative costs that can be charged by each county for general and program administrative costs, and Colonia SHC operational costs.
- G. Ensure that direct delivery costs, associated with the delivery of housing assistance including the preparation of work write-ups and required architectural or professional services that are directly attributable to a particular housing unit, be charged to the housing related construction budget line item under each Colonia SHC contract.
- H. TDHCA shall provide oversight and monitoring of the activities of Colonia SHC subrecipients, units of local government and the respective Colonia SHC nonprofit service providers, to ensure that CDBG activities are completed, performance goals are met and funds expended in accordance with the Colonia SHC Program Rules, contract provisions, applicable state and federal rules, regulations, policies, including OMB Circulars A-87 and A-122 as applicable, and related statutes. Monitoring reviews may take place at any time or at the request of the unit of local government or TDHCA. A final monitoring review must take place within 120 days of the contract termination
- I. TDHCA shall conduct the final monitoring review of contract close-out documents and an on-site review of subrecipient records to achieve the following monitoring objectives: ensure that activities have been completed and beneficiaries served in accordance with the contract's Performance Statement and Budget; ensure that subrecipient systems, policies and procedures used to administer CDBG funds contain sufficient controls against fraud and misuse and that they are in place and operating efficiently; identify areas of specific need for additional technical assistance.
- J. TDHCA shall provide the OFFICE a copy of any findings and associated necessary corrective actions to be carried out by the Colonia SHC and non-profit providers as well as concerns and recommendations that do not require corrective action

SECTION V. OFFICE FUNDING AND PERFORMANCE OBLIGATIONS

- A. Colonia SHC funding. Notwithstanding any other provision of this Memorandum, the total obligations incurred by the OFFICE shall not exceed 2.5% of the annual allocation of CDBG funds received by the State of Texas from HUD for state fiscal year 2008. The OFFICE shall transfer funds provided under this section to the appropriate local government upon receipt of requests for payment from TDHCA and receipt of funds

from HUD. The OFFICE shall simultaneously notify TDHCA of the transfer to the local government. TDHCA shall obligate the funds provided under this Memorandum within fourteen months after the date the funds were provided to the OFFICE from HUD.

- B. The OFFICE shall transfer to TDHCA a total of \$35,361.67 for the period September 1, 2007 until January 31, 2008 and a total of \$84,868 for the period of February 1, 2008 until January 31, 2009, assuming the OFFICE receives from HUD a state CDBG allocation for Program Year 2008 in at least the same dollar amount as Program Year 2007, for costs incurred for TDHCA's border field offices and Office of Colonia Initiatives staff and planning activities. The amount of this reimbursement will be adjusted on February 1, 2008 based upon the U.S. Department of Housing and Urban Development CDBG Program Year allocation to the OFFICE. TDHCA shall submit a budget that defines the use of CDBG funds for this purpose. Funds deobligated and any program income recovered from the funds provided through the Colonia SHC Program shall be used by TDHCA for the Colonia SHCs in accordance with the Consolidated Plan.
- C. The OFFICE shall be responsible for fulfilling the federal match requirement for the award of CDBG funds to the OFFICE.
- D. All increases and reductions in the contract amount for the administration of the Colonia SHC Program should be in proportion to the amount of the grant award from HUD.
- E. The OFFICE shall monitor TDHCA's oversight and monitoring of the activities of Colonia SHC subrecipients, units of local government and the respective Colonia SHC nonprofit service providers, to ensure that CDBG activities are completed, performance goals are met and funds expended in accordance with the Colonia SHC Program Rules, contract provisions, applicable state and federal rules, regulations, policies, including OMB Circulars A-87 and A-122 as applicable, and related statutes.
- F. The OFFICE shall monitor TDHCA's final monitoring review of contract close-out documents and an on-site review of subrecipient records to achieve the following monitoring objectives: ensure that activities have been completed and beneficiaries served in accordance with the contract's Performance Statement and Budget; ensure that subrecipient systems, policies and procedures used to administer CDBG funds contain sufficient controls against fraud and misuse and that they are in place and operating efficiently; identify areas of specific need for additional technical assistance.
- G. The OFFICE shall identify in writing, through a monitoring report, any findings and recommended associated corrective actions that may be carried out by TDHCA or the subrecipient of Colonia SHC funding as well as concerns and recommendations that do not require corrective action.

SECTION VI. MEASURE OF LIABILITY

- A. TDHCA continues to assume responsibility and liability for outstanding issues relating to the funding and operation of the Colonia SHCs prior to the execution of this Memorandum.
- B. TDHCA shall provide oversight of activities on a regular basis according to Colonia SHC Standard Operating Procedures that is separate from the monitoring responsibilities of the OFFICE to ensure compliance with Colonia SHC Program Rules and federal and state regulations. The OFFICE shall monitor the activities funded under this Memorandum as

described in the previous section. Costs that are found to be disallowed, if any, by TDHCA, the OFFICE or HUD may be deducted from existing and future allocations of CDBG funds to TDHCA in an amount agreed upon by the parties to this Memorandum, to the extent allowed by law.

SECTION VII. REPORTING REQUIREMENTS AND RETENTION OF AND ACCESS TO RECORDS

- A. TDHCA shall furnish to the OFFICE, and the OFFICE shall furnish to TDHCA, such reports on the operation and performance of work under this Memorandum as may be required by the OFFICE or TDHCA in order to respond to requests for information.
- B. TDHCA shall retain all records relating to its responsibilities described by this Memorandum until its duties are completed and monitored by HUD or until the applicable retention period has expired, whichever is longer.
- C. TDHCA shall give the OFFICE, HUD, the Auditor of the State of Texas, and any of their duly authorized representatives access to, and the right to examine, all records relating to this Memorandum for as long as such records are retained by TDHCA as specified in Subsection B of this section. TDHCA shall also provide the OFFICE a copy of any audits conducted on the programs and services covered by this agreement.
- D. TDHCA shall maintain and submit to the OFFICE up-to-date accomplishments in quarterly reports on a timely basis in an agreed upon format sufficient for the OFFICE to complete the CDBG Annual Performance Evaluation Report (PER) and for the purposes of drawing funds under the IDIS system.
- E. TDHCA shall maintain and submit to the OFFICE up-to-date accomplishments in quarterly reports identifying cumulative data necessary for the HUD IDIS Performance Measures, including the colonias served, activities performed and total number of beneficiaries and shall enter up-to-date accomplishments in the OFFICE's CDBG contract management system. Each contractor shall maintain data regarding all activities completed under the Colonia SHC contract.
- F. TDHCA shall submit Personnel Cost Calculation forms and timesheets to the OFFICE for the reimbursement of administrative expenses.
- G. TDHCA shall respond to the OFFICE in a timely manner regarding any HUD or other correspondence related to the Colonia SHC fund, including any monitoring or audit reports.
- H. TDCHA shall submit copies of Colonia SHC contracts and amendments necessary to keep the OFFICE tracking systems updated and for the payment of draws.

SECTION VIII. AMENDMENTS AND CHANGES

Any alteration, addition or deletion to the terms of this Memorandum shall be by amendment hereto in writing and executed by both parties hereto except as may be expressly provided for in some other manner by the terms of this Memorandum.

SECTION IX. POLITICAL ACTIVITY

None of the activities or performances rendered hereunder by TDHCA shall involve and no portion of the funds received by TDHCA hereunder shall be used for any political activity, including but not limited to any activity to further the election or defeat of any candidate for public office, or any activity undertaken to influence the passage, defeat, or final contents of legislation.

SECTION X. SECTARIAN ACTIVITY

None of the activities or performances rendered hereunder by TDHCA shall involve and no portion of the funds received by TDHCA hereunder shall be used in support of any sectarian or religious activity.

SECTION XI. ORAL AND WRITTEN AGREEMENTS

All oral or written agreements between the parties hereto relating to the subject matter of this agreement that were made prior to the execution of this contract have been reduced to writing and are contained herein.

**APPROVED AND ACCEPTED ON BEHALF OF THE TDHCA AND THE OFFICE
EFFECTIVE THE 1ST DAY OF SEPTEMBER 2007.**

AGREED AND EXECUTED BY:

Charles S. (Charlie) Stone
Executive Director
Office of Rural Community Affairs

Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs

DISASTER RECOVERY DIVISION

**BOARD ACTION REQUEST
October 11, 2007**

Action Item

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

Requested Action

Presentation and discussion of the CDBG Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing.

Background

This Board Action Request summarizes the activities of the three Councils of Governments (COGs) administering CDBG Disaster Recovery Program (Program) housing contracts.

Housing Activities as of October 11, 2007

Disaster Recovery Division staff met with the Deep East Texas Council of Governments (DETCOG), Houston-Galveston Area Council (H-GAC), South East Texas Regional Planning Commission (SETRPC), and SETRPC's subrecipients the cities of Beaumont and Port Arthur on September 19, 2007. Several topics were discussed including clarification of the definition of eligibility and a report presented by each COG and COG subrecipient related to the program's status. Staff also discussed the expectations of TDHCA that administrative expenses should be in line with production to date and released a plan of action to achieve this objective. Following the meeting in Houston, staff visited the offices of DETCOG and the city of Port Arthur.

Financial Activity

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Balance CDBG Funds	% of Funds Disbursed
DETCOG	\$6,745,034.00	\$205,805.10	\$0	\$6,539,228.90	3.05%
H-GAC	\$7,015,706.00	\$322,041.58	\$0	\$6,693,664.42	4.59%
SETRPC	\$26,498,536.00	\$525,744.66	\$532,533.31	\$25,440,258.03	3.99%
SETRPC	\$15,788,536.00	\$525,744.66	\$532,533.31	\$14,730,258.03	6.70%
Beaumont	\$5,145,000.00	\$0.00	\$0.00	\$5,145,000.00	0.00%
Port Arthur	\$5,565,000.00	\$0.00	\$0.00	\$5,565,000.00	0.00%
Totals	\$40,259,276.00	\$1,053,591.94	\$532,533.31	\$39,112,824.89	11.63%

Project Activity

	# to be Assisted*	# of Applications	# Certified Eligible	# of Contracts Awarded	# of Assisted Households
DETCOG	182	744	15	12	2
H-GAC	128	526	44	8	4
SETRPC	228	2910	93	26	15
SETRPC	127	1,569	91	26	15
Beaumont	55	764	0	0	0
Port Arthur	46	577	2	0	0
Total	538	4,180	152	46	19

* Based on the projected number of households that the COGs will be able to serve with the funding allocation

COG Activity Highlights

Deep East Texas Council of Governments

DETCOG confirmed that a total of 15 applicants are certified eligible. DETCOG submitted 10 project set-ups for approval and placed orders for 10 manufactured housing units for delivery and installation in October.

Houston-Galveston Area Council

H-GAC confirmed that a total of 44 are certified eligible. H-GAC submitted 5 project set-ups for approval and placed orders for 5 manufactured housing units for delivery and installation in October.

South East Texas Regional Planning Commission

SETRPC confirmed that a total of 93 are certified eligible. SETRPC has also installed 3 manufactured housing units and received approval on 9 additional set-ups since the last Board Meeting. Activities in October include the continuation and completion (92% & 70% complete) of construction on 2 stick built units; initiating construction for 8 units; and placing 17 additional units out to bid that will be awarded in October.

DISASTER RECOVERY DIVISION

BOARD ACTION

October 11, 2007

Action Item

Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report relating to non-housing activities for CDBG Round 1 Funding and infrastructure activities for CDBG Round 2

Requested Action

Presentation and discussion of the ORCA CDBG Disaster Recovery Status Report.

Background

The Office of Rural Community Affairs (ORCA), in partnership with TDHCA, is working to distribute the nonhousing funds totaling \$30,537,374 under CDBG Round 1 and \$42,000,000 of restoration of critical infrastructure funds in CDBG Round 2.

The TDHCA Governing Board has requested a monthly report item on the status of the CDBG Disaster Recovery Programs. This report item includes the activities of both CDBG Rounds.

NON-HOUSING ACTIVITIES for CDBG Round 1

All available funding for non-housing activities is under contract. Each of the awarded communities has received at least one technical assistance / site visit by ORCA staff. To date, approximately \$5,371,496 has been paid to non-housing contractors of which \$322,739 or 6% is local administrative costs. Approximately 46% of the contracts awarded under CDBG Round 1 have requested draws totaling 17.4% of the non-housing funds. Sixty or 69% of the non-housing contracts have completed environmental reviews. Another 11 or 11% have completed the environmental review on a portion of the contract activities. Procurement of goods and services continues. At least 9 contracts totaling \$4.7 million are experiencing delays because these projects are Hazard Mitigation Grant Program (HMGP) projects that are not being prioritized by the Federal Emergency Management Agency, and as a result, FEMA funding for the projects is slow in being received by these communities. Forty three or 47% of the contracts include match for a FEMA program.

ORCA continues a comprehensive "Project Status and Plan/Next Step" initiative to visit all non-housing recipients with outstanding funds available. ORCA Disaster Recovery staff are visiting each city, county, and tribe to discuss the status of the each project, establish the "plan or next step" necessary for communities to submit reimbursements requests to ORCA, and provide any needed technical assistance. This is part of ORCA's enhanced effort to encourage all parties to focus on any impediments the community may be encountering in submitting reimbursement requests to ORCA in a timely manner, combined with additional technical assistance that would benefit the communities.

NON-HOUSING ACTIVITIES for CDBG Round 2

**Restoration of Critical Infrastructure
CDBG Round 2**

Total Funding Available	\$ 42,000,000
<u>Set Aside</u>	
Hardin County	\$ 10,000,000
Bridge City	\$ 3,800,000
Memorial Hermann Baptist Hospital Orange	\$ 6,000,000
Total Available for Competitive Award	\$ 22,200,000
Total 26 Applications Received *	\$ 73,363,664
Shortage	\$ (51,163,664)

**Applications for the competitive cycle were received August 10 and are currently being reviewed for recommendation to the TDHCA Governing Board. Once applicants are ranked the top scoring applicants will be asked to provide additional information related to any administrative costs exceeding ORCA's projected costs. Assuming the requested information is provided timely ORCA will make a recommendation to the Board at its November 8 Board Meeting.*

In the August 23rd TDHCA Board Meeting the board approved a \$6 million set aside award to Memorial Hermann Baptist Orange Hospital for the purchase of a CT Scan and demolition of areas damaged by Hurricane Rita. Memorial Hermann has begun procurement to acquire the CT Scan. ORCA received 26 applications totaling \$73,363,664 in requests for the \$22,200,000 competitive portion of the Restoration of Critical Infrastructure Program. These applications are currently being reviewed by ORCA staff for recommendation.

**Texas Community Development Block Grant Program
Disaster Recovery Awards
CDBG Round 1
October 2007**

<u>Contractor</u>	<u>Total Beneficiaries</u>	<u>Contract Total</u>	<u>Drawn to Date</u>	<u>Available Balance</u>	<u>Local Admin Drawn to Date</u>	<u>Environmental Complete</u>	<u>FEMA Project</u>
Alabama Coushatta Indian Reservation	480	\$ 9,512		\$ 9,512.00			
Alto	1190	\$ 316,600		\$ 316,600.00		P	
Angelina County	80130	\$ 379,816	\$ 18,186.60	\$ 361,629.40	\$ 12,411.60	X	X
Beaumont	26247	\$ 1,950,000	\$ 37,150.00	\$ 1,912,850.00	\$ 37,150.00	X	X
Bevil Oaks	1346	\$ 200,000	\$ 12,923.10	\$ 187,076.90	\$ -	P	
Bridge City	8651	\$ 300,000	\$ 237,724.01	\$ 62,275.99	\$ -	X	X
Broadus	210	\$ 21,403	\$ 778.40	\$ 20,624.60	\$ 778.40	P	X
Browndell	402	\$ 47,900	\$ 1,440.00	\$ 46,460.00	\$ 1,440.00	X	
Carthage	3067	\$ 338,600		\$ 338,600.00		X	X
Center	5153	\$ 184,287		\$ 184,287.00		X	X
Chambers County	26301	\$ 225,000		\$ 225,000.00			X
Chester	274	\$ 29,078		\$ 29,078.00			
China	1112	\$ 200,000		\$ 200,000.00		X	
Cleveland	6857	\$ 350,000		\$ 350,000.00			X
Coldspring	700	\$ 15,457		\$ 15,457.00		X	
Colmesneil	638	\$ 70,006		\$ 70,006.00		X	X
Corrigan	1714	\$ 40,924		\$ 40,924.00		X	
Cove	301	\$ 345,055		\$ 345,055.00			
Crockett	7141	\$ 189,946		\$ 189,946.00			
Cushing	568	\$ 9,919		\$ 9,919.00		X	
Dayton	5698	\$ 188,100		\$ 188,100.00			X
Diboll	5470	\$ 69,300	\$ 2,520.00	\$ 66,780.00	\$ 2,520.00	X	
Gallatin	394	\$ 58,800		\$ 58,800.00		P	
Galveston County	2390	\$ 350,000		\$ 350,000.00		X	X
Garrison	791	\$ 13,142		\$ 13,142.00			
Goodrich	260	\$ 32,500		\$ 32,500.00		X	

Grapeland	1293	\$ 19,800	\$ 720.00	\$ 19,080.00	\$ 720.00	X	
Groves	15733	\$ 500,000		\$ 500,000.00		X	X
Groveton	677	\$ 28,314	\$ 1,029.60	\$ 27,284.40	\$ -	P	
Hardin County	48073	\$ 1,050,000	\$ 519,282.28	\$ 530,717.72	\$ -	X	X
Hemphill	1209	\$ 63,017	\$ 24,658.66	\$ 38,358.34	\$ -	X	X
Henderson	5932	\$ 338,600		\$ 338,600.00	\$ -	X	X
Houston County	23218	\$ 218,500	\$ 7,400.00	\$ 211,100.00	\$ 7,400.00	X	
Hudson	3792	\$ 72,044	\$ 2,524.40	\$ 69,519.60	\$ 2,524.40	X	X
Huntington	2085	\$ 21,583		\$ 21,583.00		X	
Huntsville	23576	\$ 350,000		\$ 350,000.00		X	
Huxley	982	\$ 4,340	\$ 3,982.45	\$ 357.55	\$ -	X	
Jasper	8247	\$ 747,133	\$ 146,621.53	\$ 600,511.47	\$ -	X	X
Jasper County	35604	\$ 2,270,118	\$ 1,859,922.01	\$ 410,195.99	\$ 62,335.00	X	X
Jefferson	2024	\$ 316,600		\$ 316,600.00		X	X
Jefferson County	252051	\$ 1,500,000		\$ 1,500,000.00			X
Joaquin	839	\$ 35,200	\$ 1,280.00	\$ 33,920.00	\$ 1,280.00	X	
Kennard	360	\$ 38,400	\$ 1,160.00	\$ 37,240.00	\$ 1,160.00	X	
Kirbyville	2085	\$ 188,890		\$ 188,890.00		P	X
Kountze	1738	\$ 210,000	\$ 4,000.00	\$ 206,000.00	\$ 4,000.00	X	
Liberty County	386	\$ 350,000	\$ 28,157.50	\$ 321,842.50	\$ 13,170.00	X	X
Livingston	5433	\$ 129,194		\$ 129,194.00		X	X
Longview	98500	\$ 338,997		\$ 338,997.00		X	
Lovelady	607	\$ 27,500	\$ 1,000.00	\$ 26,500.00	\$ 1,000.00	X	
Lufkin	32709	\$ 485,000		\$ 485,000.00		X	X
Lumberton	8833	\$ 315,000	\$ 210,692.50	\$ 104,307.50	\$ 12,450.00	X	
Montgomery County	350000	\$ 189,202		\$ 189,202.00		X	X
Nacogdoches	29914	\$ 158,371		\$ 158,371.00		X	X
Nacogdoches County	59203	\$ 436,065		\$ 436,065.00		X	
Nederland	17422	\$ 500,000		\$ 500,000.00		X	
New Waverly	950	\$ 100,000	\$ 4,050.00	\$ 95,950.00	\$ 4,050.00	X	
Newton	2459	\$ 172,729	\$ 133,163.52	\$ 39,565.48	\$ -		X
Newton County	15072	\$ 877,654	\$ 103,979.49	\$ 773,674.51	\$ -		X
Nome	515	\$ 100,000		\$ 100,000.00		X	

Onalaska	1174	\$ 28,050	\$ 10,740.00	\$ 17,310.00	\$ 1,020.00	X	
Orange	4707	\$ 750,000	\$ 97,250.67	\$ 652,749.33	\$ -	X	
Orange County	84966	\$ 1,200,000		\$ 1,200,000.00			X
Panorama Village	1965	\$ 72,760		\$ 72,760.00		P	X
Pine Forest	652	\$ 100,000		\$ 100,000.00		P	
Pinehurst	2274	\$ 200,000		\$ 200,000.00		X	
Pineland	980	\$ 56,100	\$ 2,040.00	\$ 54,060.00	\$ 2,040.00	X	
Point Blank	559	\$ 12,504		\$ 12,504.00		X	
Polk County	46397	\$ 886,854		\$ 886,854.00		X	
Port Arthur	57023	\$ 1,500,000	\$ 1,187,487.47	\$ 312,512.53	\$ -	X	X
Port Neches	13601	\$ 500,000		\$ 500,000.00		X	X
Rose City	519	\$ 100,000		\$ 100,000.00		P	
Rusk	640	\$ 291,800		\$ 291,800.00			
Sabine County	10469	\$ 473,140		\$ 473,140.00		X	
San Augustine	2678	\$ 111,100	\$ 4,040.00	\$ 107,060.00	\$ 4,040.00	X	
San Augustine County	4715	\$ 236,765		\$ 236,765.00		X	
San Jacinto County	22246	\$ 478,669		\$ 478,669.00		P	
Shelby County	25224	\$ 221,699	\$ 21,334.40	\$ 200,364.60	\$ 7,334.40	X	X
Shepherd	2029	\$ 48,300	\$ 3,100.00	\$ 45,200.00	\$ 1,520.00	X	
Silsbee	6398	\$ 315,000		\$ 315,000.00		P	X
Sour Lake	1667	\$ 210,000	\$ 35,880.00	\$ 174,120.00	\$ -	X	X
Splendora	1275	\$ 350,000		\$ 350,000.00			X
Surfside Beach	450	\$ 130,000	\$ 126,921.80	\$ 3,078.20	\$ -	X	
Taylor Landing	265	\$ 50,000		\$ 50,000.00		X	X
Timpson	1094	\$ 14,173		\$ 14,173.00		X	
Trinity County	13779	\$ 267,300	\$ 12,150.00	\$ 255,150.00	\$ 12,150.00	X	X
Tyler County	20871	\$ 1,918,920		\$ 1,918,920.00		X	X
Vidor	11440	\$ 500,000	\$ 176,279.54	\$ 323,720.46	\$ 9,280.00	X	X
Walker County	2600	\$ 396,930	\$ 8,960.62	\$ 387,969.38	\$ -	X	X
West Orange	4111	\$ 200,000	\$ 200,000.00	\$ -	\$ -	X	
Willis	4028	\$ 219,109		\$ 219,109.00			X
Woodville	2415	\$ 264,993		\$ 264,993.00		X	
Zavalla	701	\$ 52,600	\$ 1,640.00	\$ 50,960.00	\$ 1,640.00	X	X
Deep East TX Council of Governments		\$ 100,000	\$ 41,523.52	\$ 58,476.48	\$ 41,523.52		

East TX Council of Governments	\$	50,000	\$	50,000.00	\$	-	\$	50,000.00
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Houston-Galveston Area Council of Governments	\$	74,556	\$	21,578.03	\$	52,977.97	\$	21,578.03
<hr/>								
South East TX Regional Planning Commission	\$	18,656	\$	6,224.00	\$	12,432.00	\$	6,224.00
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Total:		1,592,918	\$	30,845,074	\$	5,371,496	\$	322,739

P = environmental partially complete

OFFICE OF RURAL COMMUNITY AFFAIRS

BOARD ACTION REQUEST

October 11, 2007

Action Item

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs (ORCA)

Requested Action

Approve the request for amendments related to the use of non-housing funds under the State of Texas Action Plan (Action Plan) for *Community Development Block Grant (CDBG) Disaster Recovery Funds to Areas Most Impacted and Distressed by Hurricane Rita*.

Background

The U. S. Department of Housing and Urban Development (HUD) approved the State of Texas Action Plan (Action Plan) related to the CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita on June 16, 2006. On August 30, 2006 the TDHCA Governing Board approved the non-housing project recommendations of the Office of Rural Community Affairs (ORCA) and the four COGs in the affected area.

The Action Plan approved by HUD specifically states “contract amendments that vary more than 5% must be approved by the TDHCA Board.”

City of Hemphill DRS060032

Summary of Request

The City of Hemphill is requesting approval of a transfer in funding categories to move \$1,731 from sewer activities, \$23,246 from other public utilities, and \$1,259 from street activities to move the total of \$26,236 into the water facilities line item.

The TDHCA Governing Board approved a \$63,017 award for installation of a generator at the City water treatment plant, acquisition of damaged equipment for the City sewer plant, the repair of 50 miles of power distribution lines, and street improvements. As the City has progressed with its projects FEMA match is no longer required for match on these activities. The City is requesting to move the funds originally allocated for these purposes to acquire an emergency generator for a water distribution pump station. There will be no change in the number of beneficiaries.

Activity	Current Budget		Change (+/-)	Revised Budget
Water Facilities	\$ 31,000.00	+	\$ 26,236.00	\$ 57,236.00
Sewer Facilities	\$ 1,731.00	-	\$ 1,731.00	\$ -
Other Public Facilities	\$ 23,246.00	-	\$ 23,246.00	\$ -
Street Improvements	\$ 1,259.00	-	\$ 1,259.00	\$ -
Engineering	\$ 2,500.00		\$ -	\$ 2,500.00
Planning / Project Delivery	\$ 3,281.00		\$ -	\$ 3,281.00
	\$ 63,017.00			\$ 63,017.00

Requested Action

ORCA recommends approval of a transfer in funding categories to move \$1,731 from sewer activities, \$23,246 from other public utilities, and \$1,259 from street activities to move the total of \$26,236 into the water facilities line item.

City of Onalaska Contract Number DRS060063

Summary of Request

The City of Onalaska is requesting approval of a transfer in funding categories to move \$15,780 from the fire protection line item to the shelter line item.

On August 30, 2006 the TDHCA Governing Board approved a \$28,050 award for a generator at the City fire station. The City was able to get a considerable savings by buying a generator that had been delivered by mistake to the local water company. With these savings the City is requesting to make improvements to their fire station to allow it to operate as a shelter. There will be no change in the number of beneficiaries.

Activity	Current Budget		Change (+/-)	Revised Budget
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Fire Protection	\$ 25,500.00	-	\$ 15,780.00	\$ 9,720.00
Neighborhood Facilities / Shelter	\$ -	+	\$ 15,780.00	\$ 15,780.00
Planning / Project Delivery	\$ 2,550.00		\$ -	\$ 2,550.00
	\$ 28,050.00			\$ 28,050.00

Requested Action

ORCA recommends approval of a transfer in funding categories to move \$15,780 from the fire protection line item to the shelter line item.

OFFICE OF RURAL COMMUNITY AFFAIRS

BOARD ACTION REQUEST

October 11, 2007

Action Item

Presentation, Discussion and Possible Approval of projects granted reserved funds under the Restoration of Critical Infrastructure Program to be administered by Office of Rural Community Affairs (ORCA)

Requested Action

Discussion and Possible Approval of the Hardin County set aside project described in the *Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding* (Action Plan) under the Restoration of Critical Infrastructure Program

Background

The U. S. Department of Housing and Urban Development (HUD) approved the State of Texas Action Plan (*Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding* (Action Plan) on April 13, 2007. Within the Action Plan, three projects including Hardin County presented such significant need for funding that funds were specifically reserved accordingly.

Hardin County

The sustained high level winds and wind driven rain from Hurricane Rita caused massive amounts of downed trees, limbs, leaves and shifted soil to be deposited in drainage ditches and waterways throughout Hardin County. This debris has blocked water from draining, causing flooding of roads and homes in areas of Hardin County that had not flooded previously. Other areas of the county have seen increased flooding with smaller amounts of rainfall because of the change in water flow due to hurricane debris.

Hardin County's project will address these issues by removing the debris from identified problem areas throughout the county including drainage ditches, streams and bayous. Disposal of debris will be carried out through appropriate disposal means. Pine Island Bayou has been identified as an area greatly in need of debris removal. However, parts of the bayou are within the Big Thicket National Park and therefore the National Park Service (NPS) must approve and authorize any work that is done in that area. To facilitate this, the NPS has stipulated that a study of the types of debris in the bayou and the effects removing such debris may have on the ecosystem within the park must be done prior to any debris removal.

All of the proposed debris removal sites will have county wide benefits. Eliminating the need for county emergency services to residents who have been effected by increased incidents of flooding since Hurricane Rita, and increasing public safety on county roads by protecting them

from deterioration as drainage is restored and roads are not left under water after heavy rainfall will benefit all county residents.

The county's entire population of 48,073 individuals, in 17,805 households will benefit from these activities.

The TDHCA Governing Board approved the Memorial Hermann Baptist Orange Hospital \$6 million set aside award at its August 23, 2007 meeting. At the August meeting ORCA was unable to recommend approval of the Hardin County and Bridge City set aside awards because additional information was needed to evaluate the administrative expenses of the applicants. Hardin County has since submitted an administrative budget for the requested costs based on specific tasks required to administer its contract. The proposed budget the County submitted assumes that an amendment to the Action Plan that will allow the County to make improvements to the Woodway Bridge will be approved by ORCA, TDHCA, and HUD. This amendment to the Action Plan will require a public comment period and public hearings to request HUD approval once the TDHCA Governing Board authorizes submission of a request to amend the Action Plan. ORCA does anticipate that this Action Plan amendment will be recommended for approval and approved by both TDHCA and HUD. If approved, ORCA will make a subsequent recommendation for the administrative expenses related to the bridge activity currently estimated at \$111,355 be added for a total administration budget of \$341,059. Based on the information provided by the County, ORCA would currently recommend \$229,204 for the administrative costs associated with the debris removal activity alone. Should the amendment to allow the bridge activity not be approved the total amount of debris removal activities would be increased from that provided by the County and could require additional administrative expenses. ORCA is only recommending the budget for administrative expenses; all costs must be supported with actual documentation prior to payment.

ORCA staff reviewed the proposed administrative budget provided by the County and compared the task-based costs to the administrative charges for other TxCDBG projects. The analysis classified administrative tasks into seven major categories and recorded the costs associated with those categories according to invoices submitted by the Applicant. Using this model, staff analyzed the administrative costs of two sets of existing TxCDBG contracts:

- 1) a sample of 17 recent contracts, which included both community development and disaster recovery contracts funded between 2003 and 2006; and
- 2) the four largest projects funded under the first Hurricane Rita Supplemental CDBG Disaster Recovery program, of which all four contracts awarded over \$1 million and three contracts funded debris removal projects.

The proposed administrative costs for the Hardin County project were analyzed using two separate methods:

- 1) costs for each task category were compared to administrative costs for existing TxCDBG contracts using the model described above, and
- 2) costs for each individual task described in the proposal were evaluated for reasonableness based on historical program experience.

Based on this analysis, ORCA staff recommends that the total administrative costs approved for this project not exceed \$229,204 for the debris removal activities. Should additional activities as described in Hardin County’s administrative budget be approved through an Action Plan Amendment ORCA will recommend the administrative expenses related to those activities at that time; currently estimated to be a total of \$341,059 with the addition of the bridge activity.

Requested Action

ORCA recommends approval of the Hardin County set aside project for the activities currently allowable under the action plan with the budget as shown below.

<u>Activity</u>	<u>Cost</u>
Debris Removal	\$ 9,021,051
Engineering / Architectural Costs	\$ 700,000
Planning Study	\$ 49,745
Administration (Planning / Project Delivery Costs)	\$ 229,204
Total	\$ 10,000,000

Hardin County Restoration Project, Administrative Costs
TxCDBG Staff Recommendation
September 27, 2007

Staff recommendations for reasonable administrative costs are based on an analysis of actual administrative charges for a sample of 17 recent TxCDBG contracts, in addition to an analysis of administrative charges for 4 large Supplemental Disaster Recovery grants related to Hurricane Rita and are subject to approval by the TDHCA Governing Board. Costs provided by applicant assumed that the Action Plan amendment to include the Woodway Bridge would be approved by ORCA, TDHCA, and HUD. All costs were determined to be reasonable by ORCA staff but must be supported with actual documentation to be funded.

Description of Task	Debris Removal			Woodway Bridge			Comments
	Local	Cons	Sub	Local	Cons	Sub	
Project Management							
Develop record keeping system		1,530					
Establish filing system		1,080					
Maintain filing system		28,080 12,000			18,720 6,000		Reasonable cost calculated as \$500/mo
Provide TA		119,900 0			27,300 0		Ineligible cost: TA is provided by ORCA at no cost
Procure engineering		In kind			In kind		
Furnish forms and procedures		40,950 0			13,650 0		Ineligible cost: Forms are provided by ORCA at no cost
Meet special conditions		15,006 0			7,000 0		Ineligible cost: No project specific special conditions will be required by ORCA
Prepare and submit amendments		6,000 2,000			2,000 6,000		1 projected amendment to reconcile debris quantities and 1 Action Plan amendment required for Woodway bridge project
Conduct environmental reassessment for amendments		4,200 0			1,400		Ineligible cost: debris removal is exempt, no reassessment required.
Quarterly reports		6,863			1,485		
Disclosure reports		226			226		
Establish procedures to document local expenditures		18,000 0			14,000 0		Ineligible cost: county has procedures from past contracts
Monitoring liaison		10,624 5,000			2,656 2,000		Reasonable cost calculated for time and travel as \$1000 per visit for 7 visits

Financial Management							
Prove ability to manage funds	2,325 0	1,100 0		1,200 0	700 0		Duplicate cost: financial startup forms charged below
Description of Task	Debris Removal			Woodway Bridge			Comments
	Local	Cons	Sub	Local	Cons	Sub	
Establish bank account	1,500 100	3,000 500		750 100	1,500 500		Reasonable cost for time, no cost to open accounts
Maintain bank account	23,400 2,400	31,200 0		15,600 1,200	15,600 0		Reasonable cost for time to reconcile accounts calculated as \$100 per month
Submit financial startup forms: Acct Cert (1), Direct Dep (1-2), Signatory (1)	450 100	2,100 300		150 0	700 100		Reasonable cost calculated for consultant as \$100 per form
Prepare drawdowns	15,600 6,000	109,200 30,000		23,400 3,000	54,600 15,000		Reasonable cost calculated as \$1000 (consultant) and \$200 (locality) per draw
Provide TA	22,200 0	24,700 0	9,360 0	7,800 0	31,200 0	4,680 0	Ineligible cost: TA is provided by ORCA at no cost
Fraud prevention		3,100 1,500	10,000		3,100 1,500	7,500 5,000	Reasonable cost calculated as \$15,000 for design and \$3000 for implementation
Environmental Review							
Prepare EA, including bayou debris study		7,000	70,255		0 7,000		Debris removal is exempt activity but may require additional work due to special circumstances; bridge requires a full EA
Coordinate clearance with other agencies		3,850 0			3,850 0		Duplicate cost: part of preparing environmental review
Conduct public meetings	450	2,300		450	2,300		
Acquisition							
Provide TA				1,875 0	3,500 0		Ineligible cost: TA is provided by ORCA at no cost
Submit acquisition reports					350 100		Reasonable cost calculated as \$100 for report
Establish acquisition files for each parcel				1,350	900		
Conduct acquisition procedures				1,650 2,000	5,250 7,500		Reasonable cost as estimated by staff
Construction Management							
Establish procedures for local construction	4,500	5,550	750	900	1,950	375	
Ensure EEO compliance		1,400			350		
Minimum wage / overtime pay compliance	5,760 0	3,360 0		1,440 500	840 1,000		Ineligible cost for debris removal: exempt from Davis-Bacon requirements

							Reasonable cost for bridge as estimated by staff
Act as LSO		1,684 50			421 50		Reasonable cost calculated as \$100 per form, submitted once for the contract
Request wage rates		350 0			700		Ineligible cost for debris removal: exempt from Davis-Bacon requirements
Description of Task	Debris Removal			Woodway Bridge			Comments
	Local	Cons	Sub	Local	Cons	Sub	
Provide sample contract to engineer		-44 0					Ineligible cost: sample provided by ORCA at no charge
Advertise for bids		3,500	2,400		875	1,000	
10 day call		-44 0			44		Ineligible cost for debris removal: exempt from Davis-Bacon requirements
Verify construction contractor eligibility	75 0	0 1,200		19 0	0 300		Reasonable cost calculated as \$300 per construction contract, consultant's role
Review construction contracts	1,400	5,600		350	1,400		
Conduct pre-construction conference	600	1,865 4,000	800 0	600	2,215 1,000	800 0	Reasonable cost calculated for consultant as \$1000 per construction contract; no subcontractor required
Issue Notice of Start of Construction	75 0	175 400		19 0	44 100		Reasonable cost calculated for consultant as \$100 per form, no action by locality required
Review payrolls and conduct employee interviews				9,525 250	13,450		Reasonable cost as estimated by staff for locality, action required only in the case of DBRA violations
Process change orders		9,400			9,400		
Obtain COCC / FWCR		1,050 400			350 200		Reasonable cost calculated as \$100 per form, FWCR not required for debris removal
Provide TA		95,220 0			18,320 0		Ineligible cost: TA is provided by ORCA at no cost
Fair Housing / Equal Opportunity							
Fair housing activities		960 600			240 600		Reallocated cost: activity occurs once per contract
Document beneficiary demographics		120 0			30 0		Ineligible cost: all necessary demographic information was reported in application
Prepare Section 3 and Affirmative Action Plan		240 0			60 0		Duplicate cost: included in construction management costs
Prepare Section 504 requirements		160 100			40 100		Reallocated cost: activity occurs once per contract
Provide EO provisions in bid packet		640 0			160 0		Duplicate cost: included in construction management costs

Audit / Closeout Procedures									
Prepare closeout reports		4,460 5,000			1,116 2,000		Reasonable cost as estimated by staff		
Procure project audit	0 15,000	44,320 0		0 5,000	11,080 0		Reasonable cost for locality as estimated by staff, prorated part of single audit , 2 fiscal years		
Resolve monitor/audit findings		1,680 5,000			420 2,000		Reasonable cost as estimated by staff		
Description of Task	Debris Removal			Woodway Bridge			Comments		
	Local	Cons	Sub	Local	Cons	Sub			
Resolve third party claims		4,400 3,000			5,200 2,000		Reasonable cost as estimated by staff		
Provide auditor with guidelines		24 0			6 0		Ineligible cost: audit guidelines provided by ORCA at no cost		
Total Costs	Debris Removal			Woodway Bridge			Total Project		
	Local	Cons	Sub	Local	Cons	Sub	Local	Cons	Sub
	78,335	626,255	93,565	67,078	280,471	14,355	145,413	906,726	137,920
	30,550	115,499	83,405	15,700	89,530	6,375	46,250	204,529	89,780
	798,155	229,454 *		361,904	111,605**		1,160,059	341,059 **	

* Could possibly increase if all activities remain in debris.

** Assumes that the Woodway Bridge portion of the Hardin County set aside will be approved by ORCA, TDHCA, and HUD.

**Housing Tax Credit Program
Board Action Request
October 11, 2007**

Action Item

Request review and board determination of one (1) four percent (4%) tax credit application with another issuer for tax-exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with **another issuer** for the tax-exempt bond transaction known as:

TDHCA No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
07452	Enclave Gardens	San Antonio	San Antonio HFC	228	228	\$19,732,095	\$15,000,000	\$601,737	\$601,737

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 11, 2007

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Enclave Gardens, #07452.

Summary of the Transaction

Background and General Information: The application was received on July 13, 2007. The Issuer for this transaction is San Antonio HFC with a reservation of allocation that expires on December 10, 2007. The development proposes the new construction of 228 total units targeting the general population. The development is proposed for the City of San Antonio, Bexar County and 100% of the units are proposed to be restricted. The site is currently zoned for such a development.

Organizational Structure and Compliance: The Borrower is Enclave Gardens, Ltd. and the General Partner is Enclave Living GP, LLC, of which Las Varas Public Facility Corporation has 100% ownership interest. The Compliance Status Summary completed on October 3, 2007 reveals that the principals of the general partner have 19 properties with no material non-compliance. The bond priority for this transaction is:

- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI
(MUST receive 4% Housing Tax Credits)

Census Demographics: The development is to be located at 1552 Jackson-Keller in San Antonio. Demographics for the census tract (1910.03) include AMFI of \$46,418; the total population is 7,009; the percent of population that is minority is 66.86%; the percent of population that is below the poverty line is 15.03%; the number of owner occupied units is 1,373; the number of renter units is 1,501 and the number of vacant units is 200. The percentage of population that is minority for the entire City of San Antonio is 68%. (Census information from FFIEC Geocoding for 2007).

Public Comment: The Department has received no letters of support or opposition.

Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of \$601,737 in Housing Tax Credits for Enclave Gardens.



MULTIFAMILY FINANCE PRODUCTION DIVISION
October 11, 2007
Development Information, Public Input and Board Summary
Enclave Gardens Apartments, TDHCA Number 07452

BASIC DEVELOPMENT INFORMATION

Site Address: 1602 Jackson Keller Rd. Development #: 07452
 City: San Antonio Region: 9 Population Served: Family
 County: Bexar Zip Code: 78213 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: San Antonio HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Enclave Gardens Ltd.
 Owner Contact and Phone: Stephen J. Poppoon (210) 682-1500
 Developer: Hogan Real Estate Services
 Housing General Contractor: Galaxy Builders, Ltd.
 Architect: Gonzalez Newell Bender
 Market Analyst: Apartment Market Data Research Services, Inc.
 Syndicator: Red Capital Markets, Inc.
 Supportive Services: To Be Determined
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR	Total Restricted Units:	228	
0	0	0	228	0	68	100	60	0	0	Market Rate Units:	0	
Type of Building: <input checked="" type="checkbox"/> 4 units or more per building											Owner/Employee Units:	0
<input type="checkbox"/> Duplex											Total Development Units:	228
<input type="checkbox"/> Triplex											Total Development Cost:	\$19,732,095
<input type="checkbox"/> Fourplex											Number of Residential Buildings:	10
<input type="checkbox"/> Detached Residence											HOME High Total Units:	0
<input type="checkbox"/> Single Room Occupancy											HOME Low Total Units:	0
<input type="checkbox"/> Transitional												
<input type="checkbox"/> Townhome												

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$601,737	\$601,737	0	0	0%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0%
HOME Activity Fund Amount:	\$0	\$0	0	0	0%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION
October 11, 2007
Development Information, Public Input and Board Summary
Enclave Gardens Apartments, TDHCA Number 07452

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Van De Putte, District 26	NC	US Representative: González, District 20, NC
TX Representative: Villarreal, District 123	NC	US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Phil Hardberger, Mayor, City of San Antonio -NC Resolution of Support from Local Government

Andrew Cameron, Housing and Community Development
 Director, City of San Antonio - The construction of the
 Enclave Apartments is consistent with the Five Year
 Consolidated Plan.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Receipt, review and acceptance of the plan for flood plain remediation and/or documentation that all buildings will have foundation floors not less than 1 foot above the base flood elevation and that all drives, parking and playgrounds will be not more than 6 inches below the base flood elevation.

Receipt, review and acceptance of a zoning change from the City of San Antonio Department of Development Services, Zoning Section changing the zoning on the small portion of land facing Jackson-Keller Road from C-2 to MF-40.

Receipt, review and acceptance by carryover of an executed ground lease with clear lease terms including, but not limited to the annual rent amount.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit and or allocation amount may be warranted



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 11, 2007

Development Information, Public Input and Board Summary

Enclave Gardens Apartments, TDHCA Number 07452

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$601,737
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$601,737 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

MA



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 09/29/07

PROGRAM: 4% HTC

FILE NUMBER: 07452

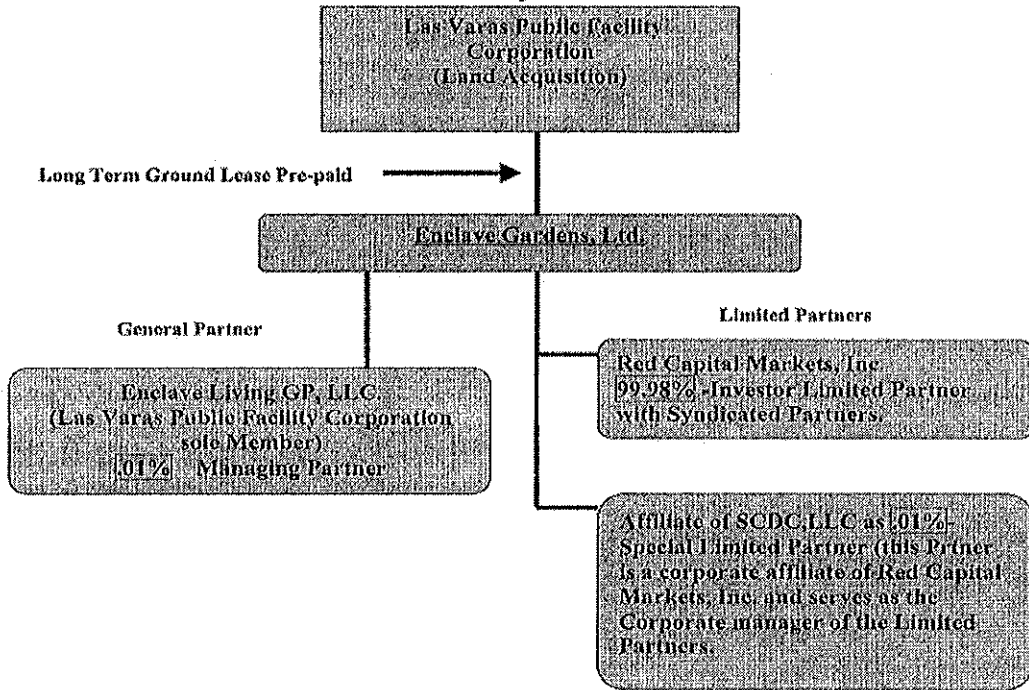
DEVELOPMENT												
Enclave Gardens Apartments												
Location: 1602 Jackson-Keller Road			Region: 9									
City: San Antonio		County: Bexar		Zip: 78213		<input type="checkbox"/> QCT <input type="checkbox"/> DDA						
Key Attributes: Family, New Construction, Urban/Exurban and Multifamily												
ALLOCATION												
	REQUEST			RECOMMENDATION								
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term						
Housing Tax Credit (Annual)	\$601,737			\$601,737								
CONDITIONS												
<p>1 Receipt, review and acceptance of the plan for flood plain remediation and/or documentation that all buildings will have foundation floors not less than 1 foot above the base flood elevation and that all drives, parking and playgrounds will be not more than 6 inches below the base flood elevation.</p> <p>2 Receipt, review and acceptance of a zoning change from the City of San Antonio Department of Development Services, Zoning Section changing the zoning on the small portion of land facing Jackson-Keller Road from C-2 to MF-40.</p> <p>3 Receipt, review and acceptance by carryover of an executed ground lease with clear lease terms including, but not limited to the annual rent amount.</p> <p>4 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit and or allocation amount may be warranted.</p>												
SALIENT ISSUES												
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">TDHCA SET-ASIDES for LURA</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">60% of AMI</td> <td style="text-align: center;">60% of AMI</td> <td style="text-align: center;">228</td> </tr> </tbody> </table>							TDHCA SET-ASIDES for LURA			60% of AMI	60% of AMI	228
TDHCA SET-ASIDES for LURA												
60% of AMI	60% of AMI	228										
PROS			CONS									
<ul style="list-style-type: none"> The subject development is the first tax credit development funded within the subjects primary market area. 			<ul style="list-style-type: none"> The plan for mitigation of the flood plain affecting the site has not been documented 									
PREVIOUS UNDERWRITING REPORTS												
None												

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**DEVELOPMENT TEAM
OWNERSHIP STRUCTURE**

ENCLAVE GARDEN APARTMENT COMMUNITY, SAN ANTONIO, TEXAS

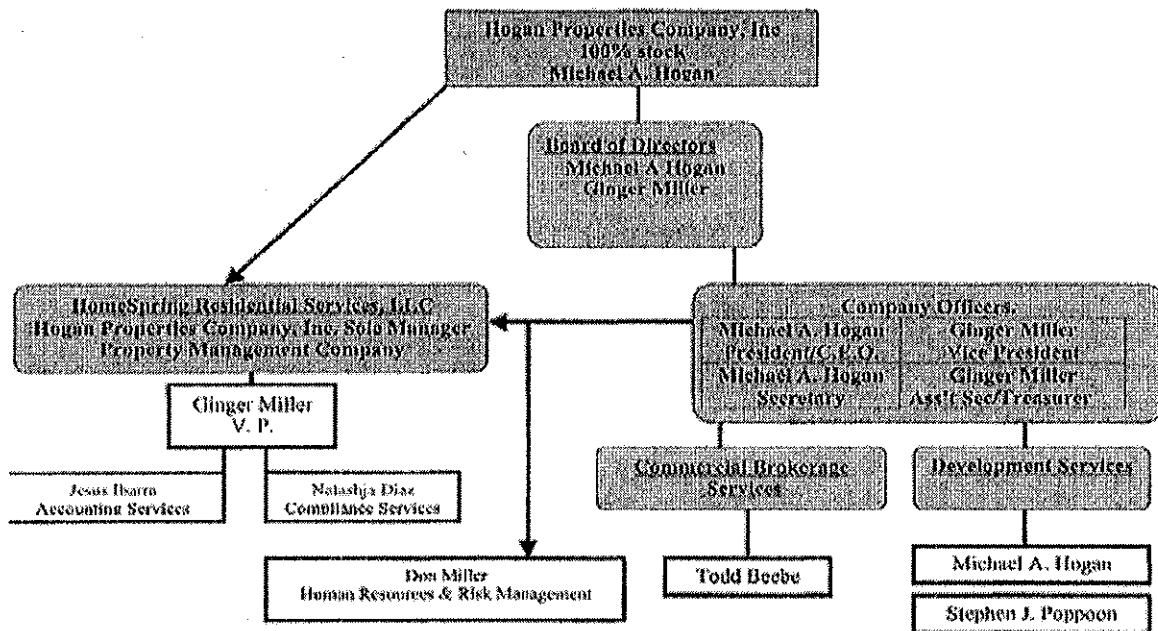
Ownership Structure



A DEVELOPMENT OF Hogan Real Estate Services for the LAS VARAS CORPORATION

DEVELOPER

Hogan Properties Company, Inc. Organizational Chart



d.b.a. as Hogan Real Estate Services and Hogan Property Company

CONTACT

Contact: Stephen J. Poppoon Phone: (210) 682-1500 Fax: (210) 682-4015
 Email: spoppoon@hoganre.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity ¹	# Completed Developments
Las Varas Public Facility Corporation	\$4,034,546	\$3,106,201	4
Hogan Real Estate Services	\$5,635,573	\$847,332	Certificate of Experience
Michael A. Hogan	Confidential	Confidential	Certificate of Experience

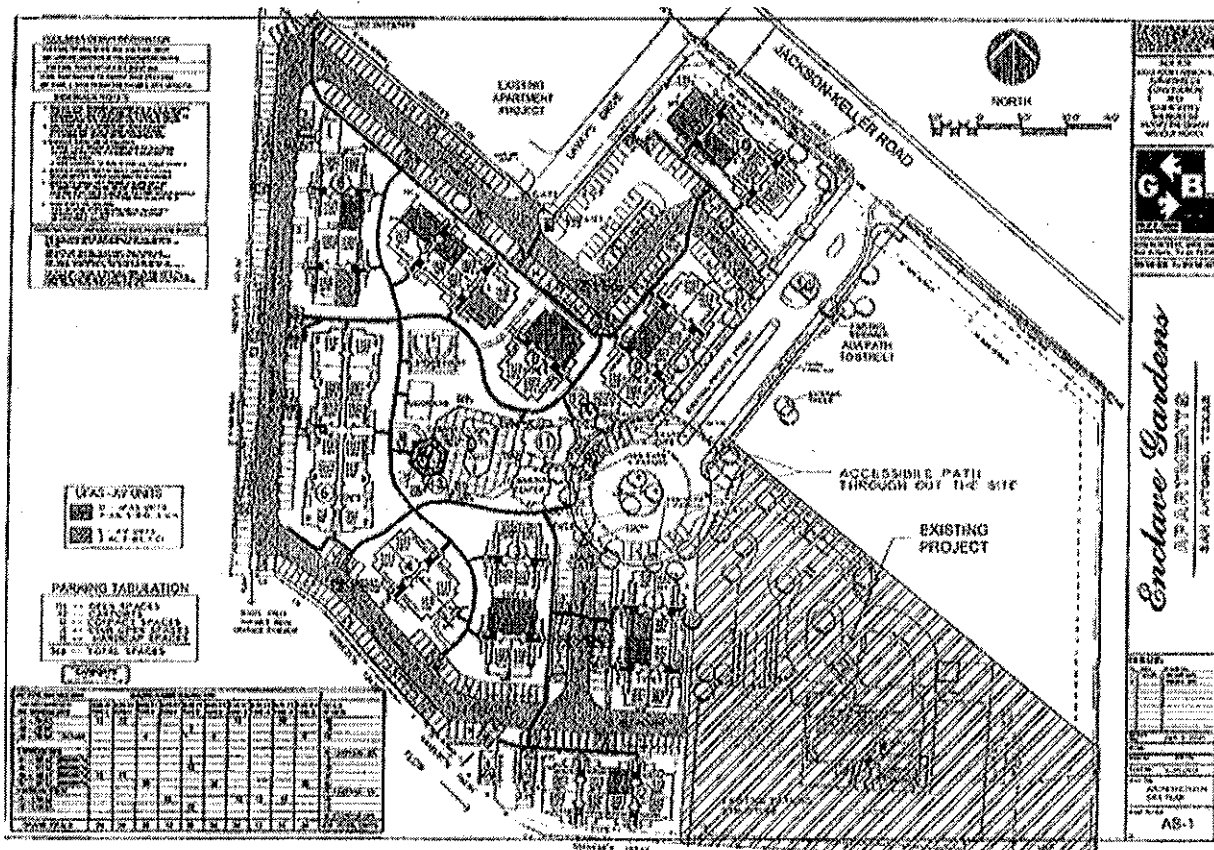
¹ Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

- The Applicant has indicated that the Owner and Developer are related entities in that the owner will receive 25% of the developer fee. These are common relationships for HTC-funded developments.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	1	2	3	4	5						Total Buildings
Floors/Stories	3	3	3	3	3						
Number	2	2	3	2	1						10

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BR/BA	SF	Units								Total Units	Total SF
1/1	754	12	12							48	36,192
1/1	759				8					8	6,072
1/1	765			4						12	9,180
2/1	887				4					4	3,548
2/2	972				12					12	11,664
2/2	981			20						60	58,860
2/2	988	12								24	23,712
3/2	1,196		12		12	12				60	71,760
Units per Building		24	24	24	12	36				228	220,988

SITE ISSUES

Total Size: 8.221 acres Scattered site? Yes No
Flood Zone: X Within 100-yr floodplain? Yes No
Zoning: C-2/MF-40 Needs to be re-zoned? Yes No N/A

Comments:

The largest majority of the site is zoned MF-40 which leaves only a small portion zoned C-2 fronting Jackson-Keller Road left to be rezoned MF-40. Documentation of this portion left to be rezoned to MF-40 is a condition of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 8/15/2007

Overall Assessment:

Excellent Acceptable Questionable Poor Unacceptable

Surrounding Uses:

North: Elementary School East: Apartment Complex
South: San Antonio Water Drainage System West: Apartment Complex

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Clean Environments, Inc. Date: 1/20/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

• None

Comments:

According to the ESA provider, "Olmos Creek Subwater Set #9 of the San Antonio Water Drainage System aligns the south-southwestern perimeter of the Site. The drainage system is concrete that spurs a natural drainage ditch onto the southwest portion of the Site. Because of this, the southwestern portion of the Site falls into the 100-year flood plain. Jeff Tundra of Vickery & Associates Inc., a civil engineer is aware of the flood plain situation and is currently in the process of replatting the property. The flood zone is an improvement concern not a recognized environmental condition." (p. 17).

The site plan provided confirms the existence of a drainage channel on the south and westerly boundary of the site. A copy of the current flood plain map was not provided and based on the information provided it is not known if a letter of Map Revision is also being pursued. Receipt, review and acceptance of the plan for flood plain remediation and/or documentation that all buildings will have foundation floors not less than 1 foot above the base flood elevation and that all drives, parking and playgrounds will be not more than 6 inches below the base flood elevation is a condition of this report.

MARKET HIGHLIGHTS

Provider: Apartment MarketData, LLC Date: 6/14/2007
Contact: Darrell G. Jack Phone: (210) 530-0040 Fax: (210) 340-5830
Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA): 21.7 square miles (≈2.6 miles radius)

"The primary market area was determined by the boundaries as follows: North - Wurzbach Parkway, East - U.S. Highway 281, South - Fresno Street, and West - Interstate Highway 10." (p. 3)

Secondary Market Area (SMA):

A secondary market was not identified in the Market Study.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units
None	0	0	0	N/A			

INCOME LIMITS						
Bexar						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$22,560	\$25,800	\$28,980	\$32,220	\$34,800	\$37,380

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/ 60% Rent Limit	655	18	0	673	68	0	10.1%
2 BR/ 60% Rent Limit	333	2	0	335	100	0	29.9%
3 BR/ 60% Rent Limit	212	2	0	214	60	0	28.0%

OVERALL DEMAND											
		Target Households	Household Size	Income Eligible	Tenure	Demand					
PMA DEMAND from TURNOVER											
Market Analyst	p. 57	100%	40,921	96%	39,325	Included in Tenure%	10%	3,905	76%	2,976	
Underwriter		100%	41,027	96%	39,426	21%	8,112	48%	3,918	76%	2,985
PMA DEMAND from HOUSEHOLD GROWTH											
Market Analyst	p. 57			96%	211	Included in Tenure%	10%	21	100%	21	
Underwriter				96%	103	21%	20	48%	10	100%	10

INCLUSIVE CAPTURE RATE							
		Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst	p. 58	228	0	0	228	2,994	7.62%
Underwriter		228	0	0	228	2,995	7.61%

Primary Market Occupancy Rates:

"The current occupancy of the market area is 92.3% as a result of stable demand. According to the household growth and employment growth methodologies, the forecast demand for new rental apartment units is considered to be growing." (p. 103)

Absorption Projections:

"Absorption over the previous sixteen years for all unit types is estimated to be 246 units per year. We expect this to continue as the number of new household continues to grow, and as additional rental units become available." (p.103)

This section intentionally left blank.

RENT ANALYSIS (Tenant-Paid Net Rents)							
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market		
1 BR 754 SF 60%	\$537	537	\$680	537	\$143		
1 BR 759 SF 60%	\$537	537	\$680	537	\$143		
1 BR 765 SF 60%	\$537	537	\$680	537	\$143		
2 BR 887 SF 60%	\$643	643	\$775	643	\$132		
2 BR 972 SF 60%	\$643	643	\$810	643	\$167		
2 BR 981 SF 60%	\$643	643	\$810	643	\$167		
2 BR 988 SF 60%	\$643	643	\$810	643	\$167		
3 BR 1,196 SF 60%	\$735	735	\$1,030	735	\$295		

Market Impact:

"The subject community has a unit mix that will be appealing to both singles and families. The proposed size of the units compares well, and the amenities offered will make the subject project competitive in the marketplace." (p. 109)

Comments:

The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 8/29/2007

The Applicant's rent projections are the maximum rents allowed under HTC guidelines, and are achievable according to the Market Analyst. The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of June 2006, maintained by the San Antonio Housing Authority, from the 2007 program gross rent limits. Tenants will be required to pay for electricity.

In addition to secondary income from normal operation, the Applicant projects income from carports at \$9.82 per garage per month for 112 carports. The Applicant did not provide support for this rental income and traditionally the Department has not accepted carport income. The underwriting analysis assumes only the maximum of \$15 per unit per month in secondary income from normal operation.

The Applicant's vacancy and collection loss assumption is in line with 2007 underwriting guidelines and their effective gross income assumption is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 8/29/2007

The Applicant's total annual operating expense projection at \$3,102 per unit is within 5% of the Underwriter's estimate of \$3,248, derived from the TDHCA database. However, the Applicant's budget shows a line item estimate that differs significantly from the Underwriter's estimate; particularly: the utilities (the Applicant's estimate is \$12.4K lower than the Underwriter's).

The Applicant is also projecting a 100% property tax exemption as a result of the Public Facility's control of the general partner. It is anticipated that the Applicant will enter into a lease with the Public Facility in order to secure such an exemption. Receipt, review and acceptance by carryover of an executed ground lease with clear lease terms including, but not limited to the annual rent amount is a condition of this report.

Conclusion:

The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity.

This section intentionally left blank.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 8.22 acres \$656,770 Tax Year: 2007
Tax Rate: 2.97137 Valuation by: Bexar CAD

EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract - Unimproved Property Acreage: 8.22
Contract Expiration: 11/15/2007 Valid Through Board Date? [x] Yes [] No
Acquisition Cost: \$1,415,000 Other:
Seller: JDS 1550 Holdings, LP Related to Development Team? [] Yes [x] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 Date of Last Applicant Revision: N/A

Acquisition Value:

The site cost of \$172,141 per acre or \$6,206 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. As discussed above, it is anticipated that the Public Facility's Corporation or an affiliate thereof will take title to the Land and the Applicant will enter into a ground lease with that entity in order to secure a 100% property tax exemption. The purchase price of the land will likely be funded with an up front lease payment in the same amount as the purchase price.

Sitework Cost:

The Applicant's claimed sitework costs of \$8,824 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost:

The Applicant's direct construction cost estimate is \$911K or 8.7% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Ineligible Costs:

The Applicant included \$55,211 for carports as an eligible cost. This cost is regarded to be ineligible, therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount.

Contingency & Fees:

The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$17,137,263 supports annual tax credits of \$625,510. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

This section intentionally left blank.

FINANCING STRUCTURE

Issuer: San Antonio HFC
Source: Cilicorp Municipal Mortgage, Inc. Type: Interim to Permanent Bond Financing
Tax-Exempt: \$13,000,000 Interest Rate: 5.65% Fixed Amort: 480 months
Source: Red Capital Group Type: Syndication
Proceeds: \$5,836,845 Syndication Rate: 97% Anticipated HTC: \$601,737
Amount: \$895,251 Type: Deferred Developer Fees

CONCLUSIONS

Recommended Financing Structure:

The Applicant's total development cost estimate less the permanent loan of \$13,000,000 indicates the need for \$6,732,095 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$694,031 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$601,737), the gap-driven amount (\$694,031), and eligible basis-derived estimate (\$625,510), the Applicant's request of \$601,737 is recommended resulting in proceeds of \$5,836,845 based on a syndication rate of 97%.

The Underwriter's recommended financing structure indicates the need for \$895,845 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

Underwriter: _____ Date: September 29, 2007
Carl Hoover
Director of Real Estate Analysis: _____ Date: September 29, 2007
Tom Gouris

MULTIFAMILY COMPARATIVE ANALYSIS

Enclave Gardens Apartments, San Antonio, 4% HTC #07452

Type of Unit	Number	Bedrooms	No. of Baths	Size In SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	48	1	1	754	\$604	\$537	\$25,792	\$0.71	\$66.66	\$35.82
TC 60%	8	1	1	759	\$604	537	4,299	0.71	66.66	35.82
TC 60%	12	1	1	765	\$604	537	6,448	0.70	66.66	35.82
TC 60%	4	2	1	887	\$724	643	2,573	0.73	80.69	42.62
TC 60%	12	2	2	972	\$724	643	7,720	0.66	80.69	42.62
TC 60%	60	2	2	981	\$724	643	38,599	0.66	80.69	42.62
TC 60%	24	2	2	988	\$724	643	15,439	0.65	80.69	42.62
TC 60%	60	3	2	1,196	\$837	735	44,084	0.61	102.10	54.11
TOTAL:	228		AVERAGE:	969		\$636	\$144,964	\$0.66	\$82.14	\$43.62

INCOME		Total Net Rentable Sq Ft:	220,988		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT					\$1,739,569	\$1,738,992	Bexar	San Antonio	9
Secondary Income		Per Unit Per Month:	\$15.00		41,040	27,360	\$10.00	Per Unit Per Month	
Other Support Income: Carport Rental Fees					0	26,880	\$9.82	Per Unit Per Month	
POTENTIAL GROSS INCOME					\$1,780,609	\$1,793,232			
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%		(133,546)	(134,496)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					0				
EFFECTIVE GROSS INCOME					\$1,647,064	\$1,658,736			

EXPENSES	% OF EGI	PER UNIT	PER SQ FT		TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.60%	\$397	0.41		\$90,529	\$87,948	\$0.40	\$388	5.30%
Management	4.07%	294	0.30		67,092	64,486	0.29	283	3.88%
Payroll & Payroll Tax	12.88%	931	0.98		212,203	195,904	0.89	859	11.81%
Repairs & Maintenance	5.22%	377	0.39		86,009	91,301	0.41	400	5.50%
Utilities	2.16%	165	0.16		35,393	23,000	0.10	101	1.39%
Water, Sewer, & Trash	4.66%	337	0.35		76,723	71,000	0.32	311	4.28%
Property Insurance	3.09%	223	0.23		50,925	52,005	0.24	228	3.14%
Property Tax	2.97137	0.00%	0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements	3.46%	250	0.26		57,000	57,000	0.26	250	3.44%
TDHCA Compliance Fees	0.55%	40	0.04		9,120	9,120	0.04	40	0.55%
Other: Supp. Serv. & Security	3.37%	243	0.25		55,482	55,482	0.25	243	3.34%
TOTAL EXPENSES	44.96%	\$3,248	\$3.35		\$740,476	\$707,246	\$3.20	\$3,102	42.64%
NET OPERATING INC	55.04%	\$3,976	\$4.10		\$906,588	\$951,490	\$4.31	\$4,173	57.36%

DEBT SERVICE					TDHCA	APPLICANT			
Citi Corp	49.82%	\$3,599	\$3.71		\$820,584	\$820,584	\$3.71	\$3,599	49.47%
Additional Financing	0.00%	\$0	\$0.00		0		\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00		0		\$0.00	\$0	0.00%
NET CASH FLOW	5.22%	\$377	\$0.39		\$86,004	\$130,906	\$0.59	\$574	7.89%

AGGREGATE DEBT COVERAGE RATIO	1.10	1.16
RECOMMENDED DEBT COVERAGE RATIO		1.16

CONSTRUCTION COST									
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		6.84%	\$6,206	\$6.40	\$1,415,000	\$1,415,000	\$6.40	\$6,206	7.17%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		9.73%	8,824	9.10	2,011,889	2,011,889	9.10	8,824	10.20%
Direct Construction		50.88%	46,132	47.60	10,518,108	9,606,715	43.47	42,135	48.69%
Contingency	3.39%	2.05%	1,860	1.92	424,155	424,155	1.92	1,860	2.15%
Contractor's Fees	9.53%	5.78%	5,237	5.40	1,194,110	1,194,110	5.40	5,237	6.05%
Indirect Construction		5.55%	5,031	5.19	1,147,011	1,147,011	5.19	5,031	5.81%
Ineligible Costs		4.74%	4,298	4.43	979,832	979,832	4.43	4,298	4.97%
Developer's Fees	12.46%	9.67%	8,772	9.05	2,000,000	2,000,000	9.05	8,772	10.14%
Interim Financing		3.64%	3,304	3.41	753,383	753,383	3.41	3,304	3.82%
Reserves		1.11%	1,003	1.04	228,728	200,000	0.91	877	1.01%
TOTAL COST		100.00%	\$90,888	\$93.54	\$20,672,216	\$19,732,095	\$89.29	\$86,544	100.00%
Construction Cost Recap		68.44%	\$62,054	\$64.02	\$14,148,262	\$13,236,869	\$59.90	\$58,056	67.08%

SOURCES OF FUNDS									
					TDHCA	APPLICANT	RECOMMENDED		
Citi Corp	62.89%	\$57,018	\$58.83		\$13,000,000	\$13,000,000	\$13,000,000	Developer Fee Available	
Additional Financing	0.00%	\$0	\$0.00		0		0	\$2,000,000	
HTC Syndication Proceeds	28.24%	\$25,600	\$26.41		5,836,845	5,836,845	5,836,845	% of Dev. Fee Deferred	
Deferred Developer Fees	4.33%	\$3,927	\$4.05		895,251	895,251	895,250	45%	
Additional (Excess) Funds Req'd	4.65%	\$4,123	\$4.25		940,120	(1)	0	15-Yr Cumulative Cash Flow	
TOTAL SOURCES					\$20,672,216	\$19,732,095	\$19,732,095	\$4,352,428	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Enclave Gardens Apartments, San Antonio, 4% HTC #07452

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

PAYMENT COMPUTATION

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$54.18	\$11,972,147
Adjustments				
Exterior Wall Finish	3.20%		\$1.73	\$383,109
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.82)	(181,947)
Floor Cover			2.43	537,001
Breezeways/Balconies	\$22.27	43,430	4.38	967,186
Plumbing Fixtures	\$805	468	1.70	376,740
Rough-ins	\$400	456	0.83	182,400
Built-In Appliances	\$1,850	228	1.91	421,800
Exterior Stairs	\$2,100	70	0.67	147,000
Enclosed Corridors	\$44.26		0.00	0
Heating/Cooling			1.90	419,877
Carports	\$10.15	22,400	1.03	227,360
Comm &/or Aux Bldgs	\$67.23	2,846	0.87	191,337
Other:			0.00	0
SUBTOTAL			70.79	15,644,009
Current Cost Multiplier	0.98		(1.42)	(312,880)
Local Multiplier	0.86		(9.91)	(2,190,161)
TOTAL DIRECT CONSTRUCTION COSTS			\$59.46	\$13,140,968
Plans, specs, survy, bld prm	3.80%		(\$2.32)	(\$512,498)
Interim Construction Interes	3.38%		(2.01)	(443,508)
Contractor's OH & Profit	11.60%		(0.84)	(1,511,211)
NET DIRECT CONSTRUCTION COSTS			\$48.30	\$10,673,751

Primary	\$13,000,000	Amort	480
Int Rate	5.65%	DCR	1.10

Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.10

Additional		Amort	
Int Rate		Aggregate DCR	1.10

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	\$820,584
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$130,906

Primary	\$13,000,000	Amort	480
Int Rate	5.65%	DCR	1.16

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.16

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,738,992	\$1,791,162	\$1,844,897	\$1,800,244	\$1,957,251	\$2,268,990	\$2,630,381	\$3,049,333	\$4,098,049
Secondary Income	27,360	28,181	29,026	29,897	30,794	35,699	41,384	47,976	64,476
Other Support Income: Carport	26,880	27,686	28,517	29,373	30,254	35,072	40,658	47,134	63,344
POTENTIAL GROSS INCOME	1,793,232	1,847,029	1,902,440	1,959,513	2,018,298	2,339,761	2,712,424	3,144,443	4,225,869
Vacancy & Collection Loss	(134,490)	(138,527)	(142,663)	(146,803)	(151,372)	(175,482)	(203,432)	(235,833)	(316,940)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,658,736	\$1,708,502	\$1,759,757	\$1,812,550	\$1,866,926	\$2,164,279	\$2,508,992	\$2,908,610	\$3,908,929
EXPENSES at 4.00%									
General & Administrative	\$87,948	\$91,466	\$95,125	\$98,930	\$102,887	\$125,177	\$152,297	\$185,293	\$274,279
Management	64,486	66,421	68,413	70,466	72,580	84,140	97,541	113,077	151,966
Payroll & Payroll Tax	195,904	203,740	211,890	220,365	229,180	278,832	339,242	412,740	610,956
Repairs & Maintenance	91,301	94,953	98,751	102,701	106,809	129,950	158,104	192,357	284,736
Utilities	23,000	23,920	24,877	25,872	26,907	32,736	39,829	48,458	71,729
Water, Sewer & Trash	71,000	73,840	76,794	79,865	83,060	101,055	122,949	149,586	221,424
Insurance	62,005	64,085	66,249	68,499	70,838	84,019	100,056	120,567	162,185
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	67,000	69,280	71,651	74,117	76,682	91,120	108,706	130,090	177,763
Other	64,602	67,186	69,874	72,668	75,575	91,949	111,870	136,107	201,471
TOTAL EXPENSES	\$707,246	\$734,891	\$763,623	\$793,483	\$824,518	\$998,988	\$1,210,593	\$1,467,275	\$2,156,510
NET OPERATING INCOME	\$951,490	\$973,611	\$996,134	\$1,019,066	\$1,042,408	\$1,165,291	\$1,298,399	\$1,441,335	\$1,752,418
DEBT SERVICE									
First Lien Financing	\$820,584	\$820,584	\$820,584	\$820,584	\$820,584	\$820,584	\$820,584	\$820,584	\$820,584
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$130,906	\$153,027	\$175,551	\$198,483	\$221,824	\$344,708	\$477,815	\$620,751	\$931,835
DEBT COVERAGE RATIO	1.16	1.19	1.21	1.24	1.27	1.42	1.58	1.76	2.14

HTG ALLOCATION ANALYSIS - Enclave Gardens Apartments, San Antonio, 4% HTC #07452

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,415,000	\$1,415,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$2,011,889	\$2,011,889	\$2,011,889	\$2,011,889
Construction Hard Costs	\$9,606,715	\$10,518,108	\$9,606,715	\$10,518,108
Contractor Fees	\$1,194,110	\$1,194,110	\$1,194,110	\$1,194,110
Contingencies	\$424,155	\$424,155	\$424,155	\$424,155
Eligible Indirect Fees	\$1,147,011	\$1,147,011	\$1,147,011	\$1,147,011
Eligible Financing Fees	\$753,383	\$753,383	\$753,383	\$753,383
All Ineligible Costs	\$979,832	\$979,832		
Developer Fees				
Developer Fees	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Development Reserves	\$200,000	\$228,728		
TOTAL DEVELOPMENT COSTS	\$19,732,095	\$20,672,216	\$17,137,263	\$18,048,656

Deduct from Basis:			
All grant proceeds used to finance costs in eligible basis			
B.M.R. loans used to finance cost in eligible basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units [42(d)(3)]			
Historic Credits (on residential portion only)			
TOTAL ELIGIBLE BASIS		\$17,137,263	\$18,048,656
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$17,137,263	\$18,048,656
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$17,137,263	\$18,048,656
Applicable Percentage		3.65%	3.65%
TOTAL AMOUNT OF TAX CREDITS		\$625,510	\$658,776

Syndication Proceeds	0.9700	\$6,067,444	\$6,390,123
Total Tax Credits (Eligible Basis Method)		\$625,510	\$658,776
Syndication Proceeds		\$6,067,444	\$6,390,123
Requested Tax Credits		\$601,737	
Syndication Proceeds		\$5,836,845	
Gap of Syndication Proceeds Needed		\$6,732,095	
Total Tax Credits (Gap Method)		\$694,031	

Enclave Gardens

04403-Stonehouse Valley Apartments

02476-Wurzbach Manor

07452 Enclave Garden

92035-Villa Madrid-Cumberland Apartments

92031-1025 Sutton Drive

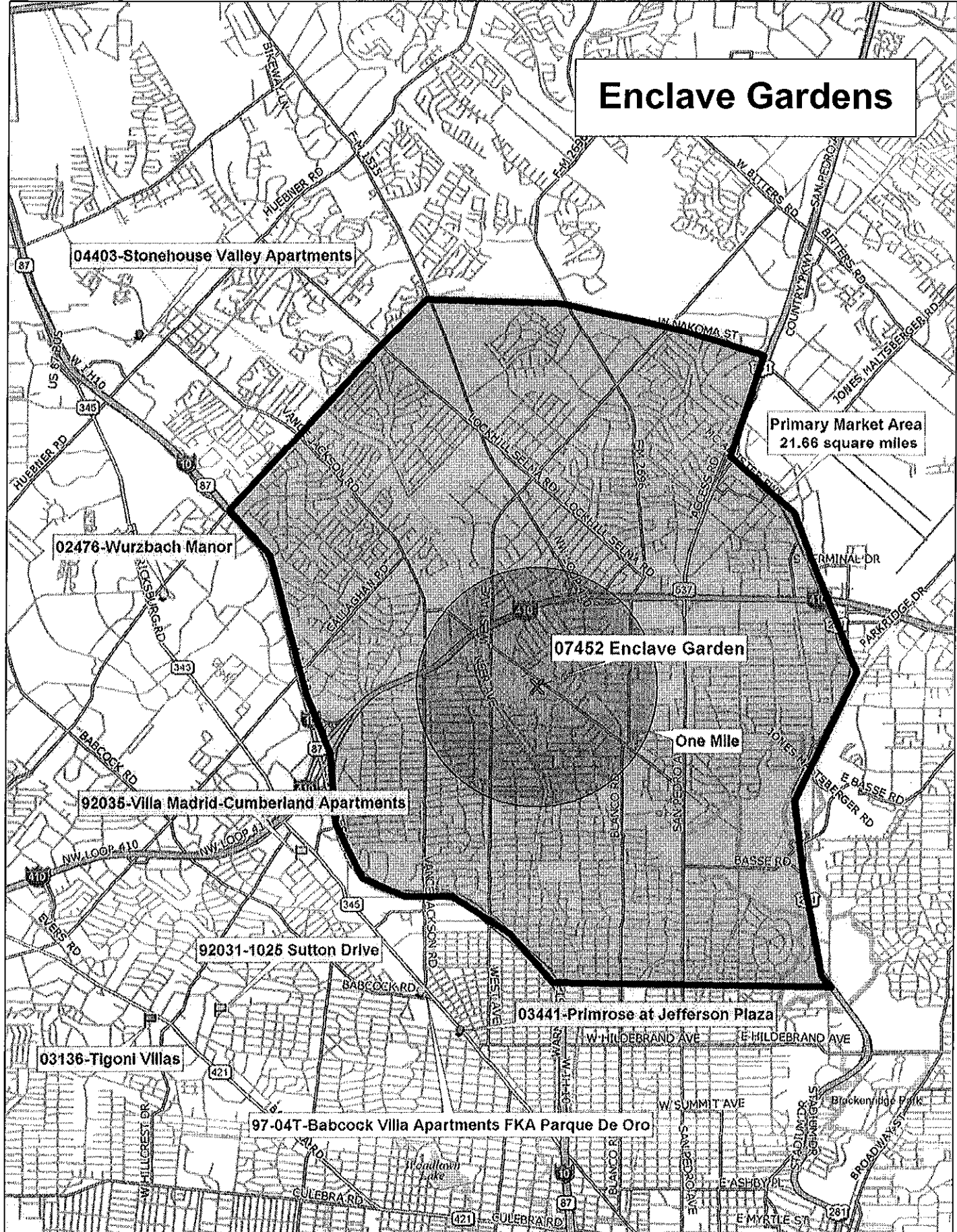
03136-Tigoni Villas

97-04T-Babcock Villa Apartments FKA Parque De Oro

03441-Primrose at Jefferson Plaza

Primary Market Area
21.66 square miles

One Mile



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Scale 1 : 68,750



Applicant Evaluation

Project ID # **07452**

Name: **Enclave Gardens**

City: **San Antonio**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Total # of Projects monitored: 13

Projects zero to nine: 9
 grouped ten to nineteen: 4
 by score twenty to twenty-nine: 0

Projects in Material Noncompliance

Yes No

in noncompliance: 0

monitored with a score less than thirty: 13

not yet monitored or pending review: 8

Projects not reported Yes
 in application No

of projects not reported 0

Portfolio Monitoring

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Single Audit

Not applicable
 Review pending
 No unresolved issues
 Issues found regarding late cert
 Issues found regarding late audit
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Portfolio Analysis

Not applicable
 No unresolved issues
 Not current on set-ups
 Not current on draws
 Not current on match

Reviewed by Patricia Murphy

Date 10/3/2007

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer S Gamble
 Date 9/19/2007

HOME

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer Sandy M. Garcia
 Date 9/20/2007

Real Estate Analysis (Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer D. Burrell
 Date 9/24/2007

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer EEF
 Date 9/19/2007

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that
 warrant disqualification
 (Comments attached)

Reviewer RAUL GONZALES
 Date 9/26/2007

Financial Administration

No delinquencies found
 Delinquencies found

Reviewer Melissa M. Whitehead
 Date 9/21/2007

07449

Canterbury Apartments, Amarillo

Has been withdrawn

07448

River Falls, Amarillo

Has been withdrawn

07447

Three Fountains, Amarillo

Has been withdrawn

07450

Puckett Place Apartments, Amarillo

Has been withdrawn

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 11, 2007

Action Items

Presentation, Discussion and Possible Reallocation of 2007 Housing Tax Credits and Possible Allocation of 2008 Housing Tax Credits.

Required Action

Ratify the Commitment Notices for 2007 Housing Tax Credits for the Sunlight Manor Apartments, TDHCA #07189 in Beaumont; Historic Lofts of Waco High, TDHCA #07192, in Waco.

Approve the Commitment Notices for 2007 Housing Tax Credits and Possible 2008 Forward Commitments for Orange Palm Garden Apartment Homes, TDHCA #07257, in Orange; Villas on Raiford, TDHCA #07303, in Carrollton; and Covington Townhomes, TDHCA #07164 in Texarkana in the amounts described below.

Recommendation

Based on the details described after this recommendation, staff recommends the following:

1. Staff recommends the Board ratify the commitments of 2007 Housing Tax Credits for the following:
 - Sunlight Manor Apartments, TDHCA #07189, Urban/Exurban Region 5, in an amount not to exceed of \$678,699, pending final underwriting, and
 - Historic Lofts of Waco High, TDHCA #07192, Urban/Exurban Region 8, \$1,031,581.
2. Provided below, are three options for consideration. In all of the following options the same three applications (in addition to the two above) are being recommended. The options provide variations in whether the applications must be resized and what year of credit ceiling the allocation would be applied. All recommended amounts below are amounts not to exceed, pending final underwriting and subject to compliance and audit reviews. The final amounts recommended for Covington Townhomes may vary from the amounts listed in this presentation. A commitment notice for Covington Townhomes will not be issued until a final reconciliation of credit activity is completed by staff.

Option #1 – The Board may direct staff to award \$735,817 to Orange Palm Garden Apartment Homes (return of Pineywood Orange for \$547,817 plus \$188,000 above what is available from the region) and \$1,200,000 to Villas on Raiford (return of Oak Timbers and Primrose at Highland for \$912,955 plus \$287,045 above what is available from the region) to make both applications whole from the 2007 credit ceiling. The remaining 2007 credits in the amount of \$539,053 may be applied to the next highest scoring eligible application, Covington Townhomes, from the most underserved subregion, from the statewide collapse. The Covington Townhomes application requested \$1,200,000. To fully fund this application, this option recommends a forward commitment in the amount of \$660,947 from the 2008 credit ceiling. Staff requests the Board's approval to utilize any other credits returned through December 31, 2007 to reduce the amount of the forward commitment requested by staff to make Covington

Townhomes whole with only 2007 ceiling if possible unless this would cause a violation of a federal set-aside. This option will require only one application to be a split award from 2007 and 2008 credit ceilings. The table “Option #1” below illustrates how the allocation amounts will be applied.

Option #1						
Region	Subregion	Development Number	Development Name	Amount Recommended Pending REA	Recommended 2007 Tax Credits*	Recommended 2008 Tax Credits*
3	U/EX	07303	Villas on Raiford	\$1,200,000	\$1,200,000	\$0
5	State Collapse U/EX	07189	Sunlight Manor Apartment	\$678,699	\$678,699	\$0
5	Rural	07257	Orange Palm Gardens	\$735,817	\$735,817	\$0
8	U/EX	07192	Historic Loft of Waco High	\$1,031,581	\$1,031,581	\$0
4	State Collapse U/EX	07164	Covington Townhomes	\$1,200,000	\$539,053	\$660,947
Total				\$4,846,097	\$4,185,150	\$660,947

* Recommended amounts are pending final underwriting.

Option #2 - The Board may direct staff to not pool the remaining returned credits and award only the amounts available to the respective subregions. This scenario requires all three applicants to resize their developments and follows the standard waiting list procedure. This would be Orange Palm Garden Apartment Homes in the amount of \$547,817; Villas on Raiford in the amount of \$912,955; and then award the next highest scoring eligible application from the most underserved subregion Covington Townhomes in the amount of \$1,014,060. The table “Option #2” below illustrates how the allocation amounts will be applied.

Option #2					
Region	Subregion	Development Number	Development Name	Amount Requested by Applicant	Recommended 2007 Tax Credits*
3	U/EX	07303	Villas on Raiford	\$1,200,000	\$912,955
5	U/EX	07189	Sunlight Manor Apartment	\$678,699	\$678,699
5	Rural	07257	Orange Palm Gardens	\$735,817	\$547,817
8	U/EX	07192	Historic Loft of Waco High	\$1,031,581	\$1,031,581
4	State Collapse U/EX	07164	Covington Townhomes	\$1,200,000	\$1,014,098
Total				\$4,846,097	\$4,185,150

* Recommended amounts are pending final underwriting.

Option #3 – The Board may direct staff to not pool the remaining returned credits and award partial awards to each application from the 2007 ceiling and partial forward commitments from the 2008 ceiling. This scenario allocates the full amounts to each applicant and follows the standard waitlist procedure. However, this requires each application to have a forward commitment and execute carryover allocation agreements in two separate years. This would be Orange Palm Garden Apartment Homes in the amount of \$547,817 from 2007 and \$188,000 from 2008; Villas on Raiford in the amount of \$912,955 from 2007 and \$287,045 from 2008; and then award the next highest scoring eligible application from the most underserved subregion Covington Townhomes in the amount of \$1,014,060 from 2007 and \$185,940 from 2008. Staff would request the Board’s approval to utilize any other returned credits through December 31, 2007 to reduce the amount of the forward commitment requests by staff to make each application whole with 2007 credit ceiling unless this would cause a violation of a federal set-aside. The table “Option #3” below illustrates how the allocation amounts will be applied.

Option #3						
Region	Subregion	Development Number	Development Name	Amount Recommended Pending REA	Recommended 2007 Tax Credits*	Recommended 2008 Tax Credits*
3	U/EX	07303	Villas on Raiford	\$1,200,000	\$912,955	\$287,045
5	U/EX	07189	Sunlight Manor Apartment	\$678,699	\$678,699	\$0
5	Rural	07257	Orange Palm Gardens	\$735,817	\$547,817	\$188,000
8	U/EX	07192	Historic Loft of Waco High	\$1,031,581	\$1,031,581	\$0
4	State Collapse U/EX	07164	Covington Townhomes	\$1,200,000	\$1,014,098	\$185,902
Total				\$4,846,097	\$4,185,150	\$660,947

* Recommend amounts are pending final underwriting.

Background

At the July 30, 2007 Board meeting staff recommended and the Board approved awards for 2007 Competitive Housing Tax Credit Applications. On July 30, 2007 the total 2007 State Housing Credit Ceiling was \$47,695,110. The total tax credit award amount approved by the Board in that meeting was \$47,695,110, which included a partial forward commitment award of \$518,550 to make the final recommended application whole. Subsequent to the July meeting, the Department received \$548,821 in national pool credits which was applied to the partial forward award and left a remaining balance for 2007 of \$30,271.

2007 has been an usual year in regards to the return of previously awarded tax credits. Ten applicants from previous years returned their tax credits prior to the final awards in July for a total amount of \$1,827,379 and five applicants from the 2007 awards along with two applicants from previous years returned their tax credits after the July awards for a total amount of \$4,185,150. The table on page 4 of this presentation reflects the credits returned that prompted this action item.

Housing Tax Credits Returned since the July 30th Awards				
Region	Subregion	Development Number	Development Name	Amount
3	Urban/Exurban	07126	Oak Timbers-Caplin Drive	897,393
3	Urban/Exurban	07053	Primrose at Highland	15,562
5	Urban/Exurban	07162	Pointe North	1,200,000
5	Rural	060148	Pineywoods Orange Development	547,817
8	Urban/Exurban	07275	Mansions at Briar Creek	1,200,000
8	Rural	060208	Gardens of Gatesville	294,069
11	Rural	07063	Bahia Palms Apartments*	38
			National Pool Tax Credits*	30,271
Total				4,185,150

At the July 30, 2007 Board meeting the Board also approved staff's recommendation that if any awarded tax credits were returned to the Department, staff would grant Commitment Notices to the applications next on the waiting list conditioned upon ratification by the Board. In this case, because several of the actions are somewhat unique, staff is bringing the request for approval to the Board in lieu of solely requesting ratification.

Sunlight Manor Apartments – 07189, Region 5 Urban/Exurban

Tax Credit Return

On September 17, 2007, the applicant for Pointe North, TDHCA #07162, in Urban/Exurban Region 5 returned the 2007 allocation of \$1,196,874 which it received on July 30, 2007, which was the award amount recommended in the Underwriting Report.

Reallocation of Tax Credits

Because Pointe North was originally awarded during the statewide collapse, the action for reallocation looks at which region would have been next in the statewide collapse. Because of the loss of Pointe North to Urban/Exurban Region 5, Urban/Exurban Region 5 is still the most underserved in the statewide collapse and therefore following the credit return, staff is recommending that the Department issue a Commitment Notice in an amount not to exceed \$678,699 to the next highest scoring application in Urban/Exurban Region 5, Sunlight Manor Apartments, TDHCA #07189, located in Beaumont.

Balance of Tax Credits after Reallocation

The balance of tax credits remaining is \$521,301 after the return of Pointe North (\$1,200,000) and the reallocation of to Sunlight Manor Apartments (\$678,699). As noted earlier, the Pointe North application was awarded from the statewide collapse. Consistent with the waiting list procedure, this remaining allocation should go back to the statewide pool.

Historic Lofts of Waco High – 07192, Region 8 Urban/Exurban

Tax Credit Return

On September 13, 2007, the Department formally rescinded a Commitment Notice for \$1,200,000 in tax credits from the Mansions at Briar Creek, TDHCA #07275, an application awarded on July 30, 2007 in Urban/Exurban Region 8. The credits were rescinded because the Applicant failed to meet a condition of the Commitment Notice related to points awarded under §49.9(i)(5) of the 2007 QAP.

The loss of these points made the application noncompetitive, and pursuant to the QAP, the credits were rescinded and reallocated.

Reallocation of Tax Credits

Following the credit rescission, staff issued a Commitment Notice for \$1,031,581 to the next highest scoring application in Urban/Exurban Region 8, Historic Lofts of Waco High, TDHCA #07192, located in Waco. The Commitment Notice was conditioned on the award being ratified by the Board at the October 11, 2007 Board meeting.

Balance of Tax Credits after Reallocation

The amount of allocation remaining is \$168,419 after the rescission of the Mansions at Briar Creek Commitment Notice (\$1,200,000) and the reallocation of these tax credits to Historic Lofts of Waco High (\$1,031,581). There are no other eligible applications available in Region 8.

Orange Palm Garden Apartment Homes – 07257, Region 5 Rural

Tax Credit Return

On September 7, 2007, the applicant for Pineywoods Orange Development, TDHCA #060148 returned the 2006 allocation of \$547,817, which was awarded out of the 2006 Hurricane Rita Round in Rural Region 5.

Reallocation of Tax Credits

Consistent with the waiting list procedure, staff offered the applicant of the next highest scoring eligible application in Rural Region 5 Orange Palm Garden Apartments, the opportunity to adjust the size of the development in order to utilize the amount of credits available. The applicant's original credit request was for \$809,338; therefore the amount of tax credits returned is too small to fund this request. This applicant requested a forward commitment from the Board during the September 13, 2007 Board meeting, in the amount of \$188,000 to allow them a full adjusted allocation of \$735,817. The Board directed staff to include an item on the agenda for this meeting that would allow the applicant's request to be considered. This item allows that action if the Board so chooses. The total credit request is now \$735,817 of which \$547,817 is absorbed by the 2007 credits returned from Pineywoods. The Board may require them to utilize the lower amount of credits currently available from the credits returned which is \$547,817; the Board may utilize the credits returned and award a forward commitment from the 2008 credit ceiling for \$188,000; or the Board may instruct staff to utilize other credits returned in 2007 (as noted in this write-up) to make up the difference for the \$188,000.

Balance of Tax Credits after Reallocation

Because the credits returned were for an amount less than the amount requested by the next highest scoring application in Rural Region 5, the balance of tax credits after reallocation is \$0.

Villas on Raiford – 07303, Region 3 Urban/Exurban

Tax Credit Return

On August 15, 2007, the applicants for Oak Timbers-Caplin Drive, TDHCA #07126 and Primrose at Highland, TDHCA #07053, returned the 2007 allocations of \$897,393 and \$15,562, respectively, which were awarded in Urban/Exurban Region 3.

Reallocation of Tax Credits

Following the return, staff offered the applicant for the next highest scoring eligible application in Urban/Exurban Region 3 the opportunity to adjust the size of the development in order to utilize the amount of credits available, consistent with the waiting list procedure approved by the Board on July

30, 2007. This application is Villas on Raiford, TDHCA #07303, located in Carrollton. The applicant's original credit request was for \$1,200,000; therefore the amount of tax credits returned, \$912,955 (Oak-Timbers for \$897,393 and Highland at Primrose for \$15,562), is too small to fund this request. The Board may require them to utilize the lower amount of credits currently available from the credits returned which is \$912,955; the Board may utilize the credits returned and award a forward commitment from 2008 for \$287,045; or the Board may instruct staff to utilize other credits returned in 2007 to make up the difference for the \$287,045.

Balance of Tax Credits after Reallocation

Because the credit return was for an amount less than the amount requested by the next highest scoring application in Urban/Exurban Region 3, the balance of tax credits after reallocation is \$0.

Rural Region 8

Tax Credit Return

On August 31, 2007, the applicant for Gardens of Gatesville, TDHCA #060208 returned a 2006 allocation of \$294,069, which was awarded during the 2006 Application Round in Rural Region 8.

Reallocation of Tax Credits

All eligible applications in Rural Region 8 received an award of tax credits on July 30, 2007; therefore there are no other eligible applications in the subregion to reallocate the tax credits to.

Balance of Tax Credits after Reallocation

The amount of allocation remaining after the return of the Gardens of Gatesville is \$294,069.

2007 Competitive HTC Awards and Waiting List - October 4, 2007
Sorted by Region, Allocation, Recommendation Status and Final Score

(Report Includes Applications Awarded During the August 23, 2007 Board Meeting and All Active Applications on the Waiting List)

State Ceiling to be Allocated: \$49,085,817**

Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³ USDA NP AR	Housing ⁴ Activity	LI Units	Total Units	Target ⁵	ACQ ⁶	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile 1 Year	Comment ⁷
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Region: 1

Allocation Information for Region 1:	Total Credits Available for Region: \$2,235,890	Rural Allocation: \$1,130,893	Urban/Exurban Allocation: \$1,104,997
		5% Required for USDA: \$111,795	15% Required for At-Risk: \$335,384

Applications Submitted in Region 1: Urban/Exurban

07016	1	BA	Stone Hollow Village	1510 Cornell	Lubbock	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	112	140	G	<input type="checkbox"/>	\$18,676	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											112	140			\$18,676					
07219	1	A	Canyons Retirement Community	2200 W. 7th Ave.	Amarillo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	106	111	E	<input checked="" type="checkbox"/>	\$876,745	Jamie Hayden	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
Total:											106	111			\$876,745					
Total:											218	251			\$895,421					

Applications Submitted in Region 1: Rural

07074	1	BA	La Mirage Villas	309 S.E. 15th	Perryton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	47	47	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											47	47			\$7,000					
07131	1	2007 FWD	StoneLeaf at Dalhart	1719 E. 1st St.	Dalhart	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$707,970 *	Mike Sugrue	<input type="checkbox"/>	185	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
Total:											76	76			\$707,970					
07137	1	A	Hampton Villages	1600 Blk of Alcock St.	Pampa	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$1,038,857	Tim Lang	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse

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5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits have been awarded or are being requested

7 = Comment: Reason for Award Recommendation

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** = The State Housing Credit Ceiling is based on 2007 population figures, plus any returned credits as of the date of this publication from previous awards.

File #	Status ¹	Region	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴ Activity	LI Units	Total Units	Target ⁵	ACQ ⁶	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment ⁷		
							USDA	NP	AR													
07117	1	A	Deer Creek Apartments	SE Corner of W. Ellis St. & MLK St.	Levelland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$507,059	Justin Zimmerman	<input type="checkbox"/>	149	<input type="checkbox"/>	Competitive in USDA Allocation		
											Total:	139	140				\$1,545,916					
											Total:	262	263				\$2,260,886					
6 Applications in Region											Region Total:	480	514				\$3,156,307					

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Region: 2

Allocation Information for Region 2: Total Credits Available for Region: \$1,549,740

Rural Allocation:	\$798,099	Urban/Exurban Allocation:	\$751,641
5% Required for USDA:	\$77,487	15% Required for At-Risk:	\$232,461

****One previously awarded development, TDHCA number 060218, returned credits in the amount of \$214,749; this amount has been added to the original allocation for Region 2 Rural and to the state credit ceiling and is correctly reflected in the credits available.**

Applications Submitted in Region 2: Urban/Exurban

07114	2	A	Washington Village Apartments	600 Flood St.	Wichita Falls	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	96	96	G	<input type="checkbox"/>	\$877,338	Rick J. Deyoe	<input type="checkbox"/>	195	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse, and 07133 Removed from Recommended List by Board
Total:											96	96			\$877,338					
07133	2	N	StoneLeaf at Tye	649 Scott St.	Tye	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	118	118	Intg	<input type="checkbox"/>	\$787,592	Mike Sugrue	<input type="checkbox"/>	198	<input type="checkbox"/>	Removed from Recommended List by Board
07285	2	N	Anson Park Seniors	Ambrocio Flores Jr. Rd. & Vogel Ave.	Abilene	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	80	80	E	<input type="checkbox"/>	\$729,049	* Theresa Martin-Holder	<input type="checkbox"/>	195	<input type="checkbox"/>	Not Competitive in Region
07236	2	N	Green Briar Village Phase II	Approx. SH 240 at Airport Dr.	Wichita Falls	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$375,091	* Randy Stevenson	<input type="checkbox"/>	191	<input type="checkbox"/>	Not Competitive in Region
Total:											234	234			\$1,891,732					
Total:											330	330			\$2,769,070					

Applications Submitted in Region 2: Rural

07058	2	BA	Wildwood Trails Apartments	1500 Davis Ln.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	75	75	G	<input type="checkbox"/>	\$10,338	Vaughn Zimmerman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											75	75			\$10,338					
07294	2	A	Grove at Brushy Creek	NE Corner of El Dorado & Patterson	Bowie	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	42	48	G	<input type="checkbox"/>	\$506,036	Eric Hartzell	<input type="checkbox"/>	186	<input type="checkbox"/>	Competitive in Region and USDA Allocation

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07194	2 A	377 Villas	4236 Hwy 377 S.	Brownwood	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$687,210	Justin MacDonald	<input type="checkbox"/>	184	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse	
											Total:	115	124			\$1,193,246					
											Total:	190	199			\$1,203,584					
7 Applications in Region											Region Total:	520	529			\$3,972,654					

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Region: 3

Allocation Information for Region 3:	Total Credits Available for Region: \$9,171,731	Rural Allocation: \$704,007	Urban/Exurban Allocation: \$8,467,724
		5% Required for USDA: \$458,587	15% Required for At-Risk: \$1,375,760

Applications Submitted in Region 3: Urban/Exurban

07001	3	2006 FWD	Fairway Crossing	7229 Ferguson Rd.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	297	310	G	<input checked="" type="checkbox"/>	\$1,200,000	Len Vilicic	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07091	3	2006 FWD	City Walk at Akard	511 N. Akard	Dallas	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	204	209	G	<input checked="" type="checkbox"/>	\$1,242,595	John P. Greenan	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07028	3	BA	Preston Trace Apartments	8660 Preston Trace Blvd.	Frisco	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	38	40	G	<input checked="" type="checkbox"/>	\$9,490	Dan Allgeier	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07017	3	BA	Spring Oaks Apartments	4317 Shepherd Ln.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	160	G	<input type="checkbox"/>	\$76,305	Ron Pegram	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07024	3	BA	Villas of Forest Hill	7400 Forest Hill Dr.	Forest Hill	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,629	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07025	3	BA	Villas of Seagoville	600 E. Malloy Bridge Rd.	Seagoville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	78	100	E	<input type="checkbox"/>	\$36,900	Deborah A. Griffin	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07031	3	BA	Frazier Fellowship	4700-4900 Hatcher St.	Dallas	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NC	60	76	G	<input type="checkbox"/>	\$27,242	Tim Lott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07040	3	BA	Samaritan House	929 Hemphill Ave.	Fort Worth	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RH	126	126	G	<input checked="" type="checkbox"/>	\$59,531	Steve Dutton	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07037	3	BA	Renaissance Courts	308 S. Ruddell St.	Denton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	120	150	G	<input type="checkbox"/>	\$65,771	Shirley Nell Hensley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											1,129	1,271			\$2,754,463					
07289	3	A	Peachtree Seniors	5009 S. Peachtree Rd.	Balch Springs	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,161,000	Ron Pegram	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region
07254	3	A	Evergreen at Farmers Branch	11701 Mira Lago Blvd.	Farmers Branch	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$1,194,940	Bradley E. Forslund	<input type="checkbox"/>	200	<input type="checkbox"/>	Competitive in Region

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³	Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07149	3 A	Residences at Eastland	5500 Eastland St.	Fort Worth	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	140	146	G	<input type="checkbox"/>	\$1,200,000	Dan Allgeier	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region	
	07166	3 A	Jeremiah Seniors	909 W. Hurst Blvd.	Hurst	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	135	135	E	<input type="checkbox"/>	\$989,447	Tim Valentine	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region	
						Total:			509	515			\$4,545,387						
	07104	3 N	Country Lane Seniors-Greenville Community	W side of O'Neal St., N. of U.S. Hwy 69 (Joe Ramsey Blvd.)	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	98	102	E	<input type="checkbox"/>	\$1,118,156	Kenneth H. Mitchell	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region	
	07303	3 N	Villas on Raiford	Raiford Rd.	Carrollton	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	172	180	E	<input type="checkbox"/>	\$1,200,000 *	Chan Il Pak	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region	
	07256	3 N	Evergreen at The Colony	NW Quadrant of SH 121 & Morning Star	The Colony	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	145	145	E	<input type="checkbox"/>	\$1,200,000 *	Bradley E. Forslund	<input checked="" type="checkbox"/>	189	<input type="checkbox"/>	Not Competitive in Region, Award Would Cause Violation of \$2M Limit	
	07101	3 N	Carpenter's Point	3326 Mingo St.	Dallas	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	145	150	E	<input type="checkbox"/>	\$1,200,000 *	George King, Jr.	<input type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region	
	07190	3 N	Stephen Austin School Apartments	1702 Wesley St.	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$439,226 *	Hollis Fitch	<input type="checkbox"/>	182	<input type="checkbox"/>	Not Competitive in Region	
	07191	3 N	Washington Hotel Lofts	2612 Washington St.	Greenville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$349,937 *	Hollis Fitch	<input type="checkbox"/>	175	<input type="checkbox"/>	Not Competitive in Region	
	07245	3 N	Sphinx at Fiji Seniors	201 Fran Way	Dallas	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	124	130	E	<input type="checkbox"/>	\$1,200,000 *	Jay Oji	<input type="checkbox"/>	161	<input type="checkbox"/>	Not Competitive in Region	
						Total:			756	779			\$6,707,319						
						Total:			2,394	2,565			\$14,007,169						
Applications Submitted in Region 3:			Rural																
	07069	3 BA	Briarwood Apartments	513 E. 6th St.	Kaufman	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	48	48	G	<input checked="" type="checkbox"/>	\$7,000	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07032	3 BA	Churchill at Commerce	731 Culver	Commerce	R	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	NC	90	100	G	<input type="checkbox"/>	\$52,598	Bradley E. Forslund	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
						Total:			138	148			\$59,598						
	07167	3 A	Meadowlake Village Apartments	209 Grand Ave.	Mabank	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	40	40	G	<input checked="" type="checkbox"/>	\$174,797	Warren Maupin	<input type="checkbox"/>	113	<input type="checkbox"/>	Competitive in At-Risk Set-Aside	

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³	Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
									Total:	40	40		\$174,797						
07272	3	N	Plantation Valley Estates	Hopkins Rd. & E. McCart St. (FM1173)	Krum	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$0	Alyssa Carpenter	<input type="checkbox"/>	189	<input type="checkbox"/>	Financially Infeasible	
									Total:	76	76		\$0						
-----									Total:	254	264		\$234,395						
24 Applications in Region									Region Total:	2,648	2,829		\$14,241,564						

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Region: 4

Allocation Information for Region 4:	Total Credits Available for Region: \$2,439,014	Rural Allocation: \$1,445,350	Urban/Exurban Allocation: \$993,663
		5% Required for USDA: \$121,951	15% Required for At-Risk: \$365,852

Applications Submitted in Region 4: Urban/Exurban

07096	4	2006 FWD	Moore Grocery Lofts	408 & 410 N. Broadway	Tyler	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC/RH	88	88	G	<input checked="" type="checkbox"/>	\$748,845	Jim Sari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
Total:											88	88			\$748,845					
07164	4	N	Covington Townhomes	E Side of Milam St. Between 13th & 11th St.	Texarkana	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	126	126	G	<input type="checkbox"/>	\$1,200,000	Richard Herrington	<input type="checkbox"/>	197	<input type="checkbox"/>	Insufficient Funds in Sub-Region
07292	4	N	North Eastman Residential	1400 N. Eastman Rd.	Longview	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$799,995 *	Stuart Shaw	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region
Total:											199	202			\$1,999,995					
Total:											287	290			\$2,748,840					

Applications Submitted in Region 4: Rural

07043	4	BA	Gardens of Gladewater	108 N. Lee Dr.	Gladewater	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	E	<input type="checkbox"/>	\$24,972	George D. Hopper	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											34	36			\$24,972					
07118	4	A	Lakeside Apartments	1 Blk E. of S. Jefferson St. & Tension Rd.	Mount Pleasant	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	63	64	G	<input type="checkbox"/>	\$520,342	Justin Zimmerman	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in Region and USDA Allocation
07295	4	A	Bluestone	Hwy 198 at Manning St. and Paschall St.	Mabank	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$758,354	Eric Hartzell	<input type="checkbox"/>	189	<input type="checkbox"/>	Competitive in Region
Total:											136	140			\$1,278,696					
07193	4	N	Stone Brook Senior Apartments	NW Corner Loop 256 & Threll St.	Palestine	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$0	Matt Harris	<input type="checkbox"/>	188	<input type="checkbox"/>	Not Competitive in Region and Financially Infeasible

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07247	4 N	Terry Street Apartments	215 N. Terry St.	Malakoff	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	G	<input type="checkbox"/>	\$580,813 *	Jeffrey S. Spicer	<input checked="" type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region	
	07175	4 N	Austin Place	Plat 2, 2200 Blk of N. Edwards Ave. (FM 1734)	Mount Pleasant	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$916,970 *	Bonita Williams	<input checked="" type="checkbox"/>	182	<input type="checkbox"/>	Not Competitive in Region/Set-Aside	
	07260	4 N	Victoria Place Addition	5.10 Acres Barbara St. Extension	Athens	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	16	16	G	<input type="checkbox"/>	\$409,663 *	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region	
	07261	4 N	Lexington Court Phase II	3509 U.S. Hwy 259 N.	Kilgore	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$693,735 *	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region	
											Total:	292	292			\$2,601,181					
											Total:	462	468			\$3,904,849					
11 Applications in Region											Region Total:	749	758			\$6,653,689					

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Region: 5

Allocation Information for Region 5:	Total Credits Available for Region: \$2,004,054	Rural Allocation: \$1,307,778	Urban/Exurban Allocation: \$696,276
**The estimated allocation based on the regional allocation formula for 2007 for Region 5 is \$2,004,054. In 2006 to address pressing disaster relief needs, the TDHCA Board forward allocated the 2007 credits in an amount of \$1,452,903. Therefore, all 2007 credits for Region 5 Rural have already been committed. One previously awarded development, 060148, returned credits in the amount of \$547,817; this amount has been returned to the allocation for the allocation for Rural Region 5 and has been added to the state credit ceiling.		5% Required for USDA: \$100,203	15% Required for At-Risk: \$300,608

Applications Submitted in Region 5: Urban/Exurban

07026	5	BA	O.W. Collins Apartments	4440 Gulfway Dr.	Port Arthur	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	200	200	E	<input checked="" type="checkbox"/>	\$40,084	K.T. (Ike) Akbari	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											200	200		\$40,084						
07162	5	N	Pointe North	3710 Magnolia	Beaumont	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	158	158	G	<input type="checkbox"/>	\$1,196,874	Robert Reyna	<input type="checkbox"/>	193	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
07189	5	N	Sunlight Manor Apartments	2950 S. 8th St.	Beaumont	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	120	120	G	<input checked="" type="checkbox"/>	\$678,699 *	K.T. (Ike) Akbari	<input type="checkbox"/>	189	<input type="checkbox"/>	Insufficient Funds in Sub-Region
Total:											278	278		\$1,875,573						
Total:											478	478		\$1,915,657						

Applications Submitted in Region 5: Rural

07093	5	2006	Cypresswood FWD Crossing	Hwy 87 at Hwy 105	Orange	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$636,962	K.T. (Ike) Akbari	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07092	5	2006	Prospect Point FWD	201 Premier Dr.	Jasper	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	69	72	G	<input type="checkbox"/>	\$722,842	Eric Hartzell	<input checked="" type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07011	5	BA	Park Estates	1200 Blk	Nacogdoches	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$26,141	Mark Musemeche	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year	
	07018	5 BA	Pineywoods Community Orange	36 Scattered Sites in East Town of Orange, TX	Orange	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$26,874	Doug Dowler	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											215	220			\$1,412,819					
	07257	5 N	Orange Palm Garden Apt Homes	1727 37th St.	Orange	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$809,338 *	Marc Caldwell	<input type="checkbox"/>	188	<input type="checkbox"/>	Insufficient Funds in Sub-Region
	07123	5 N	Tower Village	Park St. & Tower Rd.	Nacogdoches	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	G	<input type="checkbox"/>	\$545,417 *	Robert Crow	<input type="checkbox"/>	187	<input type="checkbox"/>	Insufficient Funds in Sub-Region
Total:											112	112			\$1,354,755					
Total:											327	332			\$2,767,574					
9 Applications in Region							Region Total:				805	810			\$4,683,231					

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Region: 6

Allocation Information for Region 6: Total Credits Available for Region: \$11,349,523 Rural Allocation: \$545,781 Urban/Exurban Allocation: \$10,803,741

****Three previously awarded developments, TDHCA numbers 04200, 04203, and 060004 returned credits in the amount of \$487,554; \$401,044 has been added to the original allocation for Region 6 Urban/Exurban, \$86,510 has been added to the original allocation for Region 6 Rural, and \$487,554 has been added to the state credit ceiling and is correctly reflected in the credits available.**

5% Required for USDA: \$567,476 15% Required for At-Risk: \$1,702,428

Applications Submitted in Region 6: Urban/Exurban

07060	6	BA	Freeport Oaks Apartments	NE Corner of Ave. J & Skinner St.	Freeport	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	G	<input type="checkbox"/>	\$39,216	Les Kilday	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07010	6	BA	South Union Place	7210 Scott St.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	100	125	ET	<input type="checkbox"/>	\$19,572	John N. Barineau	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07051	6	BA	Lake Jackson Manor	100 Garland	Lake Jackson	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$37,014	H. Elizabeth Young	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07062	6	BA	Lansborough Apartments	10050 Cullen Blvd.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	141	176	G	<input type="checkbox"/>	\$77,147	Margie Lee Bingham	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07054	6	BA	Commons of Grace Senior	8900 Tidwell	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	86	108	ET	<input type="checkbox"/>	\$48,106	Deepak Sulakhe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07020	6	BA	Baybrook Park Retirement Center	500 Texas Ave. West	Webster	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$39,863	Barry Kahn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07041	6	BA	Village on Hobbs Road	6000 Hobbs Rd.	League City	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	100	E	<input type="checkbox"/>	\$50,356	Thomas H. Scott	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07022	6	BA	Redwood Heights Apartments	7300 Jensen Dr.	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	96	G	<input type="checkbox"/>	\$41,991	Rick J. Deyoe	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07042	6	BA	Oxford Place	605 Berry Rd.	Houston	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	200	250	G	<input type="checkbox"/>	\$114,593	Horace Allison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											923	1,155			\$467,858					
07210	6	A	New Hope Housing at Bray's Crossing	6311 Gulf Freeway	Houston	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	149	149	G	<input checked="" type="checkbox"/>	\$680,321	Joy Horak-Brown	<input type="checkbox"/>	209	<input type="checkbox"/>	Competitive in Region

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							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year	
	07203	6 A	Melbourne Apartments	3337 Mustang Rd.	Alvin	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	110	110	E	<input type="checkbox"/>	\$1,200,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
	07179	6 A	Villas at Goose Creek	SE Corner of N. Main St. & E. Defee St.	Baytown	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	22	22	G	<input type="checkbox"/>	\$242,318	Chris Presley	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
	07204	6 A	Notting Hill Gate Apartments	200 S.E. of Intersection of S. Gessner & Beltway 8	Missouri City	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	108	108	E	<input type="checkbox"/>	\$1,093,000	Alyssa Carpenter	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
	07103	6 A	Oak Tree Village	2700 Blk of FM 1266	Dickinson	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$371,883	Charles Holcomb	<input type="checkbox"/>	202	<input type="checkbox"/>	Competitive in Region
	07309	6 A	Glenwood Trails	Glenwood Dr. N. of Holton Ave.	Deer Park	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	114	114	G	<input type="checkbox"/>	\$942,176	Les Kilday	<input type="checkbox"/>	197	<input type="checkbox"/>	Competitive in Region
	07310	6 A	Gardens at Friendswood Lakes	1400 Blk of FM 528	Friendswood	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	114	114	E	<input type="checkbox"/>	\$1,000,000	Les Kilday	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region
	07300	6 A	Wentworth Apartments	SE of Corner of Timber Forest Dr. & FM 1960	Atascocita	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	90	90	E	<input type="checkbox"/>	\$907,000	Alyssa Carpenter	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in Region
	07293	6 A	Morningstar Villas	3500 Blk of Magnolia Ave.	Texas City	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	35	36	E	<input type="checkbox"/>	\$385,100	Diana McIver	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
	07306	6 A	Zion Village Apartments	3154 Gray St.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	50	50	E	<input type="checkbox"/>	\$541,928	Thomas Jones	<input type="checkbox"/>	195	<input type="checkbox"/>	Competitive in Region
	07291	6 A	Cypress Creek at Reed Road	Approx. 2900 Blk of Reed Rd.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	126	132	G	<input type="checkbox"/>	\$1,199,797	Stuart Shaw	<input type="checkbox"/>	194	<input type="checkbox"/>	Competitive in Region
	07170	6 A	Gibraltar	152 Blk of Brazoswood Dr.	Clute	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	48	48	E	<input type="checkbox"/>	\$575,334	Debra Guerrero	<input type="checkbox"/>	193	<input type="checkbox"/>	Competitive in Region
Total:										1,002	1,009			\$9,138,857				
	07141	6 N	Pinnacle of Pleasant Humble	1200 Blk of 1st Ave. E	Humble	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	147	153	E	<input type="checkbox"/>	\$1,200,000	Kenneth W. Fambro	<input type="checkbox"/>	187	<input type="checkbox"/>	Not Competitive in Region
	07280	6 N	Andalusia	4343 Old Spanish Tr.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	102	102	E	<input type="checkbox"/>	\$1,095,525 *	Manish Verma	<input type="checkbox"/>	176	<input type="checkbox"/>	Not Competitive in Region
	07109	6 N	Elrod Place	W side of Approx. 3700 Blk Elrod	Katy	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	123	127	Intg	<input type="checkbox"/>	\$1,200,000 *	Barry Kahn	<input type="checkbox"/>	169	<input type="checkbox"/>	Not Competitive in Region
	07217	6 N	Victory Place Seniors	2001 S. Victory	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	75	75	E	<input type="checkbox"/>	\$737,449 *	Margie Lee Bingham	<input type="checkbox"/>	164	<input type="checkbox"/>	Not Competitive in Region

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							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07165	6 N	Gates of Dominion North	NW Corner of JFK Blvd. & Lauder Rd.	Houston	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	150	150	G	<input type="checkbox"/>	\$1,200,000 *	Daniel Williams	<input type="checkbox"/>	141	<input type="checkbox"/>	Not Competitive in Region	
									Total:	597	607		\$5,432,974						
									Total:	2,522	2,771		\$15,039,689						
Applications Submitted in Region 6:			Rural																
	07004	6 BA	Cricket Hollow Apartments	9700 FM 1097	Willis	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	150	176	G	<input type="checkbox"/>	\$82,466	Brian Cogburn	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
									Total:	150	176		\$82,466						
	07258	6 A	Trinity Garden Apt Homes	2000 Blk of Panther Dr.	Liberty	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$665,529	Marc Caldwell	<input type="checkbox"/>	190	<input type="checkbox"/>	Competitive in USDA Allocation	
	07246	6 A	Lexington Square	1324 E. Hospital Dr.	Angleton	R	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	80	80	G	<input checked="" type="checkbox"/>	\$347,876	Lisa Castillo	<input type="checkbox"/>	147	<input type="checkbox"/>	Competitive in At-Risk Set-Aside	
									Total:	156	156		\$1,013,405						
	07259	6 N	Montgomery Meadows Phase II	Corner of Old Montgomery Rd. & Cline	Huntsville	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	48	48	E	<input type="checkbox"/>	\$492,857 *	Emanuel H. Glockzin, Jr.	<input type="checkbox"/>	173	<input type="checkbox"/>	Not Competitive in Region	
	07252	6 N	Brooks Manor Apartments	444 Jefferson Ave.	West Columbia	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$226,377 *	Lisa Castillo	<input type="checkbox"/>	144	<input type="checkbox"/>	Not Competitive in Region	
	07268	6 N	Mid-Towne I Apartments	820 E. Carrell St.	Tomball	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	52	54	G	<input checked="" type="checkbox"/>	\$0	Dennis Hoover	<input type="checkbox"/>	121	<input type="checkbox"/>	Financially Infeasible	
									Total:	150	152		\$719,234						
									Total:	456	484		\$1,815,105						
32 Applications in Region									Region Total:	2,978	3,255		\$16,854,794						

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Region: 7

Allocation Information for Region 7: Total Credits Available for Region: \$2,551,062 Rural Allocation: \$269,467 Urban/Exurban Allocation: \$2,281,595

****Two previously awarded developments, TDHCA numbers 05142 and 05228, returned credits in the amount of \$503,593; \$368,190 has been added to the original allocation for Region 7 Urban/Exurban, \$135,403 has been added to the original allocation for Region 7 Rural, and \$503,593 has been added to the state credit ceiling and is correctly reflected in the credits available.**

5% Required for USDA: \$127,553 15% Required for At-Risk: \$382,659

Applications Submitted in Region 7: Urban/Exurban

07249	7	A	Bluffs Landing Senior Village	2200 Old Settlers Blvd.	Round Rock	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	144	144	E	<input type="checkbox"/>	\$1,189,481	Colby Denison	<input checked="" type="checkbox"/>	199	<input type="checkbox"/>	Competitive in Region
07234	7	A	Tuscany Park at Buda	FM 2001 E. of IH 35	Buda	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	170	176	G	<input type="checkbox"/>	\$1,200,000	Mark Musemeche	<input checked="" type="checkbox"/>	197	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse, Partial Award of \$518,550 in 2008 Tax Credits Required
07223	7	A	Shady Oaks Apartments	501 Janis Dr.	Georgetown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	60	60	G	<input type="checkbox"/>	\$369,110	Naomi Walker	<input checked="" type="checkbox"/>	178	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
Total:											374	380			\$2,758,591					
07313	7	N	Villas at Rabbit Hill	FM 1460 Across from Timberline Dr.	Round Rock	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	136	136	E	<input type="checkbox"/>	\$1,000,000	* Ebby Green	<input checked="" type="checkbox"/>	194	<input type="checkbox"/>	Not Competitive in Region
07224	7	N	Sierra Ridge Apartments	Intersection of N.W. Blvd. & Washam Dr.	Georgetown	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	77	80	G	<input type="checkbox"/>	\$731,071	* Naomi Walker	<input type="checkbox"/>	181	<input type="checkbox"/>	Not Competitive in Region
Total:											213	216			\$1,731,071					
Total:											587	596			\$4,489,662					

Applications Submitted in Region 7: Rural

07220	7	A	San Gabriel Crossing	1625 Loop 332	Liberty Hill	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$582,217	Mark Mayfield	<input type="checkbox"/>	181	<input type="checkbox"/>	Competitive in USDA Allocation
Total:											73	76			\$582,217					

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³	Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷		
							USDA	NP	AR	Units	Units		Credit*	Contact	HOME	Score	1 Year			
	Total:										73	76		\$582,217						
6 Applications in Region	Region Total:										660	672		\$5,071,879						

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Region: 8

Allocation Information for Region 8: Total Credits Available for Region: \$2,923,137 Rural Allocation: \$865,548 Urban/Exurban Allocation: \$2,057,589

****Two previously awarded developments, TDHCA numbers 05225 and 060208, returned credits in the amount of \$407,477; this amount has been added to the original allocation for Region 8 Rural and to the state credit ceiling and is correctly reflected in the credits available. 5% Required for USDA: \$146,157 15% Required for At-Risk: \$438,471**

Applications Submitted in Region 8:

Urban/Exurban

07034	8	BA	Village at Meadowbend Apartments II	1638 Case Rd.	Temple	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	79	99	G	<input type="checkbox"/>	\$44,275	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07015	8	BA	Chisholm Trail Senior Village	1003 W. 9th Ave.	Belton	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	54	60	E	<input type="checkbox"/>	\$23,990	Leslie Donaldson Holleman	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											133	159		\$68,265						
07262	8	A	Santour Court	Lots 14-26 & 40-42, Blk 14 Santour Court St., Edelweiss Gartens Subdivision	College Station	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	16	16	G	<input type="checkbox"/>	\$294,106	Emanuel H. Glockzin, Jr..	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region
Total:											16	16		\$294,106						
07263	8	N	Constitution Court	Constitution Dr., Off U.S. Hwy 190	Copperas Cove	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	108	108	G	<input type="checkbox"/>	\$0	Emanuel H. Glockzin, Jr.	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Financially Infeasible
07275	8	N	Mansions at Briar Creek	Near 200 Blk of E. Wm. J. Bryan Pkwy	Bryan	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	171	171	E	<input type="checkbox"/>	\$1,200,000	Robert R. Burchfield	<input type="checkbox"/>	183	<input type="checkbox"/>	Competitive in Region
07192	8	N	Historic Lofts of Waco High	815 Columbus Ave.	Waco	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	104	104	G	<input checked="" type="checkbox"/>	\$1,031,581	Hollis Fitch	<input type="checkbox"/>	169	<input type="checkbox"/>	Not Competitive in Region
Total:											383	383		\$2,231,581						
Total:											532	558		\$2,593,952						

Applications Submitted in Region 8:

Rural

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year	
	07038	8 BA	Bluffview Villas	2800 Hwy 36 S.	Brenham	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	E	<input type="checkbox"/>	\$40,048	G. Granger MacDonald	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
										Total:	76	76			\$40,048					
	07177	8 A	Hamilton Senior Village	Williams St. , 11 Acres at Hamilton City Limits	Hamilton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$339,782	Bonita Williams	<input checked="" type="checkbox"/>	179	<input type="checkbox"/>	Competitive in Region and USDA Allocation
	07180	8 A	Holland House Apartments	616 Josephine St.	Holland	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	68	68	G	<input checked="" type="checkbox"/>	\$267,348	Warren Maupin	<input type="checkbox"/>	126	<input type="checkbox"/>	Competitive in At-Risk Set-Aside
										Total:	104	104			\$607,130					
										Total:	180	180			\$647,178					
										Region Total:	712	738			\$3,241,130					

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Region: 9

Allocation Information for Region 9: Total Credits Available for Region: \$3,013,098 Rural Allocation: \$807,723 Urban/Exurban Allocation: \$2,205,375
****Two previously awarded developments, TDHCA numbers 05226 and 05231, returned credits in the amount of \$400,876; this amount has been added to the original allocation for Region 9 Rural and to the state credit ceiling and is correctly reflected in the credits available. 5% Required for USDA: \$150,655 15% Required for At-Risk: \$451,965**

Applications Submitted in Region 9: Urban/Exurban

07095	9	2006	Las Palmas FWD Gardens Apartments	1014 S. San Eduardo	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	100	100	G	<input checked="" type="checkbox"/>	\$696,936	David Marquez	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07014	9	BA	Stratton Oaks Apartments	716 Stratton Ave.	Seguin	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$55,603	Colby Denison	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07036	9	BA	Seton Home Center for Teen Moms	1115 Mission Rd.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	24	24	G	<input type="checkbox"/>	\$22,493	Margaret Starkey	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07006	9	BA	Palacio Del Sol	400 N. Frio	San Antonio	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	160	200	E	<input type="checkbox"/>	\$81,457	Fernando Godinez	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											384	424			\$856,489					
07171	9	2007 FWD	San Juan Square II FWD	S Calaveras St. & Brady Blvd.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RC	138	144	G	<input type="checkbox"/>	\$1,200,000	Henry A. Alvarez III	<input type="checkbox"/>	203	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
Total:											138	144			\$1,200,000					
07173	9	A	West End Baptist Manor Apartments	934 SW 35th St.	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	50	50	G	<input checked="" type="checkbox"/>	\$316,781	David Marquez	<input type="checkbox"/>	210	<input type="checkbox"/>	Competitive in Region
07198	9	A	West Durango Plaza Apartments	5635 W. Durango	San Antonio	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	82	82	G	<input checked="" type="checkbox"/>	\$657,418	Ronald C. Anderson	<input type="checkbox"/>	208	<input type="checkbox"/>	Competitive in Region
Total:											132	132			\$974,199					
07233	9	N	Ingram Square Apartments	5901 Flynn Dr.	San Antonio	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	120	120	G	<input checked="" type="checkbox"/>	\$652,194 *	Paul Patierno	<input type="checkbox"/>	199	<input type="checkbox"/>	Not Competitive in Region
Total:											120	120			\$652,194					

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³ USDA NP AR	Housing ⁴ Activity	LI Units	Total Units	Target ⁵	ACQ ⁶	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment ⁷		
						Total:			774	820			\$3,682,882							
Applications Submitted in Region 9:			Rural																	
07061	9	BA	Towne Park in Fredericksburg II	1100 S. Adams	Fredericksburg	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	39	44	E	<input type="checkbox"/>	\$18,608	Mark Mayfield	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07008	9	BA	Friendship Place	600-700 E. Friendship Ln.	Fredericksburg	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$40,760	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07007	9	BA	Oaks Of Bandera	400 Old San Antonio Hwy	Bandera	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$42,318	Lucille Jones	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
						Total:			191	196			\$101,686							
07110	9	2007	Poteet Housing FWD Authority Farm Labor	Ave. N at 4th St.	Poteet	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	30	30	G	<input checked="" type="checkbox"/>	\$87,371	Gary M. Driggers	<input type="checkbox"/>	186	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
						Total:			30	30			\$87,371							
07242	9	A	Paseo de Paz Apartments	400 Blk of Clearwater Paseo	Kerrville	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$712,276	Justin MacDonald	<input type="checkbox"/>	190	<input type="checkbox"/>	Significant Sub-Regional Shortfall in Regional Collapse
						Total:			73	76			\$712,276							
						Total:			294	302			\$901,333							
13 Applications in Region						Region Total:			1,068	1,122			\$4,584,215							

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Region: 10

Allocation Information for Region 10:	Total Credits Available for Region: \$1,680,545	Rural Allocation: \$872,315	Urban/Exurban Allocation: \$808,230
		5% Required for USDA: \$84,027	15% Required for At-Risk: \$252,082

Applications Submitted in Region 10: Urban/Exurban

07090	10	2006	Thomas Ninke FWD Senior Village	1901 Lova Rd.	Victoria	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	80	80	E	<input type="checkbox"/>	\$472,636	Debbie Gillespie	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
Total:											80	80			\$472,636					
07174	10	A	LULAC Hacienda Apartments	2625 Greenwood Dr.	Corpus Christi	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RC	60	60	E	<input checked="" type="checkbox"/>	\$566,203	David Marquez	<input type="checkbox"/>	205	<input type="checkbox"/>	Competitive in Region and At-Risk Set-Aside
Total:											60	60			\$566,203					
07318	10	N	Buena Vida Senior Village	4650 Old Brownsville Rd.	Corpus Christi	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	120	120	E	<input type="checkbox"/>	\$1,103,844 *	Randy Stevenson	<input type="checkbox"/>	159	<input type="checkbox"/>	Not Competitive in Region
Total:											120	120			\$1,103,844					
Total:											260	260			\$2,142,683					

Applications Submitted in Region 10: Rural

07073	10	BA	Lantana Ridge Apartments	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,380	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07021	10	BA	Fenner Square	Corner of Burke & Campbell St.	Goliad	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	32	32	G	<input type="checkbox"/>	\$21,258	Gary M. Driggers	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07072	10	BA	Lantana Ridge Apartments South	2200 N. Adams St.	Beeville	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	35	35	G	<input checked="" type="checkbox"/>	\$1,400	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07071	10	BA	Saltgrass Landing Apartments	1602 S. Church St.	Rockport	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	55	55	G	<input checked="" type="checkbox"/>	\$2,419	Gary L. Kersch	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											177	177			\$27,457					
07199	10	A	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	R	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	RH	88	88	G	<input checked="" type="checkbox"/>	\$491,514	Walter Martinez	<input checked="" type="checkbox"/>	192	<input type="checkbox"/>	Competitive in Region

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA	NP	AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07271	10	A	Hyatt Manor Apartments	1701 Waco St.	Gonzales	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	65	65	G	<input checked="" type="checkbox"/>	\$322,018	Dennis Hoover	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in USDA Allocation
											Total:	153	153			\$813,532					
	07124	10	N	King's Crossing Phase II	1505 E. Corral	Kingsville	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	72	72	G	<input type="checkbox"/>	\$661,500 *	Mark Musemeche	<input checked="" type="checkbox"/>	185	<input type="checkbox"/>	Not Competitive in Region
											Total:	72	72			\$661,500					
											Total:	402	402			\$1,502,489					
10 Applications in Region							Region Total:				662	662			\$3,645,172						

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2 = Allocation Abbreviation: Rural Regional Allocation=R, Urban/Exurban Regional Allocation=U/EX

3 = Set-Aside Abbreviation: TX-USDA-RHS=USDA, Nonprofit=NP, At-Risk=AR

4 = Housing Activity: Rehabilitation=RH, Reconstruction=RC, New Construction=NC

5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits have been awarded or are being requested

7 = Comment: Reason for Award Recommendation

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Region: 11

Allocation Information for Region 11:	Total Credits Available for Region: \$5,974,191	Rural Allocation: \$2,175,228	Urban/Exurban Allocation: \$3,798,963
		5% Required for USDA: \$298,710	15% Required for At-Risk: \$896,129

Applications Submitted in Region 11: Urban/Exurban

07094	11	2006	Mesquite Terrace FWD	400 Blk of E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	106	106	E	<input type="checkbox"/>	\$594,048	Roy Navarro	<input type="checkbox"/>	301	<input type="checkbox"/>	Forward Commitment of 2007 Credits Made in 2006
07013	11	BA	Las Canteras Apartments	415 E. Thomas Rd.	Pharr	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	100	100	G	<input type="checkbox"/>	\$53,407	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07045	11	BA	Providence at Edinburg	201 N. 13th Ave.	Edinburg	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NC	100	100	E	<input type="checkbox"/>	\$29,947	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07012	11	BA	Villa del Sol	700 E. St. Charles St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RH	189	199	E	<input checked="" type="checkbox"/>	\$28,453	William (Bill) J. Lee	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07044	11	BA	Providence at Boca Chica	Intersection of Ash St. & Elm St.	Brownsville	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	151	158	G	<input checked="" type="checkbox"/>	\$72,261	Bill Fisher	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											646	663			\$778,116					
07183	11	2007	Sunset Terrace FWD	920 W. Villegas	Pharr	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	100	100	G	<input type="checkbox"/>	\$975,319	Roy Navarro	<input type="checkbox"/>	215	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
07185	11	2007	Bluebonnet Senior FWD Village	1201 W. Austin Lane	Alamo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$360,000 *	Mary Vela	<input type="checkbox"/>	196	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
Total:											136	136			\$1,335,319					
07206	11	A	Villa Estella Trevino	1/4 Mile E. of Sugar Rd., N. Side of Mile 17 1/2 Rd. (a.k.a. Russell Rd.	Edinburg	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	161	168	E	<input type="checkbox"/>	\$1,151,989	Gilberto de los Santos	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region Because 07183 Removed from Recommended List by Board
07182	11	A	Retama Village - Phase II	2301 Jasmine Ave.	McAllen	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RC	74	74	G	<input type="checkbox"/>	\$734,361	Joe Saenz	<input type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region

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5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

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7 = Comment: Reason for Award Recommendation

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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³	Housing ⁴	LI	Total	Target ⁵	ACQ ⁶	Recommended	Owner	TDHCA	Final	1 Mile,	Comment ⁷	
							USDA NP AR	Activity	Units	Units			Credit*	Contact	HOME	Score	1 Year		
	07226	11 A	Candlewick Apartments	1155 Paredes Line Rd.	Brownsville	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	132	132	G	<input checked="" type="checkbox"/>	\$981,612	Saleem Jafar	<input type="checkbox"/>	196	<input type="checkbox"/>	Competitive in At-Risk Set-Aside	
									Total:	367	374		\$2,867,962						
	07205	11 N	North Manor Estates Apartments	Southwest corner of Mile 10 Rd. and mile 4.5, entrance fronts on mile 10 road.	Weslaco	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	126	130	G	<input type="checkbox"/>	\$1,115,662 *	Mike Lopez	<input type="checkbox"/>	196	<input type="checkbox"/>	Not Competitive in Region	
	07169	11 N	Costa Madera	Poggenpohl St. & San Ignacio Ave.	Laredo	U/EX	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	140	140	G	<input type="checkbox"/>	\$1,200,000 *	Abraham Rodriguez	<input type="checkbox"/>	190	<input type="checkbox"/>	Not Competitive in Region	
									Total:	266	270		\$2,315,662						
									Total:	1,415	1,443		\$7,297,059						
Applications Submitted in Region 11: Rural																			
	07068	11 BA	Vista Hermosa Apartments	820 N. Bibb	Eagle Pass	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	RH	20	20	G	<input checked="" type="checkbox"/>	\$726	Patrick A. Barbolla	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07055	11 BA	Arbor Cove	2805 Fordyce Ave.	Donna	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	108	120	G	<input type="checkbox"/>	\$73,818	Anita Kegley	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
	07035	11 BA	Casa Saldana	SW Corner of Mile 8 Rd. & Baseline Rd.	Mercedes	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	156	196	G	<input type="checkbox"/>	\$82,912	Monica Poss	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement	
									Total:	284	336		\$157,456						
	07227	11 A	Champion Home at La Joya	945 S Leo & Various Addresses for Scattered SF Homes	La Joya	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RC	50	50	G	<input type="checkbox"/>	\$481,928	Saleem Jafar	<input type="checkbox"/>	204	<input type="checkbox"/>	Competitive in Region	
	07178	11 A	Tammye's Pointe	Old Pioneer Rd. at FM 1021	Eagle Pass	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$983,288	Donald Pace	<input type="checkbox"/>	187	<input type="checkbox"/>	Competitive in Region	
	07153	11 A	Los Ebanos Apartments	300 Yards S. of 5 Mile Line Rd. on E. Side of Los Ebanos Rd.	Alton	R	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$738,251	Alyssa Carpenter	<input type="checkbox"/>	179	<input type="checkbox"/>	Competitive in USDA Allocation	
									Total:	202	202		\$2,203,467						
	07228	11 N	Las Palmas Homes	213 Orive	Los Fresnos	R	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RC	75	75	G	<input type="checkbox"/>	\$0	Saleem Jafar	<input type="checkbox"/>	201	<input type="checkbox"/>	Financially Infeasible, and Award Would Cause Violation of \$2M Limit	

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6 = Acquisition=ACQ, Developments for which acquisition Housing Tax Credits have been awarded or are being requested

7 = Comment: Reason for Award Recommendation

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Region		Development Name	Address	City	Alloc. ²	Set-Asides ³			Housing ⁴ Activity	LI Units	Total Units	Target ⁵	ACQ ⁶	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment ⁷			
File #	Status ¹					USDA	NP	AR														
07302	11 N	Casa Alton	NW Corner Trosper Rd. & Proposed Oxford St.	Alton	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	73	76	G	<input type="checkbox"/>	\$705,994 *	Jean Coburn	<input type="checkbox"/>	178	<input type="checkbox"/>	Not Competitive in Region/Set-Aside			
07267	11 N	Buena Vida Apartments	100 S. Kansas City Rd.	La Feria	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RH	58	58	E	<input checked="" type="checkbox"/>	\$134,701	Dennis Hoover	<input type="checkbox"/>	145	<input type="checkbox"/>	Not Competitive in Region/Set-Aside			
Total:										206	209									\$840,695		
Total:										692	747									\$3,201,618		
21 Applications in Region										Region Total:		2,107	2,190									\$10,498,677

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4 = Housing Activity: Rehabilitation=RH, Reconstruction=RC, New Construction=NC

5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

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Region: 12

Allocation Information for Region 12:	Total Credits Available for Region: \$1,386,899	Rural Allocation: \$406,927	Urban/Exurban Allocation: \$979,972
		5% Required for USDA: \$69,345	15% Required for At-Risk: \$208,035

Applications Submitted in Region 12: Urban/Exurban

07033	12	BA	Sedona Springs Village	920 W. University	Odessa	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	85	100	G	<input type="checkbox"/>	\$15,819	Ron Hance	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
Total:											85	100			\$15,819					
07151	12	2007	Key West Village FWD Phase II	1600 W. Clements	Odessa	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	36	36	E	<input type="checkbox"/>	\$237,938 *	Bernadine Spears	<input type="checkbox"/>	196	<input type="checkbox"/>	Forward Commitment of 2008 Credits Made in 2007
Total:											36	36			\$237,938					
07282	12	A	Palermo	SE Corner of Gist Ave. & Wayside Dr.	Midland	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	130	136	G	<input type="checkbox"/>	\$904,473	Manish Verma	<input checked="" type="checkbox"/>	203	<input type="checkbox"/>	Competitive in Region
Total:											130	136			\$904,473					
07222	12	N	Riverbend Trails	Intersection of Surber Dr. & Rio Concho Dr.	San Angelo	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	96	100	E	<input type="checkbox"/>	\$893,976	Diana McIver	<input type="checkbox"/>	198	<input type="checkbox"/>	Not Competitive in Region, Award Would Cause Violation of \$2M Limit
Total:											96	100			\$893,976					
Total:											347	372			\$2,052,206					

Applications Submitted in Region 12: Rural

07115	12	A	Heights Apartments	MLK St., 1 Blk E. of FM 700	Big Spring	R	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	48	48	G	<input type="checkbox"/>	\$377,886	Justin Zimmerman	<input type="checkbox"/>	129	<input type="checkbox"/>	Competitive in Region and USDA Allocation
Total:											48	48			\$377,886					
Total:											48	48			\$377,886					

5 Applications in Region

Region Total: 395 420 \$2,430,092

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3 = Set-Aside Abbreviation: TX-USDA-RHS=USDA, Nonprofit=NP, At-Risk=AR

4 = Housing Activity: Rehabilitation=RH, Reconstruction=RC, New Construction=NC

5 = Target Population Abbreviation: Intergenerational=Intg, Elderly/Transitional=ET, Elderly=E, General=G

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Region: 13

Allocation Information for Region 13: Total Credits Available for Region: \$2,258,112 **Rural Allocation: \$284,967** **Urban/Exurban Allocation: \$1,973,146**
****One previously awarded development, TDHCA number 05247, returned credits in the amount of \$107,199; this amount has been added to the original allocation for Region 13 Urban/Exurban and to the state credit ceiling and is correctly reflected in the credits available.** **5% Required for USDA: \$112,906** **15% Required for At-Risk: \$338,717**

Applications Submitted in Region 13: Urban/Exurban

07047	13	BA	Americas Palms	12310 Lorenzo Ruiz Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	112	112	G	<input type="checkbox"/>	\$59,831	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
07003	13	BA	Diana Palms	4700 Diana St.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	34	36	G	<input type="checkbox"/>	\$17,494	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
						Total:	146	148						\$77,325						
07108	13	A	Paseo Palms	3000' E. of Joe Battle Near Pellicano Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	180	180	G	<input type="checkbox"/>	\$1,200,000	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	173	<input type="checkbox"/>	Competitive in Region
07235	13	A	Woodchase Senior Community	8410 & 8411 Tigris Dr.	El Paso	U/EX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	128	128	E	<input type="checkbox"/>	\$1,069,620	Ike J. Monty	<input type="checkbox"/>	158	<input type="checkbox"/>	Significant Sub-Regional Shortfall in State Collapse
						Total:	308	308						\$2,269,620						
07244	13	N	Alamito Place	Bordered by Delta Drive, St Vrain St. E. Third St, & Hill Street	El Paso	U/EX	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NC	58	58	G	<input type="checkbox"/>	\$669,659 *	Gary Sanchez	<input type="checkbox"/>	155	<input type="checkbox"/>	Not Competitive in Region
						Total:	58	58						\$669,659						
						Total:	512	514						\$3,016,604						

Applications Submitted in Region 13: Rural

07048	13	BA	Horizon Palms	12199 Darrington Rd.	El Paso	R	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NC	76	76	G	<input type="checkbox"/>	\$41,271	R.L. (Bobby) Bowling IV	<input type="checkbox"/>	300	<input type="checkbox"/>	Binding Allocation Agreement
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Region	File #	Status ¹	Development Name	Address	City	Alloc. ²	Set-Asides ³ USDA NP AR	Housing ⁴ Activity	LI Units	Total Units	Target ⁵	ACQ ⁶	Recommended Credit*	Owner Contact	TDHCA HOME	Final Score	1 Mile, 1 Year	Comment ⁷			
								Total:	76	76			\$41,271								
								Total:	76	76			\$41,271								
	6	Applications in Region							Region Total:	588	590			\$3,057,875							
	159	Total Applications								14,372	15,089			\$82,091,279							

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MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 11, 2007

Action Items

Presentation, Discussion and Possible Action on a Policy for Addressing Placement in Service Extensions for 2005 Housing Tax Credit Developments.

Required Action

Discuss, and Accept, Reject, or Accept with Amendments the proposed Policy for Addressing Placement in Service Extensions for 2005 Housing Tax Credit Developments.

Background

During the September 13, 2007 meeting of the Texas Department of Housing and Community Affairs' (the "Department") Board, members of the tax credit development community requested assistance from the Department relating to the Placement in Service deadline of December 31, 2007 for Applications that received an award of tax credits in 2005. Public comment noted that the unusually heavy rains experienced in parts of Texas since the beginning of 2007 have caused construction delays that are putting allocations of tax credits at risk because the federal Placement in Service deadline of December 31, 2007 is unlikely to be met by these developments, resulting in the return of tax credit allocations to the Department. Comment noted that as the Department has no ability to extend these deadlines, the only solution for developments in this situation would be the return and subsequent reallocation of credits. The Board directed staff to bring a proposed policy that would outline how the Department could handle this issue if the Board so desired. The proposed Policy for Addressing Placement in Service Extensions for 2005 Housing Tax Credit Developments (the "Policy") outlines how the Department could give relief to affected developments by rescinding the 2005 tax credits originally allocated to the Developments and reallocating the credits using 2008 tax credits in order to extend the Placement in Service deadline.

Staff has concerns with this proposal both because the Department has historically never recommended reallocation of credits (as further described below) and because the liberal 2 ½ year timeline provided by the federal regulations already allows for such unexpected, but short-term, construction delays. As noted later in the description, staff has provided criteria for the policy that reflect the parameters that should be successfully met. Because of the significance of this action, the policy is written such that only after Board approval of the policy will staff (in coordination with the 2005 applicants), then identify the 2005 developments eligible for possible relief. In those cases, they will be presented to the Board in November 2007.

As noted there are several reasons why reallocation is not recommended.

1. IRS Revenue Procedure 2007-54 (“Rev. Proc. 2007-54”) –

- The Internal Revenue Service (“IRS”) already allows for a one-year extension of the Placement in Service deadline for developments in areas declared as major disaster areas during the period between award and Placement in Service.
- Rev. Proc. 2007-54 is the IRS’ interpretation of the types of events that are sufficiently severe to necessitate an extension of the Placement in Service deadline.
- Only in the absence of such an interpretation would a separate interpretation from the Department be necessary. Further guidance from the Department is not necessary because the IRS has already defined what obstacles are considered legitimate for purposes of extensions of Section 42 deadlines.
- Initial research by staff, indicate seventy-three (73) Texas counties have been declared as major disaster areas, and are therefore potentially eligible for a Placement in Service extension under Rev. Proc. 2007-54. This represents 30% of all Texas counties. Of those seventy-three (73) counties, all but three (3) were declared disaster areas for severe storms, tornadoes, or flooding. There are twenty-eight (28) developments in those counties that may be eligible for a Placement in Service extension under the Rev. Proc 2007-54. There are thirty (30) remaining developments that may not qualify under the Rev. Proc. 2007-54 and could potentially qualify for the Reallocation and Placement in Service extension under this proposed policy. The number of counties and developments eligible under the Revenue Proclamation could increase through December 31, 2007.

2. Section 49.16(j) of the 2007 Qualified Allocation Plan and Rules (“QAP”) states:

“The Department may, at any time and without additional administrative process, determine to award credits to Developments previously evaluated and awarded credits if it determines that such previously awarded credits are or may be invalid and the owner was not responsible for such invalidity...”

It should be noted that staff does not believe that the tax credits awarded to the 2005 applications are invalid under this section and does not affirm that any applicants who would request assistance under this proposed Policy were not responsible. While staff is sympathetic to the challenges posed by inclement weather, the Placement in Service deadline is known, constant and provides a fairly liberal period of time for construction. Those counties with legitimate weather-related challenges are already eligible for assistance under Rev. Proc. 95-28 or Rev. Proc. 2007-54. Weather-related delays are a normal part of the construction business, and the management of those delays is one of the developer’s responsibilities in their readiness to proceed.

3. Developments issued commitments of allocation from the State Credit Ceiling each year are generally allowed twenty-nine months from the time of award to the Placement in Service deadline. The average length of construction is eighteen months. Therefore, ninety days of inclement weather should not jeopardize the Placement in Service.

4. At the July 30, 2007 Board meeting the Board approved a waiting list of applicants that could receive tax credits if any previously awarded applicants return their tax credits prior to the end of the year. This proposed policy would deviate from the waiting list procedure approved by the Board in July.
5. Lastly, the potential for returned and reallocated credits is approximately \$14 million for the thirty (30) developments that may qualify under this proposed policy. Applicants not currently awarded may consider this policy to have a disparate impact because the \$14 million in returned credits would not be reallocated according to the competitive process in the year of the credit ceiling from which the credits will be reallocated.

As requested by the Board, a policy has been provided that describes how this process would be implemented. The following are some key features of the proposed policy:

1. To be eligible under the proposed Policy, a development must meet all of the following criteria:
 - The applicant will be required to pay a fee in the amount of \$10,000 at the time of submission of the extension request.
 - The development is not eligible for an extension of the Placement in Service deadline under IRS Revenue Procedure 2007-54.
 - The development is not eligible for an extension of the Placement in Service deadline under any Gulf Opportunity Zone legislation.
 - The owner of the development can document that the Development Site, as defined by the Qualified Allocation Plan (“QAP”) has had more than 90 days of inclement weather that has caused a halt to construction. This is to ensure that only those developments with legitimate claims are allowed to receive an extension of Placement in Service. This proposed Policy is not intended to provide relief to development owners that are not able to meet deadlines due to a failure to properly manage the project.
 - The construction of the development is at least 40% complete. Once again, this requirement is intended to ensure that development owners do not receive relief when inclement weather was not the cause for construction delays, but rather that construction did not begin timely or was not completed timely for reasons of poor time management.
 - The development received an award of tax credits during 2005 and has a Placement in Service deadline of December 31, 2007. Developments that received awards of 2005 tax credits in 2004, or which were awarded in 2004 and have already received a one year placement in service extension under Revenue Proclamation 95-28 are not eligible under this proposed Policy.

2. If a development is determined by Department staff to be eligible under the proposed Policy, the following deadlines must be met. These deadlines are proposed because if indeed a rain delay was the cause, then most of these developments would only need an approximate 90 day extension.
 - The development must receive Certificates of Occupancy for each building no later than March 15, 2008. This policy is not intended to offer a two-year extension to December 31, 2010 (which is the new federal deadline if credits are reallocated from 2008), but rather, an extension of reasonable length to allow the completion of the development.
 - The cost certification must be submitted to the Department no later than May 15, 2008.
 - IRS Forms 8609 must be issued by December 31, 2008. Developments that receive relief under this policy will not have the opportunity to Carryover and therefore the issuance of 8609 forms is imperative by the end of the calendar year.

Timeline:

If the Board approves the policy, the Department will notify owners of development that received an award of tax credits during 2005 of this policy following the October 11, 2007 Board meeting. Development owners must respond to the Department no later than October 25, 2007 indicating that the development is in need of relief under this policy, and providing documentation of eligibility under the policy. Staff will present a list of eligible respondents to the Board as an action item for possible rescission and reallocation at the either the November or December Board meeting depending on the extent of the submissions and length of time needed for review.

Recommendation

Pursuant to the request from the Board for staff to research the possible rescission and reallocation of credits, staff researched the issues and concerns and created the proposed policy. However, staff does not recommend the Board adopt this policy for the reasons stated earlier in this presentation.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Policy for Addressing Placement in Service Extensions for 2005 Housing Tax Credit Developments

Section I. Introduction and Purpose

The Texas Department of Housing and Community Affairs (the "Department") has received public comment relating to the adverse effects of heavy rain throughout the State of Texas in 2007 on the timely construction of 2005 Housing Tax Credit Developments. Members of the Housing Tax Credit ("tax credit") development community have requested assistance from the Department relating to the Placement in Service deadline of December 31, 2007 for Applications that received an award of tax credits in 2005. Public comment indicates that the unusually heavy rains experienced in parts of Texas since the beginning of 2007 have caused construction delays that are putting allocations of tax credits at risk because the Placement in Service deadline of December 31, 2007 is unlikely to be met by these developments, resulting in the return of tax credit allocations to the Department. The purpose of this policy is to outline how the Department will act to assist those developments affected by inclement weather in getting additional time to meet the IRS deadline for Placement in Service.

Section II. Eligibility

The Department will rescind 2005 commitments of tax credit allocations and reissue these commitments for 2008 tax credits for developments that meet the following criteria:

1. The development is not eligible for an extension of the Placement in Service deadline under Internal Revenue Service Revenue Procedures 95-28 or 2007-54;
2. The development is not eligible for an extension of the Placement in Service deadline under any Gulf Opportunity Zone legislation;
3. The owner of the development can document that the Development Site, as defined by the Qualified Allocation Plan and Rules ("QAP") has had more than 90 days of inclement weather that has caused a halt to construction;
4. The construction of the development is at least 40% complete; and
5. The development received an award of tax credits during 2005 and has a Placement in Service deadline of December 31, 2007. Developments that received awards of 2005 tax credits in 2004, or which were awarded in 2004 and have already received a one year

placement in service extension under Revenue Proclamation 95-28 are not eligible under this proposed Policy.

Section III. Requirements

Developments that receive an allocation of 2008 tax credits under this policy must adhere to the following deadlines:

1. The applicant will be required to pay a fee in the amount of \$10,000 at the time of submission of the extension request;
2. The development must receive Certificates of Occupancy for each building no later than March 15, 2008;
3. The cost certification must be submitted to the Department no later than May 15, 2008; and
4. IRS Forms 8609 must be issued by December 31, 2008. No 2008 carryover allocation documents will be executed for these requests.

Section IV. Procedures

The following procedures will be utilized in implementing this process:

1. The Department will contact owners of developments that received an award of tax credits during 2005 to notify them of this policy;
2. Development owners must respond to the Department no later than October 25, 2007 indicating that the development is in need of relief under this policy, and providing documentation of eligibility under the policy; and

Staff will present a list of eligible respondents to the Board as an action item for possible rescission and reallocation at the either the November or December Board meeting depending on the extent of the submissions and length of time needed for review.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 11, 2007

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a “material alteration,” would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

The requests and pertinent facts about the affected developments are summarized below. The recommendation of staff is included at the end of each write-up.

Limitations on the Approval of Amendment Requests

The approval of a request to amend an application does not exempt a development from the requirements of Section 504 of the Rehabilitation Act of 1973, fair housing laws, local and state building codes or other statutory requirements that are not within the Board’s purview. Notwithstanding information that the Department may provide as assistance, the development owner retains the ultimate responsibility for determining and implementing the courses of action that will satisfy applicable regulations.

Penalties for Amendment Requests

§49.9(c), 2007 Qualified Allocation Plan and Rules, entitled, “Adherence to Obligations,” states in part:

Effective December 1, 2006, if a Development Owner does not produce the Development as represented in the Application and in any amendments approved by the Department subsequent to the Application, or does not provide the necessary evidence for any points received by the required deadline:

(1) the Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and

(2) the Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:

(A) reduce the score for Applications for tax credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was identified by the Department; and

(B) prohibit eligibility to apply for tax credits for a Tax-Exempt Bond Development that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for 12 months from the date that the non-conforming aspect, or lack of financing, was identified by the Department.

HTC No. 99005, The Homes of Parker Commons (forward commitment to HTC No. 98169)

Relevant Background Information:

This amendment request was presented at the September 2007 Board meeting and at the request of the Board was tabled until this meeting. All materials distributed at the September Board meeting are included in this presentation.

The application was approved in 1998 as a forward commitment of allocation from the 1999 State Housing Tax Credit (HTC) ceiling. The applicant/owner was Sphinx Development with Jay Oji as principal of the general partner. M. Myers Development, Inc. was approved to join the development team in December 1998 as co-general partner and general contractor of the development. Additionally in 1998, a change was approved in the unit mix, which reduced the number of three bedroom units (the original application received eight (8) points for the larger units). At that time, the development team change and the unit mix changes were approved by the former Manager of the HTC program, Cherno Njie. The carryover allocation for this development was executed in December 1999 and all buildings were placed in service between June and September of 2001. In July 2004, the general partner was replaced with Affordable Housing GP 668, L.L.C., an affiliate of the syndicator AIG, at the request of the AIG Retirement Services, Inc (the syndicator). The Department approved the replacement of the general partner which eliminated the Historically Underutilized Business (HUB) (the original application received five (5) points for the HUB) from the general partner. The cost certification was submitted on July 12, 2005.

The current letter of request from the owner's counsel states that the syndicator contributed \$2.8 million more to the development than originally anticipated and the Department furnished \$11.3 million in tax credits. As of September 6, 2007, documentation for additional costs have not been submitted by the owner. The differences in costs are shown in the underwriting addendum between the original costs submitted at the time of application and the costs submitted at the time of cost certification. The largest differences are in site-work and direct construction costs (for which there is no documentation). In addition, the request letter states that Sphinx Development, the original applicant, and M. Myers Development, Inc., who joined the ownership after the award, were mutually removed from participation. The syndicator installed an organization with widespread national participation as the replacement general partner. The new replacement general partner is now requesting the following amendments in an effort to receive the IRS Forms 8609.

Summary of Requests:

Unit Mix Changes: The application file contains six references to the unit mix of the development each with a different unit mix reflected. The August 1998 and August 2001 changes were approved by the previous manager of the HTC program, however, the changes approved only reference the number of bedrooms and do not address the number of bathrooms or rentable area. The completed development omitted one bathroom in 26 of the two-bedroom units.

Rentable Area and Common Area: Despite increasing the unit count from 168 to 192 (which was approved by Department staff), the development is cost certifying to 160,808 square feet of rentable area, not the 192,878 square feet underwritten. The 16.6% reduction is a material alteration of the application. Essentially, all units were designed smaller than originally proposed.

Daycare Facility: This amenity was another check-box item in the Specifications and Amenities section. A daycare facility was not a threshold requirement however it was an item that could have been selected as threshold by the applicant. The applicant requested that this requirement be waived and proposed no substitute.

Covered Parking and Garages: The architect's certification provided in the application as Exhibit 101, indicated that the development would contain covered parking as did the Cost Breakdown provided as Exhibit 102 and indicating a cost for this feature of \$462,000. The Specifications and Amenities exhibit in

the application specified that the development would contain 34 carports and 120 garages. The underwriting report acknowledged these same numbers in its text and, consistently, included \$438,205 for parking garages in the cost schedule upon which the amount of the award was based. The owner's counsel states it was not physically or financially feasible to include garages in the development. The applicant requested that this requirement be waived and proposed no substitute.

Playground: The owner's counsel states that the site is covered with buildings and parking lots. Consequently, it was not physically feasible to construct a playground on the property. This feature was proposed in the Specifications and Amenities section of the application, in the architect's certification provided as Exhibit 101, in the architect's drawing of the site plan, and appears to be referenced in the Cost Breakdown provided as Exhibit 102 ("Athletic courts and/or playgrounds were estimated at \$52,080). The underwriting report included the feature in its list of amenities. This item was not a threshold requirement however it was an item that could have been selected as threshold by the applicant. The applicant requested that this requirement be waived and proposed no substitute.

Energy Saving Devices: The design firm certified that five of the six features in Exhibit 206A of the 1998 QAP would be installed but upon completion, only two of the six were installed. The owner stated that these omissions were necessitated by the unique nature of the property.

Volleyball Court: The owner's counsel states that the site is covered with buildings and parking lots. Consequently, it was not physically feasible to construct a volleyball court. The Specifications and Amenities exhibit and underwriting report included this feature as an amenity. This item was not a threshold requirement however it was an item that could have been selected as threshold by the applicant. The applicant requested that this requirement be waived and proposed no substitute.

In addition to the above mentioned amendment requests, two other items were omitted amenities, microwave ovens and a public telephone. These amenities were not threshold requirements and the owner is not proposing any substitute for the omission.

The present general partner was approved by the Department on July 13, 2004, after the development was placed in service. The application of a penalty to the current general partner remains under consideration pending the resolution of the issues at hand.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a modification of the number of units or bedroom mix of units, a significant modification of the site plan, a substantive modification of the scope of tenant services, a reduction of three percent or more in the square footage of the units or common areas, a modification of the residential density of the development of at least five percent, and any other modification that is considered significant by the board.

Owner: Parker Commons, Ltd.

General Partner: Affordable Housing GP 668, L.L.C. (Current GP is an affiliate of McCormack Baron Salazar, an organization installed by the syndicator.)

Developers: Sphinx Development; M. Myers Development, Inc.; SunAmerica, Inc. (Jay Oji was original applicant; Marvin Myers was brought into the development for experience after the award was made. Both have been removed according to AIG)

Principals/Interested Parties: SunAmerica, Inc.

Syndicator: SunAmerica, Inc.

Construction Lender: SunAmerica Investments, Inc.

Permanent Lender: American Property Financing, Inc.

Other Funding: NA

City/County: Fort Worth/Tarrant

Set-Aside: General
Type of Area: Urban
Type of Development: Adaptive Reuse of a Historic School Building and New Construction
Population Served: General Population
Units: 126 HTC units and 42 market rate units (See Tables 1 & 2)
1999 Allocation: \$1,129,568
Allocation per HTC Unit: \$8,965
Prior Board Actions: 7/98 – Approved forward commitment from 1999 credit ceiling
Underwriting Reevaluation: The changes appear to have no negative impact on the feasibility of the development and no change to the original award of tax credits is recommended prior to final review of the cost certification, however, REA recommends the owner be responsible for substituting acceptable amenities for those significant amenities that were omitted (i.e. microwave ovens, daycare facility, community/recreational facility, playground equipment, swimming pool and spa and covered parking).

Staff Recommendation: **Staff recommends that the Board deny the amendments as presented and have the syndicator provide adequate substitutions for the omissions of the application because the syndicator had a responsibility to make sure the development was built according to the representations in the application.**

Penalty Assessment: **This recommendation is unchanged since the September Board meeting. If the Board accepts the amendment request as is, staff recommends the assessment of the penalties pursuant to 49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation). The penalties should be assessed to the previous owner, Sphinx Development and M. Myers Development, Inc. for having developed the property inconsistent with the application.**

HTC No. 01005, Chaparral Townhomes (forward commitment to HTC No. 00136)

Summary of Request: The limited partner of the owner requested approval for an ownership transfer that would remove and replace the managing general partner, KRR Construction, Inc. The Board’s approval is necessary because the general partner is a Historically Underutilized Business (HUB) and points were awarded to the application for the participation of this entity. While the application would have been eligible for an award as a forward commitment even without the HUB points, there is no way to know whether the Board would have granted the forward commitment without the points or without the HUB involved.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification considered significant by the board.

Owner: Chaparral Townhomes, L.P.

General Partner: KRR Construction, Inc.

Developers: KRR Development, Inc.

Principals/Interested Parties: Joseph Kemp, owner of GP and developer; PNC Bank

Syndicator: Columbia Housing

Construction Lender: PNC Bank

Permanent Lender: PNC Bank

Other Funding: NA

City/County: Allen/Collin

Set-Aside: General Population

Type of Area: Exurban

Type of Development: New Construction

Population Served: Population

Units: 94 HTC units and 32 market rate units

2001 Allocation: \$703,955

Allocation per HTC Unit: \$7,489

Prior Board Actions: 7/00 – Approved forward commitment of tax credits

Underwriting Reevaluation: NA – removal of GP by limited partner

Staff Recommendation: **Staff recommends denying the request because the general partner replacement proposed is neither a HUB nor is it a qualified nonprofit which would also have been eligible for the same number of points under the 2000 QAP under which the applicant applied. If the Board chooses to approve this request, staff recommends that the Board condition the approval subject to the findings of the Department in its review of previous participation and other documentation required in transfers. Those reviews have not yet occurred.**

Penalty Assessment: **If the Board approves the amendment as requested by the limited partner, staff recommends that the penalties be waived because of the nature of the change (removal of the general partner by the limited partner).**

October 3, 2007

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

Re: Parker Commons, Ltd.
TDHCA No. 99005

Dear Mr. Gerber:

Thank you in advance for your review and consideration of this additional information on *The Homes of Parker Commons* submitted in response to the TDHCA's staff and board members information requests including your e-mail of September 25, 2007.

The Parker Commons, Ltd. *Financial Statements and Independent Auditors Report for December 31, 2006 and 2005* presented by Reznick Group, P.C. (see attached) provides additional information including, but not limited to, the following:

1. **Investment Partner Loan of \$2,994,419**--See "Liabilities" on page 4 and "Investment Partner Loans" on page 13. This is the amount loaned by SunAmerica Housing Fund #668 to fund excess development costs. This is an updated figure for the amount that we discussed in our presentation at the board meeting on September 13, 2007. We respectfully maintain our request that it serve as a substitute for any and all penalties under consideration by the TDHCA to any of the current or former partners in Parker Commons, Ltd.
2. **Due to Affiliate of \$1,858,696**--See "Liabilities" on page 4 "Construction Completion Guaranty" on page 13. This represents excess development costs funded by the prior general partner.
3. **Development Fee payment of \$273,194**--See "Development Fee" on page 11. The prior general partner was paid a developer fee of \$273,194 at closing per the terms of the development agreement. However, refer to item 2 above regarding the general partner's subsequent payments of \$1,858,696 in excess development costs.

Therefore, per the 2006 audited financial statements the total amount of excess development costs funded by the general partner and investment partner equals \$4,853,115.

Parker Commons, Ltd.
TDHCA No. 99005
October 3, 2007
Page 2 of 2

Finally, the presentation of budgets (see attached) from the LIHTC application, partnership agreement and cost certification allows for comparison of fifteen budget categories including demolition and site work as well as four other key construction cost categories—hard costs, general conditions, construction overhead and construction profit.

Again, thank you for your time and consideration of the additional information. Please feel free to call me with any questions at (972) 238-7645.

Sincerely,



Lee Stevens
Vice President, Acquisitions

cc: Ms. Cynthia L. Bast

Parker Commons, Ltd. Budgets Comparison

Cost Category	TDHCA LIHTC Application <i>March 26, 1998</i>	Partnership Agreement <i>January 7, 2000</i>	Cost Certification <i>October 22, 2001</i>
Land & Buildings Purchase	\$1,295,000	\$1,276,500	\$1,297,859
On Site Work, Demolition & Other	\$882,000	\$1,589,466	\$2,299,405
Construction Hard Costs			
New Structures (incl. construction contingency)	\$9,502,416	\$9,836,421	\$11,288,524
General Requirements	\$610,848	\$610,848	\$812,968
Contractor Overhead	\$203,616	\$203,616	\$203,616
Contractor Profit	\$610,848	\$610,848	\$185,642
Sub-total: Hard Costs	\$10,927,728	\$11,261,733	\$12,490,750
Professional Fees (Architect, Engineer,...)	\$414,600	\$400,000	\$439,056
Real Estate Taxes	\$15,120	\$200,000	\$218,949
Other	\$394,800	\$492,833	\$467,472
Sub-total: Soft Costs	\$824,520	\$1,092,833	\$1,125,477
Capitalized Interest	\$588,000	\$570,000	\$797,819
Permanent Loan Fees	\$117,600	\$83,000	\$0
Other Costs			
Tax Credit Fees	\$67,200	\$47,703	\$49,203
Consultant Fees & Other	\$233,064	\$30,000	\$53,980
Developer Fee	\$2,082,115	\$2,100,000	\$2,100,000
Development Reserves (Operating, Lease up)	\$226,800	\$149,990	\$0
Total Development Costs	\$17,244,027	\$18,201,225	\$20,214,493

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**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

PARKER COMMONS, LTD.

DECEMBER 31, 2006 AND 2005

Parker Commons, Ltd.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
BALANCE SHEETS	4
STATEMENTS OF OPERATIONS	5
STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



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INDEPENDENT AUDITORS' REPORT

To the Partners
Parker Commons, Ltd.

We have audited the accompanying balance sheets of Parker Commons, Ltd. as of December 31, 2006 and 2005, and the related statements of operations, changes in partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parker Commons, Ltd. as of December 31, 2006 and 2005, and the results of its operations, the changes in partners' equity (deficit) and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group, P.C.

Baltimore, Maryland
June 4, 2007

Parker Commons, Ltd.

BALANCE SHEETS

December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash, excluding restricted cash	\$ 29,803	\$ 21,412
Restricted cash (Note 4)	171,512	244,059
Tenant and other receivables	3,826	2,253
Rental property (Note 6)	16,620,988	17,305,879
Deferred loan fees, net (Note 2)	110,339	118,474
Other assets	<u>32,959</u>	<u>11,054</u>
Total assets	<u>\$ 16,969,427</u>	<u>\$ 17,703,131</u>
LIABILITIES AND PARTNERS' EQUITY (DEFICIT)		
LIABILITIES		
Mortgage loan payable (Note 5)	\$ 5,593,177	\$ 5,665,931
Investment partner loan (Note 3)	2,994,419	2,921,225
Accrued property taxes	-	149,672
Accrued asset management and administrative fees (Note 3)	7,500	7,500
Accrued interest on mortgage loan payable (Note 5)	637	637
Accrued interest on developer fee note payable (Note 3)	296,267	233,140
Accrued interest on bridge loan payable (Note 3)	91,299	91,299
Accrued interest on investment partner loan (Note 3)	560,160	228,031
Tenant security deposits	18,021	23,650
Due to affiliate (Note 3)	1,858,696	1,858,696
Developer fee payable (Note 3)	926,602	926,602
Deferred developer fee note payable (Note 3)	900,204	900,204
Other liabilities	<u>12,504</u>	<u>6,615</u>
Total liabilities	<u>13,259,486</u>	<u>13,013,202</u>
CONTINGENCY	-	-
PARTNERS' EQUITY (DEFICIT)		
General partner	(13,487)	(13,389)
Limited partners	4,650,031	5,629,921
Less contribution receivable from investment limited partner	<u>(926,603)</u>	<u>(926,603)</u>
Total partners' equity (deficit)	<u>3,709,941</u>	<u>4,689,929</u>
Total liabilities and partners' equity (deficit)	<u>\$ 16,969,427</u>	<u>\$ 17,703,131</u>

See notes to financial statements

Parker Commons, Ltd.

STATEMENTS OF OPERATIONS

Years ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Revenue from rental operations		
Rental	\$ 1,312,287	\$ 1,379,289
Interest	302	73
Other	64,212	55,987
	<u>1,376,801</u>	<u>1,435,349</u>
<i>Total revenue from rental operations</i>		
Expenses from rental operations		
Salaries and employee benefits	236,009	231,442
Utilities	119,711	105,194
Repairs and maintenance	67,303	60,209
Property management fees (Note 7)	63,517	64,573
Property taxes	161,101	149,672
Insurance	50,060	29,352
Advertising and promotional	41,286	49,110
General and administrative	122,076	98,264
	<u>861,063</u>	<u>787,816</u>
<i>Total expenses from rental operations</i>		
Income from rental operations	<u>515,738</u>	<u>647,533</u>
Other (income) expenses		
Asset management and administrative fees (Note 3)	18,500	18,500
Interest on developer fee note payable (Note 3)	63,127	59,797
Interest on investment partner loan (Note 3)	465,116	219,434
Interest on mortgage loan (Note 5)	333,501	378,138
Amortization	8,135	3,556
Depreciation	639,838	642,512
Gain on sale of land	(32,483)	-
	<u>1,495,734</u>	<u>1,321,937</u>
<i>Total other (income) expenses</i>		
Net loss	<u>\$ (979,996)</u>	<u>\$ (674,404)</u>

See notes to financial statements

Parker Commons, Ltd.

STATEMENTS OF CHANGES IN PARTNERS' EQUITY (DEFICIT)

Years ended December 31, 2006 and 2005

	<u>General partner</u>	<u>Limited partners</u>	<u>Less contribution receivable from investment limited partner</u>	<u>Total</u>
Partners' equity (deficit), December 30, 2004	\$ (13,322)	\$ 6,300,723	\$ (1,853,204)	\$ 4,434,197
Contributions	-	3,535	926,601	930,136
Net loss	<u>(67)</u>	<u>(674,337)</u>	<u>-</u>	<u>(674,404)</u>
Partners' equity (deficit), December 31, 2005	(13,389)	5,629,921	(926,603)	4,689,929
Contributions	-	8	-	8
Net loss	<u>(98)</u>	<u>(979,898)</u>	<u>-</u>	<u>(979,996)</u>
Partners' equity (deficit), December 31, 2006	<u>\$ (13,487)</u>	<u>\$ 4,650,031</u>	<u>\$ (926,603)</u>	<u>\$ 3,709,941</u>

See notes to financial statements

Parker Commons, Ltd.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2006 and 2005

	2006	2005
Cash flows from operating activities		
Net loss	\$ (979,996)	\$ (674,404)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	639,838	642,512
Amortization	8,135	3,556
Gain on sale of land	(32,483)	-
(Increase) decrease in assets		
Tenant receivables	(1,573)	3,837
Other assets	(21,905)	4,470
Increase (decrease) in liabilities		
Accrued property taxes	(149,672)	(28,212)
Accrued asset management and administrative fees	-	7,500
Accrued interest - mortgage payable	-	(105,421)
Accrued interest - development fee note payable	63,127	59,797
Accrued interest - bridge loan payable	-	(175,000)
Accrued interest - investment partner loan	332,129	188,156
Other liabilities	5,889	(5,601)
Security deposits, net	(5,629)	(3,622)
Net cash used in operating activities	<u>(142,140)</u>	<u>(82,432)</u>
Cash flows from investing activities		
Investment in rental property	(66,647)	(56,792)
Proceeds from sale of land	144,183	-
Mortgage escrows	91,069	(86,580)
Replacement reserve escrow	(18,522)	(16,972)
Net cash provided by (used in) investing activities	<u>150,083</u>	<u>(160,344)</u>
Cash flows from financing activities		
Payment of mortgage payable	(72,754)	(8,051,739)
Proceeds from mortgage payable	-	5,695,000
Investment partner loan	73,194	2,738,397
Bridge loan payments	-	(926,602)
Loan cost fees	-	(122,030)
Contributions from partners	8	930,136
Net cash provided by financing activities	<u>448</u>	<u>263,162</u>
NET INCREASE IN CASH	8,391	20,386
Cash, beginning	<u>21,412</u>	<u>1,026</u>
Cash, end	<u>\$ 29,803</u>	<u>\$ 21,412</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 466,488</u>	<u>\$ 283,331</u>

See notes to financial statements

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006 and 2005

NOTE 1 - ORGANIZATION

Parker Commons, Ltd. (the partnership) was formed as a limited partnership under the laws of the State of Texas on March 10, 1998, and was amended and restated on October 30, 1998, January 29, 1999, January 7, 2000, and May 2, 2003 for the purpose of developing, constructing, renovating, owning, maintaining and operating a multifamily apartment complex. The project consists of 192 units located in Tarrant County, Texas, and began operations August 17, 2001. The project is currently operating under the name of Homes of Parker Commons.

Effective May 2, 2003, M-N-J, L.L.C., a Texas limited liability company, was removed as the general partner of the partnership and Affordable Housing GP 668, L.L.C., (New General Partner) was admitted to the partnership. The new entity and the special limited partner split the prior general partner's interest. SLP Housing I, LLC (Special Limited Partner) has a .1% interest in the partnership, Affordable Housing GP 668, L.L.C. has a .01% interest in the partnership, and SunAmerica Housing Fund 668, a Nevada Limited Partnership, the limited partner, has a 99.89% interest. All profits, losses and credits, except those gains and losses referred to in Sections 11.03, 11.06 and 11.10 of the partnership agreement, shall be allocated between the partners in accordance with their percentage interests.

One hundred and twenty-six units of the project qualified for and will be allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each low-income unit of the project must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits. In addition, Parker Commons, Ltd. will execute an Extended Low-Income Housing Covenant for Low-Income Housing Tax Credits which requires the utilization of the project pursuant to Section 42 for a minimum of 30 years, even if disposition of the project by the partnership occurs.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from the estimates made.

Rental Property

Rental property is stated at cost. Depreciation, which began on August 17, 2001, is recorded using the following methods and estimated useful lives:

	<u>Methods</u>	<u>Estimated useful lives</u>
Buildings	Straight-line	40 years
Site improvements	Straight-line	15 years
Furniture and fixtures	MACRS	5-7 years

Impairment of Long-Lived Assets

In accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended December 31, 2006 and 2005.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

Deferred Loan Fees

Loan fees totaling \$122,030 relating to the permanent financing were capitalized and are amortized on a straight-line basis over the life of the loan. Accumulated amortization totaled \$11,691 and \$3,556 as of December 31, 2006 and 2005, respectively. Amortization expense for the years ended December 31, 2006 and 2005 was \$8,135 and \$3,556, respectively. Estimated amortization expense for each of the ensuing years through December 31, 2011 is \$8,135.

Rental Revenue

Rents are recognized as income on the accrual basis as they are earned. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the partnership and tenants of the property are considered to be operating leases.

Income Taxes

Under the provisions of the Internal Revenue Code and applicable state laws, the partnership is not directly subject to income taxes; the results of its operations are includable in the tax returns of its partners. Therefore, no provision for income tax expense has been included in the accompanying financial statements.

Advertising

Advertising costs are expenses as incurred.

Accounts Receivable and Bad Debts

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

Reclassifications

Certain items from the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 3 - RELATED PARTY TRANSACTIONS

Capital Contributions Receivable

Capital contributions are due from the limited partner when certain milestones are achieved as disclosed in the partnership agreement. The amounts are due as follows:

	<u>Amount</u>
Second additional contribution	<u>\$ 926,603</u>

The above contribution will be reduced by the low-income and historic tax credit shortfalls, if any, as calculated based on Section 5.01(d)(i) and Article III defined terms, historic credit adjustment, of the partnership agreement. The reduction in the capital contribution may be substantial if the partnership is unable to obtain the historic tax credits from the State of Texas. The remaining capital contributed will be used to repay amounts due under the development agreement.

Development Fee

The partnership entered into a development agreement with the prior general partner for its services in overseeing the development of the apartment complex until all development work is complete. The total fee is \$2,100,000, all of which has been incurred and capitalized as of December 31, 2006 and 2005. Payment of the development fee is to be provided by funds from capital contributions or net cash flow. The prior general partner was paid \$273,194 of the fee and \$900,204 is evidenced by a deferred developer fee note and is payable from net cash flow. Effective May 2, 2003, the benefit of the fee shall inure to an affiliate of the special limited partner. The remaining balance of \$926,602 is included in developer fee payable and is payable from the second additional capital contribution.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

Asset Management and Administrative Fee

The partnership agreed to pay an affiliate of the limited partner an annual fee of \$7,500 for an annual review of the operations of the partnership and the apartment complex. For the years ended December 31, 2006 and 2005, \$7,500 has been charged to operations. As of December 31, 2006 and 2005, \$7,500 remains payable.

The partnership also agreed to pay the new general partner an annual administrative fee of \$11,000. For the years ended December 31, 2006 and 2005, \$11,000 was incurred and paid for the administrative fee.

Incentive Management Fee

The partnership entered into an incentive management fee agreement with the prior general partner for its services in administering and directing the business of the partnership, maintaining the books and records and reporting to the partners and the lender. The fee is payable only from the net cash flow of the partnership, as defined in the partnership agreement. The annual fee is limited to \$364,000 in the fiscal year 2002, is subject to four percent annual cumulative increases with respect to all subsequent fiscal years, and such fee shall not be cumulative. Effective May 2, 2003, the benefit of the fee shall inure to an affiliate of the special limited partner. For the years ended December 31, 2006 and 2005, no fees were charged to the partnership.

Net Cash Flow

Net cash flow, is to be distributed in the following priority:

1. To the special limited partner for payment of any tax credit shortfall;
2. To the special limited partner for payment of any unpaid tax credit shortfall;
3. To the payment of any outstanding SLP and general partner loans, pro rata based on their respective outstanding balances;
4. While the deferred development fee is outstanding, 80% of the balance to the payment of the deferred development fee and 20% to the partners according to their percentage interests;

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

5. 50% to the payment of any outstanding operating deficit loans, the remaining pro rata to the partners accordingly to their percentage interests;
6. 50% to the payment of the incentive management fee and the remaining amount to the partners pro rata in accordance with their percentage interests; and
7. To the partners, pro rata in accordance with their percentage interests.

Operating Deficit Loans

The prior general partner was obligated to provide loans to the partnership for operating deficits incurred in the five years after breakeven operations has been achieved. These loans are noninterest bearing and are repayable from operating cash flow or proceeds of a capital transaction. Breakeven has not occurred as of December 31, 2006 and 2005, and no operating deficit funds have been provided to the partnership.

Investment Partner Loans

The investment limited partner provided operating deficit funding to the partnership. As of December 31, 2006 and 2005, \$2,994,419 and \$2,921,225, respectively, were funded by the limited partner and remain payable. The funds advanced during 2005 were utilized to pay down the mortgage payable and accrued interest (see Note 5). The loan bears interest at the rate of 15% per annum. For the years ended December 31, 2006 and 2005, interest expense charged to operations was \$465,116 and \$219,434, respectively, of which \$560,160 and \$228,031, respectively, remain payable.

Construction Completion Guaranty

The prior general partner was obligated by the partnership agreement to pay all excess development costs, including operating deficits, through breakeven operations without reimbursement. In the event that the general partner fails to pay excess development costs as of the rental achievement date, the remaining unpaid installments of the development fee will be applied by the partnership to meet the obligations. At December 31, 2006 and 2005, the prior general partner had funded \$1,858,696 of excess development costs which is included in due to affiliate. Effective May 2, 2003, the benefit of the fee inures to an affiliate of the special limited partner.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

Bridge Loan Payable

The partnership has a bridge loan in the original amount of \$8,201,585. The loan is payable to the limited partner, guaranteed by the prior general partner and bears interest at 9% compounded monthly on amounts advanced in excess of \$5,559,613. Amounts advanced up to \$5,559,613 are noninterest bearing.

During 2000, \$3,112,687 of the loan balance was refinanced with Westdeutsche Landsbank Girozentrale (West LB) and subsequently repurchased at July 31, 2000. The partnership entered into an agreement with the limited partner to pay a bridge loan servicing fee equal to the difference between the amount of bridge loan interest based upon the rate charged on the original bridge loan with the limited partner and the amount calculated based upon the refinanced bridge loan with West LB.

As of December 31, 2006, the entire bridge loan balance has been converted to equity. For the years ended December 31, 2006 and 2005, no interest was incurred and accrued interest of \$91,299 remains payable.

Deferred Developer Fee Payable

The partnership entered into a developer fee agreement with the prior general partner on January 7, 2000, which allows for a deferred developer fee of \$900,204. The fee bears interest at 5.57%, compounded annually, commencing on the date of the first additional capital contribution. Effective May 2, 2003, the benefit of the fee inures to an affiliate of the special limited partner. For the years ended December 31, 2006 and 2005, interest expense of \$63,127 and \$59,797, respectively, has been incurred and as of December 31, 2006 and 2005, \$296,267 and \$233,140, respectively, remain payable. Payments of principal and interest will be made from net cash flow and capital transactions in accordance with Section 11.04(b) of the partnership agreement. The fee matures the earlier of (1) dissolution of the partnership, (2) 10 years after the date of final closing, or (3) December 31, 2010.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

NOTE 4 - RESTRICTED CASH

Restricted cash is comprised of the following as of December 31, 2006 and 2005:

Reserve for replacements balance at December 31, 2004	\$	-
Monthly deposits		16,960
Withdrawals		-
Interest earned		12
		<hr/>
Reserve for replacement balance at December 31, 2005		16,972
Tax escrow		201,325
Insurance escrow		25,762
		<hr/>
Total restricted cash at December 31, 2005	\$	<u>244,059</u>
Reserve for replacements balance at December 31, 2005	\$	16,972
Monthly deposits		40,704
Withdrawals		(22,194)
Interest earned		12
		<hr/>
Reserve for replacement balance at December 31, 2006		35,494
Tax escrow		75,905
Insurance escrow		60,113
		<hr/>
Total restricted cash at December 31, 2006	\$	<u>171,512</u>

NOTE 5 - MORTGAGE PAYABLE

On August 1, 2003, the construction loan was repaid by the limited partner. The loan accrued interest at a variable rate through maturity on August 1, 2005. On July 15, 2005, the loan was repaid in full. For the years ended December 31, 2006 and 2005, interest incurred on the loan was \$0 and \$222,026 and accrued interest of \$637, respectively, remains payable.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

On July 15, 2005, the partnership obtained a mortgage from American Property Financing in the original amount of \$5,695,000. The mortgage bears interest at 5.92% per annum. Payments of principal and interest of \$33,852 are due monthly until the mortgage matures on August 1, 2020, at which time a balloon payment of \$4,066,061 will be due. The payments are based on a 30 year amortization period. The outstanding principal as of December 31, 2006 and 2005 is \$5,593,177 and \$5,665,931, respectively. Interest incurred and paid for the years ended December 31, 2006 and 2005 is \$333,501 and \$156,112, respectively. The mortgage is secured by the underlying value of the real estate collateral plus other amounts deposited with the lender.

Aggregate maturities of mortgage payable over the next five years following December 31, 2006 are as follows:

December 31, 2007	\$77,181
2008	\$81,875
2009	\$86,875
2010	\$92,140
2011	\$98,227

NOTE 6 - RENTAL PROPERTY

Rental property is comprised of the following as of December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Land	\$ 1,147,859	\$ 1,259,559
Buildings	15,862,675	15,862,675
Site improvements	2,269,843	2,269,843
Furniture and fixtures	920,020	853,373
	<u>20,200,397</u>	<u>20,245,450</u>
Less accumulated depreciation	<u>3,579,409</u>	<u>2,939,571</u>
Net depreciable property	<u>\$ 16,620,988</u>	<u>\$ 17,305,879</u>

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

NOTE 7 - MANAGEMENT FEE

The property is managed by Pace Realty Corporation (Pace), an unrelated entity. The monthly fee to Pace is 4.5% of gross operating revenue, with the fee not to be less than \$4,992 per month. For the years ended December 31, 2006 and 2005, fees of \$63,517 and \$64,573, respectively, have been paid and charged to operations.

NOTE 8 - RECONCILIATION BETWEEN LOSS PER TAX RETURNS AND NET LOSS PER FINANCIAL STATEMENTS

The following is a reconciliation between the partnership's loss as stated in the partnership's Federal income tax returns and the net loss based on accounting principles generally accepted in the United States of America included in the accompanying statements of operations:

	<u>2006</u>	<u>2005</u>
Loss per Federal income tax returns	\$ (1,165,849)	\$ (900,754)
Difference between tax and GAAP rental income	(8)	5,716
Difference between tax and GAAP depreciation	166,827	207,690
Difference between tax and GAAP amortization	<u>19,034</u>	<u>12,944</u>
Net loss per accompanying financial statements	<u>\$ (979,996)</u>	<u>\$ (674,404)</u>

NOTE 9 - CONTINGENCY

The project's low-income tax housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the limited partner.

Parker Commons, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2006 and 2005

NOTE 10 - LOW-INCOME HOUSING TAX CREDITS (UNAUDITED)

The partnership was allocated low-income housing tax credits by the Texas Department of Housing and Community Affairs amounting to \$11,295,680. As of December 31, 2006, the partnership has not received IRS Forms 8609. As of December 31, 2006, \$4,331,715 of tax credits has been utilized. The partnership expects to receive IRS forms 8609's and will claim \$1,129,568 of credits on its 2005 and 2006 tax return.

NOTE 11 - CONCENTRATION OF CREDIT RISK

In accordance with the loan documents, the project had mortgage escrow deposits and replacement reserve in the amount of \$171,512 and \$244,059 deposited with a mortgagee at December 31, 2006 and 2005, respectively. Investment options of these deposits are limited to those provided by the mortgagee.

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

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June 22, 2007

JUN 27 2007

Ms. Raquel Morales
Real Estate Analysis Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

.....
COPY

Re: The Homes of Parker Commons (the "**Property**")
TDHCA No. 99005

Dear Raquel:

We have been engaged to assist Parker Commons, Ltd. ("**Owner**"), which owns the Property. Owner submitted its cost certification package and request for Forms 8609 for the Property. Upon inspection, certain discrepancies were found by the Portfolio Management and Compliance Division, as described in the letter from Kimbal Thompson, described on Attachment A. We responded to his letter with the letter described on Attachment B. In response, we received letters from Mr. Thompson and Lisa Vecchietti, described on Attachment C.

The exchange with the Portfolio Management and Compliance Division created the need for an amendment request to the Multifamily Finance Production Division. That amendment request was submitted to Ben Sheppard, and a copy is attached as Attachment D.

On May 22, 2007, we received a letter from you, requesting additional information about the Property. On May 29, 2007, you sent an email to our client, with three additional requests for information. The purpose of this letter is to respond to your various requests.

LETTER

I will respond to each item in your letter by subheading reference:

1. **Amendment Request**: The Property Management and Compliance Division previously identified certain features that were indicated in the tax credit application but not included in the Property. Some of those features were addressed or corrected, in accordance with the correspondence

described on Attachments B and C. Others were incapable of correction and became the subject of an amendment request, attached as Attachment D.

You have now identified additional discrepancies between the tax credit application and the completed Property, which were not previously noted by the Property Management and Compliance Division. They are as follows:

- **Dual pane insulating windows, insulation which exceeds code for wall and ceilings, and gas heating with a minimum of 80% flue efficiency.**

Response: Exhibit 206A of the 1998 Qualified Allocation Plan (the "QAP") awarded 3 points to any applicant that committed to provide at least four of six energy-saving devices for new construction units. Exhibit 206B of the QAP awarded 3 points to any applicant with a rehabilitation project that conducted an energy audit and exceeded local building code standards for energy efficiency. Note that the Property consists of both new construction and rehabilitation. Nonetheless, Owner chose to take the points only under the new construction category. Owner did not take points under the rehabilitation category. The design firm certified that five of the six features would be installed. Upon completion, only two of the six features were installed. Like the other changes made by Owner, these omissions were necessitated by the unique nature of the Property. To the extent an amendment approval is required to clear this item, we ask that this item be added to our previous amendment request, attached as Exhibit D.

- **Storage area in each unit.**

Response: In order to meet the threshold criteria of Exhibit 101 of the QAP, each property was required to have four of the following: limited access security fence, playground, laundry room, community room, recreational facilities, public telephone, daycare facility, storage areas, or covered parking. Owner's architect improperly certified that the Property would have storage areas in each unit. This was an error. Nonetheless, the Property does have storage areas and satisfies the threshold requirements of Exhibit 101 of the QAP.

You also found some discrepancies in the unit mix, as follows:

- **Two additional one-bedroom/one bath units**
- **Omission of one bath for 26 two-bedroom units**
- **A change/reduction in the applicable fraction from 65% to 58.9%**
- **A change/reduction in the number of units restricted to 50% rents from 38 at application to 36 at cost certification**

Response: As discussed at our meeting several weeks ago and evidenced by the Attachments hereto, the Property does have 38 units restricted to 50% rents. The indication to the contrary in the cost certification was an error. With regard to the other matters, the Property does have two additional one-bedroom units and two fewer two-bedroom units. The Property does have a mix of two-bedroom/two-bathroom units. Again, these changes were necessitated as Owner worked with the historical structure, the limited space, and local regulations to develop the best possible affordable housing complex for the

area. To the extent an amendment approval is required to clear this item, we ask that this item be added to our previous amendment request, attached as Attachment D.

2. **Exhibit 9A, Placement in Service**: A revised exhibit is attached behind Attachment E.
3. **Exhibit 11A, Rent Schedule**: A revised exhibit is attached behind Attachment E.
4. **Exhibit 12A, Actual Operating Statements**: These are attached behind Attachment E.
5. **Exhibit 12B, Rent Roll**: This is attached behind Attachment E.
6. **Exhibit 13A, Sources of Funds Summary**: A revised exhibit is attached behind Attachment E. In our meeting several weeks ago, we advised that the Property did not receive historic tax credits.
7. **Exhibit 15, Multifamily Note**: A copy is attached behind Attachment E.
8. **LURA**: We trust the Department will draft and provide an amendment to the LURA that is necessary, after this Property is fully reviewed.

EMAIL

You asked the following:

1. **Is there any way you can break down the costs to identify those associated with the new construction portion and those associated with the rehabilitation? The AIA document doesn't really do this, and they normally don't. However, since this transaction is unique in that way anything you can provide to me to identify the different costs would be helpful.**

Response: I believe our client has already indicated that there are no records that would allow them to break down the costs as you requested.

2. **Which of the three buildings is the newly constructed one?**

Response: I believe this question was answered in our meeting several weeks ago.

3. **Since this is a 1999 transaction, I'm curious as to whether credits have been claimed on this deal up to this point? If so, would you share a copy of your estimated 8609s and let me know how long these have been submitted?**

Response: The investor limited partner began taking credits in 2002 and suspended taking them in 2005, due to the lack of Forms 8609. To date, the credits taken with respect to the Property total \$3,202,147.

In our meeting several weeks ago, we promised to submit additional information about the background of this unique project and its development challenges. That letter is forthcoming.

Our client is anxious to move forward with this process and achieve issuance of the Forms 8609 for the Property. If you require anything further, please let me know. Thank you for your persistence in working through these issues.

Sincerely,



Cynthia L. Bast

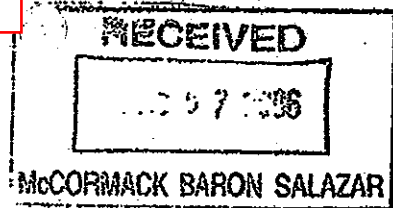
cc: SunAmerica Affordable Housing Partners
McCormack Baron Salazar, Inc.

Robbye Meyer
Ben Sheppard
Kimbal Thompson
TDHCA

- Attachment A – Deficiency Letter from TDHCA
- Attachment B – Response to Deficiency Letter from LLS
- Attachment C – Responses from TDHCA
- Attachment D – Amendment Request
- Attachment E – Revised Exhibits

Exhibit A

Deficiency Letter from TDHCA



10:10
cc: P.1
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k

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

November 29, 2006

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C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

Exhibit A p. 1 of 4

Homes of Parker Commons Ltd
Hillary Zimmerman
1415 Olive Street Suite 310
St Louis MO 63103

RE: Final Development Inspection conducted on October 17, 2006
Homes of Parker Commons - TDHCA File No: 99005 - CMTS: 2061

Dear Ms. Zimmerman:

The Portfolio Management and Compliance Division (the Department) is responsible for ensuring compliance with program and accessibility requirements during the construction phase.

The attached inspection letter has been prepared to explain the deficiencies observed during the inspection process and to detail the required corrective action. Please supply all requested documentation no later than January 30, 2007 (the corrective action deadline). The documentation should be sent in as a single response. The Department will then determine whether or not the submitted material sufficiently corrects the deficiencies or concerns.

If it is not possible to provide the requested documentation by the corrective action deadline, please submit a corrective action plan detailing how and when the issues identified will be resolved. It will be the sole responsibility of the owner to inform the Department when and if the finding is corrected and submit the appropriate documentation. No further requests will be made by TDHCA for corrective action documentation.

Note that if construction is not properly completed, including provision of all committed features and compliance with accessibility requirements, the finalization of this process may be delayed.

If you have any questions regarding the inspection report, please feel free to contact me directly at (512) 475-3887, toll free in Texas at (800) 643-8204 or through email at kimbal.thompson@tdhca.state.tx.us.

Sincerely,

KTP
Kimbal Thompson
Inspections Specialist

cc: Inspection File
TDHCA Real Estate Analysis Division
Attachments

J

Exhibit A p. 0

The Texas Department of Housing and Community Affairs performed a Final Development inspection of the above mentioned property. Pam Green conducted the inspection for the Department and Samantha French represented the Development Owner.

Application Deficiencies – Corrective action required by January 30, 2007

- **Deficiency # 1:** The application indicated that the unit mix of the Development would consist of the unit types, totals and sizes shown in the left column below. The inspection report indicated the on-site representative stated the development consists of the unit types, totals and sizes shown on the right column below. Note the Unit Type, Unit Type Total, Area Per Unit Type, Total Number of Units, and the Total Area discrepancies.

Units Committed	Units Provided
76 1-bdrm/1-bath units at 959 sq. ft.	2 1-bdrm/1-bath units at 531 sq. ft. 18 1-bdrm/1-bath units at 607sq. ft. 8 1-bdrm/1-bath units at 644 sq. ft. 2 1-bdrm/1-bath units at 630 sq. ft. 40 1-bdrm/1-bath units at 671 sq. ft. 14 1-bdrm/1-bath units at 754 sq. ft. 4 1-bdrm/1-bath units at 829 sq. ft. 12 1-bdrm/1-bath units at 863 sq. ft. 10 1-bdrm/1-bath units at 956 sq. ft. 2 1-bdrm/1-bath units at 846 sq. ft.
	16 2-bdrm/1-bath units at 933 sq. ft. 12 2-bdrm/1-bath units at 748 sq. ft. 4 2-bdrm/1-bath units at 988 sq. ft.
14 2-bdrm/2-bath units at 1269 sq. ft. 48 2-bdrm/2-bath units at 1130 sq. ft.	16 2-bdrm/2-bath units at 986 sq. ft. 16 2-bdrm/2-bath units at 1066 sq. ft. 2 2-bdrm/2-bath units at 1068 sq. ft.
36 3-bdrm/2-bath units at 133 sq. ft.	14 3-bdrm/2-bath units at 1238 sq. ft.
174 Total units at 192,878 sq. ft.	192 Total units at 160,876 sq. ft.

- **Corrective Action** – Please respond with the appropriate Corrective Action Response listed below for the discrepancies underlined above.
- **Deficiency # 2:** The application identified Microwave ovens as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 3:** The application identified Picnic area as one of the amenities to be included in the development. At inspection, a picnic table was reported as not observed.
- **Deficiency # 4:** The application identified Day care facility as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

- **Deficiency # 5:** The application identified Laundry room as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 6:** The application identified 34 covered parking spaces as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 7:** The application identified 120 garage parking spaces as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 8:** The application identified public telephone as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 9:** The application identified play area and playground equipment as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
- **Deficiency # 10:** The application identified Volleyball court as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.
 - **Corrective Action** – Please respond with the appropriate Corrective Action Response listed below for each amenity deficiency cited above:

Corrective Action Responses

1. If the application representation or amenity was provided as committed and you believe the inspection report to be in error, provide the Department with written certification of this and, if an amenity deficiency, provide photographic evidence.
2. If the amenity is not yet installed, complete the work and submit a copy of the completed work order with photographic evidence of the installation.
3. If the deficiency is a change from a feature represented in the application and approval of the change has been received in writing from the Department, submit a copy of the approval notification.
4. If the deficiency is a change from a feature represented in the application and written approval was not received from the Department, it may be necessary to request an amendment to the application. Please contact Ben Sheppard in Multi-Family Finance and Production at (512) 475-2122 with any questions regarding this process. Attached is the process and instructions to formally request an amendment. A copy of the request should be submitted as corrective action.

Accessibility Deficiencies – Corrective action required by January 30, 2007

- **Deficiency #11:** (*ANSI reference 4.33.3.4.5*) Unit 2114, designated as “fully” wheelchair accessible, is reported to not have an accessible shower head.
 - **Corrective Action** – Install a shower spray unit with a hose at least 60” long that can be used as a fixed shower head or as a hand-held shower. If an adjustable-height shower head mounted on a vertical bar is used, the bar shall be installed so as not to obstruct the use of grab bars. A copy of the completed work order must be provided with photographic evidence of the corrected condition.

Exhibit A p. 4 of 1

HTC 99005

Final Development Inspection Report
Homes of Parker Commons - TDHCA File No: 99005 - CMTS: 2061

- **Deficiency #12:** (ANSI reference 4.33.3.2) The Development Owner representative identified unit 2114 as a unit designated as "fully" wheelchair accessible. The distance between the toilet and the wall at the side is reported to be 20½" measured from the centerline of the toilet to the wall. The distance should be 18".
 - **Corrective Action:** The owner should determine what action is necessary to bring the bathroom into compliance with the 18" requirement from toilet centerline to wall. A copy of the completed work order must be provided with photographic evidence of the corrected condition.

Comments:

- **Comment #1:** The accessibility deficiencies noted above were a result of the inspection of only "1" of the required dwellings designated as "fully" accessible. The Owner should ensure that all units designed to meet this threshold requirement do not have the deficiencies noted above. If the deficiencies exist then the Owner should bring all those units into compliance. It is the Developer's responsibility to ensure that all units required to be "accessible" in accordance with the technical specifications of the American National Standards (ANSI 117.1 '92) are in full compliance.

Exhibit B

Response to Deficiency Letter from Locke Liddell & Sapp LLP

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 CONGRESS AVENUE
Suite 300
Austin, Texas 78701-4042

AUSTIN • DALLAS • HOUSTON • NEW ORLEANS • WASHINGTON, D.C.

HTC 99005

(512) 305-4700
Fax: (512) 305-4800
www.lockeliddell.com

Direct Number: (512) 305-4707
email: cbast@lockeliddell.com

January 30, 2007

Mr. Kimbal Thompson
Inspections Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: The Homes of Parker Commons (the "Property")
TDHCA No. 99005

Dear Kimbal:

We have been engaged to assist Parker Commons, Ltd. ("Owner") for matters outlined in your letter dated November 29, 2006 with respect to TDHCA's final development inspection of the Property. The purpose of this letter is respond to the deficiencies noted by the inspection and present the plan for correction of those items that require correction.

Background Information

This project was originally proposed in March 1998 by Sphinx Development. The plan was to redevelop several historic school buildings in Fort Worth as the Homes of Parker Commons. An affiliate of SunAmerica Affordable Housing Partners ("SunAmerica") agreed to provide equity financing for the Property as the investor limited partner. When the tax credits were awarded, TDHCA required that Sphinx Development bring in a partner with a more experienced development company, so M. Myers Development, Inc. became part of the development team. As an uncommon and historic property, the redevelopment project overcame numerous barriers as it worked its way through approval with the Fort Worth Planning and Zoning Commission, the Fort Worth City Council, the Fort Worth historic preservation organization, and the nearby neighborhood organization. The mandates of these various bodies, along with the unique configuration of the site, led to changes in the site plan. These changes were presented to TDHCA, as described below. The changes also increased the cost of completion. As a result, although not obligated to do so, SunAmerica has made an additional capital contribution of approximately \$2.8 million more than originally anticipated. These costs are proven up by the cost certification package that has been submitted to TDHCA.

Over time, both Sphinx Development and M. Myers Development, Inc. were removed from the Property's ownership structure, and a replacement general partner was substituted. This replacement

Exh B p.2 of 5

HTC 99005

general partner and SunAmerica are moving forward with a Property that is well-occupied and serving its community.

Application Deficiencies

Deficiency #1: Unit Mix. As mentioned above, Owner previously notified TDHCA that the unit mix for the Property had changed. Please see the attached letter from M. Myers Development, Inc. delivered to Mr. Chernon Njie of TDHCA on August 22, 2001. Note that it is marked "Approved by Chernon 8-23-01". The letter verifies that TDHCA was notified as to the change in unit mix and approved that change six years ago. (This was prior to the amendment procedures that are currently employed by TDHCA staff.) Moreover, TDHCA staff executed a Land Use Restriction Agreement for the Property, which recited 192 total units on the Property.¹

Because TDHCA was previously notified of the change in unit mix and the change was approved by Multifamily Division staff, we believe nothing further is needed with regard to this deficiency item.

Deficiency #2: Microwaves. Based on our review of the tax credit application, microwave ovens were neither a threshold item nor a selection item for this Property. Rather, the applicant merely checked a box on page 14 of the application, indicating that microwave ovens would be provided. Since microwave ovens were neither a threshold nor a selection item, we believe they should not be required.² Cost for this item would be approximately \$29,000. Given that SunAmerica has already invested approximately \$2.8 million in excess funds in this Property, we ask that this requirement be waived.

Deficiency #3: Picnic Area. Based on our review of the tax credit application, a picnic area was neither a threshold item nor a selection item for this Property. Further, a picnic area was not included in the architect's certification as to amenities in Exhibit 101A of the tax credit application³. Again, the applicant merely checked a box on page 14, indicating that a picnic area would be provided. Given that a picnic area was neither a threshold nor a selection item and was not included in the architect's certification, we believe that it should not be required.⁴ Nonetheless, Owner is willing to install a picnic area. This installation will cost Owner approximately \$8,000. The installation will be

¹ See, for example, the site plan amendment request for Coronado Apartments (TDHCA No. 00002), wherein TDHCA recognized that it had prior notice of a site plan change and had effectively contracted with the owner to provide Forms 8609 for that revised site plan.

² See, for example, the amendment request for Wright Senior Apartments (TDHCA No. 03081), wherein the applicant had checked a box to provide a certain amenity, but the amenity was neither part of the threshold criteria nor the selection criteria. TDHCA staff recommended approval for omission of the amenity.

³ In order to meet the threshold criteria of Exhibit 101, each property was required to have four of the following: limited access security fence, playground, laundry room, community room, recreational facilities, public telephone, daycare facility, storage areas, or covered parking. The Property, as constructed has the following four items: limited access security fence, community room, recreational facilities, and storage areas. Thus, the Property currently meets the threshold requirements of the 1998 Qualified Allocation Plan.

⁴ See footnote 2, above.

Exh B p. 3 of 5

HTC 99005

complete, and documentation will be provided to TDHCA, within 60 days of Owner's receipt of written evidence from TDHCA that this response to your deficiency letter is acceptable.

Deficiency #4: Daycare Facility. It is not physically or financially feasible to install a daycare facility on the site. Because the change in the unit mix reduced the number of 3 bedroom units, there are very few families with children on the Property. Although a daycare facility was one of the items that could count toward the threshold project amenities in the 1998 tax credit application (see Exhibit 101), the architect did not certify that a daycare facility would be provided for this Property. (See Exhibit 101A.) The applicant may have checked the box on page 14 of the application, indicating that there would be a daycare facility, but it did not include the daycare facility as one of the project amenities to meet the threshold criteria. Further, there was no reference to a daycare facility in any of the documentation related to the supportive services on site. In short, the applicant was mistaken in checking that box. Because the daycare facility is not required for the Property to meet threshold or selection criteria⁵, we believe it should not be required.⁶ Moreover, the attached letter from M. Myers Development, which was approved by Mr. Njie, put TDHCA on notice that "there was no room for the needed amenities of family living" on the site. Given Mr. Njie's approval of that letter, we believe this requirement should be waived.

Deficiency #5: Laundry Room. The applicant indicated that a laundry room would be provided, pursuant to the architect's certification in Exhibit 101A. A laundry room was one of the items that could meet the threshold criteria of Exhibit 101. The Property meets the threshold requirements without the laundry room⁷, and all but two of the units in the Property have washer-dryer hook ups. Nonetheless, Owner is willing to install the laundry room, as requested. This installation will cost Owner approximately \$14,000. The installation will be complete, and documentation will be provided to TDHCA, within 60 days of Owner's receipt of written evidence from TDHCA that this response to your deficiency letter is acceptable.

Deficiency #6: Covered Parking. The applicant indicated that covered parking would be provided, pursuant to the architect's certification in Exhibit 101A. Covered parking was one of the items that could meet the threshold criteria of Exhibit 101. The Property meets the threshold requirements without covered parking.⁸ Because the Property is designated as a historic site in Fort Worth, Owner is unsure whether covered parking is permitted. Owner has placed inquiries as to whether covered parking could be added, but has not received responses from all appropriate parties. Owner requests waiver of this requirement, since it was not required for the Property to meet the threshold criteria.⁹

Deficiency #7: Garages. It is not physically or financially feasible to install garages on the site. Based on our review of the tax credit application, garages were neither a threshold item nor a selection item for this Property. Further, garages were not included in the architect's certification as to amenities

⁵ See footnote 2, above.
⁶ See footnote 3, above.
⁷ See footnote 3, above.
⁸ See footnote 3, above.
⁹ See footnote 2, above.

EX-118 P-4485

HTC 99005

in Exhibit 101A of the tax credit application.¹⁰ Again, the applicant merely checked a box on page 14, indicating that garages would be provided. Given that garages were neither a threshold nor a selection item and were not included in the architect's certification, we believe that they should not be required.¹¹ Please waive this requirement.

Deficiency #8: Public Telephone. The applicant indicated that a public telephone would be provided, pursuant to the architect's certification in Exhibit 101A. A public telephone was one of the items that could meet the threshold criteria of Exhibit 101. The Property meets the threshold requirements without the public telephone.¹² In recent years, TDHCA has heard from property owners that public telephones are more detrimental than beneficial to the residents because they facilitate crime and other undesirable activity. Out of concern for the tenants and in recognition that the threshold criteria have already been met, Owner requests that the requirement to install a public telephone be waived. Nevertheless, if TDHCA insists on the installation of this item, Owner will do so.

Deficiency #9: Playground. As noted in the 2001 letter from M. Myers Development, the Property site is covered with buildings and parking lots. Consequently, it is not physically feasible to install a proper playground on the Property. Again, the M. Myers Development letter, approved by Chernó Njie, said "there was no room for the needed amenities of family living." With very few 3-bedroom units on site, the Property actually has very few residents who are children. Owner recognizes that the applicant indicated a playground would be provided, pursuant to the architect's certification in Exhibit 101A. A playground was one of the items that could meet the threshold criteria of Exhibit 101. The Property meets the threshold requirements without the playground.¹³ Given Mr. Njie's approval of the M. Myers Development letter and the fact that no threshold criteria are implicated, we ask that this requirement be waived.

Deficiency #10: Volleyball Court. As described above with respect to the playground, it is not physically feasible to install a volleyball court on the site. Based on our review of the tax credit application, a volleyball court was neither a threshold item nor a selection item for this Property. Further, a volleyball court was not included in the architect's certification as to amenities in Exhibit 101A of the tax credit application¹⁴. Again, the applicant merely checked a box on page 14, indicating that a volleyball court would be provided. Given that a volleyball court was neither a threshold nor a selection item and was not included in the architect's certification, we believe that it should not be required.¹⁵ Please waive this requirement.

¹⁰ See footnote 3, above.

¹¹ See footnote 2, above.

¹² See footnote 3, above.

¹³ See footnote 3, above.

¹⁴ See footnote 3, above.

¹⁵ See footnote 2, above.

January 30, 2007

Page 5

EXHIBIT P. 5 of 5

HTC 99005

Accessibility Deficiencies

Deficiency #11: Unit 2114. Owner will correct the deficiency with regard to the installation of a different shower spray unit. This installation will be complete, and documentation will be provided to TDHCA, within 60 days of the date of this letter.

Deficiency #12: Unit 2114. Owner will correct the deficiency with regard to the distance between the toilet and the wall. This correction will be complete, and documentation will be provided to TDHCA, within 60 days of the date of this letter.

Comment #1: Owner will review all accessible units and make any modifications necessary to ensure that none of them have the deficiencies described in #11 and #12, above.

We believe this letter appropriately addresses all of the items described in your November 29, 2006, letter. However, if you need additional information from Owner on these matters, please feel free to contact me.

Sincerely,

Cynthia L. Bast

cc: SunAmerica Affordable Housing Partners
McCormack Baron Salazar, Inc.

Letter of Jan. 30, 2007 from
Cynthia Bast has no
No reference to this description.

Exhibit A → See Exhibit D

HTC 99005

Letter from M. Myers Development, Inc. to TDHCA

Exhibit C

Responses from TDHCA



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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Ex C 10-1-04

March 2, 2007

Cynthia L Bast
Locke Liddell & Sapp LLP
100 Congress Avenue
Suite 300
Austin, TX 78701

By email: cbast@lockeliddell.com

Re: The Homes of Parker Commons, TDHCA #99005

Ms. Bast:

A letter addressed to Kimbal Thompson, Inspections Specialist was received by the Department on January 31, 2007 and forwarded to the Real Estate Analysis division for review. Items of concern include:

1. **Unit Mix.** A unit mix change was approved by the Department in August 2001 in accordance with the process in place at that time. The increase in total number of units from 168 units proposed at application to 192 units constructed is acceptable. However, there is an inconsistency between the unit mix change approved in August 2001 and the unit mix indicated at cost certification. The following chart illustrates the differences:

		Cost Cert Units	APPROVED Change Request Aug-2001 Units
Set-Aside	Bedrooms		
TC 50%	1	18	20
TC 60%	1	69	68
MR	1	26	24
TC 50%	2	18	18
TC 60%	2	15	14
MR	2	32	34
TC 60%	3	6	6
MR	3	8	8

(2)
1
2
0
1
(2)
0
0

EXH C p 2 of 4

Although the overall number of tax credit units is consistent, you can see that the number of units restricted to 50% of AMI has decreased. There are also inconsistencies within the bedroom groupings. This change may affect both the feasibility analysis and the calculation of applicable fraction for eligible basis purposes. The Owner can choose to either self-correct the cost certification submission or request an amendment.

2. **Amenities.** *Microwaves, Picnic Area, Daycare Facility, Laundry Room, Covered Parking, Garages, Public Telephone, Playground, and Volleyball Court.* The Owner must submit an amendment request for all changes to the development from that proposed at application regardless of the item's classification as a selection item, threshold item or generally proposed amenity.

IRS Forms 8609 cannot be issued until the above issues are resolved and any amendment requests are reviewed by staff and approved by the TDHCA Board. Therefore, it is in the Owner's interest to submit amendment requests as soon as possible to Ben Sheppard, Multifamily Housing Specialist. He can be reached at ben.sheppard@tdhca.state.tx.us and (512) 475-2122. If you have any questions related to the cost certification for this development, I can be reached at lisa.vecchietti@tdhca.state.tx.us and (512) 475-3227.

Sincerely,

Lisa Vecchietti
Real Estate Analysis

cc:

Ray Abeyta, SunAmerica Affordable Housing Partners
Karen Harris, Reznick Group

By email: rabeyta@sunamerica.com
By email: karen.harris@reznickgroup.com

Exh C p. 384



RECEIVED
MAR 02 2007
McCORMACK, BARON, SALAZAR

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Sonny Flore
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Norberto Salinas

February 23, 2007

To: Pace
cc: R. White
file / #3/2

Parker Commons Ltd
Hillary Zimmerman
1415 Olive Street Suite 310
St Louis MO 63103

RE: November 29, 2006 Deficiency Letter Follow-up Notice
Final Development Inspection conducted on October 17, 2006
Homes of Parker Commons - TDHCA File No: 99005 - CMTS: 2061

Dear Ms. Zimmerman:

The Portfolio Management and Compliance Division received corrective action in response to deficiencies identified in the final inspection. Following are the results of the review of your corrective action response letter of January 30, 2007:

- Deficiency #1, #2, #4, #6-#10: Referred. Unit type/Unit type totals/Area per unit type/Total number of units/Total area, Microwave ovens, Day care facility, 34 Covered parking spaces, 120 Garage parking spaces, Public telephone, Play area and playground equipment, and Volleyball court. Sufficient documentation was received to clear these items as PMC inspection deficiency issues; however, it has been referred to the TDHCA Real Estate Analysis (REA) staff for final resolution. A copy of the January 30, 2007 letter has been forwarded. It remains the owner's responsibility to confirm that referred issue(s) are resolved. Instructions for requesting an amendment are attached.
- Deficiency #3, #5: Not Cleared. Picnic area, and Laundry room. Please provide these amenities by the corrective action due date (below). Ensure that at least one of each type of common use facility is located on an accessible route. If these amenities are not provided and written change approval is not received from the Department, a formal request to amend the application is required. Request the change and submit a copy of the request as corrective action. Instructions for requesting an amendment are attached.
- Deficiency #11, #12: Not Cleared. Accessible shower head and Accessible toilet location. Provide corrective action documentation and photographic evidence of completed repairs as requested in the November 29, 2006 letter. Please submit response by the corrective action due date (below).
- Accessibility Certification of Compliance: Please complete and return the attached certification form with your response.

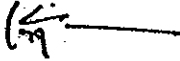
J

EA C. P. 4 of 4

HTC 99005

Please submit all outstanding corrective action as a single response as specified in the Department deficiency letter no later than April 23, 2007. Failure to respond by the due date may delay the issuance of IRS Form 8609 and/or could result in sanctions on current or future awards. If you have any questions, feel free to contact me directly at (512) 475-3887, toll free in Texas at (800) 643-8204 through email at kimbal.thompson@tdhca.state.tx.us.

Sincerely,



Kimbal Thompson
Inspection Specialist

cc: Inspection File
TDHCA Real Estate Analysis Division

Attachments

Exhibit D

M. Myers Development, Inc. Letter

E+h D p. 1 of 3

M. MYERS DEVELOPMENT, INC.

RESIDENTIAL DEVELOPMENT & MANAGEMENT

August 21, 2001

RECEIVED
RECEIVED
AUG 22 2001
LIHTC
LIHTC

99005

VIA FACSIMILE

Mr. Chernon Njie
Texas Department of Housing and
Community Affairs
507 Sabine, Suite 300
Austin, Texas 78711-3941

Re: The Homes of Parker Commons -- TDHCA File No. 98-169

Dear Chernon:

The completion of construction on The Homes of Parker Commons will occur soon. We have previously notified you that we had to make some changes to the unit mix and design of the structures to obtain the necessary approvals to build our development. As you know, we were brought into the partnership of this development because many aspects of the original development plan were not acceptable to the various authorities in Fort Worth. We had to obtain the approval of the Fort Worth Planning and Zoning Commission and the City Council, Fort Worth South, the neighborhood association, and Historic Fort Worth, Inc., Fort Worth's historic preservation organization. Over a six month period of time, we met with these various authorities and were finally able to make the necessary revisions of the original plan so that all of these authorities would agree to give us support. Only after these many formal and informal meetings were we able to bring all these authorities together so that we could move forward with this development.

Sphinx Development submitted the application to the TDHCA in March, 1998: Sphinx then consulted with us after they experienced public opposition to the development. Thereafter, the TDHCA awarded credits to the development with the condition that Sphinx bring a more experienced developer into the project. At this point, M. Myers Development, Inc. officially became involved in The Homes of Parker Commons. At that time, no one understood the complexities and limitations involved in the design of the interior floor plans of the Parker building to create a quality residential building, yet satisfying Fort Worth building codes, zoning ordinances, historic preservation requirements and the neighborhood groups. Additionally, similar complexities and limitations existed in the design and development of the new building. We studied the issues, and diligently worked with the architects and engineers to address the problems. The end result is that we successfully provided the total number of units promised in the application.

To obtain the approvals of the four organizations we were forced to make changes in the development. We do not feel that any changes impair our ability to provide quality affordable housing. We reduced the number of three bedroom units from sixty-eight in the application to fourteen for several reasons. First, the site did not provide sufficient parking to satisfy the Fort
DALLAS: 3100 MCKINNON STREET, SUITE 800 / DALLAS, TEXAS 75201-7003 / (214)969-7328 / FAX(214)969-7560

Mr. Chern Njie
August 21, 2001
Page 2

Worth Planning Commission if a larger new building would have been built. Second, the existing size of the Parker building limited our ability to provide more three bedroom units because of column locations and the required life safety corridors that must be provided on each floor. Additionally, existing window locations created limitations in the design and floor plan of the units. Finally, Fort Worth South demanded that we create a development with an "urban feel". Their requirements included having one and two bedroom units to meet the needs for the Fort Worth hospital district, and other employees in the area.

The limitations of the site and the resultant parking requirements resulted in a site that was covered with buildings and parking lots. There was no room for the needed amenities of family living. Existing neighborhood amenities were not conducive to family living. The neighborhood organization was quietly opposed to a large number of families. All parties saw this development as a catalyst to begin the redevelopment of the area and to serve the needs of the economic redevelopment of an urban area.

The tax credit application states that the development will contain 126 tax credit units and 168 total units. Thirty percent (30%) of the program units are to be restricted for persons whose income is 50% or less of the area median gross income. The table below sets forth the unit composition in the application:

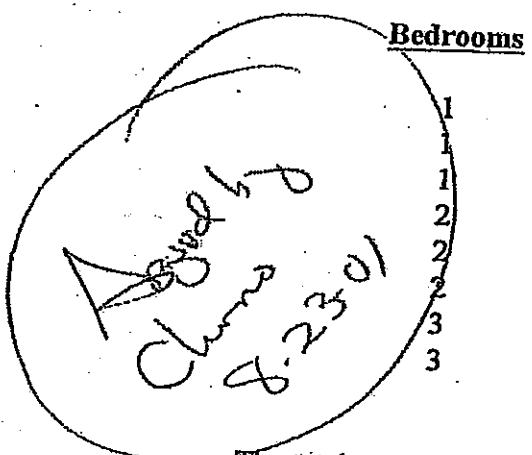
<u>Bedrooms</u>	<u>Type</u>	<u># of Units</u>
<i>efficient</i> 1	Market	10
1	50	1
1	60	29
2	Market	15
2	50	0
2	60	45
3	Market	17
3	50	37
3	60	14
		<u>168</u>

MR = 10 / 100
15 / 200
17 / 300

42 MR units

In the application, Sphinx proposed to rehabilitate the Hogg Elementary School building into office space. Prior to starting construction, we determined that additional market rate housing is a more prudent use of the property because that would create a better mix of incomes in the development and our experience is in housing, not office development. Now, after satisfying the Fort Worth governmental entities and neighborhood associations, our unit mix for the development is as follows:

Mr. Chernon Njie
August 21, 2001
Page 3



Type	# of Units
50	20
60	68
Market	24
50	18
60	14
Market	34
60	6
Market	8
	<u>192</u>

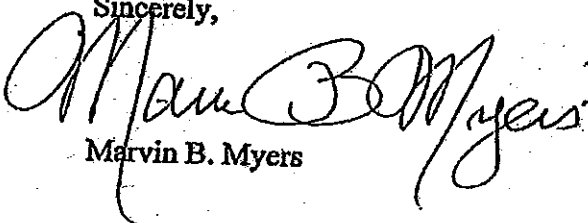
This Summary
12-21-98
WTR
12-28-98
Approved
Chernon

The total program units are 126, including 38 units set aside for persons making 50% or less of area median gross income. We have 27 handicapped units (although all units in the Parker building and new building are easily adaptable into handicapped units). The development has 160,876 net rentable square feet and 210,881 gross square feet.

The City of Fort Worth and Fort Worth South are very proud of The Homes of Parker Commons. The Mayor and City Manager of Fort Worth, as well as several elected officials, attended our grand opening.

We appreciate the TDHCA evidencing their acknowledgment and approval to the changes to the development stated above from the original application by signing in the space provided below.

Thank you very much for your cooperation. Please call me if you have any questions or comments.

Sincerely,

 Marvin B. Myers

38 e 50%
21 HDE 16%

AGREED TO AND ACCEPTED, August _____, 2001.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Chernon Njie
Program Manager

	TC	MR
50% / 1BR - 20	20	24
60% / 1BR - 68	68	
50% / 2BR - 18	18	34
60% / 2BR - 14	14	
60% / 3BR - 6	6	8
	<u>126</u>	<u>106</u> = 192 units

DEVELOPMENT NAME: Homes of Parker Commons

FILE NUMBER: 99005

24,223,624

Bldg. #	BIN #	Placed in Service Date		Net Rentable Area (NRA)	Applicable Fraction		Applicable Percentage		Eligible Basis		Requested Tax Credits		
		Acquisition	Rehab/New Construction		Based on Units	Based on NRA	Acquisition	Rehab/New Constr.	Acquisition	Rehab/New Constr.	Acquisition	Rehab/New Constr.	Total
1	99-00500	1/29/1999	1/10/2001	66,420	75.61%	69.08%		8.33%	-	10,005,305	\$ -	\$ 575,742	\$ 575,742
2	99-00501	1/29/1999	8/16/2001	72,780	74.42%	67.20%		8.25%	-	10,963,356	\$ -	\$ 607,808	607,808
3	99-00502	1/29/1999	9/14/2001	21,608				8.21%	-	3,254,963	\$ -	\$ -	-
4	99-00503												
5	99-00504												
6	99-00505												
7	99-00506												
8	99-00507												
9	99-00508												
10	99-00509												
11	99-00510												
12	99-00511												
13	99-00512												
14	99-00513												
15	99-00514												
16	99-00515												
17	99-00516												
18	99-00517												
19	99-00518												
20	99-00519												
21	99-00520												
22	99-00521												
23	99-00522												
24	99-00523												
25	99-00524												
26	99-00525												
27	99-00526												
28	99-00527												
29	99-00528												
30	99-00529												
31	99-00530												
32	99-00531												
33	99-00532												
34	99-00533												
35	99-00534												
250	99-00749												
TOTAL				160,808					\$24,223,624	\$ -	\$ 1,183,550	\$ 1,183,550	

HTC 99005

COMMUNITY DEVELOPMENT

DEVELOPMENT NAME: Homes of Parker Commons

FILE NUMBER: 99005

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%)

501(c)(3) Mortgage Revenue Bond: (MRB)

HOME: High (HH) or Low (LH)

Other: (OT) describe any "Other" restrictions on an attached sheet

Housing Trust Fund: (HTF30%), (HTF60%), HTF(65%)

For units funded under more than one program, the "Income Level Served" should be the most restrictive - for example a LH and TC50% would be The rent and utility limits available at the time the Cost Certification Packet is submitted should be used to complete this form. Gross Rent cannot

Type of Unit	Income Level Served	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Gross Rent (C)	Tenant Paid Utility Allow. (D)	Tenant Paid Rent/ Unit (C) - (D) = (E)	Total Monthly Rent (A) x (E)
Tax Credit	50%	6	2	1.00	933	5,598	713	84	629	3,774
Tax Credit	60%	8	2	1.00	933	7,464	856	84	772	6,176
Tax Credit	60%	2	1	1.00	531	1,062	713	69	644	1,288
Tax Credit	60%	18	1	1.00	607	10,926	713	69	644	11,592
Tax Credit	60%	2	2	2.00	1,066	2,132	856	84	772	1,544
Tax Credit	50%	12	2	1.00	748	8,976	713	84	629	7,548
Tax Credit	60%	8	1	1.00	644	5,152	713	69	644	5,152
Tax Credit	60%	3	1	1.00	829	2,487	713	69	644	1,932
Tax Credit	50%	1	1	1.00	829	829	594	69	525	525
Tax Credit	50%	2	1	1.00	630	1,260	713	84	629	1,258
Tax Credit	60%	6	3	2.00	1,238	7,428	989	96	893	5,358
Tax Credit	60%	4	2	2.00	986	3,944	856	84	772	3,088
Tax Credit	50%	17	1	1.00	671	11,407	594	69	525	8,925
Tax Credit	60%	23	1	1.00	671	15,433	713	69	644	14,812
Tax Credit	60%	14	1	1.00	754	10,556	713	69	644	9,016
Rent Restricted Total		126				94,654				81,988
Market Rate		14	2	2.00	1,066	14,924			925	12,950
Market Rate		2	1	1.00	933	1,866			885	1,770
Market Rate		4	2	2.00	988	3,952			900	3,600
Market Rate		2	2	2.00	1,068	2,136			875	1,750
Market Rate		12	2	2.00	986	11,832			775	9,300
Market Rate		8	3	2.00	1,238	9,904			925	7,400
Market Rate		12	1	1.00	863	10,356			875	10,500
Market Rate		10	1	1.00	956	9,560			915	9,150
Market Rate		2	1	1.00	846	1,692			820	1,640
Market Rate Total		66				66,222				58,060
Employee/Owner Occupied*						0				-
Total Units		192				160,876				140,048
+ Non Rental Income Source #1	\$ 10.00					per unit/month for:	Laundry and other.			1,920
+ Non Rental Income Source #2						per unit/month for:	describe source here			-
+ Non Rental Income Source #3						per unit/month for:	describe source here			-
= POTENTIAL GROSS MONTHLY INCOME										141,968
- Provision for Vacancy & Collection Loss							% of Potential Gross Income:	12.00%		17,036
- Rental Concessions										4,000
= EFFECTIVE GROSS MONTHLY INCOME										120,932
x 12 = EFFECTIVE GROSS ANNUAL INCOME										1,451,182

* Only enter Employee/Owner Occupied Units if not included in rent restricted or market rate units shown above.

EXHIBIT 13A SOURCES OF FUNDS SUMMARY

DEVELOPMENT NAME: Homes of Parker Commons **FILE NUMBER:** 99005

PERMANENT FINANCING

Source: American Property Financing Inc. Contact: Denise M. Gomez
 Address: 7315 Wisconsin Avenue, Suite 450 North Phone: (240) 482-1967 Fax: (301) 654-6404
 City: Bethesda State: MD Zip: 20814
 Current Balance: \$5,593,177 Closing Date: _____
 Original Principle: \$5,695,000 Interest Rate: 5.92 Fixed? Yes No
 Annual Payment: \$406,224 Amortization: 30 yrs Term: 30 yrs Lien Priority: 1

PERMANENT FINANCING

Source: SLP V LLC, a Nevada limited liability company Contact: Howard Heitner
 Address: 1 SunAmerica Center Phone: (310) 772-6000 Fax: (310) 772-6794
 City: Los Angeles State: CA Zip: 90067
 Current Balance: \$1,826,806 Closing Date: _____
 Original Principle: \$1,826,806 Interest Rate: 5.39 Fixed? Yes No
 Annual Payment: \$Cash Flow Amortization: 10 yrs Term: 10 yrs Lien Priority: _____

GRANT

Source: _____ Contact: _____
 Address: _____ Phone: () Fax: ()
 City: _____ State: _____ Zip: _____
 Amount: \$ Conditions: _____

LIHTC SYNDICATION

Net Proceeds: \$9,300,921 Net Syndication Rate (per \$1.00 of 10-yr LIHTC) \$.82¢

OWNER'S CONTRIBUTION

Amount: \$ Source: _____

TOTAL SOURCES OF FUNDS: \$20,214,493

EXHIBIT 13A: SOURCES OF FUNDS SUMMARY

DEVELOPMENT NAME: Homes of Parker Commons

FILE NUMBER: 99005

PERMANENT FINANCING

Source: SunAmerica Housing Fund 668, a Nevada Limited Partnership Contact: Howard Heitner

Address: 1 SunAmerica Center Phone: (310) 772-6000 Fax: (310) 772-6794

City: Los Angeles State: CA Zip: 90067

Current Balance: \$3,391,766 Closing Date: _____

Original Principle: \$3,391,766 Interest Rate: 15% Fixed? Yes No

Annual Payment: \$ Cash Flow Amortization: 10 yrs Term: 10 yrs Lien Priority: _____

PERMANENT FINANCING

Source: _____ Contact: _____

Address: _____ Phone: () _____ Fax: () _____

City: _____ State: _____ Zip: _____

Current Balance: \$ _____ Closing Date: _____

Original Principle: \$ _____ Interest Rate: _____ Fixed? Yes No

Annual Payment: \$ _____ Amortization: _____ yrs Term: _____ yrs Lien Priority: _____

GRANT

Source: _____ Contact: _____

Address: _____ Phone: () _____ Fax: () _____

City: _____ State: _____ Zip: _____

Amount: \$ _____ Conditions: _____

LIHTC SYNDICATION

Net Proceeds: \$ _____ Net Syndication Rate (per \$1.00 of 10-yr LIHTC) \$¢ _____

OWNER'S CONTRIBUTION

Amount: \$ _____ Source: _____

TOTAL SOURCES OF FUNDS:

\$ _____

MULTIFAMILY NOTE

US \$5,695,000.00

As of July 8, 2005

FOR VALUE RECEIVED, the undersigned ("Borrower") jointly and severally (if more than one) promises to pay to the order of AMERICAN PROPERTY FINANCING, INC., a Delaware corporation, the principal sum of FIVE MILLION SIX HUNDRED NINETY-FIVE THOUSAND AND 00/100 DOLLARS (US \$5,695,000.00), with interest accruing on the unpaid principal balance from the date of disbursement until fully paid at the annual rate of Five and 92/100 percent (5.92%).

1. **Defined Terms.** As used in this Note, (i) the term "Lender" means the holder of this Note, (ii) the term "Indebtedness" means the principal of, interest on, or any other amounts due at any time under, this Note, the Security Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances to protect the security of the Security Instrument under Section 12 of the Security Instrument, and (iii) a "Business Day" means any day other than a Saturday, Sunday or any other day on which Lender is not open for business. Event of Default, Key Principal and other capitalized terms used but not defined in this Note shall have the meanings given to such terms in the Security Instrument (as defined in Paragraph 5).

2. **Address for Payment.** All payments due under this Note shall be payable at 6 East 43rd Street, New York, New York 10017, or such other place as may be designated by written notice to Borrower from or on behalf of Lender.

3. **Payment of Principal and Interest.** Principal and interest shall be paid as follows:

(a) Unless disbursement of principal is made by Lender to Borrower on the first day of the month, interest for the period beginning on the date of disbursement and ending on and including the last day of the month in which such disbursement is made shall be payable simultaneously with the execution of this Note.

(b) Interest under this Note shall be computed on the basis of (check one only):

a 360-day year consisting of twelve 30-day months.

a 360-day year. The amount of each monthly payment made by Borrower pursuant to Paragraph 3(c) below that is allocated to interest will be based on the actual number of calendar days during such month and shall be calculated by multiplying the unpaid principal balance of this Note by the per annum interest rate, dividing the product by 360 and multiplying the quotient by the actual number of days elapsed during the month. Borrower

understands that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(c) Consecutive monthly installments of principal and interest, each in the amount of **THIRTY THREE THOUSAND EIGHT HUNDRED FIFTY-TWO AND 04/100 DOLLARS (US \$33,852.04)**, shall be payable on the first day of each month beginning on **September 1, 2005**, until the entire unpaid principal balance evidenced by this Note is fully paid. Any accrued interest remaining past due for 30 days or more shall be added to and become part of the unpaid principal balance and shall bear interest at the rate or rates specified in this Note, and any reference below to "accrued interest" shall refer to accrued interest which has not become part of the unpaid principal balance. Any remaining principal and interest shall be due and payable on **August 1, 2020** or on any earlier date on which the unpaid principal balance of this Note becomes due and payable, by acceleration or otherwise (the "Maturity Date"). The unpaid principal balance shall continue to bear interest after the Maturity Date at the Default Rate set forth in this Note until and including the date on which it is paid in full.

(d) Any regularly scheduled monthly installment of principal and interest that is received by Lender before the date it is due shall be deemed to have been received on the due date solely for the purpose of calculating interest due.

4. Application of Payments. If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender's discretion. Borrower agrees that neither Lender's acceptance of a payment from Borrower in an amount that is less than all amounts then due and payable nor Lender's application of such payment shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction.

5. Security. The Indebtedness is secured, among other things, by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement and Fixture Filing dated as of the date of this Note (the "Security Instrument"), and reference is made to the Security Instrument for other rights of Lender concerning the collateral for the Indebtedness.

6. Acceleration. If an Event of Default has occurred and is continuing, the entire unpaid principal balance, any accrued interest, the prepayment premium payable under Paragraph 10, if any, and all other amounts payable under this Note and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower. Lender may exercise this option to accelerate regardless of any prior forbearance.

7. Late Charge. If any monthly installment due hereunder is not received by Lender on or before the 10th day of each month or if any other amount payable under this Note or under the Security Instrument or any other Loan Document is not received by Lender within 10 days after the date such amount is due, counting from and including the date such amount is due, Borrower shall pay to Lender, immediately and without demand by Lender, a late charge equal to 5 percent of such monthly installment or other amount due. Borrower acknowledges that its

failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the loan evidenced by this Note (the "Loan"), and that it is extremely difficult and impractical to determine those additional expenses. Borrower agrees that the late charge payable pursuant to this Paragraph represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional expenses Lender will incur by reason of such late payment. The late charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Paragraph 8.

8. Default Rate. So long as any monthly installment or any other payment due under this Note remains past due for 30 days or more, interest under this Note shall accrue on the unpaid principal balance from the earlier of the due date of the first unpaid monthly installment or other payment due, as applicable, at a rate (the "Default Rate") equal to the lesser of 4 percentage points above the rate stated in the first paragraph of this Note or the maximum interest rate which may be collected from Borrower under applicable law. If the unpaid principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate. Borrower also acknowledges that its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Loan, that, during the time that any monthly installment or payment under this Note is delinquent for more than 30 days, Lender will incur additional costs and expenses arising from its loss of the use of the money due and from the adverse impact on Lender's ability to meet its other obligations and to take advantage of other investment opportunities, and that it is extremely difficult and impractical to determine those additional costs and expenses. Borrower also acknowledges that, during the time that any monthly installment or other payment due under this Note is delinquent for more than 30 days, Lender's risk of nonpayment of this Note will be materially increased and Lender is entitled to be compensated for such increased risk. Borrower agrees that the increase in the rate of interest payable under this Note to the Default Rate represents a fair and reasonable estimate, taking into account all circumstances existing on the date of this Note, of the additional costs and expenses Lender will incur by reason of the Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquent loan.

9. Limits on Personal Liability.

(a) Except as otherwise provided in this Paragraph 9, Borrower shall have no personal liability under this Note, the Security Instrument or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of the Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against any guarantor of the Indebtedness or any guarantor of any obligations of Borrower.

(b) Borrower shall be personally liable to Lender for the repayment of a portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of (1) failure of Borrower to pay to Lender upon demand after an Event of Default, all Rents to which Lender is entitled under Section 3(a) of the Security Instrument and the amount of all security deposits collected by Borrower from tenants then in residence; (2) failure of Borrower to apply all insurance proceeds and condemnation proceeds as required by the Security Instrument; (3) failure of Borrower to comply with Section 14(d) or (e) of the Security Instrument relating to the delivery of books and records, statements, schedules and reports; (4) fraud or written material misrepresentation by Borrower, Key Principal or any officer, director, partner, member or employee of Borrower in connection with the application for or creation of the Indebtedness or any request for any action or consent by Lender; or (5) failure to apply Rents, first, to the payment of reasonable operating expenses (other than Property management fees that are not currently payable pursuant to the terms of an Assignment of Management Agreement or any other agreement with Lender executed in connection with the Loan) and then to amounts ("Debt Service Amounts") payable under this Note, the Security Instrument or any other Loan Document (except that Borrower will not be personally liable (i) to the extent that Borrower lacks the legal right to direct the disbursement of such sums because of a bankruptcy, receivership or similar judicial proceeding, or (ii) with respect to Rents that are distributed in any calendar year if Borrower has paid all operating expenses and Debt Service Amounts for that calendar year).

(c) Borrower shall become personally liable to Lender for the repayment of all of the Indebtedness upon the occurrence of any of the following Events of Default: (1) Borrower's acquisition of any property or operation of any business not permitted by Section 33 of the Security Instrument; or (2) a Transfer that is an Event of Default under Section 21 of the Security Instrument.

(d) To the extent that Borrower has personal liability under this Paragraph 9, Lender may exercise its rights against Borrower personally without regard to whether Lender has exercised any rights against the Mortgaged Property or any other security, or pursued any rights against any guarantor, or pursued any other rights available to Lender under this Note, the Security Instrument, any other Loan Document or applicable law. For purposes of this Paragraph 9, the term "Mortgaged Property" shall not include any funds that (1) have been applied by Borrower as required or permitted by the Security Instrument prior to the occurrence of an Event of Default, or (2) Borrower was unable to apply as required or permitted by the Security Instrument because of a bankruptcy, receivership, or similar judicial proceeding.

10. Voluntary and Involuntary Prepayments.

(a) A prepayment premium shall be payable in connection with any prepayment made under this Note as provided below:

(1) Borrower may voluntarily prepay all (but not less than all) of the unpaid principal balance of this Note only on the last calendar day of a calendar month and only if Borrower has complied with all of the following:

- (i) Borrower must give Lender at least 30 days, but not more than 60 days, prior written notice of its intention to make such prepayment (the "Prepayment Notice").
- (ii) The Prepayment Notice shall be addressed to Lender and shall include, at a minimum, the date upon which Borrower intends to make the prepayment (the "Intended Prepayment Date"). Borrower acknowledges that the Lender is not required to accept any voluntary prepayment of this Note on any day other than the last calendar day of a calendar month. If the last calendar day of a calendar month is not a Business Day, then the Borrower must make the payment on the Business Day immediately preceding the last calendar day of a calendar month. For all purposes, including the accrual of interest and the calculation of the prepayment premium, any prepayment received by Lender on any day other than the last calendar day of a calendar month shall be deemed to have been received on the last calendar day of the month in which such prepayment occurs.
- (iii) Any prepayment shall be made by paying (A) the amount of principal being prepaid, (B) all accrued interest, (C) all other sums due Lender at the time of such prepayment, and (D) the prepayment premium calculated pursuant to Schedule A.
- (iv) If, for any reason, Borrower fails to prepay this Note within five (5) Business Days after the Intended Prepayment Date, then Lender shall have the right, but not the obligation, to recalculate the prepayment premium based upon the Yield Rate as reported in The Wall Street Journal on the twenty-fifth Business Day preceding the delayed Intended Prepayment Date and to make such calculation as described in Schedule A attached hereto. Notwithstanding the foregoing, if the delayed prepayment occurs in a month other than the month stated in the original Prepayment Notice, then Lender shall (a) have the right, but not the obligation, to recalculate the prepayment premium based upon the Yield Rate as reported in The Wall Street Journal on the twenty-fifth Business Day preceding the delayed Intended Prepayment Date and to make such calculation as described in Schedule A attached hereto and (b) recalculate the amount of interest payable. In either instance, for purposes of recalculation, such new prepayment date shall be deemed the "Intended Prepayment Date."

(2) Upon Lender's exercise of any right of acceleration under this Note, Borrower shall pay to Lender, in addition to the entire unpaid principal balance of this Note outstanding at the time of the acceleration, (A) all accrued interest and all other

sums due Lender under this Note and the other Loan Documents, and (B) the prepayment premium calculated pursuant to Schedule A.

(3) Any application by Lender of any collateral or other security to the repayment of any portion of the unpaid principal balance of this Note prior to the Maturity Date and in the absence of acceleration shall be deemed to be a partial prepayment by Borrower, requiring the payment to Lender by Borrower of a prepayment premium.

(b) Notwithstanding the provisions of Paragraph 10(a), no prepayment premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or condemnation award under the Security Instrument or as provided in subparagraph (c) of Schedule A.

(c) Schedule A is hereby incorporated by reference into this Note.

(d) Any required prepayment of less than the entire unpaid principal balance of this Note shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender agrees otherwise in writing.

(e) Borrower recognizes that any prepayment of the unpaid principal balance of this Note, whether voluntary or involuntary or resulting from a default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional expense and frustration or impairment of Lender's ability to meet its commitments to third parties. Borrower agrees to pay to Lender upon demand damages for the detriment caused by any prepayment, and agrees that it is extremely difficult and impractical to ascertain the extent of such damages. Borrower therefore acknowledges and agrees that the formula for calculating prepayment premiums set forth on Schedule A represents a reasonable estimate of the damages Lender will incur because of a prepayment.

(f) Borrower further acknowledges that the prepayment premium provisions of this Note are a material part of the consideration for the loan evidenced by this Note, and acknowledges that the terms of this Note are in other respects more favorable to Borrower as a result of the Borrower's voluntary agreement to the prepayment premium provisions.

11. Costs and Expenses. Borrower shall pay on demand all expenses and costs, including fees and out-of-pocket expenses of attorneys and expert witnesses and costs of investigation, incurred by Lender as a result of any default under this Note or in connection with efforts to collect any amount due under this Note, or to enforce the provisions of any of the other Loan Documents, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

12. Forbearance. Any forbearance by Lender in exercising any right or remedy under this Note, the Security Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that or any other right or

remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any security for Borrower's obligations under this Note shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

13. Waivers. Presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting the Indebtedness are waived by Borrower, Key Principal, and all endorsers and guarantors of this Note and all other third party obligors.

14. Loan Charges. Borrower and Lender intend at all times to comply with the law of the State of Texas governing the maximum rate or amount of interest payable on or in connection with this Note and the Indebtedness (or applicable United States federal law to the extent that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law). If the applicable law is ever judicially interpreted so as to render usurious any amount payable under this Note or under any other Loan Document, or contracted for, charged, taken, reserved or received with respect to the Indebtedness, or of acceleration of the maturity of this Note, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by any applicable law, then Borrower and Lender expressly intend that all excess amounts collected by Lender shall be applied to reduce the unpaid principal balance of this Note (or, if this Note has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of this Note, the Security Instrument and any other Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under this Note or any other Loan Document reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under this Note or any other Loan Document. The right to accelerate the maturity of this Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness shall, to the extent permitted by any applicable law, be amortized, prorated, allocated and spread throughout the full term of the Indebtedness until payment in full so that the rate or amount of interest on account of the Indebtedness does not exceed the applicable usury ceiling. Notwithstanding any provision contained in this Note, the Security Instrument or any other Loan Document that permits the compounding of interest, including any provision by which any accrued interest is added to the principal amount of this Note, the total amount of interest that Borrower is obligated to pay and Lender is entitled to receive with respect to the Indebtedness shall not exceed the amount calculated on a simple (*i.e.* non-compounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Borrower, including all current and prior advances and any advances made pursuant to the Security Instrument or other Loan Documents (such as for the payment of taxes, insurance premiums and similar expenses or costs).

15. **Commercial Purpose.** Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

16. **Counting of Days.** Except where otherwise specifically provided, any reference in this Note to a period of "days" means calendar days, not Business Days.

17. **Governing Law.** This Note shall be governed by the law of the jurisdiction in which the Land is located.

18. **Captions.** The captions of the paragraphs of this Note are for convenience only and shall be disregarded in construing this Note.

19. **Notices.** All notices, demands and other communications required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 31 of the Security Instrument.

20. **Consent to Jurisdiction and Venue.** Borrower and Key Principal each agrees that any controversy arising under or in relation to this Note shall be litigated exclusively in the jurisdiction in which the Land is located (the "Property Jurisdiction"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Note. Borrower and Key Principal each irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

21. **WAIVER OF TRIAL BY JURY. BORROWER, KEY PRINCIPAL AND LENDER EACH (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER, KEY PRINCIPAL AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

ATTACHED SCHEDULES. The following Schedules are attached to this Note:

- Schedule A Prepayment Premium (required)
- Schedule B Modifications to Multifamily Note

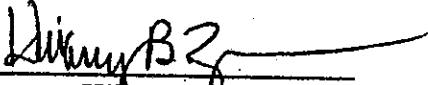
IN WITNESS WHEREOF, Borrower has signed and delivered this Note or has caused this Note to be signed and delivered by its duly authorized representative.

BORROWER

**PARKER COMMONS, LTD., a
Texas limited partnership**

By: **AFFORDABLE HOUSING GP 668, L.L.C., a
Delaware limited liability company,
Its General Partner**

By: **MUDCO 5, INC., a
Missouri corporation,
Member**

By: 
Name: **Hillary B. Zimmerman**
Title: **Vice President**

75-2795649
Borrower's Social Security/Employer ID Number

[NO FURTHER TEXT ON THIS PAGE]

Fannie Mae Commitment
Number: _____

PAY TO THE ORDER OF _____

WITHOUT RECOURSE.

AMERICAN PROPERTY FINANCING, INC.,
a Delaware corporation

By: Marie Carolo
Name: Marie Carolo
Title: Senior Vice President

**ACKNOWLEDGMENT AND AGREEMENT OF KEY PRINCIPAL TO
PERSONAL LIABILITY FOR EXCEPTIONS TO NON-RECOURSE LIABILITY**

Key Principal, who has an economic interest in Borrower or who will otherwise obtain a material financial benefit from the Loan, hereby absolutely, unconditionally and irrevocably agrees to pay to Lender, or its assigns, on demand, all amounts for which Borrower is personally liable under Paragraph 9 of the Multifamily Note to which this Acknowledgment is attached (the "Note"). The obligations of Key Principal shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Security Instrument. Lender may pursue its remedies against Key Principal without first exhausting its remedies against the Borrower or the Mortgaged Property. All capitalized terms used but not defined in this Acknowledgment shall have the meanings given to such terms in the Security Instrument. As used in this Acknowledgment, the term "Key Principal" (each if more than one) shall mean only those individuals or entities that execute this Acknowledgment.

The obligations of Key Principal shall be performed without demand by Lender and shall be unconditional irrespective of the genuineness, validity, or enforceability of the Note, or any other Loan Document, and without regard to any other circumstance which might otherwise constitute a legal or equitable discharge of a surety or a guarantor. Key Principal hereby waives the benefit of all principles or provisions of law, which are or might be in conflict with the terms of this Acknowledgment, and agrees that Key Principal's obligations shall not be affected by any circumstances which might otherwise constitute a legal or equitable discharge of a surety or a guarantor. Key Principal hereby waives the benefits of any right of discharge and all other rights under any and all statutes or other laws relating to guarantors or sureties, to the fullest extent permitted by law, diligence in collecting the Indebtedness, presentment, demand for payment, protest, all notices with respect to the Note including this Acknowledgment, which may be required by statute, rule of law or otherwise to preserve Lender's rights against Key Principal under this Acknowledgment, including notice of acceptance, notice of any amendment of the Loan Documents, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, notice of the incurring by Borrower of any obligation or indebtedness and all rights to require Lender to (a) proceed against Borrower, (b) proceed against any general partner of Borrower, (c) proceed against or exhaust any collateral held by Lender to secure the repayment of the Indebtedness, or (d) if Borrower is a partnership, pursue any other remedy it may have against Borrower, or any general partner of Borrower. In addition, Key Principal waives the benefit of any right to discharge under Chapter 34 of the Texas Business and Commerce Code and all other rights of sureties and guarantors thereunder.

At any time without notice to Key Principal, and without affecting the liability of Key Principal hereunder, (a) the time for payment of the principal of or interest on the Indebtedness may be extended or the Indebtedness may be renewed in whole or in part; (b) the time for Borrower's performance of or compliance with any covenant or agreement contained in the Note, or any other Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (c) the maturity of the Indebtedness may be accelerated as provided in the Note or any other Loan Document; (d) the Note or any

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Fannie Mae Multifamily Note - Texas

Form 4144 04/03 Page 11

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other Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount; and (e) any security for the Indebtedness may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Indebtedness.

Key Principal acknowledges that Key Principal has received a copy of the Note and all other Loan Documents. Neither this Acknowledgment nor any of its provisions may be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement. Key Principal agrees to notify Lender (in the manner for giving notices provided in Section 31 of the Security Instrument) of any change of Key Principal's address within 10 Business Days after such change of address occurs. Any notices to Key Principal shall be given in the manner provided in Section 31 of the Security Instrument. Key Principal agrees to be bound by Paragraphs 20 and 21 of the Note.

THIS ACKNOWLEDGMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

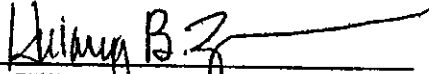
THIS ACKNOWLEDGMENT IS AN INSTRUMENT SEPARATE FROM, AND NOT A PART OF, THE NOTE. BY SIGNING THIS ACKNOWLEDGMENT, KEY PRINCIPAL DOES NOT INTEND TO BECOME AN ACCOMMODATION PARTY TO, OR AN ENDORSER OF, THE NOTE.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Key Principal has signed and delivered this Acknowledgment or has caused this Acknowledgment to be signed and delivered by its duly authorized representative.

KEY PRINCIPAL:

McCORMACK BARON SALAZAR, INC., a Missouri corporation

By: 
 Name: Hillary B. Zimmerman
 Title: Vice President

Address: 1415 Olive Street, Suite 310
St. Louis, Missouri 63103

Social Security/Employer ID No. 43-1053637

**SCHEDULE A
PREPAYMENT PREMIUM**

Any prepayment premium payable under Paragraph 10 of this Note shall be computed as follows:

(a) If the prepayment is made at any time before the last calendar day of **January, 2020** ("Yield Maintenance Period End Date"), the prepayment premium shall be the greater of:

(i) 1% of the amount of principal being prepaid; or

(ii) The product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the interest rate on this Note the yield rate (the "Yield Rate") on the **7.875% U.S. Treasury Security due February, 2021** (the "Specified U.S. Treasury Security"), as the Yield Rate is reported in *The Wall Street Journal* on the twenty-fifth Business Day preceding (x) the Intended Prepayment Date, or (y) the date Lender accelerates the Loan or otherwise accepts a prepayment pursuant to Paragraph 10(a)(3) of this Note,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

[r = Yield Rate

n = the number of months remaining between (1) either of the following: (x) in the case of a voluntary prepayment, the last calendar day of the calendar month during which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of this Note and (2) the Yield Maintenance Period End Date]

In the event that no Yield Rate is published for the Specified U.S. Treasury Security, then the nearest equivalent U.S. Treasury Security shall be selected at Lender's discretion. If the publication of such Yield Rates in *The Wall Street Journal* is discontinued, Lender shall determine such Yield Rates from another source selected by Lender.

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the 4th month prior to the month in which the Maturity Date occurs, the prepayment premium shall be 1% of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Paragraph 10(a) of this Note, no prepayment premium shall be payable with respect to any prepayment made on or after the last calendar day of the 4th month prior to the month in which the Maturity Date occurs.

BORROWER'S INITIALS: Hy

KEY PRINCIPAL'S INITIALS: Hy

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
1100	P-5BH 50	N/A	933	Occupied	Robles, Adelaida	01/28/2006	01/01/2007	06/30/2007	638.00	RENT	638.00	0.00	638.00	62.50	0.00
1101	P-7Eh 60	N/A	531	Occupied	Morgan, Robert	06/16/2001	04/01/2007	03/31/2008	490.00	RENT	450.00	0.00	450.00	150.00	0.00
1102	P-6B MKT	N/A	1066	Occupied	Harris, Sylvanus (Bob)	01/02/2007	01/02/2007	12/31/2007	925.00	RENT	799.00	0.00	799.00	0.00	0.00
1104	P-9A 60	N/A	607	Occupied	Pearson, Robin	12/06/2006	12/06/2006	11/30/2007	550.00	RENT	550.00	0.00	550.00	100.00	0.00
1105	P-9A 60	N/A	607	Occupied	Coffee, Jennifer	10/08/2004	10/01/2006	09/30/2007	550.00	RENT	510.00	0.00	510.00	50.00	0.00
1106	P-9A 60	N/A	607	Occupied	Mc Dermott, John	01/13/2004	01/01/2007	12/31/2007	550.00	RENT	500.00	0.00	500.00	303.00	0.00
1107	P-6B 60	N/A	1066	Vacant	VACANT				780.00		0.00*	0.00*			
1108	P-4B 50	N/A	748	Occupied	Shields, Cathy	09/29/2004	09/01/2006	08/31/2007	638.00	RENT	610.00	0.00	610.00	150.00	0.00
1109	P-2AH 60	N/A	644	Occupied	Robertson, James	01/31/2003	01/01/2007	12/31/2007	580.00	RENT	530.00	0.00	530.00	150.00	0.00
1110	P-5BH 50	N/A	933	Occupied	Jones, Charles	12/24/2003	12/01/2006	11/30/2007	638.00	RENT	283.00	0.00	620.00	104.00	0.00
1111	P-6B MKT	N/A	1066	Occupied	Creed, Richard	11/17/2006	11/17/2006	10/31/2007	925.00	Subsidy Rent	337.00	0.00			
1112	P-5BH 60	N/A	933	Occupied	Wamer, Dixie	09/01/2001	10/01/2006	09/30/2007	750.00	RENT	799.00	0.00	799.00	0.00	0.00
1113	P-2AH 60	N/A	644	Occupied	Brandt, Michael	06/19/2002	06/01/2006	05/31/2007	580.00	STORAGE	0.00	40.00			
		N/A		Pending renewal	Brandt, Michael	06/19/2002	06/01/2007	05/31/2008		RENT	560.00	0.00	560.00	150.00	0.00
1114	P-4B 50	N/A	748	Occupied-NTV	Callahan, Jessica	07/14/2006	07/14/2006	06/30/2007	638.00	RENT	560.00*	0.00*	560.00*	0.00	0.00
1115	P-9A 60	N/A	607	Occupied	Kruse, Gerald	06/30/2007				RENT	599.00	0.00	599.00	150.00	0.00
				Occupied	Kruse, Gerald	07/28/2004	10/01/2006	09/30/2007	550.00	RENT	218.00	0.00	542.00	50.00	0.00
1116	P-9A 60	N/A	607	Occupied	Denney, Pamela					Subsidy Rent	324.00	0.00			
1117	P-9A 60	N/A	607	Occupied	Brown, Lumas	01/28/2006	01/01/2007	12/31/2007	550.00	RENT	550.00	0.00	550.00	150.00	0.00
						12/20/2002	12/01/2006	11/30/2007	550.00	RENT	118.00	0.00	540.00	150.00	0.00
										Subsidy Rent	422.00	0.00			
1119	P-6B MKT	N/A	1066	Occupied	Epperson, Rebecca	12/01/2006	12/01/2006	11/30/2007	925.00	RENT	799.00	0.00	799.00	100.00	0.00
1120	P-5BH MK	Conventional	933	Admin/Down	VACANT				885.00		0.00*	0.00*			
1121	P-7Eh 60	N/A	531	Occupied	Muhammad, Royce	02/22/2007	02/22/2007	01/31/2008	490.00	RENT	425.00	0.00	425.00	0.00	475.00
1200	P-5BH 60	N/A	933	Occupied	Sauceda, Maria	06/11/2004	06/01/2006	05/31/2007	750.00	RENT	610.00	0.00	610.00	104.00	0.00
1201	P-4B 50	N/A	748	Occupied	Smiri, Shannon	11/07/2001	11/01/2006	10/31/2007	638.00	RENT	615.00	0.00	615.00	250.00	0.00
1202	P-6B 60	N/A	1066	Occupied	Davis, Josh	09/01/2006	09/01/2006	08/31/2007	780.00	RENT	780.00	0.00	780.00	0.00	0.00
1203	P-1AH 60	N/A	829	Occupied	Wells, Raelye	10/01/2003	10/01/2006	09/30/2007	652.00	RENT	600.00	0.00	650.00	104.00	0.00
1204	P-9A 60	N/A	607	Occupied	McDaniel III, Donovan					STORAGE	0.00	50.00			
				Occupied	McDaniel III, Donovan	02/14/2007	02/14/2007	01/31/2008	550.00	RENT	525.00	0.00	525.00	0.00	0.00
1205	P-9A 60	N/A	607	Occupied	Robbins, Natalie	01/31/2006	02/01/2007	01/31/2008	550.00	RENT	550.00	0.00	550.00	50.00	0.00
1206	P-9A 60	N/A	607	Occupied-NTVL	Smith, Joshua	07/07/2006	07/07/2006	06/30/2007	550.00	RENT	550.00	0.00	550.00	50.00	0.00
						07/15/2007				RENT	550.00	0.00	550.00	50.00	0.00

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
		N/A		Applicant	Mitchell, Hannah	07/19/2007	07/19/2007	06/30/2008		RENT	550.00*	0.00*	550.00*	0.00	45.00
1207	P-6B MKT	N/A	1066	Occupied	Chappability, Leah	05/02/2007	05/02/2007	04/30/2008	925.00	RENT	900.00	0.00	900.00	62.50	0.00
1208	P-4B 50	N/A	748	Occupied	Jones, Lakeshia	12/01/2006	12/01/2006	11/30/2007	638.00	RENT	525.00	0.00	525.00	0.00	0.00
1209	P-2AH 60	N/A	644	Occupied	Sharma, Rahul	02/27/2004	02/01/2007	01/31/2008	580.00	RENT	555.00	0.00	555.00	104.00	0.00
1210	P-5BH 50	N/A	933	Occupied	Chenault, Karen	03/18/2003	03/01/2007	02/29/2008	638.00	RENT	570.00	0.00	570.00	200.00	0.00
1211	P-6B MKT	N/A	1066	Occupied	Manz, David	06/29/2005	06/29/2006	06/30/2007	925.00	RENT	925.00	0.00	925.00	200.00	0.00
1212	P-5BH 60	N/A	933	Occupied	Fridelle, Janae	03/21/2007	03/21/2007	02/29/2008	750.00	RENT	699.00	0.00	699.00	0.00	(2.00)
1213	P-2AH 60	N/A	644	Occupied	Petke, Andrew	02/03/2003	02/01/2007	01/31/2008	580.00	RENT	550.00	0.00	550.00	150.00	0.00
1214	P-4B 50	N/A	748	Occupied	Thomas, Alicia	10/13/2006	10/13/2006	09/30/2007	638.00	RENT	525.00	0.00	525.00	62.50	0.00
1215	P-9A 60	N/A	607	Occupied	Deville, Brittany	02/16/2007	02/16/2007	01/31/2008	550.00	RENT	550.00	0.00	550.00	0.00	0.00
1216	P-9A 60	N/A	607	Occupied	Childress, Misty	09/29/2006	09/29/2006	08/31/2007	550.00	RENT	515.00	0.00	515.00	100.00	0.00
1217	P-9A 60	N/A	607	Occupied-NTVL	Stidham, Troy	07/22/2006	07/22/2006	06/30/2007	550.00	RENT	550.00	0.00	550.00	0.00	0.00
		N/A		Applicant	Dissmore, Heather	07/07/2007	07/07/2007	06/30/2008		RENT	550.00*	0.00*	550.00*	0.00	45.00
1218	P-3A 60	N/A	829	Occupied	Trail, Traci	01/05/2007	01/05/2007	12/31/2007	652.00	RENT	652.00	0.00	652.00	0.00	0.00
1219	P-6B MKT	N/A	1066	Occupied-NTV	Bowers, Rebecca	07/28/2006	07/28/2006	07/31/2007	925.00	RENT	875.00	0.00	915.00	0.00	0.00
						06/30/2007					0.00	40.00			
1220	P-5BH 60	N/A	933	Occupied	Thompson, Boone	01/02/2007	01/02/2007	12/31/2007	750.00	RENT	699.00	0.00	699.00	0.00	0.00
1221	P-4B 50	N/A	748	Occupied	Fabiola, AnnaMarie	03/28/2006	03/01/2007	02/29/2008	638.00	RENT	121.00	0.00	630.00	62.50	0.00
										Subsidy Rent	509.00	0.00			
1300	P-5BH 60	N/A	933	Occupied	Simmons, Janis	10/31/2006	10/31/2006	09/30/2007	750.00	Subsidy Rent	665.00	0.00	665.00	75.00	0.00
1301	P-4B 50	N/A	748	Occupied	Higginbotham, Seth	02/26/2007	02/26/2007	01/31/2008	638.00	RENT	525.00	0.00	525.00	150.00	0.00
1302	P-6B MKT	N/A	1066	Occupied	Hopkins, Sarah	06/02/2006	06/02/2006	05/31/2007	925.00	EMPLCRED	0.00	(183.00)	0.00	0.00	0.00
										RENT	915.00	0.00			
1303	P-3A 50	Affordable	829	Occupied-NTVL	Frame, Raymond	07/07/2006	07/07/2006	06/30/2007	533.00	RENT	533.00	0.00	533.00	100.00	860.22
		Affordable		Applicant	Mabry, Alexis	07/01/2007	07/01/2007	07/31/2008		RENT	533.00*	0.00*	533.00*	0.00	45.00
1304	P-9A 60	N/A	607	Occupied	Bremley, Robert	03/26/2007	03/26/2007	02/29/2008	550.00	RENT	550.00	0.00	550.00	0.00	0.00
1305	P-9A 60	N/A	607	Occupied	Singleton, Joseph	10/01/2002	10/01/2006	09/30/2007	550.00	RENT	530.00	0.00	530.00	150.00	0.00
1306	P-9A 60	N/A	607	Occupied	Gaston, Kallie	03/01/2007	03/01/2007	02/29/2008	550.00	RENT	550.00	0.00	550.00	0.00	0.00
1307	P-6B MKT	N/A	1066	Occupied	Hart, Emily	08/01/2006	08/01/2006	07/31/2007	925.00	RENT	875.00	0.00	875.00	150.00	0.00
1308	P-4B 50	N/A	748	Occupied	Camacho, Gilbert	04/05/2007	04/05/2007	03/31/2008	638.00	RENT	108.00	0.00	525.00	50.00	(24.50)
										Subsidy Rent	417.00	0.00			
1309	P-2AH 60	N/A	644	Occupied	Uzzel, Jon	08/24/2006	08/24/2006	07/31/2007	580.00	RENT	550.00	0.00	550.00	0.00	0.00
1310	P-5BH 50	N/A	933	Vacant	VACANT				638.00		0.00*	0.00*			

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unk	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
1311	P-6B MKT	N/A	1066	Occupied	Kirkland, Rachel	05/08/2007	05/08/2007	04/30/2008	925.00	RENT	925.00	0.00	925.00	50.00	0.00
1312	P-5BH 60	N/A	933	Occupied	Douglas, Jennifer	02/26/2004	02/01/2007	01/31/2008	750.00	RENT	690.00	0.00	690.00	104.00	0.00
1313	P-2AH 60	N/A	644	Occupied	Adamson, Pamela	11/06/2006	11/06/2006	10/31/2007	580.00	RENT	580.00	0.00	580.00	50.00	0.00
1314	P-4B 50	N/A	748	Occupied	George, Dane	06/28/2006	06/28/2006	05/31/2007	638.00	RENT	599.00	0.00	599.00	150.00	(3.00)
		N/A		Pending renewal	George, Dane	06/28/2006	06/01/2007	05/31/2008		RENT	605.00*	0.00*	605.00*	0.00	0.00
1315	P-9A 60	N/A	607	Occupied	Wiand, Michael	06/20/2002	09/01/2006	08/31/2007	550.00	RENT	540.00	0.00	540.00	150.00	0.00
1316	P-9A 60	N/A	607	Occupied	Whipp, Wes	12/29/2006	12/29/2006	11/30/2007	550.00	RENT	550.00	0.00	550.00	50.00	0.00
1317	P-9A 60	N/A	607	Occupied	Waldrop, Angela	08/12/2005	09/01/2006	07/31/2007	550.00	RENT	550.00	0.00	550.00	50.00	0.00
1318	P-3A 60	Affordable	829	Occupied	Elfrink, Alexander	02/21/2007	02/21/2007	01/31/2008	652.00	RENT	652.00	0.00	652.00	0.00	0.00
1319	P-6B MKT	N/A	1066	Occupied	Stevens, Mike	10/16/2006	10/16/2006	09/30/2007	925.00	RENT	825.00	0.00	825.00	50.00	0.00
1320	P-5BH 50	N/A	933	Occupied-NTV	Thomas, Barbara	07/01/2006	07/01/2006	06/30/2007	638.00	RENT	599.00	0.00	599.00	0.00	0.00
						06/30/2007									
1321	P-4B 50	N/A	748	Occupied	Gaytan, Oralia	10/23/2006	10/23/2006	09/30/2007	638.00	RENT	116.00	0.00	522.00	62.50	0.00
										Subsidy Rent	406.00	0.00			
1400	P-5BH MK	N/A	933	Occupied	Burns, Gary	01/30/2007	01/30/2007	12/31/2007	885.00	RENT	799.00	0.00	799.00	0.00	(82.00)
1401	P-4B 50	N/A	748	Occupied	Campanozzi, Rebecca	03/31/2007	03/31/2007	02/29/2008	638.00	RENT	525.00	0.00	525.00	0.00	45.00
1402	P-6B MKT	N/A	1066	Occupied	Joyner, Jeffery	11/22/2003	05/01/2007	04/30/2008	925.00	RENT	820.00	0.00	820.00	104.00	0.00
1404	P-8B MKT	N/A	988	Occupied	Weaver, Mary	04/17/2003	07/01/2006	06/30/2007	900.00	RENT	930.00	0.00	930.00	200.00	0.00
1406	P-8B MKT	N/A	988	Occupied	Chatterjee, Sarah	04/19/2007	04/19/2007	03/31/2008	900.00	RENT	800.00	0.00	800.00	225.00	(50.00)
1407	P-6B MKT	N/A	1066	Occupied-NTV	Burke, Camron	07/18/2006	07/18/2006	06/30/2007	925.00	RENT	875.00	0.00	875.00	0.00	0.00
						06/30/2007									
1408	P-4B 50	N/A	748	Occupied	Jones, Jenny	02/02/2007	02/02/2007	01/31/2008	638.00	RENT	525.00	0.00	525.00	0.00	0.00
1409	P-2AH 60	N/A	644	Occupied	Miskovic, Daniela	01/03/2007	01/03/2007	12/31/2007	580.00	RENT	529.00	0.00	529.00	150.00	(529.00)
1410	P-5BH 50	N/A	933	Occupied	Whitlock, Trina	08/01/2006	08/01/2006	07/31/2007	638.00	RENT	638.00	0.00	638.00	0.00	65.00
1411	P-6B MKT	N/A	1066	Occupied-NTVL	Weatherby, Tracy	10/28/2005	10/01/2006	05/31/2007	925.00	RENT	925.00	0.00	925.00	287.50	0.00
		N/A		Applicant	Wilson, David	05/31/2007	06/07/2007	05/31/2008		RENT	925.00*	0.00*	1,025.00*	62.50	0.00
										STORAGE	0.00*	100.00*			
1412	P-5BH 60	N/A	933	Occupied	Lemaster, Laura	04/04/2007	04/04/2007	03/31/2008	750.00	RENT	699.00	0.00	699.00	150.00	(290.00)
1413	P-2AH 60	N/A	644	Occupied	Hosp, Amy	05/20/2006	05/01/2007	04/30/2008	580.00	RENT	580.00	0.00	0.00	100.00	0.00
										RESACTIV	0.00	(580.00)			
1414	P-4ADh 50	N/A	630	Occupied	Walker, Russell	07/12/2001	09/01/2006	08/31/2007	533.00	RENT	515.00	0.00	515.00	200.00	0.00
1415	P-8B MKT	N/A	988	Occupied	Payton, Olivia	12/01/2006	12/01/2006	11/30/2007	900.00	RENT	849.00	0.00	849.00	0.00	(2,547.00)
1417	P-8B MKT	N/A	988	Occupied	Faulks, Beth	01/02/2007	01/02/2007	11/30/2007	900.00	RENT	849.00	0.00	849.00	0.00	(3.00)
1419	P-6B MKT	N/A	1066	Occupied	Aleman, Jose	07/10/2004	07/01/2006	06/30/2007	925.00	RENT	925.00	0.00	965.00	75.00	0.00
										STORAGE	0.00	40.00			

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
1420	P-5BH 60	N/A	933	Occupied	Durkin, Jim	08/08/2003	08/01/2006	07/31/2007	750.00	RENT	715.00	0.00	725.00	300.00	0.00
										STORAGE	0.00	10.00			
1421	P-4ADh 50	N/A	630	Occupied	Argujo, Jessica	08/02/2006	08/02/2006	07/31/2007	533.00	RENT	533.00	0.00	533.00	0.00	0.00
2101	C-6B MKT	N/A	1068	Occupied	Soffiantino, Mary	08/29/2002	08/01/2006	07/31/2007	875.00	RENT	283.00	0.00	708.00	200.00	0.00
										Subsidy Rent	425.00	0.00			
2102	C-4C 60	N/A	1238	Vacant-Leased	VACANT				825.00		0.00*	0.00*			
				Applicant	Bridges, Dolston	08/01/2007	06/01/2007	05/31/2008		RENT	825.00*	0.00*	825.00*	0.00	45.00
2103	C-2B MKT	N/A	986	Occupied	Cooper, Crystal	07/01/2004	07/01/2006	06/30/2007	775.00	RENT	90.00	0.00	688.00	104.00	0.00
										Subsidy Rent	598.00	0.00			
2104	C-2B 60	N/A	986	Vacant	VACANT				740.00		0.00*	0.00*			
2105	C-1A 50	N/A	671	Occupied	Perry, Robert	09/01/2004	08/01/2006	07/31/2007	533.00	RENT	140.00	0.00	530.00	50.00	0.00
										Subsidy Rent	390.00	0.00			
		N/A		Pending renewal	Perry, Robert	09/01/2004	08/01/2007	07/31/2008		RENT	530.00*	0.00*	530.00*	0.00	0.00
2106	C-1A 50	N/A	671	Occupied	Jackson, James	09/18/2006	09/18/2006	08/31/2007	533.00	RENT	116.00	0.00	530.00	92.77	0.00
										Subsidy Rent	414.00	0.00			
2107	C-1A 50	N/A	671	Occupied	Wynn, Gene	06/07/2006	06/07/2006	05/31/2007	533.00	RENT	277.00	0.00	530.00	50.00	0.00
										Subsidy Rent	253.00	0.00			
2108	C-1A 50	N/A	671	Occupied	Johnson, Kenneth	03/31/2007	03/31/2007	02/29/2008	533.00	RENT	533.00	0.00	533.00	0.00	0.00
2109	C-1A 50	N/A	671	Occupied	Fuqua, James	04/24/2003	04/01/2007	03/31/2008	533.00	RENT	530.00	0.00	530.00	300.00	0.00
2110	C-1A 50	N/A	671	Occupied-NTVL	Morgan, Sylvester (B)	06/10/2005	06/09/2006	05/31/2007	533.00	RENT	108.00	0.00	530.00	100.00	(6.00)
										Subsidy Rent	422.00	0.00			
		N/A		Applicant	Gatewood, Angela	06/08/2007	06/08/2007	05/31/2008		RENT	533.00*	0.00*	533.00*	0.00	45.00
2111	C-3A 60	N/A	754	Occupied	Sanders, Jeffrey	03/22/2007	03/22/2007	02/29/2008	570.00	RENT	545.00	0.00	545.00	100.00	0.00
2112	C-3A 60	N/A	754	Occupied	Lee, Virginia	10/01/2003	10/01/2006	09/30/2007	570.00	RENT	539.00	0.00	539.00	154.00	(12.00)
2113	C-5A 60	Affordable	671	Occupied	Gregory, Hollis	10/18/2003	10/01/2006	09/30/2007	545.00	RENT	530.00	0.00	530.00	404.00	0.00
2114	C-5AH 50	N/A	671	Occupied	Wilson, Robert	09/03/2003	09/01/2006	08/31/2007	533.00	RENT	179.00	0.00	530.00	59.00	0.00
										Subsidy Rent	351.00	0.00			
2115	C-1A 50	N/A	671	Occupied	Miller, Delores	07/21/2004	07/01/2006	06/30/2007	533.00	RENT	177.00	0.00	510.00	100.00	(113.00)
										Subsidy Rent	333.00	0.00			
		N/A		Pending renewal	Miller, Delores	07/21/2004	07/01/2007	06/30/2008		RENT	510.00*	0.00*	510.00*	0.00	0.00
2116	C-1A 50	N/A	671	Occupied-NTVL	Knotts, Christopher	08/18/2006	08/18/2006	07/31/2007	533.00	RENT	533.00	0.00	533.00	0.00	0.00
						06/10/2007									
		N/A		Applicant	Cottriss, Jessica	07/01/2007	07/01/2007	06/30/2008		RENT	533.00*	0.00*	533.00*	50.00	0.00
2117	C-2B 60	N/A	986	Occupied	Howard, Kevin	01/11/2007	01/11/2007	12/31/2007	740.00	RENT	669.00	0.00	669.00	0.00	0.00
2118	C-2B 60	N/A	986	Occupied	Bogan, Michelle	06/21/2006	06/21/2006	05/31/2007	740.00		0.00	0.00	0.00	0.00	0.00
										RENT	720.00*	0.00*	720.00*	0.00	0.00
		N/A		Pending renewal	Bogan, Michelle	06/21/2006	06/01/2007	05/31/2008							

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HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
2119	C-4C 60	N/A	1238	Occupied	Ferrel, Lachell	11/30/2001	12/01/2006	11/30/2007	825.00	RENT	551.00	0.00	977.00	300.00	949.00
2120	C-5B MKT	N/A	1068	Occupied	Shorten, Sylvia	10/11/2002	02/01/2007	09/30/2007	875.00	Subsidy Rent	426.00	0.00			
2201	C-4C MKT	N/A	1238	Occupied	Scott, Helen	02/23/2006	02/01/2007	01/31/2008	925.00	RENT	708.00	0.00	708.00	200.00	0.00
2202	C-4C 60	N/A	1238	Occupied	Moore, Francesca	03/27/2007	03/27/2007	02/29/2008	825.00	RENT	825.00	0.00	825.00	187.50	0.00
2203	C-2B MKT	N/A	986	Occupied-NTVL	Starkey, David	01/27/2006	01/01/2007	06/30/2007	775.00	RENT	725.00	0.00	725.00	0.00	0.00
		N/A		Applicant	Sharp, Sherry	06/30/2007	07/15/2007	06/30/2008		RENT	775.00	0.00	775.00	225.00	0.00
2204	C-2B MKT	N/A	986	Occupied	Bachman, Clayton	07/15/2007	07/15/2007	06/30/2008	775.00	RENT	775.00*	0.00*	775.00*	0.00	45.00
						05/24/2006	05/24/2006	04/30/2007		MTOM	0.00	25.00	800.00	300.00	0.00
2205	C-1A 60	N/A	671	Occupied	Woolsey, Barbara	01/30/2004	01/01/2007	12/31/2007	545.00	RENT	775.00	0.00			
2206	C-1A 50	N/A	671	Occupied	Luce, Thomas	03/18/2004	03/01/2007	02/29/2008	533.00	RENT	560.00	0.00	560.00	300.00	0.00
										Subsidy Rent	146.00	0.00	510.00	303.00	0.00
2207	C-1A 60	N/A	671	Occupied	Allen, Iesha	02/23/2005	02/01/2007	01/31/2008	545.00	Subsidy Rent	364.00	0.00			
2208	C-1A 50	N/A	671	Occupied	Murry, Brenda	05/01/2006	05/01/2007	04/30/2008	533.00	RENT	530.00	0.00	530.00	77.00	0.00
										Subsidy Rent	95.00	0.00	530.00	100.00	0.00
2209	C-1A 50	N/A	671	Occupied	DeLeon, Fernando	06/17/2006	06/17/2006	05/31/2007	533.00	RENT	435.00	0.00			
				Pending renewal	DeLeon, Fernando	06/17/2006	06/01/2007	05/31/2008		RENT	519.00	0.00	519.00	0.00	0.00
2210	C-1A 50	N/A	671	Occupied	Phillips, Marie	10/14/2001	10/01/2006	08/31/2007	533.00	RENT	519.00*	0.00*	519.00*	0.00	0.00
2211	C-3A 60	N/A	754	Occupied	Ross, Benny	03/07/2005	03/01/2007	02/29/2008	570.00	RENT	504.00	0.00	504.00	50.00	2.00
2212	C-3A 60	N/A	754	Occupied	Jones, James	08/30/2005	08/01/2006	07/31/2007	570.00	RENT	570.00	0.00	570.00	100.00	0.00
										Subsidy Rent	205.00	0.00	542.00	50.00	0.00
2213	C-3A 60	N/A	754	Occupied	BLACK, PAUL	12/02/2005	12/01/2006	11/30/2007	570.00	RENT	337.00	0.00			
2214	C-3A 60	N/A	754	Occupied	Plaster, Ones	10/29/2004	10/01/2006	09/30/2007	570.00	RENT	542.00	0.00	542.00	50.00	(36.00)
2215	C-1A 50	N/A	671	Occupied	Titus, Carolyn Gwennell	11/01/2005	11/01/2006	10/31/2007	533.00	RENT	570.00	0.00	570.00	104.00	0.00
2216	C-1A 50	N/A	671	Occupied	Tunstall, Jewel	04/11/2005	04/01/2007	03/31/2008	533.00	RENT	530.00	0.00	530.00	200.00	0.00
2217	C-1A 50	N/A	671	Occupied	Hinojosa, Oscar	12/07/2006	12/07/2006	11/30/2007	533.00	RENT	533.00	0.00	533.00	0.00	0.00
										Subsidy Rent	382.00	0.00	530.00	50.00	0.00
2218	C-1A 50	N/A	671	Occupied	JOHNSON, MARY	05/09/2005	05/01/2007	04/30/2008	533.00	RENT	148.00	0.00			
2219	C-2B 60	N/A	986	Vacant	VACANT				740.00		530.00	0.00	530.00	200.00	0.00
2220	C-2B MKT	N/A	986	Occupied	Marino, Edwin	08/05/2006	08/05/2006	07/31/2007	775.00	RENT	0.00*	0.00*			
2221	C-4C 60	N/A	1238	Occupied	Kirkland, Adren	03/18/2002	03/01/2007	02/29/2008	825.00	RENT	775.00	0.00	775.00	0.00	0.00
2222	C-4C 60	N/A	1238	Occupied	Cole, Christiana	05/15/2007	05/15/2007	04/30/2008	825.00	RENT	825.00	0.00	825.00	250.00	(293.00)
2301	C-4C MKT	N/A	1238	Occupied	Vance, Sa Jada	11/16/2006	11/16/2006	10/31/2007	925.00	RENT	725.00	0.00	725.00	75.00	0.00
2302	C-4C MKT	N/A	1238	Occupied	Sterling, Sheronda	05/01/2004	05/01/2007	04/30/2008	925.00	RENT	799.00	0.00	799.00	0.00	0.00
2303	C-2B MKT	Conventional	986	Occupied	Gutierrez, Debra	05/15/2007	05/15/2007	04/30/2008	775.00	RENT	825.00	0.00	825.00	104.00	(1.00)
										RENT	775.00	0.00	775.00	62.50	0.00

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
2304	C-2B MKT	N/A	986	Occupied	Hill, Tellena	02/02/2006	02/02/2006	01/31/2007	775.00	MTOM	0.00	25.00	800.00	62.50	0.00
										RENT	775.00	0.00			
2305	C-1A 60	N/A	671	Occupied	Jones, Alton	02/07/2006	02/01/2007	07/31/2007	545.00	RENT	530.00	0.00	530.00	50.00	(1.00)
2306	C-1A 60	N/A	671	Occupied	Sherman, Mary	03/30/2006	03/01/2007	02/29/2008	545.00	RENT	122.00	0.00	530.00	50.00	0.00
										Subsidy Rent	408.00	0.00			
2307	C-1A 60	N/A	671	Occupied	Eaglin, Rodney	10/13/2006	10/13/2006	09/30/2007	545.00	RENT	535.00	0.00	535.00	100.00	0.00
2308	C-1A 60	N/A	671	Occupied	Way, Lois	01/28/2006	01/01/2007	12/31/2007	545.00	RENT	530.00	0.00	530.00	50.00	0.00
2309	C-1A 60	N/A	671	Occupied	Williams, Serena	06/07/2006	06/07/2006	05/31/2007	545.00	RENT	110.00	0.00	533.00	100.00	0.00
										Subsidy Rent	423.00	0.00			
		N/A		Pending renewal	Williams, Serena	06/07/2006	06/01/2007	05/31/2008		RENT	533.00*	0.00*	533.00*	0.00	0.00
2310	C-1A 60	N/A	671	Occupied	Bennett, Eric	12/23/2005	12/01/2006	11/30/2007	545.00	RENT	530.00	0.00	530.00	100.00	(0.42)
2311	C-3A 60	N/A	754	Occupied	Edwards, Lauren	05/11/2006	05/11/2006	04/30/2007	570.00	MTOM	0.00	25.00	595.00	0.00	0.00
										RENT	570.00	0.00			
2312	C-3A 60	N/A	754	Occupied	Busby, Shelvia	08/29/2002	05/01/2007	04/30/2008	570.00	RENT	117.00	0.00	545.00	150.00	6.00
										Subsidy Rent	428.00	0.00			
2313	C-3A 60	N/A	754	Occupied	Maxwell, Ernest	11/18/2003	11/01/2006	10/31/2007	570.00	RENT	499.00	0.00	499.00	105.00	0.00
2314	C-3A 60	N/A	754	Occupied	Turney, Erin	08/05/2006	08/05/2006	07/31/2007	570.00	RENT	533.00	0.00	533.00	0.00	0.00
2315	C-1A 60	Affordable	671	Occupied	Justice, Deloris	07/01/2002	05/01/2006	04/30/2007	545.00	RENT	164.00	0.00	530.00	150.00	0.00
										Subsidy Rent	366.00	0.00			
		Affordable		Pending renewal	Justice, Deloris	07/01/2002	07/01/2007	06/30/2008		RENT	530.00*	0.00*	530.00*	0.00	0.00
2316	C-1A 60	N/A	671	Occupied	Dart, John	09/08/2006	09/08/2006	08/31/2007	545.00	RENT	92.00	0.00	530.00	62.50	0.00
										Subsidy Rent	438.00	0.00			
2317	C-1A 60	N/A	671	Occupied	Bozeman, Sammy	07/20/2002	07/01/2006	06/30/2007	545.00	RENT	202.00	0.00	545.00	150.00	0.00
										Subsidy Rent	343.00	0.00			
		N/A		Pending renewal	Bozeman, Sammy	07/20/2002	07/01/2007	06/30/2008		RENT	203.00*	0.00*	545.00*	0.00	0.00
										Subsidy Rent	342.00*	0.00*			
2318	C-1A 60	N/A	671	Occupied	Jenson, June	08/27/2002	08/01/2006	07/31/2007	545.00	RENT	110.00	0.00	545.00	150.00	0.00
										Subsidy Rent	435.00	0.00			
2319	C-2B MKT	N/A	986	Occupied	Bledsoe, Joe	03/05/2007	03/05/2007	02/29/2008	775.00	RENT	775.00	0.00	775.00	0.00	0.00
2320	C-2B MKT	Conventional	986	Occupied	Loudermilk, Daniel	01/12/2007	01/12/2007	12/31/2007	775.00	RENT	699.00	0.00	699.00	0.00	0.00
2321	C-4C MKT	N/A	1238	Occupied	Leal, Alma	03/27/2004	04/01/2007	03/31/2008	925.00	RENT	417.00	0.00	825.00	104.00	0.00
										Subsidy Rent	408.00	0.00			
2322	C-4C 60	N/A	1238	Occupied	Solis, Pedro	05/08/2007	05/08/2007	04/30/2008	825.00	RENT	735.00	0.00	735.00	75.00	0.00
2401	C-4C MKT	N/A	1238	Occupied	McCracken, Moriah	08/01/2006	08/01/2006	07/31/2007	925.00	RENT	899.00	0.00	899.00	150.00	0.00
2402	C-4C MKT	N/A	1238	Occupied	Hart, Michael	12/17/2004	07/01/2006	06/30/2007	925.00	OFCRCRED	0.00	(925.00)	0.00	0.00	0.00
										RENT	925.00	0.00			

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HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
2403	C-2B MKT	N/A	986	Occupied	Cox, Demery	08/31/2006	08/31/2006	07/31/2007	775.00	RENT	729.00	0.00	729.00	125.00	0.00
2404	C-2B MKT	N/A	986	Occupied	Jones, Stephanie	01/29/2007	01/29/2007	12/31/2007	775.00	RENT	445.00	0.00	655.00	0.00	514.90
										Subsidy Rent	210.00	0.00			
2405	C-1A 60	N/A	671	Occupied-NTVL	McKenzie, Sarah	07/07/2006	07/07/2006	08/30/2007	545.00	RENT	545.00	0.00	545.00	150.00	0.00
				Applicant	Cox, Rachel	07/16/2007	07/16/2007	06/30/2008		RENT	545.00*	0.00*	545.00*	0.00	45.00
2406	C-1A 60	N/A	671	Occupied	Snow, Malcolm	05/01/2006	05/01/2007	04/30/2008	545.00		0.00	0.00	0.00	100.00	0.00
2407	C-1A 60	N/A	671	Occupied	Carey, Judy	10/06/2006	10/06/2006	09/30/2007	545.00	RENT	178.00	0.00	530.00	50.00	(741.53)
										Subsidy Rent	354.00	0.00			
2408	C-1A 60	N/A	671	Occupied	Gable, Teresa	06/30/2006	06/30/2006	05/31/2007	545.00	RENT	65.00	0.00	530.00	100.00	0.00
										Subsidy Rent	465.00	0.00			
				Pending renewal	Gable, Teresa	06/30/2006	06/01/2007	05/31/2008		RENT	530.00*	0.00*	530.00*	0.00	0.00
2409	C-1A 60	N/A	671	Occupied	St. Clair, Teresa	02/05/2007	02/05/2007	01/31/2008	545.00	RENT	544.00	0.00	544.00	50.00	(110.00)
2410	C-1A 60	N/A	671	Occupied	Gupton, Raymond	02/13/2006	02/01/2007	01/31/2008	545.00	RENT	530.00	0.00	530.00	50.00	0.00
2411	C-3A 60	N/A	754	Occupied	Williams, Paul David	10/19/2006	10/19/2006	09/30/2007	570.00	RENT	154.00	0.00	530.00	50.00	(199.00)
										Subsidy Rent	376.00	0.00			
2412	C-3A 60	N/A	754	Occupied	Lowery, David	02/05/2004	02/01/2007	01/31/2008	570.00	RENT	201.00	0.00	588.00	303.00	0.00
										Subsidy Rent	387.00	0.00			
2413	C-3A 60	N/A	754	Occupied	Putteet S8, Rickey	06/22/2005	06/01/2006	05/31/2007	570.00	RENT	138.00	0.00	564.00	150.00	0.00
										Subsidy Rent	426.00	0.00			
				Pending renewal	Putteet S8, Rickey	06/22/2005	06/01/2007	05/31/2008		RENT	564.00*	0.00*	564.00*	0.00	0.00
2414	C-3A 60	N/A	754	Occupied	Allen, Stephens	05/15/2007	05/15/2007	05/31/2008	570.00	RENT	570.00	0.00	570.00	50.00	0.00
2415	C-1A 60	N/A	671	Occupied	Scott, Micheal	09/24/2002	01/01/2007	12/31/2007	545.00	RENT	157.00	0.00	530.00	150.00	(12.00)
										Subsidy Rent	373.00	0.00			
2416	C-1A 60	N/A	671	Occupied	Butler, Glenn	10/24/2002	10/01/2006	09/30/2007	545.00	RENT	125.00	0.00	545.00	150.00	(118.00)
										Subsidy Rent	420.00	0.00			
2417	C-1A 60	N/A	671	Occupied	Hubbard, Annie	09/01/2005	09/01/2006	08/31/2007	545.00	RENT	530.00	0.00	530.00	50.00	0.00
2418	C-1A 60	N/A	671	Occupied	Dixon, Derek	05/23/2005	05/01/2007	04/30/2008	545.00	RENT	530.00	0.00	530.00	100.00	0.00
2419	C-2B MKT	N/A	986	Occupied	Hunter, Emily	02/09/2007	02/09/2007	02/29/2008	775.00	RENT	699.00	0.00	699.00	150.00	0.00
2420	C-2B MKT	N/A	986	Occupied	Oliver, Jo Anne	01/03/2007	01/03/2007	12/31/2007	775.00	RENT	699.00	0.00	699.00	150.00	260.00
2421	C-4C MKT	N/A	1238	Occupied	Hadley, Joe	07/27/2006	07/27/2006	06/30/2099	925.00	OFRCRED	0.00	(925.00)	0.00	0.00	0.00
										RENT	925.00	0.00			
2422	C-4C MKT	N/A	1238	Occupied	DeLord, Jonathan	02/01/2007	02/01/2007	01/31/2008	925.00	RENT	775.00	0.00	775.00	0.00	0.00
3101	H-1A MKT	N/A	863	Vacant-Leased	VACANT				875.00		0.00*	0.00*			
				Applicant	Phillips, Redben	06/01/2007	06/01/2007	05/31/2008		CONC/SPECL	0.00*	(399.50)	399.50*	50.00	0.00
										RENT	799.00*	0.00*			

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market Rent	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
3102	H-1A MKT	N/A	863	Vacant-Leased	VACANT				875.00		0.00*	0.00*			
		N/A		Applicant	Garrison, Mark	06/01/2007	06/01/2007	08/31/2007		RENT	975.00*	0.00*	975.00*	0.00	45.00
3103	H-2L LFT	N/A	956	Occupied	Parker, Joe	04/05/2007	04/05/2007	03/31/2008	915.00	RENT	900.00	0.00	900.00	0.00	0.00
3104	H-3L LFT	N/A	846	Occupied	Williams, Steve	11/17/2004	11/01/2006	10/31/2007	820.00	RENT	720.00	0.00	720.00	200.00	0.00
3105	H-2L LFT	N/A	956	Vacant	VACANT				915.00		0.00*	0.00*			
3106	H-3L LFT	N/A	846	Occupied	Shapard, Gwen	02/03/2006	02/01/2007	07/31/2007	820.00	RENT	775.00	0.00	775.00	50.00	0.00
3107	H-1A MKT	Conventional	863	Occupied	Bell, Alan	07/26/2006	07/26/2006	06/30/2007	875.00	RENT	799.00	0.00	799.00	100.00	(3.00)
		Conventional		Pending renewal	Bell, Alan	07/26/2006	07/01/2007	06/30/2008		RENT	809.00*	0.00*	809.00*	0.00	0.00
3108	H-1A MKT	N/A	863	Occupied	Model 2, Model 2	05/21/2007	05/21/2007	03/31/2008	875.00	MODEL	0.00	(875.00)	0.00	0.00	0.00
										RENT	875.00	0.00			
3201	H-1A MKT	N/A	863	Occupied	Haddock, Mathew	03/01/2005	11/01/2006	10/31/2007	875.00	RENT	800.00	0.00	800.00	0.00	0.00
3202	H-1A MKT	N/A	863	Occupied	Phillips, Annie	11/10/2006	11/10/2006	10/31/2007	875.00	RENT	750.00	0.00	750.00	50.00	0.00
3203	H-2L LFT	N/A	956	Occupied	Haddock, Mathew	10/19/2001	11/01/2006	10/31/2007	915.00	RENT	910.00	0.00	910.00	500.00	0.00
3204	H-2L LFT	N/A	956	Occupied-NTVL	Downey, Justin	03/27/2006	03/27/2006	09/30/2006	915.00	MTOM	0.00	25.00	940.00	100.00	(10.00)
						05/31/2007				RENT	915.00	0.00			
3205	H-2L LFT	N/A	956	Applicant	Dearden, Matt	06/07/2007	06/07/2007	05/31/2008		RENT	915.00*	0.00*	915.00*	100.00	0.00
		N/A		Occupied	Morales, Christine	12/28/2006	12/28/2006	11/30/2007	915.00	RENT	899.00	0.00	899.00	0.00	0.00
3206	H-2L LFT	N/A	956	Occupied	Speer, Alyson	12/14/2005	12/01/2006	05/31/2007	915.00	RENT	835.00	0.00	835.00	50.00	0.00
3207	H-1A MKT	N/A	863	Occupied	Gordon, Natalie	03/26/2007	03/26/2007	02/29/2008	875.00	EMPLCRED	0.00	(150.00)	0.00	0.00	0.00
										RENT	750.00	0.00			
										STAFF	0.00	(600.00)			
3208	H-1A MKT	N/A	863	Occupied	Monsey, David	10/23/2006	10/23/2006	09/30/2007	875.00	RENT	810.00	0.00	810.00	50.00	0.00
3301	H-1A MKT	N/A	863	Occupied	Stewart, Jimmy	11/01/2006	11/01/2006	10/31/2007	875.00	RENT	810.00	0.00	810.00	100.00	0.00
3302	H-1A MKT	N/A	863	Occupied	Nichols, Lee	10/18/2006	10/18/2006	09/30/2007	875.00	RENT	810.00	0.00	810.00	50.00	0.00
3303	H-2L LFT	N/A	956	Occupied	McLain, Melissa	12/28/2006	12/28/2006	11/30/2007	915.00	RENT	915.00	0.00	915.00	0.00	0.00
3304	H-2L LFT	N/A	956	Occupied	Hestier, Blake	11/11/2006	11/11/2006	10/31/2007	915.00	RENT	875.00	0.00	875.00	50.00	0.00
3305	H-2L LFT	N/A	956	Occupied-NTVL	Schiller, Edward	06/15/2006	06/15/2006	05/31/2007	915.00	RENT	799.00	0.00	799.00	0.00	0.00
						06/30/2007									
		N/A		Applicant	Shipman, Mark	07/07/2007	07/07/2007	06/30/2008		RENT	915.00*	0.00*	915.00*	0.00	45.00
3306	H-2L LFT	N/A	956	Occupied	Lawson, Russell	09/01/2006	09/01/2006	07/31/2007	915.00	RENT	875.00	0.00	875.00	0.00	25.00
3307	H-1A MKT	N/A	863	Occupied-NTV	Bacon, John	06/01/2006	06/01/2006	05/31/2007	875.00	RENT	875.00	0.00	875.00	0.00	0.00
						07/07/2007									
3308	H-1A MKT	N/A	863	Occupied	Moody, Craig	08/26/2006	08/26/2006	07/31/2007	875.00	RENT	799.00	0.00	799.00	0.00	0.00
Totals:									133,685.00		118,470.00	(4,690.00)	113,780.00	16,853.27	0.00

* Indicates amounts not included in detail totals

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 160,876 SQFT; Leased = 152,052 SQFT;

Floorplan	# Units	Average SQFT	Average Market Rent	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
C-5AH 50	1	671	533.00	0.79	530.00	0.79	1	100.00	0
C-6B MKT	2	1,068	875.00	0.82	708.00	0.66	2	100.00	0
C-1A 50	16	671	533.00	0.79	525.75	0.78	16	100.00	0
C-1A 60	22	671	545.00	0.81	511.00	0.76	22	100.00	0
C-2B 60	4	986	740.00	0.75	334.50	0.34	2	50.00	2
C-2B MKT	12	986	775.00	0.79	734.92	0.75	12	100.00	0
C-3A 60	14	754	570.00	0.76	550.50	0.73	14	100.00	0
C-4C 60	6	1,238	825.00	0.67	797.40	0.64	5	83.33	0
C-4C MKT	8	1,238	925.00	0.75	849.75	0.69	8	100.00	0
C-5A 60	1	671	545.00	0.81	530.00	0.79	1	100.00	0
H-1A MKT	12	863	875.00	1.01	807.80	0.94	10	83.33	1
H-2L LFT	10	956	915.00	0.96	880.33	0.92	9	90.00	1
H-3L LFT	2	846	820.00	0.97	747.50	0.88	2	100.00	0
P-1AH 60	1	829	652.00	0.79	600.00	0.72	1	100.00	0
P-2AH 60	8	644	580.00	0.90	554.25	0.86	8	100.00	0
P-3A 50	1	829	533.00	0.64	533.00	0.64	1	100.00	0
P-3A 60	2	829	652.00	0.79	652.00	0.79	2	100.00	0
P-4ADh 50	2	630	533.00	0.85	524.00	0.83	2	100.00	0
P-4B 50	12	748	638.00	0.85	560.42	0.75	12	100.00	1
P-5BH 50	6	933	638.00	0.68	613.00	0.66	5	83.33	2
P-5BH 60	8	933	750.00	0.80	673.63	0.72	8	100.00	0
P-5BH MK	2	933	885.00	0.95	799.00	0.86	1	50.00	0
P-6B 60	2	1,066	780.00	0.73	780.00	0.73	1	50.00	1
P-6B MKT	14	1,066	925.00	0.87	870.14	0.82	14	100.00	2
P-7Eh 60	2	531	490.00	0.92	437.50	0.82	2	100.00	0
P-8B MKT	4	988	900.00	0.91	857.00	0.87	4	100.00	0
P-9A 60	18	607	550.00	0.91	539.00	0.89	18	100.00	0
Totals / Averages:	192	838	696.17	0.83	647.38	0.78	183	95.31	10

HTC 99005

RENT ROLL DETAIL

As of 05/25/2007

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Occupancy and Rents Summary for Current Date

Unit Status	Market Rent	# Units	Potential Rent
Occupied, no NTV	115,617.00	168	107,992.00
Occupied, NTV	4,001.00	5	3,823.00
Occupied NTV Leased	6,774.00	10	6,655.00
Vacant Leased	2,575.00	3	2,575.00
Admin/Down	885.00	1	885.00
Vacant Not Leased	3,813.00	5	3,813.00
Totals:	133,665.00	192	125,743.00

Summary Billing by Transaction Code for Current Date

Code	Amount
EMPLCRED	(333.00)
MODEL	(875.00)
MTOM	100.00
OFRCRED	(1,850.00)
RENT	103,704.00
RESACTIV	(580.00)
STAFF	(1,332.00)
STORAGE	180.00
Subsidy Rent	14,766.00
Total:	113,780.00

HOMES OF PARKER COMMONS# OF UNITS 192
SQUARE FEET 180,876**STATEMENT OF PROFIT AND LOSS**
PACE REALTY CORPORATION
For The Period Ending December 20, 2005PAGE 1
DATE 1/13/2006
TIME 02:45 PM**INCOME**

			RENTAL INCOME				
133,263.00	127,990	5,273	Gross Potential Rent	1,584,497.00	1,535,880	48,617	1,535,880
-6,109.66	-1,233	-3,877	Loss To Lease	-55,810.28	-18,707	-37,103	-18,707
128,153.34	126,757	1,396	NET POTENTIAL RENT	1,528,686.72	1,517,173	11,514	1,517,173
-10,249.67	-8,666	-1,584	Vacancy Loss	-89,218.23	-115,323	26,106	-115,323
-850.00	0	-850	Non Revenue Units	-7,933.33	0	-7,933	0
-1,203.33	-8,277	7,074	Concessions/Allowances	-22,455.38	-110,709	88,254	-110,709
-80.00	0	-80	Disaster Relief	-2,568.50	0	-2,669	0
-504.50	-1,750	1,246	Uncollectible Rent	-11,763.12	-21,000	9,237	-21,000
56.70	200	-143	Bad Debt Collections	1,760.74	2,400	-639	2,400
0.00	0	0	Employee Rents	0.00	0	0	0
-1,800.00	-1,765	-35	Courtesy Officer Units	-21,215.00	-21,180	-35	-21,180
2,764.23	0	2,764	Past Due Prior Month	33,316.01	0	33,316	0
-2,525.52	0	-2,526	Prepaid Prior Month	-56,344.24	0	-56,344	0
-2,870.50	0	-2,871	Past Due Current Month	-33,938.84	0	-33,939	0
2,414.35	0	2,414	Prepaid Current Month	50,417.91	0	50,418	0
113,295.10	106,499	6,796	TOTAL RENTAL INCOME	1,368,744.74	1,251,361	117,384	1,251,361
			OTHER INCOME				
0.00	0	0	Utility Income	0.00	0	0	0
0.00	0	0	Electric Income	504.41	0	504	0
40.00	0	40	Trash Income	60.00	0	60	0
505.00	975	-470	Late & NSF Fees	7,281.50	11,700	-4,419	11,700
0.00	775	-775	Security Deposit Forfeit	679.77	9,300	-8,620	9,300
0.00	0	0	Miscellaneous Income	0.20	0	0	0
6.00	10	-4	Internet Commission	36.00	120	-84	120
337.50	550	-213	Credit Application Fees	5,413.50	6,600	-1,187	6,600
0.00	0	0	Cable TV Income	2,800.84	0	2,801	0
0.00	25	-25	Vending Machine Income	435.77	300	136	300
1,068.70	50	1,019	Damage Receipts	8,775.64	600	8,176	600
0.64	30	-29	Interest Income	73.11	360	-287	360
134.81	300	-165	Lease Termination Fee	5,733.31	3,600	2,133	3,600
0.00	0	0	Legal & Collection Fees	53.00	0	53	0
328.04	250	78	Pet Fees	3,068.04	3,000	68	3,000
0.00	10	-10	Washer/Dryer Income	199.44	120	79	120
82.00	50	32	Month-To-Month Premiums	848.84	600	249	600
19.17	25	-6	Keys Charges	361.50	300	62	300
0.00	0	0	Transfer Fees	250.00	0	250	0
350.00	200	150	Storage Income	3,434.19	2,400	1,034	2,400
389.50	475	-86	Administrative Fee	5,479.75	5,700	-220	5,700
3,281.36	3,725	-464	TOTAL OTHER INCOME	45,498.81	44,700	789	44,700
116,556.46	110,224	6,332	TOTAL INCOME	1,414,233.55	1,296,061	118,173	1,296,061

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 182
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20 ,2005PAGE 2
DATE 1/13/2006
TIME 02:45 PM

EXPENSES

PAYROLL RELATED

3,076.92	3,076	-1	Manager	39,448.31	39,298	-148	39,298
2,871.84	2,489	-383	Assistant Manager	34,889.27	31,878	-3,011	31,878
1,800.28	1,816	16	Leasing Consultant	22,939.78	22,507	-433	22,507
2,840.88	2,651	-190	Service Technician	33,573.15	33,466	-107	33,466
3,483.91	2,051	-1,433	Asst. Service Technician	24,698.51	25,909	1,210	25,909
0.00	0	0	Make Ready	0.00	0	0	0
1,249.50	1,135	-115	Groundskeeper	15,428.70	14,209	-1,220	14,209
992.56	1,756	763	Payroll Taxes	17,568.96	23,557	5,988	23,557
749.06	958	209	Workers Comp Insurance	12,078.57	12,124	45	12,124
1,312.56	1,524	211	Health Insurance	17,127.75	18,331	1,203	18,331
18,377.51	17,456	-922	TOTAL PAYROLL AND RELATED	217,751.00	221,279	3,528	221,279

REPAIRS AND MAINTENANCE

MAKE READY

2,946.39	800	-2,146	Carpet Repairs	5,375.59	9,600	4,224	9,600
310.56	175	-136	Carpet Cleaning	2,587.30	2,375	-212	2,375
0.00	0	0	Carpet Replacements	0.00	0	0	0
0.00	0	0	Floor Tile Repairs	0.00	0	0	0
0.00	0	0	Window Coverings	0.00	0	0	0
487.33	350	-137	Interior Paint Supplies	2,593.00	4,950	2,357	4,950
0.00	255	255	Interior Paint Labor	881.85	3,485	2,603	3,485
0.00	65	65	Counter Repairs	531.45	780	249	780
595.00	595	0	Cleaning Service	6,965.00	8,415	1,450	8,415
4,339.28	2,240	-2,099	TOTAL MAKE READY	18,934.19	29,605	10,671	29,605

MAINTENANCE

0.00	0	0	HVAC Repairs	0.00	0	0	0
0.00	50	50	Plumbing Repairs	62.53	600	537	600
80.08	220	140	Appliance Repairs	2,105.69	2,640	534	2,640
0.00	45	45	Equipment	114.59	540	425	540
0.00	0	0	Sport/Fitness Equipment	167.52	0	-168	0
102.78	100	-3	Pool Supplies	1,084.88	2,250	1,165	2,250
0.00	0	0	Pool Repairs	1,536.28	0	-1,536	0
0.00	0	0	Grounds Maintenance	0.00	0	0	0
1,496.33	1,396	-100	Landscape Contract	18,211.08	16,752	-1,459	16,752
0.00	0	0	Seasonal Flowers	1,321.24	1,800	479	1,900
0.00	0	0	Winter Rye	1,000.00	969	-31	969
0.00	0	0	Irrigation System	117.50	200	83	200
3.44	100	97	Maintenance Supplies	561.50	1,200	639	1,200
0.00	0	0	Fence Repair	0.00	0	0	0
0.00	0	0	Exterior Building Repairs	351.80	0	-352	0
530.43	300	-230	Pest Control	3,591.53	3,600	8	3,600
10.33	50	40	Interior Carpentry	120.85	600	479	600
0.00	50	50	Drywall Prep/Repair	24.96	600	575	600
0.00	125	125	Glass	306.16	1,500	1,194	1,500
158.45	130	-28	Keys & Locks	877.04	1,580	683	1,560
0.00	0	0	Light Bulbs & Fixtures	-40.18	0	40	0
42.39	50	8	Light Bulbs/Fixtures-Int	367.49	600	233	600
0.00	75	75	Light Bulbs/Fixtures-Ext	470.75	900	429	900
276.14	240	-35	Maint. Staff Uniforms	1,765.28	2,880	1,125	2,880
209.18	185	-44	Plumbing Supplies	1,733.34	1,980	247	1,980

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 192
 SQUARE FEET 160,876

STATEMENT OF PROFIT AND LOSS
 PACE REALTY CORPORATION
 For The Period Ending December 20, 2005

PAGE 3
 DATE 1/13/2006
 TIME 02:45 PM

0.00	0	0	Elevator Service	1,199.93	0	-1,200	0
0.00	40	40	Smoke Alarms	329.89	480	150	480
32.82	35	2	Electrical Supplies	666.04	420	-246	420
64.86	140	75	HVAC Supplies	1,039.39	1,680	641	1,680
165.16	16	-150	Hardware Supplies	231.31	180	-51	180
289.23	110	-179	Janitorial Supplies	1,964.50	1,320	-645	1,320
917.36	225	-692	Fire and Life Safety	1,661.45	2,700	1,139	2,700
746.93	250	-497	Access Gate	746.93	3,000	2,253	3,000
0.00	0	0	Washer & Dryer Rental	0.00	0	0	0
5,124.91	3,911	-1,214	TOTAL MAINTENANCE	43,581.07	50,951	7,370	50,951
9,464.19	6,161	-3,313	TOTAL REPAIRS/MAINTENANCE	62,516.26	80,556	18,041	80,556

MARKETING

ADVERTISING

0.00	684	684	Newspaper	0.00	8,208	8,208	8,208
0.00	0	0	Signage	341.76	0	-342	0
0.00	40	40	Printed Material	274.62	960	685	960
0.00	0	0	Direct Mail-Out	0.00	1,000	1,000	1,000
19.95	260	240	Internet Advertising	3,048.62	2,988	-61	2,988
0.00	0	0	Apartment Magazines	0.00	0	0	0
751.50	751	-1	Apartment Guide	9,769.50	9,012	-758	9,012
0.00	0	0	For Rent	5,469.03	2,200	-3,269	2,200
588.00	588	0	Apt Finder/Blue Book	7,056.00	7,056	0	7,056
1,359.46	2,323	964	TOTAL ADVERTISING	25,959.53	31,424	5,464	31,424

RESIDENT RETENTION

38.23	50	12	Resident Retention- Other	500.95	300	-201	300
1,180.00	1,145	-35	Activities Coordinator	13,689.70	13,740	50	13,740
119.97	110	-10	Resident Activities	1,136.74	1,170	33	1,170
0.00	0	0	Subscription News/Magazin	0.00	0	0	0
8.56	260	251	Promotion	1,208.75	1,810	601	1,810
72.82	60	-13	Refreshments	1,119.51	720	-400	720
1,419.57	1,625	205	TOTAL RESIDENT RETENTION	17,655.65	17,740	84	17,740

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2005PAGE 4
DATE 1/13/2006
TIME 02:45 PM

OTHER MARKETING

474.34	667	193	Apartment Locators	6,323.85	12,000	5,676	12,000
0.00	0	0	Door Mats	371.84	1,200	828	1,200
563.72	584	0	Association Dues & Fees	853.72	814	-40	814
0.00	0	0	Rental Furniture	0.00	0	0	0
247.00	0	-247	Shopping Reports	779.85	945	165	945
837.63	234	-604	Training and Education	2,965.66	2,908	-58	2,908
440.00	650	210	Leasing Expense	16,415.15	13,700	-2,715	13,700
0.00	39	39	Telephone On-Hold Adv	290.00	468	178	468
0.00	0	0	Model/Clubroom Accessorie	234.49	0	-234	0
0.00	0	0	Office Staff Uniforms	409.15	0	-409	0
0.00	0	0	Other Marketing	0.00	0	0	0
2,562.69	2,154	-409	TOTAL OTHER MARKETING	28,643.71	32,035	3,391	32,035
5,341.71	6,102	760	TOTAL MARKETING	72,258.89	81,199	8,940	81,199

GENERAL AND ADMINISTRATIVE

920.63	750	-171	Telephone	9,898.31	9,000	-898	9,000
115.00	230	115	DSL Service	1,380.00	2,760	1,380	2,760
146.59	136	-11	Prop Website Fees/Maint	2,021.87	1,832	-190	1,832
174.25	69	-105	Telephone Answering Serv	933.25	828	-105	828
272.73	225	-48	Office Supplies	2,902.30	2,700	-202	2,700
44.64	240	195	Forms & Printing	1,813.69	2,880	1,066	2,880
69.44	80	11	Postage	719.45	960	241	960
108.25	130	22	Office Equipment	733.64	1,560	826	1,560
43.25	35	-8	Key System	432.50	420	-13	420
45.45	43	-2	Pager Service	511.61	516	4	516
0.00	0	0	Legal Fees	3,113.54	0	-3,114	0
0.00	0	0	Professional Fees	13,604.62	305	-13,300	305
0.00	0	0	Tax Consulting Fees	1,250.00	1,000	-250	1,000
66.92	90	23	Courier/Overnight	870.70	1,080	209	1,080
108.45	200	92	Auto Expense	2,047.16	2,400	353	2,400
57.00	114	57	Eviction Costs	939.00	1,368	429	1,368
0.00	0	0	Miscellaneous	0.00	0	0	0
0.00	0	0	Travel Costs	48.03	0	-48	0
1,200.00	0	-1,200	Security Patrol	3,800.00	10,500	6,700	10,500
81.19	157	76	Computer Expense	4,381.31	1,884	-2,497	1,884
204.68	192	-13	Computer Software Systems	2,248.93	2,320	71	2,320
108.04	54	-54	Alarm Contract	811.76	648	-164	648
0.00	38	38	Fire Alarm Monitoring	416.13	456	40	456
971.81	280	-692	Emp Recruiting/Retention	2,490.44	3,360	870	3,360
207.84	263	55	Credit Service Fees	3,737.87	3,716	-22	3,716
0.00	0	0	Inspection Fees/Licenses	0.00	0	0	0
0.00	0	0	Inspection/Permit-City	35.00	1,442	1,407	1,442
0.00	0	0	Inspection/Permit-Pool	225.50	205	-21	205
541.25	0	-541	Inspection/Permit-Elevato	641.25	800	259	800
0.00	0	0	Inspection/Permit-Alarms	50.00	50	0	50
0.00	0	0	Inspection/Permit-Fire Sp	811.88	1,425	613	1,425
0.00	0	0	Inspection/Permit-Fire Al	811.87	1,500	688	1,500

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2005PAGE 5
DATE 1/13/2006
TIME 02:45 PM

0.00	0	0	Inspection/Permit-Backflo	810.00	790	-20	790
0.00	0	0	Inspection/Permit-Fire Ex	246.27	595	349	595
183.17	145	-38	Bank Charges	1,472.07	1,740	268	1,740
0.00	0	0	Homeowner's Assoc/ Costs	0.00	0	0	0
0.00	0	0	Leasing Exp/Operations	0.00	0	0	0
5,670.58	3,471	-2,200	TOTAL GENERAL & ADMIN	66,109.95	61,040	-5,070	61,040
MANAGEMENT & ADMINISTRATIVE FEES							
5,337.90	4,960	-378	Management/Admin Fees	64,572.94	58,322	-6,251	58,322
625.00	625	0	Asset Management Fees	7,500.00	7,500	0	7,500
5,962.90	5,585	-378	TOTAL MGMT AND ADMIN FEES	72,072.94	65,822	-6,251	65,822
PROPERTY TAXES							
15,486.53	14,872	-615	Property Taxes	99,411.10	178,464	79,053	178,464
15,486.53	14,872	-615	TOTAL PROPERTY TAXES	99,411.10	178,464	79,053	178,464
PROPERTY INSURANCE							
2,862.50	0	-2,863	Insurance	36,071.22	33,038	-3,033	33,038
0.00	0	0	Excess Liability Ins	0.00	1,166	1,166	1,166
2,862.50	0	-2,863	TOTAL PROPERTY INSURANCE	36,071.22	34,204	-1,867	34,204
UTILITIES							
307.80	715	407	Electric - Vacancy/Models	8,604.06	8,750	146	8,750
0.00	0	0	Electric - Occupied	0.00	0	0	0
2,510.46	2,300	-210	Electric - House	28,826.30	27,600	-1,226	27,600
5,105.17	3,450	-1,655	Water & Sewer	53,706.56	41,400	-12,307	41,400
438.47	500	62	Irrigation	6,970.57	6,000	-971	6,000
821.87	453	-369	Trash Removal	7,086.25	5,436	-1,650	5,436
9,183.57	7,418	-1,766	TOTAL UTILITIES	105,193.74	89,186	-16,008	89,186
72,349.49	61,055	-11,294	TOTAL OPERATING EXPENSES	731,384.10	811,750	80,366	811,750
44,206.97	49,169	-4,962	NET OPERATING INCOME	682,849.45	484,311	198,538	484,311
DEBT SERVICE							
28,009.71	33,333	5,323	Mortgage Interest	294,796.05	399,996	105,200	399,996
0.00	0	0	2nd Mortgage Interest	0.00	0	0	0
0.00	0	0	Other Interest Expense	0.00	0	0	0
28,009.71	33,333	5,323	Debt Service	294,796.05	399,996	105,200	399,996

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 192
 SQUARE FEET 160,876

STATEMENT OF PROFIT AND LOSS
 PACE REALTY CORPORATION
 For The Period Ending December 20, 2005

PAGE 6
 DATE 1/13/2006
 TIME 02:45 PM



OTHER INCOME AND EXPENSE

-100.00	0	100	Other Income	-100.00	0	100	0
11,000.00	0	-11,000	Other Expense	23,517.64	0	-23,518	0
0.00	0	0	Depreciation	0.00	0	0	0
0.00	0	0	Casualty Loss Expense	0.00	0	0	0
<hr/>				<hr/>			
10,900.00	0	-10,900	TOTAL OTHER INCOME/EXPENSE	23,417.64	0	-23,418	0
<hr/>				<hr/>			
5,297.26	15,836	-10,539	NET INCOME	364,635.76	84,315	280,321	84,315

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2006PAGE 1
DATE 1/22/2007
TIME 10:32 AM

INCOME

			RENTAL INCOME				
133,777.00	133,783	-6	Gross Potential Rent	1,603,782.00	1,604,876	-1,094	1,604,876
-7,664.53	-4,327	-3,338	Loss To Lease	-60,576.46	-61,613	1,037	-61,613
126,112.47	129,456	-3,344	NET POTENTIAL RENT	1,543,205.54	1,543,263	-57	1,543,263
-12,314.00	-6,271	-6,043	Vacancy Loss	-146,577.49	-86,370	-60,207	-86,370
-876.00	0	-875	Non Revenue Units	-10,375.00	0	-10,375	0
-1,545.53	-2,439	893	Concessions/Allowances	-42,336.42	-26,968	-15,368	-26,968
0.00	0	0	Disaster Relief	-291.00	0	-291	0
-2,618.31	-1,000	-1,618	Uncollectible Rent	-15,682.86	-12,000	-3,683	-12,000
0.00	150	-150	Bad Debt Collections	879.31	1,800	-921	1,800
0.00	0	0	Employee Rents	-1,663.93	0	-1,664	0
-1,850.00	-1,860	10	Courtesy Officer Units	-17,829.67	-22,310	4,480	-22,310
4,184.14	0	4,184	Past Due Prior Month	34,826.45	0	34,826	0
-2,824.25	0	-2,824	Prepaid Prior Month	-33,719.34	0	-33,719	0
-2,039.05	0	-2,039	Past Due Current Month	-34,437.00	0	-34,437	0
5,034.18	0	5,034	Prepaid Current Month	36,339.17	0	36,339	0
111,264.65	118,036	-6,771	TOTAL RENTAL INCOME	1,312,337.76	1,397,415	-85,077	1,397,415

OTHER INCOME

0.00	0	0	Electric Income	1,282.79	0	1,283	0
0.00	0	0	Trash Income	0.00	0	0	0
204.00	0	204	Water Income	1,141.60	0	1,142	0
22.50	776	-753	Late & NSF Charges	9,937.39	9,300	637	9,300
0.00	0	0	Security Deposit Forfeit	304.00	0	304	0
0.00	0	0	Miscellaneous Income	0.00	0	0	0
0.00	5	-5	Internet Commission	78.00	60	18	60
382.50	460	-78	Credit Application Charge	5,511.05	5,520	-9	5,520
0.00	0	0	Cable TV Income	1,218.19	2,800	-1,582	2,800
0.00	30	-30	Vending Machine Income	499.23	360	139	360
540.00	0	540	Electric Commission	635.93	0	636	0
1,018.45	700	318	Damage Receipts	14,711.69	8,400	6,312	8,400
117.57	5	113	Interest Income	283.00	60	224	60
713.10	550	163	Lease Termination Charges	16,055.38	6,600	8,455	6,600
0.00	6	-6	Legal & Collection Charge	0.00	60	-60	60
675.00	226	450	Pet Charges	5,617.50	2,700	2,918	2,700
0.00	20	-20	Washer/Dryer Income	0.00	240	-240	240
53.72	100	-46	Month-To-Month Premiums	677.99	1,200	-522	1,200
85.05	30	55	Keys Charges	1,245.39	360	885	360
0.00	0	0	Transfer Charges	200.00	0	200	0
230.00	286	-56	Storage Income	3,876.66	3,420	457	3,420
1,041.50	476	567	Administrative Charges	11,288.50	5,700	5,589	5,700
5,083.39	3,665	1,418	TOTAL OTHER INCOME	73,564.99	46,790	26,785	46,780
116,348.04	121,701	-5,353	TOTAL INCOME	1,385,902.65	1,444,195	-58,292	1,444,195

HOMES OF PARKER COMMONS**HTC 99005**# OF UNITS 192
SQUARE FEET 160,876**STATEMENT OF PROFIT AND LOSS**
PACE REALTY CORPORATION
For The Period Ending December 20, 2006PAGE 2
DATE 1/22/2007
TIME 10:32 AM**EXPENSES****PAYROLL RELATED**

3,184.62	3,197	12	Manager	41,095.91	40,771	-325	40,771
2,609.94	2,613	3	Assistant Manager	33,278.65	33,968	689	33,968
3,032.00	1,920	-1,112	Leasing Consultant	27,080.22	23,859	-3,221	23,859
2,592.00	2,727	135	Service Technician	33,881.59	34,651	769	34,651
1,856.00	1,853	97	Asst. Service Technician	28,633.98	25,390	-3,244	25,390
0.00	0	0	Make Ready	0.00	0	0	0
1,200.00	1,286	96	Groundskeeper	18,206.79	16,300	-1,907	16,300
1,146.62	1,716	569	Payroll Taxes	15,968.14	23,431	7,463	23,431
749.76	822	72	Workers Comp Insurance	8,859.63	10,497	1,637	10,497
1,102.80	-1,616	513	Health Insurance	17,213.01	17,944	731	17,944
0.00	0	0	Quarterly Bonus	0.00	0	0	0
0.00	0	0	Courtesy Officer	0.00	0	0	0
17,473.74	17,860	386	TOTAL PAYROLL AND RELATED	224,217.92	226,811	2,593	226,811

REPAIRS AND MAINTENANCE**MAKE READY**

2,446.59	245	-2,202	Carpet Repairs	8,205.77	2,940	-5,266	2,940
409.93	210	-200	Carpet Cleaning	2,919.26	2,450	-469	2,450
0.00	0	0	Window Coverings	21.65	0	-22	0
291.06	270	-21	Interior Paint Supplies	2,969.19	2,700	-269	2,700
0.00	85	85	Interior Paint Labor	1,132.00	1,105	-27	1,105
266.60	65	-202	Counter Repairs	1,068.50	845	-244	845
606.21	760	154	Cleaning Service	7,897.16	7,125	-772	7,125
4,020.38	1,635	-2,385	TOTAL MAKE READY	24,233.53	17,165	-7,068	17,165

MAINTENANCE

0.00	15	15	Plumbing Repairs	2,122.00	180	-1,942	180
0.00	0	0	Electrical Repairs	164.00	0	-164	0
227.87	165	-63	Appliance Repairs	2,588.60	1,980	-609	1,980
0.00	0	0	Equipment	86.54	0	-87	0
0.00	0	0	Sport/Fitness Equipment	48.71	0	-49	0
0.00	50	50	Pool Supplies	1,039.19	1,425	386	1,425
0.00	0	0	Pool Repairs	0.00	800	800	800
0.00	0	0	Parking Lot Repairs	0.00	0	0	0
223.62	0	-224	Grounds Maintenance	640.85	0	-641	0
1,488.76	1,496	7	Landscape Contract	18,062.07	17,952	-100	17,952
0.00	0	0	Seasonal Flowers	2,446.45	2,450	4	2,450
0.00	0	0	Winter Rye	995.90	1,000	4	1,000
0.00	0	0	Irrigation System	33.33	200	167	200
34.64	50	15	Maintenance Supplies	738.94	600	-139	600
0.00	0	0	Exterior Building Repairs	925.60	0	-926	0
219.60	285	65	Pest Control	3,344.39	3,420	76	3,420
0.00	15	15	Interior Carpentry	300.00	180	-120	180
0.00	0	0	Drywall Prep/Repair	0.00	0	0	0
0.00	35	35	Glass	334.07	420	86	420
0.00	0	0	Window Washing	0.00	4,375	4,375	4,375
34.29	50	16	Keys & Locks	807.85	600	-208	600
0.00	0	0	Light Bulbs & Fixtures	0.00	0	0	0
22.03	50	28	Light Bulbs/Fixtures-Int	518.16	600	82	600
266.20	50	-236	Light Bulbs/Fixtures-Ext	917.38	600	-317	600
188.44	150	-38	Maint. Staff Uniforms	1,779.86	1,800	20	1,800

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2006PAGE 3
DATE 1/22/2007
TIME 10:32 AM

160.95	150	-11	Plumbing Supplies	1,559.70	1,800	246	1,800
0.00	100	100	Elevator Service	307.43	1,200	893	1,200
32.09	35	3	Smoke Alarms	161.86	420	258	420
0.00	0	0	Equipment Rental	80.81	0	-81	0
0.00	70	70	Electrical Supplies	250.56	840	589	840
19.85	100	80	HVAC Supplies	974.89	1,200	225	1,200
0.00	10	10	Hardware Supplies	142.92	120	-23	120
135.98	170	34	Janitorial Supplies	1,715.45	2,040	325	2,040
0.00	75	75	Fire and Life Safety	2,363.84	900	-1,464	900
0.00	75	75	Access Gate	350.00	900	550	900
3,074.32	3,196	122	TOTAL MAINTENANCE	45,784.95	48,002	2,217	48,002
7,094.70	4,831	-2,264	TOTAL REPAIRS/MAINTENANCE	70,018.48	65,167	-4,851	65,167
MARKETING							
ADVERTISING							
525.00	0	-525	Newspaper	525.00	0	-525	0
0.00	100	100	Signage	0.00	400	400	400
0.00	40	40	Printed Material	571.36	860	289	860
558.00	260	-298	Internet Advertising	1,818.60	3,120	1,301	3,120
0.00	0	0	Apartment Magazines	0.00	0	0	0
751.50	751	-1	Apartment Guide	9,018.00	9,012	-6	9,012
0.00	0	0	For Rent	0.00	0	0	0
595.00	588	-7	Apt Finder/Blue Book	7,140.00	7,056	-84	7,056
2,429.50	1,739	-691	TOTAL ADVERTISING	19,072.96	20,448	1,375	20,448
RESIDENT RETENTION							
0.00	50	50	Resident Retention- Other	487.88	600	112	600
580.00	1,170	590	Activities Coordinator	11,790.00	14,040	2,250	14,040
56.24	110	55	Resident Activities	783.93	1,170	386	1,170
2.32	225	223	Promotion	851.14	1,390	539	1,390
95.75	110	14	Refreshments	1,225.72	1,320	94	1,320
733.31	1,665	932	TOTAL RESIDENT RETENTION	15,138.67	18,520	3,381	18,520
OTHER MARKETING							
969.17	523	-446	Apartment Locators	9,111.04	6,272	-2,839	6,272
0.00	0	0	Movein Gifts	0.00	0	0	0
0.00	0	0	Door Mats	381.58	900	518	900
590.92	564	-27	Association Dues & Fees	860.82	814	-47	814
0.00	0	0	Shopping Reports	162.00	945	783	945
138.27	234	96	Training and Education	2,862.25	2,833	-29	2,833
809.99	750	-60	Leasing Expense	14,378.92	15,700	1,321	15,700
0.00	39	39	Telephone On-Hold Adv	435.00	468	33	468
0.00	0	0	Model/Clubroom Accessorie	67.03	675	618	675
0.00	0	0	Office Staff Uniforms	0.00	0	0	0
2,508.35	2,110	-398	TOTAL OTHER MARKETING	28,248.74	28,607	358	28,607

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2006PAGE 4
DATE 1/22/2007
TIME 10:32 AM

5,671.16	5,514	-157	TOTAL MARKETING GENERAL AND ADMINISTRATIVE	82,460.37	67,575	5,116	67,575
789.69	815	25	Telephone	9,732.80	9,780	47	9,780
115.00	115	0	DSL Service	1,380.00	1,380	0	1,380
146.14	156	10	Prop Website Fees/Maint	1,811.23	1,872	61	1,872
74.69	69	-6	Telephone Answering Serv	896.28	828	-68	828
8.47	240	232	Office Supplies	2,300.04	2,880	580	2,880
133.57	175	41	Forms & Printing	1,820.36	2,100	280	2,100
29.56	70	40	Postage	782.71	840	57	840
108.25	108	0	Office Equipment	1,850.44	1,296	-554	1,296
48.66	35	-14	Key System	578.51	420	-159	420
45.25	43	-2	Pager Service	549.87	516	-34	516
0.00	75	75	Legal Fees	400.00	900	500	900
211.46	0	-211	Professional Fees	25,145.25	11,212	-13,933	11,212
0.00	0	0	Tax Consulting Fees	1,375.00	1,250	-125	1,250
0.00	0	0	Compliance Fee	25,200.00	4,800	-20,400	4,800
36.50	90	52	Courier/Overnight	660.40	1,080	420	1,080
140.10	200	60	Auto Expense	2,443.72	2,400	-44	2,400
57.00	86	29	Eviction Costs	1,676.20	1,032	-643	1,032
0.00	0	0	Travel Costs	0.00	0	0	0
0.00	0	0	Security Patrol	1,800.00	2,000	200	2,000
81.19	432	351	Computer Expense	2,854.73	5,184	2,329	5,184
306.00	205	-102	Computer Software Systems	3,121.39	2,538	-583	2,538
0.00	0	0	Security Expense	0.00	0	0	0
54.02	54	0	Alarm Contract	648.24	648	0	648
54.13	38	-16	Fire Alarm Monitoring	584.36	456	-128	456
675.63	375	-301	Emp Recruiting/Retention	2,985.39	1,700	-1,285	1,700
301.02	310	9	Credit Service Fees	3,552.78	3,720	167	3,720
0.00	0	0	Inspection Fees/Licenses	0.00	0	0	0
0.00	0	0	Inspection/Permit-City	30.00	1,442	1,412	1,442
0.00	0	0	Inspection/Permit-Pool	205.00	226	21	226
0.00	0	0	Inspection/Permit-Elevato	140.00	800	660	800
0.00	0	0	Inspection/Permit-Alarms	50.00	50	0	50
0.00	0	0	Inspection/Permit-Fire Sp	757.75	812	54	812
0.00	0	0	Inspection/Permit-Fire Al	1,101.88	812	-290	812
0.00	0	0	Inspection/Permit-Backflo	880.00	810	-70	810
0.00	0	0	Inspection/Permit-Fire Ex	942.86	841	-102	841
124.80	135	10	Bank Charges	1,176.58	1,620	443	1,620
19.95	0	-20	Electronic Fund Xfer Fee	239.40	0	-239	0
3,563.78	3,826	262	TOTAL GENERAL & ADMIN	99,671.77	68,245	-31,427	68,245
MANAGEMENT & ADMINISTRATIVE FEES							
5,331.31	5,477	146	Management/Admin Fees	63,516.75	64,988	1,471	64,988
625.00	625	0	Asset Management Fees	7,500.00	7,500	0	7,500
5,956.31	6,102	146	TOTAL MGMT AND ADMIN FEES	71,016.75	72,488	1,471	72,488

HTC 99005

HOMES OF PARKER COMMONS

OF UNITS 192
SQUARE FEET 160,876STATEMENT OF PROFIT AND LOSS
PACE REALTY CORPORATION
For The Period Ending December 20, 2006PAGE 5
DATE 1/22/2007
TIME 10:32 AM

PROPERTY TAXES

-9,251.19	15,487	24,738	Property Taxes	161,100.64	185,844	24,743	185,844
-9,251.19	15,487	24,738	TOTAL PROPERTY TAXES	161,100.64	185,844	24,743	185,844

PROPERTY INSURANCE

2,862.60	2,863	1	Insurance	33,183.96	34,356	1,172	34,356
2,862.60	2,863	1	TOTAL PROPERTY INSURANCE	33,183.96	34,356	1,172	34,356

UTILITIES

843.72	675	-169	Electric - Vacancy/Models	13,185.83	9,300	-3,886	9,300
89.00	0	-89	Electric - Occupied	1,236.43	0	-1,236	0
3,650.09	2,960	-690	Electric - House	40,686.79	35,520	-5,167	35,520
3,992.58	4,600	507	Water & Sewer	48,552.31	54,000	5,448	54,000
485.01	525	40	Irigation	8,718.20	6,300	-2,418	6,300
909.91	575	-335	Trash Removal	7,331.53	6,900	-432	6,900
9,970.31	9,235	-735	TOTAL UTILITIES	119,711.09	112,020	-7,691	112,020

43,341.31	65,718	22,377	TOTAL OPERATING EXPENSES	841,380.88	832,506	-8,875	832,506
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73,008.73	55,983	17,024	NET OPERATING INCOME	544,521.67	611,689	-67,167	611,689
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DEBT SERVICE

27,854.31	27,654	0	Mortgage Interest	333,857.55	333,827	-31	333,827
0.00	0	0	2nd Mortgage Interest	0.00	0	0	0
5,500.00	0	-5,500	Partnership Fee	13,750.00	0	-13,750	0
0.00	0	0	Other Interest Expense	0.00	0	0	0
33,154.31	27,654	-5,500	Debt Service	347,607.55	333,827	-13,781	333,827

OTHER INCOME AND EXPENSE

0.00	0	0	Other Income	0.00	0	0	0
0.02	0	0	Other Expense	0.00	0	0	0
0.00	0	0	Depreciation	0.00	0	0	0
0.00	0	0	Amortization	0.00	0	0	0
0.02	0	0	TOTAL OTHER INCOME/EXPENSE	0.00	0	0	0

39,862.40	28,329	11,523	NET INCOME	196,914.12	277,862	-80,948	277,862
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LOCKE LIDDELL & SAPP PLLC

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September 6, 2007

Ms. Robbye Meyers
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: The Homes of Parker Commons (the "**Property**")
TDHCA No. 99005

Dear Robbye:

Below is information in response to your request for more detail regarding the \$2.8 Million in funds advanced to complete the renovation of *The Homes at Parker Commons*. **These items represent either improvements of to the Property beyond the initial construction plans or substantial unforeseen costs after the historic renovation commenced:**

- **Improved Windows**—Cost was excessive related to satisfying the Historic Commission's requirement of the historically accurate new wood windows;
- **Improved Framing**—Increased cost from the City of Fort Worth requirement that the new building be framed with metal framing instead of wood framing, which greatly increased the costs of drywall, stucco, MEP, fire sprinkler and fire alarm systems;
- **Hazardous Materials Abatement**—The cost associated with the abatement of Lead Based Paint and Asbestos was much higher than anticipated;
- **Concrete Structural Damage**—Damage was more extensive than originally estimated due to the amount of time the buildings sat unoccupied and the extent of the interior water damage was revealed;
- **Complete Redesign of the Interior Spaces and MEP**—The Historic Commission ultimately required the finished interiors of the renovated buildings to retain as much of the old school floors, classrooms and hallways as possible, which forced the complete and very costly redesign of the interior spaces and MEP systems; and
- **Exterior Brick Repair**—The exterior brick repair was also substantially more expensive than anticipated.

Please feel free to e-mail or call me if you have further questions. Thank you for your continued assistance with the amendment request for this Property.

Sincerely,

Cynthia L. Bast

Cynthia L. Bast

cc: Michael Gerber
Farzaneh Azouri
Lee Stevens

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY CREDIT UNDERWRITING ANALYSIS ADDENDUM**

DATE: August 29, 2007 PROGRAM: LIHTC

FILE NUMBER: 98169
FC99005

DEVELOPMENT NAME

Homes of Parker Commons

APPLICANT

Name: Parker Commons, Ltd. ("Owner") Type: For Profit Non-Profit Municipal Other
 Address: 1 Sun America Center, Century City City: Los Angeles State: CA
 Zip: 90067 Contact: Ray Abeyta Phone: (310) 772-6000 Fax: (310) 772-6050

PRINCIPALS of the APPLICANT

Name: Affordable Housing GP 668, LLC (%): _____ Title: Managing General Partner
 Name: Sun America/AIG (%): 100 Title: Syndicator/Investor

GENERAL PARTNER

Name: Affordable Housing GP 668, LLC Type: For Profit Non-Profit Municipal Other
 Address: 1 Sun America Center, Century City City: Los Angeles State: CA
 Zip: 90067 Contact: Ray Abeyta Phone: (310) 772-6000 Fax: (310) 772-6050

PROPERTY LOCATION

Location: 1015 South Jennings Avenue QCT DDA
 City: Fort Worth County: Tarrant Zip: 76104

REQUEST

Amount	Interest Rate	Amortization	Term
\$1,129,568	n/a	n/a	n/a
Other Requested Terms: <u>Annual LIHTC Allocation- awarded as a 1999 Forward Commitment</u>			
Proposed Use of Funds: <u>Acquisition & Rehab.</u> Set-Aside: <input checked="" type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit			

RECOMMENDATION

RECOMMEND MAINTENANCE OF A HOUSING TAX CREDIT ALLOCATION AND ISSUANCE OF 8609'S NOT TO EXCEED \$1,129,568, SUBJECT TO CONDITIONS:

- 1) Completion of all outstanding pledges included in the original application and receipt, review and acceptance of documentation of same regarding: the completion of the laundry room and picnic areas, addition of microwaves, daycare facility, community/recreational facility, playground equipment, 24 hour public phone access, swimming pool and spa, volleyball court and covered parking or acceptable alternatives as determined by staff and approved the TDHCA Board.

TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS
CREDIT UNDERWRITING ANALYSIS

ADDENDUM

The Homes of Parker Commons was originally underwritten during the 1998 HTC cycle and was awarded a forward commitment of 1999 housing tax credits in the annual amount of \$1,129,568. The original HTC application for Homes of Parker Commons was submitted by Sphinx Development Corporation (Jay Oji) and proposed significant and complicated rehabilitation of a historic school building and new construction. The development was modified during the application review period but was ultimately underwritten and approved to have 174 total units consisting of the following unit mix:

Type of Unit	Number	Bedrooms	Baths	Unit Size
60%	57	1	1	959
Market	19	1	1	959
60%	10	2	2	1,269
Market	4	2	2	1,269
60%	36	2	2	1,130
Market	12	2	2	1,130
50%	20	3	2	1,333
60%	7	3	2	1,333
Market	9	3	2	1,333
Total	174			1,922,244

The application was approved by the TDHCA Board with the condition that a more experienced developer be incorporated into the development team. As a result, M. Myers Development, Inc. became a member of the ownership structure. In August 2001, Mr. Myers requested approval to change the total number of units and unit mix due to requirements that had to be met to satisfy Fort Worth building codes, zoning ordinances, historic preservation requirements and neighborhood groups. Mr. Myers also indicated that prior to construction it was determined that additional market rate units would be a more prudent use of the property to create a better mix of incomes. It should be noted that Mr. Myer's request did not specify a change to the number of bathrooms and so the original number of bathrooms for each unit type were assumed to not have changed. The changes to the unit mix requested that were identified are reflected below:

Type of Unit	Number	Bedrooms	Baths	Unit Size
50%	20	1	1	-
60%	68	1	1	-
Market	24	1	1	-
50%	18	2	2	-
60%	14	2	2	-
Market	34	2	2	-
60%	6	3	2	-
Market	8	3	2	-
Total	192			160,876

The letter did not specify the unit sizes for each unit type but instead indicated a total net rentable square footage of 160,876 a decrease of 16% from that approved originally as a result of the shift from larger three-bedroom units to smaller one-bedroom units. As is noted above, the owner's requested changes results in the addition of 36 one-bedroom units, the addition of four two-bedroom units and the reduction of 22 three-bedroom units. According to Mr. Myer's request the reduction in the number of three-bedroom units was a result of limitations in the design and floor plan of the units in the existing buildings as well as a demand from Fort Worth South that the development have an "urban feel" to cater to the needs of the Fort Worth hospital district and other employees in the area. It is also worth noting that the application originally received points for restricting 75% of the total units as low income units; with the requested changes the

TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS
CREDIT UNDERWRITING ANALYSIS

fraction would decrease to 65% (126 LI units/192 total units). In a letter dated August 23, 2001 the Department approved the requested modifications to the total number of units and the unit mix.

In July 2004, both Sphinx Development Corporation and M. Myers Development, Inc. were removed from the ownership structure at the request of the syndicator and a replacement general partner, an affiliate of AIG, was substituted. The current general partner and syndicator are currently working to resolve outstanding issues related to the final construction inspection and Cost Certification in order to receive the IRS Forms 8609 for this development. In conjunction with review of the development's final Cost Certification it has been revealed that additional changes were made to the development that were not approved in August 2001 and have not previously been approved at any other time by the Department. Additionally, the final construction inspection conducted by Department staff also revealed inconsistencies. Therefore, a re-analysis of the development as-built has been conducted in order to determine the impact of the changes made. This analysis will only evaluate the changes made to the development after the Department's August 2001 approval.

Unit Mix: While the overall number of units and the bedroom size mix is consistent with that last approved in August 2001, it appears that the development was completed with 28 of the two bedroom units having only one bathroom. Originally (and through the August 2001 revisions), this development proposed that all two-bedroom units would have two-bathrooms. It appears that of the total 66 two bedroom units built only 38 of those units contain two bathrooms. The Owner indicated that this change was required when working with the historical structure, limited space and local regulations.

It should also be noted that the initial Cost Certification documentation included an error in the number of units restricted to 50% rents. This development was originally approved to have a total of 38 units at 50% rents but the rent schedules provided included only 36. After discussions with the Owner about this change revised documentation was provided and a rent roll for the property as of May 2007 confirmed that the property currently is restricting 38 units to 50% rents.

Development Costs: As part of the cost certification review process the Underwriter re-evaluates the cost for new construction developments using updated Marshall & Swift information. In this case, the original proposal called for the rehabilitation of an existing historical school building and the demolition and new construction of two 3-story buildings. The original underwriting analysis included a Marshall & Swift *Residential Cost Handbook*-derived cost estimate for the new construction costs and reliance upon the Applicant's rehabilitation cost estimate for the rest of the direct costs associated with this development. Correspondence from the Owner confirmed that the 82-unit Parker building and the 24-unit Hogg building are existing buildings that were rehabilitated. The 86-unit Commons building is the one newly constructed building in the development. However, the Owner was unable to provide the requested breakout of direct costs associated with the new construction vs. rehabilitation stating that records allowing the break out these costs were not available. Since the documentation in the Cost Certification did not clearly delineate the costs between the two types of construction the Underwriter relied upon the final total costs as audited and certified by the Owner's CPA and as required by the Cost Certification Procedures Manual. It should be noted that these final CPA audited costs are 11% higher than the applicant's original estimate but 6% higher than the original underwriting estimate though both these initial estimates were based on very different redevelopment plans.

Amenities: In a letter to the Department dated March 19, 1998, the former owner, Jay Oji, provided a letter from the development architect specifying the amenities to be provided at this development. Of the amenities listed as pledged to be completed, the following have not been certified by the current development architect: dual pane insulating windows, insulation which exceeds code for walls and ceilings, gas heating system with a minimum 80% flue efficiency, community laundry room and individual laundry hook-ups in each living unit, furnished recreation and community room, swimming pool and spa, designated playground and equipment, 24-hour public telephone and covered parking. These amenities appear to have gone beyond the minimum threshold requirement but were a pledge of the original developer that has not been fulfilled. It should be noted that the Owner has indicated that all but two of the units do have washer-dryer hook ups and this alone would satisfy the threshold requirement. However, the Owner has begun construction of the laundry room to correct this deficiency and has committed to providing documentation to the Department upon completion of this amenity. Amenities represented in other areas of the application to be available at

TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS
CREDIT UNDERWRITING ANALYSIS

the development but ultimately not provided included: microwave ovens, picnic area, daycare facility and volleyball court. The Owner has proposed to install a picnic area if the Department requires it and will provide documentation upon completion of this amenity. As stated previously, the Underwriter relied upon the total development costs certified by the Owner's auditor and such costs exceeded the amount of eligible basis necessary to claim the originally allocated credits. Because of the complex nature of an adaptive reuse and new construction development and because the construction costs for each were combined, it is impossible for the Underwriter to further evaluate the reasonableness of these costs and the impact of the missing amenities. This addendum and the issuance of 8609's however, should be conditioned upon the completion of the laundry room and picnic areas, addition of microwaves, daycare facility, community/recreational facility, playground equipment, 24 hour public phone access, swimming pool and spa, volleyball court and covered parking or acceptable alternatives as determined by staff and approved the TDHCA Board.

Financial Feasibility of the Development: The Underwriter utilized information from the Cost Certification and the Department's data sources in order to estimate the property's income and expenses. Based on the average rent collected for each unit type per the rent roll (as of May 2007), the Underwriter's income estimate is within 5% of the Owner's estimate. Actual operating statements for 2005 and 2006 were provided and heavily relied upon in estimating the annual operating expenses for this development. As a result, the Underwriter's estimate is within 5% of the Owner's estimate. In both the Underwriter's and the Owner's proformas, there is sufficient cash flow to fund the first lien permanent loan at a DCR that is above the Department's maximum guideline of 1.35. The Owner's final financing structure includes a first lien permanent loan amount of \$5,695,000 which is \$1,643,000 less than originally anticipated. The Cost Certification Documentation provided includes \$933,800 more in syndication proceeds (about \$0.10 per credit) more than originally forecast and two other sources of funds provided as GP loans funded by the syndicator in the amount of \$1,826,806 and 3,391,766. These two loans were used to fund the permanent loan gap and operating deficits and are to be paid out of available cash flow. At present there is insufficient cash flow to support the repayment of these two additional sources of funds and even if they were at 0% interest it is estimated that it would take over 20 years for them to be amortized and paid out of projected cash flow. It is not clear if the \$2.1M developer fee included in the cost certification was paid to the original development partners but it is likely that this fee or a substantial portion of it was paid out. Moreover the two GP loans from the investor are at risk of being an unrecoverable loss to the investor. These loans are not considered deferred developer fee and therefore the longer payout term does not limit the staff's recommendation to maintain the allocation or issue the 8609's.

The CPA audited total development costs provide sufficient eligible basis to support the requested tax credits. Failure to ultimately issue the 8609's will result in the loss of over \$9M in tax credit derived equity for this development and will likely lead to a foreclosure sale by the secondary lien holders to recover the limited equity value might exist without tax credit restrictions. In the case of foreclosure the tax credit land use restriction agreement (LURA) would likely be terminated and the existing low income tenants displaced over a three year period. More importantly, tax credit investors' confidence in properties developed in the State of Texas would be diminished as such foreclosures are rare across the country and rarer still in Texas. The Underwriter recommends that the Board authorize the Executive Director to negotiate and achieve a resolution to the commitments provided by the Developer and accepted by the investor that most closely resembles the original expectations for the property.

Underwriter:	_____	Date:	August 29, 2007
	<i>Raquel Morales</i>		
Director of Real Estate Analysis:	_____	Date:	August 29, 2007
	<i>Tom Gouris</i>		

COST CERTIFICATION COMPARATIVE ANALYSIS

Parker Commons, Fort Worth, HTC#99005
 Reviewed by: Raquel Morales
 Date: August 2007

Type of Unit	Units	Bedrooms	No. of Baths	Size in SF	Gross Rent Ltd.	Rent Collected	TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	Rent per Month	Rent per SF	Tot. PD Unit	Wt. Bw. Trsh
69	2	1	1	531	\$713	\$438	\$528	\$528	\$528	\$528	875	0.82	\$69.00	\$22.00
60	18	1	1	607	713	\$608	\$528	\$528	\$528	\$528	9,152	0.84	69.00	22.00
50	2	1	1	630	604	\$523	\$523	\$523	\$523	\$523	1,046	0.83	69.00	22.00
69	8	1	1	644	713	\$554	\$528	\$528	\$528	\$528	4,434	0.88	69.00	22.00
50	17	1	1	671	694	\$463	\$523	\$523	\$523	\$523	7,879	0.69	69.00	22.00
60	23	1	1	671	713	\$559	\$523	\$523	\$523	\$523	12,847	0.83	69.00	22.00
60	12	2	1	748	713	\$980	\$523	\$523	\$523	\$523	9,725	0.76	69.00	24.00
60	14	1	1	754	713	\$451	\$523	\$523	\$523	\$523	7,707	0.73	60.00	22.00
50	1	1	1	829	594	\$533	\$523	\$523	\$523	\$523	533	0.64	69.00	22.00
60	3	1	1	829	713	\$635	\$523	\$523	\$523	\$523	1,904	0.77	69.00	22.00
MR	2	1	1	846		\$748	\$840	\$840	\$840	\$840	1,495	0.88	69.00	22.00
MR	12	1	1	863		\$813	\$840	\$840	\$840	\$840	9,752	0.84	69.00	22.00
60	6	2	1	933	713	\$511	\$523	\$523	\$523	\$523	3,065	0.65	69.00	24.00
60	8	2	1	933	858	\$674	\$523	\$523	\$523	\$523	5,389	0.72	69.00	24.00
MR	2	2	1	933		\$842	\$776	\$805	\$805	\$805	1,684	0.90	69.00	24.00
MR	10	1	1	956		\$792	\$840	\$840	\$840	\$840	7,923	0.83	69.00	22.00
60	4	2	2	986	856	\$717	\$433	\$372	\$372	\$372	2,689	0.73	69.00	24.00
MR	12	2	2	986		\$717	\$776	\$776	\$776	\$776	8,809	0.73	69.00	24.00
MR	4	2	2	988		\$657	\$776	\$800	\$800	\$800	3,428	0.87	69.00	24.00
69	2	2	2	1,066	858	\$780	\$523	\$523	\$523	\$523	1,560	0.73	69.00	24.00
MR	14	2	2	1,066		\$670	\$776	\$828	\$828	\$828	12,182	0.82	69.00	24.00
MR	2	2	2	1,089		\$708	\$776	\$816	\$816	\$816	1,418	0.66	69.00	24.00
60	6	3	2	1,238	989	\$602	\$732	\$805	\$805	\$805	4,812	0.65	66.00	28.00
MR	8	3	2	1,238		\$650	\$805	\$828	\$828	\$828	6,788	0.69	66.00	28.00
TOTAL:	192			AVERAGE: 838	\$475	\$648							\$124,083	\$0.77 \$76.13 \$23.13

INCOME		Total Net Rentable Sq Ft: 180,876	TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	Comptroller's Region
POTENTIAL GROSS RENT			\$1,488,989	\$1,359,022	\$1,296,380	\$1,600,024	3
Secondary Income	Per Unit Per Month	\$20.00	48,080	20,820	38,861	43,776	IREM Region Fort Worth
Other Support Income: (describe)			0	138,499			Per Unit Per Month
POTENTIAL GROSS INCOME			\$1,635,076	\$1,378,842	\$1,472,740	\$1,548,800	
Vacancy & Collection Loss	% of Potential Gross Income:	-7.60%	(115,131)	(103,413)	(110,456)	(116,232)	-7.50% of Potential Gross Income
Employee or Other Non-Rental Units or Concessions			0				
EFFECTIVE GROSS INCOME			\$1,419,945	\$1,276,429	\$1,362,284	\$1,433,568	
EXPENSES							
General & Administrative	% OF GRI	PER UNIT	PER SQ.FT.				PER SQ.FT.
Management	4.7%	331	0.39	\$124,348	\$49,650	\$88,672	\$112,451
Payroll & Payroll Tax	12.29%	907	1.08	63,517	63,771	68,114	72,073
Repairs & Maintenance	4.93%	365	0.44	174,054	121,424	100,868	220,241
Utilities	3.88%	287	0.34	70,018	69,400	121,041	62,516
Water, Sewer, & Trash	4.65%	336	0.40	55,109	35,084	46,394	37,430
Property Insurance	2.34%	173	0.21	84,802	33,954	34,300	67,763
Property Tax	2.5	11.33%	839	33,184	30,759	28,228	24,821
Reserve for Replacements	2.70%	200	0.24	161,101	101,728	80,694	174,391
Other: compl fees	3.85%	285	0.34	38,400	39,038	40,347	40,704
TOTAL EXPENSES	69.08%	\$4,370	\$5.21	\$64,925	\$938,958	\$544,808	\$684,658
NET OPERATING INC	40.02%	\$3,028	\$3.61	\$584,958	\$544,808	\$584,658	\$859,135
DEBT SERVICE							
American Property Financing, Inc.	28.61%	\$2,110	\$2.63	\$406,224	\$708,518	\$881,730	\$406,224
Sun America- cash flow loan	0.00%	\$0	\$0.00	0	0	0	0
NET CASH FLOW	12.31%	\$910	\$1.09	\$174,762	\$22,105	\$95,998	\$168,209
AGGREGATE DEBT COVERAGE RATIO				1.43	1.03	1.14	1.41
RECOMMENDED DEBT COVERAGE RATIO							

CONSTRUCTION COST			TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	PER SQ.FT.	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	Factor	% of TOTAL	\$1,287,859	\$1,100,000	\$1,100,000	\$1,287,859	\$8.07	\$6,760	6.42%
Sitework	10.00%	11,579	2,223,178	919,500	919,500	2,223,178	13.82	11,579	11.00%
Direct Construction-Rehab	0.00%	0	0	3,387,131	6,095,088	0	0.00	0	0.00%
Direct Construction-New	65.00%	68,955	11,319,450	6,746,836	4,636,832	11,319,450	70.30	68,955	66.00%
Contingency									
General Req'ts	0.00%	3,988	812,658	632,864	632,864	812,658	5.05	4,234	4.02%
Contractor's G & A	1.80%	1,061	203,616	210,888	210,888	203,616	1.27	1,061	1.01%
Contractor's Profit	1.84%	967	185,842	632,864	632,864	185,842	1.15	967	0.92%
Indirect Construction	3.54%	3,764	722,774	551,810	651,810	722,774	4.49	3,764	3.58%
Ineligible Costs	1.39%	1,474	283,077	567,692	567,692	283,077	1.78	1,474	1.40%
Developer's G & A	1.88%	1,248	239,704	284,061	572,979		0.00	0	0.00%
Developer's Profit	13.00%	9,889	1,880,298	1,716,389	1,576,692	2,100,000	13.05	10,038	10.39%
Interim Financing	5.23%	6,552	1,085,928	983,960	983,960	1,085,928	6.83	6,552	6.29%
Reserves	0.69%	945	181,440	234,900	234,900	0	0.00	0	0.00%
TOTAL COST	109.00%	\$198,227	\$20,395,623	\$18,133,293	\$17,798,437	\$20,214,493	\$123.85	\$105,284	100.00%
Construction Cost Recap	61.39%	\$85,218	\$77.83	\$12,621,288	\$11,821,071	\$11,318,004	\$12,621,076	\$77.83	\$85,217
			108%				111%		

SOURCES OF FUNDS		RECOMMENDED	Developer Fee Available
American Property Financing, Inc.	27.92%	\$28,661	\$35.40
Sun America- cash flow loan	8.86%	\$9,515	\$11.38
Sun America- cash flow loan	18.63%	\$17,665	\$21.08
HTC Syndication Proceeds	45.60%	\$40,442	\$57.81
Deferred Developer Fees	0.00%	\$0	\$0.00
Additional (Excess) Funds Req'd	0.89%	\$843	\$1.13
TOTAL SOURCES			
		\$5,695,000	\$7,338,000
		1,828,808	679,389
		3,391,768	679,389
		9,300,921	8,367,121
		0	1,082,000
		181,030	187,394
TOTAL SOURCES		\$20,395,623	\$18,133,293
		\$17,798,437	\$20,214,493
		\$20,214,493	\$3,423,176
		\$6,686,000	
		1,828,808	
		3,391,768	
		9,300,921	
		0	
		181,030	
		\$20,214,493	\$3,423,176

MULTIFAMILY COMPARATIVE ANALYSIS

Date: August 2007

DIRECT CONSTRUCTION COST ESTIMATE- COMMONS BLDG

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PERSF	AMOUNT
Base Cost			\$24.51	\$3,942,932
Adjustments				
Exterior Wall Finish	3.05%		0.74699279	\$120,173
Elderly/Fl Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.58)	(90,493)
Floor Cover			1.81	291,189
Porches/Balconies	\$20.33		0.00	0
Plumbing	\$680	88	0.41	85,280
Built-In Appliances	\$1,075	80	0.90	144,050
Stairs/Prepices			0.00	0
Enclosed Corridors	\$14.59		0.00	0
Heating/Cooling			1.78	288,359
Garages/Carports			0.00	0
Comm Rm for Aux Bldgs			0.00	0
Other Elevators	\$82,000	1	0.39	62,000
SUBTOTAL			29.97	4,821,488
Current Cost Multiplier	0.98		(0.89)	(88,430)
Local Multiplier	0.90		(3.00)	(482,149)
TOTAL DIRECT CONSTRUCTION COSTS			\$28.37	\$4,242,808
Plans, specs, survey, bid pre	3.90%		(\$1.03)	(\$185,473)
Interim Construction Interest	3.38%		(0.89)	(143,198)
Contractor's OH & Profit	11.50%		(3.03)	(487,935)
NET DIRECT CONSTRUCTION COSTS			\$21.42	\$3,446,303

68,628 Parker
72,840 Commons
21,608 Hogg
160,876

PAYMENT COMPUTATION

Primary	\$3,696,600	Amort	360
Int Rate	5.92%	DCR	1.43
Secondary	\$1,828,506	Amort	0
Int Rate	5.92%	Subtotal DCR	1.43
Additional	\$3,391,768	Amort	
Int Rate	5.92%	Aggregate DCR	1.43

RECOMMENDED FINANCING STRUCTURE APPLICANT'S I

Primary Debt Service	\$406,224
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$168,209

Primary	\$3,696,600	Amort	360
Int Rate	5.92%	DCR	1.43

Secondary	\$1,828,506	Amort	
Int Rate	5.92%	Subtotal DCR	1.43

Additional	\$3,391,768	Amort	
Int Rate	5.92%	Aggregate DCR	1.43

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NQI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 16	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,500,024	\$1,551,205	\$1,597,741	\$1,645,673	\$1,695,043	\$1,965,020	\$2,277,990	\$2,640,822	\$3,549,044
Secondary Income	43,778	45,889	48,442	47,835	49,270	57,118	68,215	78,761	103,161
Other Support Income (Debt)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,640,800	1,698,284	1,844,183	1,693,508	1,744,314	2,022,137	2,344,212	2,717,684	3,652,205
Vacancy & Collection Loss	(118,232)	(119,722)	(123,314)	(127,013)	(130,824)	(151,660)	(175,816)	(203,816)	(273,915)
Employee or Other Non-Rent	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,493,568	\$1,478,572	\$1,520,869	\$1,566,495	\$1,613,490	\$1,870,477	\$2,168,396	\$2,513,795	\$3,378,290
EXPENSES at 4.00%									
General & Administrative	\$112,451	\$118,948	\$121,927	\$126,492	\$131,592	\$168,053	\$184,729	\$238,917	\$350,895
Management	72,073	74235.03465	78492.08569	78755.94828	81118.82871	94038.12068	109010.6511	126380.1773	168844.3903
Payroll & Payroll Tax	220,241	229,051	239,213	247,741	257,651	313,472	351,368	484,015	686,655
Repairs & Maintenance	82,516	85,017	87,817	70,322	72,135	86,850	108,267	131,712	184,888
Utilities	37,430	38,827	40,484	42,104	43,788	53,275	64,817	78,850	116,731
Water, Sewer & Trash	87,783	70,474	73,292	78,224	78,273	88,448	117,344	142,700	211,329
Insurance	24,921	25,606	26,830	27,695	28,803	35,043	42,638	51,873	78,784
Property Tax	174,301	181,367	188,621	188,168	204,013	248,213	301,989	387,418	643,855
Reserve for Replacements	40,704	42,332	44,025	45,780	47,618	67,934	70,488	85,757	128,942
Other	48,945	48,823	50,776	52,807	54,910	68,817	81,284	98,006	148,405
TOTAL EXPENSES	\$859,135	\$882,780	\$927,748	\$984,094	\$1,001,870	\$1,214,273	\$1,471,953	\$1,784,601	\$2,624,416
NET OPERATING INCOME	\$574,433	\$689,792	\$693,121	\$682,402	\$681,620	\$656,204	\$696,442	\$729,184	\$753,873
DEBT SERVICE									
First Use Financing	\$406,224	\$406,224	\$406,224	\$406,224	\$406,224	\$406,224	\$406,224	\$406,224	\$406,224
Second Use	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$168,209	\$177,668	\$168,896	\$168,177	\$205,396	\$249,978	\$290,218	\$322,939	\$347,648
DEBT COVERAGE RATIO	1.41	1.41	1.46	1.48	1.81	1.62	1.71	1.79	1.88

LOCKE LIDDELL & SAPP PLLC

ATTORNEYS & COUNSELORS

START HTC 01005

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September 1, 2007

VIA HAND DELIVERY

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

09-11-07 08:52 RCVD

Re: Chaparral Townhomes (the "**Project**")
Chaparral Townhomes, L.P. (the "**Partnership**")
TDHCA File No. 01005

Dear Ben:

We represent the Partnership and are submitting the enclosed application to obtain approval from the Texas Department of Housing and Community Affairs (the "**Department**") of a change in the general partner of the Partnership. The Partnership is the recipient of 9% low-income housing tax credits ("**LIHTCs**") from the Department. Since the initial closing of the LIHTC and debt financing in 2002, the Partnership has been composed of KRR Construction, Ltd., a Texas limited partnership (the "**GP**"), as general partner, Columbia Housing/PNC Institutional Fund XV Limited Partnership, a Massachusetts limited partnership, and Columbia Housing/PNC Institutional Fund XV Limited Partnership, a Massachusetts limited partnership (collectively, the "**Investor**"), as investor limited partners, and Columbia Housing SLP Corporation, an Oregon corporation that is an affiliate of the Investor ("**SLP**"), as special limited partner. The Partnership is governed by an Amended and Restated Agreement of Limited Partnership dated as of January 1, 2002, as amended (the "**Partnership Agreement**").

The Investor believes the General Partner has breached the Partnership Agreement and, after notice and opportunity to cure, such breach continues. The Investor and SLP have decided that it is in the best interest of the Partnership and the Project to take action to remove the General Partner.

In accordance with the Partnership Agreement, SLP will assume the role of general partner upon such removal. The Investor and SLP will actively seek a new general partner to be admitted to the Partnership. During this interim period until a new general partner is found, SLP will serve in the general partner capacity.

Because SLP is already a special limited partner of the Partnership, the removal of the GP as general partner and its replacement with SLP is considered an affiliated transfer. Thus, in accordance with TDHCA's procedures for affiliated transfers, we submit the following:

1. **Explanation by Applicant.** Provided above.
2. **Copy of Recorded LURA.** A copy of the LURA is enclosed.
3. **Property or Ownership Transfer Information.** Enclosed.
4. **Organization Charts.** We have enclosed an organizational chart, showing the ownership structure of the Partnership prior to the GP's removal and the ownership structure of the Partnership after the GP's removal.
5. **Organization Documents.** Because there are no new entities or individuals coming into the ownership structure of this Project, we believe this requirement is not applicable.
6. **Financial Information.** All of the long-term financing for the Project remains in place. Therefore, we believe this requirement is not applicable.
7. **Previous Participation.** Because no new parties are involved with this affiliated transfer, we believe this requirement is not applicable.
8. **Warranty Deed.** Not applicable.

We note that, based on Appendix A to the LURA, a historically-underutilized business (a "**HUB**") is required to maintain an ownership interest in and control of the Project. The removal of the GP will result in the loss of the HUB for this Project. Similar to the request that has been made for Cedar Point Apartments, L.P. (TDHCA No. 01148), the Partnership requests an amendment of the LURA to eliminate the ongoing HUB requirement. This Project, like the Cedar Point Apartments, has suffered significant financial hardships, and it is anticipated that little cash flow would be available for a substitute general partner during the compliance period. As you know, the Investor has tried to find other HUBs that will accept a substitute general partner role in Cedar Point Apartments, L.P., and none have been willing to do so. Therefore, knowing that the Partnership is in the same economic position as Cedar Point Apartments, L.P., the Partnership respectfully requests removal of the HUB requirements. Note that the Partnership received its tax credit application as a forward commitment in the 2000 competitive cycle. Given the manner in which awards were made at that time, the Partnership believes it would have received the tax credits even without the HUB points.

Please note also that the participation of the Investor's affiliate, SLP, as the general partner, is a temporary measure needed to stabilize and protect the Partnership and the Project. When the Investor and SLP identify a substitute general partner, all relevant documentation for a non-affiliated transfer will be timely submitted to the Department.

Mr. Ben Sheppard
September 1, 2007
Page 3

END HTC 01005

A check, payable to the Department, in the amount of \$2,500, is enclosed to process this request, particularly with respect to the waiver of the HUB requirement.

Finally, if the approval of the temporary substitution of SLP as general partner can be approved separately, without Board consideration, we respectfully request that this approval be given, subject to the results of the amendment request. The Partnership needs approval to change the general partner as soon as possible so that it can proceed to address the Project's financial difficulties.

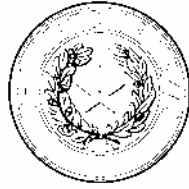
Thank you very much for your assistance. Please do not hesitate to contact me if you require any additional information, including more specific information about the breaches that precipitated this change.

Very truly yours,


Cynthia L. Bast

Enclosures

REPORT ITEMS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber
From: Gordon Anderson
cc: Brooke Boston, Michael Lyttle
Date: September 27, 2007
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for September 2007. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, September 2007

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Pine Forest City Council/ Update on CDBG Round One Funding	Pine Forest	September 4	Disaster Recovery	Presentation
Meeting with Tierra del Sol Housing Corp.	Austin	September 5	HOME	Technical Assistance
Texas Association of Regional Councils Conference	Austin	September 5-6	Policy and Public Affairs	Exhibitor
Conference on Relocation and Persons with Disabilities	South Padre Island	September 5-6	Policy and Public Affairs	Presentation
Supportive Housing for People with Mental Illness	Dallas	September 5	Policy and Public Affairs	Participant
Meeting on HOME Program with local elected officials	Benavides	September 11	HOME, Policy and Public Affairs	Participant
Meeting with City of Taft	Taft	September 12-13	HOME	Technical Assistance
Meeting with Del Rio Housing Authority	Del Rio	September 14	HOME	Technical Assistance
TSAHC Meeting	Austin	September 14	Policy and Public Affairs	Monitoring
Rural Rental Housing Association Conference	San Antonio	September 19-20	HOME	Participant
Texas Commission on Developmental Disabilities Meeting	Austin	September 20	Policy and Public Affairs	Participant
Meeting with City of Benevides	Benavides	September 20	HOME	Technical Assistance
First Time Homebuyer Program news conference	El Paso	September 21	Executive, Homeownership, Policy and Public Affairs	News Conference
Meeting with Zapata County	Zapata	September 21	HOME	Presentation
Consolidated Hearings	El Paso	September 24	HOME, Multifamily, Office of Colonia Initiatives, Real Estate Analysis, Policy and Public Affairs	Public Hearing
Tax Credit Workshop	El Paso	September 24	Multifamily, Policy and Public Affairs	Training
Consolidated Hearings	Houston	September 26	HOME, Multifamily, Policy and Public Affairs	Public Hearing
Meeting with Affordable Housing of Parker County	Springtown	September 26	HOME	Technical Assistance
Rebuilding Together Southeast Texas board meeting	Nederland	September 27	Disaster Recovery	Presentation
Supportive Housing for People with Mental Illness	Austin	September 28	Policy and Public Affairs	Participant
First Time Homebuyer Program news conference	San Antonio	September 28	Executive, Homeownership, Policy and Public Affairs	News Conference
Consolidated Hearings	Lubbock	September 28	HOME, Policy and Public Affairs	Public Hearing

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM

October 11, 2007

Background

The TDHCA Board requested a monthly status report to provide an updated status on HOME amendments previously approved by the Board.

Summary of HOME Amendment Process

HOME Administrators may request amendments to existing contracts; however, in order for a request to be considered, the Administrator must:

- submit justification, extenuating circumstances, or compelling reasons for the request; and
- submit a request that would still have resulted in an award of HOME funds if the original application had been submitted according to the requested changes; and
- be in compliance with monitoring and auditing requirements for all Department programs.

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) states that modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.

Summary of Previously Approved HOME Amendments

The following Administrators do not have acceptable progress in the administration of their amended HOME contract:

Contract #	Administrator Name	Reason Progress Not Acceptable	Staff Comments
1000604	San Augustine County	The contract end date is 10/31/07. Funds have not been committed nor activities set-up.	Administrator has indicated verbally that they would request a deobligation of funds. Staff is awaiting the letter to complete contractual close out.
1000303	Town of Combes	Delinquent Monthly Report	Staff has contacted Administrator to request report.

Board Approval Date	Administrator	Contract Number	Activity Type	Amendment Type	Date Report Received	Progress Acceptable	Req # of Units	Units in Process	Units @100% (To Date)	Start Date	End Date	Project Budget Amt.	Project Committed Amount	Project Expended Amount	% Time Expired	% Committed	% Drawn Amt.	PMC Update
5/4/2006	Affordable Caring Housing	1000341	TBRA	Match Elimination	9/10/07	Y	35	48	48	10/1/04	9/30/07	\$233,311	\$222,927	\$222,927	100%	96%	96%	All activities have been 100% completed.
5/4/2006	Affordable Caring Housing	1000342	TBRA	Match Elimination	9/10/07	Y	20	34	31	10/1/04	9/30/07	\$174,048	\$139,969	\$137,883	100%	80%	79%	5 additional households reach 100% completion. Progress continues to be made on the contract.
7/12/2006	Midland Habitat for Humanity	1000541	HBA	AMFI Modification	9/4/2007	Y	4	4	3	10/3/05	9/28/07	\$40,000	\$40,000	\$30,000	100%	100%	75%	Three (3) completed and final activity at 90%.
10/12/2006	City of Mesquite	1000327	OCC	Extension	9/18/2007	Y	3	3	3	10/1/04	9/30/07	\$198,000	\$148,972	\$148,972	100%	75%	75%	all activities are 100% complete. Uncommitted funds will be deobligated at the contract end date.
10/12/2006	Val Verde County	1000156	OCC	Extension	9/25/07	Y	6	3	3	9/1/03	12/31/07	\$300,000	\$320,000	\$158,245	95%	107%	53%	Administrator reported one (1) activity at 95% complete, one (1) at 45% complete and one with a frame for foundation ready for pouring.
11/9/2006	Alpha Concepts	1000301	HBA	Extension	9/12/2007	Y	29	0	0	10/1/04	4/30/08	\$350,000	\$0	\$0	85%	0%	0%	Administrator to open bid for contracts on 9/28/07.
11/9/2006	City of Lewisville	1000253	OCC	Reduction in units (8 to 6) & Extension	9/14/2007	Y	6	6	0	10/1/04	9/30/07	\$321,884	\$321,884	\$186,084	100%	100%	58%	The Administrator has submitted a request for amendment which is being reviewed. One (1) activity is at 5% complete with demolition completed. And has encountered problems with the foundation and plans of the proposed home.
11/9/2006	City of Pearsall	1000299	OCC	Extension	9/17/2007	Y	10	10	0	10/1/04	4/30/08	\$500,000	\$0	\$0	85%	0%	0%	Six (6) Cost Estimates have been completed.
11/9/2006	City of Presidio	1000302	OCC	Extension	9/23/2007	Y	9	0	0	10/1/04	4/30/08	\$448,848	\$0	\$0	85%	0%	0%	Awaiting clearance from City Building Officer on flood tendencies of site area.
11/9/2006	Frio County	1000308	OCC	Extension	10/1/2007	Y	10	5	0	10/1/04	4/30/08	\$239,110	\$234,215	\$0	85%	98%	0%	Construction on six (6) units was reported as five (5) at 10% complete and two (2) at 5% complete. Titles and loan documents are in various stages.
11/9/2006	Town of Anthony	1000298	OCC	Extension	9/9/2007	Y	4	0	0	10/1/04	4/30/08	\$180,333	\$0	\$0	85%	0%	0%	Environmental clearance was issued on 8/03/07. Documents for activities are being prepared for submittal.
11/9/2006	Zapata County	1000297	OCC	Extension	8/29/2007	Y	10	0	0	10/1/04	4/30/08	\$500,000	\$0	\$0	85%	0%	0%	Applicant selection is scheduled for completion on 8/29/07.
12/14/2006	Accessible Community, Inc.	1000360	TBRA	Extension	9/14/2007	Y	65	112	48	2/1/05	10/31/08	\$709,642	\$622,160	483,793	72%	88%	68%	Assistance will continue to be provided to households until all funds are expended and contract end date met.
12/14/2006	Angelina County	1000607	OCC-Rita	Extension	9/8/2007	Y	5	5	0	4/17/06	10/31/07	\$300,000	\$300,000	\$0	96%	100%	0%	Five (5) households are in the process of vacating so that construction can be completed/installation of home. Amendment for extension is being routed internally.
12/14/2006	San Augustine County	1000604	OCC-Rita	Extension	9/10/2007	N	3	0	0	4/17/06	10/31/07	\$166,667	\$0	\$0	96%	0%	0%	Administrator is not reporting significant progress. Administrator is considering having funds deobligated due to Board denial of AMFI changes.

Board Approval Date	Administrator	Contract Number	Activity Type	Amendment Type	Date Report Received	Progress Acceptable	Req # of Units	Units in Process	Units @100% (To Date)	Start Date	End Date	Project Budget Amt.	Project Committed Amount	Project Expended Amount	% Time Expired	% Committed	% Drawn Amt.	PMC Update
11/9/2006	City of Balmorhea	1000300	OCC	Extension	9/11/2007	Y	10	0	0	10/1/04	4/30/08	\$500,000	\$0	\$0	85%	0%	0%	Households selected and are pending environmental clearance. Request was submitted 5/27/07 however, administrator has failed to provide adequate support documentation.
11/9/2006	Town of Combes	1000303	OCC	Extension	NOT RECEIVED	N	5	0	0	10/1/04	4/30/08	\$220,156	\$0	\$0	85%	0%	0%	Five (5) activities are reported as 50% complete with contracts pending.
3/20/2007	Jefferson County	1000596	OCC	Extension	9/17/2007	Y	36	33	3	4/17/2006	1/31/2008	\$2,160,000	\$1,980,000	\$180,000	83%	92%	8%	Two (2) households have received environmental clearance.
4/12/2007	City of Bay City	1000529	HBA/ADDI	Extension/ 16 Additional HH with additional funds	9/10/2007	Y	41	28	23	10/5/2005	6/30/2008	\$410,000	\$280,000	\$240,000	74%	68%	59%	Administrator has set-up another activity for assistance.
3/20/2007	ARCIL, Inc.	1000223	TBRA	Extension	9/10/2007	Y	20	24	5	8/1/2004	10/31/2008	\$213,194	\$194,871	\$140,337	75%	91%	66%	Administrator reports activities are between 46-92% complete.
5/10/2007	Travis County Housing Finance Corp.	1000533	ADDI	AMFI Modification	9/21/2007	Y	30	29	25	10/3/2005	9/28/2007	\$214,500	\$206,000	\$191,700	100%	96%	89%	all activities are 100% complete. Uncommitted funds will be deobligated at the contract end date.

HOME DIVISION
BOARD REPORT ITEM
October 11, 2007

Report Item

This report item consists of the staff responses to Board member questions and/or requests during the June 14, 2007 HOME Task Force presentation. The questions and/or requests and staff responses have been provided below and sorted by the HOME Task Force issue.

Issue Two: Loans versus Grants

Question/Request: Question: As it relates to the unclear title and repayment issue, could the Department require the homeowner have a will in place as part of the loan closing package so the Department can be sure the benefit of the loan or grant stays in the family?

Response: Staff has recommended in the new HOME Rule that incomes of 30% and below be forgiven at death of the recipient. This takes care of any remaining deferred forgivable loan after the death of the maker of the loan. Incomes above 30% will be required to treat the loan as any other estate in probate.

Question/Request: On page 19 under "Increase Administration Costs" the report states that certain soft costs are not reimbursable. Staff was asked to review and provide clarity regarding what soft costs are reimbursable.

Response: The Final Rule allows HOME funds to be used for the following types of project delivery costs (soft costs): inspections, architectural fees, engineering fees, surveys, costs to process and settle the financing for a project, staff and overhead costs, etc. Some of these costs may be paid either with HOME funds awarded for the administration of the contract or the soft costs designated to the individual project. In the OCC Program, the Department currently has an overall soft cost cap of 12% of hard costs. For a housing unit that is receiving \$55,000 in assistance, the soft cost cap equates to \$5,892. This allows \$49,108 for the hard costs (construction) or 'turn-key' purchase of the housing unit. After the Board approved the increase to \$60,000 per housing unit, the soft cost cap was increased to \$6,428. This now allows \$53,572 for the construction or 'turn-key' purchase of the housing unit.

The new HOME Rule includes line item maximums and an overall reduction in the soft cost cap, in an effort to establish cost reasonableness of soft costs and is an attempt to obtain more funds available for construction costs per housing unit. Another reason staff is recommending a lower soft cost cap is because the new HOME Rule also includes a proposed increase in the maximum amount of assistance based on household size. The typical amount of the types of soft costs incurred in the administration of the OCC program are not directly related to the construction costs and therefore, no proportionate increase in the cap is being recommended and rather a decrease is recommended by staff in the new HOME Rule.

Issue Three: Contract Terms

Question/Request: Relating to TBRA, the Board directed staff during any rulemaking and/or TBRA Program changes to educate the Board on the challenges faced by putting elderly or others who reasonably are not expected to become self-sufficient into a two-year only voucher program and consider how we want to handle this as a policy in the future.

Response: The Department issued a listserv announcement and has changed program materials and forms to clearly identify that TBRA assistance is limited to 24 months per household. Additionally, the new HOME Rule also clearly identifies this limitation. The HOME funds are not well suited for long term care as this is intended in the HOME Rule to be a temporary assistance program.

Issuer Four: Benchmarks

Question/Request: Relating to some of the input received on benchmarks being achieved, the Board directed staff to consider how we organize the HOME and PMC Divisions to ensure that strong control of technical assistance, which is critical to benchmarks being achieved, is held in the program area and kept independent from monitoring.

Response: The HOME Division has been reorganized effective October 1, 2007 and the change resulted in the contract administration functions being managed within the HOME Division. It also provides a team of staff assigned with the responsibilities of providing technical assistance and performance monitoring of HOME contracts. Additionally, the Draft HOME Rule includes recommended changes to the contract terms and benchmarks, formalizes the contract administration duties of HOME contract administrators and, in direct response to this request, adds a new section for performance reviews, corrective and remedial actions and sanctions.

Issue Five: Distribution of Funds

Question/Request: The HOME Task Force proposed applying the Regional Allocation Formula over a two year period instead of one year period. The Board directed Legal staff to review whether this concept satisfies statutory regional allocation requirements.

Response: The General Counsel has determined that the intent of the legislature with the law is that funds be made available to all regions based on a current year needs. Where changes occur from region to region on an annual basis, the two year funding plan could result in an imbalance in the regional allocation formula. Therefore a two-year funding plan is not recommended.

Issues Six and Seven: Utilizing CHDO Funds and Building CHDO Capacity (Combined)

Question/Request: The Board expressed an interest in the single family development program and possibly would like to do this. More information was requested from staff.

Response: This type of activity requires more oversight and monitoring than the other HOME activities, however, one of the first Colonia Model Subdivision contracts is being executed

between the Department and CHDO and will be implemented soon. The HOME Division staff will be responsible for providing additional program parameters, technical assistance and performance oversight. It is anticipated that this contract will provide valuable information and experience in order to structure and oversee single family development programs in the future.

Issue Eight: Match

Question/Request: Under the section “Reducing Scoring for Match”, the Board Chair directed staff analysis on how much match the Department can afford to forgo in a given future year without putting our satisfaction of the federal requirements at risk in ensuing years.

Response: Staff is analyzing the current balance of match and the impact of any reduction in match required or requested from HOME applicants. Any changes to the match requirements will be included in a NOFA presented to the Board for approval.

Issue Nine: HBA

Question/Request: Does staff have the underlying data on the first mortgages associated with our down payment assistance?

Response: There is very little information available regarding the first lien mortgages and it is limited to the first lien lender’s name and amount of the mortgage as evidenced on the HUD-1 Settlement Statement.

Question/Request: In several options for this issue, the Task Force proposes adjusting the limit on the amount of down payment assistance the Department allows based on different methodologies. The Board directed staff to analyze, research and identify the most appropriate standard for increasing the amount including looking at the standard/method is used by state and local mortgage revenue bond programs as well as other states approaches for determining appropriate levels of down payment assistance.

Response: Based on a basic analysis, staff recognizes that a higher amount of downpayment assistance is needed by lower income level households. Staff is continuing to analyze, research and obtain information. Staff anticipates structuring a pilot program for presentation to the Board that incorporates not only the household’s size but also other affordability factors and will possibly include a reservation system to facilitate and streamline the distribution of HOME HBA funds.

Issue Eleven: Multifamily Issues

Question/Request: Did the committee discuss the “spectrum” of deals that utilize HOME? These include anything from a \$500,000 grant when no cash flow is available all the way to a gap financing loan on a tax credit layered deal. There is a broad range of HOME fund use for which some may warrant grants since they may not be able to absorb payments.

Is there a cut off point to which ones the Department should/should not assist and if so, where is it? Can the rules be written to give this type of flexibility?

Response: The Task Force does not believe that there is a cut off point and that there should be sufficient Department flexibility to do the full spectrum of rental proposals – from no cash flow all the way to gap financing on a property that can well absorb the debt service. The Task Force does believe that rules can be written to ensure this flexibility is provided by the program. The Draft HOME Rule presented to the Board today provides a very flexible source of HOME funds for multifamily development. The Draft rule does not contain any threshold or scoring criteria for multifamily development and these, if any, will be presented to the Board in a NOFA. Additionally with Board approval, the HOME Division recently released a \$10M NOFA for multifamily development based on a first-come, first-served application process with minimal threshold requirements.

Question/Request: In the statement under Option 72, regarding the Local Political Subdivision points in the QAP, the Board Chair asked staff/general counsel to research whether it is an accurate interpretation that neither state nor local HOME and CDBG funds should be eligible for the statutory “Local Political Subdivision” points.

Response: The Department General Counsel has opined that the use of state HOME dollars are reserved for the local political subdivisions that are not participating jurisdictions. Because these funds are intended for use by local political subdivision, the Department has allowed these funds to be requested and used for local political subdivision contributions just as they could be used in participating jurisdictions. All the requirements that the commitment be made and funded are required. Given the statutory restriction that 95% of the funds are required to be spent in non-participating jurisdictions, it is statutorily consistent with the legislative intent for use of funds and HUD intent for use in non-participating jurisdictions.

Question/Request: There was one question from Kent Conine at the end of the presentation regarding the use of HOME funds for foreclosure prevention. He asked if it was a prohibited use of HOME funds.

Response: The use of HOME funds for foreclosure prevention is not an eligible activity if the funds are used to make mortgage payments or payments of late fees. If the prevention is in the form of training provided through homebuyer counseling it is an eligible HOME activity.

\$157,060,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Single Family Mortgage Revenue Bonds
2007 Series B
Program 70

Program Highlights

Bond closing was on September 20, 2007 and funds released on September 21, 2007.

- 5.75% Unassisted Rate
- 6.50% Assisted Rate with 5% Assistance

With \$1.7 million of assistance created with this structure and the \$5.7 million of zero percent funds from Program 69, TDHCA will have a total of \$161.5 million in lendable funds for first time homebuyers under Program 70.

- \$46.8 million statewide assisted (60 % AMFI and below) reserved for one year
- \$82.4 million statewide unassisted
- \$32.3 million statewide unassisted (targeted area) reserved for one year

On September 21, 2007, TDHCA conducted a very successful press conference in El Paso announcing the release of Program 70. The press event was held in conjunction with the El Paso Association of Realtors, State Representative Norma Chavez and the Texas Association of Realtors. Over 100 realtors were present and attended the continuing education course “United Texas: Housing Initiatives That Work”. TDHCA staff helped develop the course and served as primary instructors. In addition to announcing the new program release and the benefits of homeownership, a first time homebuyer was recognized and was presented keys to her new home by the department’s executive director, Mike Gerber and State Representative Chavez.

Mortgage Pipeline Report
as of October 2, 2007

Program 70	Allocation	Reserved *	Allocation Remaining
Statewide Assisted (60% AMFI or below)	\$ 46,824,015	\$ 3,412,949	\$ 43,411,066
Statewide Unassisted	\$ 82,410,267	\$ 16,586,394	\$ 65,823,873
Statewide Unassisted Targeted	\$ 32,308,571	\$ 5,887,940	\$ 26,420,631
Total	\$ 161,542,853	\$ 25,887,283	\$ 135,655,570

* Seven business days.

Bond Structure Highlights

\$155.8 million total lendable bond proceeds

\$ 5.7 million zero percent fund used to blend down mortgage rate.

\$161.5 million lendable proceeds

\$ 3.6 million in zero percent funds remain for use with future bond structures.

100% Fixed Rate Bonds

Bond Pricing and Yields 4.979%

On September 5, 2007, the Texas Department of Housing and Community Affairs entered the retail pricing market to sell serial and short term bonds. Within an hour, our Senior Underwriter, Citigroup noticed investors which were out of the market for two months returning to the market and eager to buy municipal tax exempt bonds. After consultation with our Financial Advisor, Gary Machak of RBC Capital Markets and Executive Staff, a decision was made to sell our long term bonds as well. Citigroup was able to work with these investors so that our short term and long term bonds were priced five to ten basis points through the market and was able to secure one investor, Wells Fargo, to purchase \$25 million in long term bonds fifteen basis points through the market. Freddie Mac submitted orders for \$18.1 million in long term bonds at five basis points through the market.