# **BOARD MEETING OF NOVEMBER 8, 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 November 8, 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		
, P1	esiding Officer	

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BOARD MEETING

November 8, 2007 8:30 am Capitol Extension, E1.028 1500 N. Congress

#### AGENDA

## 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:

#### General Administration:

- a) Minutes of the Board Meeting of August 23, 2007
- b) Minutes of the Board Meeting of September 13, 2007

#### **Community Affairs:**

 Presentation, Discussion, and Possible Approval of the Section 8 Payment Standards, Resolution No. 08-004

#### Financial Administration:

d) Presentation, Discussion, and Possible Approval of the 4th Quarter Investment Report

#### **Multifamily Finance:**

e) Presentation, Discussion, and Possible Issuance of Multifamily Mortgage Revenue Bonds and Housing Tax Credits with TDHCA as the Issuer:

O7621 The Residences at Onion Creek, Austin, Travis County Texas for a bond Amount Not to Exceed \$15,000,000 and the Issuance of a Determination Notice Recommended Credit Amount Not to Exceed \$785,293. Resolution No. 08-002

f) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2008, Resolution No. 08-003

08602	Costa Ibiza	Houston
08603	West Oaks Seniors	Houston

#### **ACTION ITEMS**

#### Item 2: Presentation, Discussion and Possible Approval of Multifamily Division Items:

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

07448 River Falls Apartments, Amarillo

Panhandle Regional HFC is the Issuer Recommended Credit Amount of \$505,347

07449 Canterbury Apartments, Amarillo

Panhandle Regional HFC is the Issuer Requested Credit Amount of \$207,022

- c) Presentation, Discussion, and Possible Reallocation of 2007 Housing Tax Credits and Possible Allocation of 2008 Housing Tax Credits
- d) Presentation, Discussion, and Possible Action for Housing Trust Fund Capacity Building Program Appeal for Ability Resources
- e) Presentation, Discussion, and Possible Action on Request for Reallocation of Housing Tax Credits for Commons of Grace
- f) Presentation, Discussion, and Possible Action on HTC Amendments

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g) Presentation, Discussion, and Possible Action on Request for Waiver of Nonrefundable Commitment Notice Fee Pursuant to §49.20(f) of the 2007 QAP and Refund of Commitment Notice Fee for 2007 Competitive Housing Tax Credit Applications:

07153 Los Ebanos Apartments 07275 Mansions at Briar Creek

# Item 3: Presentation, Discussion and Possible Approval to Publish Final Department Rules in the Texas Register

- a) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting amendments to §1.20, concerning Asset Resolution and Enforcement
- b) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting new §1.22, concerning Providing Current Contact Information to the Department

- c) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 1, Subchapter B, Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines
- d) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting 10 TAC, Chapter 7, 2007 Texas First Time Homebuyer Program Rule
- e) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a final order adopting repeal of 10 TAC Chapter 50, concerning 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules, and final order adopting new 10 TAC Chapter 50, concerning 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules
- f) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a final order adopting repeal of 10 TAC Chapter 33, Multifamily Housing Revenue Bond Rules, and final order adopting new 10 TAC Chapter 33, 2008 Multifamily Revenue Bond Rules
- g) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting repeal of 10 TAC Chapter 51, Housing Trust Fund Rules, and final order adopting new 10 TAC Chapter 51, Housing Trust Fund Rule
- h) Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting repeal of 10 TAC Chapter 60, Subchapter A, Compliance Monitoring and final order adopting new 10 TAC Chapter 60, Subchapter A, Compliance Monitoring
- Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting new Chapter 60, Subchapter C, concerning Administrative Penalties, to be codified at 10 T.A.C §60.301

#### Item 4: Presentation, Discussion and Approval of HOME Division Items:

a) Presentation, Discussion, and Possible Approval Requests for Amendments to HOME Investment Partnerships Program Contracts

1000518 Temple Housing Authority

#### Item 5: 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, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts

C060001 Houston-Galveston Area Council

- c) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to non-housing activities and infrastructure activities for CDBG Round 2
- d) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts administered by the Office of Rural Community Affairs (ORCA) for CDBG Round 1 Funding
- e) 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)
- f) Presentation, Discussion and Possible Approval of Projects under the Competitive Restoration of Critical Infrastructure Program to be administered by Office of Rural Community Affairs (ORCA)

#### Item 6: Presentation, Discussion and Possible Approval of Housing Resource Center Division Items:

- a) Presentation, Discussion, and Possible Approval of the 2008 Regional Allocation Formula Methodology
- b) Presentation, Discussion, and Possible Approval of the 2008 Affordable Housing Needs Score Methodology

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 Brandal v.TDHCA Filed in State Court in Potter County
  - 2. With regard to contract negotiations with selected vendor on HAP Disaster Recovery RFP
  - 3. 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, October 2007
- 2. Historically Underutilized Businesses
- 3. ESGP Application Edits Made to Special Initiatives Section
- Comprehensive Report on the Status of the HOME Program
- 5. Ownership Transfers for Housing Tax Credits
- Report to Board on Recommendations to the CDBG Disaster Recovery Programs Received from John Henneberger, Texas Low Income Housing Information Service (TxLIHIS), Public Testimony, October 2007 Board Meeting

ADJOURN Elizabeth Anderson

To access this agenda & details on each agenda item in the board book, please visit our website at <a href="www.tdhca.state.tx.us">www.tdhca.state.tx.us</a> or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11<sup>th</sup> 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.

### **EXECUTIVE OFFICE - BOARD**

### BOARD ACTION REQUEST November 8, 2007

### **Action Item**

Minutes of the Board Meeting of August 23, 2007.

### **Required Action**

Review minutes of the August 23, 2007 Board Meeting and make any necessary corrections.

### **Background**

The Board is required to keep minutes of each of their meetings.

### Recommendation

Staff recommends approval of minutes with any requested corrections.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BOARD MEETING

# August 23, 2007; 8:30 am Capitol Extension Auditorium, 1500 N. Congress

#### SUMMARY OF MINUTES

# CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of August 23, 2007 was called to order by Chair, Elizabeth Anderson at 8:45 a.m. It was held at the Capitol Extension Auditorium, 1500 N. Congress, Austin, Texas. Roll call certified a quorum was present.

#### **Members Present:**

Elizabeth Anderson – Chair C. Kent Conine – Vice-Chair Shadrick Bogany – Member The Honorable Norberto Salinas – Member Sonny Flores – Member Gloria Ray – Member

Mr. Gerber and the Board asked for a moment of silence in remembrance of Larry Paul Manley, former Executive Director of TDHCA, who recently passed away.

Mr. Gerber and the Board recognized Tim Irvine for his excellent job as Executive Director of the Manufactured Housing Division, as he takes a new position as Executive Director of the Texas Real Estate Commission.

Mr. Gerber and the Board introduced Sandy Donoho, the new Director of Internal Audit and welcomed her to the Department.

#### **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.

<u>The Honorable Senator Eddie Lucio</u>, provided testimony in support of Hidalgo County's North Manor Estates Apartments, and the City of Alamos Bluebonnet Senior Village

<u>The Honorable Representative Kino Flores</u>, provided testimony in support of City of Pharr and Sunset Terrace.

Todd Gallaher, Chief of Staff, provided testimony on behalf of the <u>Honorable Senator Robert Deuell</u>, in support for the Austin School Apartments and the Washington Hotel Lofts for forward commitment. <u>Lauren Presnal</u>, provided testimony on behalf of the <u>Honorable Senator Kel Seliger</u>, in support of a forward commitment for project #07-151, at the Key West Senior Village Phase Two.

Michael Kamerlander, provided testimony on behalf of the <u>Honorable Senator Florence Shapiro</u>, in support of a forward commitment of Housing Tax Credits; for Villas on Raiford Road in Carrollton, Tx <u>Lisa Powers</u>, provided testimony on behalf of the <u>Honorable Representative Buddy West</u>, in support of a forward commitment for project #07-151, at the Key West Senior Village Phase Two.

<u>The Honorable Rudy Villareal, Mayor, City of Alamo, provided testimony in support of Bluebonnet Senior Village.</u>

Chair Anderson reported for the record that the Department received a support letter for Bluebonnet Senior Village from the <u>Honorable Representative Armando Martinez</u>.

<u>Matt Welch</u>, provided testimony on behalf of the <u>Honorable State Representative Charles (Doc) Anderson</u>, in support of Old Waco High Lofts.

<u>Derrick McGary, City Council member, City of Texarkana</u>, provided testimony in support of a forward commitment for the Housing Authority of Texarkana, for Covington Town Homes, as well as read for the record a support letter by the <u>Honorable Representative Stephen Frost</u>.

Greg Duggan, City Manager for Dalhart, read for the record a letter by the Honorable Mayor Caddell in support of a forward commitment for #07-131 Stoneleaf at Dalhart.

Allison Scott, provided testimony on behalf of the Honorable Representative David Swinford, in support of #07-131 Stoneleaf at Dalhart.

Melissa Castro Killen, provided testimony in support of the San Juan Residence, #07-171.

Charles E. Wiley, provided testimony in support of Carpenters Point Senior Housing, #07-101.

Bernadine H. Spears, provided testimony in support of Key West Senior Village, #07-151.

Michael Clark, President of UAH Property Management, provided testimony in support of Key West Senior Village, #07-151.

<u>Chan Pak</u> provided testimony in support of a forward commitment for the Villas on Raiford, #07-303. <u>Terri Anderson, Anderson Capital LLC</u>, provided testimony in support of a forward commitment for the Villas on Raiford, #07-303.

<u>Hugh Harrison, LRG Development</u>, provided testimony in support of a forward commitment for the Villas on Raiford, #07-303.

Eric Opiela provided testimony concerning a liquidity crisis, in regards to consumer credit.

<u>Bill Fisher</u> provided testimony on behalf of the Community Development Block Grant application that will be on the agenda for consideration on September 13.

Mark Viator, Chairman of the Recovery Coalition of Southeast Texas, provided testimony in support of the Memorial Hermann Baptist of Orange and the Brittany II project.

Mark Mayfield, Executive Director of the Texas Housing Foundation, provided testimony.

Stephanie Wiese, Vice President of Habitat for Humanity in San Antonio, provided testimony in support of the release of the NOFA for the Bootstrap Program.

John Alexander, Executive Director of Waco Habitat for Humanity, provided testimony in support of the release of the NOFA for the Bootstrap Program.

The Honorable Leo "Polo" Palacios, Mayor of the City of Pharr, provided testimony in support of Sunset Terrace project, City of Pharr.

Chair Anderson welcomed <u>Amanda Arriaga</u>, with the Governor's Office and <u>Melissa Hajar</u> with the Appropriations Committee and thanked them both for attending.

#### **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.

#### AGENDA ITEM 1:

Approval of the following items presented in the Board materials:

General Administration:

a) Minutes of the Board Meeting of July 12, 2007

#### Texas Homeownership Division Items:

- b) Presentation, Discussion and Possible Approval of a one-year contract extension for Countrywide Home Loans Inc. to serve as Master Servicer for the Single Family Mortgage Revenue Bond Program
- c) Presentation, Discussion and Possible Approval of the Participating Lender List for Single Family Mortgage Revenue Bond Program 70

Disaster Recovery Division Items:

d) Presentation, Discussion and Possible Approval of Requests for Amendments to Community Development Block Grant (CDBG) contracts for CDBG Round 1 Funding to be administered by Office of Rural Community Affairs (ORCA)

DRS060040

Jasper County

DRS060043

City of Joaquin

DRS060061

**Newton County** 

DRS060089

Tyler County

DRS060042

Jefferson County

e) Presentation, Discussion and Possible Approval of Projects Granted from the Restoration of Critical Infrastructure Program Reserve Funds CDBG contracts for CDBG Round 2 Funding to be administered by Office of Rural Community Affairs (ORCA)

Memorial Hermann Hospital

Orange \$6,000,000

Rosanne Akin, administrator at Memorial Hermann Baptist Hospital, Orange, provided testimony in support.

#### Financial Division Items:

- f) Presentation, Discussion and Possible Approval of the 3rd Quarter Investment Report Office of Colonia Initiatives Items:
  - g) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$6,500,000 utilizing Housing Trust Funds from the 2007 Housing Trust Fund Plan and 2008 Fiscal Year allocation for the Texas Bootstrap Loan Program Reservation System At Mr. Conine's request, this item was pulled from the Consent Agenda, for discussion. John Henneberger, co-director, Texas Low Income Housing Information Service, provided testimony.

#### Bond Finance Items:

h) Presentation, Discussion and Possible Approval of Resolution No. 07-026 authorizing approval of Single Family Mortgage Revenue Bonds, 2007 Series B and authorizing approval of 30% of Program 70 statewide bond proceeds to assist families earning 60% Area Medium Family Income or below including families in statewide Targeted Areas

At Mr. Conine's request, this item was pulled from the Consent Agenda, for discussion.

#### **HOME Division Items:**

- Presentation, Discussion and Possible Approval of HOME Division award recommendation for disaster relief for Johnson County in the amount of \$499,200
- j) Presentation, Discussion and Possible Approval of HOME Disaster Relief Assistance for Recent Flooding in 57 Counties

#### Legal Services Division Items:

- k) Presentation, Discussion and Possible Approval of the selection of an outside counsel for Bond Counsel in response to the RFP issued June 29, 2007
- Presentation, Discussion and Possible Approval of the selection of an outside counsel for Disclosure Counsel in response to the RFP issued June 29, 2007

At Mr. Conine's request, this item was pulled from the Consent Agenda, for discussion.

#### Multifamily Division Items:

- m) Presentation, Discussion and Possible Approval of a Senior Managing Underwriting Firm for Multifamily Mortgage Revenue Bond Transactions
- n) Presentation, Discussion and Possible Approval of a Trustee for Multifamily Mortgage Revenue Bond Transactions
- o) Presentation, Discussion, and Possible Action for the Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2007, Resolution No. 07-027

Motion by Mr. Conine to approve the Consent Agenda, with the exception of Consent Items g, h and I; seconded by Mr. Bogany; passed unanimously.

#### PULLED FROM THE CONSENT AGENDA FOR FURTHER DISCUSSION:

#### Office of Colonia Initiatives Items:

g) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) for approximately \$6,500,000 utilizing Housing Trust Funds from the 2007 Housing Trust Fund Plan and 2008 Fiscal Year allocation for the Texas Bootstrap Loan Program Reservation System Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.

#### Bond Finance Items:

h) Presentation, Discussion and Possible Approval of Resolution No. 07-026 authorizing approval of Single Family Mortgage Revenue Bonds, 2007 Series B and authorizing approval of 30% of Program 70 statewide bond proceeds to assist families earning 60% Area Medium Family Income or below including families in statewide Targeted Areas. Motion by Mr. Conine to approve resolution #07-026; seconded by Mr. Bogany; passed unanimously.

#### Board adjourned for a brief recess.

#### Legal Services Division Items:

 Presentation, Discussion and Possible Approval of the selection of an outside counsel for Disclosure Counsel in response to the RFP issued June 29, 2007.
 Withdrawn from consideration until September 13.

#### **ACTION ITEMS**

#### AGENDA ITEM 2:

Presentation, Discussion and Possible Approval to Publish Draft Department Rules for Comment in the Texas Register

- a) Presentation, Discussion and Possible Approval to publish the proposed repeal of 10 TAC Chapter 60, Subchapter A, Compliance Monitoring, and a draft of proposed new 10 TAC Chapter 60, Subchapter A, Compliance Monitoring for comment in the *Texas Register*<u>John Henneberger, co-director, Texas Low Income Housing Information Service</u>, provided testimony concerning the utility allowance.
  Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.
- b) Presentation, Discussion and Possible Approval to publish a draft of proposed new 10 TAC Chapter 60, Subchapter B, Accessibility Requirements for comment in the *Texas Register* Withdrawn from consideration until September 13.
- c) Presentation, Discussion and Possible Approval to publish a draft of proposed new 10 TAC Chapter 60, Subchapter C, Administrative Penalties for comment in the *Texas Register* Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.
- d) Presentation, Discussion and Possible Approval to publish the proposed repeal of 10 TAC Chapter 50, concerning 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules, and a draft of proposed new 10 TAC Chapter 50, concerning 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules for comment in the *Texas Register* Motion by Mr. Flores to approve; seconded by Mr. Bogany; passed unanimously.
- e) Presentation, Discussion and Possible Approval to publish the proposed repeal of 10 TAC Chapter 33, Multifamily Housing Revenue Bond Rules, and a draft of proposed new 10 TAC Chapter 33, 2008 Multifamily Revenue Bond Rules for comment in the *Texas Register* Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.
- f) Presentation, Discussion and Possible Approval to publish the proposed amendments to 10 TAC Chapter 1, Subchapter B, Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines for comment in the Texas Register Motion by Mr. Conine to approve; seconded by Mr. Flores; passed unanimously.
- g) Presentation, Discussion and Possible Approval to publish the proposed repeal of 10 TAC Chapter 51, Housing Trust Fund Rules, and a draft of proposed new 10 TAC Chapter 51, Housing Trust Fund Rule for comment in the *Texas Register* Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.
- h) Presentation, Discussion and Possible Approval to publish a draft of proposed amendments to 10 TAC §1.20, Asset Resolution and Enforcement for comment in the *Texas Register* Motion by Mr. Bogany to approve; seconded by Mr. Flores; passed unanimously.

- Presentation, Discussion and Possible Approval to publish a draft of proposed new 10 TAC Chapter 7, First-Time Homebuyer Program Rules for comment in the *Texas Register* Motion by Ms. Ray to approve; seconded by Mr. Conine; passed unanimously.
- j) Presentation, Discussion and Possible Approval to publish a draft of proposed new 10 TAC §1.22, Providing Current Contact Information to the Department for comment in the *Texas Register* Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.

#### AGENDA ITEM 3:

#### Presentation, Discussion and Approval of Policy and Public Affairs Items:

- a) Presentation, Discussion and Possible Approval of the 2008 State of Texas Consolidated Plan: One-Year Action Plan (Draft for Public Comment)
   Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.
- b) Presentation, Discussion and Possible Approval of the 2008 Regional Allocation Formula Methodology (Draft for Public Comment)
   Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.
- c) Presentation, Discussion and Possible Approval of the 2008 Affordable Housing Needs Score Methodology (Draft for Public Comment)
   Motion by Mr. Bogany to approve; seconded by Mr. Flores; passed unanimously.

#### AGENDA ITEM 4:

#### Presentation, Discussion and Possible Approval of Real Estate Analysis Items:

 a) Presentation Discussion and Possible Action for the 2007 Competitive Housing Tax Credits Appeals of Credit Underwriting Reports
 None Filed.

#### AGENDA 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:
  - 07422- Rainbow Housing Assistance Corporation, Texas Bond Portfolio
  - 07434 Texas State Affordable Housing Corporation is the Issuer; Recommended Credit Amount of \$1,985,907

Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.

07444 HomeTowne on Bellfort, Houston; Houston HFC is the Issuer; Recommended Credit Amount of \$781,100

Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.

07435 Villas at Shaver, Pasadena; Southeast Texas HFC is the Issuer; Recommended Credit Amount of \$1,138,094

Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.

b) Presentation Discussion and Possible Action for Housing Tax Credit Amendments:

#### 060118 Sunset Haven

Motion by Mr. Bogany to approve; seconded by Mr. Flores; passed unanimously.

04118 Churchill at Commerce Apartment Community

Brad Forslund, Churchill Residential, provided testimony.

Barry Palmer, Coats Rose, provided testimony.

Motion by Mayor Salinas to approve amendment and waive penalties; seconded by Ms. Ray. Motion by Mr. Conine to table until September 13; seconded by Chair Anderson; Mayor Salinas, Ms. Ray, Mr. Flores vote no; motion to table failed.

Second Motion by Mr. Conine to table until September 13; seconded by Chair Anderson; Mayor Salinas, Ms. Ray, Mr. Flores vote no; motion to table failed.

Mayor Salinas withdrew his motion to approve amendment and waive penalties; Motion by Mayor Salinas to table until September 13; seconded by Ms. Ray; Mr. Flores voted no; motion passed.

03176 Artisan at Salado Creek

Withdrawn from consideration by the Owner.

02412 Shady Oaks Manor

Motion by Mr. Flores to approve staff recommendation; seconded by Mr. Conine; passed unanimously.

c) Presentation, Discussion, and Possible Action for Housing Tax Credits Appeals: None Filed.

#### AGENDA ITEM 6:

# Presentation, Discussion and Possible Approval of Portfolio Management and Compliance Division Items:

a) Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program Contracts

1000020 City of Cotulla

Withdrawn from consideration by the Mayor of Cotulla.

1000290 City of Granger

Leo Wood, Consultant for City of Granger, provided testimony.

Motion by Mr. Bogany to grant 60 days to complete; no second. Motion by Mr. Flores to extend contract 6 months for completion; seconded by Ms. Ray; Motion by Mr. Conine to amend motion by adding the condition that this is subject to receipt of an executed contract by the next Board meeting; seconded by Mr. Bogany; passed unanimously.

1000364 Lifetime Independence for Everyone, Inc.

Michelle Crain, Executive Director of Lifetime Independence for Everyone, Inc., provided testimony.

Motion by Mr. Conine to approve an extension of eight months, with a cutoff on 12/31/07 of any funds not obligated at that point to a specific individual, the remaining funds not obligated will be deobligated from the contract; seconded by Mayor Salinas; passed unanimously.

1000460 Kendall County

<u>Jennie Ainsworth, representing Grantworks</u>, provided testimony and read for the record a letter of support from the <u>Honorable Judge Schroe</u>der in Kendall County.

Motion by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

1000490 Edinburg Housing Authority

Estella Trevino, Edinburg Housing Authority, provided testimony.

Olga Regalado, Edinburg Housing Authority, Home Ownership Coordinator, provided testimony. Motion by Mayor Salinas to approve amendment to extend contract 12 months; seconded by Mr. Flores; Motion by Chair Anderson to amend by adding that no homebuyer assistance related to Bootstraps could be granted after December 31 of this year; Mayor Salinas accepted amendment; passed unanimously.

Motion by Mr. Bogany to rescind Board's action; seconded by Mr. Flores; motion to rescind passed unanimously.

Motion by Mr. Bogany to grant extension and raise AMFI to the requested level; seconded by Mayor Salinas; Motion by Chair Anderson to amend motion by reducing the number of units under the contract from 50 to 30 and to deobligate the rest of the money; Mr. Bogany accepted amendment; passed unanimously.

#### **EXECUTIVE SESSION**

At 12:30 p.m. Ms. Anderson convened the Executive Session. The Executive Session concluded at 2:00 p.m.

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
  - 1. Annual review and possible salary adjustment for Executive Director Michael Gerber
- c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:
  - 2. With Respect to pending litigation styled Dever v. TDHCA Filed in Federal Court
  - 3. With Respect to pending litigation styled *Brandal v.TDHCA* Filed in State Court in Potter County
  - 4. With Respect to pending litigation styled Ballard v. TDHCA Filed in Federal Court
  - 5. With regard to contract negotiations with selected vendor on HAP Disaster Recovery RFP
  - 6. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

#### **OPEN SESSION**

Ms. Anderson reconvened Open Session at 2:00 p.m. and announced that no action had been taken during Executive Session and certified that the posted agenda was followed.

Motion by Mr. Conine recommending a 10 percent increase in salary for Mr. Gerber effective September 1, 2007; seconded by Mr. Bogany; passed unanimously.

#### AGENDA ITEM 5: CONTINUED.

#### Presentation, Discussion and Possible Approval of Multifamily Division Items:

d) Presentation, Discussion, and Possible Approval of Forward Commitments for the Housing Tax Credit Program to be allocated from the 2008 State Credit Ceiling

<u>The Honorable Mayor John Cook, El Paso</u>, provided testimony in support of #07-224, Alamito Place.

<u>Vince Dodds, El Paso Housing Authority</u>, provided testimony in support of #07-224, Alamito Place.

Barry Palmer, Coats Rose, provided testimony in support of #07-224, Alamito Place.

<u>Kenda Ramirez, Chairwoman of the Housing Authority of El Paso</u>, provided testimony in support of #07-224. Alamito Place.

Bill Zorn, Moore Nordell Kroeger Architects, provided testimony in support of #07-224, Alamito Place.

George King, provided testimony and read for the record a letter from the <u>Honorable Mayor Tom</u> Leppert, in support of #07-101, Carpenters Point Senior Housing Development.

Hollis Rutledge, provided testimony in support of the Hidalgo County Housing Authority project.

Mike Lopez, Executive Director with the Hidalgo County Housing Authority, provided testimony in support of a forward commitment for #07-205, North Manor Estates.

<u>Mark Caldwell, DelMar Development</u>, provided testimony in support of an elderly development in the City of Orange, Palm Garden Apartment Homes.

<u>Veronica Delafuente, Hidalgo County Judge's Office,</u> provided testimony on behalf of the <u>Honorable Judge Salinas</u>, for support of #07-205.

<u>Kenneth Fanbro, Integrated Real Estate Group,</u> provided testimony in support of Pinnacle Pleasant, Humble, Region 6.

<u>Bill Enrique, Sears Park Revitalization Committee</u>, provided testimony in support of #07-285, New Life Foundation, Anson Park Sears project.

Michael Hartman, provided testimony in support of application #07-285, Anson Park Seniors.

Joel Loya, provided testimony in support of application #07-285, Anson Park Seniors.

Richard Harrington, Jr. Executive Director of the Housing Authority of the City of Texarkana, provided testimony in support of a forward commitment for #07-164, Covington Town Homes.

Motion by Mr. Conine to extend 2008 low income housing tax credits forward commitments to the following projects: #07-131, Stoneleaf at Dalhart, Region 1; #07-171, San Juan Square, Region 9; #07-110, Poteet Housing, Goliad, Region 9; #07-183, Sunset Terrace, Region 11; #07-185, Bluebonnet Seniors, Region 11; and #07-151, Key West Seniors, Odessa, Region 12; and, to remove the above projects from the waiting list for 2007, so that any future 2007 credits that might happen to show up will fall back to the normal procedure, waiting list with these 2008s removed; seconded by Mayor Salinas; passed unanimously.

#### AGENDA ITEM 6: CONTINUED

# Presentation, Discussion and Possible Approval of Portfolio Management and Compliance Division Items:

b) Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program Contracts

#### 1000518 Temple Housing Authority

Barbara Bozon, Executive Director of the Temple Housing Authority, provided testimony. Motion by Mr. Bogany to accept staff recommendation; seconded by Mr. Conine; Mayor Salinas and Mr. Flores voted no; motion passed.

#### 1000539 City of San Benito

<u>David Cortez</u>, provided testimony.

Motion by Mr. Bogany to accept staff recommendation; Mr. Bogany withdrew his motion. Motion by Mayor Salinas to grant a six-month extension as well as change income levels; seconded by Mr. Bogany; Motion by Mr. Flores to required monthly progress reports accepted by Mayor Salinas; passed unanimously.

#### 1000559 City of Primera

Javier Mendez, City Administrator for the City of Primera, provided testimony.

Motion by Mayor Salinas to grant a one-year extension for reconstruction of four homes, instead of doing 21 homes for \$10,000 for rehabilitation; seconded by Mr. Flores; Mr. Conine, Mr. Bogany, Ms. Ray and Chair Anderson vote no; motion failed.

#### 1000601 Newton County

Motion by Mr. Conine to approve amendment; seconded by Mr. Bogany; passed unanimously.

#### AGENDA ITEM 7:

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

- a) Presentation, Discussion and Possible Approval of Program Management Firm selected to administer the \$210,371,273 set-aside for the Homeowner Assistance Program (HAP) and the \$12,000,000 set-aside for the Sabine Pass Restoration Program (SPRP) for CDBG Round 2 Funding as detailed in the partial Action Plan dated February 5 and approved by HUD John Henneberger, Texas Low Income Housing Information Service, provided testimony.

  Don Atwell, project director for ACS, provided testimony.

  Motion by Mr. Bogany to approve staff recommendation; seconded by Mr. Conine; passed unanimously.
- b) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing <a href="Heather Lagrone">Heather Lagrone</a>, Office of Rural and Community Affairs, provided testimony. No action taken.
- c) 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 No action taken.

#### **ADJOURN**

Since there was no other business to come before the Board, the meeting was adjourned at 3:36 p.m.

Mr. Kevin Hamby	 
Board Secretary	

#### NOTE:

For a full transcript of this meeting, please see the TDHCA website at: www.TDHCA.state.tx.us

#### **EXECUTIVE OFFICE - BOARD**

### BOARD ACTION REQUEST November 8, 2007

### **Action Item**

Minutes of the Board Meeting of September 13, 2007.

### **Required Action**

Review minutes of the September 13, 2007 Board Meeting and make any necessary corrections.

### **Background**

The Board is required to keep minutes of each of their meetings.

### Recommendation

Staff recommends approval of minutes with any requested corrections.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BOARD MEETING

September 13, 2007; 9:30 am Capitol Extension, E1.028 1500 N. Congress

#### SUMMARY OF MINUTES

# CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of September 13, 2007 was called to order by Chair, Elizabeth Anderson at 9:34 a.m. It was held at the Capitol Extension, E1.028, 1500 N. Congress, Austin, Texas. Roll call certified a quorum was present.

#### **Members Present:**

Elizabeth Anderson – Chair C. Kent Conine – Vice-Chair Shadrick Bogany – Member Gloria Ray – Member The Honorable Norberto Salinas – Member

#### **Members Absent:**

Sonny Flores - Member ·

#### **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.

<u>The Honorable William Brown Claybar, Mayor, City of Orange</u>, provided testimony provided testimony in support of forward commitments for Palm Garden Apartment Homes and Orange Navy Homes in Orange.

<u>Marc Caldwell, Del Mar Development,</u> provided testimony in support of forward commitments for Palm Garden Apartment Homes in Orange.

Jim Brown, Executive Director, Texas Affiliation of Affordable Housing Providers, provided testimony regarding impact of weather on tax credit development's construction progress.

Cynthia Bast of Locke, Liddell and Sapp, provided testimony regarding impact of weather on tax credit development's construction progress.

Granger McDonald, provided testimony on multiple tax credit issues.

Robin Sisco, Langford Community Management Services, provided testimony.

Chair Anderson read letter from Mirenda White-Harris, Kerbaut [phonetic] and Associates Consulting, for the record.

Tres Davis, HOME task force member, provided testimony.

<u>Jean Langendorf, United Cerebral Palsy of Texas</u>, provided testimony on several programs. <u>The Honorable Senator Steven Carriker</u>, provided testimony in support of the Housing Trust Fund allocation plan.

#### **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.

#### **AGENDA ITEM 1:**

#### Approval of the following items presented in the Board materials:

#### General Administration:

a) Minutes of the Board Meeting of July 30, 2007

#### Community Affairs Division Items:

b) Presentation, Discussion and Possible Approval of Section 8 Streamlined Annual PHA Plan for Fiscal Year 2008

#### Multifamily Division Items:

 c) Presentation, Discussion and Possible Action for Memorandum of Understanding (MOU) between the Texas Bond Review Board and TDHCA for the Issuance of 501(c)(3) bonds

Motion by Mr. Conine to approve Consent Agenda; seconded by Mr. Bogany; passed unanimously.

#### **ACTION ITEMS**

#### AGENDA ITEM 2:

#### Presentation, Discussion and Approval of HOME Division Items:

a) Presentation, Discussion and Possible Approval of award recommendations for the 2007 Housing Programs for Persons with Disabilities from the following list:

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2007-0001 Burke Center
2007-0002 Spindletop MHMR Services
2007-0003 Community Council of Southwest Texas, Inc.
2007-0004 Tri-County Mental Health Mental Retardation
2007-0005 Tri-County Mental Health Mental Retardation
2007-0006 Foundation Communities, Inc.
2007-0007 Lifetime Independence for Everyone, Inc. dba LIFE
2007-0008 Southeast Texas HFC
2007-0009 Southeast Texas HFC
2007-0010 El Paso Rehabilitation Center
2007-0011 United Cerebral Palsy of Texas
2007-0012 United Cerebral Palsy of Texas
2007-0013 Fort Worth Area Habitat for Humanity. Inc.
2007-0014 United Cerebral Palsy of Texas
2007-0015 United Cerebral Palsy of Texas
2007-0016 Central Texas Health Mental Retardation
2007-0017 United Cerebral Palsy of Texas
2007-0018 United Cerebral Palsy of Texas
2007-0019 United Cerebral Palsy of Texas
2007-0020 El Paso Rehabilitation Center
2007-0021 ARCIL, Inc.
2007-0022 ARCIL, Inc.
2007-0023 ARCIL, Inc.
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2007-0024 ARCIL, Inc.

2007-0025 Coastal Bend Center For Independent Living

2007-0026 Valley Association of Independent Living

2007-0027 Valley Association of Independent Living

2007-0028 Tyler AIDS Services, Inc.

2007-0029 Coalition for Barrier Free Living/ Houston Center

2007-0030 Life Rebuilders, Inc.

2007-0032 Coastal Bend Center For Independent Living

John Meinkowsky, ARSL, provided testimony.

Motion by Mr. Conine to approve staff recommendation; seconded by Ms. Ray; Motion by Mr. Bogany to amend staff recommendation by making awards contingent upon any of the unresolved audit findings questioned, in disallowing cost and performance issues prior to prior awards; amendment accepted by Mr. Conine and Ms. Ray; amended motion passed unanimously.

- b) Presentation, Discussion and Possible Approval of policy regarding HOME assistance to properties where construction occurred prior to loan closing Motion by Mr. Bogany to approve staff recommendation; seconded by Mr. Conine; passed unanimously.
- c) Presentation, Discussion and Possible Approval of the 2008 Housing Trust Fund Annual Funding Plan

Motion by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

#### **AGENDA ITEM 3:**

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

- a) Presentation, Discussion and Possible Decision for the applicant's appeal of Department determination relating to a Community Development Block Grant (CDBG) Disaster Recovery Multifamily Rental Application No appeals filed.
- b) Presentation and Discussion of the Community Development Block Grant (CDBG) Disaster Recovery Status Report for CDBG Round 1 Funding relating to housing

Report by Kelly Crawford, DED Disaster Recovery. No action taken.

- c) 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
  Report by Heather Lagrone, ORCA. No action taken.
- d) Presentation, Discussion and Possible Award of Community Development Block Grant (CDBG) Disaster Recovery Multifamily Rental Applications (all applications listed below)

07901 Pointe North

07902 Gulfbreeze Plaza I & II

07903 Brittany Place Homes

07905 Orange Navy Homes

07906 Sunlight Manor Apartments

07907 Virginia Estates Apartments

07908 Carver Terrace Townhomes

Robert Reyna, Executive Director, Beaumont Housing Authority, provided testimony. Ike Akbari, Developer, Port Arthur, provided testimony.

John Robinson, Sunlight Baptist Church, provided testimony in support of #07906, Sunlight Manor Apts.

Chris Akbari, provided testimony in support of #07906, Sunlight Manor Apts.

Barry Palmer, Coats Rose, provided testimony.

Farhana Swati, Port Arthur Housing Authority, provided testimony.

Motion by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

e) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by TDHCA for CDBG Round 1 Funding

C060003 South East Texas Regional Planning Commission

Shawn Davis, Executive Director of the South East Texas Regional Planning Commission, provided testimony.

Commissioner John Dubose, South East Texas Regional Planning Commission, provided testimony.

Motion by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

f) Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG contracts administered by Office of Rural Community Affairs for CDBG Round 1 Funding

DRS060067 Pine Forest

DRS060030 Groveton

DRS060068 Pinehurst

DRS060083 Sour Lake

DRS060072 Port Arthur

Steve Fitzgibbons, City Manager, City of Port Arthur, provided testimony.

Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Conine; passed unanimously.

#### **EXECUTIVE SESSION**

At 11:35 a.m. Ms. Anderson convened the Executive Session. The Executive Session concluded at 12:35 p.m.

- 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 regard to implementation of Legal issues of SB 1908
  - 6. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

#### **OPEN SESSION**

Ms. Anderson reconvened Open Session at 12:35 p.m. and announced that no action had been taken during Executive Session and certified that the posted agenda was followed.

#### AGENDA ITEM 4:

#### Presentation, Discussion and Approval of Texas Homeownership Division Items:

a) Presentation, Discussion and Possible Approval of \$100,000 in Housing Trust Fund (HTF) funds for a foreclosure prevention plan on delinquent mortgage loans from the Single Family Mortgage Revenue Bond portfolio <u>Steve Barbier, Neighborhood Works America</u>, provided testimony. <u>Jerry Durham, Countrywide Home Loans</u>, provided testimony. Motion by Mr. Conine to approve staff recommendation; seconded by Mr. Bogany; passed unanimously.

#### AGENDA ITEM 5:

**Presentation and Discussion of Internal Audit Division Items:** 

- a) Presentation and Discussion of Audit Results from HUD's Consolidated Review Section 8
  - Report by Sandy Donoho, Director, Internal Audit. No action taken.
- b) Presentation and Discussion of Audit Results of State Auditor's Office's Classification Compliance Review
  - Report by Sandy Donoho, Director, Internal Audit. No action taken.
- c) Status of Prior Audit Issues
  - Report by Sandy Donoho, Director, Internal Audit. No action taken.
- d) Status of Internal/External Audits
  Report by Sandy Donoho, Director, Internal Audit. No action taken.

#### AGENDA ITEM 6:

Presentation, Discussion and Possible Approval of Legal Division Items:

- a) Presentation, Discussion and Possible Approval to publish the proposed repeal of 10 TAC Chapter 53, HOME Investment Partnership Program, and a draft of proposed new 10 TAC Chapter 53, HOME Program Rule for comment in the Texas Register
  - Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.
- b) Presentation, Discussion and Possible Approval to publish a draft of proposed new 10 TAC Chapter 60, Subchapter B, Accessibility Requirements for comment in the *Texas Register* 
  - Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.
- c) Presentation, Discussion and Possible Approval of the selection of an outside counsel for Disclosure Counsel in response to the RFP issued June 29, 2007 Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Conine; passed unanimously.
- d) Presentation, Discussion and Possible Approval of an RFP for Disclosure Counsel to be re-issued
  - Withdrawn from consideration.

#### **AGENDA ITEM 7:**

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 and Possible Award of HOME Rental Development funds:

O7437 Creek View Apartments, Johnson City; Capital Area HFC is the Issuer; Requested Tax Credit Amount: \$188,425; Requested HOME Award: \$930,000

Withdrawn from consideration by the applicant.

07438 Park Ridge Apartments, Llano; Capital Area HFC is the Issuer; Requested Credit Amount: \$247,996; Requested HOME Award: \$930,000

Withdrawn from consideration by the applicant.

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

07443 Regency Park Apartments, Houston; Houston HFC is the Issuer; Recommended Credit Amount of \$1,189,095

Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.

07445 Lakeside Apartments, Texas City; Southeast Texas HFC is the Issuer; Requested Credit Amount of \$1,111,936

Withdrawn from consideration by the applicant.

07446 Runnymede Apartments, Austin; Austin HFC is the Issuer; Requested Credit Amount of \$508,803

Motion by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.

c) Presentation, Discussion, and Possible Action for Housing Tax Credits Appeals:

07275, Mansions at Briarcreek, proposed to be located in Bryan

Rob Burchfield, the proposed developer, provided testimony.

Jonathan Polley, appearing on behalf of the Mansions at Briarcreek, provided testimony.

Lee Burchfield, Feniksas Real Estate Group, provided testimony.

Andy Johnson, Attorney for Mansions at Briarcreek, provided testimony.

Motion by Mr. Conine to approve staff recommendation to deny appeal; seconded by Mr. Bogany; passed unanimously.

d) Presentation, Discussion and Possible Approval to publish a draft of proposed Right of First Refusal Policy for comment in the *Texas Register* Postponed until November meeting.

e) Presentation, Discussion and Possible Approval of a Housing Tax Credit Amendment Process (policy)

Barry Palmer, Coats Rose Law Firm, provided testimony.

Bob DeLuca, Director of Development, Coach Realty Services, Houston, provided testimony.

Motion by Mr. Bogany to approve; seconded by Mr. Conine. Postponed until November meeting.

A brief recess was taken.

f) Presentation, Discussion and Possible Action for Housing Tax Credit Amendments:

04118 Churchill at Commerce Apartment Community

Withdrawn from consideration by the Applicant.

99005 The Homes of Parker Commons

Lee Stevens, Vice President of Acquisitions, AIG Sun America, provided testimony.

Cynthia Bast of Locke, Liddell & Sapp, provided testimony.

<u>John Shackelford, Shackelford and McKinley</u>, on behalf of the original developer, Sphinx Development Corporation, provided testimony.

Jay Oji, on behalf of Sphinx Development Corporation, provided testimony.

Motion by Mr. Conine to table until October meeting; seconded by Ms. Ray; passed unanimously.

g) Presentation, Discussion and Possible Action for Housing Tax Credit Extensions:

05207 Cityview at the Park Austin

Motion by Mr. Conine to approve staff recommendation to approve extension; seconded by Ms. Ray; passed unanimously.

#### REPORT ITEMS

**Executive Director's Report** 

- 1. TDHCA Outreach Activities, August 2007
- 2. Monthly Report on HOME Amendments Granted
- 3. Historically Underutilized Businesses
- 4. 2nd and 3rd Quarterly Reports for Ownership Transfers with Housing Tax Credit Developments

#### **ADJOURN**

Since there was no other business to come before the Board, the meeting was adjourned at 2:55 p.m.

Mr. Kevin Hamby Board Secretary

NOTE:

For a full transcript of this meeting, please see the TDHCA website at: www.TDHCA.state.tx.us

# COMMUNITY AFFAIRS DIVISION SECTION 8 PROGRAM

#### BOARD ACTION REQUEST November 8, 2007

#### **Action Item**

Approval of Section 8 Payment Standards for Housing Choice Vouchers.

#### **Required Action**

Staff recommends approval of these Section 8 Payment Standards for Housing Choice Vouchers in accordance with 24 CFR Section 982.503.

#### **Background**

The U.S. Department of Housing and Urban Development (HUD) at 24 CFR 982.503, requires Public Housing Authorities (PHAs), such as the Texas Department of Housing and Community Affairs (TDHCA), to adopt annually a payment standard schedule that establishes voucher payment standard amounts for each Fair Market Rent (FMR) area in the PHA jurisdiction. The PHA must establish payment standard amounts for each "unit size," defined as the number of bedrooms (one-bedroom, two-bedrooms, etc.) in each housing unit.

TDHCA, operating as a PHA, may establish the payment standard amount at any level between 90 percent and 110 percent of the published FMR for that unit size. TDHCA operates its Housing Choice Voucher Program in 32 counties. Staff recommends establishing its payment standard at 100 percent of FMR for 29 of those counties and 110 percent of FMR for the remaining 3 counties. Of the 32 counties in which TDHCA provides Section 8 housing assistance, 29 counties will remain at 100 percent of FMR, 3 counties (Denton, Ellis, and Guadalupe) will remain at 110 percent of FMR. Due to the cost of housing in Denton, Ellis, and Guadalupe Counties, the FMR for those 3 counties, and the income levels of Housing Choice Voucher Program participants in those 3 counties, the three counties currently at 110% of FMR will remain at 110% of the payment standards so that the Department can continue to cover its portion of the housing assistance payments for tenants in those counties.

Staff recommends these payment standards because it will allow current tenants to continue to afford the units they have selected, will help new tenants find affordable units, and should allow TDHCA to stay within the budget that we expect for fiscal year 2008. The attached Exhibit A details the TDHCA recommended payment standards.

#### Recommendation

Approve the Payment Standards for Housing Choice Vouchers, Resolution # 08-004 as presented by staff.

#### RESOLUTION NO. 08-004

# RESOLUTION OF THE BOARD OF DIRECTORS ADOPTING PAYMENT STANDARD FOR SECTION 8 HOUSING CHOICE VOUCHERS

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to 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 persons 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);

WHEREAS, 24 CFR Section 982.503, Voucher tenancy, states that a Public Housing Authority (PHA) must adopt a payment standard schedule that establishes voucher payment amounts for each Fair Market Rent (FMR) area in the PHA jurisdiction. The PHA must establish payment standard amounts for each "unit size."

WHEREAS, the PHA's voucher payment standard schedule shall establish a single payment standard for each unit size in an FMR area;

WHEREAS, the Department in operating as a PHA may establish the payment standard amount for a unit size at any level between 90 percent and 110 percent of the published FMR for that size unit;

WHEREAS, the payment standard amounts on the PHA schedule are used to calculate the monthly housing assistance payment for a family;

WHEREAS, the Department has reviewed the Payment Standards by geographic area, and wishes to establish a Payment Standard at 100 percent of FMR in the areas so referenced in the attached Payment Standards;

WHEREAS, the Department wishes to establish payment standards at 110 percent of FMR in the areas so referenced in the attached Payment Standards; and

WHEREAS, such Payment Standards meet the guidelines of the Federal Registers, HUD Handbooks, Notices, Transmittals, and the needs of these communities.

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

The Governing Board hereby approves and adopts the attached Section 8 Payments Standards for Housing Choice Vouchers for each jurisdiction in which the Department participates as a PHA. The Payment Standards are attached as Exhibit A.

This Resolution shall be in full force and effect from and upon their adoption. The Department shall initiate the Payment Standards effective January 1, 2008.

Written notice of the date, hour, and place of the meeting of the Board at which this Resolution was considered, and the subject of this Resolution, was furnished to the Secretary of State and posted for at least seven (7) days preceding the convening of such meeting, on a bulletin board in the main office of the Secretary of State located at a place convenient to the public; that such place was readily accessible to the general public at all times from the time of such posting until the convening of such meeting; 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; 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 Texas Government Code § 2306 and Texas Register and Texas Government Code, respectively.

PASSED AND APPROVED this 8th day of November 2007.

Chair of the Governing Board	
ATTEST:	
ecretary to the Board	

	Bedroom Size							
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR		
Atacosa County:								
HUD FMR	S	358	417	550	695	715		
Payment Standard		358	417	550	695	715		
% of Payment Standard		100%	100%	100%	100%	100%		
Austin County:								
HUD FMR	Н	549	550	662	878	906		
Payment Standard		549	550	662	878	906		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Bosque County:</b>								
HUD FMR	F	457	458	550	668	801		
Payment Standard		457	458	550	668	801		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Brazoria County:</b>								
HUD FMR	Н	537	599	688	949	1019		
Payment Standard		537	599	688	949	1019		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Burnet County:</b>								
HUD FMR	S	447	523	687	864	889		
Payment Standard		447	523	687	864	889		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Caldwell County:</b>								
HUD FMR	S	672	766	935	1272	1471		
Payment Standard		672	766	935	1272	1471		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Chambers County:</b>								
HUD FMR	Н	631	702	852	1136	1428		
Payment Standard		631	702	852	1136	1428		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Colorado County:</b>								
HUD FMR	Н	439	485	550	727	747		
Payment Standard		439	485	550	727	747		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Comanche County:</b>								
HUD FMR	F	445	478	566	721	786		
Payment Standard		445	478	566	721	786		
% of Payment Standard		100%	100%	100%	100%	100%		
<b>Crockett County:</b>								
HUD FMR	F	454	455	550	710	733		
Payment Standard		454	455	550	710	733		
% of Payment Standard		100%	100%	100%	100%	100%		

	Bedroom Size						
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR	
<b>Denton County:</b>							
HUD FMR	F	645	718	871	1156	1401	
Payment Standard		710	790	958	1272	1541	
% of Payment Standard		110%	110%	110%	110%	110%	
Ellis County:							
HUD FMR	F	645	718	871	1156	1401	
Payment Standard		710	790	958	1272	1541	
% of Payment Standard		110%	110%	110%	110%	110%	
Erath County:							
HUD FMR	D	443	481	600	732	754	
Payment Standard		443	481	600	732	754	
% of Payment Standard		100%	100%	100%	100%	100%	
Falls County:							
HUD FMR	F	362	494	556	709	736	
Payment Standard		362	494	556	709	736	
% of Payment Standard		100%	100%	100%	100%	100%	
Fort Bend County:							
HUD FMR	Н	631	702	852	1136	1428	
Payment Standard		631	702	852	1136	1428	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Freestone County:</b>							
HUD FMR	F	362	494	556	727	749	
Payment Standard		362	494	556	727	749	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Galveston County:</b>							
HUD FMR	Н	631	702	852	1136	1428	
Payment Standard		631	702	852	1136	1428	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Guadalupe County:</b>							
HUD FMR	S	568	632	780	1006	1222	
Payment Standard		625	695	858	1107	1344	
% of Payment Standard		110%	110%	110%	110%	110%	
Jim Wells County:							
HUD FMR	S	368	494	550	731	754	
Payment Standard		368	494	550	731	754	
% of Payment Standard		100%	100%	100%	100%	100	
<b>Johnson County:</b>							
HUD FMR	F	653	699	861	1168	1312	
Payment Standard		653	699	861	1168	1312	
% of Payment Standard		100%	100%	100%	100%	100%	

	Bedroom Size						
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR	
Kerr County:							
HUD FMR	S	552	597	672	867	894	
Payment Standard		552	597	672	867	894	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Lee County:</b>							
HUD FMR	S	440	501	556	761	785	
Payment Standard		440	501	556	761	785	
% of Payment Standard		100%	100%	100%	100%	100%	
Limestone County:							
HUD FMR	F	358	498	550	704	729	
Payment Standard		358	498	550	704	729	
% of Payment Standard		100%	100%	100%	100%	100%	
Llano County:							
HUD FMR	S	567	571	751	898	925	
Payment Standard		567	571	751	898	925	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Mason County:</b>							
HUD FMR	F	454	455	550	710	733	
Payment Standard		454	455	550	710	733	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>McLennan County:</b>							
HUD FMR	F	551	552	686	859	887	
Payment Standard		551	552	686	859	887	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Medina County:</b>							
HUD FMR	S	486	540	635	759	924	
Payment Standard		486	540	635	759	924	
% of Payment Standard		100%	100%	100%	100%	100%	
<b>Menard County:</b>							
HUD FMR	F	454	455	550	710	733	
Payment Standard		454	455	550	710	733	
% of Payment Standard		100%	100%	100%	100%	100%	
Navarro County:							
HUD FMR	F	513	522	631	767	791	
Payment Standard		513	522	631	767	791	
% of Payment Standard		100%	100%	100%	100%	100%	

	Bedroom Size						
	REGION	0 BR	1 BR	2 BR	3 BR	4 BR	
Schleicher County:							
HUD FMR	F	454	455	550	710	733	
Payment Standard		454	455	550	710	733	
% of Payment Standard		100%	100%	100%	100%	100%	
Waller County:							
HUD FMR	Н	631	702	852	1136	1428	
Payment Standard		631	702	852	1136	1428	
% of Payment Standard		100%	100%	100%	100%	100%	
Wharton County:							
HUD FMR	Н	441	496	550	728	750	
Payment Standard		441	496	550	728	750	
% of Payment Standard		100%	100%	100%	100%	100%	

#### FINANCIAL ADMINISTRATION DIVISION

# **BOARD ACTION REQUEST November 8, 2007**

#### **Report Item**

4th Quarter Investment Report

#### **Required Action**

Presentation of the Department's 4th Quarter Investment Report

#### **Background**

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and fair value at the beginning and end of the quarter.
- Overall, the portfolio carrying value increased by \$140,297,551 (See Page 1) for a total of \$1,658,179,695. There were 4 new Multi-Family bond issuances issued for a total of \$55 million and one new Single Family bond issuance in the amount of \$143 million during the 4th quarter. The Residential Mortgage Revenue Bond indenture paid \$16.6 million in principal and the multi-family issues paid \$16.4 million in principal. The remaining difference is accounted for by construction draws made by multi-family projects currently under construction.

The portfolio consists of (See Page 4):

	<b>Beginning Quarter</b>	<b>Ending Quarter</b>
Mortgage Backed Securities (MBS)	71%	68%
<b>Guaranteed Investment Contract/</b>		
Investment Agreement (GIC/IA)	21%	22%
Repurchase Agreements	5%	7%
Other	3%	3%

The portfolio activity for the quarter (See Page 5):

• \$68,725,501 of MBS purchases during the quarter represent portfolio activity for new loans originated.

• The maturities in MBS this quarter were \$21,031,442 which represents loan payoffs. The table below shows a strong trend in new loans and a decrease in loan payoffs.

	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
	FY 06	FY 07	FY 07	FY 07	FY 07	Total
Purchases	44,123,295	104,944,001	67,807,964	69,683,755	68,725,501	355,284,516
Sales						
Maturities	17,158,700	19,396,370	19,795,687	32,196,447	21,031,442	109,578,646

- The fair value decreased \$1,069,593 (See Pages 1 and 5) increasing the difference between fair value and carrying value with fair value being less. The national average for a 30-year fixed mortgage as reported by HSH was 6.96% for the end of August up from 6.39% at the end of May. The spread between the market rate and our below-market rates is increasing.
- This change in market value is to be expected. It is reflective of the overall change in the bond market as a whole.
- Since we typically hold our investments to maturity, this is referred to as an unrealized loss.
- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.
- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The next page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA Report). This report shows parity by indentures with assets greater than liabilities in a range from 102.82% to 115.58%. This is considered strong by rating agencies. The interest comparison shows interest income greater than interest expense by indenture and indicates a current positive cash flow.

# Texas Department of Housing and Community Affairs Bond Finance Division

# Executive Summary As of August 31, 2007

		Single Family Identure Funds		Residential Mortgage Levenue Bond denture Funds	Ho R	collateralized ome Mortgage evenue Bond denture Funds	ln	Multi-Family denture Funds		Combined Totals
PARITY COMPARISON:										
PARITY ASSETS										
Cash	\$	252,638	\$	_	\$		\$	860,642	\$	1,113,280
Investments	\$	265,881,417	\$	20,030,704	Š	1,236,414	Š	191,793,682	\$	478,942,217
Mortgage Backed Securities	\$	777,766,085	\$	299,587,194	\$	12,643,554	Ψ	101,100,00E	\$	1,089,996,833
Loans Receivable	\$	42,068,292	\$	1,276,704	\$	12,0,10,004	. \$	1,212,284,283	\$	
Accrued Interest Receivable	\$	3,511,573	\$	1,968,747	\$	04 161				1,255,629,279
Thorasa marasa resolvable	Ψ	3,311,373	Φ	1,900,747	Φ	81,161	\$	14,190,069	\$	19,751,550
TOTAL PARITY ASSETS	\$	1,089,480,005	\$	322,863,349	\$	13,961,129	\$	1,419,128,676	\$	2,845,433,159
PARITY LIABILITIES										
Bonds Payable	\$	1,037,085,000	\$	310,690,000	\$	12,400,000	•	1 212 200 450	•	0.530.434.450
Accrued Interest Payable	\$	22,545,511	\$	2,802,475	э \$	21.093	\$ \$	1,213,299,159 14,514,694	\$ \$	2,573,474,159 39,883,773
TOTAL PARITY LIABILITIES	\$				,					
TOTAL PARTIT LIABILITIES	<u> </u>	1,059,630,511	\$	313,492,475	\$	12,421,093	\$	1,227,813,853	\$	2,613,357,932
PARITY DIFFERENCE PARITY	\$	29,849,494 <b>102.82%</b>	\$	9,370,874 <b>102.99%</b>	\$	1,540,036 <b>112.40%</b>	\$	191,314,823 <b>115.58%</b>	\$	232,075,22 <b>7</b> <b>108.88</b> %
INTEREST COMPARISON	(For	the Twelfth Fis	cal N	fonth) :						
	(For	the Twelfth Fis	cal N	fonth) :						· ·
INTEREST COMPARISON	(For		cai N			\$0		\$5.891.076		\$6,050,612
INTEREST COMPARISON INTEREST INCOME	(For	\$157,145	cai N	\$11,391	<u>.                                      </u>	\$0 \$79 672		\$5,891,076 \$3,920		\$6,059,612 \$5,037,079
INTEREST COMPARISON INTEREST INCOME Loans Investments	(For		cal N			\$0 \$79,672 \$0		\$5,891,076 \$3,920 \$0		\$6,059,612 \$5,937,078 \$0
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned	(For	\$157,145 \$4,362,985	cal N	\$11,391 \$1,490,501		\$79,672		\$3,920 \$0		\$5,937,078 \$0
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned TOTAL INTEREST INCOME	(For	\$157,145 \$4,362,985 \$0	cai N	\$11,391 \$1,490,501 \$0		\$79,672 \$0		\$3,920		\$5,937,078
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned	(For	\$157,145 \$4,362,985 \$0	cal N	\$11,391 \$1,490,501 \$0		\$79,672 \$0		\$3,920 \$0		\$5,937,078 \$0
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned TOTAL INTEREST INCOME INTEREST EXPENSE	(For	\$157,145 \$4,362,985 \$0	cal h	\$11,391 \$1,490,501 \$0	· · · · · ·	\$79,672 \$0		\$3,920 \$0		\$5,937,078 \$0
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned TOTAL INTEREST INCOME	(For	\$157,145 \$4,362,985 \$0 \$4,520,130	cai h	\$11,391 \$1,490,501 \$0 \$1,501,892		\$79,672 \$0 \$79,672		\$3,920 \$0 \$5,894,996		\$5,937,078 \$0 \$11,996,690
INTEREST COMPARISON INTEREST INCOME Loans Investments Real Estate Owned TOTAL INTEREST INCOME INTEREST EXPENSE Interest on Bonds	(For	\$157,145 \$4,362,985 \$0 \$4,520,130 \$4,183,995	cal h	\$11,391 \$1,490,501 \$0 \$1,501,892 \$1,397,140		\$79,672 \$0 \$79,672 \$71,965		\$3,920 \$0 \$5,894,996 \$5,891,071		\$5,937,078 \$0 \$11,996,690 \$11,544,171

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING AUGUST 31, 2007

## PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING August 31, 2007

- 1) PFIA- Internal Management Report (Sec. 2256.023)
- 2) Bar Graph Comparison of Market by Fund Group between Quarters
- 3) Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
- 4) Bar Graph Comparison of Market Valuation by Investment Type between Quarters
- 5) Supplemental Public Funds Investment Act Report by Investment Type
- 6) Detail of Investments including maturity dates by Fund Group

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

#### PUBLIC FUNDS INVESTMENT ACT

Internal Management Report (Sec. 2256.023)

Quarter Ending August 31, 2007

(b) (4) Summary statement of each pooled fund group:

INDENTURE		FAIR VALUE (MARKET) @ 05/31/07	CARRYING VALUE @ 05/31/07	ACCRETION/ PURCHASES	CHANGE IN CARRY AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 08/31/07	FAIR VALUE (MARKET) @ 08/31/07	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 08/31/07	RECOGNIZED GAIN
Single Family		913,017,232.25	938,823,412.67	202,849,597.59	(74,320,837.34)	(12,142,284.14)	0.00	1,055,209,888.78	1,028,731,704.69	(672,003.67)	3,387,285.00	0.00
RMRB		338,266,818.64	342,122,623.46	3,813,655.77	(16,386,198.54)	(8,138,685.93)	0.00	321,411,394.76	317,216,377.15	(339,212.79)	1,946,852.00	0.00
CHMRB		15,536,397.88	14,931,680.88	367,079.59	(705,718.19)	(666,537.51)	0.00	13,926,504.77	14,472,845.33	(58,376.44)	81,160.00	0.00
Multi Family		168,200,104.81	168,200,104.81	61,347,430,63	(35,963,138.33)	(83,934.32)	0.00	193,500,462.79	193,500,462.79	•	3,975.00	0.00
Commercial Paper		15,058,732,35	15,058,732.35	32,875,102.14	(15,039,000.00)	0.00	0.00	32,894,834.49	32,894,834.49	•	252,214.00	0.00
General Fund		14,818,410.02	14,818,410,02	1,789,369.91	(482,800.08)	0.00	0.00	16,124,979.85	16,124,979.85	-	2,307.00	0.00
Housing Trust Fund		15,088,157.24	15,088,157.24	2,003,993.28	(2,985,454.69)	0.00	0.00	14,106,695.83	14,106,695.83	•	1,811.00	0.00
Administration		151,397.98	151,397.98	1,976.29	0.00	0.00	0.00	153,374.27	153,374,27	-	22.00	0.00
Compliance		3,201,348.63	3,201,348.63	570,718.36	0.00	0.00	0.00	3,772,066.99	3,772,066.99	-	540.00	0.00
Housing Initiatives		5,486,275.82	5,486,275.82	1,667,818.44	(74,602.15)	0.00	0.00	7,079,492.11	7,079,492.11	-	1,013.00	0.00
				-								
	TOTAL -	1,488,824,875.62	1,517,882,143.86	307,286,742.00	(145,957,749.32)	(21,031,441.90)	0.00	1,658,179,694.64	1,628,052,833.50	(1,069,592.90)	5,677,179,00	0.00

No relationship can be drawn between the "ACCRUED INT RECVBL @ 08/31/07" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$194,361,104 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

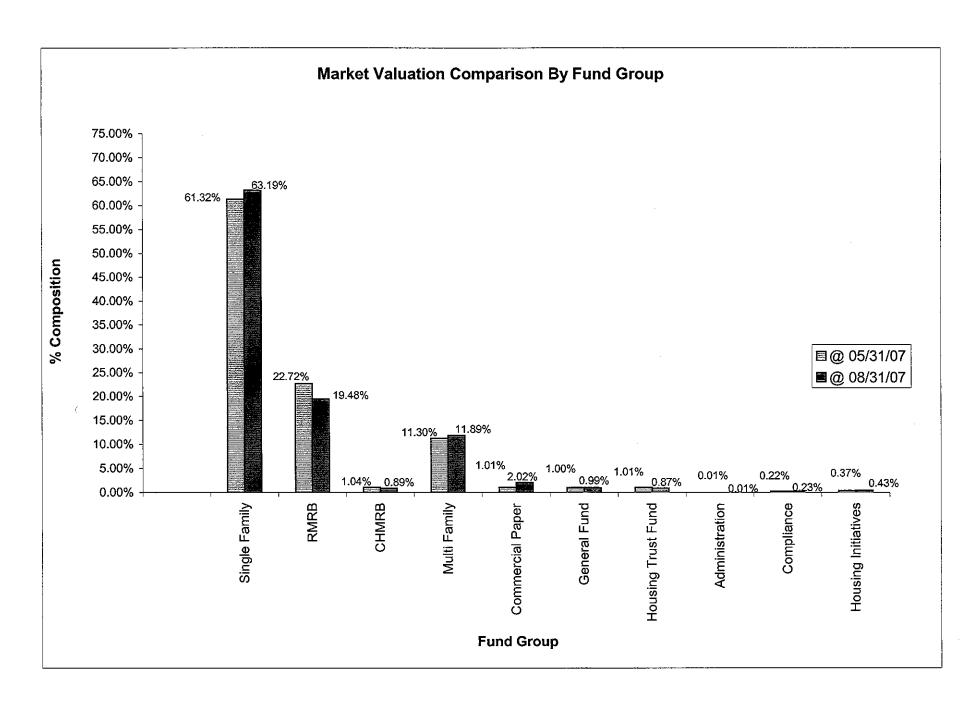
(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Date 10/15/07

Date 10/15/07

Date 10/15/07

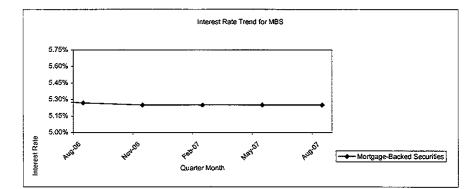
Matt Pogor, Director of Bond Finance

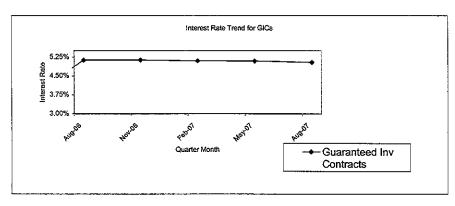


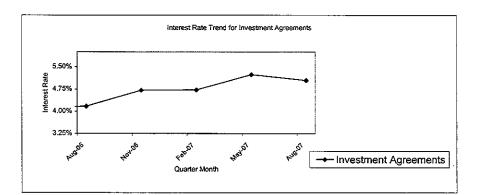
# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS HOUSING FINANCE DIVISION PUBLIC FUNDS INVESTMENT ACT

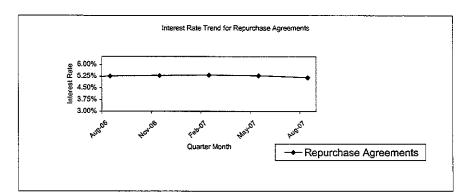
#### Supplemental Schedule of Portfolio Interest Rate Trends and Maturities Quarter August 31, 2007

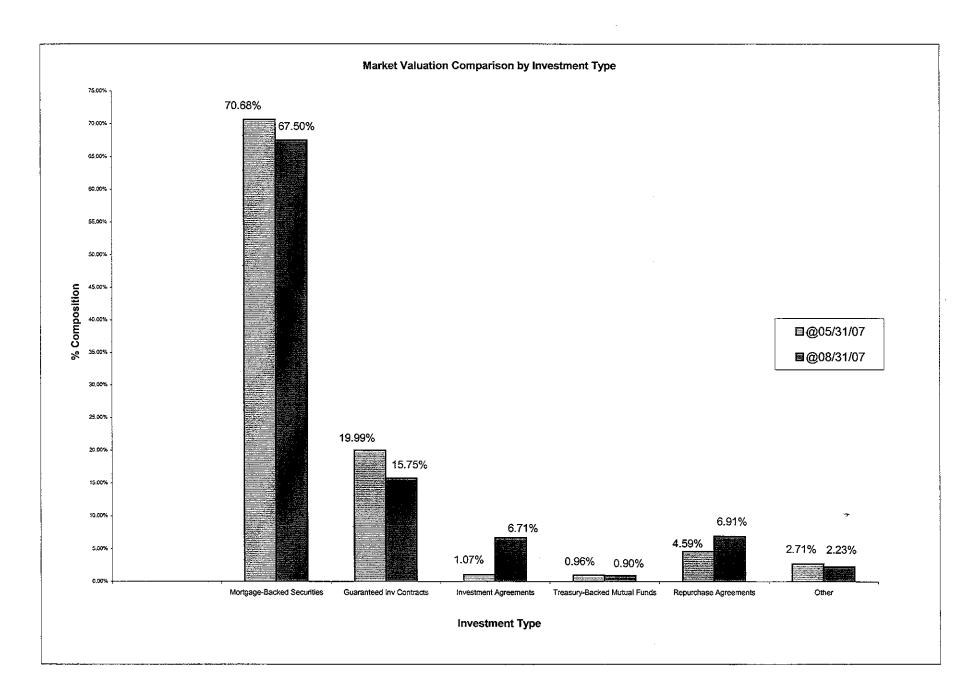
INVESTMENT TYPE	Range of li for Current Hi		Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 05/31/07	Weighted Avg Rate Beg Market Value @ 05/31/07	Weighted Avg Rate End Carrying Value @ 08/31/07	Weighted Avg Rate End Market Value @ 08/31/07	Weighted Avg Beg Carryin @ 05/3	ig Value	Weighted Avg Beg Market @ 05/31	: Value	Weighted Av End Carryin @ 08/3	ng Value	Weighted Av End Mark @ 08/3	et Value
								Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	8.75%	4.49%	67.50%	5.23%	5.25%	5.23%	5.25%	326	16	325	23	323	21	322	30
Guaranteed Inv Contracts	6.51%	3.37%	15.75%	5.09%	5.09%	5.04%	5.04%	63	2	63	2	32	9	32	9
Investment Agreements	6.22%	3.25%	6.71%	5.24%	5.24%	5.04%	5.04%	243	16	243	16	40	12	40	12
Repurchase Agreements	5.15%	5.15%	6.91%	5.28%	5.28%	5.15%	5.15%	0	1	0	1	0	4	0	4
Money Markets	5.15%	3.85%	2.17%	4.70%	4.70%	4.26%	4.26%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	5.15%	3.85%	0.90%	4.59%	4.59%	4.26%	4.26%	0	1	0	1	٥	1	0	1
Certificates of Deposit	0.00%	0.00%	0.00%	5.13%	5.13%	0.00%	0.00%	0	6	0	6	0	6	0	6
Treasury Bonds/Notes	13.25%	13.25%	0.06%	13.25%	13.25%	13.25%	13.25%	84	21	84	21	81	19	81	19











## TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

## PUBLIC FUNDS INVESTMENT ACT

# Supplemental Public Funds Investment Act Report by Investment Type Schedule Quarter Ending August 31, 2007

(b) (4) Summary statement of each pooled investment group:

	FAIR VALUE (MARKET)	CARRYING VALUE	ACCRETION/	CHANGE IN CARRY	ING VALUE		CARRYING VALUE	FAIR VALUE (MARKET)	CHANGE IN FAIR VALUE	RECOGNIZED
INVESTMENT TYPE	@ 05/31/07	@ 05/31/07	PURCHASES	SALES	MATURITIES	TRANSFERS	@ 08/31/07	@ 08/31/07	(MARKET)	GAIN
Certificates of Deposit	1,608,247.29	1,608,247.29		(1,608,247.29)	0.00	0.00	0.00	-	_	0.00
Mortgage-Backed Securities	1,052,268,464.09	1,081,474,800.09	68,725,501.19	0.00	(21,031,441.90)	0.00	1,129,168,859.38	1,098,900,085.95	(1,062,437,43)	0.00
Guaranteed inv Contracts	297,599,661.97	297,599,661.97	60,313,399.16	(101,518,446.95)	0,00	0.00	256,394,614.18	256,394,614.18		0.00
Investment Agreements	15,875,012.42	15,875,012.42	102,061,880.08	(8,635,064.41)	0.00	0.00	109,301,828.09	109,301,828.09	-	0.00
Treasury-Backed Mutual Funds	14,301,003.19	14,301,003.19	4,649,585.66	(4,317,821.36)	0.00	0.00	14,632,767.49	14,632,767.49	-	0.00
Repurchase Agreements	68,376,831.51	68,376,831.51	55,885,018.90	(11,825,104,27)	0.00	0.00	112,436,746.14	112,436,746,14	•	0.00
Money Markets	37,707,961.23	37,707,961.23	15,651,198.60	(18,053,065,04)	0.00	0.00	35,306,094.79	35,306,094,79	-	0.00
Treasury Bills	0.00	0.00	0.00	,	0.00	0.00	0.00	0.00	-	0.00
Treasury Bonds/Notes	1,087,693.92	938,626.16	158.41		0.00	0.00	938,784.57	1,080,696.86	(7,155.47)	0.00
TOTAL -	1,488,824,875.62	1,517,882,143.86	307,286,742.00	(145,957,749.32)	(21,031,441.90)	0.00	1,658,179,694.64	1,628,052,833.50	(1,069,592.90)	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Date 10/14/07

David Cervantes, Director of Financial Administration

Matt Pagar

Matt Pagar

Date 10/15/07

Detail of Investments including maturity dates by Fund Group

### Texas Department of Housing and Community Affairs Single Family Investment Summary For Period Ending August 31, 2007

Investment Type Repo Agmt Repo Agmt	Issue 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev	Current Interest Rate 5.15 5.15	Current Purchase Date 08/31/07 08/31/07	Current Maturity Date 09/04/07 09/04/07	Beginning Carrying Value 05/31/07 10,963.04 4,731,709.76	Beginning Market Value 05/31/07 10,963.04 4,731,709.76	Accretions/ Purchases 9,880.63	Amortizations/ Sales (3,514,536.98)	Maturities	Transfers	Ending Carrying Value 08/31/07 20,843.67 1,217,172.78	Ending Market Value 08/31/07 20,843.67 1,217,172.78	Change in In Market Value	Recognized Gain 0.00 0.00
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	1,124,364.37	1,124,364.37		(100,644.69)			1,023,719.68	1,023,719.68	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.15	08/31/07	09/04/07	1,232.71	1,232.71	299.59				1,532.30	1,532.30	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.15	08/31/07	09/04/07	46,750.45	46,750.45	622.06				47,372.51	47,372.51	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.15	08/31/07	09/04/07 _	919,799.31	919,799.31	51,572.90	(0.045.404.67)	0.00	0.00	971,372.21	971,372.21 3,282,013.15	0.00	0.00
	1980 Single Family Surplus Rev To	ital			6,834,819.64	6,834,819.64	62,375.18	(3,615,181.67)	0.00	0.00	3,282,013.15	3,202,013.15	0.00	0.00
Repo Agmt	1982 A Single Family	5.15	08/31/07	09/04/07			423.75		-		423.75	423.75	-	0.00
GIC's	1982 A Single Family	6.08	11/14/96	09/30/29	5,803.45	5,803.45	771.05				6,574.50	6,574,50		0.00
	1982 A Single Family Total				5,803.45	5,803.45	1,194,80	0.00	0.00	0.00	6,998.25	6,998.25	0.00	0.00
Repo Agmt	1983 A&B Single Family	5.15	08/31/07	09/04/07	17.70	17.70	70,674.21				70,691.91	70,691.91	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	376,451.15	376,451.15		(149,448.05)			227,003.10	227,003.10	-	0.00
T-Note	1983 A&B Single Family	13.25	08/05/85	05/15/14 _	716.49	830.48	0.12	(440,440,05)			716.61	825.13	(5.47)	0.00
	1983 A&B Single Family Total				377,185.34	377299.33	70,674.33	(149,448.05)	0.00	0.00	298,411.62	298,520.14	(5.47)	0.00
Repo Agmt	1984 A&B Single Family	5.15		09/04/07	14.57	14.57	28,221.00				28,235.57	28,235.57	•	0.00
T-Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	407.94	472.91	80,0				408.02	469.87	(3,12)	0.00
GIC's	1984 A&B Single Family			-	145,076,11 145,498.62	145,076.11 145,563,59	28,221.08	(145,076.11) (145,076.11)	0.00	0.00	28,643.59	28,705.44	(3.12)	0.00
	1984 A&B Single Family Total				145,496.62	145,563.58	20,221.08	(145,076.11)	0.00	00,0	20,043.39	20,705.44	(3.12)	
Repo Agmt	1985 A Single Family				18.58	18.58		(18.58)					-	0.00 0.00
GIC's	1985 A Single Family 1985 A Single Family Total			-	160,538.81 160,557.39	160,538.81 160,557.39	0.00	(160,538.81) (160,557.39)	0.00	0.00	0.00	0.00	0.00	0.00
	1985 A Single Family Total				160,357.39	100,007.09	0.00	(100,557.58)	0.00	0.00	0.00	0.00	0.00	
Repo Agmt	1985 B&C Single Family	5.15		09/04/07	4.34	4.34	2,601.08	(070.00)			2,605.42 95,789,85	2,605.42 95,789.85	-	0.00 0.00
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29	96,366.65	96,366.65 96,370.99	2,601.08	(576.80) (576.80)	0.00	0.00	98,395,27	98,789.85	0.00	0.00
	1985 B&C Single Family Total				30,370.33	90,370.99	2,001.00	(370.00)	0.00	0.00	,	•	0.00	
Repo Agmt	1987 B Single Family	5.15		09/04/07	584.94	584.94	1,990.32				2,575.26	2,575.26	-	0.00
GtC's	1987 B Single Family	6.08		09/30/29	2,377.91	2,377.91	7,809.43				10,187.34	10,187.34	-	0.00
Repo Agmt	1987 B Single Family	5.15	08/31/07	09/04/07	496,958.91 499,921,76	496,958.91 499,921,76	9,799,75	0.00	0.00	0.00	496,958.91 509,721.51	496,958.91 509,721.51	0.00	0.00
	1987 B Single Family Total				499,921.70	499,921.76	9,799,75	0.00	0.00	0.00	509,721.51	509,721.51	0.00	0.00
Repo Agmt	1995 A&B Single Family	5.15		09/04/07	2,337.61	2,337.61	16,257.89				18,595.50	18,595.50	-	0.00
GIC's	1995 A&B Single Family	6.08		09/30/29	42,203.83	42,203,83	82,735.59				124,939.42	124,939.42	•	0.00
GIC's	1995 A&B Single Family	6.08		09/30/29	0.02	0.02	0.00		(4 404 24)		0.02 220,813.93	0.02 225,688.12	(568.94)	0.00 0.00
FNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15		06/01/26 11/20/26	222,305,14 620,731,88	227,748.27 631,889.45			(1,491,21) (57,989,94)		562,741.94	570,124.67	(3,774.84)	0.00
GNMA GNMA	1995 A&B Single Family 1995 A&B Single Family	6.15		05/20/27	296,190.99	300,598,30		•	(4,450.65)		291.740.34	294.494.36	(1.653.29)	0.00
GINIVA	1995 A&B Single Family Total	0.10	03/23/37	03/20/2/	1,183,769.47	1,204,777.48	98,993.48	0.00	(63,931.80)	0.00	1,218,831.15	1,233,842.09	(5,997.07)	0.00
D	4000 A O Circle Family	5.15	08/31/07	09/04/07	465,921.93	465,921.93	6,198.38				472,120.31	472,120.31		0.00
Repo Agmt	1996 A-C Single Family 1996 A-C Single Family	5.15 5.15		09/04/07	400,821.93	405,921.93	60,877.61				60,877.61	60,877.61		0.00
Repo Agmt Inv Agmt	1996 A-C Single Family	6.13		09/01/28	831,552,48	831,552,48	00,011.01	(554,173.90)			277,378.58	277,378.58		0.00
HIV AGIIK	1996 A-C Single Family Total	0.10	022001	00/01/20	1,297,474.41	1,297,474.41	67,075.99	(554,173.90)	0.00	0.00	810,376.50	810,376.50	0.00	0.00
Repo Agmt	1996 D&E Single Family				508.73	508.73		(508.73)					_	0.00
T-Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	937,501.73	1,086,390.53	158.21	(300.73)			937,659,94	1,079,401.86	(7,146.88)	0.00
Repo Agmt	1996 D&E Single Family	5.15		09/04/07	593,860.81	593,860.81	7,900.47	•			601,761.28	601,761.28	(.,	0,00
Repo Agmt	1996 D&E Single Family	5.15		09/04/07			120,607.72				120,607.72	120,607.72	-	0.00
GIC's	1996 D&E Single Family	6.08		09/30/29	399,159.39	399,159.39	0.00				399,159.39	399,159.39		0.00
	1996 D&E Single Family Total			•	1,931,030.66	2,079,919.46	128,666.40	(508.73)	0.00	0.00	2,059,188.33	2,200,930.25	(7,146.88)	0.00
Repo Agmt	1997 A-C Single Family	5.15	08/31/07	09/04/07	27.41	27.41	0.00				27,41	27.41	-	0.00
Repo Agmt	1997 A-C Single Family				424,441.15	424,441.15		(424,441.15)					-	0.00
GIC's	1997 A-C Single Family				852,450.10	852,450.10		(852,450.10)					-	0.00

l-vt		Current Interest	Current Purchase	Current	Beginning	Beginning	Accretions/	Amadizational			Ending	Ending Market Value	Change in In Market	Danagricad
Investment	Issue	Rate	Date	Maturity Date	Carrying Value 05/31/07	Market Value 05/31/07	Purchases	Amortizations/ Sales	Maturities	Transfers	Carrying Value 08/31/07	08/31/07	Value	Recognized Gain
Type FNMA	1997 A-C Single Family	6.25	02/20/98	01/01/28	206.115.68	209.914.46	ruichases	Sales	(1,968.05)	Hansiers	204,147.63	207,510.02	(436.39)	0.00
	1997 A-C Single Family	6.25	03/27/98	03/01/28	233.847.14	238,402,51			(1,899.15)		231.947.99	235,531.62	(971.74)	0.00
FNMA FNMA	1997 A-C Single Family	6.25	06/29/98	05/01/28	177,992.28	238,402,51 181,459,58			(2,504.52)		175,487.76	178,199.06	(756.00)	0.00
GNMA		6.25	02/20/98	01/20/28	1,515,169,48	1,543,806,10			(11,389.59)		1,503,779.89	1,523,268.82	(9,147.69)	0.00
	1997 A-C Single Family	6.25	11/30/98	09/01/28	341.017.36						338,602,78	343.834.20		0.00
FNMA	1997 A-C Single Family	6.25	03/27/98	03/20/28		347,660.38			(2,414.58)				(1,411.60)	0.00
GNMA GNMA	1997 A-C Single Family	6.25	05/19/98	05/20/28	2,922,001.15 1,793,985,51	2,977,226.99			(122,968.44)		2,799,032.71 1,780.654.62	2,835,308.16 1,803,731.86	(18,950.39)	0.00
	1997 A-C Single Family	5.45	07/28/00	06/20/30		1,827,891.79			(13,330.89) (8,958.58)			1,163,476.10	(10,829.04) 105.36	0.00
GNMA GNMA	1997 A-C Single Family 1997 A-C Single Family	6.25	08/14/98	07/20/28	1,195,900.56 1,004,580.01	1,172,329.32			(9,435.45)		1,186,941.98 995,144.56	1,008,041.63	(6,089,48)	0.00
GNMA		6.25	06/29/98	06/20/28	536,673.29	1,023,566.56			(4,008.99)		532,664.30	539,567.67	(3,239.78)	0.00
GNMA	1997 A-C Single Family 1997 A-C Single Family	6.25	09/18/98	09/20/28	756,181.31	546,816.44 770,473.13			(63,840.21)		692,341,10	701,313,83	(5,319.09)	0.00
FNMA	1997 A-C Single Family	6.25	03/31/99	11/01/28	131,739.74	134,305.97			(2,842.23)		128,897.51	130,888.91	(574.83)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	11/20/28	656,246.80	668,649.85			(4,428.89)		651,817.91	660,265.45	(3,956.51)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	481,009.79	490,100,84			(3,029.64)		477,980.15	484,174.74	(2,896.46)	0.00
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	161,844.91	164,903,80			(904.03)		160,940.88	163,026.70	(973.07)	0,00
FNMA	1997 A-C Single Family	6.25	05/27/99	11/01/28	132,274.48	134,712,28			(1,957.88)		130,316.60	132,462.89	(291.51)	0.00
GNMA	1997 A-C Single Family	6.25	02/16/99	02/20/29	1,011,956.39	1,031,021,64			(52,717.36)		959,239.03	971,008.87	(7,295.41)	0.00
GNMA	1997 A-C Single Family	6.25	03/31/99	02/20/29	64,713.17	65,932,38			(818.97)		63,894.20	64,678.19	(435.22)	0.00
GNMA	1997 A-C Single Family	6.25	05/27/99	05/20/29	351,052.79	357,666,61			(2,188.06)		348,864.73	353,145.29	(2,333.26)	0.00
GNMA	1997 A-C Single Family	5.45	07/30/99	07/20/29	810,446.61	795,202.10			(65,355.20)		745,091.41	730,845.24	998.34	0.00
GNMA	1997 A-C Single Family	5.45	08/26/99	08/20/29	815,500.55	800,160.93			(50,487.66)		765,012.89	750,385.80	712.53	0.00
FNMA	1997 A-C Single Family	5.45	09/20/99	08/01/29	105,417.57	103,209,68			(579.64)		104,837.93	102,682.03	51.99	0.00
GNMA	1997 A-C Single Family	5.45	09/20/99	09/20/29	372,257.48	365,255.33			(2,118.48)		370,139,00	363,061.96	(74.89)	0.00
FNMA	1997 A-C Single Family	5.45	12/20/99	12/01/29	436,696,95	427.548.16			(3,500.06)		433,196,89	424,286,03	237.93	0.00
FNMA	1997 A-C Single Family	5.45	01/19/00	12/01/29	300,276.41	293,985,61			(2,325.26)		297,951.15	291,822.28	161.93	0.00
GNMA	1997 A-C Single Family	5.45	10/28/99	10/20/29	1,416,650.74	1,390,003,47			(9,391.68)		1,407,259.06	1,380,352.20	(259.59)	0.00
GNMA	1997 A-C Single Family	5.45	11/18/99	11/20/29	183,723.49	180,267.64			(1,669.67)		182,053.82	178,572.94	(25.03)	0.00
GNMA	1997 A-C Single Family	5.45	12/30/99	12/20/29	2,716,293.73	2,665,200,20			(92,705.80)		2,623,587,93	2.573,424.88	930,48	0.00
GNMA	1997 A-C Single Family	5.45	01/28/00	01/20/30	750,279.85	735,491.84			(4,110.03)		746,169.82	731,418.05	36.24	0.00
GNMA	1997 A-C Single Family	5.45	02/22/00	01/20/30	316,943.68	310,696.68			(1,744,31)		315,199.37	308,967.83	15.46	0.00
GNMA	1997 A-C Single Family	5.45	03/27/00	02/20/30	481,340.94	471,853.73			(4,928.58)		476,412.36	466,993.72	68.57	0.00
FNMA	1997 A-C Single Family	5,45	04/27/00	03/01/30	301,547.00	294,680,76			(2,409.47)		299,137.53	292,589.39	318.10	0.03
GNMA	1997 A-C Single Family	5.45	04/27/00	04/20/30	521,850.71	511,565.03			(3,655.06)		518,195.65	507,950.92	40.95	0.00
GNMA	1997 A-C Single Family	5.45	05/30/00	04/20/30	96,942.06	95,031.36			(510.98)		96,431.08	94,524.66	4.28	0.00
GNMA	1997 A-C Single Family	5.45	06/21/00	05/20/30	725,326.74	711,030.51			(135,580.37)		589,746.37	578,087.04	2,636.90	0.00
GNMA	1997 A-C Single Family	5.45	09/18/00	09/20/30	1,143,328.51	1,120,793.47			(6,512.08)		1,136,816.43	1,114,341.54	60.15	0.00
FNMA	1997 A-C Single Family	5.45	07/24/00	06/01/30	225,853.19	220,710.49			(76,632.88)		149,220,31	145,953.84	1,876,23	0.00
	1997 A-C Single Family Total				26,671,896.71	26,656,446.28	0.00	(1,276,891.25)	(775,822.72)	0.00	24,619,182.74	24,535,721.77	(68,010.54)	0.00
Repo Agmt	1997 D-F Single Family	5.15	08/31/07	09/04/07	18,093.38	18,093,38	240.74				18,334.12	18,334.12	-	0.00
Repo Agmt	1997 D-F Single Family	5.15	08/31/07	09/04/07	459,271.88	459,271.88	130,503.80				589,775.68	589,775,68	-	00.0
GIC's	1997 D-F Single Family				660,086.74	660,086.74		(660,086.74)					<del>-</del>	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	380,834.53	388,253.86			(5,434.14)		375,400.39	381,201.00	(1,618.72)	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	226,697.22	231,113.25			(1,375.03)		225,322.19	228,803.38	(934.84)	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	642,774.53	654,923.02			(65,017.35)		577,757.18	585,244.93	(4,660.74)	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,337,860.35	1,311,491.09			(8,611.86)		1,329,248.49	1,302,969.21	89.98	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	209,313.19	213,269.21			(1,994.51)		207,318.68	210,005.53	(1,269.17)	0.00
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	237,134.88	232,460.92			(1,282.64)		235,852.24	231,189,41	11,13	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	485,441.13	494,615.97			(4,078,16)		481,362.97	487,601.43	(2,936.38)	0.00 00.0
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	1,000,680.61	1,019,593.52			(7,151,88)		993,528.73	1,006,404,91	(6,036.73)	
FNMA	1997 D-F Single Family	6.25 6.25	03/31/99 11/30/98	11/01/28 11/20/28	155,390.06	158,417.05			(844.15)		154,545,91	156,933.64	(639.26)	0.00 0.00
GNMA GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	926,243.51 426,606.73	943,749.45			(8,062.71)		918,180.80 424,091.30	930,080.32 429,587.52	(5,606.42)	0.00
FNMA	1997 D-F Single Family 1997 D-F Single Family	6.25	05/27/99	04/01/29	211,537.15	434,669.58			(2,515.43) (1,251.37)		210,285.78	213,309.68	(2,566.63) (1,107.41)	0.00
GNMA	1997 D-F Single Family 1997 D-F Single Family	6.25	05/27/99	02/20/29	1,588,147.95	215,668.46 1,618,068.70			(42,628,88)		1,545,519.07	1,564,482,64	(1,107.41)	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	704,480.53	717,752.98			(42,020,00)		654,692,81	662,725.90	(5,239.36)	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	466,106.06	717,752.98 474,887.47			(36,301,21)		429,804,85	435,078,54	(3,507.72)	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	781,940.01	767,231.71			(6,589.13)		775,350.88	760,526.15	(116.43)	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	991,250.27	972,604.79			(6,525.16)		984,725.11	965,897.09	(182.54)	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	671,730.48	659,095.21			(4,308.12)		667,422.36	654,661.23	(125.86)	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	511,840.61	502,212,86			(2,997.18)		508,843.43	499,114.31	(101.37)	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	374,967.08	367,111,51			(72,738.91)		302,228.17	296,011.32	1,638.72	0.00
		10	,		,	-41,111,41			(,. 55.5 ()		- >=,==			

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment	_	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,093,858.95	1,073,283,47			(6,990.35)		1,086,868.60	1,066,087.69	(205.43)	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,419,587.14	1,392,884.71			(9,545.80)		1,410,041.34	1,383,081.35	(257.56)	0.00 0.00
GNMA	1997 D-F Single Family	5.45 5.45	12/30/99 01/28/00	12/20/29 01/20/30	1,241,584,42 1,457,733,24	1,218,230.20			(7,643.08) (69,526.94)		1,233,941.34 1,388,206,30	1,210,348.36 1,360,761.45	(238.76) 1,287.09	0.00
GNMA	1997 D-F Single Family	5.45 5.45	02/22/00	01/20/30	706.183.35	1,429,001.30					701.044.58	687,184,93	1,287.09 59. <b>2</b> 2	0.00
GNMA	1997 D-F Single Family	5,45 5,45	03/27/00	02/20/30		692,264.48			(5,138.77) (2,666.12)		388,768.41	381,082.45	29.23	0.00
GNMA FNMA	1997 D-F Single Family	5,45 5.45	03/27/00	01/01/30	391,434,53 150,175,13	383,719.34			(2,000.12)		149,368.12	146,295.60	73.66	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	566,493.36	147,028.95 555,327,76			(67,494.57)		498,998.79	489,133.56	1,300.37	0.00
GNMA	1997 D-F Single Family 1997 D-F Single Family	5.45	05/30/00	05/20/30	607,443.30	595,327.76 595,470,59			(10,024.98)		597,418,32	585,607.36	161.75	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,134,706.37	1,112,341,29			(6,226.73)		1,128,479.64	1,106,169.59	55.03	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	275.198.03	268,931,73			(2,431,22)		272,766,81	266,795,91	295.40	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	42,679.44	41,838,23			(215.76)		42,463.68	41,624,17	1.70	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	327,227.43	320,777.78			(2,400.51)		324,826,92	318,405.10	27.83	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	542,842.88	530,482.29			(63,894.31)		478,948.57	468,464.33	1,876.35	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	67,983,25	66,643,26			(414.73)		67,568.52	66,232.67	4.14	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	316,725.85	309,513.96			(1,703.59)		315,022.26	308,126.39	316.02	0.00
FNMA	1997 D-F Single Family	5,45	10/30/00	08/01/30	342,343,22	334,548.08			(2,325.89)		340,017.33	332,574.36	352.17	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	79,898.65	78,224.76			(430.03)		79,468.62	77,833.94	39.21	0.00
Repo Agmt	1997 D-F Single Family	5.15	08/31/07	09/04/07	196,743.60	196,743.60	19,029.90				215,773.50	215,773.50	-	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	81,293.55	75,916.50			(335.60)		80,957.95	75,890.51	309,61	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	46,497.97	43,421.41			(189.51)		46,308.46	43,408.85	176.95	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	69,558.52	65,132.86			(293.41)		69,265.11	65,104.06	264.61	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	63,424.17	59,391.18			(301.47)		63,122.70	59,333.35	243.64	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	76,924.98	71,836.65			(358.61)		76,566.37	71,773.97	295.93	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	62,490.73	58,574.99			(263.11)		62,227.62	58,549.29	237.41	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	138,613.98	129,507,81			(3,480.49)		135,133.49	126,763.74	736.42	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	61,676,46	57,684.49			(7,566.18)		54,110.28	50,877.67	759.36	0.00
GNMA	1997 D-F Single Family	4,49	09/08/05	09/20/35	12,515.50	11,718.85			(51.15)		12,464.35	11,715.22	47.52	0.00
GNMA	1997 D-F Single Family	4,49	07/21/05	07/20/35	30,330.98	28,485.53			(122.70)		30,208.28	28,477.43	114.60	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	23,406.86	21,858,20			(95.47)		23,311.39	21,851.81	89.08	0.00
GNMA	1997 D-F Single Family	4.49 4.49	08/04/05 07/28/05	08/20/35 07/01/35	5,121.80	4,874.63			(20.14)		5,101.66 29,851.86	4,873.46	18.97 31.55	0.00 0.00
FNMA FNMA	1997 D-F Single Family 1997 D-F Single Family	4.49	10/20/05	09/01/35	29,978.67 6,392.27	27,831.24 5,934.24			(126.81) (26.12)		49,001.00 6.366.15	27,735.98 5,914.78	6.66	0.00
LMANA	1997 D-F Single Family Total	4.40	10/20/03	09/01/33	25,137,497.46	24,924,066.97	149,774,44	(660,086.74)	(602,606.70)	0.00	24,024,578.46	23,773,790.77	(37,357.20)	0.00
	1331 D4 Onigie Lanning Total				20,101,407.40	24,824,000.91	140,774,44	(+1.000,000)	(002,000.70)	0.00	24,024,010.40	20,110,750.17	(07,007.20)	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.15	08/31/07	09/04/07	74,726.40	74,726.40	51,198.46				125,924.86	125,924.86	_	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.15	08/31/07	09/04/07	13.547.37	13,547,37	14,022.49				27,569,86	27,569.86	_	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.15	08/31/07	09/04/07	507,752.55	507,752.55		(90,000.00)			417,752.55	417,752.55	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.15	08/31/07	09/04/07	299,999.95	299,999.95	0.00				299,999.95	299,999.95	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	5.15	08/31/07	09/04/07	196,516.95	196,516.95	8,436.94				204,953.89	204,953.89		0.00
	2002A Single Family (JR Lien) Tota	ı <b>i</b>		-	1,092,543.22	1,092,543.22	73,657.89	(90,000.00)	0.00	0.00	1,076,201.11	1,076,201.11	0.00	0.00
Repo Agmt	2004 A/B Single Family	5.15	08/31/07	09/04/07	1,077,104.35	1,077,104.35	26,373.24				1,103,477.59	1,103,477.59	-	0.00
Repo Agmt	2004 A/8 Single Family	5.15	08/31/07	09/04/07	167,877.98	167,877.98	9,685,089.65				9,852,967.63	9,852,967.63	-	0.00
GIC's	2004 A/B Single Family		AA-A	00.00.00	4,375,382.77	4,375,382.77	0.000.00	(4,375,382.77)			45054055	490 540 00	-	0.00
Repo Agmt	2004 A/B Single Family	5.15	08/31/07	09/04/07	174,392.52	174,392.52	2,320.03				176,712.55	176,712.55		0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,337,507.41	1,248,188.39			(6,836.12)		1,330,671.29	1,246,297.02	4,944.75	0,00 0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34 06/20/34	1,099,209.23	1,025,805.86			(5,288.51)		1,093,920.72	1,024,561.25	4,043.90 21,907.81	0.00
GNMA	2004 A/B Single Family	4.49 4.49	06/29/04 09/02/04	08/20/34	821,065.59 1,392,589.48	766,229.28			(301,802.21) (117,227.92)		519,263.38 1,275,361.56	486,334.88 1,194,554.58	12,124.88	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	09/09/04	09/20/34	1,758,605,01	1,299,657.62			(103,834.12)		1,654,770.89	1,549,938.59	12,511.67	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	09/16/04	08/20/34	2,558,993.42	1,641,261.04 2,388,252,69			(156,095.39)		2,402,898.03	2,250,675.23	18,517.93	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	942.068.60	879.219.17			(5,174.34)		936.894.26	877.550.32	3,505,49	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	09/29/04	09/20/34	1,333,633.01	1,244,666.87			(6,743.93)		1,326,889.08	1,242,848.63	4,925.69	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,438,030.27	2,275,408.63			(310,660.96)		2,127,369.31	1,992,647.40	27,899.73	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,201,160,08	2,054,182.76			(10,512.62)		2,121,569.51	2,051,761.02	8,090.88	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,930,300,12	1.801.419.73			(9,059.91)		1,921,240.21	1,799,444,98	7.085.16	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,457,829.00	2,293,738,63			(12,403.98)		2,445,425.02	2,290,411.13	9,076.48	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	3,224,450.64	3,009,206.18			(460,595.48)		2,763,855.16	2,588,679.71	40,069.01	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	3,519,640.87	3,284,707,88			(17,250.43)		3,502,390.44	3,280,422.54	12,965.09	0,00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,612,242.03	3,371,148,41			(16,721.65)		3,595,520.38	3,367,670.65	13,243.89	0,00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	268,444.78	259,281,41			(1,055.10)		267,389.68	258,648.30	421.99	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/		T	Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate 4.49	Date 08/26/04	Date 08/20/34	05/31/07 1.820.841.28	05/31/07	Purchases	Sales	Maturities (8.292.66)	Transfers	08/31/07 1,812,548.62	<b>08/31/07</b> 1,697,696.89	Value 6,667,26	<b>Gain</b> 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5,00	08/26/04	08/20/34	84,197.83	1,699,322.29 81,324.23			(831.39)		83,866.44	81,125.21	132.37	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,058,188.82	987,656,27			(4,676.88)		1,053,511.94	986,845.00	3,865.61	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	290,265,67	279,655.33			(1,334.70)		288,930,97	278,795.31	474.68	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	367,365,82	342,881,14			(1,572.82)		365,793.00	342,647.10	1,338,78	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	209,707.01	202,568,70			(1,212.93)		208,494.08	201,698.02	342.25	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	334.315.79	322,098,49			(1,305.40)		333,010,39	321,331.68	538.59	0,00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	1,012,896.96	945,393.77			(4,700.76)		1,008,196.20	944,407.34	3,714.33	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,571,086.75	1,466,300,91			(117,085.09)		1,454,001.66	1,361,929.63	12,713.81	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	988,646.39	952,463.30			(4,045.42)		984,600.97	950,017.24	1,599.36	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	1,083,899.08	1,044,236.18			(4,498.02)		1,079,401.06	1,041,493.80	1,755.64	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,423,611.12	1,328,669.44			(6,314.58)		1,417,296.54	1,327,556.83	5,201.97	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	342,278.85	329,755.57			(1,913,86)		340,364.99	328,413.77	572.06	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	752,620.71	702,431.42			(3,256.66)		749,364.05	701,920.43	2,745.67	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,804,979.73	1,684,628.08			(8,050.56)		1,796,929.17	1,683,175.84	6,598.32	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,137,572.69	1,061,726.38			(5,652.58)		1,131,920.11	1,060,270.03	4,196.23	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	520,874.02	501,821.89			(2,086.34)		518,787.68	500,576.57	841.02	0.00
GNMA	2004 A/B Single Family	4.49 5.00	11/18/04 11/23/04	11/20/34 11/20/34	944,000.07 396,321.58	881,066.22			(4,554.82)		939,445.25 394,797.61	879,984.10 381,923,82	3,472.70 621.82	0.00 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 4.49	11/23/04	11/20/34	1.854.471.37	382,825.97			(1,523.97) (344,858.03)		1,509,613,34	1,414,069,72	28,081.83	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	12/23/04	12/20/34	401,225.75	1,730,845.92 386,565.62			(1,713.08)		399,512.67	385,504.05	651.51	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	12/23/04	12/20/34	503,192,48	469,660.72			(2,111.00)		501,081.48	469,380,74	1,831.02	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	543,703,97	523,840.55			(2,214.32)		541,489.65	522,505.34	879.11	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	228,555,70	213.907.45			(951.92)		227,603,78	213,768.22	812.69	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	719,634.79	671,434,43			(5,808.75)		713,826.04	668,524,33	2,898,65	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	866,977.48	808,913.13			(3,847.99)		863,129.49	808,356.55	3,291.41	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	469,766.90	438,307.26			(2,596.39)		467,170.51	437,526.75	1,815.88	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	355,447.20	331,645.74			(1,496,54)		353,950.66	331,493.49	1,344.29	0.00
GNMA	2004 A/B Single Family	4,49	02/03/05	02/20/35	2,001,776.89	1,867,747.10			(123,636.82)		1,878,140.07	1,758,991.57	14,881.29	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,403,858.56	1,313,383.79			(5,918.69)		1,397,939.87	1,312,759.79	5,294.69	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,808,300.34	1.741.557.25			(7,495.88)		1,800,804.46	1,736,992.75	2,931,38	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	551,763.21	514,825.92			(2,335.52)		549,427.69	514,577.91	2,087.51	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	345,823.54	333,060.78			(1,335,01)		344,488.53	332,282.87	557.10	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	365,741.93	341,259.73			(1,565,91)		364,176.02	341,078.68	1,384.86	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	411,973.47	396,774.63			(1,915.55)		410,057.92	395,534.64	675.56	0.00
GNMA	2004 A/B Single Family	4,49 5,00	03/03/05	03/20/35	366,989.69	343,344.81			(1,966.07)		365,023.62	342,788.71	1,409.97 293.30	0.00 0.00
GNMA GNMA	2004 A/B Single Family	5.00 4.49	03/10/05 03/17/05	03/20/35 03/20/35	185,907.95 576,624.19	179,517.86 538.036.18			(699.19) (2,706.34)		185,208.76 573,917,85	179,111,97 537,528.25	293.30 2,198.41	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	03/24/05	03/20/35	304,314.39	293,093,30			(1,208.34)		303,106.05	292,376.36	491.40	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	104,145.89	97,437.61			(1,076.63)		103,069.26	96,792.60	431.62	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	182,423.40	176,156,11			(726.02)		181,697.38	175,719.19	289.10	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	247,990.90	239.472.92			(117,904,99)		130,085,91	125,806,85	4.238.92	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	785,536.09	732,981.61			(3,476.47)		782.059.62	732,486,69	2.981.55	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	524,643.18	505,310.58			(2,040.50)		522,602.68	504,115.73	845.65	0.00
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	321,946.83	300,411.36			(1,330.68)		320,616.15	300,296.68	1,216.00	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	385,886.27	372,638.63			(1,540.09)		384,346.18	371,710.21	611.67	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	133,749.42	129,158.66			(523.11)		133,226.31	128,847.20	211.65	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	1,052,904.45	982,485.12			(5,472.29)		1,047,432.16	981,060.64	4,047.81	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	218,511.20	211.011.96			(832.85)		217,678,35	210,524.17	345.06	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	645,464.87	603,914.60			(2,650.35)		642,814.52	603,694.30	2,430.05	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	127,706.25	123,325,90			(486.68)		127,219.57	123,040.88	201.66	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	330,800.92	319,464,05			(1,225,23)		329,575.69	318,760.00	521.18	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	335,802.96	314,202,29			(1,369.06)		334,433.90	314,096.86	1,263.63	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	127,921.63	123,533.14			(574.56)		127,347.07	123,163.44	204.86	0.00 0.00
GNMA	2004 A/B Single Family	4.49	05/26/05 06/02/05	05/20/35	279,527.24	261,537.03			(1,207.02)		278,320.22 259,927.04	261,385.97 251,389,15	1,055.96 411.37	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35 05/20/35	260,902.57	251,953,31			(975.53)		259,927,04 222,405.58	251,389.15 208,874.49	411.37 1,028.87	0.00
GNMA GNMA	2004 A/B Single Family	4.49 4.49	06/02/05	05/20/35	226,245.60 222,092.01	211,685.64			(3,840.02) (912.95)		221,179.06	207,170.12	838.52	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	06/15/05	06/20/35	302,004.78	207,244.55 291,649.48			(1,132.65)		300,872.13	290,993.12	476.29	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	264,755.27	247,722.03			(1,138.23)		263,617.04	247,583,65	999.85	0.00
GNMA	2004 A/B Single Family	4,49	09/08/05	09/20/35	155,841,09	145,825.08			(617.54)		155,223.55	145,792.89	585,35	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	721,013,50	694,536.66			(65,172.43)		655,841.07	632,724.48	3,360.25	0.00
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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment	_	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	<b>Value</b> 307,17	Gain
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 1.4.49	09/22/05 07/21/05	09/20/35 07/20/35	195,338.22 349,255.61	188,657.12 326,794,21			(706.49) (1,479.02)		194,631,73 347,776,59	188,257.80 326,632,80	1,317.61	0.00 0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	07/21/05	07/20/35	107,007.07	326,794.21 103,341.30			(676.66)		106,330.41	102.842.42	177.78	0.00
GNMA	2004 A/B Single Family	4,49	07/28/05	07/20/35	3,749,865,37	3,499,338,95			(15,962.48)		3,733,902,89	3,497,568.95	14,192.48	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/36	194,266.92	187,614,31			(724.40)		193,542,52	187,196.13	306.22	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	139,524.53	130,553.64			(575.82)		138,948.71	130,503.27	525.45	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	964,028.92	928,599.08			(4,194.10)		959,834.82	925,974.32	1,569.34	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	436,578.17	407,422.55			(6,107.54)		430,470.63	403,236.18	1,921.17	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	121,728.11	117,562.19			(458.23)		121,269.88	117,295.96	192.00	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	208,019.50	200,900.41			(1,132.29)		206,887.21	200,107.69	339.57	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	647,916.56	625,775,62			(2,426.02)		645,490.54	624,371.11	1,021.51	0.00
GNMA	2004 A/B Single Family	4.49 5.00	10/27/05 09/29/05	09/20/35 09/20/35	215,027.24	201,215,62			(2,762.76)		212,264.48	199,376.52	923.66	0.00 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	09/29/05	09/20/35	148,650.58 169,385.19	143,567,19 163,592,74			(557.88) (617.92)		148,092.70 168,767,27	143,243.73 163,241.36	234.42 266.54	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	09/29/05	09/20/35	205,468.42	192,266,32			(814.53)		204,653.89	192,223.56	771,77	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	621,019.13	598,259.54			(2,608.35)		618,410.78	596,658.66	1,007,47	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,594,862.35	1.536.421.89			(6,451.24)		1,588,411.11	1,532,549.27	2,578.62	0,00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	550,339.42	531,536.70			(2.179.60)		548,159,82	530,228.64	871.54	0.00
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35	237,238.75	229,134.70			(927.05)		236,311.70	228,582.95	375.30	0,00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	244,315.64	228,627.16			(963.27)		243,352.37	228,581.24	917.35	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	940,320.27	908,204.57		,	(3,618.47)		936,701.80	906,071.78	1,485.68	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	278,006.16	268,512.22			(995.53)		277,010.63	267,953.50	436.81	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	226,750.48	212,192,28			(936.77)		225,813.71	212,109.30	853.79	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 5.00	11/29/05 12/22/05	11/20/35 12/20/35	1,488,310.57 1,562,067.43	1,437,493.32			(5,453,71) (5,820.95)		1,482,856.86 1,556,246,48	1,434,382.12 1,501,524,90	2,342.51 2,508.05	0.00 0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	12/29/05	12/20/35	1,592,595.92	1,504,837.80 1,534,257.12			(7,457.44)		1,585,138.48	1,529,410.25	2,610.57	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	213,819.51	199,561,54			(987.59)		212,831.92	199,388.08	814.13	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,395,589.41	1,347,322.23			(5,268.90)		1,390,320.51	1,343,654.02	1,600.69	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	339,686.04	321,742.99			(1,262.43)		338,423.61	320,939.89	459.33	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	850,957.64	821,531,82			(3,751.82)		847,205.82	818,774.08	994.08	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	91,752.13	85,864,78			(422.69)		91,329.44	85,790.30	348,21	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	3,990,767.20	3,842,971.76			(116,433.24)		3,874,333.96	3,734,882.48	8,343.96	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	. 03/20/36	1,120,660.22	1,079,150.77			(4,261.82)		1,116,398.40	1,076,208.62	1,319.67 266.66	0.00 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 5.00	03/02/06 01/19/06	01/20/36 01/20/36	197,040.85 1,623,873.81	186,624.54 1,567,730.29			(732.51) (67,560.81)		196,308.34 1.556,313.00	186,158.69 1,504,093,13	3,923,65	0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	01/26/06	01/20/36	1,474,019.54	1,419,375.75			(5,429.02)		1,468,590.52	1,415,676.29	1,729.56	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	208.640.93	197,617.66			(826.01)		207,814,92	197,076.39	284.74	0,00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,612,960.88	3,405,899,21			(15,027.60)		3,597,933.28	3,396,031.74	5,160.13	0,00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	178,695.17	167,186,37			(1,052.70)		177,642,47	166,786.57	652.90	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,477,722.95	1,426,659,78			(5,260.57)		1,472,462.38	1,423,083.30	1,684,09	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	118,024.81	111,787.68			(447.97)		117,576.84	111,499.80	160.09	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,887,893.99	3,743,836.54			(139,435,42)		3,748,458.57	3,613,468.48	9,067.36	0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 5.00	02/23/06 02/23/06	02/20/36 02/20/36	2,630,226.13 1,656,396.17	2,539,368.63 1,599,178,28			(10,005,07) (6,645,08)		2,620,221.06 1,649,751.09	2,532,382.52 1,594,445.94	3,018.96 1.912.74	0.00 0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	05/11/06	05/20/36	472,598.48	455,121.83			(2,319.81)		470,278.67	453,377.24	575.22	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	654.877.36	632,299,59			(2,278.76)		652,598.60	630,765.26	744.43	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	972,787.67	936,819.73			(3,393.65)		969,394.02	934,560.45	1,134.37	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	1,552,386.33	1,494,903,77			(5,594.57)		1,546,791.76	1,491,126.08	1,816.88	0.00
GNMA	2004 A/B Single Family	4,49	03/23/06	02/20/36	295,214.48	276,211.61			(1,137.40)		294,077.08	276,116.07	1,041.86	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,603,821.17	1,548,458.48			(6.817.62)		1,597,003.55	1,543,505.62	1,864.76	0,00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	172,253.42	163,143,10			(873.88)		171,379.54	162,514.26	245.04	0.00
GNMA	2004 A/B Single Family	5.00 5.00	03/30/06	03/20/36 04/20/36	1,306,264.03	1,261,180,42			(5,267.60)		1,300,996.43	1,257,422.04 1,417,625.50	1,509.22 1,723.07	0.00 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	04/06/06 04/13/06	04/20/36	1,475,725.54 807,293.39	1,421,108,88 779,441,19			(5,206.45) (3,091.75)		1,470,519.09 804,201.64	777,276,64	927.20	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	232,674.30	220,364.01			(855.53)		231,818.77	219,822.68	314.20	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,798,967.25	1,736,912.08			(6,973.51)		1,791,993.74	1,732,007.54	2,068.97	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,504,657.93	1,448,996,77			(5,448.41)		1,499,209.52	1,445,310.19	1,761.83	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,464,354.72	1,413,861.96			(5,639,62)		1,458,715.10	1,409,905.19	1,682.85	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	186,693.16	176,813.01			(838.48)		185,854.68	176,234.51	259.98	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	62,180.07	58,180.85			(236.75)		61,943.32	58,163.37	219.27	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	881,783,98	849,185.98			(3,050.12)		878,733.86	847,163.15	1,027.29	0.00 0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	143,604.02	136,001.80			(1,247.37)		142,356.65	134,985.61	231.18	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate 5.00	Date 06/01/06	Date 05/20/36	05/31/07 1,075,369.44	05/31/07	Purchases	Sales	Maturities (4,207.22)	Transfers	08/31/07 1,071,162.22	08/31/07 1,035,344.21	Value 1,237.94	Gain 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	06/08/06	06/20/36	606,567.02	1,038,313,49 585,669,58			(2,326.59)		604,240.43	584,039.69	696.70	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	228,064.59	215.522.28			(1,111.35)		226,953.24	214,738.75	327.82	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	1.093,306.33	1,052,908.90			(3,774.05)		1,089,532.28	1,050,408.26	1,273.41	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	1,187,730.67	1,146,829,49			(132,741.87)		1,054,988.80	1,019,735,27	5,647.65	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	270,188.52	255.877.22			(988.40)		269,200.12	255,253,46	364.64	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,640,673,21	1,584,188.75			(6,356.22)		1,634,316.99	1,579,719.00	1,886.47	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	299,430.13	280,182.49			(1,246.54)		298,183.59	279,998,34	1,062.39	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	507,723.87	490,246.62			(1,876.80)		505,847.07	488,950.59	580.77	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	1,141,568.54	1,102,279,30			(3,969.48)		1,137,599.06	1,099,607.25	1,297.43	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	68,356.81	64,734,82	•		(178.92)		68,177.89	64,644.53	88.63	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	503,560.79	484,972,45			(1,899.52)		501,661.27	483,665.17	592.24	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	595,757.73	575,264,63			(2,044.99)		593,712.74	573,895.82	676.18	0.00
GNMA GNMA	2004 A/B Single Family	5.00 5.00	08/16/06 08/23/06	06/20/36 08/20/36	62,142.06 1,000,526.74	58,847.91			(247.61) (3,932.76)		61,894.45 996,593.98	58,685.22 963,341.35	84.92 1,152.18	0.00 0.00
GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	09/06/06	08/20/36	940,305.37	966,121.93 905,628.04			(4,049.09)		936,256.28	902,702.77	1,123.82	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	604,985.77	584,192.35			(2,083.87)		602,901.90	582,795.34	686.86	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	125,155,37	117,118.19			(469.80)		124,685.57	117,089.32	440.93	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	65,709.83	61,349,30			(297.73)		65,412.10	61,153.46	101.89	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	574,887.89	553,693,42			(1,956.38)		572,931.51	552,405.51	668.47	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	231,205.45	223,261,82			(991.70)		230,213.75	222,539.12	269.00	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	922,874.31	891,183.82			(4.590.01)		918,284.30	887,688.52	1,094.71	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	950,333.42	917,722.25			(3,935.32)		946,398.10	914,887.78	1,100.85	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	193,003.39	180,618.10			(749.07)		192,254,32	180,550.49	681,46	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	66,840.55	63,292.00			(237.57)		66,602.98	63,144.30	89.87	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	561,676.25	542,409.17			(1,912.63)		559,763.62	541,133.39	636.85	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	307,804.82	297,249.85			(1,045.40)		306,759.42	296,553.34	348.89	0.00
GNMA	2004 A/B Single Family	5.00 5.00	01/09/07 01/09/07	12/20/36 08/20/36	109,439.91 74,093,45	105,689.76			(362.39)		109,077.52 73,829,80	105,451.11 69,992,36	123.74	0.00 0.00
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	02/13/07	04/20/36	74,093,45 427,949,51	70,156.30 413,173.11			(263.65) (1,422.58)		73,629.60 426.526.93	412,290,94	99,71 540,41	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	83,164,47	80,319,65			(290.07)		82,874.40	80,123.84	94.26	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	203,609.04	196,588,48			(780.57)		202,828.47	196,068,46	260.55	0.00
GNMA	2004 A/B Single Family	5.00	05/08/07	04/20/37	73,437.79	69,507.32			(321.92)		73,115.87	69,296.83	111.43	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37			314,048.18		,·,		314,048.18	294,988.12	(19,060.06)	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37			403,072.77				403,072.77	403,049.57	(23.20)	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	446,828.69	414,990.11			(3,050.17)		443,778.52	412,412.59	472,65	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	349,373.00	324,480.21			(2,692.62)		346,680.38	322,178.89	391.30	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	334,112.19	310,308.30			(1,721.43)		332,390.76	308,900.74	313.87	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	241,263.10	224,074.94			(1,038.21)		240,224.89	223,248.90	212.17	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	291,565.81	270,800.48			(1,246.18)		290,319.63	269,810.08	255.78	0.00
FNMA	2004 A/B Single Family	5.00 4.49	10/28/04 11/10/04	10/01/34 10/01/34	249,781.29	239,322.28			(979.68)		248,801.61	238,121.66	(220.94) 498.9 <del>6</del>	0.00 0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	11/23/04	11/01/34	365,822.57 272,958.54	339,770,38 261,532,19			(4,083.94) (1,088.21)		361,738.63 271,870.33	336,185.40 260,203.28	(240.70)	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	153,536,45	142,477,09			(720.43)		152,816.02	141,920.89	164.23	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	385,651.35	369,520,53			(1,559.66)		384,091.69	367,621.70	(339.17)	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	226,386,24	216,771.36			(1,510.56)		224,875.68	215,029.46	(231.34)	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	344,605,34	319,793,07			(1,700.52)		342,904,82	318,467,41	374.86	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	278,516,27	258,468.00			(1,158.76)		277,357.51	257,596.82	287.58	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	290,530.67	278,202.40			(1,123.62)		289,407.05	276,746.15	(332.63)	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	160,513,37	148,961.18			(660.26)		159,853.11	148,465.96	165.04	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	74,186.04	71,038.56			(274.65)		73,911.39	70,678.44	(85.47)	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	356,900.90	341,769.01			(85,724.60)		271,176.30	259,322.59	3,278.18	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	392,749.69	364,497.30			(1,996.16)		390,753.53	362,932.38	431,24	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	323,774.74	310,051.07			(1,184.76)		322,589.98	308,492.59	(373.72)	0.00
FNMA	2004 A/B Single Family	5.00 5.00	11/17/05	10/01/35	315,875.66	302,490.44			(1,683.51)		314,192.15	300,465,37	(341.56)	00.00 00.0
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 4.49	12/15/05 12/29/05	12/01/35 12/01/35	300,598.14 407.751.37	287,864.07			(1,232.22) (1,853.63)		299,365.92 405,897.74	286,290.63 377,012,36	(341,22) 432,08	0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	4.49 5.00	12/29/05	12/01/35	982,313.48	378,433.91 940,705.95			(4,005.16)		978,308.32	935,584.73	(1,116.06)	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	354,616,54	339,598.21			(84,223.78)		270,392,76	258,586,04	3,211.61	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	125,835.27	118,240.10			(474,77)		125,360.50	117,652.02	(113.31)	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	483,612.77	463,134,13			(1,768.76)		481,844,01	460,807.02	(558.35)	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	395,626.62	378,470.66			(1,758.40)		393,868.22	376,187.82	(524.44)	0.00
	<del>-</del> -												•	

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07 512,666,81	Value	<b>Gain</b> 0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00 5.00	02/16/06 02/23/06	02/01/36 02/01/36	538,836.10 1,112,190.03	515,471.56 1.063,967,43			(2,076.14) (8,599,67)		536,759.96 1,103,590,36	1,054,057.49	(728.61) (1,310.27)	0.00
FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	03/09/06	02/01/36	594,672.40	569,501.22			(2,152,15)		592,520,26	566.661.46	(687.61)	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	985,011,43	942,312.53			(5,861.34)		979.150.09	935,211.90	(1,239,29)	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	493,574,22	472,179,40			(1,941,71)		491,632,51	469.572.52	(665.17)	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	635,903,32	608.340.84			(2,325,11)		633.578.21	605,150,20	(865.53)	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	217,874.70	208,432,43			(771,74)		217,102.96	207,363.02	(297.67)	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	308,974,49	295,585,32			(1,113.42)		307,861.07	294,050.60	(421.30)	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	309,825.53	290,771.73			(1,604.13)		308,221.40	288,853.42	(314,18)	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	284,707.29	272,371.36			(1,058.79)		283,648.50	270,925.83	(386.74)	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	255,587.46	244,513.99			(1,661.84)		253,925.62	242,536.86	(315.29)	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	528,218.30	505,343.10			(1,933.90)		526,284.40	502,690.24	(718.96)	0.00
FNMA	2004 A/B Single Family	5.00	07/06/06	05/01/36	65,072.76	61,065.05			(238.04)		64,834.72	60,754.78	(72.23)	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	264,636.83	253,181.21			(1,115.78)		263,521.05	251,711.79	(353.64)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	77,959.96	72,315.03			(298.33)		77,661.63	72,110.31	93.61	0.00
FNMA	2004 A/B Single Family	5.00 5.00	09/20/06 10/17/06	07/01/36	195,483,74	187,025.01			(1,458.71)		194,025.03 524,198.90	185,333,29 500,722,89	(233,01) (660,60)	0.00 0.00
FNMA	2004 A/B Single Family	5.00	11/14/06	09/01/36 08/01/36	529,953.91 62,556.29	507,028.50			(5,755.01) (225.69)		62,330.60	58,397,76	(69.53)	0.00
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	11/28/06	10/01/36	202,564.74	58,692.98 193,805.45			(854.49)		201,710.25	192,680.23	(270.73)	0.00
FNMA	2004 A/B Single Family 2004 A/B Single Family	5.00	12/27/06	11/01/36	367,552,32	351,662.88			(1,319.71)		366,232.61	349,841.59	(501.58)	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	485,682,29	464,696.31			(1,632.50)		484,049.79	462,396.00	(667.81)	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	153,830.20	144,213.97			(845.10)		152,985.10	143,248.50	(120,37)	0.00
FNMA	2004 A/B Single Family	5.00	04/10/07	03/01/37	59,485.97	56.881.14			(196.10)		59,289.87	56,615,70	(69.34)	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	73,118.45	69,914.00			(242.17)		72,876.28	69,586.65	(85.18)	0.00
FNMA	2004 A/B Single Family	4.49	05/22/07	04/01/37	237,416.83	220,241.21			(855.60)		236,561.23	219,650.21	264.60	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	07/01/36			85,008.92				85,008.92	79,614.17	(5,394.75)	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37			196,480.77				196,480.77	187,620,51	(8,860.26)	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37			755,397.15				755,397.15	701,425,09	(53,972.06)	0.00
Repo Agmt	2004 A/B Single Family	5.15	08/31/07	09/04/07	1,784,391.25	1,784,391.25		(1,764,988.00)			19,403.25	19,403.25		0.00
	2004 A/B Single Family Total				169,430,624.61	161,299,216.09	11,467,790.71	(6,140,370.77)	(3,427,284.27)	0.00	171,330,760.28	163,594,647.21	395,295.45	0.00
Repo Agmt	2004 CDEF Single Family	5.15	08/31/07	09/04/07	461,41	461.41	6.33				467.74	467,74	-	0.00
Repo Agmt	2004 CDEF Single Family	5.15		09/04/07	704,379.97	704,379.97	9,370.70				713,750.67	713,750,67	-	0.00
Repo Agmt	2004 CDEF Single Family	5.15	08/31/07	09/04/07	29,351.30	29,351.30	5,258,128.97				5,287,480.27	5,287,480.27	•	0.00
Repo Agmt	2004 CDEF Single Family	5.15		09/04/07	0.34	0.34	0.00				0.34	0.34	•	0.00
GiC's	2004 CDEF Single Family	3.80	12/16/04	03/01/36	3,290,578.90	3,290,578.90		(3,290,578.89)	(400.07)		0.01	0.01	404.00	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	26,652.23	24,913.24			(132.97)		26,519.26	24,881.95	101,68	0.00 0.00
GNMA	2004 CDEF Single Family	4.49 4.49	08/30/05 10/27/05	08/20/35	17,399.12	16,264.21			(70.33)		17,328.79 40,315.86	16,259.24 37,829.89	65.36 151.90	0.00
GNMA GNMA	2004 CDEF Single Family	4.49		10/20/35 10/20/35	40,477,34 24,956.05	37,839.47 23,329.67			(161.48) (99.08)		24,856.97	23,324.22	93.63	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49		09/20/35	146,092.73	136.567.78			(590.83)		145,501.90	136,525,89	548.94	0.00
GNMA	2004 CDEF Single Family	4.49		09/20/35	47.693.66	44,584,44			(2,425.49)		45,268.17	42,475.88	316.93	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	32,622,98	30,496.75			(140,98)		32.482.00	30,478.88	123.11	0.00
GNMA	2004 CDEF Single Family	4.49		12/20/35	24,817.29	23,201,01			(96.95)		24,720.34	23,197.08	93.02	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	37,022.39	34,704.31			(150,14)		36,872.25	34,692.88	138.71	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,554.11	8,018,16			(36.24)		8,517.87	8,014.07	32.15	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	46,168.16	43,275.82			(205.37)		45,962.79	43,244.55	174.10	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	30,422.78	28,440.77			(132.01)		30,290.77	28,423.62	114.86	0.00
GNMA	2004 CDEF Single Family	4.49		11/20/35	21,260.37	19,875.39			(106.99)		21,153,38	19,849.57	81.17	0.00
GNMA	2004 CDEF Single Family	4.49		11/20/35	23,943.12	22,443.57			(105.24)		23,837.88	22,428.55	90.22	0.00
GNMA	2004 CDEF Single Family	4.49		12/20/35	35,794.18	33,553,23			(147.69)		35,646.49	33,539.81	134.27	0.00
GNMA	2004 CDEF Single Family	4.49		12/20/35	59,591.13	55,711.31			(233.70)		59,357.43	55,701.01	223.40	0.00
GNMA	2004 CDEF Single Family	4.49		01/20/36	35,657.96	33,326,18			(160.25)	•	35,497.71	33,294.84	128.91	0.00
GNMA	2004 CDEF Single Family	4.49		01/20/36	40,875.30	38,306.35			(159.52)		40,715.78 32,751.72	38,290.64 30,721.25	143.81 118.40	0.00 0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49		02/20/36 02/20/36	32,891.80 40,316.12	30,742.93			(140.08) (168.39)		32,751.72 40,147.73	37,658.46	144.92	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49 4.49		02/20/36	21,412.75	37,681.93 20,012,79			(87.62)		21,325.13	20,002.05	76.88	0.00
GNMA	2004 CDEF Single Family	4.49		01/20/36	29,261.40	20,012,79			(113,57)		29,147.83	27,339.59	104.68	0.00
GNMA	2004 CDEF Single Family	4.49		02/20/36	61,190.37	57,190.67			(261.38)		60,928.99	57,149.61	220.32	0.00
GNMA	2004 CDEF Single Family	4.49		02/20/36	28,394.70	26,538.89			(118.55)		28,276.15	26,522,42	102.08	0.00
GNMA	2004 CDEF Single Family	4.49		02/20/36	36,617.46	34,224,47			(166.08)		36,451.38	34,190.83	132.44	0.00
GNMA	2004 CDEF Single Family	4,49		02/20/36	40,056.57	37,439.09			(166.36)		39,890.21	37,416.66	143.93	0.00
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		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment	Innua	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Tana mising	*	Carrying Value	Market Value	In Market	Recognized
<b>Type</b> GNMA	Issue 2004 CDEF Single Family	Rate 4.49	Date 05/11/06	Date 04/20/36	05/31/07 19,335.03	<b>05/3</b> 1/07 18.073.04	Purchases	Sales	Maturities (84,69)	Transfers	08/31/07 19,250,34	<b>08/31/07</b> 18.058.10	<b>Value</b> 69.75	<b>Gain</b> 0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,770.97	8,220.76			(41,31)		8,729.66	8,210.73	31.28	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	26,482.03	24,753,77			(120.02)		26,362,01	24,729,54	95.79	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,483.39	8,888.57			(36.32)		9,447,07	8,885.58	33.33	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	18,934.80	17,745,97			(79.90)		18.854.90	17.733.04	66.97	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	48,792.51	45,605,49			(205.78)		48,586.73	45,575,27	175.56	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	26.721.49	24,976,30			(105.51)		26,615,98	24,966,49	95.70	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	40,045.96	37,430.82			(186.69)		39,859.27	37,389.29	145,16	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	23,934,14	22,371,33			(96.39)		23,837.75	22,360.75	85.81	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	45,559,15	42,584,64			(186.81)		45,372,34	42,561.37	163.54	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	19,120,44	17,872.20			(92.64)		19,027.80	17,849.10	69.54	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	35,817.12	33,570.07			(148.61)		35,668.51	33,547.96	126.50	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	24,978.65	23,348.67			(99.70)		24,878.95	23,338.49	89.52	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	29,085.68	27,261.78			(108.92)		28,976.76	27,254.89	102.03	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	36,497.07	34,116.02			(160.01)		36,337.06	34,087.68	131.67	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	25,210.00	23,629.46			(102.62)		25,107.38	23,615.75	88.91	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	43,240.13	40,529.68			(193,25)		43,046.88	40,489.97	153.54	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	18,304.62	17,157.39			(78.76)		18,225,86	17,143.46	64.83	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	32,033.05	30,025.59			(144,96)		31,888.09	29,994.50	113.87	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	41,493.80	38,788.36			(185.41)		41,308.39	38,752.88	149.93	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	26,497.86	24,837.68			(101.22)		26,396.64	24,829,53	93.07	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	19,202.56	17,999.60			(2,772.41)		16,430.15	15,454.85	227.66	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	41,621.71	39,014.53			(204.44)		41,417.27	38,958.96	148.87	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	23,846.24	22,292.10			(102.76)		23,743.48	22,275.27	85.93	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06 09/06/06	07/20/36	17,106.62	16,035.28			(111.70)		16,994.92	15,986.40	62.82	0.00
GNMA	2004 CDEF Single Family	4.49 4.49	09/12/06	08/20/36 08/20/36	21,577.24 11,396.06	20,226.20			(83,46) (43,19)		21,493.78 11,352.87	20,218.61 10,679.39	75.87 40.00	0.00 0.00
GNMA GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	09/26/06	09/20/36	13,329.13	10,682.58 12,494,83			(49.81)		13,279.32	12.491.77	46.75	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4,49	10/17/06	10/20/36	26,348.21	24,699.56			(141.56)		26,206.65	24,652.96	94.96	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4,49	11/14/06	10/20/36	22,572.05	21,160.30			(88.71)		22,483.34	21,151.02	79.43	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,839.02	4,536.42			(17.82)		4,821.20	4.535.56	16.96	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,542.22	5,195.73			(21.58)		5,520,64	5,193,64	19,49	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	5,478.19	5,135.90			(19.93)		5,458.26	5,135,16	19.19	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,871.34	2,692,11			(10.84)		2.860.50	2.691.46	10.19	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,946.94	6,512,72			(25.20)		6,921.74	6,512.14	24.62	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	5,069.88	4,753,02			(20.56)		5,049.32	4,750.56	18.10	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	4,947.34	4,638,28			(17.91)		4,929.43	4,637.88	17.51	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	11,656.58	10,928.81			(47.80)		11,608.78	10,922.61	41.60	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,985.69	5,611.89			(21.69)		5,964.00	5,611.40	21.20	0.00
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	8,567.60	8,011.01			(30.54)		8,537.06	8,011,21	30,74	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37			7,175.83				7,175.83	6,751.99	(423.84)	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37			5,807.61				5,807.61	5,464.75	(342.86)	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	5,628.17	5,224.60			(44,71)		5,583.46	5,187.19	7.30	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	2,640,72	2,451.40			(14.91)		2,625.81	2,439.49	3.00	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	6,578.70	6,107.11			(28.17)		6,550.53	6,085.77	6.83	0.00
FNMA	2004 CDEF Single Family	4,49	01/05/06	12/01/35	7,675.90	7,125.73			(32.05)		7,643.85	7,101.60	7.92	0.00
FNMA	2004 CDEF Single Family	4,49	02/09/06	02/01/36	4,624.41	4,290.25			(21.87)		4,602.54	4,274.22	5.84	0.00
FNMA	2004 CDEF Single Family	4,49		01/01/36	5,408.27	5,017.47			(21.15)		5,387.12	5,002.83	6.51	0.00
FNMA	2004 CDEF Single Family	4.49 4.49	03/16/06 04/06/06	03/01/36	8,538.16	7,921.30			(61.97)		8,476.19	7,871.64	12.31	0.00 0.00
FNMA FNMA	2004 CDEF Single Family	4,49 4,49	04/06/06	03/01/36 04/01/36	5,857.70	5,434.53			(22.72)		5,834.98	5,418.87	7.06	
	2004 CDEF Single Family	4.49		04/01/36	8,264.35 6,487.88	7,667.38			(33.04) (28.48)		8,231.31	7,644.35 5,998.83	10.01	0.00 0.00
FNMA FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	6,082.20	6,019.28					6,459.40		8.03 7.34	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	06/27/06	06/01/36	6,272.55	5,642.98 5,819.64			(23.95) (25.14)		6,058.25 6,247.41	5,626.37 5,802.10	7.60	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,735.67	7,177.17			(31.59)		7,704.08	7,154.98	9.40	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49		07/01/36	11,772,44	10,922.54			(47.34)		11,725.10	10.889.46	14.26	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,615.13	9,848,85			(41.01)		10,574.12	9,820.58	12.74	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	7,969,44	7,394.16			(30.37)		7,939.07	7,373.33	9.54	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	6,169.71	5,724.43			(36.19)		6,133.52	5,696.53	8.29	0.00
FNMA	2004 CDEF Single Family	4.49		09/01/36	5,800.07	5,381.55			(44.84)		5,755.23	5,345.27	8.56	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,728.44	8.098.72			(35.20)		8,693.24	8,074,10	10.58	0.00
FNMA	2004 CDEF Single Family	4.49		10/01/36	6,210.10	5,762.09			(23.75)		6,186.35	5,745.78	7.44	0.00

<b></b>		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Type FNMA	2004 CDEF Single Family	4,49	12/12/06	11/01/36	8,229.57	7,688.09	r utchases	Cares	(49.41)	Hansters	8,180.16	7,597.67	(41.01)	0.00
FNMA	2004 CDEF Single Family	4,49	01/30/07	11/01/36	1,225.45	1,163.25			(4.56)		1,220.89	1,133.99	(24.70)	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,282.76	1,215.34			(4.70)		1,278.06	1,186.99	(23.65)	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,612.82	3,420.18			(15.86)		3,596,96	3,340.70	(63.62)	0.00
FNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,864.77	4,514.11			(24.35)		4,840.42	4,495.64	5.88	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	8.236.92	7.782.03			(29.83)		8,207.09	7.622.59	(129.61)	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,992,33	4,632.58			(17.98)		4,974.35	4,620,13	5.53	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	4,002.00	7,002.00	5,849.31		(		5,849.31	5,432.81	(416.50)	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	06/01/37			15,255.04				15,255.04	14,169.02	(1,086.02)	0.00
Repo Agmt	2004 CDEF Single Family	5.15	08/31/07	09/04/07			250,679.93				250,679.93	250,679.93	-	0.00
Inv Agmt	2004 CDEF Single Family	3.80	10/28/04	03/01/36	1.562.432.42	1.562,432,42		(250,679.93)			1,311,752.49	1,311,752,49	-	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	160,229.97	163,577.47		, <del>-</del>	(1,927.03)		158,302.94	161,346.45	(303.99)	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	262,966.89	274,507.29			(3,367.54)		259,599.35	269,802.30	(1,337.45)	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	377,344,42	394,510.63			(4,292.40)		373,052.02	388,440.85	(1,777.38)	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	143,177,75	148,837.22			(1,089.02)		142,088.73	147,535.08	(213.12)	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	68,605.95	71,887.93			(502.60)		68,103.35	71,050.70	(334.63)	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	53,448.92	55,982.06			(1,925.24)		51,523.68	53,900.78	(156.04)	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,739,033.10	1,767,687.07			(22,128.99)		1,716,904.11	1,737,315.13	(8,242.95)	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	1,110,224.94	1,159,110.77			(11,339.75)		1,098,885.19	1,145,992.35	(1,778.67)	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	849,846.60	889,069,89			(13,136.25)		836,710.35	874,538.04	(1,395.60)	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	273,121.15	283,351.83			(5,725.68)		267,395.47	277,108.57	(517.58)	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	297,631.42	302,752.34			(2,778.10)		294,853.32	298,569.46	(1,404.78)	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	513,440.56	537,525.48			(4,303.67)		509,136.89	532,534.50	(687.31)	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	127,972.06	133,747.18			(949.60)		127,022.46	132,578.57	(219.01)	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	80,817.10	83,857,13			(1,344,50)		79,472.60	82,371.79	(140.84)	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	76,490.31	79,517.42			(593.72)		75,896.59	78,808.71	(114.99)	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	33,293.82	34,574.41			(217.14)		33,076.68	34,306.06	(51.21)	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	120,353.21	125,199.28			(72,201.84)		48,151.37	50,031.73	(2,965.71)	0.00
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	2,351,591.24	2,197,767.69			(129,056.89)		2,222,534.35	2,084,945.58	16,234.78	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	5,893,591.96	5,508,199.64			(31,634.38)		5,861,957.58	5,499,193.60	22,628.34	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	2,045,982.58	1,912,205.71			(153,854.56)		1,892,128.02	1,775,047.27	16,696.12	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	412,260.74	386,339.61			(2,233.16)		410,027.58	385,684.48	1,578.03	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,581,514.25	2,412,760.60			(10,598.55)		2,570,915.70	2,411,872.09	9,710.04	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	1,083,116.94	1,012,320.72			(4,510.76)		1,078,606.18	1,011,886.89	4,076.93	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	740,165.66	693,646.25			(3,051.60)		737,114.06 1,659,016.67	693,370.95 1,556,416.99	2,776.30 6,306.27	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,666,497.88	1,557,591.93			(7,481.21)		970,197.28	910,204.99	13,521.96	0.00
GNMA	2004 CDEF Single Family	4.49 4.49	05/05/05 05/12/05	05/20/35 05/20/35	1,125,074.31 225,118.68	1,051,560.06			(154,877.03) (913.74)		224.204.94	210,904.68	843.75	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	307,268,74	210,974.67 287,965,34			(1,370.02)		305,898.72	287,754.26	1,158.94	0.00
GNMA GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	2,198,983.61	2,060,960.83			(102,682.54)		2,096,301.07	1,972,076,10	13,797.81	0.00
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	4.49	05/26/05	05/20/35	829,376.23	775,199,07			(3,825.15)		825,551.08	774,519,47	3,145.55	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,076,618.92	1,006,300,34			(4,428.57)		1,072,190.35	1,005,921.82	4,050.05	0.00
GNMA	2004 CDEF Single Family	4,49		09/20/35	423,067.67	396,537,19			(1,691.91)		421,375.76	396,429.03	1,583.75	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	328.443.44	307,848,69			(1,323.61)		327,119.83	307,755,53	1,230.45	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	410,600.69	383.827.61			(1,625.48)		408,975.21	383,742.80	1,540.67	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	531,648,41	496,949,30			(2,164,95)		529,483.46	496,782.96	1,998.61	0.00
GNMA	2004 CDEF Single Family	4.49		07/20/35	983,445,50	921,730,98			(5,444.62)		978,000.88	920,058.42	3,772.06	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	495,095.75	464,030.11			(2,089.26)		493,006.49	463,800.73	1,859.88	0.00
GNMA	2004 CDEF Single Family	4,49	08/04/05	08/20/35	3,735,239.08	3,491,507.55			(18,413.84)		3,716,825.24	3,487,333.19	14,239.48	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	1,126,436.49	1,052,941.79			(5,107.81)		1,121,328.68	1,052,099.64	4,265.66	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	320,347.22	299,446.06			(1,282.72)		319,064.50	299,365.97	1,202.63	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	589,991,29	551,507.72			(2,485.33)		587,505.96	551,244.86	2,222.47	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	936,415.93	875,389.99			(3,695.72)		932,720.21	875,206.32	3,512.05	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	340,771,69	318,563.70			(1,435.18)		339,336.51	318,412.16	1,283.64	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	394,964.45	370,203.80			(2,131.57)		392,832.88	369,583.83	1,511.60	0.00
GNMA	2004 CDEF Single Family	4.49		10/20/35	405,920.97	380,476.91			(1,805.91)		404,115.06	380,201.76	1,530.76	0.00
GNMA	2004 CDEF Single Family	4.49		10/20/35	1,094,135.11	1,025,566.73			(4,620.63)		1,089,514.48	1,025,056.49	4,110.39	0.00
GNMA	2004 CDEF Single Family	4.49		11/20/35	1,123,062.78	1,049,918.76			(4,971.60)		1,118,091.18	1,049,193.53	4,246.37	0.00
GNMA	2004 CDEF Single Family	4.49		12/20/35	634,997.73	593,646.34			(2,616.93)		632,380.80	593,417.81	2,388.40	0.00
GNMA	2004 CDEF Single Family	4.49		11/20/35	1,040,130.68	972,353.54			(4,425.67)		1,035,705.01	971,849.67	3,921.80	0.00
GNMA	2004 CDEF Single Family	4,49		10/20/35	1,183,018.93	1,105,937.58			(4,714.01)		1,178,304.92	1,105,663.31	4,439.74	0.00
GNMA	2004 CDEF Single Family	4,49	11/17/05	11/20/35	746,499.73	697,866.08			(3,134.65)		743,365.08	697,543.52	2,812.09	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	1,092,342,35	1,021,182,60			(148,395.53)		943,946.82	885,765.74	12,978.67	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	667,207.09	623,746,83			(3,125.58)		664,081.51	623,154.60	2,533.35	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	911,191.79	851,860,46			(3,861.05)		907,330.74	851,433.17	3,433.76	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	733,536,41	685,777.82			(5,018.82)		728,517.59	683,640.97	2,881.97	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	579,756,32	541,844.33			(2,316.29)		577,440.03	541,606.17	2,078.13	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	529,511,31	494,888.49			(2,064.87)		527,446.44	494,718.50	1,894,88	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	737,304.34	691,006.38			(2,842.76)		734,461.58	690,754.84	2,591.22	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	441,439.58	413,717.10			(1,714.96)		439,724.62	413,554.31	1,552.17	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	555,631,03	519,304,02			(2,442.51)		553,188,52	518,866,95	2,005.44	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	712,539.22	665,958,30			(3,208.84)		709,330,38	665,326.00	2,576.54	0.00
GNMA	2004 CDEF Single Family	4,49	02/02/06	01/20/36	1,137,006,20	1.062.684.07			(4,763,08)		1,132,243.12	1,062,010.21	4,089.22	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,224,398,49	1.144.374.24			(5,230.14)		1,219,168.35	1,143,552.72	4,408.62	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	425,946,12	398,109.95			(1,655.70)		424,290.42	397,977.77	1,523.52	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	390,470.04	365,945,86			(6,834.20)		383,635.84	360,801.12	1,689.46	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	850,151,40	794,663,55			(3,290,42)		846,860.98	794,413.85	3,040.72	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	153,104.67	143,501,28			(621.92)		152,482.75	143,419.31	539.95	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	251,067.41	235,319.37			(971.37)		250,096.04	235,230.55	882.55	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	491,726.18	460,855.93			(1,904.33)		489,821.85	460,680.71	1,729.11	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	205,344.89	192,456,39			(783.04)		204,561.85	192,394.51	721.16	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	199,968,55	187,420.34			(779.24)		199,189.31	187,344.36	703.26	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	583,418.20	546,812.05			(2.221.65)		581,196.55	546,639.13	2,048.73	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	594,437.39	557,144.36			(2,273.75)		592,163.64	556,958.63	2,088.02	0.00
GNMA	2004 CDEF Single Family	4,49	05/25/06	05/20/36	120,618.73	113,053,91			(516.13)		120,102.60	112,964.84	427.06	0,00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	645,164.99	603,069,63			(2,451.64)		642,713.35	602,922,10	2,304.11	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	196,223.27	183.919.57			(752.43)		195,470.84	183,856.50	689,36	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	231,207.68	216,712,12			(869.36)		230,338.32	216,654.00	811,24	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	111,599,18	104,604.69			(421.12)		111,178.06	104,575.34	391.77	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	368,264,54	345,185.98			(1,455,21)		366,809.33	345,027.43	1,296.66	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	386,764.98	362,529,21			(1,682.88)		385,082.10	362,217.33	1,371.00	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	438,544.92	411,068.65			(2,561.96)		435,982.96	410,099.61	1,592.92	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	823,909.74	772,299.24			(3,203.83)	•	820,705.91	771,992.56	2,897.15	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	204,099.97	191,316,11			(800.35)		203,299.62	191,233.84	718.08	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	698,329,00	654.604.20			(2,821.61)		695,507.39	654,245.10	2,462.51	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	218,420.21	204,745,61			(813.31)		217,606.90	204,698.41	766.11	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	1,006,696.04	941,137,34			(3,925.47)		1,002,770.57	940,813.27	3,601.40	0.00
GNMA	2004 CDEF Single Family	4,49	11/02/06	10/20/36	1,052,956.12	987,086.78			(4,205.01)		1,048,751,11	986,591,81	3,710.04	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	420,472.31	394,174.18			(1,558.17)		418,914.14	394,089.96	1,473.95	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	545,759.67	511,629.67			(2,229.38)		543,530.29	511,325.69	1,925.40	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	521,547.25	488,934.88			(1,984.50)		519,562.75	488,781.70	1,831.32	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	558,780.81	523,847.64			(2,039.42)		556,741.39	523,765.14	1,956.92	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	542,396.75	508,496.09			(1,972.65)		540,424.10	508,423.09	1,899.65	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	402,904.18	377,727,38			(1,491,20)		401,412.98	377,648.42	1,412.24	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	235,895.71	221,159,91			(1,162.32)		234,733.39	220,841.56	843.97	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	183,803,74	170,607,90			(1,795.88)		182,007.86	169,074.61	262.59	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	264,943.48	245,928,04			(1,402.96)		263,540.52	244,819.32	294.24	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	79,971.22	74,384.58			(1,718,33)		78,252.89	72,843.61	177.36	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	356,985.86	331,394.35			(2,356.05)		354,629.81	329,467.66	429.36	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	305,808.22	283,889.23			(2,525.04)		303,283.18	281,767.92	403.73	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	111,820.97	103,806.34			(443.31)		111,377.66	103,476.61	113.58	0.00
FNMA	2004 CDEF Single Family	4.49		01/01/36	160,928.23	149,395.55			(1,276.06)		159,652.17	148,328.21	208.72	0.00
FNMA	2004 CDEF Single Family	4.49		04/01/36	255,200.82	236,766.71			(1,018.36)		254,182.46	236,057.14	308.79	0.00
FNMA	2004 CDEF Single Family	4.49		04/01/36	209,903.89	194,744.88			(810.70)		209,093.19	194,186.23	252.05	0.00
FNMA	2004 CDEF Single Family	4.49		05/01/36	129,721.00	120,355.00			(505.80)		129,215.20	120,005.30	156.10	0.00
FNMA	2004 CDEF Single Family	4.49		07/01/36	254,057.35	235.717.21			(2,904.09)		251,153.26	233,255.20	442.08	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	306,835.04	284,690.07			(2,302.71)		304,532.33	282,835.41	448.05	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	385,975.57	358,128.58			(1,453.74)		384,521.83	357,135.25	460.41	0.00
FNMA	2004 CDEF Single Family	4.49		09/01/36	77,743.53	72,136.52			(291.05)		77,452.48	71,938.15	92.68	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	156,973.09	145,653,51			(576.39)		156,396.70	145,252.44	175.32	0.00
Repo Agmt	2004 CDEF Single Family	5.15	08/31/07	09/04/07	1,512,018.39	1,512,018.39		(14,635,95)			1,497,382.44	1,497,382.44	-	0.00
	2004 CDEF Single Family Total				81,228,232,43	77,048,322.13	5,552,273.72	(3,555,894.77)	(1,113,704.96)	0.00	82,110,906.42	78,190,808.77	259,812.65	0.00
Repo Agmt	2005 BCD Single Family	5.15	08/31/07	09/04/07			6,055.14				6,055.14	6,055.14	•	0.00

		Current	Current	Current	Beginning	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment	Issue	Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/07	Market Value 05/31/07	Purchases	Amortizations/ Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Type	2005 BCD Single Family	5.15	08/31/07	09/04/07	66.139.27	66,139.27	546,241.04	Jales	Maturines	Italisieis	612.380.31	612,380,31	value	0.00
Repo Agmt	2005 BCD Single Family 2005 BCD Single Family	5.15	08/31/07	09/04/07	1,255,569.93	1,255,569.93	1,221,949.69				2,477,519.62	2,477,519.62	_	0.00
Repo Agmt GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	16,267.53	15,857.93	1,221,070.00		(62.14)		16,205.39	15.762.85	(32.94)	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	8.053.35	7,940,70			(25.40)		8,027.95	7,906.76	(8.54)	0.00
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,257.31	5,259,16			(16.06)		5,241,25	5,229,97	(13.13)	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	13.980.20	13.784.74			(44.03)		13,936,17	13,725.89	(14.82)	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	20,989.20	20,422,15			(70.19)		20,919,01	20,309.74	(42.22)	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	56,269.86	55,483.89			(222.91)		56,046.95	55,202.06	(58.92)	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	21,069,83	21,046.37			(63.43)		21,006.40	20,930.42	(52.52)	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	50,227.35	48,964.26			(183.18)		50,044.17	48,679.13	(101.95)	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	27,183.58	26,804.08			(92.51)		27,091,07	26,682.87	(28.70)	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	34,692.69	33,783.46			(130.88)		34,561.81	33,582.85	(69.73)	0.00
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	7,787.27	7,790.22			(245.35)		7,541.92	7,525.90	(18.97)	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	47,593.54	46,929.48			(191.00)		47,402.54	46,688.67	(49.81)	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	90,388.24	87,852.74			(1,258.12)		89,130.12	86,443.05	(151.57)	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,707.79	7,710.79			(27.43)		7,680.36	7,664.11	(19.25)	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	37,149.93	36,176.85			(129.58)		37,020.35	35,972.26	(75.01)	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	43,934.25	43,321.55			(216.84)		43,717.41	43,059.31	(45.40)	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	76,706.91	75,637.93			(276.43)		76,430.48	75,280.69	(80.81)	. 0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	43,981.21	43,934.18			(182.17)		43,799.04	43,642.49	(109.52)	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	71,578.32	69,571.66			(290.98)		71,287.34	69,139.29	(141.39)	0.00 0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	49,113.84	48,430.00			(209.27)		48,904.57 75,492.33	48,169.44 73,356.68	(61.29) (151.91)	0.00
GNMA	2005 BCD Single Family	5.13 5.63	10/17/06 10/24/06	10/20/36 10/20/36	75,797.24	73,813.50			(304.91) (162.67)		42,881.52	42,792.31	(107.50)	0.00
GNMA	2005 BCD Single Family	5.63 5.38	10/24/06	10/20/36	43,044.19 61,465,79	43,062.48 60,610,38			(212.57)		61,253.22	60,332.90	(64.91)	0.00
GNMA	2005 BCD Single Family	5.36 5.13	10/24/06	10/20/36	80,559.31	78,451,50			(3,458,71)		77,100.60	74,919.97	(72.82)	0.00
gnma gnma	2005 BCD Single Family 2005 BCD Single Family	5.38	11/02/06	11/20/36	45.335.34	44,704.86			(147.55)		45,187.79	44,509.35	(47.96)	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	47,135.17	45,902,30			(178.91)		46,956.26	45,628,65	(94.74)	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	37,626.27	37,643.10		•	(116.03)		37,510.24	37,433.08	(93.99)	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	32,125,63	31,679.24			(102.47)		32,023.16	31,542.71	(34.06)	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	43,734.97	42,591.60			(170.08)		43,564,89	42,333.73	(87.79)	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	59,365.05	58,540,65			(227.36)		59,137.69	58,250.92	(62.37)	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	16,873.08	16,855,67			(61.27)		16,811.81	16,752.35	(42.05)	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	30,195.52	29,406,35			(2,234.59)		27,960.93	27,170.95	(0.81)	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	46,551.50	45,905.38			(147.33)		46,404.17	45,708.68	(49.37)	0.00
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,923.97	5,926.72			(17.54)		5,906.43	5,894.39	(14.79)	0.00
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	8,629.25	8,403.77			(28.00)		8,601.25	8,358.29	(17.48)	0.00
GNMA	2005 BCD Single Family	5,38	12/12/06	12/20/36	40,908.38	40,345.20			(158.39)		40,749.99	40,143.82	(42.99)	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	27,775.33	27,788.59			(82.85)		27,692.48	27,636.33	(69.41)	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	50,730.51	49,405.70			(172.69)		50,557.82	49,130.43	(102.58)	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	84,113.25	82,948.28			(275.41)		83,837.84	82,583.86	(89.01)	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	22,006.46	21,984.58			(65,85)		21,940.61	21,863.86	(54.87)	0.00 0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	50,417.95	49,102.10			(169.46)		50,248.49	48,830.67 46,486.30	(101,97) (50.02)	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	47,356.09	46,700.90			(164,58)		47,191.51 23,157.77	23,077,06	(57.94)	0.00
GNMA	2005 BCD Single Family	5.63 5.13	01/09/07	12/20/36	23,234.31	23,211.54			(76,54)		33,801,28	32,829.21	(72.70)	0.00
GNMA	2005 BCD Single Family	5.13 5.38	01/09/07 01/16/07	01/20/37 12/20/36	33,912.43 29,143.03	33,013.06			(111.15) (116.71)		29,026.32	28,592,75	(30.55)	0.00
GNMA	2005 BCD Single Family	5.30 5.63	01/16/07	01/20/37	22,344.91	28,740.01 22,350.97			(66,13)		22,278.78	22,229,26	(55,58)	0.00
GNMA . GNMA	2005 BCD Single Family 2005 BCD Single Family	5.13		01/20/37	51,414.29	50,051.90			(174.11)		51,240.18	49.767.65	(110.14)	0.00
GNMA	2005 BCD Single Family 2006 BCD Single Family	5.38	01/30/07	01/20/37	39,315.34	38,762.69			(148.23)		39,167,11	38,566.40	(48.06)	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	11,974.91	11,978.33			(35.75)		11,939,16	11,912.79	(29.79)	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	48,616.32	47,933.61			(183.81)		48,432.51	47,690.43	(59.37)	0.00
GNMA	2005 BCD Single Family	5.13		01/20/37	49,071.56	47,771.92			(194.30)		48,877.26	47,473.35	(104.27)	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	5,702.52	5,704.24			(16.68)		5,685.84	5,673.36	(14.20)	0.00
FNMA	2005 BCD Single Family	5.38		08/01/36	12,745,41	12,436.04			(60,49)		12,684.92	12,369.11	(6.44)	0.00
FNMA	2005 BCD Single Family	5.13		07/01/36	7,928.63	7,655.02			(66.71)		7,861.92	7,574.96	(13.35)	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	12,342.68	12,043.18			(39.58)		12,303.10	11,996.89	(6.71)	0.00
FNMA	2005 BCD Single Family	5.63		08/01/36	15,932.89	15,780.83			(53.63)		15,879.26	15,675.65	(51.55)	0.00
FNMA	2005 BCD Single Family	5.13		08/01/36	17,741.07	17,128.94			(299.32)		17,441.75	16,805.21	(24.41)	0.00
FNMA	2005 BCD Single Family	5.38		09/01/36	21,070.41	20.559.22			(74.72)		20,995.69	20,473.21	(11.29)	0.00
FNMA	2005 BCD Single Family	5.63		08/01/36	7,934.61	7,858.92		-	(27.80)		7,906,81	7,805.47	(25.65)	0,00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	25,119.94	24,226,87			(103.57)		25,016.37	24,077.44	(45.86)	0.00

investment		Current interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	19,947,80	19,463,91			(76.98)		19,870.82	19,376.41	(10.52)	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	9,692.25	9,599,87			(1,525.71)		8,166,54	8,061.94	(12.22)	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	18,465.66	18,017.77			(67.61)		18,398.05	17,940.33	(9.83)	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	15,100.84	14,564,03			(51.71)		15,049.13	14,484,36	(27.96)	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	20,163,89	19.674.88			(111.06)		20,052,83	19,554,00	(9.82)	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	33,156.50	32.352.54			(111.90)		33,044,60	32,222,73	(17.91)	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	15.950.57	15,798.72			(69.94)		15,880,63	15,677,41	(51.37)	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	33,969.73	32,762.54			(126.41)		33,843,32	32,573.62	(62.51)	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	33,438.74	32,628,13			(150.80)		33,287,94	32,460.23	(17.10)	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	43,246.83	42,198,58			(157.26)		43,089.57	42.018.25	(23.07)	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	42,156,94	41.135.28			(150.33)		42,006.61	40,962.38	(22.57)	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,840.53	12,718.39			(40.83)		12,799.70	12,635.99	(41.57)	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	23,164,21	22,341,16			(1,424.43)		21,739.78	20,924.30	7.57	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	27,704.80	27,033,55			(94.94)		27,609.86	26,923,67	(14.94)	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11.626.09	11,515,57			(56.46)		11,569,63	11,421,73	(37,38)	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	10,963.51	10,574.05			(43.88)		10,919,63	10,510,11	(20.06)	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	13,516.93	13,189.47			(43.41)		13,473.52	13,138.69	(7.37)	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	8,515.98	8,435.04			(27.14)		8,488,84	8,380.34	(27.56)	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	5,171,25	4,987.56			(21.00)		5,150.25	4,957.11	(9.45)	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	9,835,21	9,596,96			(34.88)		9,800.33	9,556.82	(5.26)	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	6,543.36	6,310.95			(28.08)		6,515.28	6,270.96	(11.91)	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,705,46	8,622,75			(36.93)		8,668.53	8,557.77	(28.05)	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	9,136.06	9,097.66			(29.05)		9,107.01	8,880.79	(187.82)	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	10,397,67	10,484,19			(36.55)		10,361.12	10,228,78	(218.86)	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	14,706,53	14,481.79			(1,919.67)		12,786.86	12,307,45	(254.67)	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	31,405,13	31,279.87			(100.50)		31,304.63	30,527.21	(652.16)	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	10,710,18	10,789.58			(40.26)		10,669.92	10,533.72	(215.60)	0.00
FNMA	2005 BCD Single Family	5,13	12/27/06	10/01/36	8,523.74	8,443,87			(29.45)		8,494.29	8,175.86	(238.56)	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	40,249.77	40,021.38			(167.69)		40,082.08	39,086.90	(766.79)	0.00
FNMA	2005 BCD Single Family	5,63	01/09/07	12/01/36	10,696.79	10,595.36			(2,467.47)		8,229.32	8,124,31	(3.58)	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	10,606.52	10,424.53			(35.13)		10,571.39	10,175.17	(214.23)	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	33,433.89	33,252.95			(106.96)		33,326.93	32,499.78	(646.21)	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	23,454.99	23,571.61			(74.14)		23,380.85	23,082.73	(414.74)	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	7,960.97	7,854.46			(37.61)		7,923.36	7,626.46	(190.39)	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	22,745.01	22,578.12			(79.70)		22,665.31	22,102.93	(395.49)	0.00
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	7,166.63	7,198.18			(39.56)		7,127.07	7,036,25	(122.37)	0.00
FNMA	2005 BCD Single Family	5,13	02/13/07	01/01/37	7,757.65	7,616.41			(25.68)		7,731.97	7,442.37	(148.36)	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	9,319.45	9,116.05			(29.66)		9,289.79	9,082.66	(3.73)	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	11,781.92	11,670.43			(39.53)		11,742.39	11,592.79	(38.11)	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	256,464.51	262,344.28			(47,774.95)		208,689.56	212,975.70	(1,593.63)	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	198,730.91	203,026.55			(2,048.07)		196,682.84	200,468.57	(509.91)	0,00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	221,376.03	226,672.99			(1,726.58)		219,649.45	224,377.36	(569.05)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	241,833.97	247,673.51			(3,335.05)		238,498.92	243,684.28	(654.18)	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	172,637.10	175,157.77			(3,677.52)		168,959.58	171,037.12	(443.13)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	207,244.43	210,032.67			(3,973.93)		203,270.50	205,540.58	(518.16)	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	492,701.71	499,237.04			(41,678.28)		451,023.43	455,975.52	(1,583.24)	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	243,378.51	246,709.15			(2,744.04)		240,634.47	243,376.36	(588.75)	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	239,701.46	242,820.00			(2,954.19)		236,747,27	239,287.59	(578.22)	0.00
FNMA	2005 BCD Single Family	6.15	07/01/97	03/01/27	32,444.45	32,882.91			(1,723.86)		30,720.59	31,065.49	(93.56)	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	158,205.74	161,409.39			(1,039.73)		157,166.01	159,941.54	(428.12)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	1,283,875.95	1,309,486.48			(64,845.12)		1,219,030.83	1,236,798.69	(7,842.67)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	391,249.65	399,087.53			(4,878.96)		386,370.69	392,033.74	(2,174.83)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	828,002.44	844,486.99			(14,673.83)		813,328.61	825,152.46	(4,660.70)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	356,884.02	363,969.77			(3,326.60)		353,557.42	358,677.84	(1,965.33)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	998,497.78	1,018,335.70			(14,929.91)		983,567.87	997,825.46	(5,580,33)	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	494,630.85	504,566.69			(105,895.28)		388,735.57	394,454.70	(4,216.71)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	1,266,244.36	1,291,543.48			(50,495.20)		1,215,749.16	1,233,506.36	(7,541.92)	0.00 0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	377,594.01	385,061.12			(59,912.97)		317,681.04	322,257.55 1,370,098.92	(2,890.60)	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,363,097.82	1,389,902.71			(12,310.91)		1,350,786.91	1,370,098.92 952,188.40	(7,492.88)	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	985,261.64	1,000,802.44			(42,946.68)		942,314.96		(5,667.36)	0.00
GNMA	2005 BCD Single Family	6,15	09/01/96	09/20/26	467,162.22	474,204.97			(4,908.43)		462,253.79 345,085.20	466,780.61 348,600.02	(2,515.93) (1,877.70)	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	348,439.47	353,831.99			(3,354.27)		343,UQD,ZU	3 <del>-1</del> 0,000.02	(1,011.10)	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	1,098,102.24	1,114,752.83			(104,496.20)		993,606.04	1,003,421.75	(6,834.88)	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	325,317.97	330,151.26			(2,909.40)		322,408.57	325,496.78	(1,745.08)	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	887,531,34	900,737.36			(7,056.36)		880,474,98	888,927.41	(4,753.59)	0.00 0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	601,934.51	612,413,13			(58,057.54)		543,876.97	550,361.19	(3,994.40)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	496,114.99	504,735.28			(4,730.75)		491,384.24	497,227,18 149,071,36	(2,777.35)	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	216,130,18	219,655.02			(68,657.87)		147,472.31 545.680.83	551,205.19	(1,925.79) (3,037.65)	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	549,705,34	558,267.35			(4,024.51)		222,807.71	224,911,01	(1,234.03)	0.00
GNMA	2005 BCD Single Family	6,15	04/01/97	04/20/27	224,283.51 178,576.93	227,620.84			(1,475.80) (1,317.35)		177,259.58	179,007.37	(985.76)	0.00
GNMA	2005 BCD Single Family	6.15 6.15	06/01/97 08/01/97	06/20/27 07/20/27	316,400.92	181,310.48 323,209.17	•		(10,258.40)		306,142,52	311,028.06	(1,922.71)	0.00
GNMA GNMA	2005 BCD Single Family 2005 BCD Single Family	6.15	09/01/97	08/20/27	640,792.27	650,680,58			(4,278.34)	-	636,513,93	642,867,20	(3,535.04)	0.00
GNMA		6.15	02/01/98	02/20/28	188,075.03	190.954.47			(1,089,89)		186,985,14	188,671.76	(1,192.82)	0.00
GNMA	2005 BCD Single Family 2005 BCD Single Family	6.15	03/01/98	01/20/28	200,017.09	203,079.33			(1,963,02)		198,054.07	199,840.50	(1,275.81)	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	263,524.07	267,558,61			(3,760.63)		259,763,44	262,106.48	(1,691.50)	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	262,956,38	266,982,24			(81,173.82)		181,782.56	183,422.24	(2,386.18)	0.00
GNMA	2005 BCD Single Family	6,15	07/01/98	06/20/28	192,100.05	195,041.08			(30,108.92)		161,991.13	163,452.27	(1,479.89)	0.00
GNMA	2005 BCD Single Family	6,15	09/01/98	07/20/28	370,913,51	376,592.19			(3,090.86)		367,822.65	371,140.40	(2,360.93)	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	700,655,50	711,382.51			(5.094.09)		695,561.41	701,835.36	(4,453.06)	0.00
Repo Agmt	2005 BCD Single Family	5.15	08/31/07	09/04/07	2,938.66	2,938.66	0.00				2,938.66	2,938.66		0.00
	2005 BCD Single Family Total			_	23,480,516.41	23,770,698.14	1,774,245.87	0.00	(912,854.76)	0.00	24,341,907.52	24,513,955.59	(118,133.66)	0.00
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GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	2,332,687.26	2,332,687.26		(621,518.80)			1,711,168.46	1,711,168.46	•	0.00
Repo Agmt	2006 ABCDE Single Family	5.15	08/31/07	09/04/07	356,913.28	356,913.28	11,484,714.92				11,841,628.20	11,841,628.20	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	_4,786,614.46	4,786,614.46		(4,163,762.83)			622,851.63	622,851.63	-	0.00
Repo Agmt	2006 ABCDE Single Family				11.11	11.11		(11.11)			4 054 500 00	4 004 000 00	-	0.00
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	1,651,526.91	1,651,526.91	11.11		(0.040.45)		1,651,538.02	1,651,538.02	(638.81)	0.00 0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	302,236.01	307,806.21			(2,819.15)		299,416.86 236,013.47	304,348.25 239,900.60	(503.80)	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	238,248.95	242,639.88			(2,235.48) (2,079.56)		265.492.96	269,865,59	(558.69)	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	267,572.52 132,703.17	272,503,84			(1,166,09)		131,537.08	134,354.61	(287.73)	0.00
FNMA	2006 ABCDE Single Family	6.25 6.25	08/18/97 09/29/97	06/01/27 08/01/27	209,419.68	135,808.43 214,320.06			(3,725.11)		205,694,57	210,100.50	(494.45)	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	11/01/27	256.844.84	262.855.01			(4,156.24)		252,688.60	258,101.20	(597.57)	0.00
FNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25	03/18/97	02/20/27	2,254,774.21	2.296.487.52			(20,856.07)		2,233,918.14	2,264,031.33	(11,600.12)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	899,859.95	916.507.33			(64,498.58)		835,361.37	846,622.01	(5,386.74)	0.00
GNMA	2006 ABCDE Single Family	6,45	04/29/97	04/20/27	362,065.66	371,396.04			(142,833.16)		219,232.50	223,965.68	(4,597.20)	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	735,946.31	749,561,22			(9,029.31)		726,917.00	736,715.77	(3,816.14)	0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	741,135.54	754,846,47			(6,278.52)		734,857.02	744,762.80	(3,805.15)	0.00
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	63,477.86	65,113.69			(428.54)		63,049.32	64,410.56	(274.59)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,573,375.62	1,602,483.03			(142,863.14)		1,430,512.48	1,449,795.70	(9,824.19)	0.00
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	357,666.07	364,282.95			(3,018.53)		354,647.54	359,428.25	(1,836.17)	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	335,530.64	344,177.30			(2,680.22)		332,850.42	340,036.70	(1,460.38)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	582,001.55	592,768.58			(4,248.46)		577,753.09	585,541.18	(2,978.94)	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	667,830.42	680,185.23			(79,907.97)		587,922.45	595,847.61	(4,429.65)	0.00 0.00
GNMA	2006 ABCDE Single Family	6.25		07/20/27	1,356,163.57	1,381,252.58			(9,390.45)		1,346,773.12	1,364,927.58 1,251,639.11	(6,934.55) (8,377.24)	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	1,352,699.97	1,377,724.83			(117,708.48)		1,234,991.49 292.867.91	299,190,91	(1,271.51)	0.00
GNMA	2006 ABCDE Single Family	6.45		08/20/27	294,704.43	302.298.94			(1,836.52)		260,508.26	264,019.89	(1,337.46)	0.00
GNMA	2006 ABCDE Single Family	6.25		09/20/27	262,114.59	266,963.68			(1,606.33) (4,361.58)		484,117.37	490,643,28	(2,510.94)	0.00
GNMA	2006 ABCDE Single Family	6.25 6.25		09/20/27 09/20/27	488,478.95 477,540.19	497,515.80			(7,246.44)		470,293.75	476,633.33	(2,494.95)	0.00
GNMA	2006 ABCDE Single Family	6.25 6.45		08/20/27	65,415.00	486,374.72			(433.48)		64.981.52	66,384.46	(282.78)	0.00
GNMA	2006 ABCDE Single Family	6.25		10/20/27	497,344,50	67,100.72 506,545.36			(74,897.07)		422,447.43	428,142.01	(3,506.28)	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25		10/20/27	413,016.85	420,657.65			(2,547.77)		410,469,08	416,002.20	(2,107.68)	0.00
GNMA		6.45		10/20/27	360,321,73	369.607.18			(2,101.38)		358,220.35	365,954.28	(1,551,52)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25		11/20/27	521,657.03	531,307,63			(38,121.61)		483,535.42	490,053.42	(3,132.60)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25		11/20/27	723,735,03	737,124,13			(16,956.99)		706,778.04	716,305.39	(3,861.75)	0.00
GNMA	2006 ABCDE Single Family	6.25		01/20/28	990,686.58	1,009,410,54			(7,608.86)		983,077.72	995,818.37	(5,983.31)	0.00
GNMA	2006 ABCDE Single Family	6.45		12/20/27	305,298.38	313,165,93			(1,820.63)		303,477.75	310,029.85	(1,315.45)	0.00
GNMA	2006 ABCDE Single Family	6.45		02/20/28	431,984.49	443,255.22			(3,561.90)		428,422.59	437,368.31	(2,325.01)	0.00
GNMA	2006 ABCDE Single Family	6.25		04/20/28	732,245.11	746,084.56			(8,670.17)		723,574.94	732,952.49	(4,461.90)	0.00
GNMA	2006 ABCDE Single Family	6.25		05/20/28	150,203.97	153,042.62			(874.36)		149,329.61	151,264.71	(903.55)	0.00
GNMA	2006 ABCDE Single Family	6.45		06/20/28	202,815.74	208,107.18			(32,960.28)		169,855.46	173,402.03	(1,744.87)	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	284,810.58	290,193.49			(3,535.44)		281,275,14	284,920.47	(1,737.58)	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment	_	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2006 ABCDE Single Family	6.25 6.25	09/24/98 10/01/98	08/20/28 08/20/28	129,273.64 158.390.89	131,716.87			(714.48)		128,559.16 157,221,29	130,225.24 159,258,85	(777.15)	0.00 0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25	10/29/98	09/20/28	115,612.84	161,384,46 117,797,92			(1,169.60) (1,024.08)		114,588.76	116,073.83	(956.01) (700.01)	0.00
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	275,733,41	282,927.30			(50,199,19)		225,534,22	230,243.37	(2,484,74)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.25	12/29/98	10/20/28	1,047,824,41	1.067.628.31			(8,318.11)		1,039,506,30	1,052,978,31	(6,331,89)	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	38,665,14	39,673.91			(197.16)		38,467,98	39,271,18	(205.57)	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	515,161,36	505,471,14			(3,156.56)		512,004,80	502,215,24	(99.34)	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	552,311.01	541,922.02			(3,972,14)		548,338.87	537,854.61	(95.27)	0.00
GNMA	2006 ABCDE Single Family	5,45	07/29/99	06/20/29	570,451,81	559,721.63			(4,922.31)		565,529.50	554,716,60	(82.72)	0.00
GNMA	2006 ABCDE Single Family	5,45	10/14/99	08/20/29	214,762,98	210.723.32			(1,657.54)		213,105,44	209,030,90	(34.88)	0.00
GNMA	2006 ABCDE Single Family	5,45	08/26/99	07/20/29	381,015,13	373,848.25			(8,590.71)		372,424.42	365,303,67	46.13	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	- 190,157,64	193,740.22			(1,221.83)		188,935.81	191,254.06	(1,264.33)	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	46,184.82	47,054.93			(225.48)		45,959.34	46,523.25	(306.20)	0.00
GNMA	2006 ABCDE Single Family	5,45	12/01/99	10/20/29	186,630,48	183,119.94			(1,641.63)		184,988.85	181,451.84	(26.47)	0.00
GNMA	2006 ABCDE Single Family	5,45	01/27/00	12/20/29	1,142,762.91	1,121,267.53			(7,806.14)		1,134,956.77	1,113,256.40	(204.99)	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	260,770.92	265,683.87			(47,042.77)		213,728.15	216,350.62	(2,290.48)	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	173,850.99	171,074.56			(1,018.98)		172,832.01	170,135.80	80.22	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	197,922.26	202,759.47			(1,523.39)		196,398.87	200,403.44	(832.64)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	785,061.58	764,443.97			(3,007.09)		782,054.49	759,860.32	(1,576.56)	0.00
GNMA	2006 ABCDE Single Family	5.38 5.63	08/16/06 08/16/06	08/20/36 08/20/36	368,272.21 240,411.58	363,120.57			(1,161.92)		367,110.29 239,677.37	361,568.16 239,161.36	(390.49) (600.62)	0.00 0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38	08/23/06	08/20/36	639,300.58	240,496.19 630,362.09			(734.21) (2,013.20)		637,287.38	627,670.95	(677.94)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	1,012,927,61	984,465.06			(3,396.65)		1,009,530.96	979,046.32	(2,022,09)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,573,162,74	2.537.221.57			(10,193.16)		2,562,969.58	2,524,333,65	(2,694.76)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	963,501,14	962,429.24			(2,900.64)		960,600.50	957,126.73	(2,401.87)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	2,423,948.24	2,360,358,81	-		(8,862.23)		2,415,086.01	2,346,613.98	(4,882.60)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	1,243,077.74	1,225,723,47			(4,230.36)		1,238,847.38	1,220,180.79	(1,312.32)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,674,306.95	1,630,426,34			(6,315.93)		1,667,991.02	1,620,744.72	(3,365.69)	0.00
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	356,103.41	356,238.83			(11,219,16)		344,884.25	344,151.85	(867.82)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	2,176,404.14	2,146,037,34			(8,734.16)		2,167,669.98	2,135,025.45	(2,277.73)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	4,362,234.22	4,239,868.62			(60,717.65)		4,301,516.57	4,171,835.33	(7,315.64)	0,00
GNMA	2006 ABCDE Single Family	5,63	09/20/06	09/20/36	352,470.14	352,607.03			(1,254.66)		351,215.48	350,472.46	(879.91)	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,792,896.06	1,745,933.95			(6,253.08)		1,786,642.98	1,736,060.45	(3,620.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	2,009,068.42	1,981,050,41			(9,915.52)		1,999,152.90	1,969,058.13	(2,076.76)	0.00
GNMA	2006 ABCDE Single Family	5.38 5.63	10/05/06	10/20/36	3,507,728.38	3,458,845.41			(12,640.23)		3,495,088.15	3,442,508.74	(3,696.44)	0.00 0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.03	10/17/06 10/05/06	10/20/36 10/20/36	2,011,215.56 3,454,447,38	2,009,065.49 3,357,603,93			(8,330.67) (14,043.56)		2,002,884.89 3,440,403.82	1,995,726,76 3,336,737.22	(5,008.06) (6,823.15)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13	10/03/06	10/20/36	2,245,926.26	3,357,603.93 2,214,654,38			(9,570.19)		2,236,356.07	2,202,739.50	(2,344.69)	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	3,658,057.53	3,562,319.68			(14,714.81)		3,643,342.72	3,540,272.97	(7,331.90)	0.00
GNMA	2006 ABCDE Single Family	5,63	10/24/06	10/20/36	1,968,366,87	1,969,203.00			(7,438.86)		1,960,928.01	1,956,848.80	(4,915.34)	0.00
GNMA	2006 ABCDE Single Family	5,38	10/24/06	10/20/36	2,810,767.28	2,771,650.25			(9,720.51)		2,801,046.77	2,758,961.38	(2,968.36)	0.00
GNMA	2006 ABCDE Single Family	5,13	10/24/06	10/20/36	3,887,880,66	3.786.154.72			(166,921.60)		3,720,959,06	3,615,719,12	(3,514,00)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	2,073,138.45	2.044.307.59			(6,746.85)		2,066,391.60	2,035,366.96	(2,193.78)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	2,274,794.53	2,215,294.97			(8,634.42)		2,266,160.11	2,202,088.56	(4,571.99)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,720,611.03	1,721,380.23			(5,306.10)		1,715,304.93	1,711,776.50	(4,297.63)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,469,071.98	1,448,659.36			(4,686.10)		1,464,385.88	1,442,415.74	(1,557.52)	0.00
GNMA	2006 ABCDE Single Family	5,13	11/14/06	11/20/36	2,110,697.52	2,055,517.10			(8,208.32)		2,102,489.20	2,043,071.99	(4,236.79)	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,714,702.89	2,677,004.01			(10,396.86)		2,704,306.03	2,663,754.99	(2,852.16)	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	771,588.89	770,792.86			(2,801.92)		768,786.97	766,068.04	(1,922.90)	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,457,269.04	1,419,182.83			(107,843.38)		1,349,425.66	1,311,299.62	(39.83)	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38 5.63	11/28/06 11/28/06	11/20/36 11/20/36	2,128,752,80 270,898.02	2,099,205.83			(6,737,17) (801.58)		2,122,015,63 270,096.44	2,090,210.82 269,544.63	(2,257.84) (677.01)	0,00 0,00
GNMA		5.13	11/28/06	11/20/36	416,456.65	271,023.22			(1,351.25)		415.105.40	403.380.07	(843.97)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5,13	12/12/06	12/20/36	1,870,884,21	405,575.29 1,844,944.42			(7,244.20)		1,863,640.01	1,835,735.57	(1,964.65)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	1,270,137.59	1,270,743.95			(3,788.70)		1,266,348.89	1,263,781.03	(3,174,22)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	2,448,309.50	2.384.372.75			(8,334.19)		2,439,975.31	2,371,087.74	(4,950.82)	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	3,846,412.77	3,793,139.88			(12,594.55)		3,833,818.22	3,776,475.28	(4,070.05)	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	1,006,333.22	1,005,332,65			(3,011.23)		1,003,321.99	999,812.03	(2,509.39)	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	2,433,224.97	2,369,720.52			(8,178.35)		2,425,046.62	2,356,621.08	(4,921.09)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	2,165,544.97	2,135,584.53			(7,526.23)		2,158,018.74	2,125,771.05	(2,287.25)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	1,062,481.75	1,061,440.37			(3,500.16)		1,058,981.59	1,055,290.78	(2,649.43)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,647,271.63	1,593,246.30			(5,488.42)		1,641,783.21	1,584,373.16	(3,384.72)	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	1,332,681.02	1,314,251.26			(5,336.98)		1,327,344.04	1,307,517.21	(1,397.07)	0.00 0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37	1,021,810,17	1,022,087.16			(3,023.70)		1,018,786.47 2,472,907.39	1,016,521.68 2,401,840.84	(2,541.78)	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,481,310.01	2,416,559.34			(8,402.62) (6,778.58)		1,791,071.97	1,763,602.40	(5,315.88) (2,197.42)	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	1,797,850.55	1,772.578.40			(1,634.07)		545,966,17	544,760,19	(1,362.73)	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07 02/13/07	01/20/37 01/20/37	547,600.24 2.223,175.03	547,756.99			(8,405.75)		2,214,769,28	2,180,834,58	(2,714,84)	0.00
GNMA	2006 ABCDE Single Family	5.38 5.13	02/13/07	01/20/37	2,368,247.11	2,191,955.17			(9,376.98)		2,358,870.13	2,291,115.55	(5,032.55)	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	260,770.86	2,305,525.08			(763.03)		260,007.83	259,437,43	(649.00)	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	779,460.38	260,849.46 768,520.71			(2,388.53)		777,071.85	765,171.74	(960.44)	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13	02/20/07	02/20/37	1,178,488.58	1.147.286.08			(4,989.52)		1,173,499.06	1,139,801.48	(2,495.08)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	02/20/07	02/20/37	561,372,30	561.545.48			(1,655.37)		559,716.93	558,493.56	(1,396.55)	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	1.064,498,15	1,049,573.91			(3,622.65)		1,060,875,50	1,044,644.01	(1,307.25)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	229,759.55	229,833,92			(665.58)		229,093,97	228,596,48	(571.86)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	276,400,01	276,493.40			(823,74)		275,576,27	274,981,73	(687,93)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	1,307,274.64	1.272.699.65			(4,401,57)		1,302,873.07	1,265,497.59	(2,800,49)	0,00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	1,080,333.12	1,065,201,96			(3,804,15)		1,076,528.97	1,060,074.05	(1,323.76)	0,00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	657,525,33	640.125.93			(2,154.20)		655,371.13	636,560,84	(1,410.89)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	1,175,677.97	1,144,626.30			(4,834.06)		1,170,843.91	1,137,298.51	(2,493.73)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	1,018,984.06	1,019,366.48			(2,973.93)		1,016,010.13	1,013,857.11	(2,535.44)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	676,547.38	667,096.62			(2,258.93)		674,288.45	664,006.70	(830.99)	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	924,261.23	899,823.52			(4,704.66)		919,556.57	893,183.60	(1,935.26)	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	212,170.89	212,244.29			(646.15)		211,524.74	211,070.10	(528.04)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	468,842.40	462,293.09			(1,587.77)		467,254.63	460,129.33	(575.99)	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	633,257.47	624,401.96			(1,926.50)		631,330.97	621,694.81	(780.65)	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	1,201,061.94	1,169,322.09			(4,114.46)		1,196,947.48	1,162,636.56	(2,571.07)	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	356,344.33	356,472.66			(1,066.01)		355,278,32	354,520.08	(886.57)	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	644,673.71	627,656.30			(4,321.28)		640,352.43	622,014.74	(1,320.28)	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	286,042.47	286,154.17			(829.92)		285,212.55	284,612.18	(712.07)	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	648,311.75	639,265.11			(3,559.30)		644,752.45	634,930.05	(775.76)	0.00 0.00
GNMA	2006 ABCDE Single Family	5.63	05/22/07	04/20/37	225,477.85	225,569,32			(648.76)		224,829.09 937,645.12	224,359.24 923,374.71	(561.32) (1,153.63)	0.00
GNMA	2006 ABCDE Single Family	5.38 5.13	05/22/07	05/20/37	941,001.25	927,884,47			(3,356.13) (5,894.31)		1,387,207.95	1,347,503.10	(2,951.81)	0.00
GNMA	2006 ABCDE Single Family	5.13 5.38	05/22/07 06/05/07	05/20/37 05/20/37	1,393,102.26	1,356,349.22	1,135,276,16		(3,054.51)		1,135,276.16	1,118,014.88	(17,261.28)	0.00
GNMA	2006 ABCDE Single Family	5,63	06/05/07	05/20/37			358,025.28				358,025.28	357,282.50	(742.78)	0.00
GNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13	06/05/07	05/20/37			2,139,575.27				2,139,575.27	2,078,367.62	(61,207.65)	0.00
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37			530,520.24				530,520.24	522,461.36	(8,058,88)	0.00
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37			979,753,10				979,753.10	951,738,41	(28,014.69)	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37			452,683.49				452,683.49	451,750,72	(932,77)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37			439,092.17				439,092,17	432,663,28	(6,428.89)	0.00
GNMA	2006 ABCDE Single Family	5.63	08/07/07	08/20/37			1,112,380.62				1,112,380.62	1,110,707.59	(1,673.03)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37			2,138,659,90				2,138,659.90	2,078,666.44	(59,993.46)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37			917,368.11				917,368.11	903,446.52	(13,921.59)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37			993,223.29				993,223.29	963,009.50	(30,213.79)	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37			840,265.76				840,265.76	827,526.79	(12,738.97)	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37			806,778.90				806,778.90	782,248.60	(24,530,30)	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37			887,906.52				887,906.52	887,898.44	(8.08)	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37			1,172,713.07				1,172,713.07	1,139,835.86	(32,877.21)	0,00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	582,834.88	568,687.68			(2,765.94)		580,068.94	565,626.93	(294.81)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	382,632.85	369,016.30			(3,222.70)		379,410.15	365,157.05	(636.55)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	564,418.63	550,722.32			(1,809.22)		562,609.41	548,605.37	(307.73)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	728,595.17	721,641.09			(2,452.38)		726,142.79	716,831.51	(2,357.20)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	856,177.32	825,713.96			(14,453.34)		841,723.98	810,108.26	(1,152.36)	0.00
FNMA	2006 ABCDE Single Family	5,38	09/06/06	09/01/36	963,527.75	940,152.23			(3,416.68)		960,111.07	936,219.33	(516.22)	0.00 0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	362,841.27	359,380.30			(1,271.10)		361,570.17	356,936.29	(1,172.91)	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,212,315.96	1,169,215.04			(4,998.43)		1,207,317.53	1,162,003.73 886.063.48	(2,212.88) (481.63)	0.00
FNMA	2006 ABCDE Single Family	5,38	09/12/06 09/20/06	09/01/36 09/01/36	912,192.62	890,065.19			(3,520.08)		908,672.54 373,448,40	368,664,51	(461.63) (558.88)	0.00
FNMA	2006 ABCDE Single Family	5.63			443,217.08	438,992.07			(69,768.68)		841,323.97	820,393,11	(450.01)	0.00
FNMA	2006 ABCDE Single Family	5.38 5.13	09/20/06 09/20/06	09/01/36 09/01/36	844,415.41 728,783.69	823,934.56 702,975,70			(3,091.44) (2,495.41)		726,288.28	699,030.89	(1,349.40)	0.00
FNMA	2006 ABCDE Single Family	5.13 5.38	09/20/06	09/01/36	922,074.06	702,875.70			(5,078.80)		916,995.26	894,184.52	(449.05)	0.00
FNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38 5.38	10/05/06	09/01/36	1,516,213.19	899,712.37 1,479,448.66			(5,116.87)		1,511,096.32	1,473,512.92	(818.87)	0.00
FNMA	2006 ABCDE Single Family	5,63	10/17/06	09/01/36	729,403.78	722,459.40			(3,197.92)		726,205.86	716,911.77	(2,349.71)	0.00
ITTY(VIPA	2000 ADODE Onigie Family	3.00	10.11700	03/01/00	120,400.10	144,400.40			(0,10,.02)		. 4.5,2.55.50	,	( <del>-</del> 1-1-1)	

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	D
Investment	_	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	94-4	Transfers	Carrying Value 08/31/07	Market Value 08/31/07	In Market Value	Recognized Gain
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities (6,100,38)	ITansiers	1,633,315.77	1,572,038,42	(3,017.37)	0.00
FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.13 5.38	10/17/06 10/17/06	10/01/36 10/01/36	1,639,416.15 1,529,119.56	1,581,156.17 1,492,051,07			(6,895.53)		1,522,224.03	1,484,372.82	(782.72)	0.00
FNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38	10/17/06	11/01/36	1,977,633.44	1,929,698,03			(7,191.17)		1,970,442.27	1,921,451.57	(1,055.29)	0.00
FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,927,793.86	1.881.074.06			(6,874,26)		1,920,919.60	1,873,167.72	(1,032.08)	0.00
FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	11/02/06	10/01/36	587,184.90	581,599,22			(1,867.30)		585,317,60	577,831.29	(1,900.63)	0,00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	1.117.929.33	1.078,209.02			(68,744,31)		1,049,185.02	1,009,829.68	364.97	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,266,912.66	1,236,216,66			(4,341.97)		1,262,570,69	1,231,192.03	(682.66)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	531,649,82	526,595,59			(2,581.95)		529,067.87	522,304.13	(1,709.51)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	529,111,56	510,315,17			(2,117.46)		526,994.10	507,229.41	(968.30)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	618,116,23	603.141.12			(1,985.35)		616,130,88	600,819.39	(336.38)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	389,427,18	385,726.18			(1,240.85)		388,186.33	383,224.82	(1,260.51)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	249,570.38	240,705.26			(1,013.64)		248,556.74	239,235.44	(456.18)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	449,753.60	438,859.19			(1,594.64)		448,158.96	437,023.51	(241.04)	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	315,789.96	304,573.54			(1,355.22)		314,434.74	302,643.83	(574.49)	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	398,091.70	394,309.54			(1,688,51)		396,403.19	391,337.83	(1,283.20)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	417,783.83	416,026.97			(1,328,63)		416,455.20	406,109.94	(8,588.40)	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	475,474.95	479,431.67			(1,671,52)		473,803.43	467,751,87	(10,008.28)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	712,210.86	698,906,95			(92,984.42)		619,226.44	593,970.84	(11,951.69)	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,436,125.05	1,430.396,38			(4,595.94)		1,431,529.11	1,395,977.98	(29,822.46)	0.00 0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	489,765.69	493,396.98			(1,840.74)		487,924.95	481,696.39	(9,859.85)	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	411,365.08	407,510.33			(1,421.65)		409,943.43	394,575.81	(11,512.87) (35,064.59)	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,840,580.79	1,830,136.92			(7,668.61)		1,832,912.18 376,318.45	1,787,403.72 371,516.84	(163.56)	0.00
FNMA	2006 ABCDE Single Family	5.63 5.13	01/09/07	12/01/36	489,153.35	484,515.30			(112,834,90) (1,695.44)		510,186.72	491,064,71	(10,338,91)	0.00
FNMA	2006 ABCDE Single Family	5.13 5.38	01/09/07 01/30/07	12/01/36 12/01/36	511,882.16 1,519,020.92	503,099.06			(4,774.29)		1,514,246.63	1,486,181.62	(29,667.40)	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	1,072,572.91	1,520,623.31 1,077,906.10			(3,390,15)		1,069,182.76	1,055,550.13	(18,965.82)	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	384,204.90	379,064,76			(1,815.14)		382,389.76	368,061,33	(9,188.29)	0.00
FNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.38	02/13/07	01/01/37	1,040,106.24	1,032,474.12			(3.644.62)		1,036,461.62	1,010,744.10	(18,085.40)	0.00
FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	02/13/07	01/01/37	327,722.50	329,165,51			(1,808.68)		325,913.82	321,760.52	(5,596.31)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	374,396,12	367,576.45			(1,238.75)		373,157.37	359,177.05	(7,160.65)	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	427,445,92	416,867,62			(1,371.95)		426,073,97	415,340.82	(154.85)	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	538,775.45	533,677.08			(1,807.51)		536,967.94	530,126.65	(1,742.92)	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	462,978.19	446,550,90			(1,965,13)		461,013.06	443,742.58	(843.19)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	598,037.77	592,057.74			(2,059.53)		595,978.24	580,312.26	(9,685.95)	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	314,689.41	315,452.63			(964.71)		313,724.70	309,647.88	(4,840.04)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	87,757.99	89.047.55			(540.94)		87,217.05	83,950.74	(4,555,87)	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	358,294.09	359,984.77			(1,065.69)		357,228.40	353,252.90	(5,666.18)	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	239,848.40	237,738,08			(787.48)		239,060.92	233,132.67	(3,817.93)	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	446,650.80	430,477.59			(1,732.83)		444,917.97	428,029.30	(715.46)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	989,176.37	964,717.93			(3,149.96)		986,026.41	961,208.90	(359.07)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	535,534.27	530,311.98			(1,848.45)		533,685.82	526,759.09	(1,704.44)	0.00 0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	896,321.87	863,872.16			(3,196.31)		893,125.56	859,229.38	(1,446.47)	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,662,369.83	1,649,891.06			(5,284.26)		1,657,085.57 490,711.72	1,621,084.52 472,090.94	(23,522.28) (7,160.99)	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	492,310.70	480,850.91			(1,598.98)		242,619.75	239,472.22	(3,064.24)	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37 04/01/37	243,774.23	243,690.94			(1,154.48) (817.54)		254,299,60	244,651,31	(415.21)	0.00
FNMA	2006 ABCDE Single Family	5.13 5.38	05/08/07 05/22/07	04/01/37	255,117.14 233,458.87	245,884.06			(718.02)		232,740.85	226,887,28	(85.40)	0.00
FNMA FNMA	2006 ABCDE Single Family	5.36 5.13	05/22/07	04/01/37	206,162,57	227,690.70 198,702.62			(806.39)		205,356.18	197,566,20	(330.03)	0.00
	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	200,102.01	190,702.02	339.624.38		(000.00)		339,624.38	331,214.32	(8,410,06)	0.00
FNMA FNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.63	06/05/07	05/01/37			393,775.70				393,775,70	388,674.63	(5,101,07)	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37			433,608.78				433,608,78	417,162,81	(16,445.97)	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37			646,703.99				646,703.99	630,447.23	(16,256.76)	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37			637,130.79				637,130.79	628,885.44	(8,245,35)	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37			590,798.27				590,798.27	568,397.83	(22,400.44)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37			2,127,308.01				2,127,308.01	2,084,328.75	(42,979,26)	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37			477,734.73				477,734.73	473,936.10	(3,798.63)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37			1,783,734.90				1,783,734.90	1,724,779.27	(58,955.63)	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37			819,568.72				819,568.72	792,496.51	(27,072,21)	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37			732,545.78				732,545.78	717,756,60	(14,789.18)	0.00
GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	73,421,635.25	73,421,635.25		(22,915,625.86)			50,506,009.39	50,506,009.39		0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	8,469.26	8,660.98			(31.64)		8,437.62	8,565.88	(63.46)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	13,487.18	13,295.80			(56.87)		13,430.31	13,234.05	(4.88)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,952,07	9,154,73			(41.92)		8,910.15	9.045,61	(67.20)	0.00
GNMA	2006 ABCDE Single Family	5,40	09/26/02	09/20/32	11,684,77	11,518.51			(49.60)		11,635.17	11,464.69	(4.22)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,708.36	5,837.41			(23.52)		5,684,84	5,771,10	(42.79)	0.00
GNMA	2006 ABCDE Single Family	5,40	10/10/02	09/20/32	3,488,30	3,438.69			(14.78)		3,473.52	3,422.65	(1.26)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	10,880.20	11,126.69			(43.71)		10,836,49	11,001,43	(81.55)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,369.42	6,513.54			(26.23)		6,343.19	6,439.55	(47.76)	0.00
GNMA	2006 ABCDE Single Family	5,40	10/29/02	09/20/32	2,797.48	2,757.73			(19.45)		2,778.03	2,737.39	(0.89)	0.00
GNMA	2006 ABCDE Single Family	6,15	11/05/02	10/20/32	3,080.05	3,149.78			(11,47)		3,068.58	3,115.24	(23.07)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,912.81	6,814.65			(33.98)		6,878,83	6,778,23	(2.44)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	4,057.22	4,149,10			(14.99)		4,042.23	4,103.72	(30.39)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,956.82	4,886.53			(20.84)		4,935.98	4,863.89	(1.80)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	17,937.64	18,343.95			(73.72)		17,863,92	18,135.75	(134.48)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	13,431.44	13,241.06			(63.86)		13,367.58	13,172.44	(4.76)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	5,087.73	5,202.95			(20.32)		5,067,41	5,144.50	(38.13)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	7,178.42	7,076.69			(31.88)		7,146.54	7,042.23	(2.58)	0.00
GNMA	2006 ABCDE Single Family				3,140.84	3,212.04			(3,140.84)				(71.20)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	5,397.86	5,321.45			(23.00)		5,374.86	5,296.51	(1.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,882.29	6,015.71			(30.10)		5,852.19	5,941.42	(44.19)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	10,229.06	10,084.39			(42.57)		10,186.49	10,038.10	(3.72)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	8,699.14	8,896.48			(34.01)		8,665.13	8,797.27	(65.20)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	5,053.54	4,982.07			(20.94)		5,032.60	4,959.29	(1.84)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,764.47	5,895.25			(22.23)		5,742.24	5,829.82	(43.20)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	24,335.91	24,871.81			(122.50)		24,213,41	24,563,17	(186.14)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,928.34	4,858.73			(20.43)		4,907,91	4,834.77	(3.53)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,431.01	5,550.60			(20.68)		5,410,33	5,488.47	(41.45)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	5,110.71	5,038.57			(21:03)		5,089.68	5,013.87	(3.67)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	14,410.76	14,728.13			(58.79)		14,351.97	14,559,32	(110.02)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	16,989.56	16,749.71		•	(105.26)		16,884.30	16,632.80	(11.65)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	21,039.75	21,503,44		•	(117.48)		20,922.27	21,224.87	(161.09)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,565,64	8,754.45			(32.24)		8,533.40	8,656.84	(65.37)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,851.62	5,769.19			(23.80)		5,827.82	5,741.19	(4.20)	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	6.15 5.40	02/27/03 02/27/03	02/20/33 01/20/33	21,783.39 5,308,51	22,263.75			(80.60) (21.91)		21,702.79 5,286.60	22,016.96 5,207.93	(166.19) (3.81)	0.00 0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,739,96	5,233.65 16,087.20			(58.85)		15,681.11	15,908,25	(120.10)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,826.72	7,999.53			(29.10)		7,797.62	7,910.70	(59,73)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/24/03	02/20/33	5,435.65	7,999.55 5,359.15			(24.41)		5,411.24	5,330.88	(3.86)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	9,967.86	10,188.00			(3,348.53)		6,619,33	6,715.37	(124,10)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	7,973.52	8,149,59			(28.77)		7,944.75	8,059.99	(60.83)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	15,782.96	16,131.57			(72.41)		15,710.55	15,938.51	(120.65)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,521.67	3,599.44			(12.78)		3,508.89	3,559.80	(26.86)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	8,153.74	8,333,93			(29.43)		8,124.31	8,242.29	(62.21)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	8,429.41	8,615,72			(2,839.13)		5,590.28	5,671.47	(105.12)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,379.96	4,476,79			(16.22)		4,363.74	4,427.14	(33.43)	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,562.25	2,618,88			(9.78)		2,552.47	2,589.55	(19.55)	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,187.07	4,279.68			(15.51)		4,171.56	4,232.21	(31.96)	0.00
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	4,310.96	4,406.39			(15.62)		4,295.34	4,357.89	(32.88)	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,160.99	3,231.01			(11.43)		3,149.56	3,195.47	(24.11)	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	4,079.36	4,169.74			(14.65)		4,064,71	4,123.97	(31.12)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,582.77	2,640.05			(9.38)		2,573.39	2,610.96	(19.71)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,637.25	4,740.09			(28.27)		4,608.98	4,676.27	(35.55)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,353.36	4,449.94			(16.03)		4,337.33	4,400.68	(33.23)	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,413.52	2,467.06			(8.50)	no.	2,405.02	2,440.15	(18.41)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/04/03	08/20/33	2,757.05	2,818.31			(10.76)		2,746.29	2,786.48	(21.07)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	8,270.54	8,454.55			(29.26)		8,241.28	8,362.19	(63.10)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,892.47	2,956.82			(10.17)		2,882.30	2,924.59	(22.06)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	3,265.63	3,338,59			(11.16)		3,254.47	3,302.51	(24.92)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	5,179.00	5,289.65			(17.20)		5,161.80	5,233.53	(38.92)	0.00
GNMA '	2006 ABCDE Single Family	5.40 6.15	07/08/04 04/08/04	06/20/34	17,798.14	17,550.15			(73.00)		17,725.14	17,459.91	(17.24)	0.00
GNMA	2006 ABCDE Single Family			04/20/34	1,989.43	2,031.99			(6.62)		1,982.81	2,010.41	(14.96)	0.00 0.00
GNMA GNMA	2006 ABCDE Single Family	5.40 5.40	06/17/04 09/02/04	06/20/34 09/20/34	30,039.21 36,741,72	29,620.12			(117.96)		29,921.25	29,473.00 36,058,53	(29.16) (35.79)	0.00
GNMA	2006 ABCDE Single Family	5.40 5.40	09/02/04	09/20/34	52,197.42	36,231.67			(137.35)		36,604.37 52,008.61	51,136.31	(50.54)	0.00
CININA	2006 ABCDE Single Family	5.40	09/08/04	09/20/54	94,187.42	51,375.66			(188.81)		34,000,01	91,130.31	(50.54)	0.00

<b>..</b>		Current	Current	Current	Beginning Commiss Value	Beginning	A nevertion of	Amantinotic and			Ending	Ending	Change in In Market	Recognized
investment	lanua	Interest Rate	Purchase	Maturity	Carrying Value 05/31/07	Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Carrying Value 08/31/07	Market Value 08/31/07	value	Gain
Type	Issue		Date 09/16/04	Date 09/20/34	47,251.92		Purchases	Sales	(190.85)	Transiers	47,061.07	46,359,80	(45.82)	0.00
GNMA GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.40 5.40	07/15/04	07/20/34	17,749.82	46.596.47 17,502.61			(92.70)		17,657.12	17,393.02	(16.89)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.40	07/22/04	07/20/34	17,749.62	17,662,22			(71.26)		17,840,26	17,573.57	(17.39)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	15,038.60	14,829,29			(63.78)		14,974.82	14,750.98	(14.53)	0.00
GNMA	2006 ABCDE Single Family 2006 ABCDE Single Family	5.40	08/05/04	08/20/34	19,247,37	18,979,72			(72.16)		19,175,21	18,888.82	(18.74)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	29,748.70	29,335.13			(117.28)		29,631.42	29,188.96	(28.89)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	10.342.72	10,199.01			(40.90)		10,301.82	10,148.08	(10.03)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/26/04	08/20/34	6,608.73	6,516.94			(70,99)		6,537.74	6,440.20	(5.75)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	20,674.91	20,389.56			(79.30)		20,595.61	20,290.13	(20.13)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	39,301.70	38.684.15			(147.65)		39,154.05	38,498.50	(38.00)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	7,740.03	7.243.46			(33.48)		7,706.55	7,237,58	27.60	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	74,206.26	73,179,24			(293.69)		73,912.57	72,813,48	(72.07)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	16,117,49	15,083,55			(64.12)		16,053,37	15,076,56	57.13	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	19,214.41	18,912,69			(75.36)		19,139,05	18,818.82	(18.51)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	28,939,98	27,010,12			(198.82)		28,741,16	26,921.51	110.21	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	126,407.93	117,978.99			(655,51)		125,752.42	117,791.39	467.91	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	22,795.46	22,480,29			(83.75)		22,711.71	22,374.32	(22.22)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	26,969.01	25,170.87			(149.72)		26,819.29	25,121.62	100.47	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,385.00	3,338.16			(12,17)		3,372.83	3,322.69	(3.30)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	31,297.80	29,211.27			(7,700.44)		23,597.36	22,103.80	592.97	0.00
GNMA	2006 ABCDE Single Family	5.40	12/23/04	12/20/34	5,326.73	5,253,31			(19.97)		5,306.76	5,228.15	(5.19)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	2,950.57	2.909.31			(10.92)		2,939.65	2,895.45	(2.94)	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,857.34	2,796,02			(12.76)		2,844.58	2,784.35	1.09	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	3,118.08	3,178.87			(46.08)		3,072.00	3,114.48	(18.31)	0.00
FNMA	2006 ABCDE Single Family				7,047.34	6,908.88			(7,047,34)				138.46	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	5,138.12	5,220.09			(17.34)		5,120.78	5,174.08	(28.67)	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	15,125.46	14.793.82			(57.43)		15,068.03	14,730.84	(5.55)	0.00
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	15,313.92	14.223.31			(65.79)		15,248.13	14,170.98	13.46	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	10,934.29	10,778.23			(47.01)		10,887.28	10,727.28	(3.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	3,113.08	3,183.44			(12.18)		3,100.90	3,147.93	(23.33)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/19/02	09/20/32	4,605.33	4,709.38			(17,54)		4,587.79	4,657.35	(34.49)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	12,035.12	11,863.80			(56.14)		11,978.98	11,803.38	(4.28)	0.00 0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	96,912.92	90,453.73			(512.09)		96,400.83	90,300.98	359.34 776.85	0.00
GNMA	2006 ABCDE Single Family	4.49 4.49	12/16/04 11/23/04	12/20/34 11/20/34	81,684.96 100,338.95	76,241,19			(7,923.18) (522.42)		73,761.78 99,816.53	69,094,86 93,499,11	371,55	0.00
gnma Gnma	2006 ABCDE Single Family 2006 ABCDE Single Family	4.49	12/02/04	12/20/34	153,934.28	93,649.98 143,673.96			(10,781,46)		143,152,82	134,094,04	1,201.54	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	95,712.50	89.334.42			(408.71)		95,303,79	89,274,44	348.73	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	86,760.31	80,979.16			(404,83)		86,355,48	80.892.61	318.28	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	197,967.59	184,707,95			(10,308,38)		187,659.21	175,749.75	1,350.18	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	22,125.34	21,811.03			(78.77)		22.046.57	21.710.24	(22.02)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	100,085.19	93.382.14			(7,789,71)		92,295.48	86,438.53	846.10	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	9,426.76	9,292.89			(33.34)		9.393.42	9,250.15	(9.40)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	131,285.74	122,493,71			(8,855.36)		122,430.38	114,661.69	1,023.34	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	13,026.70	12,841.80			(46.08)		12,980.62	12,782.74	(12.98)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	148,255.39	138,327,90			(924.80)		147,330.59	137,982.86	579.76	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	198,302.03	185,024,62			(8,729.67)		189,572.36	177,545.94	1,250.99	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	64,543.00	60,221,85			(302.49)		64,240.51	60,165.41	246.05	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	149,300.24	139,304,63			(647.48)		148,652.76	139,222.98	565.83	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	5,144.49	5.073.80			(18.48)		5,126.01	5,050,29	(5.03)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	88,837.80	82,890.66			(374.66)		88,463.14	82,852.02	336.02	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	91,284.41	85,173.97			(434.25)		90,850.16	85,088.12	348,40	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	87,622.81	81,758.05			(370.83)		87,251.98	81,718.79	331.57	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	31,711.36	29,589.08			(131.52)		31,579.84	29,577.36	119.80	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	6,239.64	6,151.37			(23.20)		6,216,44	6,121.97	(6.20)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	59,129.05	55,172.11			(6,254.63)		52,874.42	49,521.89	604.41	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	58,590.06	54,669.51			(241.93)		58,348.13	54,648.87	221.29	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	66,952.70	62,473.37			(355.77)		66,596.93	62,375.49	257.89	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	57,707.50	53,991,46			(248.26)		57,459.24	53,961.14	217.94	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	11,435.80	11,252.95			(40.65)		11,395.15	11,201.22	(11.08)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	75,017.63	69,999.63			(307.81)		74,709.82	69,975,02	283.20	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	72,712.48	67.849.07			(297.98)		72,414.50	67,825.57	274.48	0.00
GNMA	2006 ABCDE Single Family	5,40	04/28/05	04/20/35	6,564.56	6,471.93			(23.24)		6,541.32	6,442.15	(6.54)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	118,866,77	110,917,04			(504.69)		118,362.08	110,862.17	449.82	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	11,523.48	11,339.36			(43.46)		11,480.02	11,284.78	(11.12)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,851.12	5,768.94			(21.19)		5,829.93	5,741.93	(5.82)	0.00
GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	7,979.20	7,866.85			(27.83)		7,951.37	7,831.05	(7.97)	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	35,086.38	32,740.43			(145.19)		34,941.19	32,727.77	132.53	0.00
GNMA	2006 ABCDE Single Family	5,40	06/09/05	05/20/35	8,427.63	8,309.04			(35.80)		8,391.83	8,264.93	(8.31)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,184.98	3,140.34			(10.85)		3,174.13	3,126.30	(3.19)	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	15,952.39	14,816.63			(74.87)		15,877.52	14,756.23	14.47	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	15,813.44	14,687.75			(68.10)		15,745.34	14,633.56	13.91	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	21,801,04	20,230.53			(102.16)		21,698.88	20,151.70	23.33	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	17,283.61	16,053.59			(73.17)		17,210.44	15,995.52	15.10	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	11,896.82	11,636,71			(46.32)		11,850.50	11,586.05	(4.34)	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	15,005.58	13.925.02			(62.43)		14,943.15	13,878.08	15.49	,0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35 _	5,596.20	5,470.50			(19.69)		5,576.51	5,447.04	(3.77)	0.00
	2006 ABCDE Single Family Total				269,981,869.64	267,363,234.13	35,371,481.96	(27,700,918.60)	(2,305,680.80)	0.00	275,346,752.20	271,590,735.75	(1,137,380.94)	0.00
											40404000	40404000		0.00
Repo Agmt	2006 FGH Single Family	5.15	08/31/07	09/04/07			124,349.99	(2.000.00)			124,349.99	124,349.99	-	0.00
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	536,992.45	536,992.45	0.854.455.04	(6,826.66)			530,165.79	530,165.79 3,831,131.62	-	0.00
Repo Agmt	2006 FGH Single Family	5.15	08/31/07	09/04/07	79,676.01	79,676.01	3,751,455.61	(400 007 57)			3,831,131.62	3,031,131.02	-	0.00
GIC's	2006 FGH Single Family		11/15/06	02/26/38	483,307,57 600,000,00	483,307.57 600,000.00	, 0.00	(483,307.57)			600,000,00	600,000,00	-	0.00
GIC's	2006 FGH Single Family	4.33		02/20/38			0.00		(18,622.99)		5,421,824.21	5,373,765.41	(4,216.11)	0.00
GNMA	2006 FGH Single Family	5.49 5.15	01/30/07 02/13/07	01/20/37	5,440,447.20 44,337.20	5,396,604.51			(556.11)		43,781.09	42,593.96	(78.81)	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	02/20/37	2,415,636,27	43,228.88 2,396,205.85			(7,961.81)		2,407,674.46	2,386,369.16	(1,874.88)	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	186.933.72	185,429,92			(557.68)		186,376.04	184,726.82	(145.42)	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.70	02/20/07	02/20/37	582,832,08	584,874,87			(1,669.20)		581,162,88	582,038,12	(1,167.55)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	425.136.91	414,512.84			(1,740.15)		423,396,76	411,919.20	(853.49)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,317,423.23	1,306,835,65			(4,365.63)		1,313,057.60	1.301,447.68	(1,022,34)	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	771,685.28	752,413.22			(2,548,83)		769,136,45	748,298,60	(1,565,79)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,460,473.44	1,448,778,73			(6,498.69)		1.453.974.75	1,441,162,59	(1,117.45)	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	274,572.86	267,719,20			(876.20)		273,696.66	266,285.03	(557.97)	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	2,452,905.43	2,417,459.24			(8,451.12)		2,444,454.31	2,407,308.99	(1,699.13)	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	291,216.53	288.884.62			(951.41)		290,265.12	287,707.07	(226.14)	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	519,207.03	521,061,61			(1,803,32)		517,403.71	518,217.52	(1,040.77)	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,588,609.24	1,546,072.82			(6,404.12)		1,582,205.12	1,536,505.87	(3,162.83)	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,814,397.30	1,799,935.91			(6,004.60)		1,808,392.70	1,792,524.53	(1,406.78)	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,313,288.73	1,278,086.77			(4,697.85)		1,308,590.88	1,270,755.95	(2,632.97)	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	535,260.51	530,978.72			(1,599.32)		533,661.19	528,962.41	(416.99)	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1,804,845.56	1,756,494.35			(6,094.84)		1,798,750.72	1,746,770.41	(3,629.10)	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,499,017.52	1,487,047.25			(4,884.43)		1,494,133.09	1,481,000.00	(1,162.82)	0.00
GNMA	2006 FGH Single Family	5,49	04/10/07	02/20/37	191,068.05	189,542.29			(1,109.78)		189,958.27	188,288.39	(144,12)	0.00
GNMA	2006 FGH Single Family	5,15	05/08/07	04/20/37	645,196.76	629,124.99			(2,017.36)		643,179.40	625,795.18	(1,312.45)	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	75,151.54	73,279.53			(236.28)		74,915.26	72,890.41	(152.84)	0.00 0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	750,344.08	744,374.87			(2,535.71)		747,808.37	741,257.05	(582.11)	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	196,115.25	194,555.09			(620.08) (540.08)		195,495.17 182,299.16	193,782.50 181,408.23	(152,51) (350,50)	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	182,839.24	182,298.81			, ,			956,633.93	(1,998,91)	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07 05/22/07	05/20/37	986,576.46	962,015.57			(3,382.73)		983,193.73 561,288.17	556,379.34	(424.51)	0.00
GNMA	2006 FGH Single Family	5.49 5.70	05/22/07	04/20/37 04/20/37	564,758.91	560,274.59			(3,470.74)		323,545.83	324,064.23	(653.63)	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	325,346.97	326,519.00	1,572,774.88		(1,001.14)		1,572,774.88	1,530,311.47	(42,463.41)	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37			443,000.55				443,000.55	443,717.08	716.53	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.70	06/05/07	05/20/37			1,310,336.51				1,310,336.51	1,298,896,47	(11,440.04)	0.00
		5.15	06/19/07	06/20/37			1,327,765.35				1,327,765.35	1,291,935,25	(35,830,10)	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5,70	06/19/07	06/20/37			437,981.11				437,981.11	438.695.73	714.62	0.00
GNMA	2006 FGH Single Family 2006 FGH Single Family	5.15	07/03/07	06/20/37	-		1,436,122.25				1,436,122.25	1,397,389.33	(38,732.92)	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37			426,210.08				426,210.08	426,911.97	701,89	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37			441,218,36				441,218,36	437,379.08	(3,839.28)	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37			456,808.93				456,808.93	452,833.99	(3,974.94)	0.00
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37			1,087,618.59				1,087,618.59	1,058,301.05	(29,317.54)	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37			563,829.31				563,829.31	564,766.42	937,11	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37			604,630.41				604,630.41	605,954.69	1,324.28	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37			924,587.81				924,587.81	917,039.70	(7,548.11)	0.00
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		Current	Current	Current	Beginning	Beginning	4				Ending	Ending	Change in	Danasainad
Investment	I	Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Motorition	Tennefore	Carrying Value 08/31/07	Market Value 08/31/07	In Market Value	Recognized Gain
Type	Issue	Rate 5.15	Date 08/07/07	Date 07/20/37	05/31/07	05/31/07	Purchases 1,338,444,24	Sales	Maturities	Transfers	1,338,444.24	1,303,052.26	(35,391.98)	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37			1,259,722.34				1,259,722,34	1,226,433,08	(33,289,26)	0.00
GNMA GNMA	2006 FGH Single Family 2006 FGH Single Family	5.49	08/23/07	07/20/37			875,695.10				875,695,10	868,561.08	(7,134.02)	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37			794,864.10				794.864.10	796,618,74	1,754,64	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	1,199,732,25	1.176.661.27	104,004.10		(4,584.17)		1,195,148.08	1,172,392,03	314.93	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	201,214.68	199.827.68			(616.67)		200.598.01	198,700.87	(510.14)	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	174,710.68	168,746,40			(765.14)		173,945,54	167,692.64	(288.62)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,400,622.31	1,374,372.14			(4,565.17)		1,396,057.14	1,369,946.93	139.96	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	202,035.71	198,151.74			(813.03)		201,222,68	197,392.52	53.81	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	1,252,011,69	1,227,946,50			(4,918.07)		1,247,093.62	1.223.359.59	331.16	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	214,344,19	206,874,80			(692.99)		213,651.20	205,864.46	(317.35)	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	2,479,582,90	2,431,939,39			(7,738.50)		2,471,844.40	2,424,818.55	617.66	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	237,689,36	233,236,98			(724.76)		236,964.60	232,534.80	22.58	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	346,346.92	334,281,57			(1,170.40)		345,176.52	332,600.20	(510.97)	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,709,385.29	1,676,550,71			(5,822.32)		1,703,562.97	1,671,163.47	435.08	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	84,323.46	82,703,74			(254.61)		84,068.85	82,469.97	20.84	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	113,037.69	109,180.89			(387.46)		112,650.23	108,602.81	(190.62)	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	474,763.60	471,503.31			(2,050.40)		472,713.20	468,254.78	(1,198.13)	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	429,186.02	414,239.04			(1,377.24)		427,808.78	412,225.95	(635.85)	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,740,115.60	2,687,509.34			(9,630.17)		2,730,485.43	2,678,582.13	702.96	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	374,362.12	369,578.04			(1,491.86)		372,870.26	368,155.87	69.69	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	64,585.39	64,142.26			(255.06)		64,330.33	63,723.98	(163,22)	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	570,938.81	551,058.43			(1,859.82)		569,078.99	548,353.74	(844.87)	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	1,274,533.85	1,250,072.18			(125,635.32)		1,148,898.53	1,127,066.13	2,629.27	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	334,524.82	328,104.40			(1,093.23)		333,431.59	327,095.42	84.25	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	436,876.49	421,666.77			(1,560.26)		435,316.23	419,465.00	(641.51)	0.00
FNMA	2006 FGH Single Family	5.49	05/08/07	05/01/37	242,556.81	237,902.94			(720.97)		241,835.84	237,241.68	59.71	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	291,750.09	286,154.38			(1,083.85)		290,666.24	285,146,46	75,93	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	236,752.24	235,130.91	201 000 10		(925.52)		235,826.72	233,606.97	(598.42)	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37			621,293.49				621,293.49	598,990.25	(22,303.24)	0.00 0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37			566,282.43				566,282.43 890,117.93	560,959.55 873,225.92	(5,322.88) (16,892.01)	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37 06/01/37			890,117.93 634.626.80				634.626.80	628,665,29	(5,961.51)	0.00
FNMA	2006 FGH Single Family	5.70 5.49	07/03/07 07/03/07	05/01/37			647,587,42				647,587.42	635,301.81	(12,285.61)	0.00
FNMA FNMA	2006 FGH Single Family 2006 FGH Single Family	5.49	07/03/07	06/01/37			294,518.38				294,518.38	288,930.97	(5,587.41)	0.00
FNMA	2006 FGH Single Family	5.49	07/17/07	06/01/37			514,601.99				514,601.99	495,879.67	(18,722.32)	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37			1,067,623.88				1.067.623.88	1.062.941.54	(4,682,34)	0.00
FNMA	2006 FGH Single Family	5.15	08/07/07	06/01/37			216,100.02				216,100.02	209,289.31	(6,810.71)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37			979,163.43				979.163.43	965,443.58	(13,719.85)	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37			160,380.59				160,380.59	158,133.37	(2,247.22)	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37			482,558.12				482,558.12	475,803,81	(6,754,31)	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37			271,120.34				271,120.34	269,935,36	(1,184.98)	0.00
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	85,758,827.83	85,758,827.83		(22,910,268.03)			62,848,559.80	62,848,559.80	-	0.00
Repo Agmt	2006 FGH Single Family				39,791.31	39,791.31		(39,791.31)						0.00
	2006 FGH Single Family Total				133,240,201.44	132,520,740.68	26,523,390.34	(23,440,193.57)	(282,739.19)	0.00	136,040,659.02	134,921,820.55	(399,377.71)	0.00
									•					
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09			2,104,155.35				2,104,155.35	2,104,155.35	-	0.00
Repo Agmt	2007A Single Family	5,15	08/31/07	09/04/07			1,768,175.47				1,768,175.47	1,768,175.47	-	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37			481,026.01				481,026.01	481,026.01	-	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37			1,814,557.56				1,814,557.56	1,814,557.56	-	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37			4,710,106.65				4,710,106.65	4,710,106.65	-	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37			310,266.21				310,266.21	310,266.21	-	0.00
FNMA	2007A Single Family	5,49	08/23/07	08/01/37			493,133.37				493,133.37	493,133,37	-	0.00
FNMA	2007A Single Family	4.75	08/23/07	08/01/37			1,706,558.22				1,706,558.22	1,706,558.22	-	0.00
Repo Agmt	2007A Single Family	5.15	08/31/07	09/04/07			1,675,000.00				1,675,000.00	1,675,000.00	-	0.00
inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09			85,158,214.68				85,158,214.68	85,158,214.68	-	0.00
Repo Agmt	2007A Single Family	5.15	08/31/07	09/04/07			16,221.83				16,221.83	16,221.83	-	0.00
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09			9,373,215.00			×	9,373,215.00	9,373,215.00	-	0.00
Repo Agmt	2007A Single Family	5.15	08/31/07	09/04/07			78,197.35	0.00	0.00	0.00	78,197.35	78,197.35 109,688,827.70	0.00	0.00
	2007A Single Family Total				0.00	0.00	109,688,827.70	0.00	0.00	0.00	109,688,827.70	105,000,021.10	0.00	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	74,607.58	69,635,02			(394.22)		74.213.36	69,517.43	276.63	0.00
GININA	ZUUZ ATU OF WIND	4.49	12/08/04	12/20/34	, 4,00, ,30	08,000.02			(00422)		. 4,2 10.00	40,011.40	210.00	V

Investment		Current interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	62,884.44	58,693,61			(6,099.59)		56,784.85	53,192.07	598.05	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	5,958.59	5,576.31			(25.78)		5,932.81	5,571.79	21.26	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,408.12	11,611.95			(49.37)		12,358.75	11,606.57	43.99	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	22,279.69	20,793.51			(153.07)		22,126.62	20,725.29	84.85	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	97,314.03	90,825.10			(504.63)		96,809.40	90,680.67	360.20	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	20,761.83	19,377.57			(115,27)		20,646.56	19,339.66	77.36	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	24,094.34	22,488.04			(5,928,11)		18,166.23	17,016.41	456.48	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	77,245.04	72,095.62			(402.18)		76,842.86	71,979.47	286.03	0.00
GNMA	2002 A-D \$F MRB	4.49	12/02/04	12/20/34	118,505.00	110,606,14			(8,300.01)		110,204.99	103,231.12	924.99	0.00
GNMA	2002 A-D \$F MRB	4.49	12/23/04	12/20/34	73,683.43	68.773.32			(314.65)		73,368.78	68,727.15	268.48	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	66,791.62	62,341,09			(311.66)		66,479.96	62,274.47	245.04	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	152,403.64	142,195,80			(7,935.83)		144,467.81	135,299.41	1,039.44	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	77,049.70	71,889.42			(5,996.84)		71,052.86	66,543.95	651.37	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,257.09	7,154.05			(25.67)		7,231.42	7,121.14	(7.24)	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	101,069,18	94,300.71			(6,817.22)		94,251.96	88,271.30	787.81	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	10,028.51	9,886.14			(35.47)		9,993.04	9,840.68	(9.99)	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	114,133,10	106,490.52			(711.95)		113,421.15	106,224.90	446.33	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	152,661.08	142,439.59			(6,720.46)		145,940.62	136,682.20	963.07	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	49,687.83	46,361.26			(232.86)		49,454.97	46,317.81	189.41	0.00
GNMA	2002 A-D SF MRB	4,49	02/10/05	02/20/35	114,937.50	107,242.46			(498.47)		114,439.03	107,179.60	435.61	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	68,391.04	63,812.65			(288.42)		68,102,62	63,782.91	258.68	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	70,274.50	65,570,44			(334.31)		69,940.19	65,504.34	268.21	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	67,455.65	62,940,71			(285.49)		67,170.16	62,910.49	255.27	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	24,412.72	22,778.89			(101.24)		24,311.48	22,769.87	92.22	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	45,519.96	42,473.77			(4,815.07)		40,704.89	38,124.00	465.30	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	45,105.04	42,086.84			(186,24)		44,918. <b>80</b>	42,070.95	170.35	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	51,542.94	48,094.58			(273.88)		51,269.06	48,019.22	198.52	0.00
GNMA	2002 A-D SF MRB	4,49	04/14/05	04/20/35	44,425.60	41,564,86			(191.12)		44,234,48	41,541.51	167.77	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	57,751.71	53,888.61			(236.96)		57,514.75	53,869,67	218.02	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	55,977.08	52,233.01			(229.40)		55,747.68	52,214.92	211.31	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	91,508.54	85,388.50			(388.52)		91,120.02	85,346.26	346.28	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	62,632.08	58,443.66			(256.42)		62,375.66	58,423.65	236.41	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	200,827.91	187,407.30			(6,776,46)		194,051.45	181,765.83	1,134.99	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	35,821.19	33,427,59			(144.76)		35,676.43	33,417.92	135.09	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	53,591.04	50,141,96			(224.19)		53,366.85	50,119.79	202.02	0.00
GNMA	2002 A-D SF MRB	4,49	05/26/05	05/20/35	27,010.96	25,204,93			(111.78)		26,899.18	25,195.18	102.03	0.00
GNMA	2002 A-D \$F MRB	4.49	06/02/05	06/20/35	48,866.47	45,721.78			(230.35)		48,636.12	45,677.26	185.83	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	59,264.64	55,302.82			(273.93)		58,990.71	55,254.57	225.68	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	48,194.39	45,093.45			(201.45)		47,992.94	45,073.66	181.66	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	106,841.58	99,700.45			(2,656.28)		104,185.30	97,587.95	543.78	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	47,588.40	44,407.90			(5,773.00)		41,815.40	39,167.73	532.83	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,641.29	9,021.65			(39.06)		9,602.23	9,018.86	36.27	0.00
GNMA	2002 A-D SF MRB	4.49 4.49	09/15/05 09/22/05	09/20/35	16,638.70	15,527.77			(69.85)		16,568.85	15,520.83	62.91	0.00
GNMA	2002 A-D SF MRB		09/22/05	09/20/35	21,778.22	20,324.26			(90.31)		21,687.91	20,316.23	82.28	0.00
GNMA	2002 A-D SF MRB	4.49 4.49	07/21/05	07/20/35	23,436.58	21,929.33			(94.36)		23,342.22	21,923.09	88.12	0.00
GNMA	2002 A-D SF MRB			07/20/35	18,032.05	16,827.34			(72.93)		17,959.12	16,822.42	68.01	0.00
GNMA GNMA	2002 A-D SF MRB	4.49	08/04/05 08/11/05	08/20/35	4,010.56	3,752.69			(15.97)		3,994.59	3,751.79	15.07	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	08/18/05	07/20/35 08/20/35	29,070.69 80,494,47	27,201.54			(118.57)		28,952.12	27,192.36 75.055.64	109.39 306.31	0.00 0.00
GNMA		4,49	08/30/05	08/20/35	142,866.80	75,118,11			(368.78)		80,125.69			0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	09/29/05	07/20/35	11,822.79	133,325.84			(633.06)		142,233,74 11,775.02	133,235.08 11,059.80	542.30	0.00
		4.49	10/13/05	09/20/35		11,063,11			(47.77)			,	44.46	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	10/13/05	10/20/35	15,045.80	14.041.53			(81.32)		14,964.48	14,018,26	58.05	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/01/05	11/20/35	93,222.35 24,671.94	87,001.32			(416.66)		92,805.69	86,938.73	354.07 93,78	0.00 0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/01/05	10/01/34	24,671.94 11,789.30	23,087,38			(115.53)		24,556.41	23,065,63 10,909.42		0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	12/23/04	12/01/34	12,280.82	10,949.70			(50.63) (57.65)		11,738.67 12,223.17		10.35	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4,49	01/19/05	01/01/35	12,280.82	11,406.45						11,359,95	11.15	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	01/19/05	01/01/35	12,173.84	11,307.23			(52.43)		12,121.41	11,265.51	10.71 17.96	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	13,305,63	15,574.30 12,358,71			(78.64) (56.34)		16,704.69 13,249,29	15,513.62 12,314.00	17.96	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,551.89				(56.34) (48.06)		13,249.29	12,314.00	11.63	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	23,087.04	10,720,06					22,989,79	21,352.30	23.92	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4,49	09/08/05	08/01/35	17,805.29	21,425.63 16,524.28			(97.25) (103.01)		17,702.28	16,441.71	20.44	0.00
1 MANA	2002 A-D QL MIND	4.43	03/00/00	00/0//35	11,000,29	10,524.28			(105.01)		11,102.20	10,441.71	20,44	0,00

Investment		Current Interest	Current Purchase	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
Туре	Issue	Rate	Date				Purchases	Sales	(20.02)	Hansiers	4.902.46	4.553.44	5.04	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,922.48	4,568.42						9,306.87	10.52	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	10,063.75	9,339.93			(43.58)		10,020.17			
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,757.70	7,649.53			(31.83)		7,725.87	7,610.20	(7.50)	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	13,093.27	12,910,43			(51,41)		13,041.86	12,846.30	(12.72)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	16,014.49	15,792.19			(59.87)		15,954.62	15,716.72	(15.60)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	22,751.28	22,392.95			(82.29)		22,668.99	22,288.62	(22.04)	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	20,595.79	20,309.85			(83.18)		20,512.61	20,206.70	(19.97)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,736.62	7,628.81			(40.41)		7,696,21	7,581.04	(7.36)	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,807.17	7,698.37			(31.06)		7,776.11	7,659.73	(7.58)	0.00
GNMA	2002 A-D SF MRB	5,40	07/01/04	07/20/34	6,554.95	6,463,60			(27.80)		6,527.15	6,429.46	(6.34)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,389.32	8,272.63			(31.46)		8,357.86	8,233.01	(8.16)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,966,56	12,786,21			(51.14)		12,915.42	12,722.50	(12.57)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,508.12	4,445.41			(17.83)		4,490.29	4,423.21	(4.37)	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,880.59	2,840.51			(30.95)		2,849.64	2,807.06	(2.50)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	17,130.33	16,861.14			(64.36)		17.065.97	16,780,22	(16,56)	0.00
Repo Agmt	2002 A-D SF MRB	5.15	08/31/07	09/04/07	10,997.89	10,997.89	146.30		, ,		11,144 19	11,144.19	` -	0.00
Repo Agmt	2002 A-D SF MRB	5.15	08/31/07	09/04/07	,	,	643.19				643.19	643.19	_	0.00
Repo Agmt	2002 A-D SF MRB	5.15	08/31/07	09/04/07	110,877,11	110,877.11	6,409,551,60				6,520,428.71	6,520,428.71	_	0.00
Repo Agmt	2002 A-D SF MRB	5.15	08/31/07	09/04/07	265.00	265.00	272,407.29				272,672.29	272,672.29	_	0.00
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34	3,659,559,43	3,659,559,43	2,2,1020	(3,476,725.64)			182,833.79	182,833.79	_	0.00
GIC's	2002 A-D SF MRB	3.01	00/20/02	00/01/04	191,623.20	191,623.20		(191,623.20)				,	_	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	218,067.11	214,959.04		(101,020.20)	(937.33)		217,129.78	213,942.94	(78.77)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	168,711.42	172,531.10			(630.49)		168,080.93	170,636.71	(1,263.90)	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	268,671.12	264,859.15			(1,132.77)		267,538.35	263,628.93	(97.45)	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	62,656.81	64,071.62			(245.25)		62,411.56	63,356.85	(469.52)	0.00
GNMA	2002 A-D SF MRB	6.15	09/19/02	09/20/32	92,689,60	94,783.42			(352.88)		92,336.72	93,736.09	(694,45)	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	242,224.26	238,776.68			(1,129.82)		241,094,44	237,560.64	(86.22)	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	180,184,61	184,255.88			(844,13)		179,340.48	182,059.57	(1,352.18)	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	235,173.09	231,827.04			(998.28)		234,174.81	230,743.84	(84,92)	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	113,713.70	116,284.33			(468.48)		113,245.22	114,963.34	(852.51)	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	69,488,44	68,500.52			(294.34)		69,194.10	68,181.00	(25.18)	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	216,741.68	221,644.07			(870.73)		215,870.95	219,148.95	(1,624.39)	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	126,882.34	129,753,04			(522.71)		126,359,63	128,279.21	(951.12)	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	55,727.00	54,935,48			(387.37)		55,339.63	54,530.13	(17.98)	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	61,356.72	62,745.26			(228.33)		61,128.39	62,057.28	(459.65)	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	137,706.30	135,751.26			(676.85)		137,029.45	135,025.74	(48.67)	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	80,822.06	82,652.29			(298.76)		80,523.30	81,748,18	(605.35)	0.00
GNMA	2002 A-D SF MRB	5,40	11/19/02	11/20/32	98,742.32	97,342.20			(415.16)		98,327.16	96,891.30	(35.74)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	357,326.74	365,420,76			(1,468.41)		355,858.33	361,273.33	(2,679.02)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	267,560.92	263,768.67			(1,272.01)		266,288.91	262,401.71	(94.95)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	101,349.80	103.645.53			(404.83)		100,944.97	102,481.02	(759.68)	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	142,998,00	140,971,24			(635,00)		142,363,00	140,284,82	(51,42)	0,00
GNMA	2002 A-D SF MRB				62,567,29	63,985,60			(62,567,29)				(1,418,31)	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	107,528,45	106,006,10			(457.94)		107,070.51	105,509.20	(38.96)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	117,178,14	119,836,02			(599.47)		116,578.67	118,356.19	(880.36)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	203,768.22	200,886,19			(847,89)		202,920.33	199,964.18	(74.12)	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	173,291.73	177,222.41			(677.51)		172,614.22	175,246.13	(1,298.77)	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	100,669,20	99,245,36			(417.16)		100,252,04	98,791.57	(36.63)	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	114,831.12	117.436.49			(443.00)		114,388,12	116,132,95	(860.54)	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	484,784.37	495,459,07			(2,440.16)		482,344,21	489,310.79	(3,708.12)	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	98,174.79	96,788.39			(406.94)		97,767,85	96,311,22	(70.23)	0.00
GNMA	2002 A-D SF MRB	6,15	01/23/03	01/20/33	108,188.59	110,570.87			(412.16)		107,776,43	109,333.08	(825.63)	0.00
GNMA	2002 A-D SF MRB	5,40	01/23/03	01/20/33	101,808.70	100,370.96			(419.17)		101,389.53	99,878.91	(72.88)	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	287,069.34	293,391.95			(1,171.06)		285,898.28	290,029.02	(2,191.87)	0.00
GNMA	2002 A-D SF MRB	5.40		01/20/33	338,440.32	333,662.68			(2,097.09)		336,343.23	331,333.76	(231.83)	0.00
GNMA	2002 A-D SF MRB	6.15		02/20/33	419.122.38	428,359.47			(2,340.11)		416,782.27	422,810.05	(3,209.31)	0.00
GNMA	2002 A-D SF MRB	6.15		02/20/33	170,631.48	174,393,09			(642.32)		169,989.16	172,448.69	(1,302.08)	0.00
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	116,567.11	114,925.28			(474.19)		116,092,92	114,367,55	(83.54)	0.00
GNMA	2002 A-D SF MRB	6.15		02/20/33	433,936.69	443,505.21			(1,605.64)		432,331.05	438,589.01	(3,310.56)	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	105,747.53	104,257.05			(436.55)		105,310.98	103,744.69	(75.81)	0.00
GNMA	2002 A-D SF MRB	6.15		02/20/33	313,548.18	320,465.28			(1,172.25)		312,375.93	316,900.40	(2,392.63)	0.00
GNMA	2002 A-D SF MRB	6.15		03/20/33	155,913.13	159,354.76			(579.75)		155,333.38	157,585.29	(1,189.72)	0.00
									-					

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2002 A-D SF MRB	5.40	03/24/03	02/20/33	108,280.75	106,757,05	1 dicirases	Guica	(486.14)	Hansters	107,794.61	106,193.86	(77.05)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	198,564,79	202,950,16			(66,704,25)		131.860.54	133,773,62	(2,472.29)	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	158,836.71	162,344,04			(573.14)		158,263.57	160,559.11	(1,211.79)	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	314,404,57	321,349,02			(1,442.63)		312,961,94	317.503.25	(2,403.14)	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	70,153.26	71,702.80			(254.47)		69,898,79	70,913.09	(535.24)	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	162,426,98	166,016.09			(586.34)		161.840.64	164.190.53	(1,239.22)	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	167,918.07	171,629,58			(56,557.08)		111,360.99	112,978.64	(2,093.86)	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	87,251.35	89,179.86			(323.18)		86,928.17	88,190,89	(665.79)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	51,040.79	52,169,50			(194.76)		50,846.03	51,585.17	(389.57)	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	83,408.96	85,253.40			(309.05)		83,099.91	84,307.85	(636.50)	0.00
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	85,878.09	87,777.63			(310.95)		85,567.14	86,811,44	(655.24)	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	62,968.85	64,363.44			(227.50)		62,741.35	63,655,48	(480.46)	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	81,263.30	83,063.30			(291.60)		80,971,70	82,151.68	(620.02)	0.00
GNMA	2002 A-D SF MRB	6:15	07/17/03	07/20/33	51,450.03	52,591.22			(186.90)		51,263.13	52,011,72	(392.60)	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	92,376.03	94,424.98			(562.98)		91,813.05	93,153,79	(708.21)	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	86,721.12	88,645.18			(319.44)		86,401.68	87,663,94	(661.80)	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	48,078.31	49,145.21			(169.31)		47,909.00	48,609,11	(366.79)	0.00
GNMA	2002 A-D SF MRB	6.15	09/04/03	08/20/33	54,921.63	56,142.21			(214.69)		54,706.94	55,508.19	(419.33)	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	164,753.51	168,419.03			(582.85)		164,170.66	166,579,12	(1,257.06)	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	57,619.39	58,901.50			(202.56)		57,416.83	58,259.33	(439.61)	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	65,052,89	66,506.45			(222.26)		64,830.63	65,787.88	(496.31)	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	103,167.88	105,372.58			(342.71)		102,825.17	104,254.75	(775.12)	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	185,823.85	183,234.46			(762.17)		185,061.68	182,292.33	(179.96)	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	39,630.66	40,478,40			(132.03)		39,498.63	40,048.56	(297,81)	0,00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	313.628.00	309,252.38			(1,231,45)		312,396,55	307,716,38	(304,55)	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	383,606.25	378.281.03			(1,434.03)		382,172.22	376,473.31	(373.69)	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	544,973,50	536,393.64			(1.971.39)		543,002.11	533,894.67	(527.58)	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	493,339.08	486,495,95			(1,992.53)		491,346.55	484,025.01	(478.41)	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	185,318.96	182,738.10			(967.85)		184,351.11	181,593.86	(176.39)	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	187,007.82	184,404,53			(744.11)		186,263.71	183,478,96	(181.46)	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	157,011.93	154,826.97			(665.85)		156,346.08	154,009,38	(151.74)	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	200,954.71	198,160.06			(753.31)		200,201.40	197,211.05	(195.70)	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	310,594,71	306,276.87			(1,224.47)		309,370.24	304,750.80	(301.60)	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	107,984.45	106,484.02			(426.90)		107,557.55	105,952.27	(104.85)	0.00
GNMA	2002 A-D SF MRB	5.40	08/26/04	08/20/34	68,999.27	68,040,88			(741.23)		68,258.04	67,239.65	(60.00)	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	411,854.46	406,170.30			(1,579.84)		410,274.62	404,189.68	(400.78)	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,366,779.83	1,275,684.90			(7,221.94)		1,359,557.89	1,273,530.60	5,067.64	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	1,152,017.62	1,075,242.93			(111,742,10)		1,040,275.52	974,457.00	10,956.17	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	410,333.94	403,886.44			(1,541.53)		408,792.41	401,948.16	(396.75)	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	109,159.01	102,155.85			(472.18)		108,686.83	102,072.89	389.22	0.00
GNMA	2002 A-D \$F MRB	5.40	10/21/04	10/20/34	1,478,226.18	1,457,767.18			(5,850.47)		1,472,375.71	1,450,481.20	(1,435.51)	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	227,307.52	212,726.19			(904.32)		226,403.20	212,627.55	805.68	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	382,760.52	376,750.45			(1,501.37)		381,259.15	374,880.42	(368.66)	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	408,145.84	380,928.61			(2,804.04)		405,341.80	379,678.88	1,554.31	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,782,753,10	1,663,878.44			(9,244.77)		1,773,508.33	1,661,232.60	6,598.93	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	454,097.24	447,818.76			(1,668.23)		452,429.01	445,707.60	(442.93)	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	380,348.54	354,989.24			(2,111.63)		378,236.91	354,294.65	1,417.04	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	67,429.90	66,497.91			(242.35)		67,187.55	66,189.78	(65.78)	0.00
GNMA	2002 A-D \$F MRB	4.49	11/18/04	11/20/34	441,398.43	411,971.63			(108,600.61)		332,797.82	311,733.75	8,362.73	0.00
GNMA	2002 A-D \$F MRB	4.49	11/23/04	11/20/34	1,415,097.43	1,320,762.15			(7,367,72)		1,407,729.71	1,318,634.31	5,239.88	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	2,170,962.31	2,026,258.95			(152,052,66)		2,018,909.65	1,891,151.71	16,945.42	0.00
GNMA	2002 A-D SF MRB	5.40	12/23/04	12/20/34	106,111.39	104,648.69			(397.78)		105,713.61	104,147.51	(103.40)	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,349,850.29	1,259,898.96			(5,764.08)		1,344,086.21	1,259,053.13	4,918.25	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	1,223,595.47	1,142,063.27			(5,709.48)		1,217,885.99	1,140,842.69	4,488.90	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	2,791,971.81	2,604,968.53			(145,380.99)		2,646,590.82	2,478,629.55	19,042.01	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	440,747,79	434,486.78			(1,569.19)		439,178.60	432,479.11	(438.48)	0.00
GNMA	2002 A-D SF MRB	4.49 E.40	01/13/05 01/13/05	01/20/35 01/20/35	1,411,518.80	1,316,984.74			(109,859.62)		1,301,659.18 132,476.78	1,219,057.79	11,932.67	0.00 0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 4.49	01/13/05	01/20/35	132,947.09 1,851,545.67	131,059,33			(470.31)		1,726,656.93	130,456.57 1,617,093.97	(132.45) 14,432,44	0.00
GNMA GNMA		4.49 5.40	01/19/05	01/20/35	1,851,545.67	1,727,550.27			(124,888.74)		1,720,050.93	180,277.25	(183.02)	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	01/19/05	01/20/35	2,090,871.45	181,110.11			(649.84) (13,042.63)		2,077,828.82	1,945,996.40	8,176.49	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	02/03/05	02/20/35	2,796,687.93	1,950,862.54			(123,116.00)		2,673,571.93	2,503,961.49	17,642.95	0.00
ONMA	ZUUZ A-D ŞE IVIND	4.49	02/03/05	02/20/35	2,780,001.93	2,609,434.54			(123,110,00)		2,010,011.93	2,303,501.49	17,042.93	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in	D-ssi-sd
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	910,260.99	849,319.24	rucciiases	Sales	(4,266.03)	Haisieis	905,994.96	848,523.24	3,470.03	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,105,607.57	1.964.637.64			(9,131.63)		2,096,475.94	1,963,486,18	7,980,17	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	102,480.83	101,072.67			(368.03)		102,112.80	100,604.41	(100.23)	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	1,252,895,48	1,169,021.50			(5,283.82)		1,247,611.66	1,168,476.58	4,738.90	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,287,400.04	1,201,223,49			(6,124.37)		1,281,275.67	1,200,012.61	4,913.49	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,235,759.81	1,153,048,12			(5,230.08)		1,230,529.73	1,152,494.46	4,676.42	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	447,231.06	417,299.99			(1,854,84)		445,376.22	417,134.76	1,689.61	0.00
GNMA	2002 A-D \$F MRB	5.40	03/17/05	02/20/35	124,296.61	122,538.35			(462,19)		123,834.42	121,952.63	(123.53)	0.00
GNMA	2002 A-D \$F MRB	4.49	03/17/05	03/20/35	833,907.54	778,101.97			(88,210.12)		745,697.42	698,416.01	8,524.16	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	826,305.82	771,013,64			(3,411.85)		822,893.97	770,722.55	3,120.76	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	944,245.43	881,072,88			(5,017.54)		939,227.89	879,692.43	3,637.09	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	813,858.99	761,451.05			(3,501.42)		810,357.57	761,023.38	3,073.75	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	227,807.26	224,164,62			(809.72)		226,997.54	223,134.06	(220.84)	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	04/21/05 04/28/05	04/20/35 04/20/35	1,057,987.41 1,025,477.20	987,217,16			(4,341.04) (4,202.42)		1,053,646.37 1,021,274.78	986,870.12 956,555.92	3,994.00	0.00 0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	130,768,93	956,887,40 128,924,19			(462.89)		130.306.04	128,330.96	3,870.94 (130.34)	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,676,398.44	1.564.282.37			(7,117.53)		1,669,280.91	1,563,508,56	6,343.72	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	229,553,98	225,885.92			(865.60)		228,688.38	224,798.60	(221.72)	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	1.147,394.09	1,070,663,82			(4,697.48)		1,142,696.61	1,070,297.20	4,330,86	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	3.679.084.53	3,433,224.56			(124,142.18)		3,554,942.35	3,329,875.04	20,792.66	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	116,557.16	114,920,19			(422.04)		116,135,12	114,382.09	(116.06)	0.00
GNMA	2002 A-D \$F MRB	4.49	07/14/05	07/20/35	656,229.52	612,379.80			(2,651.88)		653,577,64	612,202.66	2,474.74	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	981,766.07	918,580.18			(4,106.89)		977,659.18	918,174.05	3,700.76	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	158,950.06	156,711.69			(554.52)		158,395.54	155,998.62	(158.55)	0.00
GNMA	2002 A-D SF MRB	4,49	05/26/05	05/20/34	494,840.88	461,744.02			(2,046.26)		492,794.62	461,565.45	1,867,69	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	895,213,72	837,604.21			(4,219.82)		890,993.90	836,788.63	3,404.24	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	167,882.63	165,520.33			(713.16)		167,169.47	164,641.62	(165.55)	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,085,704.21	1,013,124.95			(5,018,33)		1,080,685.88	1,012,240.93	4,134.31	0.00
GNMA	2002 A-D SF MRB	4.49 4.49	06/15/05 06/23/05	06/20/35	882,901.44	826.093.43			(3,690,44)		879,211.00	825,730.90	3,327.91	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	06/29/05	06/20/35 06/20/35	1,957,294.10 871,800.32	1,826,471,22 813,534,47			(48,661.95) (105,758.85)		1,908,632.15 766,041.47	1,787,771,11 717,536,74	9,961.84 9,761,12	0.00 0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	176,624.84	165,273.02			(715.50)		175,909.34	165,221.88	664.36	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	58,777.33	57,954.99			(217.60)		58,559,73	57,678.92	(58.47)	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	304,814,36	284,462.53			(1,279.69)		303,534.67	284,335.37	1,152.53	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	398,968.28	372,332.21			(1,654,41)		397,313,87	372,185.03	1,507.23	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	429,348.79	401,736.44			(1,728.61)		427,620.18	401,622.14	1,614.31	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	330,340.00	308,270.15			(1,335.94)		329,004.06	308,180.04	1,245.83	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	73,472.03	68,747.79			(292.52)		73,179.51	68,731.32	276.05	0.00
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	63,446.34	62,557.12			(216.19)		63,230.15	62,277.54	(63,39)	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	532,562.76	498,321,01			(2,172.15)		530,390.61	498,152.94	2,004.08	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,474,625.42	1,376,132.92			(6,755.85)		1,467,869,57	1,374,988.48	5,611.41	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,617,260.76	2,442,474.52			(11,597.36)		2,605,663.40	2,440,811.78	9,934.62	0.00
GNMA GNMA	2002 A-D SF MRB	4.49 4.49	09/29/05 10/13/05	07/20/35 09/20/35	216,588.90 275,632.58	202,671.65			(874.83)		215,714.07	202,611.13	814,31	0.00 0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	10/13/05	10/20/35	1,707,794.85	257,235,11 1,593,828.33			(1,489.59) (7,633.19)		274,142.99 1,700,161.66	256,808.72 1,592,681.70	1,063.20 6,486.56	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	451,979.99	422,951,43			(2,116.34)		449,863,65	422,552,92	1,717,83	0.00
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	76,057.10	77,737.96			(285.82)		75,771.28	77,134,40	(317,74)	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	56.919.53	55,698,12			(254,28)		56,665,25	55,465,74	21,90	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	62,114.03	63.324.82			(918.11)		61,195,92	62,042.09	(364.62)	0,00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	48,022.99	49,084.29			(159.45)		47,863.54	48,724.60	(200.24)	0.00
FNMA	2002 A-D SF MRB				82,282.78	80,324,45			(82,282.78)		·	•	1,958.33	0.00
FNMA	2002 A-D \$F MRB	6.15	04/01/04	02/01/34	102,355.00	103,987.01			(345.42)		102,009.58	103,070.44	(571.15)	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	301,306.87	294,700.35			(1,144.21)		300,162.66	293,445.84	(110.30)	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	215,975.06	200,593.93			(927.70)		215,047.36	199,856.02	189.79	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	224,979.38	208,961.58			(1,055.84)		223,923.54	208,109.75	204.01	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	223,019.74	207,143.95			(960.45)		222,059.29	206,379.63	196.13	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	307,463.42	285,314.85			(1,440.75)		306,022.67	284,203.14	329.04	0.00
FNMA	2002 A-D SF MRB	4.49 5.40	03/14/05 03/24/05	12/01/34	243,753.71	226,406.51			(1,032,01)		242,721.70	225,587.60	213.10	0.00 0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 4.49	03/24/05	02/01/35 02/01/35	236,990.77 211,626.26	231,809.16			(922.90) (880.46)		236,067.87 210,745.80	230,799.95 195,725.23	(86,31) 218,53	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4,49	04/07/05	07/01/35	422,945,26	196,387.16 392,508.93			(1,781.75)		421,163.51	391,165.42	438.24	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	111,480.14	108,975,15			(392.31)		111,087.83	108,507.96	(74.88)	0.00
		J10	4,,	0 110 1100	111,100.17	100,010,10			(002.01)		1 , 1,001 .00	100,001.00	(,00)	

investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/	Materia	Tenedore	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in in Market Value	Recognized Gain
Туре	Issue	Rate	Date	Date 09/01/05	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	324,298,72	301,205,44	value 374.48	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	09/08/05 10/20/05	08/01/35 09/01/35	326,185.70 90,178.05	302,717.94 83,691.61			(1,886.98) (366.95)		324,296.72 89,811.10	83,417.16	92.50	0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/01/05	10/01/35	184,363.79	171,103.67			(798.20)		183,565.59	170,498.01	192.54	0.00
Repo Agmt	2002 A-D SF MRB	5.15	08/31/07	09/04/07	745,606.18	745606.18		(500,246.17)	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		245,360.01	245,360.01	-	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	17,045,22	16,805.99		(000,210.11)	(52.24)		16,992.98	16,732,75	(21.00)	0.00
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37	24,419,01	23,772.48			(103,39)		24,315.62	23,617,40	(51.69)	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	12,276,07	12,279.86			(36,19)		12,239.88	12,213,12	(30.55)	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	23,278.42	22,952,05			(79.21)		23,199.21	22,844.24	(28.60)	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	5,024.38	5,026,00			(14.56)		5,009.82	4,998.94	(12.50)	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	6,044.31	6,046.35			(18.02)		6,026.29	6,013.29	(15.04)	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	27,087.55	26,371.13			(91.20)		26,996.35	26,221.90	(58.03)	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	23,624.70	23,293.81			(83.18)		23,541.52	23,181.67	(28.96)	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	13,624.33	13,263.81			(44.64)		13,579.69	13,189.94	(29.23)	0.00
GNMA	2002 A-D SF MRB	5,13	04/24/07	04/20/37	24,360.79	23,717.37			(100.17)		24,260.62	23,565.54	(51.66)	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	22,283.11	22,291.47			(65.04)		22,218.07	22,170.99	(55.44)	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	14,794.72	14,588.05			(49.41)		14,745.31 19,053.78	14,520.48 18,507.32	(18.16) (40.09)	0.00 0.00
GNMA	2002 A-D SF MRB	5.13 5.62	03/27/07	03/20/37	19,151,28	18,644.91			(97.50) (14.13)		4,625,61	4,615,67	(11.54)	0.00
GNMA	2002 A-D SF MRB		03/27/07	02/20/37	4,639.74	4,641.34			(34.73)		10,217.90	10,062.09	(12.58)	0.00
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.38 5.38	04/24/07 04/10/07	03/20/37 03/20/37	10,252.63 13,848.05	10,109,40 13,654,40			(42.13)		13,805.92	13,595.20	(17.07)	0.00
GNMA GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	24,886.75	24,229.09			(85.24)		24,801.51	24,090.56	(53.29)	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	7,792.53	7,795.33			(23.31)		7,769.22	7,752.63	(19.39)	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	13,358.04	13,005,43			(89.55)		13,268.49	12,888,53	(27.35)	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	6,255.17	6,257.61			(18.15)		6,237.02	6,223.89	(15.57)	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	14,177.26	13,979.43			(77.84)		14,099.42	13,884.63	(16.96)	0.00
GNMA	2002 A-D SF MRB	5.63	05/22/07	04/20/37	4,930.74	4,932.74			(14.20)		4,916.54	4,906.28	(12.26)	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	20,577.79	20,290.95			(73.39)		20,504.40	20,192.33	(25.23)	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	28,865.95	28,104.40			(122.13)		28,743.82	27,921.11	(61.16)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37			24,826.18				24,826.18	24,448,72	(377.46)	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37			7,829.28				7,829.28	7,813.04	(16.24)	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37			44,333.34				44,333.34	43,065.08	(1,268.26)	0.00
GNMA	2002 A-D SF MRB	5,38	06/19/07	05/20/37			11,601.40				11,601.40	11,425.17	(176.23)	0.00
GNMA	2002 A-D SF MRB	5.13	06/19/07	06/20/37			20,301.10				20,301.10	19,720.61	(580.49)	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37			9,899.27				9,899.27 9,602.05	9,878.87 9,461.46	(20.40) (140.59)	0.00 0.00
GNMA	2002 A-D-SF MRB	5.38	08/07/07	07/20/37			9,602.05				24,325.50	24,288,92	(36.58)	0.00
GNMA	2002 A-D SF MRB	5.63 5.13	08/07/07 08/07/07	08/20/37 07/20/37			24,325.50 44,314.39				44,314.39	43,071.27	(1,243.12)	0.00
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13	07/03/07	05/20/37			20,060.98				20,060.98	19,756.55	(304,43)	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37			20,580.21		•		20,580.21	19,954.16	(626.05)	0.00
GNMA	2002 A-D SF MRB	5.38	07/17/07	06/20/37			18,374.91				18,374.91	18,096.33	(278.58)	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37			16,716,96				16,716.96	16,208.68	(508,28)	0.00
GNMA	2002 A-D SF MRB	5.38	08/23/07	08/20/37			19,416.71				19,416.71	19,652.37	235.66	0.00
GNMA	2002 A-D SF MRB	5.13		07/20/37			24,299.35				24 299 35	23,618.11	(681.24)	0.00
FNMA	2002 A-D SF MRB	5.13		01/01/37	9,593.19	9,252.81			(40.72)		9,552.47	9,194.62	(17,47)	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	13,063.14	12,947.10			(45.04)		13,018.10	12,690.25	(211,81)	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	6,881.62	6,898.30			(21,11)		6,860.51	6,771.36	(105.83)	6.00
FNMA	2002 A-D SF MRB	5.13	03/20/07	09/01/36	1,818.39	1,845.11			(11.21)		1,807.18	1,739.50	(94.40)	0.00
FNMA	2002 A-D \$F MRB	5,63	03/20/07	02/01/37	7,849.89	7,872.13			(23.29)		7,826.60	7,724.92	(123.92)	0.00
FNMA	2002 A-D SF MRB	5.38	03/20/07	09/01/36		5,198.85			(17.21)		5,227.82	5,098.14	(83.50)	0.00
FNMA	2002 A-D \$F MRB	5.13		03/01/37	9,254.89	8,919.76			(35.90)		9,218.99	8,869.03	(14.83)	0.00
FNMA	2002 A-D SF MRB	- 5.38	04/10/07	03/01/37	21,631.28	21,096.42			(68.88)		21,562.40	21,019.69	(7.85)	0.00
FNMA	2002 A-D SF MRB	5,63		03/01/37	11,711.05	11,596.85			(40.42)		11,670.63	11,519.15	(37.28)	0.00 0.00
FNMA	2002 A-D SF MRB	5.13		03/01/37	18,572.35	17,899,97			(66.23)		18,506.12	17,803.77	(29.97)	
FNMA	2002 A-D SF MRB	5.38		04/01/37	36,466.20	36,079.78			(115.54) (33.13)		36,350.66 10,167.85	35,449.83 9,782.01	(514.41) (148.39)	0.00 0.00
FNMA	2002 A-D SF MRB	5,13		04/01/37	10,200.98	9,963.53			(33.13)		5,305.60	5,236.76	(67.02)	0.00
FNMA	2002 A-D SF MRB	5.63 5.13		04/01/37 04/01/37	5,330.84 5,286.18	5,329.02			(25.24)		5,305.60	5,069.32	(8.61)	0.00
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.13		04/01/37	5,105.29	5,094.86 4,979.13			(15.69)		5,089.60	4,961.56	(1.88)	0.00
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.30 5.13		04/01/37		4,979.13 4,117.24			(16.71)		4,255.11	4,093.69	(6.84)	0.00
FNMA	2002 A-D SF MRB	5.38		05/01/37	4,211.02	4,111.24	7,426.89		(10.71)		7,426.89	7,242.98	(183,91)	0.00
FNMA	2002 A-D SF MRB	5.63		05/01/37			8.611.07				8,611.07	8,499.52	(111,55)	0.00
FNMA	2002 A-D SF MRB	5.13		04/01/37			8,984.63				8,984.63	8,643.87	(340.76)	0.00
		2									•	•	-	

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37			14,142.10				14,142.10	13,786.60	(355.50)	0.00
FNMA	2002 A-D SF MRB	5.63	07/03/07	07/01/37			13,932.75				13,932.75	13,752.45	(180.30)	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37			12,241.70				12,241.70	11,777.55	(464.15)	0.00
FNMA	2002 A-D SF MRB	5.38	08/07/07	07/01/37			46,519.91				46,519.91	45,580.04	(939.87)	0.00
FNMA	2002 A-D SF MRB	5.63	08/07/07	07/01/37			10,447.08				10,447.08	10,364.02	(83.06)	0.00
FNMA	2002 A-D SF MRB	5.13	08/07/07	08/01/37			36,960.10				36,960.10	35,738.50	(1,221.60)	0.00
FNMA	2002 A-D \$F MRB	5.13	08/29/07	08/01/37			16,981.97				16,981.97	16,421.02	(560.95)	0.00
FNMA	2002 A-D SF MRB	5.38	08/23/07	07/01/37			16,019.29	(1.450.505.04)	(4.000.400.00)	0.00	16,019.29 90,811,986,26	15,695.88	(323.41)	0.00
	2002 A-D SF MRB Total				89,649,583.69	85,278,068.96	7,191,497.50	(4,168,595.01)	(1,860,499.92)	0.00	90,611,900.20	86,678,913.06	230,441.53	0.00
B	DOGA OF IRLIEN	5.15	08/31/07	09/04/07	3,628,01	3,628,01	1,700.68				5.328.69	5,328,69	_	0.00
Repo Agmt	2004A SF JR LIEN	5.15	08/31/07	09/04/07	124,205,19	124,205,19	0.00				124,205.19	124,205.19	_	0.00
Repo Agmt	2004A SF JR LIEN 2004A SF JR LIEN	5.15	08/31/07	09/04/07	274,329.76	274,329.76	17,100.93				291,430.69	291,430.69	_	0.00
Repo Agmt	2004A SF JR LIEN Total	3.13	00,51,01	03/04/07	402,162.96	402,162.96	18,801.61	0.00	0.00	0.00	420,964.57	420,964.57	0.00	0.00
	2004A SF SK LIEN TOWN				-02,102.00	402,102.00	10,001.01	0.00	-,				****	
Repo Agmt	1991 A S/F (1980 A Refunding)	5.15	08/31/07	09/04/07	509.46	509.46	23,907,28				24,416.74	24,416.74	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	319,067.57	319,067,57	33,190,15				352,257.72	352,257.72	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5,15	08/31/07	09/04/07		,	209.94				209.94	209.94	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	6,778.24	6,778,24		(167.75)			6,610.49	6,610.49	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5,15	08/31/07	09/04/07	3.63	3.63	13,264.51				13,268.14	13,268.14	-	0.00
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	579,297.12	579,297.12	0.00				579,297.12	579,297.12	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5.15	08/31/07	09/04/07			0.01				0.01	0.01	-	0.00
GiC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	0.11	0.11	0.00				0.11	0.11		0.00
	1991 A S/F (1980 A Refunding) Total	ıl			905,656.13	905,656.13	70,571.89	(167.75)	0.00	0.00	976,060.27	976,060.27	0.00	0.00
											4.000.04	4 000 04		0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.15	08/31/07	09/04/07	2.90	2.90	1,293.71				1,296,61	1,296.61	-	0.00 0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5,15	08/31/07	09/04/07			0.14				0.14	0.14	-	0.00
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	28,215.83	28,215.83	7,328.65		(2.256.42)		35,544,48 10,291,97	35,544.48 10.503.52	(78.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	12,648.10	12,938.28			(2,356.13)		9,699.92	9,886.69	(25.17)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	9,800.91	10,012.85			(100.99)		10,832.60	11,065.83	(28.07)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15 6.15	07/15/96 07/01/96	06/01/26 06/01/26	10,917.74 10,963,63	11,179.04 11,232.07			(85.14) (73.54)		10,890.09	11,130.47	(28.06)	0.00
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	11,926.63	12,214,75			(164.46)		11,762.17	12,018.00	(32.29)	0.00
FNMA FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	8,514.09	8.638.42			(181.37)		8,332.72	8,435.19	(21.86)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	10,220.84	10.358.37			(195.98)		10.024.86	10,136,83	(25.56)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	24.299.12	24.621.29			(2,055.50)		22,243.62	22,487.72	(78.07)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6,15	12/23/96	11/01/26	12,002.43	12,167,18			(135.32)		11,867,11	12,002.82	(29.04)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	11,821.62	11,975.38			(145.68)		11,675.94	11,801.17	(28.53)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	1,600,17	1,621,71			(85.02)		1,515.15	1,532.08	(4.61)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	7,802,25	7,960,42			(51.28)		7,750.97	7,888.03	(21.11)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	63,304.86	64,581,18			(3,197.17)		60,107.69	60,996.37	(387.64)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	19,295.05	19,682,29			(240.64)		19,054.41	19,334.41	(107.24)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	40,835.04	41,648.36			(723.64)		40,111.40	40,694.82	(229.90)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	17,599.55	17,950.24			(164.06)		17,435.49	17,689.25	(96.93)	0.00
GNMA	1994 A&B \$F (1983 Refunding)	6.15	05/15/96	05/20/26	49,243.49	50,222.24			(736.31)		48,507.18	49,210.72	(275.21)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	24,393.78	24,884.19			(5,222.42)		19,171.36	19,453.69	(208.08)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	62,448.01	63,696,26			(2,490.35)		59,957.66	60,833.99	(371.92)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	18,621.82	18,990,42			(2,954.74)		15,667.08	15,893.07	(142.61)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	67,224.71	68,547.14			(607.15)		66,617.56	67,570.46	(369.53)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	48,590.87	49,357.51			(2,118.03)		46,472.84	46,959.97	(279.51)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	23,039.47	23,386.81			(242.08)		22,797.39	23,020,66	(124.07)	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	17,184.25	17,450.26			(165.44)		17,018.81	17,192.23 48,482,18	(92.59) (330.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	53,056.81	53,861.35			(5,048,91)		48,007.90 27,820.45	46,462.16 28,117.37	(330.26)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	30,673.58	31,163.48			(2,853.13) (143.49)		27,820.45 15,900.51	16,052.83	(86.06)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	16,044.00	16,282.38			(348.05)		43,423,22	43,840.07	(234.39)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15 6.15	01/16/97 01/30/97	12/20/26 01/20/27	43,771.27 29,685.95	44,422.51 30.202.95			(2,863.25)		26,822.70	27,142.68	(197.02)	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	02/13/97	02/20/27	24,467,31	30,202.95 24,892.50			(233.29)		24,234.02	24,522,22	(136.99)	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	10,659,12	24,892.50 10.832.93			(3,386.06)		7,273.06	7,351.89	(94.98)	0.00
GNMA	1994 A&B SF (1963 Refunding)	6.15	03/27/97	03/20/27	27,110.27	27,532.59			(198.46)		26,911.81	27,184.30	(149.83)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15		04/20/27	11,061.23	11,225.79			(72.78)		10,988.45	11,092.14	(60.87)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15		05/20/27	14,607.59	14,824.88			(219.50)		14,388.09	14,523.85	(81.53)	0.00
OLIVIA D		0.10	79120101		. 7,001.00	17,027.00			,,			•	, -,	

lovenstmant		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
investment	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Type GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	8,807.02	8,941,86	i di di kaodo	Guillo	(64.97)		8,742.05	8,828.27	(48.62)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	15,604.07	15.940.01			(505.94)		15,098.13	15,339,26	(94.81)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	31,603.28	32,088.81			(211.03)		31,392.25	31,703.48	(174.30)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	9,275.50	9,417,48			(53.76)		9,221.74	9,304.90	(58.82)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	9,864.41	10.015.45			(96.81)		9,767.60	9,855.72	(62.92)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	12 996.52	13,195.43			(185.46)		12,811.06	12,926.55	(83.42)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	12,968.47	13,167.01			(4,003.33)		8,965.14	9,046.00	(117.68)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	9,473.94	9,619.02			(1,484.91)		7,989.03	8,061.13	(72.98)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	18,292.70	18,572,75			(152.43)		18,140.27	18,303.88	(116.44)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	34,554.87	35,083.92			(251.22)		34,303.65	34,613.07	(219.63)	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.15	08/31/07	09/04/07	11,229.56	11,229.56	149.47				11,379.03	11,379.03	-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.15	08/31/07	09/04/07	126,752.32	126,752.32	166,451.56				293,203.88	293,203.88	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	3,394.07	3,456.61			(32,41)		3,361.66	3,417.01	(7.19)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	3,850.65	3.925.71			(31.27)		3,819.38	3,878.44	(16.00)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	2,930.98	2.988.05			(41.24)		2,889.74	2,934.36	(12.45)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	24,949.92	25,421.48			(187.55)		24,762.37	25,083.30	(150.63)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	5,615.38	5.724.84			(39.76)		5,575.62	5,661.83	(23.25)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	48,115.89	49,025.28			(2,024.90)		46,090.99	46,688.34	(312.04)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	29,541.14	30,099.45			(219.52)		29,321,62	29,701.62	(178.31)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	19,692.68	19,304.49			(147.52)		19,545.16	19,158.71	1.74	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	16,542.18	16,854.82			(155.37)		16,386.81	16,599.18	(100.27)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	8,837.25	9,004.29			(66.01)		8,771.24	8,884.93	(53.35)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	12,451.88	12.687.19			(1,051.24)		11,400.64	11,548,36	(87.59)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	2,169.30	2.211.58			(46.81)		2,122.49	2,155,31	(9.46)	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	10,806.28	11,010.49			(72.93)		10,733.35	10,872.43	(65.13)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,920.67	8,070.37			(49.89)		7,870.78 2,650.19	7,972.78 2,684.52	(47.70) (16.03)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,665.07 2,178.12	2,715.43			(14.88) (32.24)		2,145.88	2,181.23	(4.80)	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28 02/20/29		2,218.27			(868.08)		15,795.57	15,989.37	(120,13)	00.0
GNMA	1994 A&B SF (1983 Refunding)	6.25 6.25	02/16/99 03/31/99	02/20/29	16,663.65 1,065.63	16,977.58 1,085.69			(13.48)		1,052.15	1,065.04	(7.17)	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,780.69	5,889,61			(36.03)		5.744.66	5,815,15	(38.43)	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	13,345.44	13.094.42			(1,076.19)		12,269.25	12.034.67	16.44	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	13,428.69	13,176.08			(831.36)		12,597.33	12,356.44	11.72	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,736.10	1.699.38			(9.55)		1,726.55	1,690.69	0.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	6,129.87	6,014.58			(34,89)		6,094,98	5,978.46	(1.23)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5,45	12/20/99	12/01/29	7,191.03	7,040.34			(57.64)		7,133.39	6,986.62	3.92	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	4,944,57	4,840.99			(38.28)		4,906.29	4,805.37	2.66	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	23,327,70	22,888.89			(154,65)		23,173.05	22,729.96	(4.28)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	3,025.32	2,968.42			(27.49)		2,997.83	2,940.52	(0.41)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	44,728.69	43,887.29			(1,526.57)		43,202.12	42,376.04	15.32	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	12,354.63	12,111.19			(67.68)		12,286.95	12,044.10	0.59	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,219.04	5.116.17			(28.72)		5,190.32	5,087.70	0.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	7,926,17	7,769,91			(81.16)		7,845.01	7,689.88	1.13	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	4,965.47	4,852.44			(39.68)		4,925.79	4,818.00	5.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	8,593.22	8,423.83			(60,18)		8,533.04	8,364.32	0,67	0.00
GNMA	1994 A&B SF (1983 Refunding)	5,45	05/30/00	04/20/30	1,596.36	1,564.86			(8.41)		1,587.95	1,556.51	0.06	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	11,943.80	11,708.39			(2,232.57)		9,711.23	9,519.23	43,41	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	18,826.95	18,455.86			(107.23)		18,719.72	18,349.62	0.99	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	3,719.14	3,634.39			(1,261.90)		2,457.24	2,403.39	30.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	110,763.54	108,680.06			(8,932.08)		101,831.46	99,884.42	136.44	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	111,454.19	109,357.78			(6,900.14)		104,554.05	102,555.03	97.39	0,00 0,00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	14,407.57	14,105.50			(79.23)		14,328,34	14,033.39	7.12	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	50,876.36	49,919.35			(289.53)		50,586.83	49,619.58	(10.24)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45		12/01/29	59,683.28	58,432.89			(478.36)		59,204.92 40,720.94	57,987.06 39,883.28	32.53 22.13	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45		12/01/29 10/20/29	41,038.73	40,178.94			(317.79)		40,720.94 192.329.73	39,003.20 188.652.38	(35,47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45			193,613.29	189,971.41			(1,283.56) (228.19)		192,329.73 24,881.24	24,405.51	(35.47)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45		11/20/29 12/30/29	25,109.43 371.235.21	24,637.13			(12,670.08)		358,565.13	351,709.31	127.17	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45		01/20/30	102,540.53	364,252.22 100,519.48			(561.71)		101,978.82	99,962,71	4.94	0.00
gnma Gnma	1994 A&B SF (1983 Refunding)	5.45 5.45		01/20/30	43,316.62	42,462.83			(238.39)		43,078.23	42,226.55	2.11	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5,45		02/20/30	17,827.68	17,476.28			(182.54)		17,645,14	17,296,27	2.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45		06/20/29	105.136.25	103,158,66			(885.95)		104,250.30	102,257.06	(15.65)	0.00
O. HITT	total or (total total all g)	2			,	.55,.55.00			,,		•	-	•	

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	133,279.23	130,772.24			(877.34)		132,401,89	129,870.35	(24.55)	0,00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	90,317,98	88,619,10			(579.25)		89,738.73	88,022.92	(16.93)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	68,819.90	67,525.37			(402.99)		68,416.91	67,108.76	(13.62)	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	50,416.47	49,360.22			(9,780.15)		40,636.32	39,800.40	220.33	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	147,075.56	144,309.07			(939.89)		146,135.67	143,341.55	(27.63)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5,45	11/18/99	11/20/29	190,871.54	187,281.27			(1,283.49)		189,588.05	185,963.15	(34.63)	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	166,938.07	163,797.97			(1,027.66)		165,910.41	162,738.22	(32.09) 173.07	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5,45	01/28/00	01/20/30	196,000.55	192,137.35			(9,348.30) (690.94)		186,652.25	182,962.12 92,395,92	7.97	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	94,950.38	93,078.89			(311.56)		94,259.44 45,431,55	92,595,92 44,533,12	3.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	03/27/00 02/23/00	02/20/30 01/01/30	45,743.11 20,191.90	44,841.27			(108.51)		20,083.39	19,670,27	9.91	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	163,443,42	19,768.87 160,221,94			(1,224.37)		162,219,05	159.011.97	14.40	0.00
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	47,957.07	47,011.84			(491.04)		47,466,03	46,527.63	6.83	0.00
GNMA FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	41,212.36	40,273,94			(329.30)		40,883.06	39,988,11	43.47	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	71,321.20	69,915.46			(499.53)		70,821.67	69,421.52	5.59	0,00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	13,249.06	12,987.91			(69.83)		13,179.23	12,918.66	0.58	0,00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	99,130,26	97,176.35			(18,529.73)		80,600,53	79,007.00	360.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	156,258,41	153,178.55			(890.00)		155,368.41	152,296.77	8.22	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	30,867.29	30.164.44			(10,473.39)		20,393.90	19,947.47	256.42	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	179,882.91	176,337.43			(1,157.91)		178,725.00	175,191,62	12.10	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	31,884.10	31,255.69			(172.46)		31,711,64	31,084.72	1.49	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,887.51	6,751.97			(46.91)		6,840.60	6,705.57	0.51	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	76,168.26	74,666.97			(9,075.02)		67,093.24	65,766.79	174,84	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	81,674.18	80,064.40			(1,347.92)		80,326.26	78,738.24	21.76	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	152,567.73	149,560.61			(837.22)		151,730.51	148,730.79	7.40	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	37,001.92	36,159.40			(326.89)		36,675.03	35,872.23	39.72	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,738.49	5,625.38			(29.01)		5,709.48	5,596.60	0.23 3.75	0.00 0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	43,997.65	43,130.39			(322.77)		43,674.88	42,811.37 62,987.69	252,28	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	72,988.34	71,326.36			(8,590.95) (55.75)		64,397.39 9.084.96	8,905,35	252,20	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	9,140.71	8,960.56			(229.05)		42,356.50	41,429.34	42.48	0.00
FNMA	1994 A&B SF (1983 Refunding)	5,45 5,45	10/06/00 10/30/00	09/01/30 08/01/30	42,585.55 46,030.01	41,615.91			(312.73)		45,717.28	44,716.51	47.35	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	02/12/01	02/01/30	10,742.81	44,981.89 10.517.76			(57.82)		10,684.99	10,465.21	5.27	0.00
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	4,49	07/07/05	07/20/35	260,869.23	243,436.29			(8,802.42)		252,066.81	236,108.18	1,474.31	0.00
GNMA GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	21,613.16	20.170.11			(90.74)		21,522.42	20,161,09	81,72	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	28,289,24	26,400.60			(117.31)		28,171.93	26,390,16	106.87	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	37.761.91	35.333.96			(154.01)		37,607,90	35,322.04	142.09	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	104,466.02	97,576.10			(492.16)		103,973,86	97,494.95	411.01	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	185,579.54	173,186,14			(822.33)		184,757.21	173,068.24	704.43	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	15,357.46	14,370.64			(62.03)		15,295.43	14,366.35	57.74	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	19,544.00	18,239.51			(105.62)		19,438.38	18,209.27	75.38	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	121,092.95	113,012.02			(541.23)		120,551.72	112,930.71	459.92	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	32,048.11	29,989.80			(150.05)		31,898.06	29,961.55	121.80	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	23,128.54	21,464,51			(133.80)		22,994.74	21,357.27	26.56	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	13,072.50	12,132.27			(56.61)		13,015.89	12,089.33	13.67	0.00
	1994 A&B SF (1983 Refunding) Total	ıl .			6,328,409.84	6,212,560.28	175,223.53	0.00	(184,640.04)	0.00	6,318,993.33	6,201,936.98	(1,206.79)	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	5.15	08/31/07	09/04/07			0.66				0.66	0.66	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08		09/30/29	21.51	21.51	0.00				21.51	21.51	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	5.15		09/04/07			0.01				0.01	0.01	-	0.00
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.30	0.30	0.00				0.30	0.30	-	0.00
	1995 C SF (1985 A&B Refunding) To	otal		•	21.81	21.81	0.67	0.00	0.00	0.00	22.48	22.48	0,00	0.00
Repo Agmt	2005 A Single Family	5.15	08/31/07	09/04/07	1,094,779.37	1,094,779.37	26,623.60				1,121,402.97	1,121,402.97	-	0.00
Repo Agmt	2005 A Single Family	5.15		09/04/07	174,552.97	174,552.97	2,750,160.16				2,924,713.13	2,924,713.13	-	0.00
GIC's	2005 A Single Family	3.37	09/22/05	09/01/36	1,670,543.21	1,670,543.21		(1,102,108.23)			568,434.98	568,434.98	-	0.00
Repo Agmt	2005 A Single Family	5.15		09/04/07	1,056.35	1,056.35	14.06				1,070.41	1,070.41	-	0.00
Inv Agmt	2005 A Single Family	3.50		09/01/36	395,878.80	395,878.80	0.00				395,878.80	395,878.80		0.00
GNMA	2005 A Single Family	4.49		07/20/35	1,208,505.20	1,129,653.63			(6,029.21)		1,202,475.99	1,128,234.77	4,610.35	0.00
GNMA	2005 A Single Family	4.49		08/20/35	788,936.57	737,476.32			(3,188.51)		785,748.06	737,251.37	2,963.56	0.00
GNMA	2005 A Single Family	4.49		10/20/35	1,835,385.53	1,715,773.99			(7,322.55)		1,828,062.98	1,715,339.98	6,888.54 4,245.76	0.00 0.00
GNMA	2005 A Single Family	4.49	10/27/05	10/20/35	1,131,594.67	1,057,848.97			(4,492.97)		1,127,101.70	1,057,601.76	4,240.70	0.00

Company   Comp	Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
CANAL   2006   Simple Femily	Type	Issue	Rate	Date		05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
CRAMA 200.6 Regime Farmly 4.49 102005 100005 1.78 24.02 1.82 1.82 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0	GNMA	2005 A Single Family					6,192,461,03								
China	GNMA	2005 A Single Family	4.49				2,021,614.63								
Company   Comp	GNMA	2005 A Single Family													
Change   Part   Change   Par	GNMA	2005 A Single Family													
Chicago   Chic	GNMA	2005 A Single Family					1,026,027.41								
Child   Color   Single Partin   4-8   11/17/95   1/20/25   1/20/25   20/20/	GNMA	2005 A Single Family					363,571.78		*						
Child   Chil	GNMA	2005 A Single Family				2,093,426.85	1,962,277.43								
Chanal   2004 A Striple Framiny	GNMA	2005 A Single Family													
Childa   2004 A Single Family   4.49   12/2005   1,653.08.3.8   1,623.08.3   1,623.08.3.8   1,	GNMA	2005 A Single Family													
Child	GNMA	2005 A Single Family													
ChiMA   2006 A Single Family   4-09   01/15/05   01/2006   1,616,806.74   1,611,126.87   (7,285.74)   1,606,806.86   1,559,704.83   5,646.56   C.00	GNMA	2005 A Single Family													
CHINA 2005 A Single Family 4.49 000006 020008 1,483,402.77 1,735,945.7															
ChinAc   2005   Single Family   4-40   0.000060   0.20036   1.481,6272   1.383,092.30   (6.981.70)   1.485,076.02   1.385,000.48   5.885,888   0.000   0.00006   0.20036   0.2															
CHILA 2005 A Single Family 4-49 011090 020200 1/2003 77-500 77-500 77-500 78-7-500 79-7-500 7															
Childs															
ChiMA   2005 A Grigor Family   4.49   01/2006   01/2005   02/200															
Coliniary   Coli															
CHAMA   2005 A Single Family   4.49   201605   1227.516.68   1.203.266.16   (6.375.24)   1.282.164.1   1.202.619.12   4.693.84.66   1.603.84															
CaliMax   2004 A Simple Family   4.49   021906   022006   1,960,384.66   1,551.612.5   1,567.612.5															
GHMA 2005 A Single Family 4.49 022306 022306 1818.38.22 1,575.21 1 (7.543.25) 1.809.76 1.40 1.666.02.39 6.526.53 0.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0															
ChMA   2015 A Single Family   4-49   0911-06   042006   837/056   337/056   337/25817   (1,673.19)   389,883.12   372,833.23   4,148.27   0.00   0.															
GMMA   2005 A Single Family   4-49   0511-06   0562006   13072-058.1   1722-230   (4.442.78)   356,833.12   372,336.25   1.148.27   0.00															
ChiNA   2005 A Single Family   4.49   05/1806   05/2006   1,200/788.41   1,122.423.03   1,124.243.03   4,344.05   0.00															
GNIMA 2005 A Single Family 4.49 05/1606 05/2006 25/200															
GNNA 2006 A Single Family 4.49 03/10/06 03/20/36 22/24/21 26/36/36/37/34 200.45/36/36/36/22/31 200.50/36/36/24/24/21 1 26/36/36/36/36/36/24/21/31 26/36/36/36/36/36/36/36/36/36/36/36/36/36															
GNIMA 2005 A Single Family 4.49 032306 032068 2,212,22211 1,267;912.51 (9,331.18) 2,233,090.93 2,066,542.10 7,960.77 0.00 GNIMA 2005 A Single Family 4.49 040006 032006 1,815,232.55 1,697.244.47 (8,465.09) 1,807,383.48 1,065,361.34 (5,811.66 0.00 GNIMA 2005 A Single Family 4.49 041306 032006 1,815,232.55 1,697.244.47 (8,465.09) 1,807,383.48 1,065,361.34 (5,811.66 0.00 GNIMA 2005 A Single Family 4.49 041306 042006 042005 2,065,371.57 1,830,383.65 (8,471.10) 2,097,404.48 1,802,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,741.24 1,800,881.56 7,800,															
GNMA 2005 A Single Family 4.49 003906 032008 1,211,062 55 1,872,512 1 (4,783,98) 1,206,862.29 1,132,082.29 4,389.54 0.00 GNMA 2005 A Single Family 4.49 041006 032008 1,065,257.55 1,014,594.24 (8,465.09) 1,877,584.64 1,865,931.47 8 3,891.16 0.00 GNMA 2005 A Single Family 4.49 041206 042006 042008 1,065,571.65 1,014,594.24 (4,370.62) 1,009,887.23 1,013,914.78 3,891.16 0.00 GNMA 2005 A Single Family 4.49 042006 042006 042005 8 868,887.53 810,388.50 (4,200.07) 802,787.44 6 808,340.86 3,152.43 0.00 GNMA 2005 A Single Family 4.49 042006 042005 8 868,887.53 810,388.50 (4,200.07) 802,787.44 6 808,340.86 3,152.43 0.00 GNMA 2005 A Single Family 4.49 042006 052005 0 052005 11,122,61104 1,085,710.85 (4,200.07) 802,787.44 6 808,340.86 3,152.43 0.00 GNMA 2005 A Single Family 4.49 052006 052005 11,122,61104 1,085,710.85 (4,200.07) 10,122,787.44 6 808,340.86 3,152.43 0.00 GNMA 2005 A Single Family 4.49 061506 062005 0 052005 1,122,61104 1,085,710.85 (4,200.07) 1,122,810.40 1,122,81															
GNIAA 2005 A Single Family 4.49 04/1806 02/2006 1,815,8223.55 1.897.244.47 (9,465.09) 1,807,368.46 1,686,361.34 6,561.36 0.00 GNIAA 2005 A Single Family 4.49 04/2006 04/2005 04/2005 2,068,581.75 1,250.268.89 (8,471.19) 2,677.340.48 1,829,381.95 7,416.25 0.00 GNIAA 2005 A Single Family 4.49 04/2006 04/2005 8 66,898.75 1,250.268.89 (8,471.19) 2,677.340.48 1,829,381.95 7,416.25 0.00 GNIAA 2005 A Single Family 4.49 05/2506 05 05/2005 1,122,194.69 (6,738.52) 1,125,194.69 (7,738.52) 1,12															
CNIMA 2005 A Single Family 4.49 04/20/6 04/20/8 1,085.257.85 1,014.304.24 (4.370.62) 1,080.887.23 1,013.941.78 3,881.16 0.00 (SNIMA 2005 A Single Family 4.49 04/20/6 04/20/8 686,887.53 10,388.50 (4.200.07) 882,787.46 680,340.86 3,152.43 0.00 (SNIMA 2005 A Single Family 4.49 05/60/6 04/20/8 1624,073.65 10,388.50 (4.200.07) 882,787.46 880,340.86 3,152.43 0.00 (SNIMA 2005 A Single Family 4.49 05/60/6 05/20/8 11,32,819.64 1,055.71 0.55 (4.200.09) 1,122,088.89 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,335.05 1,252,182.09 (6.738.52) 1,617,435.05 1,252,182.09 (6.738.52) 1,617,435.05 1,252,182.09 (6.738.52) 1,618,182.09 1,252,182.09 (6.738.52) 1,618,182.09 (6.7															
CNIMA 2015 A Single Family 4.49 042706 0-420768 2.085,811.57 1.530,395.89 (3.471.19) 2.067,340.48 1,929,861.95 7.416.25 0.00 (SNIMA 2015 A Single Family 4.49 054506 0-42076 1.624,073.60 1.522.154.69 (6.738.52) 1.617,335.05 1,521.182.09 5,736.02 0.00 (SNIMA 2015 A Single Family 4.49 054506 0-42076 1.122,878.60 1.522.154.69 (6.738.52) 1.121,820.86 1,521.182.09 5,736.02 0.00 (SNIMA 2015 A Single Family 4.49 054506 0-62076 1.132,847.85 1.236,144.83 (4.838.71) 1.313,905.87 1,125,819.64 1,405.01 0.00 (SNIMA 2015 A Single Family 4.49 0540506 0-62076 1.136,847.85 1.236,144.83 (4.938.71) 1.313,905.87 1,125,819.64 1,405.01 0.00 (SNIMA 2015 A Single Family 4.49 0540506 0-62076 1.124,109.75 1.107,142.49 (4.655.56) 1.138,450.69 1.138,45															
CNNAA 2005 A Single Family 4.49 050509 042006 888.987.53 1810,388.50 (4,20.07) 882,787.46 809,340.88 3,152.43 0.00 (SNNAA 2005 A Single Family 4.49 050509 042006 11,224,073.50 (6,738.52) 1.617,335.08 67 1.6															
GNMA 2005 A Single Family 4.49 050506 0.420056 1.824,073.80 1.822,154.59 (6,738.52) 1.817,335.08 1.521,182.09 5.738.02 0.00 GNMA 2005 A Single Family 4.49 050505 0.562,056 0.562,056 1.132,619 6.1058,710.55 (4,520.99) 1.126,099 1.126,308.07 1.235,832.49 4.626.27 0.00 GNMA 2005 A Single Family 4.49 0506106 0502,056 1.132,619 6.194,095.55 1.546,899.85 7.255.11) 1.647,650.5 4 1.543,683.68 1.238,842.49 4.626.27 0.00 GNMA 2005 A Single Family 4.49 0507,056 0502,056 1.143,109.75 1.071,422.49 (4,653.66) 1.138,456.09 1.070,820.80 4.031.97 0.00 GNMA 2005 A Single Family 4.49 0507,056 0502,056 1.143,109.75 1.071,422.49 (4,653.66) 1.138,456.09 1.070,820.80 4.031.97 0.00 GNMA 2005 A Single Family 4.49 07,050 0502,056 1.452,409.55 1.251,456.21 (5,573.33) 1.455,917.21 1.360,557 5.163.79 0.00 GNMA 2005 A Single Family 4.49 07,050 0502,056 1.452,409.55 1.1361,465.21 (5,573.33) 1.455,917.21 1.380,055 07 5.163.79 0.00 GNMA 2005 A Single Family 4.49 07,050 0502,056 1.831,474.15 1.758,799.96 (8,407.72) 1.873,066.43 1.757,191.24 6.798.00 0.00 GNMA 2005 A Single Family 4.49 07,050 07,020.66 1.201,505.75 1.126,227.46 (4,588.44) 1.196,916.29 1.125,883.14 4.219.99 0.00 GNMA 2005 A Single Family 4.49 07,050 07,000															
CNIMA 2005 A Single Fermity 4.40 062066 052036 1.132,518.04 1.058,710.55 (4.520.96) 1.128,098.60 1.098,249.11 4.099.51 0.000 CNIMA 2005 A Single Fermity 4.40 061016 052036 1.318,047.12 1.228,04.03 (4.588.71) 1.313,098.67 1.238,582.49 4.695.27 0.000 CNIMA 2005 A Single Fermity 4.40 0610016 062036 1.318,047.12 1.000.65 (1.100.000.65) 1.128,048.65 (1.100.000.65) 1.12															
GNMA 2005 A Single Family 4.49 080106 062036 1,318,847.58 1,236,144.53 (4,938.71) 1,313,908.67 1,236,822.49 4,626.27 0.00 GNMA 2005 A Single Family 4.49 0671506 062036 1,649.693.65 1,546,939.85 7,225.11) 1,647,650.54 1,145,650.65 1,546,939.85 7,225.11) 1,647,650.54 1,145,650.65 1,145,109.75 7,77 0,17 0,17 0,17 0,17 0,17 0,17 0,17															
CRIMA 2005 A Single Family 4.49 061506 06/20/26 1/654,905.85 1,546,939.85 (7.255.11) 1,647,850.54 1,545,654.82 5,970.08 0.00 GRIMA 2005 A Single Family 4.49 061506 06/20/26 1,131.09.75 1,071,442.94 (6,853.66) 1,138,456.09 1,070,820.99 1,07															
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GNMA 2005 A Single Family 4.49 08/09/06 08/20/36 1870,712.25 816,165.05 (125,710.86) 745,001.39 700,777.26 10,322.07 0.00 GNMA 2005 A Single Family 4.49 08/09/06 08/20/36 1,887,274.43 1,769,055.55 (9,270.67) 1,878,003.76 1,766,535.62 6,750.94 0.00 GNMA 2005 A Single Family 4.49 08/09/06 08/20/36 1,887,274.43 1,769,055.55 (9,270.67) 1,878,003.76 1,766,535.62 6,750.94 0.00 GNMA 2005 A Single Family 4.49 08/23/06 07/20/36 775,674.57 727,095.86 (5,065.19) 770,690.38 724,879.78 2,849.11 0.00 GNMA 2005 A Single Family 4.49 09/26/06 08/20/36 978,387.21 917,125.99 (3,784.46) 97,460.27 916,776.25 916,776.25 916,776.25 916,776.25 916,776.25 916,776.25 916,776.25 916,776.25 916,776.25 916,778.25												1,196,916.29	1,125,858.01	4,219.99	0.00
GNMA 2005 A Single Family 4.49 08/09/06 08/20/36 1,887.274.43 1,769.055.55 (9,270.67) 1,878.003.76 1,766.535.82 6,750.94 0.00 GNMA 2005 A Single Family 4.49 08/16/06 07/20/36 1,081.271.49 1,010.802.05 (4,659.03) 1,076.612.46 1,010,038.62 3,895.60 0.00 GNMA 2005 A Single Family 4.49 08/23/06 07/20/36 775,674.57 727,095.56 (5,065.19) 770,609.38 724,879.78 2,849.11 0.00 GNMA 2005 A Single Family 4.49 09/26/06 08/20/36 978,387.21 917,126.99 (3,784.46) 974,602.75 916,782.59 3,440.06 0.00 GNMA 2005 A Single Family 4.49 09/26/06 08/20/36 516,737.06 484,385.80 (1,958.37) 514,778.69 484,241.40 1,813.97 0.00 GNMA 2005 A Single Family 4.49 09/26/06 09/20/36 604,390.19 566.559.82 (2,258.87) 602,131.32 566,420.76 2,119.81 0.00 GNMA 2005 A Single Family 4.49 10/17/06 10/20/36 1,194,720.53 1,119,964.80 (6,419.14) 1,188,301.39 1,117.851.77 4,306.11 0.00 GNMA 2005 A Single Family 4.49 10/17/06 10/20/36 1,023,495.95 959.482.17 (4,022.07) 1,019,473.88 959.061.49 3,601.39 0.00 GNMA 2005 A Single Family 4.49 11/28/06 10/20/36 219,417.62 205,697.23 (807.84) 218,609.76 205,658.23 768.84 0.00 GNMA 2005 A Single Family 4.49 11/28/06 10/20/36 251,303.80 235,593.11 (978.55) 220,325.72 235,498.30 883.72 0.00 GNMA 2005 A Single Family 4.49 01/60/7 12/20/36 246,400.29 232.879.83 (903.30) 247,466.97 232,2846.25 869.72 0.00 GNMA 2005 A Single Family 4.49 01/60/7 12/20/36 246,400.29 232.879.83 (903.30) 247,466.99 232,2846.25 869.72 0.00 GNMA 2005 A Single Family 4.49 01/20/7 12/20/36 246,400.29 232.879.83 (903.30) 247,466.99 232,2846.25 869.72 0.00 GNMA 2005 A Single Family 4.49 02/30/7 01/20/37 314,947.01 295,309.98 (1,186.28) 313,760.73 295,83.45 1,159,75 0.00 GNMA 2005 A Single Family 4.49 02/20/7 03/20/37 224,329.75 210,315.94 (1,186.28) 313,760.73 295,828.45 1,159,75 0.00 GNMA 2005 A Single Family 4.49 03/20/7 01/20/37 224,329.75 210,315.94 (1,186.28) 313,760.73 295,828.45 1,159,75 0.00 GNMA 2005 A Single Family 4.49 03/20/7 01/20/37 224,329.75 210,315.94 (1,186.28) 235,440.61 961.10 0.00 GNMA 2005 A Single Family 4.49 04/20/7 03/20/37 22					08/20/36	870,712,25				(125,710.86)		745,001.39	700,777.26	10,323.07	0.00
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GNMA 2005 A Single Family 4.49 08/23/06 07/20/36 775,674.57 727,095.86 (5,065.19) 770,609.38 724,879.78 2,849.11 0.00 GNMA 2005 A Single Family 4.49 09/12/06 08/20/36 516,737.06 484,385.80 (1,956.37) 514,778.69 484,241.40 1,813.97 0.00 GNMA 2005 A Single Family 4.49 09/12/06 08/20/36 604,390.19 566,559.82 (2,258.87) 602,131.32 566,420.76 2,119.81 0.00 GNMA 2005 A Single Family 4.49 10/17/06 10/20/36 1,194,720.53 1,119,964.80 (6,419.14) 1,188,301.39 1,117,851.77 4,306.11 0.00 GNMA 2005 A Single Family 4.49 11/14/06 10/20/36 1,023,495.95 99,482.17 (4,022.07) 1,019,473.88 959,061.49 3,601.39 GNMA 2005 A Single Family 4.49 11/128/06 10/20/36 219,417.62 205,697.23 (807.84) 218,609.78 205,658.23 768.84 0.00 GNMA 2005 A Single Family 4.49 11/128/06 10/20/36 251,303.80 235,593.11 (978.53) 250,325.27 235,498.30 83.72 0.00 GNMA 2005 A Single Family 4.49 01/15/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,846.25 89.72 0.00 GNMA 2005 A Single Family 4.49 01/15/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,846.25 89.72 0.00 GNMA 2005 A Single Family 4.49 01/15/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,846.25 89.72 0.00 GNMA 2005 A Single Family 4.49 01/15/07 12/20/36 131,506.00 122,066.99 (502.39) 131,003.61 122,040.38 472.78 0.00 GNMA 2005 A Single Family 4.49 01/20/7 01/20/37 249,820.79 249,329.75 210,315.94 (985.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 02/20/7 01/20/37 224,829.75 210,315.94 (985.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,829.75 210,315.94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,829.75 210,315.94 (812.40) 223,517.35 210,297.88 634.00 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,829.75 210,315.94 (812.40) 223,517.35 210,297.88 634.00 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,829.75 210,315.94 (812.40) 223,517.35 210,297.85 244,40.61 961.10 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 224,829.75 210,3					07/20/36	1,081,271,49				(4,659.03)		1,076,612.46	1,010,038.62	3,895.60	0.00
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GNMA 2005 A Single Family 4.49 09/12/06 08/20/36 516,737.06 484,385.80 (1,958.37) 514,778.69 484,241.40 1,813.97 0.00 GNMA 2005 A Single Family 4.49 09/26/06 09/20/36 604,390.19 566,559.82 (2,258.87) 602,131.32 566,420.76 2,119.81 0.00 GNMA 2005 A Single Family 4.49 10/17/06 10/20/36 1,194,720.53 1,119,964.80 (6,419.14) 1,188.301.39 1,117,835.77 4,306.11 0.00 GNMA 2005 A Single Family 4.49 11/14/06 10/20/36 1,023,495.95 959,482.17 (4,022.07) 1,019,473.88 959,061.49 3,601.39 0.00 GNMA 2005 A Single Family 4.49 11/128/06 10/20/36 219,417.62 205,697.23 (807.84) 218,609.76 205,658.23 768.84 0.00 GNMA 2005 A Single Family 4.49 12/12/06 10/20/36 251,303.80 235,593.11 (978.53) 250,325.27 235,498.30 883.72 0.00 GNMA 2005 A Single Family 4.49 01/36/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,846.25 869.72 0.00 GNMA 2005 A Single Family 4.49 01/36/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,846.25 869.72 0.00 GNMA 2005 A Single Family 4.49 01/36/07 12/20/36 131,506.00 122,069.99 (502.39) 131,003.61 122,040.38 472.78 0.00 GNMA 2005 A Single Family 4.49 02/13/07 01/20/37 314,947.01 295,309.98 (1,186.28) 313,760.73 295,283.45 1,159.75 0.00 GNMA 2005 A Single Family 4.49 02/20/07 02/20/37 229,882.17 215,519.18 (965.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 02/20/07 02/20/37 229,882.17 215,519.18 (965.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (812.40) 223,517.35 210,248.89 254,440.61 961.10 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,328.66 495,269.85 1,886.53 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,328.66 495,269.85 1,886.53 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,328.66 495,269.85 1,886.53 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,338.60 256,440.61 961.10 0.00 04/24/07 03/20/37 221,412.54 254,463.15			4.49	09/06/06	08/20/36	978,387.21				(3,784.46)		974,602.75	916,782.59	3,440.06	
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GNMA 2005 A Single Family 4.49 10/17/06 10/20/36 1,194,720.53 1,119,964.80 (6,419.14) 1,188,301.39 1,117,851.77 4,306.11 0.00 GNMA 2005 A Single Family 4.49 11/14/06 10/20/36 1,023,495.95 959,482.17 (4,022.07) 1,019,473.88 959,061.49 3,601.39 0.00 GNMA 2005 A Single Family 4.49 11/14/06 10/20/36 219,417.62 205,697.23 (807.84) 218,609.78 205,658.23 768.84 0.00 GNMA 2005 A Single Family 4.49 12/12/06 10/20/36 251,303.80 235,593.11 (978.53) 250,325.27 235,498.30 883.72 0.00 GNMA 2005 A Single Family 4.49 01/16/07 12/20/36 248,400.29 232,879.83 (903.30) 247,496.99 232,640.85 869.72 0.00 GNMA 2005 A Single Family 4.49 01/30/07 12/20/36 131,506.00 122,069.99 (502.39) 131,003.61 122,040.38 472.78 0.00 GNMA 2005 A Single Family 4.49 02/30/07 01/20/37 314,947.01 295,309.98 (1,186.28) 313,760.73 295,283.45 1,159.75 0.00 GNMA 2005 A Single Family 4.49 02/20/07 01/20/37 229,852.17 215,519.18 (985.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 02/20/07 01/20/37 224,329.75 210,315.94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 04/20/07 03/20/37 224,329.75 210,315.94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 04/20/07 03/20/37 254,550.30 495,550.49 (2,167.44) 526,332.86 495,269.55 1,866.55 0.00 GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15			4.49	09/26/06	09/20/36	604,390.19				(2,258.87)		602,131,32	566,420.76	2,119.81	
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GNMA 2005 A Single Family 4.49 02/13/07 01/20/37 314,947.01 295,309.98 (1,186.28) 313,760.73 295,283.45 1,159.75 0.00 GNMA 2005 A Single Family 4.49 02/20/07 02/20/37 229,882.17 215,519.18 (965.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,329.75 210,315.94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,382.86 495,269.68 1,886.53 0.00 GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15 (983.64) 270,428.90 254,440.61 961.10 0.00			4.49	01/16/07	12/20/36	248,400.29	232,879.83								
GNMA 2005 A Single Family 4.49 02/13/07 01/20/37 314,947.01 295,309.98 (1,186.28) 313,760.73 295,283.45 1,159.75 0.00 GNMA 2005 A Single Family 4.49 02/20/07 02/20/37 229,852.17 215,519.18 (965.16) 228,887.01 215,407.35 853.33 0.00 GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,329.75 210,315.94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,382.86 495,269.58 1,866.53 0.00 GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15 (983.64) 270,428.90 254,440.61 961.10 0.00	GNMA	2005 A Single Family	4.49			131,506.00	122,069.99								
GNMA 2005 A Single Family 4.49 03/20/07 01/20/37 224,329.75 210,315,94 (812.40) 223,517.35 210,297.88 794.34 0.00 GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,382.86 495,269.58 1,866.53 0.00 GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15 (983.64) 270,428.90 254,440.61 961.10 0.00			4.49				295,309.98								
GNMA 2005 A Single Family 4.49 04/24/07 03/20/37 528,550.30 495,550.49 (2,167.44) 526,382.86 495,269.58 1,886.53 0.00 GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15 (983.64) 270,428.90 254,440.61 961.10 0.00	GNMA	2005 A Single Family					215,519.18								
GNMA 2005 A Single Family 4.49 04/10/07 02/20/37 271,412.54 254,463.15 (983.64) 270,428.90 254,440.61 961.10 0.00	GNMA	2005 A Single Family					210,315.94								
GIVEN 2007 OF THE STATE OF THE	GNMA	2005 A Single Family					495,550.49								
GNMA 2005 A Single Family 4.49 05/22/07 04/20/37 388,485.81 363,247.62 (1,384.73) 387,101.08 363,256.48 1,393.59 0.00															
	GNMA	2005 A Single Family	4.49	05/22/07	04/20/37	388,485.81	363,247.62			(1,384.73)		387,101.08	363,256.48	1,393.59	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	<b>5</b>
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Maturities	Transfers	Carrying Value 08/31/07	Market Value 08/31/07	In Market Value	Recognized Gain
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases 325,377.13	Sales	maturities	ransiers	325,377,13	306,158,77	(19,218.36)	0.00
GNMA	2005 A Single Family	4.49	06/05/07	05/20/37			263,337.56				263,337.56	247.790.82	(15,546.74)	0.00
GNMA	2005 A Single Family	4.49	07/03/07	06/20/37	000 004 00	000 004 00	203,337.00		(2.027.46)		253,174.23	235,205,49	331.33	0.00
FNMA	2005 A Single Family	4.49	10/20/05	10/01/35	255,201.69	236,901.62			(676.10)		119.064.41	110,615.06	135.93	0.00
FNMA	2005 A Single Family	4.49	11/10/05	11/01/35	119,740.51	111,155.23			(1,038,13)		241,376.52	224,250,98	251.72	0.00
FNMA	2005 A Single Family	4.49	12/15/05	12/01/35	242,414.65	225,037.39			(1,452.74)		346,599,91	322,011.72	358.69	0.00
FNMA	2005 A Single Family	4.49	01/05/06	12/01/35	348,052.65	323,105,77			(991.59)		208,696.29	193,808.47	264.79	0.00
FNMA	2005 A Single Family	4.49	02/09/06	02/01/36	209,687.88	194,535.27			(959.29)		244,270.32	226,845,90	295.37	0.00
FNMA	2005 A Single Family	4.49	02/23/06	01/01/36	245,229.61	227,509.82			(2,810,33)		384,340.12	356,927,75	558.37	0.00
FNMA	2005 A Single Family	4.49	03/16/06	03/01/36	387,150.45	359,179.71			(1,029.46)		264,578,94	245,710,79	319.23	0.00
FNMA	2005 A Single Family	4.49	04/06/06	03/01/36	265,608.40	246,421.02			(1,497,98)		373,236.62	346.621.77	453.63	0.00
FNMA	2005 A Single Family	4.49	04/20/06	04/01/36	374,734.60	347,666.12			(1,291,81)		292,891.01	272,008.20	364.36	0.00
FNMA	2005 A Single Family	4.49	05/11/06	04/01/36	294,182.82	272,935.65			(1,085.80)		274,702,79	255.119.83	332.63	0.00
FNMA	2005 A Single Family	4.49	06/08/06	04/01/36	275,788.59	255,873.00			(1,139.77)		283,279.96	263,087,96	344.47	0.00
FNMA	2005 A Single Family	4,49	06/27/06	06/01/36	284,419.73	263,883.26			(1,432.45)		349,329,73	324,432,01	426.38	0.00
FNMA	2005 A Single Family	4.49	07/13/06	06/01/36	350,762.18	325,438.08			(2,146.76)		531,657.30	493,766.56	647.02	0.00
FNMA	2005 A Single Family	4.49	07/19/06	07/01/36	533,804.06	495,266.30			(2,146.76)		479,468.16	445,299,56	578.00	0.00
FNMA	2005 A Single Family	4.49	08/02/06	07/01/36	481,328.02	446,581.42			(1,377.31)		359,985.55	334,332,73	432.58	0.00
FNMA	2005 A Single Family	4.49	08/09/06	07/01/36	361,362.86	335,277.46					278.115.91	258,301,07	375.82	0.00
FNMA	2005 A Single Family	4.49	09/12/06	08/01/36	279,756.79	259,566.13			(1,640.88)		260,962.01	242,373,22	388.24	0.00
FNMA	2005 A Single Family	4.49	10/17/06	09/01/36	262,995.35	244,018.32			(2,033.34)		394,181.65	366,108.17	479.98	0.00
FNMA	2005 A Single Family	4.49	11/14/06	10/01/36	395,777.78	367,224,32			(1,596.13)		280.511.33	260,534,20	337.32	0.00
FNMA	2005 A Single Family	4.49	11/21/06	10/01/36	281,588.19	261,273.74			(1,076.86)		200,511.33 370,917.28	344,505,19	(1,859.66)	0.00
FNMA	2005 A Single Family	4.49	12/12/06	11/01/36	373,157.49	348,605.06			(2,240.21)		55,360,45	51,419.50	(1,120,37)	0.00
FNMA	2005 A Single Family	4.49	01/30/07	11/01/36	55,566,87	52,746.29			(206.42) (216.66)		55,360.45 57,943.89	53,822.28	(1,720.37)	0.00
FNMA	2005 A Single Family	4.49	02/13/07	01/01/37	58,160.55	55,108.08					163,097.66	151,479,26	(2,884.74)	0.00
FNMA	2005 A Single Family	4.49	03/20/07	02/01/37	163,816.86	155,083.20			(719.20)			203.848.37	267.13	0.00
FNMA	2005 A Single Family	4.49	04/10/07	01/01/37	220,586.01	204,685.78			(1,104.54)		219,481.47	203,646.37 345,634,83	(5,877,43)	0.00
FNMA	2005 A Single Family	4.49	04/24/07	04/01/37	373,491.24	352,864.59			(1,352.33)		372,138.91	209,493,41	250.81	0.00
FNMA	2005 A Single Family	4.49	05/22/07	04/01/37	226,369.97	210,057.68			(815.08)		225,554.89	209,493.41	(18,885.08)	0.00
FNMA	2005 A Single Family	4.49	06/05/07	05/01/37			265,227.96				265,227.96			0.00
FNMA	2005 A Single Family	4,49	07/03/07	06/01/37			691,717.20	(4 500 000 00)			691,717.20	642,473.14	(49,244.06)	0.00
Repo Agmt	2005 A Single Family	5.15	08/31/07	09/04/07	4,409,575.26	4,409,575.26		(1,560,088.00)	/040 E40 001		2,849,487.26	2,849,487,26	209,066.08	0.00
	2005 A Single Family Total				98,741,764.59	92,840,986.97	4,322,457.67	(2,662,196.23)	(612,518.98)	0.00	99,789,507.05	94,097,795.51	209,000.00	0.00
	Total Single Family Investment Summary				938,823,412.67	913,017,232,25	202,849,597.59	(74,320,837.34)	(12,142,284.14)	0.00	1,055,209,888.78	1,028,731,704.69	(672,003.67)	0.00

## Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds Investment Summary For Period Ending August 31, 2007

Investment Type Repo Agmt Repo Agmt	Issue 1989 A&B RMRB 1989 A&B RMRB	Current Interest Rate 5.15 5.15	Current Purchase Date 08/31/07 08/31/07	Current Maturity Date 09/04/07 09/04/07	Beginning Carrying Value 05/31/07 89,437.20 491,277.75	Beginning Market Value 05/31/07 89,437.20 491,277.75	Accretions/ Purchases 7,725.62 0.00	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 97,162.82 491,277.75	Ending Market Value 08/31/07 97,162.82 491,277.75	Change in In Market Value	Recognized Gain 0.00 0.00
repo Agrik	1989 A&B RMRB Total	00	0001101		580,714.95	580,714.95	7,725.62	0.00	0.00	0.00	588,440.57	588,440.57	0.00	0.00
Repo Agmt	1998 A/B RMRB	5.15	08/31/07	09/04/07	46,468.71	46,468.71	702,517.58				748,986.29	748,986.29	-	0.00
GIC's	1998 A/B RMRB	5.04 5.04	12/03/98 12/03/98	01/01/31 01/01/31	5,115,596.83 1,662,346.43	5,115,596.83 1,662,346.43	0.00	(3,358,566.82)			1,757,030.01 1,662,346.43	1,757,030.01 1,662,346,43	-	0.00 0.00
GIC's GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35	07/28/00	07/20/30	1,218,268.79	1,188,677.02	0.00		(73,520.57)		1,144,748.22	1,116,472.91	1,316.46	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,593,984,79	2,530,976.91			(98,679.75)		2,495,305.04	2,433,671.01	1,373.85	0.00
FNMA	1998 A/B RMRB	5,35	05/25/99	04/01/29	191,020.66	186,159.18			(1,392.73)		189,627.93	184,815,17	48.72	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	866,834.79	846,568.16			(6,034.02)		860,800.77	840,132,91	(401.23)	0.00
FNMA	1998 A/B RMRB	5.35 5.35	06/22/99 05/25/99	05/01/29	212,496.05	207,087.97			(108,294.65)		104,201.40 2,788,493.00	101,556.71 2.721.541.18	2,763.39	0.00 0.00
GNMA GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	05/25/99	05/20/29 06/20/29	2,807,699.61 4.367.650.16	2,742,055.55 4,265,534.39			(19,206.61) (184,399,93)		4,183,250.23	4,082,810.26	(1,307.76) 1,675.80	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	72,994.65	71,136.91			(455.81)		72,538.84	70,697.78	16.68	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	138,257.64	134,738,98			(895.57)		137,362.07	133,875.81	32.40	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	3,275,255.74	3,198,680.17			(23,891.39)		3,251,364.35	3,173,299.04	(1,489.74)	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	2,662,232.98	2,599,989.99			(17,522.24)		2,644,710.74	2,581,211,27	(1,256.48)	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	179,194.91	174,634,39			(1,019.62)		178,175.29	173,653.19	38.42	0.00 0.00
GNMA FNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	09/20/99 10/29/99	09/20/29 10/01/29	1,963,548.41 440,170.25	1,917,640.65 428,967.93			(12,472.32) (4,612.62)		1,951,076.09 435,557.63	1,904,230.76 424,503.20	(937.57) 147,89	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	343,054,41	334,323.67			(4,223.40)		338.831.01	330,231,47	131,20	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	538,094,83	524,400.29			(5,043.07)		533,051.76	519,522,88	165.66	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	2,834,631.64	2,768,357.88			(67,998.00)		2,766,633.64	2,700,206.74	(153.14)	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	3,081,855.62	3,009,801.80			(21,214,89)		3,060,640.73	2,987,154.70	(1,432.21)	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	4,940,221.53	4,824,719.05			(187,457.25)		4,752,764.28	4,638,650.32	1,388.52	0.00
GNMA GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	01/28/00 02/22/00	01/20/30 01/20/30	2,475,235.60 2,942,274.64	2,415,112.05 2,870,806,75			(73,640.90) (122,300.44)		2,401,594.70 2,819,974.20	2,342,275.25 2,750,320,78	804.10 1,814,47	0.00 0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,615,615.93	1,576,372,58			(10,413.27)		1,605,202.66	1.565.554.10	(405.21)	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	490,864.30	478,371,77			(8,324.80)		482,539.50	470,292.62	245.65	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	277,516.48	269,962.47			(3,625.65)		273,890.83	266,572.46	235.64	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	305,200.73	296,893.16			(1,779.51)		303,421.22	295,313.80	200.15	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	2,068,476.27	2,018,233.00			(79,731.75)		1,988,744.52	1,939,622.53	1,121.28	0.00
GNMA GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	05/30/00 06/21/00	05/20/30 06/20/30	1,613,600.33 1,247,617.16	1,574,405.92 1,217,312.55			(25,604.96) (17,166.79)		1,587,995.37 1,230,450.37	1,548,771,84 1,200,058.27	(29.12) (87.49)	0.00 0.00
FNMA	1998 A/B RMRB	5,35		05/01/30	411,786.32	400,577,50			(6,530.31)		405,256.01	394,427.58	380.39	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	199,675.91	194,240,72			(1,869.12)		197,806.79	192,521.39	149.79	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,775,978.76	1,732,840,19			(10,165.10)		1,765,813.66	1,722,198.03	(477.06)	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	457,288.15	446,180.61			(4,433.48)		452,854.67	441,669.15	(77.98)	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	399,350.34	388,480.02			(2,948.40)		396,401.94	385,810.07	278.45	0.00
FNMA	1998 A/B RMRB	5.35 5.35		07/01/30 12/20/30	202,344.46 325,659.90	196,836.64			(1,912.10) (4,630.07)		200,432.36 321,029.83	195,076.80 313,100.38	152.26 (19.16)	0.00 0.00
GNMA GNMA	1998 A/B RMRB 1998 A/B RMRB	5.35		12/20/30	204,095.10	317,749.61 199,137.62			(1,984.27)		202,110.83	197,118.69	(34.66)	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	112,345,71	109,616.77			(594.99)		111,750,72	108,990,41	(31.37)	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	320,697.55	312,907.80			(4,004.62)		316,692.93	308,870.60	(32.58)	0.00
GNMA	1998 A/B RMRB	5.35		11/20/30	747,782.38	729,618.70			(3,997.76)		743,784.62	725,413.10	(207.84)	0.00
GNMA	1998 A/B RMRB	5.35		11/20/30	144,574.69	141,062.96			(4,682.72)		139,891.97	136,436.63	56.39	0.00
GNMA	1998 A/B RMRB	5.35 5.35		12/20/30 09/01/30	292,565.28	285,458.86			(1,614.04)		290,951.24 422,101.93	283,764.74 410,823,34	(80,08) 303,81	0.00 0.00
FNMA FNMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35		12/01/30	425,509.85 392,746,18	413,927.45 382,055.59			(3,407.92) (2,704.85)		390,041.33	379,619,40	268.66	0.00
Repo Agmt	1998 A/B RMRB	5.15		09/04/07	1,146,763.51	1,146,763.51	1,419.48		(2,704.00)		1,148,182.99	1,148,182.99		0.00
GNMA	1998 A/B RMRB	5.49		01/20/36	27,006.60	26,737.05	.,		(87.44)		26,919.16	26,634.16	(15.45)	0.00
GNMA	1998 A/B RMRB	5,49	03/09/06	03/20/36	33,393.66	33,062.03			(158.59)		33,235.07	32,884.85	(18,59)	0.00
GNMA	1998 A/B RMRB	5.49		03/20/36	18,938.88	18,750,67			(61.10)		18,877.78	18,678.72	(10.85)	0.00
GNMA	1998 A/B RMRB	5.49		02/20/36	37,917.82	37,540.78			(592.29)		37,325.53	36,931.73	(16.76)	0.00
GNMA	1998 A/B RMRB	5.49		03/20/36	29,635.50	29,341,35			(100.07)		29,535.43	29,224.36	(16.92)	0.00 0.00
GNMA GNMA	1998 A/B RMRB 1998 A/B RMRB	5.49 5.49		03/20/36 04/20/36	41,521.32 36,783.56	41.031.76			(155,68) (117,35)		41,365.64 36,666.21	40,852.81 36,280.74	(23.27) (21.10)	0.00
SIMM	1550 AD MAIND	3.48	0-700700	V-120/JU	30,703.30	36,419.19			(117.55)		00,000.21	00,200.14	(2.1.10)	5,55

Investment Type FNMA FNMA	Issue 1998 A/B RMRB 1998 A/B RMRB	Current Interest Rate 5.49 5.49	Current Purchase Date 04/27/06 04/27/06	Current Maturity Date 03/01/36 10/01/35	Beginning Carrying Value 05/31/07 25,963.27 8,654.09	Beginning Market Value 05/31/07 25,467.07 8,496.68	Accretions/ Purchases	Amortizations/ Sales	Maturities (85.43) (28.88)	Transfers	Ending Carrying Value 08/31/07 25,877.84 8,625.21	Ending Market Value 08/31/07 25,384.33 8,465,89	Change in In Market Value 2.69 (1.91)	Recognized Gain 0.00 0.00
	1998 A/B RMRB Total			_	60,407,259.66	59,150,634.24	703,937.06	(3,368,566.82)	(1,237,789.09)	0.00	56,514,840.81	55,264,742.58	6,527.19	0.00
Dana 4	2000 DODE DUDD	5.15	08/31/07	09/04/07	191.374.20	191,374,20	20 076 70				230.250.90	230,250,90		0.00
Repo Agmt Repo Agmt	2000 BCDE RMRB 2000 BCDE RMRB	5.15 5.15	08/31/07	09/04/07	611,045.51	611,045,51	38,876.70 8,129,15				619,174.66	619,174.66	-	0.00
Repo Agmt	2000 BCDE RMRB	5.15	08/31/07	09/04/07	123,133.94	123,133.94	570,844,12				693,978.06	693,978.06	_	0.00
inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	6,012,307.23	6,012,307.23		(4,697,764.86)			1,314,542.37	1,314,542.37	-	0.00
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	1,228.19	1,228.19	370,000.00				371,228.19	371,228.19	-	0.00
inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	1,383,363.11	1,383,363.11	0.00				1,383,363.11	1,383,363.11	· ·	0.00
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	894,823.74	909,642.24			(174,968.57)		719,855.17	726,450.53	(8,223.14)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6,10 6,10	02/14/01 02/14/01	02/20/31 01/20/31	224,228.12 116,813.48	227,940.68 118,747.22			(42,783.04) (565.91)		181,445.08 116,247.57	183,106.91 117,311.93	(2,050.73) (869.38)	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	201,095,45	204,426,46			(880.26)		200,215,19	202.050.39	(1,495.81)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,280,840,55	1.302,056.82			(13,541.60)		1,267,298.95	1,278,915,19	(9,600.03)	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	95,085.57	96,660,60			(452.43)		94,633.14	95,500.56	(707.61)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	233,135.68	236,998,60			(1,021.04)		232,114.64	234,243.39	(1,734,17)	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	786,334.51	799,363.58			(3,939.82)		782,394.69	789,570.14	(5,853.62)	0,00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	26,882.20	27,327.76			(119.53)		26,762.67	27,008.25	(199.98)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	03/29/01 04/16/01	03/20/31 03/20/31	255,632.95 180,864,17	259,869.97 183,863.04			(1,604,94) (811,18)		254,028.01 180,052.99	256,359.06 181,706.32	(1,905.97) (1,345.54)	0.00 0.00
GNMA	2000 SCDE RMRB	6.10	04/16/01	04/20/31	682,571,85	693,891,44			(3,208.34)		679,363.51	685,603.72	(5,079.38)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	429,626.32	436,753,24			(3,284.76)		426,341.56	430,259.77	(3,208.71)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	934,304.32	949,803.33			(4,615.61)		929,688.71	938,232.97	(6,954.75)	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	95,745.25	97,333,56			(414.86)		95,330.39	96,206.53	(712.17)	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	170,019.04	172,840.47			(800.13)		169,218,91	170,775.12	(1,265,22)	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	05/10/01 05/22/01	05/20/31 04/20/31	447,657.85 111,749,53	455,086.74			(2,128.28) (600.75)		445,529.57 111,148.78	449,626.92 112,171.07	(3,331,54) (832,29)	0.00 0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,111,199.46	113,604.11 1,129,640.85			(5,189.53)		1.106.009.93	1,116,182.47	(8,268.85)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	114,502.78	116,403,41			(503.79)		113,998.99	115,047.84	(851.78)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	47,011.08	47,791.56			(212.13)		46,798.95	47,229.68	(349.75)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	285,800.64	290,545.49			(1,654.93)		284,145.71	286,760.85	(2,129.71)	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	47,736.51	48,529.04			(206.01)		47,530.50	47,967.95	(355.08)	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	197,670.79	200,953.70			(937.48)		196,733.31	198,545.12	(1,471.10)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	06/18/01 06/18/01	05/20/31 05/20/31	1,195,602.02 42,988.31	1,215,458,82			(22,591.76) (198.67)		1,173,010.26 42,789.64	1,183,813.30 43,183.72	(9,053,76) (319,87)	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	246,360,48	43,702,26 250,453,84			(1,265.88)		245,094,60	247,353,59	(1,834.37)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	982,372.83	998,695.28			(4,532.00)		977,840.83	986,853.35	(7,309.93)	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	261,425.55	265,769.22			(1,490.23)		259,935.32	262,331.08	(1,947.91)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	264,407.64	268,803.33			(3,997.08)		260,410.56	262,813.11	(1,993.14)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	668,821.26	679,942.14			(55,032.53)		613,788.73	619,453.31	(5,456.30)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	139,199,10	141,513.21			(1,135.73)		138,063.37	139,337.12 225.642.62	(1,040.36)	0.00 0.00
gnma gnma	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	08/08/01 08/08/01	07/20/31 08/20/31	225,257.70 1,115,534.70	229,004.10 1,134,091.31			(1,679.59) (105,978.07)		223,578.11 1,009,556.63	1,018,880.92	(1,681.89) (9,232.32)	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	177,768.67	180,725.26			(1,476.65)		176,292.02	177,919.90	(1,328.71)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	325,937,15	331,361,69			(1,477,44)		324,459.71	327,459.06	(2,425.19)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	786,081.49	799,164.14			(5,153.30)		780,928.19	788,147.16	(5,863.68)	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	116,393.44	118,330.56			(725,75)		115,667.69	116,736.93	(867.88)	0.00
FNMA	2000 BÇDE RMRB	6.10	02/14/01	02/01/31	286,931.82	291,993.09			(2,513.52)		284,418.30	287,722.16	(1,757.41)	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	11/29/01 11/29/01	10/20/31 10/20/31	229,225.84 268,392.48	233,049.48			(1,136.56)		228,089.28 265,754.52	230,206.31 268,221.14	(1,706.61) (2,010.33)	0.00 0.00
gnma gnma	2000 BÇDE RMRB 2000 BÇDE RMRB	6.10	11/29/01	11/20/31	200,392.46	272,869.43 204.167.25			(2,637.96) (865.48)		199.951.60	201,807.88	(1,493,89)	0.00
GNMA	2000 BCDE RMRB	6,10	09/25/01	08/20/31	321,263.73	326,613.43			(1,386,85)		319,876.88	322,836.77	(2,389.81)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	689,776.44	701,264.01			(95,627.32)		594,149.12	599,648.69	(5,988.00)	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	186,880.58	189,992.53			(1,316.84)		185,563.74	187,280.80	(1,394.89)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	170,325.67	173,163.67			(1,656.55)		168,669.12	170,231.55	(1,275.57)	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	777,130.99	790,079.74			(4,000.46)		773,130.53	780,292.29	(5,786.99)	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	10/17/01 11/15/01	09/20/31 08/20/31	198,191,02 94,011,37	201,493.34			(1,044.44) (392.84)		197,146.58 93,618.53	198,972.82 94,486.51	(1,476.08) (699.23)	0.00 0.00
GNMA GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	205,309.28	95,578.58 208,732,93			(881.95)		204,427,33	206,323.71	(1,527.27)	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	272,672.79	277,485,30			(81,362.80)		191,309.99	193,534.21	(2,588.29)	0.00
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	201,897.84	205,270,57			(958.33)		200,939.51	202,809.43	(1,502.81)	0.00

		Current	Current	Current	Beginning	Beginning	A	A			Ending	Ending Market Value	Change in	Recognized
Investment	leens	Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/07	Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Carrying Value 08/31/07	08/31/07	Value	Gain
Type FNMA	Issue 2000 BCDE RMRB	6.10	05/10/01	04/01/31	320,008.71	325,664,85	ruiciases	Gales	(1,618.00)	Hansiera	318,390.71	322,100.49	(1,946.36)	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	324,599.42	329,903,67			(2,444,64)		322,154,78	324,973,91	(2,485.12)	0.00
FNMA	2000 BCDE RMRB	6,10	05/30/01	04/01/31	222,354.53	226,286,23			(1,178.52)		221,176.01	223,754.43	(1,353.28)	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	306,108.66	311,526.62			(2,626.30)		303,482.36	307,025.83	(1,874.49)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	476,838.59	484,647.61			(2,683.54)		474,155.05	478,321.12	(3,642.95)	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	110,611.61	112,423.40			(471.34)		110,140.27	111,108.34	(843.72)	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	228,825.11	232,566.21			(4,159.74)		224,665.37	226,633.21	(1,773.26)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	260,840.44	265,108.93			(1,268.19)		259,572.25	261,849.77	(1,990.97)	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	346,446.19	352,116.98			(1,431.58)		345,014.61	348,043.21	(2,642.19)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	75,760.23	77,000.91			(301.20)		75,459.03	76,122.01	(577.70)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	44,293.87	45,018.95			(180.06)		44,113.81	44,501.09	(337.80)	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	1,042,858.19	1,059,984.66			(4,801.67)		1,038,056.52 437,113.90	1,047,224.56 440,957.64	(7,958.43) (4,000.14)	0.00 0.00
GNMA	2000 BCDE RMRB	6.10 6.10	06/03/02 06/10/02	05/20/32 06/20/32	478,756.67 533,952.52	486,600.55			(41,642.77) (2,188.79)		531,763,73	536,442,46	(4,072.19)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	533,952.52 590,350.64	542,703.44			(49,765,51)		540,585,13	545,343,14	(4,919.05)	0.00
GNMA GNMA	2000 BÇDE RMRB 2000 BÇDE RMRB	6.10	06/25/02	06/20/32	441,851.81	600,027.70 449,095.56			(2,212.17)		439,639,64	443,510.05	(3,373.34)	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	829,978.65	843,588.75			(4,155.82)		825.822.83	833,096,37	(6,336,56)	0.00
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	604,658.26	614,578,45			(2,561.54)		602,096.72	607,404.64	(4,612.27)	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	171,349.11	174,160.66			(83,847.45)		87,501.66	88,273.32	(2,039,89)	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	194,106.45	197,291,80			(905.58)		193,200.87	194,904.84	(1,481.38)	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,367,206.68	1,389,651.42			(7,371.87)		1,359,834.81	1,371,836.51	(10,443.04)	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	1,092,460.52	1,110,399.35			(5,214.53)		1,087,245.99	1,096,846.27	(8,338.55)	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	459,271.80	466,828.81			(2,590.89)		456,680.91	460,729.12	(3,508.80)	0.00
GNMA	2000 BÇDE RMRB	6.10	09/12/02	08/20/32	831,833.84	845,499.00			(52,191.97)		779,641.87	786,531.57	(6,775.46)	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	290,808.41	295,587.25			(1,418,42)		289,389.99	291,948.83	(2,220.00)	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,354,292.92	1,376,550.63			(7,402.18)		1,346,890.74	1,358,802.84	(10,345.61)	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	950,919.14	966,554,19			(36,732.19)		914,186.95	922,279.50	(7,542.50)	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	623,240.29	633,490.17			(3,496.73)		619,743.56	625,232.17	(4,761.27)	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	468,944.07	476,658.77			(2,010.22)		466,933.85	471,071.50 591,398.47	(3,577.05) (3,578.19)	0.00 0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31 10/20/32	587,781.83	598,197.32			(3,220.66) (2,128.21)		584,561.17 340,582.59	343,600.57	(2,620.35)	0.00
GNMA GNMA	2000 BCDE RMRB	6.10 6.10	11/05/02 11/19/02	11/20/32	342,710.80 30,603.01	348,349.13 31,106.72			(2,128.21)		30,459.05	30,729.18	(233.58)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	11/26/02	11/20/32	121,692.92	123,696.29			(862.46)		120,830.46	121,902,41	(931.42)	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	155.611.74	158,173.49			(684.38)		154,927.36	156,301,79	(1,187.32)	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	27,242.78	27,691.43			(666.16)		26,576.62	26,812.55	(212.72)	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	63,793.52	64,843.59			(263.40)		63,530,12	64,093.59	(486.60)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	83,248.73	84,619.89			(1,161.29)		82,087.44	82,816.33	(642.27)	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	34,350.72	34,916.64			(141.52)		34,209.20	34,513.10	(262.02)	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	121,481.80	123,483.79			(965.25)		120,516.55	121,587.78	(930.76)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	19,293.65	19,598.98			(690.78)		18,602.87	18,753.06	(155.14)	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	330,132.92	335,357.36			(1,370.31)		328,762.61	331,416.86	(2,570.19)	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	174,771.33	177,538.74			(1,690.90)		173,080,43	174,479.54	(1,368.30)	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	327,409.49	333,429,86			(3,370.93)		324,038.56	327,950.70	(2,108.23)	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	256,081.50	260,137.19			(980.53)		255,100.97 102,007.57	257,163.61 102,832.68	(1,993.05) (796.75)	0.00
GNMA	2000 BCDE RMRB	6.10 6.10	02/27/03 03/24/03	02/20/33 03/20/33	102,386.84 189,021.95	104,008.70			(379.27) (727.45)		188,294,50	189,819.64	(1,471.20)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	03/24/03	03/20/33	148,380.08	192,018.29 150,732.62			(574,16)		147,805.92	149,003.56	(1,154.90)	0.00
GNMA	2000 BCDE RMRB	0.10	04/02/03	03/20/33	39,723,77	40,353,78			(39,723.77)		141,000.02	145,000.00	(630,01)	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	145.077.36	147,378.72			(612.54)		144,464.82	145,636.56	(1,129.62)	0.00
GNMA	2000 BODE RMRB	6.10	04/24/03	04/20/33	27.054.36	27.483.57			(114.39)		26,939.97	27,158,55	(210.63)	0.00
GNMA	2000 BODE RMRB	6.10	04/29/03	04/20/33	333,043.97	338,328,41			(1,260.08)		331,783.89	334,476.31	(2,592.02)	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	82,086.04	83,388.84			(324.60)		81,761,44	82,425.26	(638.98)	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	71,553.90	72,689.69			(260.60)		71,293.30	71,872.27	(556.82)	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	146,042.23	148,361,14			(638.36)		145,403.87	146,585.44	(1,137.34)	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	61,050.89	62,020.34			(224.24)		60,826.65	61,321.00	(475.10)	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	133,668.59	135,791.98			(550.60)		133,117.99	134,200.66	(1,040.72)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	193,553.51	196,629,18			(893.04)		192,660.47	194,228.39	(1,507.75)	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	60,088.59	61,043.43			(224.21)		59,864.38	60,351.57	(467.65)	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	98,212.13	99,773,08			(352.90)		97,859,23	98,655.93	(764.25)	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	72,055.73	73,201.24			(301.99)		71,753.74	72,338.20	(561.05)	0.00 0.00
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33 07/20/33	478,086.60	485,688,55			(1,848.52) (944.10)		476,238.08 235,834,49	480,118.65 237,756.63	(3,721.38) (1,843.30)	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07720753	236,778.59	240,544.03			(344.10)		200,004,49	201,100.00	(1,0-0.50)	0.00

Type	Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Change   C		Issue								Maturities	Transfers				-
GAMA   2000 DEC Ferreirs   6.10   07/20073   171,986.07															
Security															0.00
SAMA   2005 ECCE PAIRS   6.10   091-453   640, 1270-70   1011-101   22,777-5   22,777-5   22,777-															0.00
PAMA   2000 DECE PAME   0.10   1227101   122															
Common   C															0.00
Common															
Common   C															
CAMAA   2000 BCDE PRIMES   6.10   0919003   692003   833-96-92   90.00   2.72-97   16.24-90   16.20-90   16.															
Common   C															0.00
Camba   2000 BCCE PRIME   6.10   1009023   980/0265   980/0267   71   152-172   152-															0.00
Changa   2000 BCDE FINIPS				09/29/03								358,726,87	361,662,26	(2.801.83)	0.00
Change   C													189,931.61	(1,472.18)	0.00
ChiMA  2009 ECCE FIRME												87,699.56	88,417.72		0.00
Changa   2000 ECCE EMPRIS   6,10   10/2005   10/2005   24,177.5.34   245,552.58   (888.08)   24,0,614.68   242,288.62   (1,817.20)   0.00												232,743.28		(148.28)	0.00
ONIAM 2000 ECCE RIMBE 6.10 1050/050 1060/033 1060/033 1060/033 1060/033 1060/034 106			6.10									240,914.48	242,888.52	(1,881.20)	0.00
Chango   2000   ECDE PRINES   5.0   11/19/03   11/20/03   47/88-66   47/19/19/19   47/88-66   47/19/19/19   47/88-66   47/89-86			5.40	10/30/03	10/20/33	106,033.50				(417.50)		105,616.00		(69.72)	0.00
Changa   2000   ECDE PRINES   5.40   1117/305   1120/305   1758/265   225.875   477.850.85   488.5776.14   (308.70)   C.00			6.10	10/30/03	08/20/33	57,890.00				(224.09)		57,665.91	58,138.37	(450.63)	0.00
Changa   2000   ECDE PRIMER   6,10   111/3073   112/0033   112/0033   144/858.45   44/85			5.40	11/13/03	11/20/33	479,884.69	471,137,65			(2,253.81)		477,630.88	468,575.14	(308.70)	0.00
CNIMA 2000 ECDE RIARRE 6.10 11/2003 11/2003 494,358-54 485,857.35 (2.153.14) 462,862.24 463,842.65 (22.159.00 COD CNIMA 2000 ECDE RIARRE 6.10 11/2003 10/2003 47,764.74 747.73 (17.50.00 4.9,898.74 4.77.52.35 (87.00) COD CNIMA 2000 ECDE RIARRE 5.40 11/2003 11/2003 283,968.55 277.36.56 (17.88.42) (17.88.42) 281,904.00 277.86.96.77 (17.50.00 6.00 ECDE RIARRE 5.40 11/2003 11/2003 851,270.82 81.00 ECDE RIARRE 5.40 11/2004 11/2003 11/2003 851,270.82 81.00 ECDE RIARRE 5.40 11/2003 11/2003 81.00 ECDE RIARRE 5.40			6,10	11/13/03	11/20/33	136,402.66				(681.70)		135,720.96	136,834.29	(1,063.09)	0.00
Comman   2000 BCDE RIVINE   5.40   11/2803   11/2803   283,096.83   277,090.36   (1,898.42)   281,180.11   275,850.41   (171.75)   0.00			5.40	11/20/03	11/20/33	494,835.43				(2,153.14)		492,682.29	483,342.65	(321.56)	0.00
Chinal   2000 BCDE RIMPB   5.40   11/2603   11/2003   283,096.85   277,966.85   11,866.42   281,180.11   275,880.41   (171.153   0.00	GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	47,164.74	47,917.34			(175.00)		46,989.74	47,375,25	(367.09)	0.00
CNIMA   2000 BCDE RIMPB   5.40   12/11/03   12/20/33   561,5071.5   594,564.6   (6,657.63)   584,667.6   (6,657.63)   5	GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	283,066.53				(1,886.42)		281,180.11	275,850,41	(171.53)	0.00
Chinal   2000 BCDE ENMFB   5.40   12/18/03   12/28/03   852,5815   893,748   46,687 (83)   945,245.58   977,386.04   (770,77)   0.00	GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	362,346.12	355,744.39			(1,506.12)		360,840.00	354,001.47	(236.80)	
Chimax   2000 BCDC RNRPB   5.40   1022303   1220033   852289.15   883289.15   1267.42   126.863.25   106.856.99   769.883.17   247.40   0.00	GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	351,270,62	344,872.06			(1,803,20)		349,467.42		(223.08)	
Chinam   2000 BCDE Rivings   5.40   01/1504   12/1504   12/15203   13/1504   12/15203   13/1504   12/15203   13/1504   13/15	GNMA	2000 BÇDE RMRB	5.40	12/18/03	12/20/33	951,901.21	934,564.64			(6,667.63)					
Chimax   2000 SCDE RinRB   5.40   01/15/04   01/20/34   287/04/81   281838.95   11/18/26/89   (8,47/28)   1.986,479/03   (943.70)   0.00   0	GNMA	2000 BÇDE RMRB	5.40	12/23/03	12/20/33	852,269.15	836,748.84			(46,013.16)		806,255.99		247.49	
Chimax   2000 BCDE RIMRB   6.40   01/2004   297,704.81   221,853.85   (1,121.75)   286,883.08   290,475.12   (258.98)   0.00   Chimax   2000 BCDE RIMRB   6.10   (200004   122003   122003   14,118.38   14,823.84   (181.47)   143,856.91   14,286.79   (343.55)   0.00   Chimax   2000 BCDE RIMRB   5.75   0.00   0.00 BCDE RIMRB   5.75   0.00   0.00 BCDE RIMRB   5.75   0.00	GNMA	2000 BCDE RMRB					127,122.03								
Chmma	GNMA	2000 BCDE RMRB					1,105,859.99								
Chimax   2000 BCDE RIMRB   6.10   C20/2024   12/20/33   44.118.38   44.822.81   (191.47)   43.936.91   44/28.79   (243.55)   0.00   C0.00	GNMA														
Chimax   2000 BCDE RIMER   5.75   0.30004   0.32034   161,045.88   161,045.85   160,145.55   1	GNMA														
GMMA 2000 ECDE FMRE 5.75 07/80/04 03/20/24 161/04.58 161/02.50 (627.31) 160.418.55 160.118.55 (28.84) 0.00 GMMA 2000 ECDE FMRE 5.75 07/80/04 07/20/34 245,495.15 245,473.45 (1.396.34) 244,098.81 243,648.25 (428.86) 0.00 GMMA 2000 ECDE FMRE 5.75 04/80/04 04/20/34 125,495.15 245,473.45 (1.396.34) 244,098.81 243,648.25 (428.86) 0.00 GMMA 2000 ECDE FMRE 5.75 04/80/04 04/20/34 126,393.21 0			6,10	02/02/04	12/20/33							43,936.91	44,298.79		
GMMA 2000 ECDE PRIME 5.75 07/08/04 07/20/04 731,001.71 730,937.09 (2.941.96) 728,049.75 726,715.85 (1,279.28) 0.00 GMMA 2000 ECDE PRIME 5.75 07/08/04 07/20/04 162,383.91 162,343.20 (763.75) 161,600.16 161,265.56 (283.89) 0.00 GMMA 2000 ECDE PRIME 5.75 04/15/04 04/20/04 162,383.91 162,343.20 (763.75) 161,600.16 161,265.56 (283.89) 0.00 GMMA 2000 ECDE PRIME 5.75 04/15/04 04/20/04 042,004 162,383.91 162,343.20 (763.75) 161,600.16 161,265.56 (283.89) 0.00 GMMA 2000 ECDE PRIME 5.75 04/15/04 04/20/04 04/20/04 165,481.73 165,473.89 (233.59) 165,248.14 165,125.47 (114.63) 0.00 GMMA 2000 ECDE PRIME 5.75 04/25/04 04/20/04 152,217.74 132,202.47 (506.48) 131,711.26 131,484.57 (231.42) 0.00 GMMA 2000 ECDE PRIME 5.75 08/15/04 06/20/04 132,217.74 132,202.47 (506.48) 131,711.26 131,484.57 (231.42) 0.00 GMMA 2000 ECDE PRIME 5.75 08/15/04 06/20/04 149,272.78 199,434.42 (1.127.18) 297,340.81 296,748.81 (522.49) 0.00 GMMA 2000 ECDE PRIME 5.75 08/25/04 06/20/04 149,272.78 199,434.42 (1.127.18) 297,340.81 296,748.81 (522.49) 0.00 GMMA 2000 ECDE PRIME 5.75 08/25/04 06/20/04 124,267.24 199,22.47 (1.127.18) 297,340.81 296,747.24 198,643.69 (374.99) 0.00 GMMA 2000 ECDE PRIME 5.75 08/25/04 06/20/04 138,487.59 346,541.11 (1.284.59) 347,333.06 346,687.04 (609.94) 0.00 GMMA 2000 ECDE PRIME 5.75 08/25/04 06/20/04 348,887.59 348,551.61 (1.284.59) 347,333.06 346,687.04 (609.94) 0.00 GMMA 2000 ECDE PRIME 5.75 08/10/04 08/20/04 124,828.43 124,816.28 (1.945.24) 13,832.33 (1.241.02.59 (218.47) 0.00 GMMA 2000 ECDE PRIME 5.75 08/10/04 08/20/04 124,828.43 124,816.28 (1.945.24) 13,832.33 (1.241.02.59 (218.47) 0.00 GMMA 2000 ECDE PRIME 5.75 08/10/04 08/20/04 124,828.43 124,816.28 (1.945.24) 13,832.33 (1.241.02.59 (218.47) 0.00 GMMA 2000 ECDE PRIME 5.75 08/10/04 08/20/04 124,828.43 124,816.28 (1.945.24) 13,832.34 (1.124.59 (218.47) 0.00 GMMA 2000 ECDE PRIME 5.75 08/10/04 08/20/04 142,888.87 9 34,833.17 (34.29) 95.098.81 13,833.18 (37.13.94 (34.49) 95.098.81 13,833.18 (37.13.94 (34.49) 95.098.81 13,832.00 (91.64.24) 0.00 GMMA 2000 ECDE PRIME 5.75 09/04/0															
CMMA   2000 BCDE RIMPB   5.75   04/08/094   04/20/34   162/38/35   162/34/32   07/65.75   161/68/0.16   161/28/5.66   (288.89)   0.00   CMMA   2000 BCDE RIMPB   5.75   04/08/094   04/20/34   162/38/32   07/65.75   161/68/0.16   161/28/5.66   (288.89)   0.00   CMMA   2000 BCDE RIMPB   5.75   04/20/24   04/20/34   268/47/2.65   268/27/3.65   (288.78)   0.00   CMMA   2000 BCDE RIMPB   5.75   04/20/24   04/20/34   268/38/3.65   268/27/3.65   (288.78)   0.00   CMMA   2000 BCDE RIMPB   5.75   04/20/24   04/20/34   268/38/3.65   268/29/3.65   (288.78)   0.00   CMMA   2000 BCDE RIMPB   5.75   05/08/04   05/20/34   132/217/34   12/20/247   (506/48)   131/217/26   131/46/4.57   223/4.25   0.00   CMMA   2000 BCDE RIMPB   5.75   05/08/04   05/20/34   49/27/27   49/22/24   49/22/24   49/22/27   49/22/34   49/22/27   49/22/34   49/22/24   49/22/24   49/22/34   49/22/24   49/22/24   49/22/24   49/22/34   49/22/24															
GIMMA 2000 BCDE RIMPB 5.75 04/08/04 (22/08/4 22/08/42/02) (783.75) 161,600.16 161,205.56 (283.89) 0.00 GIMBA 200 BCDE RIMPB 5.75 04/15/04 04/20/04 200.847.25 206,827.149 (783.75) 206,163.11 205,775.12 (207.75) 0.00 GIMBA 2000 BCDE RIMPB 5.75 04/20/04 04/20/04 86,481.73 65,473.89 (233.59) 65,248.14 65,125.47 (114.83) 0.00 GIMBA 2000 BCDE RIMPB 5.75 02/05/04 04/20/04 226,832.96 65,249.05 (1,033.37) 25,520.29 254,811.15 (448.83) 0.00 GIMBA 2000 BCDE RIMPB 5.75 02/05/04 05/20/04 132,217.74 132,202.47 (806.48) 131,711.26 131,464.57 (231.42) 0.00 GIMBA 2000 BCDE RIMPB 5.75 05/05/04 05/20/04 498,277.78 499,218.13 (1,000.85) 497,472.43 498,543.89 (30.00 GIMBA 2000 BCDE RIMPB 5.75 08/20/04 05/20/04 498,277.8 499,218.13 (1,000.85) 497,472.43 498,543.89 (30.00 GIMBA 2000 BCDE RIMPB 5.75 08/20/04 05/20/04 498,277.8 499,218.13 (1,000.85) 497,472.43 498,543.89 (30.00 GIMBA 2000 BCDE RIMPB 5.75 08/05/04 05/20/04 489,277.8 499,218.13 (1,000.85) 497,472.43 498,543.89 (40.00 GIMBA 2000 BCDE RIMPB 5.75 08/05/04 05/20/04 489,277.8 499,218.13 (1,000.85) 497,472.43 498,543.89 (40.00 GIMBA 2000 BCDE RIMPB 5.75 08/05/04 05/20/04 489,572.78 499,218.13 (1,000.85) 497,472.43 498,543.89 (40.00 GIMBA 2000 BCDE RIMPB 5.75 08/05/04 05/20/04 489,572.89 (40.24) 499,472.49 (42.93)															
GNIMA 2000 BCDE RMRB 5.75 04/1504 04/20/24 26,847.26 20.6.921.49 (784.15) 206.163.11 205.775.12 (362.22) 0.00 GNIMA 2000 BCDE RMRB 5.75 04/220/4 04/20/24 256,329.86 256.296.05 (1.039.37) 255.290.29 254,811.15 (448,83) 0.00 GNIMA 2000 BCDE RMRB 5.75 04/280/4 04/20/24 256,329.86 256.296.05 (1.039.37) 255.290.29 254,811.15 (448,83) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/180/4 05/20/24 192,217.74 132.202.47 (506.48) 131,711.26 131,484.54 (52.43) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/180/4 05/20/24 499.277.78 490.218.13 (1.127.18) 297,340.81 296,784.81 (522.43) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/180/4 05/20/24 499.277.78 490.218.13 (1.127.18) 297,340.81 296,784.81 (522.43) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/27/04 06/20/24 499.277.78 490.218.13 (1.127.18) 297,340.81 296,784.81 (522.43) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/27/04 06/20/24 492.73.85 246.247.40 (1.127.18) 247,389.26 243,982.49 (429.31) 0.00 GNIMA 2000 BCDE RMRB 5.75 05/27/04 06/20/24 348,587.59 348,581.51 (1.124.53) 347,333.03 346,687.67 32.335.75 (556.44) 0.00 GNIMA 2000 BCDE RMRB 5.75 06/19/40 06/20/24 348,587.59 348,581.51 (1.124.53) 347,333.03 346,687.67 37,335.75 (556.44) 0.00 GNIMA 2000 BCDE RMRB 5.75 06/19/40 06/20/34 348,587.59 348,581.51 (1.124.53) 347,333.03 346,687.67 37,335.75 (556.44) 0.00 GNIMA 2000 BCDE RMRB 5.75 06/19/40 06/20/34 124,828.43 124,216.26 (1.125.2) 1.124.333.23 124,102.25 (1.124.33) 247,335.75 (556.44) 0.00 GNIMA 2000 BCDE RMRB 5.75 06/19/40 06/20/34 124,828.43 124,216.26 (1.125.2) 1.124.333.23 124,102.25 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 347,335.00 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,687.59 (1.124.33) 346,6															
Chima   2000 BCDE RMPB   5.75   04/200   04/2004   265,48173   65,473 68   (233.59)   65,248.14   65,125.47   (114.63)   0.00   Chima   2000 BCDE RMPB   5.76   04/2004   05/20/34   132,217.74   132,202.47   (506.48)   131,711.26   131,484.57   (231.42)   0.00   Chima   2000 BCDE RMRB   5.76   05/10/34   05/20/34   493,217.74   132,202.47   (506.48)   131,711.26   131,484.57   (231.42)   0.00   Chima   2000 BCDE RMRB   5.76   05/10/34   05/20/34   499,272.76   499,218.13   (1,800.38)   497,472.43   495,543.69   (874.08)   0.00   Chima   2000 BCDE RMRB   5.76   05/20/34   495,272.76   499,218.13   (1,800.38)   497,472.43   495,543.69   (874.08)   0.00   Chima   2000 BCDE RMRB   5.76   06/20/34   495,272.76   499,218.13   (1,800.38)   497,472.43   495,543.69   (874.08)   0.00   Chima   2000 BCDE RMRB   5.76   06/20/34   495,272.78   499,218.13   (1,800.38)   497,472.43   495,543.69   (874.08)   0.00   Chima   2000 BCDE RMRB   5.76   06/20/34   495,273.86   246,247.40   (1,878.60)   244,398.26   243,942.49   (429.31)   0.00   Chima   2000 BCDE RMRB   5.76   06/10/34   245,873.95   348,551.51   (1,284.53)   343,356   (1,343.16)   373,022.76   372,335.76   (855.44)   0.00   Chima   2000 BCDE RMRB   5.76   06/10/34   245,889.21   245,889.21   (1,484.50)   (1,484.5															
Chima   2000 BCDE RMRB   5.75   04/280/4   04/20/34   256,326.86   256,239.05   (1,033.37)   255,290.28   244,811.15   (448.53)   0.00   0.0															
NIMA 2000 BCDE RMRB 5.75 05/06/04 05/20/34 132,217.74 132,202.47 (506.48) 131,711.26 131,464.57 (231.42) 0.00 GMMA 2000 BCDE RMRB 5.75 05/20/04 05/20/34 298,487.99 288,484.42 (1,127.18) 297,340.81 296,784.81 (522.43) 0.00 GMMA 2000 BCDE RMRB 5.75 05/20/04 05/20/34 246,273.86 246,247.40 (1,127.18) 297,340.81 296,784.81 (522.43) 0.00 GMMA 2000 BCDE RMRB 5.75 05/20/04 05/20/34 246,273.86 246,247.40 (1,1875.60) 244,396.26 243,942.49 (429.31) 0.00 GMMA 2000 BCDE RMRB 5.75 06/00/04 06/20/34 246,273.86 246,247.40 (1,1875.60) 244,396.26 243,942.49 (429.31) 0.00 GMMA 2000 BCDE RMRB 5.75 06/00/04 06/20/34 374,371.92 374,334.55 (1,1845.43) 347,333.06 372,335.75 (655.44) 0.00 GMMA 2000 BCDE RMRB 5.75 06/10/04 06/20/34 374,371.92 374,334.55 (1,1845.43) 347,333.06 372,335.75 (655.44) 0.00 GMMA 2000 BCDE RMRB 5.75 06/10/04 06/20/34 124,282.83 124,316.26 (4,995.20) 124,333.23 (2,1847.1) 0.00 GMMA 2000 BCDE RMRB 5.75 06/20/40 (4,282.83 124,316.26 (4,995.20) 124,333.23 (2,1847.1) 0.00 GMMA 2000 BCDE RMRB 5.75 06/20/40 (4,282.83 124,316.26 (4,995.20) 124,333.23 (2,1847.1) 0.00 GMMA 2000 BCDE RMRB 5.75 06/20/40 (4,282.83 124,316.26 (4,995.20) 124,333.23 (2,1847.1) 0.00 GMMA 2000 BCDE RMRB 5.75 06/20/40 (4,282.83 124,345.43 (4,2	-														
Chima   2000 BCDE RNRB   5.75   05/13/04   05/20/34   298/467.99   298,424.42   (1.127.18)   297/340.81   296,784.81   (522.43)   0.00   GNMA   2000 BCDE RNRB   5.75   05/27/04   05/20/34   499,272.78   499.218.13   (1.800.35)   497,472.43   496,543.69   (374.09)   0.00   GNMA   2000 BCDE RNRB   5.75   05/27/04   05/20/34   246,273.86   246,227.40   (1.875.60)   24.4388.26   243,942.49   (429.31)   0.00   GNMA   2000 BCDE RNRB   5.75   06/03/04   05/20/34   348,587.59   348,551.51   (1.254.53)   347,333.06   346,687.04   (609.94)   0.00   (6NMA   2000 BCDE RNRB   5.75   06/10/14   06/20/34   348,587.59   348,551.51   (1.254.53)   347,333.06   346,687.04   (609.94)   0.00   (6NMA   2000 BCDE RNRB   5.75   06/10/14   06/20/34   248,828.43   124,816.26   (495.20)   124,333.23   124,102.59   (218.47)   0.00   (6NMA   2000 BCDE RNRB   5.75   06/21/04   06/20/34   245,869.21   245,269.01   (1.618.63)   424,260.58   424,260.58   (495.20)															
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GNMA 2000 BCDE RMRB 5.75 08/26/04 08/20/34 75,934.23 75,929.11 (343.45) 75,590.78 75,452.83 (132.83) 0.00 GNMA 2000 BCDE RMRB 5.75 12/02/04 11/20/34 13,832.64 13,832.30 (57.66) 13,774.98 13,750.43 (24.21) 0.00												239,373.78			
GNMA 2000 BCDE RMRB 5.75 12/02/04 11/20/34 13,832.64 13,832.30 (57.66) 13,774.98 13,750.43 (24.21) 0.00			5.75	08/26/04	08/20/34					(343.45)					
GNMA 2000 BCDE RMRB 5.75 12/17/04 12/20/34 189,721.99 189,718.58 (872.02) 188,849.97 188,514.66 (331.90) 0.00	GNMA		5.75	12/02/04	11/20/34	13,832.64				(57.66)					
	GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	189,721.99	189,718.58			(872.02)		188,849.97	188,514.66	(331.90)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	57,621.45	57,618.78			(198.99)		57,422.46	57,318,94	(100.85)	0.00
GNMA	2000 BCDE RMRB	5,75	10/28/04	10/20/34	115,852.18	115.847.54			(63,339,45)		52,512.73	52,418.32	(89,77)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	61,821.28	61,818.97			(279.81)		61,541.47	61,431,01	(108.15)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	60,306,90	60,305.15			(205.70)		60,101.20	59,993.87	(105,58)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	296,925.57	296,921.09			(1,072.81)		295,852,76	295,328,31	(519.97)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	52.007.83	51,946,64			(174.59)	•	51,833.24	51,701.46	(70.59)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	137,856.12	137,698.58			(534.22)		137,321.90	136,977,40	(186.96)	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	124,251,31	126,469.28			(859.13)		123,392,18	124,851,46	(758.69)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	62,637.60	62,866.98			(202.91)		62,434,69	62,574,97	(89,10)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	122,905,88	123,361.53			(427.21)		122,478,67	122,759,40	(174.92)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	136,485.09	136,987.63			(436.13)		136.048.96	136,357,35	(194.15)	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	247,741.88	247,480.31			(789.64)		246,952.24	246,354,16	(336.51)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	121,152.75	121,026.78			(623.07)		120,529.68	120,239.71	(164.00)	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	280,484.41	285,362.39			(1,596.50)		278,887.91	282,007.57	(1,758.32)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	157,856.96	157,661,91			(499.90)		157,357,06	156,908.15	(253.86)	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	267,457.95	272,114.02			(1,309.50)		266,148.45	269,129.94	(1,674.58)	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	175,141.64	178,194.73			(1,579.81)		173,561.83	175,510.35	(1,104.57)	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	113,656.38	115,521,38			(471.65)		113,184.73	114,316.86	(732.87)	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	263,765.18	268,102,76			(973.76)		262,791.42	265,429.33	(1,699.67)	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	245,795.95	249,843,29			(1,171.39)		244,624.56	247,085.56	(1,586.34)	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	195,689.15	198,913.02			(3,210.38)		192,478.77	194,416.53	(1,286,11)	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	137,638.54	139,911.54			(9,965.54)		127,673.00	128,963.26	(982.74)	0.00
FNMA	2000 BCDE RMRB	5,40	12/11/03	11/01/33	248,055.94	242,719.91			(1,158.36)		246,897.58	241,579.24	17.69	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	179,400.06	175,544,81			(1,125.18)		178,274.88	174,438.59	18.96	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	255,007.28	254,176.75			(1,777.62)		253,229.66	251,855.66	(543.47)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	269,548.63	268,673,98			(1,949.96)		267,598.67	266,149.90	(574.12)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	288,968.60	288,035.26			(1,511.40)		287,457.20	285,905.21	(618.65)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	236,465.07	235,704.88			(63,549.13)		172,915.94	171,984,97	(170.78)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	73,431.29	73,196.27			(276,96)		73,154.33	72,761.50	(157.81)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	45,732.44	45,587.03			(335.33)		45,397.11	45,154.30	(97.40)	0.00
FNMA	2000 BCDE RMRB	5,75	02/03/05	02/01/35	230,813.19	229,631.55			(839.24)		229,973.95	228,427.10	(365.21)	0.00
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	63,122.86	62,803.44			(209.07)		62,913.79	62,494.33	(100.04)	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	261,209.65	259,902.42			(43,965.48)		217,244.17	215,807.87	(129.07)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	149,219.18	148,477.33			(486.91)		148,732.27	147,753.82	(236.60)	0.00
Repo Agmt	2000 BCDE RMRB	5.15	08/31/07	09/04/07	371,191.73	371,191.73		(370,000.00)			1,191.73	1,191.73	-	0.00
Repo Agmt	2000 BCDE RMRB	5.15	08/31/07	09/04/07	1,586.28	1,586.28	31.41				1,617.69	1,617.69		0,00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	19,453.38	19,098.68			(99.98)		19,353.40	18,986.35	(12.35)	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	8,817.15	8,656.30			(34.71)		8,782.44	8,615.79	(5.80)	0.00 0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	39,904.14	39,176.84			(187.42)		39,716.72	38,963.76	(25.66) (26.74)	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	41,147.40	40,397.51			(179.04)		40,968.36 23,381.12	40,191.73 22,937.98	(14.27)	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	23,537.98	23,109.11			(156.86) (125.24)		30.005.16	29,436,53	(19.69)	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	30,130.40	29,581.46			(125.24)		29,059.52	28,508.89	(18.55)	0.00
GNMA-	2000 BCDE RMRB	5.40	12/11/03 12/18/03	12/20/33 12/20/33	29,209.46 79,154.08	28,677.38			(553.61)		78,600.47	77,111,43	(47.48)	0.00
GNMA	2000 BCDE RMRB	5.40 5.40	12/23/03	12/20/33	70,869.34	77,712.52 69,578.77			(3,826.17)	,	67,043,17	65,773,18	20.58	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	10,769.72	10,570.67			(52.92)		10.716.80	10,508.18	(9.57)	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	93,687.87	91,956,35			(701.58)		92,986,29	91,176,29	(78.48)	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	23,923.74	23,437,19			(93.27)		23,830.47	23,322,38	(21.54)	0.00
GNMA GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,102.76	4,026.95			(18.81)		4,083.95	4,004,48	(3.66)	0.00
GNMA	2000 BCDE RMRB	5.40	01/25/04	01/20/04	1,518,68	1,518.47			(1,518.68)		1,000.00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	0.21	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,232,81	6,231.98			(24.28)		6.208.53	6,196,79	(10.91)	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	28,291.29	28,288.75			(113,87)		28,177,42	28,125,38	(49:50)	0.00
GNMA	2000 BCDE RMRB	5.75		07/20/34	9,501.16	9,500.32			(54.04)		9,447.12	9,429,68	(16.60)	0.00
GNMA	2000 BCDE RMRB	4.75		04/20/34	6,283.80	6,283.01			(29.57)		6,254.23	6,242.46	(10.98)	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	8,009.25	8,008.28			(30.35)		7,978.90	7,963.92	(14.01)	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	2,534.26	2,533,96			(9.04)		2,525.22	2,520.48	(4.44)	0.00
GNMA	2000 BCDE RMRB	5.75		04/20/34	9,920.51	9,919.29			(40.22)		9,880.29	9,861.71	(17.36)	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	5,117.07	5,116.50			(19.61)		5,097.46	5,087.94	(8.95)	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	11,551.30	11,550.02			(43.62)		11,507.68	11,486.17	(20.23)	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	19,322.87	19,320.75			(69.67)		19,253,20	19,217.24	(33,84)	0.00
GNMA	2000 BCDE RMRB	5.75		05/20/34	9,531.32	9,530.27			(72.58)		9,458.74	9,441.07	(16.62)	0.00
GNMA	2000 BCDE RMRB	5.75		06/20/34	13,491.04	13,489.65			(48.56)		13,442.48	13,417.49	(23.60)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	14,488,98	14,487,49			(52.00)		14,436.98	14,410.14	(25.35)	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	4,831.13	4,830.64			(19.16)		4,811.97	4,803.02	(8.46)	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	16,482.02	16,480.45			(62.64)		16,419.38	16,388.95	(28.86)	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,038.56	4,038,30			(18.45)		4,020,11	4,012.79	(7.06)	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,036.10	4,035.84			(14,13)		4,021.97	4,014.63	(7.08)	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,627.14	3,626.92			(13.37)		3,613.77	3,607.20	(6.35)	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,693.72	3,693.50			(13.17)		3,680.55	3,673.86	(6.47)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,888.27	8,887.78			(32.08)		8,856.19	8,840.14	(15,56)	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,486.18	5,485.92			(41.93)		5,444.25	5,434.42	(9.57)	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,262.06	21,260.25			(81.93)		21,180.13	21,141.10	(37.22)	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	23,208.17	23,206.26			(118.95)		23,089.22	23,046.75	(40.56)	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,675.31	14,674.13			(51.41)		14,623.90	14,597.02	(25.70)	0.00 0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	16,430.99	16,429.75			(152.76)		16,278.23	16,248.39	(28.60) (32.69)	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	22,094.98	22,093.35	•		(3,359.17)		18,735.81	18,701.49		0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,304.90	9,290.40			(40.64)		9,264.26	9,233.64	(16.12)	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,938.80	2,938.61			(13.30)		2,925.50	2,920.17	(5.14)	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	535.37	535.33			(2.23)		533.14	532.16	(0.94)	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,342.65	7,342.49			(33.75)		7,308.90	7,295.90	(12.84)	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,230.06	2,229.96			(7.70)		2,222.36 2,032.38	2,218.35 2,028.69	(3.91)	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	4,483.74	4,483.53			(2,451.36)		2,381.76	2,377.50	(3.48) (4.18)	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,392.59	2,392.51			(10.83)		2,326.03	2,321.88	(4.08)	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,334.00	2,333.93			(7.97) (41.51)		11,450,11	11,429,80	(20.14)	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,491.62	11,491.45			(6.76)		2,006.03	2,000.95	(2.73)	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,012.79	2,010.44					5,314.66	2,000.95 5,301.30	(7.23)	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,335.34	5,329.21			(20.68) (7.85)		2,416,36	2,421,77	(3.46)	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,424.21	2,433.08			(16.81)		4,762,63	4,751.03	(6.50)	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,779.44	4,774,34			(16.88)		5,265.38	5,277.30	(7.52)	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05 11/22/05	09/20/35 11/20/35	5,282.26	5,301.70			(30.57)		9,557.55	9,534.41	(13.01)	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	9,588.12 4,688.85	9,577.99			(24.11)		4,664.74	4,653.52	(6.35)	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36		4,683.98			(19.34)		6,090.04	6,072,66	(9.83)	0.00
GNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.40	12/11/03	11/01/33	6,109.38 20,626.75	6,101.83 20,183.06			(96.33)		20,530,42	20,088,21	1.48	0.00
FNMA	2000 BCDE RMRB 2000 BCDE RMRB	5.40 5.40	01/29/04	01/01/34	14,917.76	14.597.20			(93.57)		14,824.19	14.505.21	1.58	0.00
FNMA FNMA	2000 BCDE RIVIRB	5.75	05/13/04	05/01/34	9.869.31	9,837.16			(68.80)		9.800.51	9,747,33	(21.03)	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10.432.07	10,398.23			(75,46)		10,356.61	10,300,54	(22.23)	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,183.66	11,147.55			(58.49)		11,125.17	11,065,11	(23,95)	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	9,151.67	9,122.25			(2,459.48)		6,692.19	6,656.16	(6.61)	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,841.96	2,832.84			(10.72)		2,831.24	2,816.02	(6.10)	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,769.94	1,764.30			(12.97)		1,756.97	1,747.56	(3.77)	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,932.94	8,887.21			(32.49)		8,900.45	8,840,59	(14.13)	0.00
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,443.01	2,430,61			(8.09)		2,434,92	2,418,65	(3.87)	0.00
FNMA	2000 BCDE RMRB	5,75	10/27/05	10/01/35	10,109.35	10.058.75			(1,701.55)		8,407.80	8.352.20	(5.00)	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	5,775.09	5.746.37			(18.85)		5,756.24	5,718.37	(9.15)	0.00
1 11,,,,,,,,,	2000 BCDE RMRB Total	****			72,301,256.59	72,910,774.75	987.881.38	(5.067.764.86)	(1,537,577.41)	0.00	66,683,795.70	66,927,886.44	(365,427.42)	0.00
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Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	4,787.11	4,787.11	63.79				4,850.90	4,850.90	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	87,047.15	87,047.15	1,158.03				88,205.18	88,205.18	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	3,336.65	3,336.65		(2,981.37)			355.28	355.28	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	13,954.16	13,954.16	612,078.62				626,032.78	626,032.78	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	619.25	619.25	0,21				619.46	619.46	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	3,469,722.81	3,469,722.81		(2,039,392.23)			1,430,330.58	1,430,330.58	-	0.00
GtC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	1,101.79	1,101.79		(208.55)			893.24	893.24	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,656,162.42	2,656,162.42	0.00				2,656,162.42	2,656,162.42	-	0.00
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	188,109.60	188,109.60	3,094.78				191,204.38	191,204.38	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	208,256.77	219,234.65			(5,406.13)		202,850.64	213,825.15	(3.37)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	56,588.94	58,239.10			(2,032.80)		54,556.14	56,216.30	10.00	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	48,070.37	50,604.21			(1,654.92)		46,415.45	48,926.51	(22.78)	0,00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	150,305.23	154,377.67			(4,819.20)		145,486.03	149,635.94	77.47	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	26,373.67	27,697.17			(793.43)		25,580.24	26,903.28	(0.46)	0.00
GNMA	2001 A-E RMRB	7,19	01/01/90	11/20/14	107,476.40	110,387.91			(3,247,10)		104,229.30	107,201.90	61.09	0.00
GNMA	2001 A-E RMRB	8,19	01/01/90	11/20/14	54,689.22	57,433.42			(12,980.26)		41,708.96	43,866.00	(587.16)	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	144,953.22	148,882.36			(22,039.05)		122,914.17	126,421.68	(421.63)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain 0.00
GNMA	2001 A-E RMR8	8.19	02/28/90	12/20/14	163,985.38	172,219.01			(5,341.20) (6.025.90)		158,644.18 211,629.19	166,853.72 218,041.90	(24,09) 93,71	0.00
GNMA	2001 A-E RMRB	7,19	01/20/90	01/20/15	217,655.09	223,974.09			(27,519.35)		245,607,25	258,861.75	(1,105.70)	0.00
GNMA	2001 A-E RMRB	8.19 7.19	01/01/90 02/27/90	01/20/15 01/20/15	273,126.60 106.035.25	287,486,80 109,114,66			(17,768.77)		88,266,48	90,941,92	(403,97)	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	8.19	02/27/90	12/20/14	92,908.57	97,573.42			(2,358.71)		90,549.86	95,235.57	20.86	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	128,762,37	132,501.82			(3,583,38)		125,178.99	128,973.30	54.86	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	137,231,73	144,449.03			(3,344,42)		133,887.31	141,114.57	9.96	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	55,817.47	57,438.88			(3,181.02)		52,636.45	54,232.28	(25.58)	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	94,866.12	99,856.06			(2,630.87)		92,235.25	97,214.87	(10.32)	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	92,232.67	94,913.46			(21,352.70)		70,879.97	73,030.21	(530.55)	0,00 0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	229,411.86	241,482.66			(5,694.24)		223,717.62 181,268.96	235,799.60 186,771.84	11.18 (787.65)	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	216,259.61	222,550.14			(34,990.65) (7,245.75)		196,340.76	206,948.58	(108.87)	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	8.19 7.19	04/26/90 04/26/90	03/20/15 03/20/15	203,586.51 234,112.86	214,303.20 240,922.70			(25,861.55)		208.251.31	214,573,30	(487.85)	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	8.19	04/26/90	03/20/15	513,384.12	540,408.29			(15,316.89)		498,067.23	524,976,51	(114.89)	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	97,111.13	99,938.23			(3,476.62)		93,634.51	96,479.28	17.67	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	33,560.16	35,327.07			(788.84)		32,771.32	34,542.19	3.96	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	130,903.31	134,714.24			(3,981.69)		126,921.62	130,777.77	45.22	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	411,123.67	432,775.45			(9,711,79)		401,411.88	423,109.46	45.80	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	77,590.99	79,851.69			(1,953.68)		75,637.31	77,937.12 54,488.01	39.11 6.30	0.00 0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	52,935.34	55,724.48			(1,242.77) (2,163.68)		51,692.57 83,810.23	86,358.60	43.35	0.00
GNMA	2001 A-E RMRB	7.19 8.19	06/28/90 06/28/90	05/20/15 05/20/15	85,973.91 233,798.73	88,478,93 246,117,39			(20,319.24)		213,479,49	225,023.88	(774.27)	0.00
gnma Gnma	2001 A-E RMRB 2001 A-E RMRB	6,19	06/28/90	05/20/15	83,150.56	83,979.01			(2,134,44)		81,016.12	81,650.23	(194.34)	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	52,153,09	53,673.94			(1,349.98)		50,803.11	52,349.09	25.13	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	27,758.29	28,568.13			(658.36)		27,099.93	27,924.94	15.17	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	73,130.41	76,987.52			(1,785.87)		71,344.54	75,206.52	4.87	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	84,741.67	87,215,17			(1,927.87)		82,813.80	85,336.18	48.88	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	143,236.39	150,793.43			(3,438.57)		139,797,82	147,367.67	12.81	0.00 0.00
GNMA	2001 A-E RMR8	6,19	09/13/90	07/20/15	97,453.16	98,429.16			(2,416.81)		95,036.35 95,883.71	95,785.11 101,076.02	(227.24) (76.93)	0.00
GNMA	2001 A-E RMRB	8.19 6.19	09/28/90 09/28/90	08/20/15 08/20/15	99,864.38 180,930.51	105,133.62 182,746,28			(3,980.67) (5,160.47)		175,770.04	177,158.48	(427.33)	0.00
GNMA GNMA	2001 A-E RMR8 2001 A-E RMRB	7.19	09/28/90	08/20/15	179,377.66	184,617,23			(5,208.79)		174,168.87	179,477,43	68.99	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	391,790.38	412,462,78			(10,717.90)		381,072.48	401,708.41	(36.47)	0.00
GNMA	2001 A-E RMRB	7,19	10/31/90	08/20/15	8,456.79	8,703.86			(187.52)		8,269.27	8,521.36	5.02	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	99,583.13	104,840.10			(2,406.41)		97,176.72	102,441.68	7.99	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	108,582.15	109,674.47			(22,589.21)		85,992.94	86,674.38	(410.88)	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	28,691.11	29,529.86			(1,316.53)		27,374.58	28,209.64	(3.69) 42.29	0.00 0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	237,753.94	250,304.80			(5,316.47) (3,289.00)		232,437.47 122,663.83	245,030.62 123,638.52	(295.25)	0.00
GNMA	2001 A-E RMRB	6.19 8.19	11/28/90 11/28/90	10/20/15 10/20/15	125,952.83 421,262.78	127,222.77 443,511.22			(9,210.01)		412,052.77	434,386.88	85.67	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	7.19	12/21/90	10/20/15	70,703.53	72,772,64			(1,542.06)		69,161.47	71,273.27	42.69	0.00
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	102.599.70	108.020.73			(2,338.25)		100,261.45	105,698.15	15.67	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	38,833.44	40,885.36			(822.77)		38,010.67	40,071.89	9.30	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	139,537.64	140,948.95			(3,388.56)		136,149,08	137,235.21	(325.18)	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	39,025.99	41,088.43			(1,028.67)		37,997.32	40,058.15	(1,61)	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	118,155.05	124,756.97			(2,720.79)		115,434.26	122,021.61	(14,57)	0.00 0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	94,346.96	99,630.35			(3,357.64)		90,989.32 121,677.21	96,192.76 130,114.35	(79,95) (80,68)	0.00
GNMA	2001 A-E RMRB	8.75 8.19	04/29/91 04/29/91	02/20/20 04/20/16	123,007.42 127,747.65	131,525,24 134,906,73			(1,330.21) (3,213.29)		124,534.36	131,661.45	(31.99)	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	7.19	04/29/91	02/20/16	267.658.51	275,955.52			(27,089.26)		240,569.25	248,288.36	(577.90)	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	299,878.30	303,146.42			(7,526.96)		292,351,34	294,687.34	(932.12)	0.00
GNMA	2001 A-E RMR8	8,19	04/26/91	04/20/16	20,504.91	21,654,08			(441.44)		20,063.47	21,211.74	(0.90)	0.00
GNMA	2001 A-E RMRB	7,19	04/26/91	04/20/16	43,611.00	44,964.21			(1,056.30)		42,554.70	43,921.52	13.61	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	311,383.80	315,117.78			(7,290.06)		304,093.74	306,684.60	(1,143.12)	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	16,532.79	17,536.39			(340.69)		16,192.10	17,189.67	(6.03)	0.00
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	284,641.61	293,994.83			(5,644.12)		278,997.49	288,390.94	40.23	0.00 0.00
GNMA	2001 A-E RMRB	6.00	10/30/92		342,366.50	344,591.18			(6,348.14)		336,018.36 453,232,45	339,316.67 447,678.31	1,073.63 (84.57)	0.00
GNMA	2001 A-E RMRB	5.45 4.95	02/25/02 02/25/02	01/20/32 02/20/32	455,359.17	449,889.60 1,112,684.93			(2,126.72) (6,721.24)		1,149,268,45	1,108,916.00	2,952,31	0.00
gnma Gnma	2001 A-E RMRB 2001 A-E RMRB	4.95 5.45	02/25/02	05/20/32	1,155,989.69 224,433.83	221,755.24			(1,018.94)		223,414.89	220,694.18	(42.12)	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	4.95	05/15/02	05/20/32	952,452.03	916,838.54			(5,064.55)		947,387.48	914,189.66	2,415.67	0.00
SIMM	544 1 12 1 July 10	7.50	00, 10,02		774, .22.00	0.0,000.04			, ,,		•	•		

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Type GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	830,878.84	799,816.05	T di Dilabos		(94,456.39)		736,422.45	710,622.24	5,262.58	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	330,853.18	326,906,48			(1,493.62)		329,359.56	325,350.98	(61.88)	. 0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	1,027,212.11	1,014,896,27			(214,857.41)		812,354,70	802,417.55	2,378.69	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	101,306.29	100.091.67			(492.71)		100,813,58	99,580.37	(18.59)	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	745,724.37	717,800.92			(52,471.52)		693,252.85	668,923.19	3,593.79	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,640,733,98	1,621,111.21			(87,569.19)		1,553,164.79	1,534,211.96	669.94	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	153,226,37	151,393,06			(677.17)		152,549.20	150,686.93	(28.96)	0.00
GNMA	2001 A-E RMRB	4,95	04/17/02	04/20/32	1,457,832.93	1,403,287,28			(84,333.30)		1,373,499.63	1,325,336.89	6,382.91	0.00
GNMA	2001 A-E RMRB	5,45	04/29/02	04/20/32	61,598.84	60,862.63			(268.62)		61,330.22	60,582.38	(11.63)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	1,822,952.20	1.754.759.52			(106,643.24)		1,716,308.96	1,656,140.40	8,024.12	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	631,037,89	623,495.87			(3,099.76)		627,938.13	620,281.22	(114.89)	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	79,388.21	76,418.47			(444.95)		78,943.26	76,175.75	202.23	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	397,605.28	392,859.94			(2,173.72)		395,431.56	390,616.07	(70.15)	0.00
GN!MA	2001 A-E RMRB	4.95	05/15/02	04/20/32	320,046.08	308,077.59			(1,612.95)		318,433,13	307,273.24	808.60	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	126,275.49	124,767.79			(561.64)		125,713.85	124,182.31	(23.84)	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	377,620.86	373,148.61			(99,365.82)		278,255.04	274,891.99	1,109.20	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	438,207.89	421,861.85			(2,099.01)		436,108.88	420,866.05	1,103.21	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	293,999.29	290,494.56			(1,344.90)		292,654.39	289,094.59	(55.07)	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	823,907.17	793,111.33			(4,110.65)		819,796.52	791,080.82	2,080.14	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	401,562.10	386,554,56			(3,966.85)		397,595.25	383,670.31	1,082.60	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	97,502.12	96,341.36			(479.39)		97,022.73	95,844.10	(17.87)	0.00 0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	181,739.12	174,948,94			(869.75)		180,869.37	174,536.74	457.55	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	92,295.38	91,196.61			(403.52)		91,891.86	90,775.56 182,239.24	(17.53) 478.00	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	189,765.68	182,676.53			(915.29)		188,850.39 347,582.59	343,364.34	(66.41)	0.00
GNMA	2001 A-E RMRB	5.45		06/20/32	349,100.88	344,949.04			(1,518.29)		915,743.22	883,691.69	5,952.03	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32 06/20/32	1,017,482.53	979,478.97			(101,739.31) (773.90)		116,877.47	115,459.98	(19.20)	0.00
GNMA	2001 A-E RMRB	5.45 4.95	07/15/02 07/15/02	06/20/32	117,651.37 290,031,13	116,253.08 279,200.56			(1,606.40)		288,424.73	278,331.95	737.79	0.00
GNMA	2001 A-E RMRB	4.95 5.45		06/20/32	164,782.44	162.824.82			(785.14)		163,997,30	162,009.16	(30.52)	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.95	07/22/02	07/20/32	614,066.90	591,141,26			(3,200.67)		610,866.23	589,495.67	1,555.08	0.00
GNMA	2001 A-E RMRB	5.45		06/20/32	99,610.18	70,776.77			(816.51)		98,793.67	98,310.25	28,349.99	0.00
GNMA	2001 A-E RMRB	5.45		06/20/32	72,005.61	98,801,08	5.95		(070.01)		72,011.56	70,425.16	(28,381.87)	0.00
GNMA	2001 A-E RMRB	4.95		07/20/32	355,106.60	341,851.11	***-		(1,656.96)		353,449.64	341,086.64	892.49	0.00
GNMA	2001 A-E RMRB	5.45		07/20/32	63,032,57	62.284.49			(271.56)		62,761,01	62,000.91	(12.02)	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	55,367.09	53,300,18			(272.50)		55,094.59	53,167.32	139.64	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	162,753.75	160,823.47			(726.96)		162,026.79	160,065.75	(30.76)	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	239,017.86	230,098.06			(1,460.91)		237,556.95	229,249.96	612.81	0.00
GNMA	2001 A-E RMRB	5,45		08/20/32	849,307.84	839,245.95			(3,809.79)		845,498.05	835,275.84	(160.32)	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	1,152,705.54	1,109,702.78			(5,490.46)		1,147,215.08	1,107,113.26	2,900.94	0.00
GNMA	2001 A-E RMRB	5.45		10/20/32	351,843.82	347,699.66			(2,154.78)		349,689.04	345,485.28	(59.60)	0.00
GNMA	2001 A-E RMRB	5.45		08/20/32	235,501.33	232,714,80			(1,050.96)		234,450.37	231,619.30	(44.54)	0.00
GNMA	2001 A-E RMRB	4,95		08/20/32	430,411.72	414,361.11			(2,254.19)		428,157.53	413,197.23	1,090.31	0.00 0.00
GNMA	2001 A-E RMRB	5.45		09/20/32	113,537.74	112,195.35			(475.87)		113,061.87	111,697.63 521,286.01	(21.85)	0.00
GNMA	2001 A-E RMRB	4.95		09/20/32	543,055.80	522,809.25			(2,900.86)		540,154.94 590,297.89	583,178.71	1,377.62 (108.74)	0.00
GNMA	2001 A-E RMRB	5.45		09/20/32	593,187.39	586,176.95			(2,889.50) (1,792.88)		377,611.93	364,423.21	954,65	0.00
GNMA	2001 A-E RMRB	4.95		09/20/32	379,404.81	365,261.44			(2,520.87)		587,554.43	580,474.24	(113,01)	0.00
GNMA	2001 A-E RMRB	5.45		09/20/32 09/20/32	\$90,075,30 441,304,31	583,108.12 424,858.18			(2,096.30)		439,208,01	423,872.24	1,110.36	0.00
GNMA	2001 A-E RMRB	4,95 5,45		10/20/32	150,738,35	424,858.18 148,960.34			(637.98)		150,100.37	148,293.56	(28.80)	0.00
GNMA	2001 A-E RMRB	5,45 4,95		10/20/32	309,080.58	297,565.65			(1,707.67)		307,372.91	296,644.30	786.32	0.00
GNMA	2001 A-E RMRB	4.95 5.45		11/20/32	50,563.22	49,967.36			(212.91)		50,350,31	49,744.73	(9.72)	0.00
gnma Gnma	2001 A-E RMRB 2001 A-E RMRB	4.95		11/20/32	311,953.67	300,335.02			(1,442.28)		310,511.39	299,676.25	783.51	0.00
GNMA	2001 A-E RMRB	5,45		10/20/32	422,695.29	417,714,51			(1,906,51)		420,788,78	415,728.20	(79.80)	0.00
GNMA	2001 A-E RMRB	4.95		10/20/32	256,554.30	246,999.25			(1,167.32)		255,386.98	246,475.64	643.71	0.00
GNMA	2001 A-E RMRB	5.45		11/20/32	109,192.03	107,906.90			(458,73)		108,733.30	107,427.25	(20.92)	0.00
GNMA	2001 A-E RMRB	4.95		11/20/32	73,155.90	70,432.29			(329.95)		72,825.95	70,285.86	183.52	0.00
GNMA	2001 A-E RMRB	5.45			191,467.15	189,214,86			(801.28)		190,665.87	188,376.67	(36.91)	0.00
GNMA	2001 A-E RMRB	4.95		11/20/32	78,674.43	75,745.83			(362.02)		78,312.41	75,581.34	197.53	0.00
GNMA	2001 A-E RMRB	5.45		11/20/32	179,605.81	177,493.02			(2,421.81)		177,184.00	175,056.65	(14.56)	0.00
GNMA	2001 A-E RMRB	4.95		11/20/32	75,955.13	73,128.63			(349.67)		75,605.46	72,969.67	190.71	0.00
GNMA	2001 A-E RMRB	5.45		11/20/32	359,882.35	355,653.18			(1,652.67)		358,229.68	353,932.88	(67.63)	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	386,865.72	382,322.94			(4,725.82)		382,139.90	377,559.74	(37.38)	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers -	08/31/07	08/31/07	Value	Gain
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	65,138,87	62,715,19		4-1	(291.72)		64,847.15	62,586,74	163,27	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	432,541,85	427,466.60			(1,993.69)		430,548,16	425,391,66	(81,25)	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02 .	12/20/32	43,301.14	42,793,06			(181.59)		43,119.55	42,603.12	(8.35)	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	127,568.97	122,824.01			(66,472.18)		61,096.79	58,967.88	2,616.05	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	105,672.08	104,432.91			(788.13)		104,883.95	103,628.53	(16.25)	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	380,400.54	375,956.93			(1,813.93)		378,586.61	373,930.94	(212.06)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	372,342.16	358,508.26			(1,879.51)		370,462.65	357,263.03	634.28	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	92,473.18	91,392.96			(445.57)		92,027.61	90,895.90	(51.49)	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	51,146.08	49,245.81			(815.81)		50,330.27	48,537.00	107.00	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	282,827.73	279,515.64			(1,374.68)		281,453.05	278,088.65	(52.31)	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	74,520.03	71,751.69			(581.04)		73,938.99	71,304.89	134.24	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	237,033.53	234,268.19			(1,434.51)		235,599.02	232,705.26	(128.42)	0,00 0,00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	160,692.67	154,725.30			(722.71)		159,969.96	154,273.17 176,178,91	270.58	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	179,128.36	177,040.36			(760.41)		178,367.95	170,170.91	(101.04) 1,071.67	0.00
GNMA	2001 A-E RMRB	4.06	02/27/03	02/20/33	91,976.53 139,378.16	90,904.86			(91,976.53) (651.63)		138,726.53	133,787,88	235.71	0.00
GNMA	2001 A-E RMRB 2001 A-E RMRB	4,95 4,95	03/12/03	02/20/33	160,893.72	134,203.80 154,922.17			(718.12)		160,175,60	154,474,76	270,71	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	5.45	03/20/03	02/20/33	268,115.88	154,922.17 264,996.48			(1,521.00)		266,594.88	263,328.64	(146.84)	0.00
GNMA	2001 A-E RWRB 2001 A-E RMRB	4.95	03/20/03	02/20/33	103,364.62	99,528.96			(526.84)		102,837.78	99,178,26	176.14	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	113,505.53	112.186.42			(500.97)		113,004.56	111,621.64	(63.81)	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	123,835,92	122,397.49			(584.74)		123,251.18	121,743.60	(69.15)	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	53,355,35	52,735.87			(809.46)		52,545.89	51,903.42	(22.99)	0.00
GNMA	2001 A-E RMR8	5.45	04/29/03	04/20/33	221,379.62	218,812.13			(946.66)		220,432.96	217,740.84	(124.63)	0.00
GNMA	2001 A-E RMRB	5,45	05/08/03	04/20/33	206,496.14	204,102.71			(881.84)		205,614.30	203,104.40	(116.47)	0.00
GNMA	2001 A-E RMRB	4,95	05/08/03	04/20/33	143,043.50	137,741.54			(671.22)		142,372.28	137,312.14	241.82	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	147,387.62	141,925.51			(649.14)		146,738.48	141,524.02	247.65	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	152,755.50	150,986.63			(641.57)		152,113.93	150,258.76	(86.30)	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	284,945.48	281,648.45			(1,174.91)		283,770.57	280,312.27	(161.27)	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	263,954.50	260,902.72			(1,070.63)		262,883.87	259,682.47	(149.62)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	114,411.97	113,090.41			(1,085.57)		113,326.40	111,947.55	(57.29)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	218,006.49	215,488.34			(1,833.11)		216,173.38	213,543.20	(112.03)	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	103,947.01	102,746.86			(593.50)		103,353.51	102,096.62	(56.74)	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	49,725.18	49,151.60			(196.66)		49,528.52	48,926.70	(28.24)	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	53,213.02	52,599.69			(209.12)		53,003.90 49,407.67	52,360.32 48,808.05	(30.25) (28.17)	0.00 0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	49,605.92 52,338,31	49,034.47			(198.25) (205.66)		52,132.65	51,500.17	(29.76)	0.00
GNMA	2001 A-E RMRB	5.45 5.45	07/30/03 08/07/03	07/20/33 07/20/33	97,080.37	51,735.59 95,963.08			(502.55)		96,577.82	95,406,79	(53.74)	0.00
GNMA	2001 A-E RMRB	5.45 5.45	08/28/03	08/20/33	55,048.29	95,963.08 54,415.78			(326.72)		54,721.57	54,059.10	(29.96)	0.00
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	5.45	09/29/03	09/20/33	54,073.37	53,453.63			(236.20)		53,837.17	53,186,95	(30.48)	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	49,839.69	49.269.57			(199.31)		49,640.38	49,041.94	(28,32)	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	53,262,11	52,654,01			(205.31)		53,056,80	52,418.34	(30,36)	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	63,859.05	63,129,45			(291,90)		63,567.15	62,801.58	(35.97)	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	247,049.70	244,232,53			(946.62)		246,103.08	243,145.03	(140.88)	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	60,485.73	59,796,54			(230.21)		60,255.52	59,531.81	(34.52)	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	122,920.83	118,364,55			(505,43)		122,415.40	118,042,20	183,08	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	379,216.25	364,217.29			(1,726.55)		377,489.70	363,073.52	582.78	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	52,160.46	51,567,84			(198.65)		51,961.81	51,339.42	(29.77)	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	51,464.87	50,880.26			(199.04)		51,265.83	50,651.89	(29.33)	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	51,998.98	51,408.88			(344.44)		51,654.54	51,036.51	(27.93)	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	52,606.41	51,996.23			(198.19)		52,408.22	51,755.35	(42.69)	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	128,396.97	123,643.69			(528.46)		127,868.51	123,306.48	191.25	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	101,266.31	97,267.25			(413.93)		100,852.38	97,007.13	153.81	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	96,070.25	95,147,21			(400.70)		95,669.55	94,681.73	(64.78)	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	286,696.13	281,165.78			(1,441.50)		285,254.63	279,884.03	159.75	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	198,150.08	189,366.68			(2,511.72)		195,638.36	187,084.49	229.53	0.00 0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	87,098,27	83,238.63			(503,58)		86,594.69 235,617.00	82,809.69 225,321.71	74.64 215.82	0.00
FNMA	2001 A-E RMRB	4.95 5,45	07/22/02 09/19/02	06/01/32 08/01/32	237,275.55	226,764.44			(1,658.55)		237,514.22	233,058.13	129.90	0.00
FNMA	2001 A-E RMRB	5,45 4,95	09/19/02	09/01/32	238,555.68 86,830.92	233,969.69 82,986,96			(1,041.46) (401.25)		237,514.22 86,429.67	82,655.69	69.98	0.00
FNMA FNMA	2001 A-E RMRB 2001 A-E RMRB	4.95 5.45	01/23/03	11/01/32	304,168.52	298,337.08			(1,410.19)		302,758.33	297,093.99	167.10	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	222,920.08	213,075.71			(1,180.34)		221,739.74	212,081.26	185.89	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	64,802.41	63,560.18			(930.19)		63,872.22	62,656.14	26.15	0.00
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Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	93,181.17	91,399.15			(564.29)		92,616.88	90,857.82	22.96	0.00
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	64,617.13	61,768.79			(513.10)		64,104.03	61,233.94	(21.75)	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	25,668.93	25,180.76			(143.36)		25,525.57	25,051.86	14.46	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	142,797.33	142,797.33	1,899.77				144,697.10	144,697.10	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	387,141.46	387,141,46	77,271.79				464,413.25	464,413.25	-	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	272.14	272.14	11.35				283.49	283,49	•	0.00
Repo Agmt	2001 A-E RMRB	5.15	08/31/07	09/04/07	174.55	174.55	2.67				177 <i>.2</i> 2	177.22	•	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,859.37	4.812.35			(19.46)		4,839.91	4,790.72	(2.17)	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,765.99	11,652,13			(47.78)		11,718,21	11,599.11	(5.24)	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	32,116.19	31,805.78			(136.57)		31,979.62	31,655.01	(14.20)	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,171,39	10,666.18			(52.19)		11,119.20	10,631.07	17.08	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	56,665.47	54,103,39			(263.27)		56,402.20	53,926.64	86.52	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	67,735.19	67,081.52			(429.92)		67,305.27	66,623.08	(28.52)	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,500.88	9,071.30			(42.61)		9,458.27	9,043.13	14.44	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	23,389.68	22,332.39			(104,39)		23,285.29	22,263.51	35.51	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	7,008.32	6,940.77			(28.32)		6,980.00	6,909.34	(3.11)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,640.68	9,204.88			(44.66)		9,596.02	9,174.93	14.71	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	27,960.36	27,691,11			(126.39)		27,833.97	27,552.44	(12.28)	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,077.22	14,932.10			(60.20)		15,017.02	14,865.20	(6.70)	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	14,179.31	13,538.58			(74.66)		14,104.65	13,485.94	22.02	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	37,337.85	36,978.71			(153.85)		37,184,00	36,808.31	(16.55)	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,117.49	24,937.41			(116.54)		26,000.95	24,860.53	39.66	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	20,934.18	20,732.91			(86.54)		20,847.64	20,637.09	(9.28)	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	19,908.02	19,008.71			(88.92)		19,819.10	18,950.03	30.24	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	11,252.36	11,144.27			(44.54)		11,207.82	11,094.71	(5.02)	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	9,114.27	8.702.59			(40.90)		9,073.37	8,675.55	13.86	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,436.62	11,326.91			(45.51)		11,391.11	11,276.30	(5.10)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,469.82	9,997.08			(46.02)		10,423.80	9,966.93	15.87	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	24,842.16	24,603.79			(11,760.34)		13,081.82	12,949.92	106.47	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,676.99	6,375.47			(29.89)		6,647.10	6,355.72	10.14	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,064.01	5,015.47			(22.75)		5,041.26	4,990.50	(2.22)	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,098.66	14,953.96			(59.70)		15,038.96	14,887.52	(6.74)	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	32,292.54	31,983,25			(129.25)		32,163.29	31,839.63	(14.37)	0,00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,252.19	13,608,88			(63.04)		14,189.15	13,567.45	21.61	0,00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	64,922.14	61,991.91			(353.86)		64,568.28	61,739.43	101.38	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	39,384.49	39,007.85			(216.14)		39,168.35	38,774.77	(16.94)	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	39,259.08	37,487.47			(175.91)		39,083.17	37,371.20	59.64	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	11,841.54	11,728.34			(76.37)		11,765.17	11,646.99	(4.98)	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	27,543.34	27,280.26			(147.28)		27,396.06	27,121.09	(11.89)	0.00
GNMA	2001 A-E RMRB	4,80	08/07/03	06/20/33	10,856.80	10,366.95			(47.71)		10,809.09	10,335.69	16.45	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,189.00	16,034.49			(63.76)		16,125.24	15,963.51	(7.22)	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	31,606.51	30,180.75			(138.74)		31,467.77	30,089.90	47.89	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,243.49	12,126.74			(48.64)		12,194.85	12,072.66	(5.44)	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	12,889.54	12,308.25			(57.38)		12,832.16	12,270.43	19.56	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,361.08	5,310.01			(23.55)		5,337.53	5,284,10	(2.36)	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	41,051.50	40,660.96			(176.00)		40,875.50	40,466.79	(18.17)	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	46,088.63	44,011.08			(200.94)		45,887.69	43,879.90	69.76	0.00
GNMA	2001 A-E RMR8	4.80	09/18/03	09/20/33	7,454.23	7,118.22			(32.20)		7,422.03	7,097.30	11,28	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	55,821.72	55,291.18			(225.95)		55,595.77	55,040.40	(24.83)	0.00 0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	34,601.32	33,041.88			(153.85)		34,447.47	32,940.54	52.51	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,890.57	9,796.71			(38.80)		9,851.77	9,753.49	(4.42)	0.00
GNMA	2001 A-E RMRB	5.49		10/20/33	33,579.67	33,198,08			(130.64)		33,449.03	33,053.04	(14,40)	
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	230,825.26	219,855.54			(16,658.31)		214,166.95	204,276.61	1,079.38	0.00
GNMA	2001 A-E RMRB	5.49		10/20/33	20,319.65	20,088.99			(120.47)		20,199.18	19,960.29	(8.23)	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	104,647.77	99,935.26			(461.87)		104,185,90	99,632.01	158.62	00.0
GNMA	2001 A-E RMRB	5.49		11/20/33	5,266.89	5,217.07	*		(31.75)		5,235.14	5,183.08	(2.24)	0.00 0.00
GNMA	2001 A-E RMRB	4.80		11/20/33	154,327.42	146,996.13			(776.42)		153,551.00	146,462.86	243.15	0.00
GNMA	2001 A-E RMRB -	5.49		10/20/33	6,478.06	6,416,80			(26.19)		6,451.87	6,387.73	(2.88) 79.90	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	52,632.33	50,262.90			(235.00)		52,397.33 74,056.40	50,107.80 70,638.85	79.90 121.52	0.00
GNMA	2001 A-E RMRB	4.80		12/20/33	74,520.54	70,981.47			(464.14)		•		(2.24)	0.00
GNMA	2001 A-E RMRB	5.49		11/20/33	5,004.04	4,956.74			(19.41)		4,984.63 43,921.11	4,935.09 41,894,49	70.30	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	44,158.93	42,062.01			(237.82)		<del>4</del> 3,3∠ (. 1 1	<del>-,∪34,48</del>	70.00	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	(41.79)	i talisiets	10,796,98	10,689.71	(4.83)	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,838.77	10,736.33					5,589.74	5,534.33	(2.47)	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,615,74	5,562.80			(26.00) (204.43)		44,968.41	43,004.34	68.69	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	45,172.84	43,140.08					11,627.91	11,512.66	(5.23)	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,672.42	11,562.40			(44.51)				(5.∠5) 49.46	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	32,126.87	30,601.56			(136.63)		31,990.24	30,514.39		0.00
GNMA	2001 A-E RMRB	5,49	01/15/04	01/20/34	44,791.08	44,357.03			(249.07)		44,542.01	44,078.42	(29.54) (26.56)	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	39,890.56	39,429,43			(166.33)		39,724.23	39,236.54		
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	38,547.39	36,803.44			(223.20)		38,324.19	36,629.83	49.59	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	12,251.20	12,132.63			(49.52)		12,201.68	12,074.84	(8.27)	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,382.34	8,005.41			(36.82)		8,345.52	7,981.28	12.69	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	20,569.85	19,588.72			(99.26)		20,470.59	19,515.70	26.24	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	43,303.04	42,884.56			(171.31)		43,131.73	<b>42,683.96</b>	(29.29)	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	27,070.85	25,780.02			(130,18)		26,940.67	25,684.36	34.52	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	21,801.95	21,550.60			(84.50)		21,717.45	21,451.49	(14.61)	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	25,488.24	24,273.23			(107.71)		25,380.53	24,197.37	31.85	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	72,118.52	71,423.30			(284.14)		71,834.38	71,090.44	(48.72)	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	28,734.99	28,404.41			(111.74)		28,623,25	28,273.43	(19.24)	0.00
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,053,87	10,554.38			(46.32)		11,007.55	10,521.50	13.44	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,368,75	15,222,24			(71.89)		15,296.86	15,140.05	(10.30)	0.00
GNMA -	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,781.89	9,316.53			(41.03)		9,740.86	9,287.69	12.19	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	28,144.69	36,316.62			(53.76)		28,090.93	36,117.65	(145,21)	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	31,146.63	29,739.96			(151.93)		30,994.70	29,626.83	38.80	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	19,002.88	18,820,40			(70.91)		18,931.97	18,736.60	(12.89)	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	22,553.74	21,479.50			(101.16)		22,452,58	21,406.76	28.42	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,621.32	10,519,36			(41.20)		10,580.12	10,470.96	(7.20)	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,563.48	16,770.46			(74.87)		17,488.61	16,717,00	21.41	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,991.74	6,924.65			(25.78)		6,965,96	6,894,13	(4.74)	0.00
	2001 A-E RMRB	4.80	05/13/04	04/20/34	11,011,28	10,514.14			(45.68)		10,965.60	10,481.82	13.36	0.00
GNMA		5.49	05/27/04	05/20/34	18,900.67	18,719.73			(178.77)		18,721.90	18,529.25	(11.71)	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,609.13	6,545.91			(24.19)		6,584.94	6,517.21	(4.51)	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,737.33				(50.00)		13,687.33	13,546.83	(9,33)	0.00
GNMA	2001 A-E RMRB		09/02/04	08/20/34	27,046.75	13,606.16			(10,921.10)		16,125.65	15,930.86	112.53	0.00
GNMA	2001 A-E RMRB	5.49				26,739.43			(103.92)		28,757.25	28,464.07	(19.62)	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	28,861.17	28,587.61			(61.06)		16,965.77	16,792.85	(11.60)	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	17,026.83	16,865.51			(55.84)		13,835.55	13,226.82	16,77	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	13,891.39	13,265.89			(61.22)		16,632.10	16,462.79	(11,36)	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,693.32	16,535,37					19,439.79	19,242,03	(13.28)	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,511,60	19,327,12			(71.81)			13,066.69	17.08	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,734.32	13,115.97			(66.36)		13,667.96			0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,854.27	11,741.26			(44.18)		11,810.09	11,689.03	(8.05)	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,517.00	11,407.36			(41.84)		11,475.16	11,357.68	(7.84)	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,556.65	6,494.24			(23.71)		6,532.94	6,466.07	(4.46)	
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,189.39	25,940.40			(98.37)		26,091.02	25,824.24	(17.79)	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	22,303.58	22,091.77			(110.61)		22,192.97	21,966.30	(14.86)	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,420.76	13,293.35			(50.59)		13,370.17	13,233.64	(9.12)	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	37,751.48	37,396.40	•		(144.77)		37,606.71	37,226.00	(25.63)	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	25,700.29	24,544.49			(104.60)		25,595.69	24,470.98	31.09	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,249.22	3,102.93			(15.42)		3,233.80	3,091.53	4.02	0.00
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,236.49	10,120.52			(57.17)		10,179.32	10,056.69	(6.66)	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,210.65	9,725.88			(77.05)		10,133.60	9,663.14	14,31	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,748.48	14,609.29			(53.27)		14,695,21	14,545.99	(10.03)	0.00
GNMA	2001 A-E RMRB				7,099.07	7,032.15			(7,099.07)				66.92	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	37,312.42	36,962.42			(142.60)		37,169,82	36,794.49	(25,33)	0.00
GNMA	2001 A-E RMRB	4.80		12/20/34	14,941.94	14,270.30			(59.03)		14,882.91	14,229.27	18.00	0.00
GNMA	2001 A-E RMRB	5.49		01/20/35	11,119.35	11,010.69			(38.73)		11,080.62	10,964.51	(7,45)	0.00
GNMA	2001 A-E RMRB	5,49		12/20/34	12,117.44	12,003.91			(43.62)		12,073.82	11,952.03	(8.26)	0.00
GNMA	2001 A-E RMRB	5,49	01/27/05	01/20/35	46,577.42	46,035.49			(162.58)		46,414.84	45,842.44	(30,47)	0.00
GNMA	2001 A-E RMRB	5,49		12/20/34	11,802.10	11,692.08			(41.45)		11.760.65	11,642,57	(8.06)	0.00
	2001 A-E RMRB	5.49		03/20/35	6,555.25	6,491.82			(23.60)		6,531.66	6,463.82	(4.40)	0.00
GNMA		5.49		06/20/35	8,177.97	8,099.32			(27.59)		8,150.38	8,066.23	(5.50)	0.00
GNMA	2001 A-E RMRB	5,49 4.80		06/20/35					(34.38)		8,600.70	8,068.78	11.46	0.00
GNMA	2001 A-E RMRB			06/20/35		8,091.70			(235.03)		34,634.56	32,409.96	53.11	0.00
GNMA	2001 A-E RMRB	4.80		04/20/35		32,591.88			(50.13)		14,050.85	13,880.37	(9.23)	0.00
GNMA	2001 A-E RMRB	5.49	09/08/05	00/20/35	14,100.98	13,939.73			(30.13)		17,000,00	.0,000.07	(0.20)	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	. Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	26,290.13	25,989,66			(91,49)		26,198.64	25,880.95	(17.22)	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	34,857.15	34,522.91			(120.81)		34,736.34	34,378.67	(23.43)	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	13,284.84	12,447.74			(55.85)		13,228.99	12,409.70	17.81	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	27,343.08	27,082.59			(90.83)		27,252.25	26,973.34	(18.42)	0.00
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	26,369.39	26,119.73			(91.71)		26,277.68	26,010.28	(17.74)	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	26,683.78	26,430.41			(88.35)		26,595.43	26,324,07	(17.99)	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	25,251.63	23,336.05			(136.34)		25,115.29	23,239.62	39.91	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	22,423.36	21,009.02			(87.02)		22,336.34	20,951.62	29.62	0.00
GNMA	2001 A-E RMR8	5.49	12/29/05	11/20/35	19,438.06	19,254.15			(64.17)		19,373.89	19,176.88	(13.10)	0.00
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,395.19	8,311.41			(27.18)		8,368.01	8,279,43	(4.80)	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	28,593.15	28,098,51			(115.11)		28,478.04	27,993.13	9.73	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,562.60	8,117.97			(38.55)		8,524.05	8,073.31	(6.11)	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	15,872.54	15,599.33			(66.82)		15,805,72	15,537.95	5.44	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	33,006.67	31,294.39			(236.61)		32,770,06	31,038.85	(18.93)	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	11,612.51	11,004.60			(122.19)		11,490.32	10,870.23	(12.18)	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,655.34	7,523.84			(92.89)		7,562.45	7,434.58	3.63	0.00
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	27,311.22	26,951.80			(105.46)		27,205.76	26,842.49	(3.85)	0.00
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,731.35	6,379.55			(31.40)		6,699.95	6,338.97	(9.18)	0.00
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,835.94	6.478.81			(28.40)		6,807.54	6,440.90	(9.51)	0.00
FNMA	2001 A-E RMRB				10,106.46	9,920.97			(10,106.46)				185.49	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,307.26	4,228.39			(19.44)		4,287.82	4,208.10	(0.85)	0.00
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,482.43	7,887.02			(34.61)		8,447.82	7,838.77	(13.64)	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	27,185.75	26,689.27			(130.21)		27,055.54	26,553.84	(5.22)	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35 _	7,993.05	7,430.40			(31.55)		7,961.50	7,385.91	(12.94)	0.00
	2001 A-E RMRB Total				56,938,042.15	56,271,635.41	695,586.96	(2,042,582.15)	(1,655,178.14)	0.00	53,935,868.82	53,327,329.70	57,867.62	0.00
												100 =0		0.00
Repo Agmt	2002 RMRB	5.15	08/31/07	09/04/07	418.24	418.24	5.46				423.70	423.70	-	0.00
Repo Agmt	2002 RMRB	5.15	08/31/07	09/04/07	13,044.81	13,044.81	330,663.96				343,708.77	343,708.77	-	0.00
Repo Agmt	2002 RMRB	5.15	08/31/07	09/04/07	0.55	0.55	0.00				0.55	0.55	-	0.00
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	1,862,928.87	1,862,928.87	0.40	(1,632,925.97)			230,002.90	230,002.90	-	0.00 0.00
Repo Agmt	2002 RMRB	5.15	08/31/07	09/04/07	20 700 00	00 700 00	0.12 438.32				0.12 <b>27,17</b> 5.31	0.12 27,175.31	-	0.00
GIC's	2002 RMRB	4.20	12/18/02 03/12/03	04/01/34 03/20/33	26,736.99 39,722.26	26,736.99	430.32		(159,13)		39,563.13	39,160.91	(17.65)	0.00
GNMA	2002 RMRB	5.49 5.49	03/12/03	03/20/33	96,179.06	39,337.69			(390.58)		95.788.48	94.814.84	(42.79)	0.00
GNMA	2002 RMRB 2002 RMRB	5.49	04/02/03	03/20/33	262,527,73	95,248.21 259.990.37			(1,116.34)		261,411.39	258,757.97	(116.06)	0.00
GNMA	2002 RMRB 2002 RMRB	4.80	04/02/03	03/20/33	91,318.52	259,990.37 87,188.73			(426.46)		90.892.06	86,901.77	139,50	0.00
GNMA GNMA	2002 RMRB	4.80	04/10/03	04/20/33	463,201.27	442.258.06			(2,151.94)		461,049.33	440,813,25	707.13	0.00
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	553,688.50	548,345.27			(3,514.31)		550,174,19	544,597,89	(233.07)	0.00
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	77,663.05	74,151.65			(348.30)		77,314,75	73,921.36	118.01	0.00
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	191,194.62	182,551.95			(853.36)		190,341.26	181,988.94	290.35	0.00
GNMA	2002 RMRB	5.49		04/20/33	57,288.42	56,736.07			(231.55)		57,056.87	56,479.13	(25.39)	0.00
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	78,806.00	75,243.61			(365.12)		78,440.88	74,998.76	120.27	0.00
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	228,556,86	226,355.83			(1,033.06)		227,523.80	225,222.30	(100.47)	0.00
GNMA	2002 RMRB	5,49	05/15/03	05/20/33	123,245.94	122,059,66			(492.11)		122,753.83	121,512.84	(54.71)	0.00
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	115,906.21	110,668.60			(610.37)		115,295.84	110,238.33	180.10	0.00
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	305,211.49	302,275.57			(1,257.53)		303,953,96	300,882.62	(135.42)	0.00
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	213,492.51	203,846.20			(952.64)		212,539.87	203,217.74	324.18	0.00
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	171,122.53	169,477,29			(707.33)		170,415.20	168,694.06	(75.90)	0.00
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	162,734.65	155,383.16			(726.80)		162,007.85	154,903.49	247.13	0.00
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	91,980.28	91,096,78			(364.17)		91,616.11	90,691,65	(40.96)	0.00
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	74,502.74	71,137,74			(334.28)		74,168.46	70,916,67	113.21	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	93,486.62	92,589.69			(372.03)		93,114.59	92,176.03	(41.63)	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	85,583.85	81,719.26			(376.13)		85,207.72	81,472.82	129.69	0.00
GNMA	2002 RMRB	5.49		06/20/33	203,067.39	201,119.13			(96,132.78)		106,934.61	105,856.78	870.43	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	54,579.62	52,115.08			(244.28)		54,335.34	51,953.71	82.91	0.00
GNMA	2002 RMRB	5.49		06/20/33	41,395.05	40,998.07			(185.93)		41,209.12	40,793.97	(18.17)	0.00
GNMA	2002 RMRB	5.49		06/20/33	123,421.15	122,238.37			(488.09)		122,933.06	121,695.29	(54.99)	0.00
GNMA	2002 RMRB	5.49		06/20/33	263,969.39	261,441.03			(1,056.52)		262,912.87	260,267.02	(117.49)	0.00
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	116,502.12	111,243.20			(515.32)		115,986.80	110,904.58	176.70	0.00
GNMA	2002 RMRB	4.80		06/20/33	530,693.61	506,741.20			(2,892.55)		527,801.06	504,677.40	828,75	0.00
GNMA	2002 RMRB	5.49		07/20/33	321,941.19	318,862.35			(1,766.78)		320,174.41	316,957.08	(138.49)	0.00
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	320,915.73	306,434,25			(1,437.95)		319,477.78	305,483.81	487.51	0.00

Investment			Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type		Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2002 RMRB		5.49	07/30/03	07/20/33	96,796.49	95,871.18			(624.29)		96,172,20	95,206.17	(40.72)	0.00
GNMA	2002 RMRB		5.49	08/07/03	07/20/33	225,148.05	222,997.38			(1,203.92)		223,944.13	221,696.28	(97.18)	0.00
GNMA	2002 RMRB		4.80	08/07/03	06/20/33	88,746.93	84,742.78			(390.06)		88,356.87	84,487.22	134.50	0.00
GNMA	2002 RMRB		5.49	08/14/03	08/20/33	132,333.97	131,070.94			(521.30)		131,812.67	130,490.78	(58.86)	0.00
GNMA	2002 RMRB		4.80	08/14/03	07/20/33	258,361.55	246,706.84			(1,134.03)		257,227.52	245,964.25	391,44	0.00
GNMA	2002 RMRB		5.49	08/21/03	08/20/33	100,082.41	99,127,78			(397.49)		99,684.92	98,685.70	(44.59)	0.00
GNMA	2002 RMRB		4.80	08/28/03	08/20/33	105,362.98	100,611.48			(469.03)		104,893.95	100,302.37	159.92	0.00
GNMA	2002 RMRB		5.49	09/04/03	08/20/33	43,823.24	43,405.70			(192.49)		43,630.75	43,193.87	(19.34)	0.00
GNMA	2002 RMRB		5,49	09/18/03	09/20/33	335,567.72	332,375.39			(1,438.67)		334,129.05 375,100,35	330,788.24 358,688.03	(148.48) 570.26	0.00 0.00
GNMA	2002 RMRB		4.80	09/18/03	09/20/33	376,742.91	359,760.33			(1,642.56)		60,670.20	58,015.60	92.12	0.00
GNMA	2002 RMRB		4.80	09/18/03	09/20/33	60,933.31	58,186,59			(263.11)		454,457.33	449,917,44	(203.02)	0.00
GNMA	2002 RMRB		5. <b>4</b> 9 4.80	09/29/03 09/29/03	09/20/33 09/20/33	456,304.27 282,841.98	451,967.40			(1,846.94) (1,257.62)		281,584,36	269,266.27	429.20	0.00
GNMA	2002 RMRB 2002 RMRB		5.49	10/16/03	09/20/33	80,848.78	270,094.69 80,081.42			(317.25)		80,531.53	79,728.09	(36.08)	0.00
GNMA GNMA	2002 RMRB 2002 RMRB		5.49	10/30/03	10/20/33	274,490.73	271,371.49			(1,067.88)		273,422.85	270,185.85	(117.76)	0.00
GNMA	2002 RMRB		4.80	10/30/03	10/20/33	1,886,837.85	1,797,167.85			(136,170.15)		1,750,667.70	1,669,820.76	8,823.06	0.00
GNMA	2002 RMRB		5.49	11/13/03	10/20/33	166,099,39	164,213,71			(984.79)		165,114.60	163,161.64	(67.28)	0.00
GNMA	2002 RMRB		4.80	11/13/03	10/20/33	855,423,48	816,902.00			(3,775.53)		851,647.95	814,423.18	1,296.71	0.00
GNMA	2002 RMRB		5.49	11/20/03	11/20/33	43,053.18	42,646.03			(259.55)		42,793.63	42,368.17	(18.31)	0,00
GNMA	2002 RMRB		4.80	11/20/03	11/20/33	1,261,520.45	1,201,592.27			(6,346.74)		1,255,173,71	1,197,233.15	1,987.62	0.00
GNIMA	2002 RMRB		5.49	11/26/03	10/20/33	52,953.78	52,453.03			(214.08)		52,739.70	52,215.38	(23.57)	0.00
GNMA	2002 RMRB		4.80	11/26/03	11/20/33	430,233.13	410,864.65			(1,920.94)		428,312.19	409,596.84	653.13	0.00
GNMA	2002 RMRB		4.80	12/04/03	12/20/33	609,154,18	580,224.70			(3,794,10)		605,360.08	577,424.01	993.41	0.00
GNMA	2002 RMRB		5.49	12/04/03	11/20/33	40,904.36	40,518.00			(158.68)		40,745.68	40,341.03	(18.29)	0.00
GNMA	2002 RMRB		4.80	12/11/03	12/20/33	360,968.85	343,828,05			(1,944.05)		359,024.80	342,458.61	574.61	0.00
GNMA	2002 RMRB		5.49	12/11/03	09/20/33	88,599.18	87,762.17			(341.49)		88,257.69	87,381.06	(39.62)	0.00
GNMA	2002 RMRB		5.49	12/18/03	12/20/33	45,905.05	45,472.03			(212.51)		45,692.54	45,239.34	(20.18)	0.00
GNMA	2002 RMRB		4.80	12/18/03	12/20/33	369,256.83	352,640.55			(1,671.06)		367,585,77	351,531.00	561.51	0.00
GNMA	2002 RMRB		5.49	12/23/03	12/20/33	95,414.30	94,514.66			(363.88)		95,050.42	94,108.07	(42.71)	0.00
GNMA	2002 RMRB		4.80	12/23/03	12/20/33	262,614.89	250,146.79			(1,116.89)		261,498.00	249,434.23	404.33	0.00
GNMA	2002 RMRB		5.49	01/15/04	01/20/34	366,136.06	362,588,25			(2,035.98)		364,100.08	360,310.81	(241.46)	0.00
GNMA	2002 RMRB		5,49	01/22/04	01/20/34	326,077.93	322,308.46			(1,359.55)		324,718.38	320,731.73	(217.18)	0.00
GNMA	2002 RMRB		4.80	01/22/04	01/20/34	315,098.50	300,842.88			(1,824.55)		313,273.95	299,423.72	405.39	0.00 0.00
GNMA	2002 RMRB		5.49	01/29/04	01/20/34	100,145.23	99,175.94			(404.77)		99,740.46	98,703.54	(67.63) 103.79	0.00
GNMA	2002 RMRB		4.80	01/29/04	11/20/33	68,520.15	65,438.75			(300.97)		68,219.18 167,332.91	65,241.57 159,527.40	214.58	0.00
GNMA	2002 RMRB		4.80 5.49		01/20/34 02/20/34	168,144,40 353,972,60	160,124.31			(811,49) (1,400,42)		352,572.18	348,912.04	(239,38)	0.00
GNMA	2002 RMRB 2002 RMRB		5.49 4.80	02/26/04	02/20/34	221,285.55	350,551.84 210,733,91			(1,064.15)		220,221.40	209,951.94	282.18	0.00
GNMA GNMA	2002 RMRB		4.00 5.49		02/20/34	178,216.02	176,161,32			(690.79)		177,525.23	175,351.16	(119.37)	0.00
GNMA	2002 RMRB		4.80		03/20/34	208,349.22	198,417,00			(880.36)		207,468.86	197,796,85	260.21	0.00
GNMA	2002 RMRB		5,49		03/20/34	589,519.28	583,836.36			(2,322.63)		587,196.65	581,115,46	(398.27)	0.00
GNMA	2002 RMRB		5.49		03/20/34	234,888.74	232,186,52			(913.38)		233,975.36	231,115.83	(157,31)	0.00
GNMA	2002 RMRB		4,80		03/20/34	90,357.55	86,274.86			(378.63)		89,978.92	86,006,08	109.85	0.00
GNMA	2002 RMRB		5,49		07/20/34	125,628.98	124,431.35			(587.70)		125,041,28	123,759.54	(84.11)	0.00
GNMA	2002 RMRB		4.80	07/08/04	06/20/34	79,959.99	76,156,23			(335.38)		79,624.61	75,920.50	99.65	0.00
GNMA	2002 RMRB		5.49		04/20/34	230,063.53	296,863,39			(439.47)		229,624.06	295,236.96	(1,186.96)	0.00
GNMA	2002 RMRB		4.80	04/22/04	04/20/34	254,602.54	243,103.72			(1,241.93)		253,360.61	242,179.00	317,21	0.00
GNMA	2002 RMRB		5.49	04/22/04	04/20/34	155,335.53	153,843.87			(579.52)		154,756.01	153,158.87	(105.48)	0.00
GNMA	2002 RMRB		4.80	04/29/04	04/20/34	184,361.37	175,580.15			(826.89)		183,534.48	174,985.53	232.27	0.00
GNMA	2002 RMRB		5.49	04/29/04	04/20/34	86,821.87	85,988.58			(336.82)		86,485.05	85,592.94	(58.82)	0.00
GNMA.	2002 RMRB		4.80		04/20/34	143,569.70	137,087.06			(612.00)		142,957.70	136,650.03	174.97	0.00
GNMA	2002 RMRB		5.49		04/20/34	57,152.47	56,604.29			(210.71)		56,941.76	56,354.75	(38.83)	0.00
GNMA	2002 RMRB		4.80		04/20/34	90,009.65	85,945.94			(373.35)		89,636.30	85,681.73	109.14	0.00
GNMA	2002 RMRB		5.49		05/20/34	154,499.97	153,020.97			(1,461.36)		153,038.61	151,463.95	(95.66)	0.00
GNMA	2002 RMRB		5.49		05/20/34	54,025.19	53,508.33			(197.85)		53,827.34	53,273.76	(36.72)	0.00
GNMA	2002 RMRB		5.49		06/20/34	112,293.13	111.221.08			(408.63)		111,884.50	110,736.08	(76.37)	0.00
GNMA	2002 RMRB		5.49		08/20/34	221,088.65	218,576.51			(89,272.50)		131,816,15	130,223.83	919.82	0.00
GNMA	2002 RMR8		5.49		09/20/34	235,921.61	233,684.11			(849.22)		235,072.39	232,674.26	(160.63)	0.00 0.00
GNMA	2002 RMRB		5.49		09/20/34	139,182.29	137,863.96			(499,14)		138,683.15	137,270.04 108,120.18	(94.78) 137.14	0.00
GNMA	2002 RMRB		4.80		09/20/34	113,552.49	108,439.57			(456.53) (500.46)		113,095.96 135,955.89	108,120.18	(92.82)	0.00
GNMA	2002 RMRB		5,49 5,49		09/20/34 09/20/34	136,456.35 159,493.93	135,165.35			(587.04)		158,906.89	157,290.38	(108.47)	0.00
GNMA	2002 RMRB		5.48	10/07/04	09/20/34	109,483.93	157,985.89			(301.04)		130,800.08	131,430.30	(100.47)	0.00

Investment			Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type		Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2002 RMRB		4.80	10/07/04	09/20/34	112,268.52	107,214.07			(542.42)		111,726.10	106,811.23	139.58	0.00
GNMA	2002 RMRB		5,49	07/15/04	04/20/34	96,900.84	95,976.80			(361.14)		96,539.70	95,549.84	(65.82)	0.00
GNMA	2002 RMRB		5.49	07/22/04	07/20/34	94,143.76	93,247.32			(341.99)		93,801.77	92,841,28	(64.05)	0.00
GNMA	2002 RMRB		5.49	07/29/04	07/20/34	53,595.99	53,085.94			(193.80)		53,402.19	52,855.67	(36.47)	0.00
GNMA	2002 RMRB		5.49	08/05/04	08/20/34	214,080.39	212,044.89			(804,17)		213,276.22	211,095.35	(145.37)	0.00
GNMA	2002 RMRB		5.49	08/19/04	08/20/34	182,316.55	180,585.09			(904.13)		181,412.42	179,559.39	(121.57)	0.00
GNMA	2002 RMRB		5.49	08/26/04	08/20/34	109,705.16	108,663.98			(413.56)		109,291.60	108,175.93	(74.49)	0.00
GNMA	2002 RMRB		5.49	12/02/04	11/20/34	308,592.19	305,689.86			(1,183.47)		307,408.72	304,296.93	(209.46)	0.00
GNMA	2002 RMRB		4.80	12/02/04	11/20/34	210,082.41	200,634.36			(855.07)		209,227.34	200,033.42	254.13	0.00
GNMA	2002 RMRB		4.80	10/14/04	09/20/34	26,559.88	25,364.30			(126.04)		26,433.84	25,271.18	32.92	0.00
GNMA	2002 RMRB		5.49	10/21/04	06/20/34	83,676.13	82,728.26			(467.24)		83,208.89	82,206,53	(54.49)	0.00
GNMA	2002 RMRB		4.80	10/28/04	09/20/34	83,465.08	79,502.43			(629.86)		82,835.22	78,989.55	116.98	0.00
GNMA	2002 RMRB		5.49	10/28/04	10/20/34	120,558.51	119,420.93			(435.48)		120,123,03	118,903.48	(81.97)	00,0
GNMA	2002 RMRB					58,030,29	57,483.04			(58,030.29)				547.25	0,00
GNMA	2002 RMRB		5.49	12/29/04	12/20/34	305,003.36	302,142.38			(1,165.65)		303,837,71	300,769.65	(207.08)	0.00
GNMA	2002 RMRB		4.80	12/29/04	12/20/34	122,139.95	116,649.91			(482.46)		121,657,49	116,314.54	147.09	0.00
GNMA	2002 RMRB		5.49	01/06/05	01/20/35	90,893.39	90,004.82			(316.54)		90,576,85	89,627.40	(60.88)	0.00
GNMA	2002 RMRB		5.49	01/13/05	12/20/34	99,051.61	98,123.70			(356.56)		98,695.05	97,699.65	(67.49)	0.00
GNMA	2002 RMRB		5.49	01/27/05	01/20/35	380,738,22	376,308.49			(1,328.99)		379,409.23	374,730.42	(249.08)	0.00
GNMA	2002 RMRB		5.49	03/10/05	12/20/34	96,474.07	95,574.74			(338.93)		96,135.14	95,169.99	(65.82)	0.00
GNMA	2002 RMRB					0.00				0.00				-	0.00
GNMA	2002 RMRB		5.49	05/05/05	03/20/35	53,584.54	53,066.19			(192.99)		53,391.55	52,837.30	(35.90)	0.00
GNMA	2002 RMRB		5.49	07/07/05	06/20/35	66,849.21	66,206,42			(225.51)		66,623.70	65,935.93	(44.98)	0.00
GNMA	2002 RMRB		4,80	07/07/05	06/20/35	70,585.86	66,144.11			(281.01)		70,304.85	65,956.74	93.64	0.00
GNMA	2002 RMRB		4.80	06/02/05	04/20/35	285,035.06	266,416.25			(1,921.19)		283,113.87	264,929.15	434.09	0.00
GNMA	2002 RMRB		5.49	09/08/05	08/20/35	115,266.07	113,947.74			(409.84)		114,856.23	113,462.50	(75.40)	0.00
GNMA	2002 RMRB		5.49	09/15/05	09/20/35	214,903.71	212,447.56			(747.80)		214,155.91	211,558.95	(140.81)	0.00
GNMA	2002 RMRB		5.49	08/04/05	08/20/35	284,933.30	282,201.11			(987.58)		283,945.72	281,022.07	(191,46)	0.00
GNMA	2002 RMRB		5.49	09/01/05	09/20/35	237,533.83	234,816.19			(786.41)		236,747.42	233,873.66	(156.12)	0.00
GNMA	2002 RMRB		4.80	10/13/05	09/20/35	108,684.14	101,751.76			(443.02)		108,241.12	101,440.82	132.08	0.00
GNMA	2002 RMRB		5.49	10/13/05	10/20/35	223,510.93	221,381.57			(742.46)		222,768.47	220,488.54	(150.57)	0.00
GNMA	2002 RMRB		5.49	12/19/05	12/20/35	215,551.68	213,510.86			(749.73)		214,801.95	212,616.21	(144.92)	0.00
GNMA	2002 RMRB		5.49	11/17/05	11/20/35	218,121.70	216,050.43			(722.26)		217,399.44	215,181.18	(146.99)	0.00
GNMA	2002 RMRB		4.80	11/22/05	10/20/35	203,591,68	190,756.11			(1,074.71)		202,516.97	189,967.91	286.51	0.00
GNMA	2002 RMRB		4.80	12/22/05	12/20/35	183,295.38	171,734.32			(711.31)		182,584.07	171,265.10	242.09	0.00
GNMA	2002 RMRB		5.49	12/29/05	11/20/35	158,892.71	157,389,44			(524.54)		158,368.17	156,757.79	(107.11)	0.00
GNMA	2002 RMRB		5.49	01/12/06	01/20/36	289,385.42	286,497.09			(936.80)		288,448.62	285,394.62	(165.67)	0.00
GNMA	2002 RMRB		5.49	03/09/06	03/20/36	272,970.14	270,259.33			(1,296.36)		271,673.78	268,811.00	(151.97)	0.00
GNMA	2002 RMRB		5.49	03/02/06	03/20/36	154,812.27	153,273.92			(499.53)		154,312.74	152,685.73	(88.66)	0.00
GNMA	2002 RMRB		5.49	02/23/06	02/20/36	309,952.21	306,870.08			(4,841.50)		305,110.71	301,891.57	(137.01)	0.00
GNMA	2002 RMRB		5.49	03/16/06	03/20/36	242,249.70	239,845.40			(817.95)		241,431.75	238,889,06	(138.39)	0.00
GNMA	2002 RMRB		5.49	03/30/06	03/20/36	339,408.17	335,406.39			(1,272.59)		338,135.58	333,943.67	(190.13)	0.00
GNMA	2002 RMRB		5.49	04/06/06	04/20/36	300,680,35	297,701.84			(959.35)		299,721,00	296,570.12	(172.37)	0.00
FNMA	2002 RMRB		5.49	05/29/03	04/01/33	233,729.31	229,686.01			(941.02)		232,788.29	228,824.54	79.55	0.00
FNMA	2002 RMRB		4.80	09/18/03	07/01/33	69,993.35	66,358.86			(315.07)		69,678.28	65,993.83	(49.96)	0.00
FNMA	2002 RMRB		5.49	12/04/03	11/01/33	129,747.63	127,513.84			(546.26)		129,201.37	127,012.10	44.52	0.00
FNMA	2002 RMRB		4.80	01/15/04	11/01/33	269,806.72	255,810.11			(1,934.19)		267,872.53	253,721.27	(154.65)	0.00
FNMA	2002 RMRB		4.80	02/26/04	01/01/34	94,924.28	89,955.03			(998.91)		93,925.37	88,856,67	(99.45)	0.00
FNMA	2002 RMRB		5.49	04/08/04	06/01/33	62,576.95	61,502.23			(759.38)		61,817.57	60,772.65	29.80	0.00
FNMA	2002 RMRB		5.49	09/02/04	08/01/34	223,250.34	220,312,45			(862.03)		222,388.31	219,418.93	(31.49)	0.00
FNMA	2002 RMRB		4.80	09/01/04	08/01/34	55,024.70	52,148,47			(256.71)		54,767.99	51,816.74	(75.02)	0.00
FNMA	2002 RMRB		4.80	11/10/04	10/01/34	55,879.15	52,959.85			(232.20)		55,646.95	52,649.92	(77,73)	0.00
FNMA	2002 RMRB					82,613.37	81,097.10			(82,613.37)				1,516,27	0.00
FNMA	2002 RMRB		5.49	07/14/05	05/01/35	35,208.94	34,564.24			(158.91)		35,050.03	34,398.38	(6.95)	0.00
FNMA	2002 RMRB		4.80	07/14/05	04/01/35	69,338.10	64,471.03			(282.91)		69,055.19	64,076.56	(111.56)	0.00
FNMA	2002 RMRB		5.49		10/01/35	222,224.73	218,166.43			(1,064.37)		221,160.36	217,059.46	(42.60)	0.00
FNMA	2002 RMRB		4.80	12/15/05	10/01/35	65,337.78	60,738.45			(257.94)		65,079.84	60,374.79	(105.72)	0.00
FNMA	2002 RMRB		5.49	04/27/06	03/01/36	212,231.87	208,175.81			(698.41)		211,533.46	207,499.41	22.01	0.00
FNMA	2002 RMRB		5.49	04/27/06	10/01/35	70,741.29	69,454.57			(236.11)		70,505.18	69,202.91	(15.55)	0.00
Repo Agmt	2002 RMRB		5.15	08/31/07	09/04/07	5,668.18	5,668,18	80.54				5,748.72	5,748.72		0.00
	2002 RMR8	Total				32,255,453.56	31,491,714.24	331,188.40	(1,632,925.97)	(590,289.01)	0.00	30,363,426.98	29,618,757.45	19,069.79	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Repo Agmt	1999 B-D RMRB	5.15	08/31/07	09/04/07	115,130.53	115,130.53	169,079,95				284,210.48	284,210.48	_	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	2,803,590.68	2,803,590.68	•	(2,107,466.20)			696,124.48	696,124,48	-	0.00
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,821,831.58	1,821,831.58	57,369.43	• • •			1,879,201.01	1,879,201.01		0.00
GNMA	1999 B-D RMR8	8.18	08/01/90	06/20/20	197,117.64	209,741.77			(14,180.18)		182,937.46	194,650.73	(910.86)	0.00
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	70,867.47	73,362.07			(1,040.48)		69,826.99	72,277.73	(43.86)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	240,750.14	256,172.49			(3,250.99)		237,499.15	252,709.78	(211.72)	0.00
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	59,331,18	63,130.10			(41,934.33)		17,396.85	18,510.51	(2,685.26)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	188,491.56	200,571.84			(3,582.33)		184,909.23	196,757.01	(232.50)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	155,610.99	165,580.73			(2,668.11)		152,942.88	162,739.41	(173.21)	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	110,667.64	117,756.99			(1,726.31)		108,941.33	115,918.50	(112.18)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	116,099.34	123,539,08			(1,192.59)		114,906.75	122,268.23	(78.26)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	74,253.22	79,012.08			(1,148.04)		73,105.18	77,789.32	(74.72)	0.00
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	100,673.36	104,221.60			(1,225.15)		99,448.21	102,942.85	(53.60)	0.00
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	48,365,87	51,466.38			(745.92)		47,619.95	50,671.94	(48.52)	0.00
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	929,488.77	989,734.00			(13,449.40)		916,039.37	976,039.84	(244.76)	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	96,859.22	103,137.55			(1,456.43)		95,402.79	101,652.11	(29.01)	0,00
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	98,100.93	104,458.89			(1,378.14)		96,722.79	103,057.66	(23.09)	00,0
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	225,986.35	240,638.11			(4,333.27)		221,653.08	236,175.90	(128.94)	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	110,713.58	117,892.66			(1,773.31)		108,940.27	116,078,93	(40.42)	0.00
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	109,872.18	117,183,94			(2,618,83)		107,253.35	114,428.90	(136.21)	0.00
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	139,687.19	148,989.54			(2,529.65)		137,157.54	146,340.10	(119.79)	0.00
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	48,756.65	52,004.32			(601.85)		48,154.80	51,379.47	(23.00)	0.00
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	116,614.11	120,728.37			(2,594.59)		114,019.52	118,030.42	(103.36)	0.00
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	99,168.73	105,528.49			(1,179.04)		97,989.69	104,272.40	(77.05)	0.00
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	110,095.37	114,067.21			(1,822.19)		108,273.18	112,147.32	(97.70)	0.00
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	91,745.74	97,861.16			(1,219.29)		90,526,45	96,592.62	(49.25)	0.00
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	51,562.72	55,000.45			(3,084.75)		48,477.97	51,727.18	(188,52)	0.00
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	133,704.60	142,619.77			(38,335.88)		95,368.72	101,761.47	(2,522.42)	0.00
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	51,496.71	54,930.66			(583.51)		50,913.20	54,326.31	(20.84)	0.00
GNMA	1999 B-D RMRB	8,75	01/25/91	12/20/19	115,460.19	123,163,40			(1,283.86)		114,176.33	121,834.39	(45.15)	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	49,613.49	53,001.70			(1,201.27)		48,412.22	51,723.87	(76.56)	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	55,943.01	59,676.13			(613.84)		55,329.17	59,040.90	(21.39)	0.00
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	192,892.79	205,548.77			(2,857.57)		190,035.22	202,462.81	(228.39)	0.00 0.00
GNMA	1999 B-D RMRB	6.10 6.10	07/28/00 04/28/00	07/20/30 04/01/30	1,465,715.16	1,484,901,37			(7,723.91)		1,457,991.25 155,705.33	1,466,301.81 156,983.66	(10,875.65) (1,090.73)	0.00
FNMA	1999 B-D RMRB	6.10	04/20/00	04/01/30	163,836.09 1,049,427.30	166,205,15			(8,130.76) (161,812.52)		887,614.78	892,674.16	(8,677.58)	0.00
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	1.013.587.63	1,063,164,26			(8,038.01)		1,005,549.62	1,011,281.18	(7,536.22)	0.00
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,266,586.93	1,026,855.41 1,283,166.47			(9,099.46)		1,257,487.47	1,264,655.08	(9,411,93)	0.00
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10	05/30/00	03/20/30	1,781,304.04	1.804.621.28			(15,624.20)		1,765,679.84	1,775,744.19	(13,252,89)	0.00
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	221,766.83	224,973.56			(2,906.78)		218,860.05	220,656,88	(1,409,90)	0.00
FNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	95,832,67	97.218.41			(837.18)		94,995.49	95,775.40	(605.83)	0.00
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	2,717,748.70	2,753,324.00			(102,118.23)		2,615,630.47	2,630,539.54	(20,666.23)	0.00
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	937,916.82	950,194,15			(5,714.37)		932,202.45	937,516.02	(6,963.76)	0,00
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	370,941.95	375,797.57			(1,784.73)		369,157.22	371,261.41	(2,751.43)	0.00
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	259,890,21	263,292,16			(1,410,35)		258,479.86	259,953.18	(1,928.63)	0.00
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	262,927.17	266,368.85			(1,264.30)		261,662.87	263,154.31	(1,950.24)	0.00
FNMA	1999 B-D RMRB	6.10	07/24/00	07/01/30	47,635.37	48,324.17			(299,56)		47,335.81	47,724,43	(300.18)	0.00
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	107,501.70	108,908.89			(974.24)		106,527,46	107.134.66	(799,99)	0.00
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	56,982,11	57,728.00			(469,83)		56.512.28	56.834.39	(423.78)	0,00
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	538,005.31	545,047.77			(3,489.88)		534,515.43	537,562.12	(3,995.77)	0.00
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	252,281.87	255,584.23			(2,684.28)		249,597.59	251,020.28	(1,879.67)	0.00
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	112,913.01	114,351,49			(517.18)		112,395,83	113,003,87	(830,44)	0.00
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	202,249,22	204,825.88			(1,015,66)		201,233.56	202,322.23	(1,487.99)	0.00
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	105,379.89	106,722.42			(468,73)		104,911.16	105,478.72	(774.97)	0.00
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	679,041.34	687,692.29			(3,613.43)		675,427.91	679,081.95	(4,996.91)	0,00
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	767,839.02	778.941.97			(6,550.21)		761,288.81	767,539.00	(4,852.76)	0,00
FNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	109,604.58	111,189.44			(1,199.01)		108,405.57	109,295.56	(694.87)	0.00
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	262,310.32	265,652.15			(1,331.85)		260,978.47	262,390,36	(1,929.94)	0.00
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	212,587.36	215,295.72			(1,917,31)		210,670.05	211,809.77	(1,568.64)	0.00
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	531,819.50	538,594.88			(3,096.30)		528,723.20	531,583.60	(3,914.98)	0.00
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	556,331.18	563,418.84			(2,419.62)		553,911,56	556,908.21	(4,091.01)	0.00
FNMA	1999 B-D RMRB	6,10	12/27/00	11/01/30	147,264.40	149,393,83			(1,260.20)		146,004.20	147,202.88	(930.75)	0,00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	45,990.10	46,655.11			(1,022.32)		44,967,78	45,336.96	(295.83)	0.00
FNMA	1999 B-D RMRB	6,10	02/05/01	01/01/31	254,740.27	258,423.81			(2,145.38)		252,594.89	254,668.69	(1,609.74)	0.00
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	61,615.28	62,400.25			(1,394.59)		60,220.69	60,546.48	(459.18)	0.00
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	247,656.83	250,811.94			(2,276.07)		245,380.76	246,708.23	(1,827.64)	0.00
GNMA	1999 B-D RMRB	6.10	09/28/01	09/20/31	70,005.26	70,897.12			(951.83)		69,053.43	69,427.00	(518.29)	0.00
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	179,051.46	181,332,57			(896.19)		178,155.27	179,119.08	(1,317.30)	0.00
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	41,910.46	42,444,39			(233.82)		41,676.64	41,902.11	(308.46)	0.00
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	268,634.38	272,518,82			(1,713.52)		266,920.86	269,112.27	(1,693.03)	0.00
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	939,962.95	951,580.89			(5,048.15)		934,914.80	939,439.78	(7,092,96)	0.00
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	237,250.86	240,183.27			(1,073.79)		236,177.07	237,320.16	(1,789,32)	0.00
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	331,733.36	335,833.63			(1,670.45)		330,062.91	331,660.47	(2,502.71)	0.00
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	683,827.59	692,279.66			(3,167.04)		680,660.55	683,954.90	(5,157.72)	0.00
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	491,176.67	497,247.59			(2,099.99)		489,076.68	491,443.80	(3,703.80)	0.00
GNMA	1999 B-D RMRB	6.10	05/15/02	04/20/32	95,503.82	96,684.24			(382.20)		95,121.62	95,582.00	(720.04)	0.00
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	309,278.74	313,101.42			(1,238.05)		308,040.69	309,531.60	(2,331.77)	0.00
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	210,072.41	212,668.90			(836.11)		209,236.30	210,249.00	(1,583.79)	0.00
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	60,384.13	61,130.47			(239.86)		60,144.27	60,435.36	(455.25)	0.00
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	91,587.79	92,719,81			(353.65)		91,234.14	91,675,71	(690.45)	0.00
GNMA	1999 B-D RMRB	6.10	10/21/02	09/20/32	96,212.44	97,401,62			(372.12)		95,840.32	96,304.18	(725.32)	0.00
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	106,831.15	108,081.07			(401.35)		106,429.80	106,857,64	(822.08)	0.00
FNMA	1999 B-D RMRB	6,10	10/17/01	09/01/31	79,114.01	80,207.36			(449.52)		78,664.49	79,282.79	(475.05)	0.00
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	203,593.37	206,407.02			(890.05)		202,703.32	204,296.56	(1,220,41)	0.00
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	34,997.46	35,464,32			(142.37)		34,855.09	35,106.04	(215.91)	0.00
Repo Agmt	1999 B-D RMRB	5.15	08/31/07	09/04/07	310.37	310.37	0.00				310,37	310.37	-	0.00
3	1999 B-D RMRB Total			-	30,369,212.37	30,909,813.30	226,449.38	(2,107,466.20)	(542,381.61)	0.00	27,945,813,94	28,319,504.61	(166,910.26)	0.00
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Repo Agmt	2000 A RMRB	5.15	08/31/07	09/04/07	76,334,61	76,334.61	1,015.55				77,350.16	77,350,16	_	0.00
Repo Agmt	2000 A RMRB	5.15	08/31/07	09/04/07	13,821.06	13,821.06	150,441.75				164,262.81	164,262.81	_	0.00
GIĆ's	2000 A RMRB	6.51	05/01/00	07/01/31	1,278,081.65	1,278,081,65		(871,851.02)			406,230.63	406,230.63	-	0.00
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	320,672.14	320,672,14		(35,725.71)			284,946.43	284,946.43	-	0.00
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	408,544,40	419,039,87			(1,915.64)		406,628.76	414,740.97	(2.383.26)	0.00
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	1,903,617,56	1,952,521,44			(10,850.10)		1,892,767.46	1,930,528,16	(11,143,18)	0.00
GNMA	2000 A RMRB	6,45	10/16/00	09/20/30	389,892,35	399,908,65			(1,967.91)		387.924.44	395,663,48	(2,277.26)	0.00
GNMA	2000 A RMRB	6,45	10/23/00	10/20/30	589,594,14	604,740.79			(2,988.34)		586,605.80	598,308.56	(3,443.89)	0.00
GNMA	2000 A RMRB	6,45	10/30/00	10/20/30	427,918.37	438,911.57			(2,370.27)		425,548.10	434,037.76	(2,503.54)	0.00
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	149,745.35	153,411.11			(726.62)		149,018.73	152,113.84	(570.65)	0.00
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	162,957.97	167,144.34			(712.51)		162,245,46	165,482.24	(949.59)	0.00
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	118,064.76	121,074,20			(835,28)		117,229.48	119,562.31	(676.61)	0.00
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	807,120.02	827,854.95			(4,522,01)		802,598.01	818,609.84	(4,723.10)	0.00
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	320,586.12	328.821.96			(1,554,84)		319,031.28	325,395.94	(1,871,18)	0.00
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	396,457,17	406,642,13			(88,743,99)		307,713,18	313,852.03	(4,046,11)	0.00
GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	138,281.14	141.833.61			(611.64)		137,669,50	140,416.04	(805.93)	0.00
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	221,458.60	227,103.59			(1,026.42)		220,432.18	224,818.80	(1,258.37)	0.00
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	361,839.20	371,062.46			(2,006.33)		359,832.87	366,993.53	(2,062.60)	0.00
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	389,262.68	399,184.97			(64,186.49)		325,076.19	331,545.20	(3,453.28)	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	100,307,72	102,864.56			(879.03)		99,428,69	101,407,32	(578.21)	0.00
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	227,817.01	233,624,08			(1,123.23)		226,693.78	231,204.99	(1,295.86)	0.00
FNMA	2000 A RMRB	6,45	09/11/00	08/01/30	347,337,20	355,840,00			(1,718.73)		345.618.47	352,796,95	(1,324.32)	0.00
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	28,594.43	29,294,41			(126.46)		28,467.97	29,059,24	(108.71)	0.00
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	193,845,56	198,590.89			(52,928,93)		140,916,63	143,843,46	(1,818.50)	0.00
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	501,153,34	513,927,93			(91,349.74)		409,803.60	417,958.88	(4,619,31)	0.00
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	215,496.10	220,989.09			(1,347.39)		214,148,71	218,410.26	(1,231.44)	0.00
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	127,916.95	131,177,55			(645.60)		127,271,35	129,804.04	(727.91)	0.00
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	228,644.31	234,472.45			(921.52)		227,722,79	232,254.47	(1,296.46)	0.00
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	203,750.65	208,944,23			(942,44)		202,808.21	206,844.06	(1,157.73)	0.00
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	206,751.29	211,812.58			(1,013.73)		205,737,56	210,010,74	(788.11)	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	87,266,35	89.402.63			(1,043,32)		86,223.03	88,013.87	(345.44)	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	401,178.96	411,404.94			(1,914.38)		399,264.58	407,209,87	(2,280.69)	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	174,394.75	178.840.04			(1,888.10)		172,506,65	175,939,49	(1,012.45)	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	432,040.00	443,052.70			(1,855.15)		430,184.85	438,745.52	(2,452.03)	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	187,540.03	192,320,40			(1,246.81)		186,293.22	190,000.44	(1,073.15)	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	640,237.29	656,556,91			(63,348.35)		576,888.94	588,369.01	(4,839.55)	0.00
CITIEN	2000 M 1 HAN 40	0,40	00/20/01	CONZUIGI	U-10,E31.E3	050,550,81			(00,070,00)		5, 5,000.54	J. 0.505.01	1000.001	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	December
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market Value	Recognized Gain
Туре	Issue -	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	(1,654.66)	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	287,032.35	294,348.77		•	(2,520.20) (1,044.67)		284,512.15 260,500.69	290,173.91 265,684.68	(1,482.83)	0.00
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	261,545.36	268,212.18			(1,785,11)		197,774.78	201,710.52	(1,151.06)	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	199,559.89	204,646.69			(3,393.73)		131,326.13	134,053.76	(570.31)	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	134,719.86 568,335.11	138,017.80			(2,753.88)		565,581.23	576,446.00	(3,417.45)	0.00
GNMA	2000 A RMRB	6,45 6,45	01/22/02 01/30/02	01/20/32 12/20/31	130,681.29	582,617.33			(567.77)		130,113.52	132,702.77	(741.81)	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,356,148.98	134,012,35 1,390,228,97			(6,423.42)		1,349,725.56	1,375,653,75	(8,151.80)	0.00
GNMA	2000 A RMRB	6.45	07/12/01	06/01/31	137,549.09	140,875,02			(605.58)		136,943.51	139,787.82	(481.62)	0.00
FNMA	2000 A RMRB 2000 A RMRB	6.45	05/15/02	04/20/32	88,927.13	91,161.86			(338.87)		88,588.26	90,290.04	(532.95)	0.00
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45	05/24/02	05/20/32	208,359.09	213,595.15			(903.43)		207,455.66	211,440.88	(1,250.84)	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	387,728.65	397,472,28			(1,569.13)		386,159.52	393,577.66	(2,325,49)	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	348,525.28	357,283.71			(6,895.58)		341,629.70	348,192.38	(2,195.75)	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	91,567.35	93.868.43			(378.28)		91,189.07	92,940.81	(549.34)	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	66,158.45	67,821.01			(263.76)		65,894.69	67,160.52	(396.73)	0.00
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	63,672.39	65,272.47			(234.84)	•	63,437.55	64,656.18	(381.45)	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	63,662.50	65,262.33			(726.18)		62,936.32	64,145.32	(390.83)	0.00
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	40,032.02	41,038.02			(784.54)		39,247.48	40,001.42	(252.06)	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	60,812,57	62,340.78			(228.63)		60,583.94	61,747.75	(364.40)	0.00
GNMA ·	2000 A RMRB	6.45	11/12/02	11/20/32	131,216.79	134,514.26			(515,15)		130,701.64	133,212.41	(786.70)	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	73,174.29	75,013.15			(266.95)		72,907.34	74,307.88	(438.32)	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	39,502.63	40,495.33			(242.22)		39,260.41	40,014.60	(238.51)	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	66,258.03	67,923.09			(236.89)		66,021.14	67,289.40	(396.80)	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	77,597.36	79,486.85			(298.64)		77,298.72	78,726,42	(461.79)	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	51,675.24	52,933,53			(198.07).		51,477.17	52,427.95	(307.51)	0.00
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	157,473.43	161,281.13			(1,077.78)		156,395.65	159,643.98	(559.37)	0.00 0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	159,474.23	163,330.31			(654.01)		158,820.22	162,118.91 84,574.23	(557.39) (311.56)	0.00
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	84,053.94	86,086.36			(1,200.57)		82,853.37 118,386.58	120,729.44	(459,13)	0.00
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	118,879.69 401.93	121,681.68 401.93	0.00		(493.11)		401.93	401,93	(458, 15)	0.00
Repo Agmt	2000 A RMRB	5,15	08/31/07	09/04/07	18,233,246.15		151,457.30	(907,576.73)	(445,912.29)	0.00	17,031,214.43	17,350,544.66	(99,926.88)	0.00
	2000 A RMRB Total				10,233,240.13	18,652,503.26	151,457.50	(907,370.73)	(445,812,28)	0.00	17,001,214.40	11,000,044.00	(55,520.00)	0.00
Repo Agmt	2003A RMRB	5.15	08/31/07	09/04/07	40,573.11	40,573.11	539.85				41,112.96	41,112.96	-	0.00
Repo Agmt	2003A RMRB	5.15	08/31/07	09/04/07	22,428.92	22,428.92	708,802.61				731,231.53	731,231.53	-	0.00
GIC's	2003A RMRB	4.13	08/20/03	06/28/34	2,824,422.30	2,824,422.30		(1,269,315.81)			1,555,106.49	1,555,106.49	•	0.00
Repo Agmt	2003A RMRB	5.15	08/31/07	09/04/07	2,124.73	2,124.73	28.24				2,152.97	2,152.97	70.440.76	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	10,741,259.65	10,023,025.83			(628,163.59)		10,113,096.06	9,470,973.00	76,110.76	0.00 0.00
GNMA	2003A RMRB	4.49		03/20/34	1,685,026.21	1,572,360.21			(7,776.94)		1,677,249.27 1,297,836.97	1,570,759.97 1,215,548.29	6,176.70 4.813.24	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,304,344.02	1,217,242.10			(6,507.05)		166,310.96	164,605.69	(112.82)	0.00
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	166,993.99	165,401.54			(683.03) (1,238.15)		178,156.18	167,300.60	667.98	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	179,394.33	167,870.77			(658.18)		169,831.05	167,771.53	(114.15)	0.00
GNMA	2003A RMRB	5.49		07/20/34	170,489.23 1,753,389.63	168,543.86			(7,958.15)		1,745,431.48	1,638,943.36	6,274.93	0.00
GNMA	2003A RMRB	4.49 4.49	04/08/04 04/15/04	04/20/34 04/20/34	1,127,669.79	1,640,626.58 1,055,153.03			(152,568.97)		975,100.82	915,614.89	13,030.83	0.00
GNMA	2003A RMRB	5.49		04/20/34	62.569.69	61,968.46			(280.07)		62,289.62	61,646.39	(42.00)	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	4.49		04/20/34	1,330,329.93	1,244,788.30			(6,488.09)		1,323,841.84	1,243,088.55	4,788.34	0.00
GNMA	2003A RMRB 2003A RMRB	4.49		04/20/34	1,060,708.81	989,812.54			(5,080.61)		1,055,628.20	988,631.82	3,899.89	0.00
GNMA	2003A RWRB 2003A RMRB	5.49		04/20/34	59,639.46	59,067.04			(219.99)		59,419,47	58,806,53	(40.52)	0.00
GNMA	2003A RMRB	4.49		05/20/34	659,325.13	615,262.35			(2,960.12)		656,365.01	614,713.79	2,411.56	0.00
GNMA	2003A RMRB	4.49		05/20/34	526,788.56	491,585.70			(2,683.71)		524,104.85	490,849.00	1,947.01	0.00
GNMA	2003A RMRB	5.49		04/20/34	96,857.31	95,927.87			(1,339.04)		95,518.27	94,533.15	(55,68)	0.00
GNMA	2003A RMRB	4.49		05/20/34	1,362,363.74	1,271,330.95			(6,409.52)		1,355,954.22	1,269,923.03	5,001.60	0.00
GNMA	2003A RMRB	4.49		05/20/34	644,577.04	601,509.64			(2,848.02)		641,729.02	601,016.93	2,355.31	0.00
GNMA	2003A RMRB	4.49		06/20/34	937,943.85	875,283.04			(4,255.85)		933,688.00	874,460.66	3,433.47	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	546,901.32	510,367.31			(2,416.08)		544,485.24	509,949.59	1,998.36	0.00
GNMA	2003A RMRB	4.49		06/20/34	1,172,660.55	1,094,331.26			(5,400.88)		1,167,259.67	1,093,228.15	4,297.77	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,260,809.95	1,176,599.73			(5,698.91)		1,255,111.04	1,175,514.75	4,613.93	0.00
GNMA	2003A RMRB	5.49		06/20/34	1,149,977.31	1,138,998.49			(4,404.36)		1,145,572.95	1,133,814.27	(779.86)	0.00
GNMA	2003A RMRB	4.49		08/20/34	132,773.41	123,913.02			(579.75)		132,193.66	123,817.86	484.59	0.00
GNMA	2003A RMRB	5.49		09/20/34	81,603.37	80,829.93			(1,580.98)		80,022.39	79,206.59	(42.36)	0.00
GNMA	2003A RMRB	4.49		09/20/34	154,172.51	143,885.26			(666.06)		153,506.45	143,781.58	562.38	0.00 0.00
GNMA	2003A RMRB	5.49		09/20/34	167,609.51	166,021.91			(657,41)		166,952.10	165,250.93 1,062,956.86	(113.57) 4,204.32	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,140,486.40	1,064,393.22			(5,640.68)		1,134,845.72	1,002,800.00	7,207.02	0.00

		Current	Current	Current	Beginning	Beginning	<b>*</b> ***********************************	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment	leeus	Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/07	Market Value 05/31/07	Accretions/ Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Type GNMA	Issue 2003A RMRB	5.49	09/23/04	09/20/34	75,262.43	74,549.99	Fulcilases	Qales	(270.84)	riansiers	74,991.59	74,227.90	(51.25)	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	196,110.47	183.525.72			(996.54)		195,113.93	183,237.46	708.28	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	570,035.00	532,008.22			(129,017,17)		441,017,83	413,085.35	10,094.30	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	202,619,22	200,321.98			(1,144.56)		201,474.66	199,045.86	(131.56)	0.00
GNMA	2003A RMRB	5,49	10/07/04	09/20/34	135.592.95	134,310,91			(487.12)		135,105,83	133,731,45	(92.34)	0.00
GNMA	2003A RMRB	4,49	10/07/04	10/20/34	444,457.44	414,811,22			(2,213.10)		442,244,34	414,237.93	1,639.81	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	52,562.35	52,061,43			(191.24)		52,371,11	51,834.38	(35.81)	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	489,574,33	456.884.14			(138,926.57)		350,647,76	328,416.78	10,459.21	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	61,927.71	61,338,03			(224.13)		61,703,58	61,071,77	(42.13)	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	575,429.93	537,010,19			(2,744.10)		572,685,83	536,380.95	2,114.86	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	549,133.58	513,868.28			(2,425.70)		546,707.88	513,403,67	1,961.09	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	253,427.03	251,015.16			(919,17)		252,507.86	249,923.57	(172.42)	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	329,787.36	308,611.26			(1,496.94)		328,290.42	308,294.51	1,180.19	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	108,010.23	106,982.94			(391.97)		107,618.26	106,517.49	(73,48)	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	384,526.61	359,837.45			(2,335.08)		382,191.53	358,914.36	1,411.99	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	84,768.92	83,963.19			(306.52)		84,462.40	83,598.98	(57.69)	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	381,214.43	356,740.08			(2,015.20)		379,199.23	356,106.45	1,381.57	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	278,109.55	275,468.33			(1,380.00)		276,729.55	273,902.89	(185.44)	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	139,113.06	129,839.96			(602.66)		138,510.40	129,744.71	507.41	0.00
GNMA "	2003A RMRB	4.49	12/09/04	11/20/34	280,481.91	261.787.45			(1,195.40)		279,286.51	261,613.87	1,021.82	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	117,395.39	116.292.92			(450.26)		116,945.13	115,762.97	(79.69)	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	301,486.17	281,394.03			(2,570.81)		298,915,36	280,002.90	1,179.68	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	340,224.01	317,531,65			(1,641.06)		338,582.95	317,142.16	1,251.57	0.00 0.00
GNMA	2003A RMRB	5.49	10/14/04 10/21/04	09/20/34 10/20/34	40,671.55 183,894.72	40,287.25			(158.21) (687.11)		40,513.34 183,207.61	40,101,45 181,346,47	(27.59) (124.98)	0.00
GNMA	2003A RMRB	5.49 4.49	10/21/04	10/20/34	191,378.50	182,158.56			(807.85)		190,570.65	178,975.24	681.16	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	4.49	10/28/04	10/20/34	470,038.52	179,101.93 438,693,51			(2,044.28)		467,994.24	438,364.65	1,715.42	0.00
GNMA	2003A RMRB 2003A RMRB	5.49	10/28/04	10/20/34	53,360.04	52,856.53			(203.98)		53,156.06	52,616.38	(36.17)	0.00
GNMA	2003A RIVIRB 2003A RMRB	5.49	11/04/04	11/20/34	508,534,72	502,786.35			(3,380.10)		505,154.62	499,082.05	(324.20)	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	449,484.05	419,512.26			(115,791.72)		333,692.33	312,567.22	8, <b>846</b> .68	0.00
GNMA	2003A RMRB	5,49	11/10/04	11/20/34	65,446.78	64,830.07			(233.07)		65,213,71	64,552,47	(44.53)	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	115,001.25	107,625.87			(509.98)		114,491.27	107,526.71	410.82	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	105,933,92	104,936.43			(450.09)		105,483.83	104,414.89	(71.45)	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	238,852.83	223,536.06			(1,010.99)		237,841.84	223,375.37	850.30	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	265,030.59	262,536.10			(945.34)		264,085.25	261,410.16	(180.60)	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	431,624.98	402.844.06			(1,887.87)		429,737.11	402,531.68	1,575.49	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	326,486.37	323,423.90			(1,466.03)		325,020.34	321,738.39	(219.48)	0.00
GNMA	2003A RMRB	4,49	12/29/04	12/20/34	157,542.19	147,044.63			(994.39)		156,547.80	146,644.60	594.36	0.00
GNMA	2003A RMR8	5.49	01/06/05	01/20/35	52,059.09	51,550.18			(203.26)		51,855.83	51,312.27	(34.65)	0.00
GNMA	2003A RMRB	4,49	03/30/05	01/20/35	282,720.30	263,802.51			(107,423.77)		175,296.53	164,182.89	7,804.15	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	221,133.08	218,972.67			(809.66)		220,323.42	218,015.04	(147.97)	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	107,291.73	100,375.05			(477.78)		106,813.95	100,303.47	406.20	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	781,022.11	728,723.32			(3,455.70)		777,566.41	728,232.01	2,964.39	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	214,719.84	212,222.73			(773.30)		213,946.54	211,309.25	(140.18)	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	755,682.63	706,976.70			(4,810.39)		750,872.24	705,116.10	2,949.79 1,098.32	0.00 0.00
GNMA	2003A RMRB	4.49 5.49	02/17/05 02/17/05	02/20/35	290,604.54	271,150.28			(1,212,17)		289,392.37 54,932.27	271,036.43 54,358.32	(37.00)	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	5.49	03/10/05	01/20/35 02/20/35	55,124.18 103.749.23	54,587.23 102,740,60			(191,91) (359,56)		103,389.67	102,311.39	(69.65)	0.00
GNMA	2003A RMRB	4.49	03/10/05	02/20/35	27,455.12	25,686.41			(113.70)		27,341,42	25,676.14	103.43	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	118,332.14	117,182.69			(408.17)		117,923.97	116,695.05	(79.47)	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	309,951.68	306.946.77			(1,273.91)		308,677,77	305,466.80	(206.06)	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	223,855.00	221,687.46			(790.82)		223,064,18	220,746.46	(150.18)	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	61,657.39	57.687.58			(253.14)		61,404,25	57,666.51	232.07	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	180,896.41	179,145.92			(638.21)		180,258.20	178,386.33	(121.38)	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	176,920.22	175,210.50			(1,621.84)		175,298.38	173,480.30	(108.36)	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,358,828.30	1,267,966.39			(121,724.92)		1,237,103.38	1,158,729.57	12,488.10	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	669,303.66	662,869.10			(2,317.94)		666,985.72	660,101.48	(449.68)	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	355,799.87	351,713.51			(1,212.01)		354,587.86	350,268.15	(233.35)	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	125,785.33	117,689.62			(515.40)		125,269.93	117,647.71	473,49	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	325,218.61	322,079.67			(1,138.87)		324,079.74	320,722.47	(218.33)	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	282,363.78	279,641.57			(1,017.37)		281,346.41	278,434.92	(189.28)	0.00
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	318,853.60	315,781.83			(1,173.05)		317,680.55	314,395.29	(213.49)	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	2003A RMRB 2003A RMRB	5.49 5.49	06/23/05 09/08/05	06/20/35 09/20/35	296,672.05 274,557.08	293,259.16			(1,057.48)		295,614,57	292,007.69 270,784,98	(193.99)	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	5.49 5.49	09/15/05	09/20/35	700,528.09	271,932.91 693,836.75			(963.52) (2,482.94)		273,593.56 698,046.15	270,784.98 690,883.54	(184.41) (470.27)	0.00 0.00
GNMA	2003A RIVIRB 2003A RMRB	5.49	09/22/05	09/20/35	202,076.03	200,147,04			(68,595,65)		133,480,38	132,111.74	560.35	0.00
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	86,668.08	200,147.04 81,094.76			(649.69)		86,018.39	80,789.21	344.14	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	579,965.47	574,396.74			(3,256.18)		576,709.29	570,763.73	(376.83)	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	226,916.21	224,738.76			(816.91)		226,099.30	223,769.70	(152.15)	0.00
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	437,234.93	433,041.49			(1,633.07)		435,601.86	431,115.82	(292.60)	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	257,667.88	255,198.69			(874.67)		256,793,21	254,150.69	(173.33)	0.00
GNMA	2003A RMRB	5,49	08/18/05	07/20/35	308,273.74	305.320.83			(1,036.90)		307,236.84	304,076.46	(207.47)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	851,648.36	843,500,78			(3,385.14)		848,263,22	839,547.76	(567.88)	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	407,835.20	403,933.51			(1,447.92)		406,387.28	402,211.86	(273.73)	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	407,152,48	403,278.49			(1,372.08)		405,780.40	401,632.29	(274.12)	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	613,347.50	607,496.26			(2,102.59)		611,244.91	604,981.16	(412.51)	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	523,467.65	518,476.99			(1,741.89)		521,725.76	516,382.49	(352.61)	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	381,130.70	377,499.72			(1,265.26)		379,865.44	375,977.68	(256.78)	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	326,667.63	323,557.48			(1,196.18)		325,471,45	322,142.35	(218.95)	0.00
GNMA	2003A RMRB	5,49	10/20/05	10/20/35	380,890.49	377,264.08			(94,016.22)		286,874.27	283,939.96	692.10	0.00
GNMA	2003A RMRB	5,49	12/15/05	12/20/35	152,862.26	151,414.52			(505.42)		152,356.84	150,806.06	(103.04)	0.00
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	204,102.86	202,161.67			(677.27)		203,425.59	201,346.87	(137.53)	0.00
GNMA GNMA	2003A RMRB 2003A RMRB	5.49 5.49	11/03/05 11/10/05	10/20/35 11/20/35	272,433.45 160,048.27	269,842.92			(899.92)		271,533.53	268,759.39	(183.61)	0.00 0.00
GNMA	2003A RIVIRB 2003A RMRB	5.49	11/17/05	07/20/35	229,098.31	158,527.51		•	(526.81) (108,498.37)		159,521.46 120,599,94	157,892.82 119,368.54	(107.88) 945.46	0.00
GNMA	2003A RIVINB 2003A RMRB	5,49	11/17/05	10/20/35	428,588.08	226,921.45 424,517.41			(1,455.95)		427,132,13	422,773.01	(288.45)	0.00
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	218,675.41	216,599.77			(725.62)		217,949,79	215,726,79	(147.36)	0.00
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	429,269.88	424,403.55			(1,527.28)		427,742.60	422,595.23	(281.04)	0.00
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	212,798.10	210,674.20			(696.20)		212,101.90	209,856.24	(121.76)	0.00
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	78,570,32	77,828.08			(255.30)		78,315.02	77,519.76	(53.02)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	317,306.82	313,559.61			(1,036.86)		316,269.96	312,343.13	(179.62)	0.00
GNMA	2003A RMRB	. 5.49	03/09/06	02/20/36	200,750.27	198,756,44			(651.74)		200,098.53	197,989.75	(114,95)	0.00
GNMA	2003A RMRB	5.49	02/09/06	01/20/36	206,580.68	204,523,78			(682.15)		205,898.53	203,723.49	(118,14)	0.00
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	239,262.14	236,882.70			(772.45)		238,489.69	235,972.99	(137.26)	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	364,304.75	360,686.52			(1,170.59)		363,134.16	359,307.20	(208.73)	0.00
GNMA	2003A RMRB	5.49	03/30/06	03/20/36	340,812.06	337,433.63			(1,087.83)		339,724.23	336,150.43	(195.37)	0.00
GNMA	2003A RMRB	5.49	04/27/06	03/20/36	139,955.68	138,571.68			(454.10)		139,501.58	138,037.40	(80.18)	0.00
GNMA	2003A RMRB	4.49	04/27/06	03/20/36	120,691.41	112,620.26			(462.10)		120,229.31	112,591.19	433.03	0.00
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	295,866.47	274,768.63			(1,570.30)		294,296.17	273,479.61	281.28	0.00
FNMA FNMA	2003A RMRB 2003A RMRB	4,49 4,49	07/29/04 08/26/04	07/01/34 08/01/34	307,607.45 262,386.30	285,688.45			(1,367.93)		306,239.52	284,594.18	273,66	0.00
FNMA	2003A RIMRB 2003A RIMRB	4.49 5.49	09/23/04	08/01/34	201,467.58	243,692.53			(1,457.89)		260,928.41 200,664.46	242,488.62 197,091.98	253.98 (15.91)	0.00 0.00
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	327,005.35	197,911.01 303,712.36			(803.12) (1,416.80)		325,588.55	302,583.79	288.23	0.00
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	163,011.82	151,402,88			(710.00)		162,301.82	150,836.81	143.93	0.00
FNMA	2003A RMRB	4,49	03/29/05	01/20/35	226,711.11	210,384,93			(1,004.75)		225,706.36	209,618.67	238.49	0.00
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	351.298.93	344,863,70			(1,243.00)		350,055.93	343,545.28	(75.42)	0.00
FNMA	2003A RMRB	5.49		06/01/35	315,631.35	309,856,65			(2,044.95)		313,586,40	307,761,15	(50.55)	0.00
FNMA	2003A RMRB	5.49		08/01/35	252,469.76	247,853.14	•		(1,005,55)		251,464,21	246,795,43	(52.16)	0.00
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	265,761.25	260,904.99			(1,068,66)		264,692,59	259,781,60	(54,73)	0.00
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	248,853.49	244,307.65			(1,262.74)		247 590.75	242,998.53	(46.38)	0.00
FNMA	2003A RMRB	4.49	12/15/05	06/01/35	89,683.72	83,234.59			(365.20)		89,318.52	82,961.40	92.01	0.00
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	335,005.58	328,895.91			(1,132.75)		333,872.83	327,690.15	(73.01)	0.00
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	74,040.20	68,717.10			(291.61)		73,748.59	68,500.74	75.25	0.00
FNMA	2003A RMRB	5.49		01/01/36	113,456,73	111,284.38			(371.24)		113,085.49	110,924.88	11.74	0.00
Repo Agmt	2003A RMRB	5.15	08/31/07	09/04/07	3,647.12	3,647.12	58.97				3,706.09	3,706.09		0.00
	2003A RMRB Total				65,332,787.22	62,405,393.49	709,429.67	(1,269,315.81)	(1,870,694.93)	0.00	62,902,206.15	60,191,740.46	216,928.04	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	332,071.60	345,625,67			(29,860.72)		302,210.88	314,856.24	(908.71)	0.00
GNMA	1999 A RMRB	7,50		09/20/18	667,367.76	694,627.75			(16,878.35)		650,489.41	677,728.15	(21.25)	0.00
GNMA	1999 A RMRB	8.75		09/20/18	121,769,61	129,660.81			(36,203.44)		85,566.17	91,169.93	(2,287.44)	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	674,620.92	705,026.04			(11,597.93)		663,022.99	693,691.77	263.66	0.00
GNMA	1999 A RMRB	8.75		09/20/18	87,128,58	93,230.92			(1,586,59)		85,541.99	91,607,71	(36.62)	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	402,935,92	419,406.81	•		(9,208,86)		393,727.06	410,225.96	28,01	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	122,237.28	130,162.52			(1,681,86)		120,555.42	128,454,27	(26.39)	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
Investmen	t	interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	in Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	169,238.31	176,157.90			(2,203.11)		167,035.20	174,036.13	81.34	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	60,074.63	62,531,63			(833.00)		59,241.63	61,725.36	26.73	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	145,653.19	155,350,43			(2,648,26)		143,004.93	152,576.46	(125.71)	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	257,915.30	268,808.44			(4,639.58)		253,275.72	264,162.00	(6.86)	0.00
GNMA	1999 A RMRB	8,75	03/30/90	01/20/19	70,777.44	75,488.00			(868.22)		69,909.22	74,586.81	(32.97)	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	265,147.56	276,352.35			(19,209.95)		245,937.61	256,514.27	(628,13)	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	163,407.11	174,286,48			(2,687.26)		160,719.85	171,477.32	(121,90)	0,00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	354,445.09	369,428.91			(5,271.24)		349,173.85	364,195.56	37.89	0.00
GNMA	1999 A RMRB				5,234.69	5,456.07			(5,234.69)				(221,38)	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	88,844.02	94,761.07			(28,501.52)		60,342.50	64,382.69	(1,876.86)	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	53,954.86	56,238.93			(699.66)		53,255.20	55,549,36	10.09	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	46,450.60	48,417.89			(722.35)		45,728.25	47,699.05	3.51	0.00
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	19,600.83	20,907.72			(258.05)		19,342.78	20,639.31	(10.36)	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	39,647.92	41,328.96			(487.03)		39,160.89	40,850.48	8.55	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	157,146.56	167,878,01			(1,753.16)		155,393.40	166,022.89	(101.96)	0.00
GNMA	1999 A RMRB				33,279.55	35,552.53			(33,279.55)				(2,272.98)	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	86,299.68	89,960.13			(1,228.95)		85,070.73	88,742.49	11.31	0.00
GNMA	1999 A RMRB	5,35	01/31/01	08/20/30	41,728.03	40,714.49			(220.99)		41,507.04	40,481.85	(11.65)	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	324,270.37	316,309.52			(36,655.38)		287,614.99	280,387.22	733.08	0.00
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	10,542.08	10,283.26			(1,070.77)		9,471,31	9,233.29	20.80	0.00
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	53,804.69	52,483.78			(328.54)		53,476.15	52,132.29	(22.95)	0.00
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	98,277.30	95,864.59			(557.01)		97,720.29	95,264.57	(43.01)	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	244,057.64	237,414.39			(1,547.94)		242,509.70	236,029.83	163.38	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	66,269.37	64.437.02			(689.01)		65,580.36	63,790.01	42.00	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	39,253.09	38,282.75			(250.48)		39,002,61	38,018.18	(14.09)	0.00
Repo Agmt	1999 A RMRB	5.15	08/31/07	09/04/07	401,199.23	401,199.23	0.00				401,199.23	401,199,23		0,00
	1999 A RMRB Total				5,704,650.81	5,893,635.00	0.00	0.00	(258,863.45)	0.00	5,445,787.36	5,627,430.68	(7,340.87)	0.00
	Total Residential Mortgage Revenue Bonds Investment Summary					338,266,818.64	3,813,655.77	(16,386,198.54)	(8,138,685.93)	0.00	321,411,394.76	317,216,377.15	(339,212.79)	0.00

## Texas Department of Housing and Community Affairs Collatealized Home Mortgage Revenue Bonds Investment Summary For Period Ending August 31, 2007

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Repo Agmt	1990 A&B CHMRB	5.15	08/31/07	09/04/07	51,357.07	51,357.07	683.26				52,040.33	52,040.33	-	0.00
Repo Agmt	1990 A&B CHMRB	5.15	08/31/07	09/04/07	83,039.19	83,039.19	1,104.72				84,143,91	84,143.91	•	0.00
Repo Agmt	1990 A&B CHMRB	5,15	08/31/07	09/04/07	229,395.59	229,395.59	3,051.90				232,447.49	232,447.49	<u> </u>	0.00
	1990 A&B CHMRB Total				363,791.85	363,791.85	4,839.88	0.00	0.00	0.00	368,631.73	368,631.73	0.00	0.00
Repo Agmt	1991 A CHMRB	5.15	08/31/07	09/04/07	108,369.45	108,369.45	1,441.72				109,811.17	109,811.17		0.00
Repo Agmt	1991 A CHMRB	5,15	08/31/07	09/04/07	7,224.48	7,224.48	96.21				7,320.69	7,320.69	<u>.</u>	0.00
	1991 A CHMRB Total			-	115,593.93	115,593.93	1,537.93	0.00	0.00	0.00	117,131.86	117,131.86	0.00	0.00
Repo Agmt	1992 A-C CHMRB	5.15	08/31/07	09/04/07	39,304.64	39,304.64	254,638.21				293,942.85	293,942.85	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	869,135.42	869,135.42		(705,718.14)			163,417.28	163,417.28	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	30,094.41	31,489.38			(259.67)		29,834.74	31,093.40	(136.31)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	134,125.21	140,335.27			(6,317.66)		127,807.55	133,192.73	(824.88)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	250,476.62	262,178.83			(4,930.57)		245,546.05	255,950.49	(1,297.77)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,129,172.66	1,182,484.22			(72,475.81)		1,056,696.85	1,101,836.67	(8,171.74)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	651,222.02	681,972.18			(6,910.99)		644,311.03	671,838.62	(3,222.57)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	184,822.24	193,549.41			(2,419.89)		182,402.35	190,195.33	(934.19)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	593,640.56	621,679.23			(6,038.58)		587,601.98	612,714,70	(2,925.95)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	911,144.00	954,453.21			(130,441.93)		780,702.07	814,200.64	(9,810.64)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	267,539.16	279.046.88			(3,042.43)		264,496.73	275,691.08	(313.37)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	196,019.19	204,646.88			(2,004.01)		194,015.18	202,374.62	(268.25)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	203,610.78	212,579,87			(45,069.08)		158,541.70	165,378.37	(2,132.42)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	367,384.39	383,580.50			(3,967.12)		363,417.27	379,101.56	(511.82)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	193,425.54	201,954.96			(1,790.57)		191,634.97	199,907.97	(256.42)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	40,203.79	41,977.10			(646.48)		39,557.31	41,265.47	(65.15)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	259,883.46	271,355.37			(4,804.58)		255,078.88	266,102.46	(448.33)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	53,582.36	55,943,29			(6,887.81)		46,694,55	48,708.70	(346.78)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	566,990.65	592,703.11			(17,162.89)		549,827.76	574,017.80	(1,522.42)	0.00
GNMA	1992 A-Ç CHMRB	6.91	06/30/95	05/20/25	594,006.49	620,950.41			(7,584.67)		586,421.82	612,227.47	(1,138.27)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	400,849.13	419,035.69			(44,132.66)		356,716.47	372,417.60	(2,485.43)	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.05	100,000.05		(0.05)			100,000.00	100,000.00	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	178,856.80	178,856.80	105,898.41				284,755.21	284,755.21	-	0.00
FNMA	1992 A-C CHMRB	6,91	04/28/95	06/01/23	119,473.08	125,003.22			(1,530.24)		117,942.84	122,910.87	(562.11)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	828,570.33	865,031.64			(16,057.64)		812,512.69	847,514.21	(1,459.79)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,892,446.92	1,978,150.29			(48,235.92)		1,844,211.00	1,925,232.40	(4,681.97)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,664,878.79	1,740,293,84			(44,357.23)		1,620,521.56	1,691,732.56	(4,204.05)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	1,719,027.53	1.796.911.53			(189,469.08)		1,529,558.45	1,596,786.64	(10,655.81)	0.00
Repo Agmt	1992 A-C CHMRB	5.15	08/31/07	09/04/07	12,408,88	12,408.88	165. <u>16</u>				12,574.04	12,574.04		0.00
	1992 A-C CHMRB Total			•	14,452,295.10	15,057,012.10	360,701.78	(705,718.19)	(666,537.51)	0.00	13,440,741.18	13,987,081.74	(58,376.44)	0.00
	Total CHMRB Investment Sum				14,931,680.88	15,536,397.88	367,079.59	(705,718.19)	(666,537.51)	0.00	13,926,504.77	14,472,845.33	(58,376.44)	0.00

## Texas Department of Housing and Community Affairs Multi Family Investment Summary For Period Ending August 31, 2007

Investment Type Mutual Fund Mutual Fund Mutual Fund Mutual Fund	Issue 1996 A&B MF (Brighton/LasColi) Tota	Current Interest Rate 4.18 4.41 4.41 4.41	Current Purchase Date 08/01/07 08/01/07 08/01/07	Current Maturity Date 09/01/07 09/01/07 09/01/07	Beginning Carrying Value 05/31/07 64,756.68 44,734.14 69,654.44 27,787.72 206,832.98	Beginning Market Value 05/31/07 64.756.68 44.734.14 69.554.44 27.787.72 206,832.98	Accretions/ Purchases 16.37 23.37	Amortizations/ Sales (10,956.38) (18,469.16) (29,425.54)	Maturities	Transfers	Ending Carrying Value 08/31/07 64,773.05 44,757.51 58,598.06 9,318.56 177,447,18	Ending Market Value 08/31/07 64,773.05 44,757.51 58,598.06 9,318.56 177,447.18	Change in in Market Value	Recognized Gain 0.00 0.00 0.00 0.00
		41			,		39.74	, , ,	0.00	0.00	177,447,10	777,447.10	0.00	
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg) 1998 M/F (Dallas-Oxford Rfdg) Total			-	501.62 501.62	501.62 501.62	0.00	(501.62) (501.62)	0.00	0.00	0.00	0.00	0.00	0.00
Manas Madak	4004 A 9 D 11/5 (Cummar Dank)				04.00	04.00		(0.4.00)						0.00
Money Market	1984 A & B M/F (Summer Bend) 1984 A & B M/F (Summer Bend) Tota	ı		-	94.89 94.89	94.89 94.89	0.00	(94.89) (94.89)	0.00	0.00	0.00	0.00	0.00	0.00
Advisor Francis	4000 400 ME (Danish ala)	4.18	08/01/07	09/01/07	74 750 70	74 750 70	2445				7.700.07	D4 D00 00		0.00
Mutual Fund Mutual Fund	1996 A&B MF (Braxton's) 1996 A&B MF (Braxton's)	4.18	08/01/07	09/01/07	74,756.72 5.64	74,756.72 5.64	24.15	(5.64)			74,780.87	74,780.87	-	0.00 0.00
Mutual Fund	1996 A&B MF (Braxton's)	4.18	08/01/07	09/01/07	48,772,24	48,772.24		(29,266.63)			19,505.61	19,505,61		0.00
	1996 A&B MF (Braxton's) Total				123,534.60	123,534.60	24.15	(29,272.27)	0.00	. 0.00	94,286.48	94,286.48	0.00	0.00
Repo Agmt	1993 A&B M/F(Reming, Hill/HP)	5.15	08/31/07	09/04/07	589.63	589.63	8.14				597.77	597.77	-	0.00
Repo Agmt	1993 A&B WF(Reming, Hill/HP) 1993 A&B M/F(Reming, Hill/HP) Tota	5.15	08/31/07	09/04/07	25,404.87 25,994.50	25,404.87 25,994.50	338.00 346.14	0.00	0.00	0.00	25,742.87 26,340.64	25,742.87 26,340.64	0.00	0.00
					,			5.50	0.00	0.00		,	0.00	
Repo Agmt	1987 South Tx. Rental Housing 1987 South Tx. Rental Housing Tota	5.15	08/31/07	09/04/07	845,711.58 845,711.58	845,711.58 845,711.58	11,250.94 11,250.94	0.00	0.00	0.00	856,962.52 856,962.52	856,962,52 856,962,52	0.00	0.00
	1907 GODDI TX. Kelilai Housing Tota	•			040,711.50	043,717,30	11,250,94	0.00	0.00	0.00	030,902.52	030,902.52	0.00	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth) 1996 A-D M/F(Dallas-Ft Worth) Total			-	4.26 4.26	4.26 4.26	0.00	(4.26)	0.00	0.00	0.00	0.00	0.00	0.00
	1996 A-D M/F(Dallas-Ft Worth) Total				4.26	4.26	0.00	(4.26)	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Fund	1996 A&B M/F(NHP Project)	4.23	08/01/07	09/01/07	0.02	0.02	0.00	4 00			0.02	0.02	-	0.00
Inv Agmt	1996 A&B M/F(NHP Project) 1996 A&B M/F(NHP Project) Total			-	1.00	1.00	0,00	(1.00)	0,00	0.00	0.02	0.02	0.00	0.00
Mutual Fund	1997 M/F (Meadow Ridge) 1997 M/F (Meadow Ridge) Total			-	3.38 3.38	3.38	0.00	(3.38)	0.00	0,00	0,00	0.00	0.00	0.00
			00/04/07	00.004.00				, ,						
Mutual Fund inv Agmt	1998 M/F (Pebble Brook) 1998 M/F (Pebble Brook)	4.41 5.20	08/01/07 04/30/98	09/01/07 12/01/30	366,949.35 9,414.85	366,949.35 9,414.85	30,825.02	(244,207.84)			122,741,51 40,239,87	122,741.51 40,239.87		0.00 0.00
Mutual Fund	1998 M/F (Pebble Brook)	4.23	08/01/07	09/01/07	37,558.46	37,558.46	407.44				37,965.90	37,965.90	<del>-</del>	0.00
	1998 M/F (Pebble Brook) Total				413,922.66	413,922.66	31,232.46	(244,207.84)	0.00	0.00	200,947.28	200,947.28	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)				0.11	0.11		(0,11)					-	0.00
Mutual Fund Mutual Fund	1998 M/F (Residence Oaks Proj) 1998 M/F (Residence Oaks Proj)	4.18 4.18	08/01/07 08/01/07	09/01/07 09/01/07	131,386.97 49.461.56	131,386.97	7,247.50 548.69				138,634.47 50.010.25	138,634.47	-	0.00
Mutual Fund Mutual Fund	1998 M/F (Residence Oaks Proj.)	4.18 4.18	08/01/07	09/01/07	49,461.56 510.70	49,461,56 510,70	36,084.99				50,010.25 36,595.69	50,010.25 36,595.69	•	0.00 0.00
Mutual Fund	1998 MF (Residence Oaks Proj.)	4.18	08/01/07	09/01/07	1,814,71	1,814,71	111,274.11				113,088.82	113,088.82	_	0.00
Mutual Fund	1998 WF (Residence Oaks Proj)	4.18	08/01/07	09/01/07	8,850.95	8,850.95	<u> </u>	(8,825.06)			25.89	25.89		0.00
	1998 M/F (Residence Oaks Proj) Tota	3 <b>i</b>			192,025.00	192,025.00	155,155.29	(8,825.17)	0.00	0.00	338,355.12	338,355.12	0.00	0.00
Mutual Fund	1998 M/F (Volente Project)	4.23	08/01/07	09/01/07	10,973.61	10,973.61	0.00				10,973.61	10,973.61	-	0.00
Mutual Fund	1998 M/F (Volente Project)	4.23	08/01/07	09/01/07	77,279.07	77,279.07	0.00				77,279,07	77,279.07	-	0.00
Mutual Fund Mutual Fund	1998 M/F (Volente Project) 1998 M/F (Volente Project)	4.23	08/01/07	09/01/07	4,258.10 1.24	4,258.10 1.24	47.43	(1.24)			4,305.53	4,305.53	-	0.00 0.00
WILLIAM T CITO	1998 M/F (Volente Project) Total			•	92,512.02	92,512.02	47.43	(1.24)	0.00	0.00	92,558.21	92,558.21	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Inv Agmt	1998 MF (Greens-Hickory Trail 1998 MF (Greens-Hickory Trail 1998 MF (Greens-Hickory Trail 1998 MF (Greens-Hickory Trail	3.98 3.98 3.98 4.94	08/01/07 08/01/07 08/01/07 03/22/01	09/01/07 09/01/07 09/01/07 09/01/30	19,830.59 242,383.45 137,337.83 59,000.90	19,830.69 242,383.45 137,337.83 59,000.90	43,233.73 60,999.12	(13,379.15) (132,388.52)			6,451.44 285,617.18 4,949.31 120,000.02	6,451.44 285,617.18 4,949.31 120,000.02	- - -	0.00 0.00 0.00 0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.23	08/01/07	09/01/07			6,833.52				6,833.52	6,833.52	-	0.00

Investment Type Inv Agmt Mutual Fund	<b>Issue</b> 1998 MF (Greens-Hickory Trail 1998 MF (Greens-Hickory Trail	Current Interest Rate 4.94 4.23	Current Purchase Date 09/10/98 08/01/07	Current Maturity Date 09/01/30 09/01/07	Beginning Carrying Value 05/31/07 162,006.97	Beginning Market Value 05/31/07 162,006.97	Accretions/ Purchases 166,871.82 3,594.79	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 328,878.79 3,594.79	Ending Market Value 08/31/07 328,878.79 3,594,79	Change in In Market Value	Recognized Gain 0.00 0.00
inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	03/22/01	09/01/30 _	23,252.67 643,812.41	23,252.67 643,812,41	10,900.85 292,433.83	(145,767.67)	0.00	0.00	34,153.52 790,478.57	34,153.52 790,478.57	0.00	0.00
	1998 M/F (Greens-Hickory Trail Total				043,0 (2.4 )	643,612,41	292,433.03	(145,767.67)	0.00	0.00	790,476.57	190,470.57	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	4.18	08/01/07	09/01/07	73,749.93	73,749.93	9,826.92				83,576.85	83,576.85	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)				1.78	1.78		(1.78)					-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	4.18	08/01/07	09/01/07	95,871.02	95,871.02	00 500 00	(41,428.26)		•	54,442.76	54,442.76	-	0.00
Mutual Fund Mutual Fund	1999 M/F (Mayfield Aptss) 1999 M/F (Mayfield Aptss)	4.18 4.23	08/01/07 08/01/07	09/01/07 09/01/07	40,926.86 535.35	40,926.86 535.35	98,586.28 67,408.13				139,513.14 67,943.48	139,513.14 67,943.48	-	0.00 0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	4.18	08/01/07	09/01/07	4.348.75	4,348.75	199,901,50				204,250,25	204.250.25	-	0.00
Mutual Fund	1999 M/F (Mayfield Aptss)	4.18	08/01/07	09/01/07	0.16	0.16	0.00				0.16	0.16	_	00.0
	1999 M/F (Mayfield Aptss) Total			_	215,433.85	215,433.85	375,722.83	(41,430.04)	0.00	0.00	549,726.64	549,726.64	0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village)				7,466.47	7,466,47		(7,466,47)					_	0.00
Mutual Fund	1999 M/F (Woodglen Village)				412.08	412.08		(412.08)					-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.29	08/01/07	09/01/07	0.01	0.01	0.00	()			0.01	0.01	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)	4.29	08/01/07	09/01/07	23,303.48	23,303.48	23,043.10				46,346.58	46,346.58	-	0.00
Mutual Fund	1999 M/F (Woodglen Village)				26,551.99	26,551.99		(26,551.99)					-	0.00
Mutual Fund	1999 M/F (Woodglen Village)				16,194.53	16,194.53		(16,194.53)					-	0.00
Mutual Fund	1999 M/F (Woodglen Village) 1999 M/F (Woodglen Village) Total			-	20,997.37 94,925.93	20,997.37 94,925.93	23,043.10	(20,997,37) (71,622,44)	0.00	0.00	46,346.59	46,346.59	0.00	0.00
								•••••••			·			
Mutual Fund	2000 M/F (Timber Point Apts)	4.18 4.23	08/01/07 08/01/07	09/01/07 09/01/07	16,272.66 16,593.24	16,272.66 16,593.24	3,880.69 9,811.68				20,153,35 26,404.92	20,153.35 26,404.92	-	0.00 0.00
Mutual Fund Mutual Fund	2000 M/F (Timber Point Apts) 2000 M/F (Timber Point Apts)	4.23	06/01/07	09/01/07	2.33	2.33	9,011.00	(2.33)			20,404.92	26,404.92	_	0.00
Mutual Fund	2000 M/F (Timber Point Apts)				3.53	3.53		(3.53)					-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.23	08/01/07	09/01/07	133,262.69	133,262.69		(100,255.31)			33,007.38	33,007.38	•	0.00
	2000 M/F (Timber Point Apts) Total			_	166,134.45	166,134.45	13,692.37	(100,261.17)	0.00	0.00	79,565.65	79,565.65	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.23	08/01/07	09/01/07	135,734.41	135,734.41	63,767.15				199,501,56	199,501.56	_	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.23	08/01/07	09/01/07	198,142.97	198,142.97	3,966.87				202,109.84	202,109.84	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.23	08/01/07	09/01/07	0.04	0.04	0.00				0.04	0.04	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.23 4.23	08/01/07 08/01/07	09/01/07	2,937.96	2,937.96 21.573.73	92,680.05	(1,854.31)			95,618.01 19,719.42	95,618.01 19.719.42	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton) 2000 A&B M/F (Oaks at Hampton) To		00/01/07	09/01/07	21,573.73 358,389.11	358,389.11	160,414.07	(1,854.31)	0.00	0.00	516,948.87	516,948.87	0.00	0.00
_								, , ,						
Mutual Fund Mutual Fund	2000 M/F (Deerwood Apts) 2000 M/F (Deerwood Apts)	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	0.02	0.02	6,000.00 0.00				6,000.00 0.02	6,000.00 0.02	-	0.00 0.00
Mutual Fund	2000 M/F (Deerwood Apts)	4.23	00/01/07	09/01/07	0.02	0.02	0.00	(0.02)			0.02	0.02		0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	221,403.04	221,403,04		(114,076.56)			107,326.48	107,326,48		0.00
_	2000 M/F (Deerwood Apts) Total			-	221,403.08	221,403.08	6,000.00	(114,076.58)	0.00	0.00	113,326.50	113,326.50	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4,18	08/01/07	09/01/07	9,042.74	9,042.74	7,270,46				16,313.20	16,313.20	_	0.00
Money Market	2000 M/F (Creek Point Apts)				3.32	3.32		(3.32)			,	,	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4,18	08/01/07	09/01/07	13,760.80	13,760.80	8,691.08				22,451.88	22,451.88	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.18	08/01/07	09/01/07	26,807.05	26,807.05	0.00				26,807.05	26,807.05	•	0.00
Mutual Fund	2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) Total	4.18	08/01/07	09/01/07	243.59 49.857.50	243.59 49,857.50	0.00 15,961.54	(3.32)	0.00	0.00	243.59 65,815.72	243.59 65,815.72	0.00	0.00
	2000 NOF (Creek Folia Aprs) Total				49,007.50	48,007.30	15,901.54	(3.32)	0.00	0.00	05,015.72	00,010.72	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.23	08/01/07	09/01/07	26,037.86	26,037.86		(17,163.41)			8,874.45	8,874.45	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.23 4.23	08/01/07	09/01/07	181,653.95	181,653.95	0.40	(2,034.21)			179,619.74	179,619.74	-	0.00
Mutual Fund Mutual Fund	2000 M/F (Parks @ Westmoreld) 2000 M/F (Parks @ Westmoreld)	4.23	08/01/07 08/01/07	09/01/07 09/01/07	11.84 283.89	11.84 283.89	0.13 3.15				11.97 287.04	11.97 287.04	-	0.00 0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.23	08/01/07	09/01/07	1,578.16	1,578.16	91,187.15				92,765.31	92,765.31	:	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.23	08/01/07	09/01/07	253,043.24	253,043,24	,	(68,400.89)			184,642.35	184,642.35		0.00
	2000 M/F (Parks @ Westmoreld) Tot			-	462,608.94	462,608.94	91,190.43	(87,598.51)	0.00	0.00	466,200.86	466,200.86	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.18	08/01/07	09/01/07	118,664.37	118,664.37	67,238.80				185,903.17	185,903.17		0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.18	08/01/07	09/01/07	109,572.54	109,572.54		(29,938.08)			79,634.46	79,634.46	-	00:0
Mutual Fund	2000 A-C MF Highland Meadows	4.18	08/01/07	09/01/07	75,260.55	75,260.55	0-00	(61,783.37)			13,477.18	13,477.18	· -	0.00
Mutual Fund	2000 A-C MF Highland Meadows	4.18	08/01/07	09/01/07	1,507.15	1,507.15	29,209.05				30,716.20	30,716,20	-	0.00

Investment Type Mutual Fund	Issue 2000 A-C MF Highland Meadows	Current Interest Rate 4.18	Current Purchase Date 08/01/07	Current Maturity Date 09/01/07	Beginning Carrying Value 05/31/07 7.998.03	Beginning Market Value 05/31/07 7.998.03	Accretions/ Purchases 117,427.13	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 125.425.16	Ending Market Value 08/31/07 125.425.16	Change in In Market Value	Recognized Gain 0.00
***************************************	2000 A-C MF Highland Meadows Tot				313,002.64	313,002.64	213,874.98	(91,721.45)	0.00	0.00	435,156.17	435,156.17	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.23	08/01/07	09/01/07	19,045.91	19,045.91	99,072.00				118,117.91	118,117.91	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.23	08/01/07	09/01/07	630,109.93	630,109.93	0.00	(409,642.87)			220,467.06	220,467.06	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	4.23 6.15	08/01/07 11/09/00	09/01/07 11/01/40	11,770.00	11,770.00	0.00 0.00				11,770.00 5.45	11,770.00 5.45	-	0.00 0.00
Inv Agmt	2000 A/B MF Greenbridge 2000 A/B MF Greenbridge Total	0.13	11/08/00	11/01/40 _	5.45 660,931.29	5.45 660,931.29	99,072.00	(409,642.87)	0,00	0.00	350,360.42	350,360.42	0.00	0.00
	Leve File Circulations Com-				000,001.20	000,001.20	00,012.00	(,	-,	****	000,000	000,000.72		**
Mutual Fund	2000 A-C MF Collingham Park	4.41	08/01/07	09/01/07	56,998.35	56,998.35	88,682.44				145,680.79	145,680.79	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.41	08/01/07	09/01/07	66,925.89	66,925.89		(60,358.34)			6,567.55	6,567.55	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	4.41	08/01/07	09/01/07	0.01 131,070,38	0.01 131,070.38		(0.01)			13,655.86	13,655.86	-	0.00 0.00
Mutual Fund Mutual Fund	2000 A-C MF Collingham Park 2000 A-C MF Collingham Park	4.41	08/01/07	09/01/07	513,46	513,46	58,423,70	(117,414.52)			58,937.16	58,937.16		0.00
Mutual Fund	2000 A-C MF Collingham Park	4.41	08/01/07	09/01/07	2.584.43	2.584.43	292,701.29				295,285.72	295,285.72	-	0.00
motour and	2000 A-C MF Collingham Park Total		*****		258,092.52	258,092.52	439,807.43	(177,772.87)	0.00	0.00	520,127.08	520,127.08	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	4.23	08/01/07	09/01/07	18,013.09	18,013,09	0.00				18,013.09	18,013.09	-	0.00
Mutual Fund	2000 A/B MF Willams Run 2000 A/B MF Willams Run	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	14,72 280,287.28	14.72 280,287.28	0.00 146,187.64				14.72 426,474.92	14.72 426,474.92	-	0.00 0.00
Mutual Fund Mutual Fund	2000 A/B MF Williams Run	4.23	08/01/07	09/01/07	1,531.52	1,531.52	17.06				1,548.58	1,548.58	-	0.00
Mutual Fund	2000 A/B MF Williams Run	4.20	00/01/01	00/01/07	0.66	0.66	*******	(0.66)			1,010.00	1,040.00	-	0.00
17,210-0111-0110	2000 A/B MF Willams Run Total			-	299,847.27	299,847.27	146,204.70	(0.66)	0.00	0.00	446,051.31	446,051.31	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.23	08/01/07	09/01/07	13,007.85	13,007.85	8,332.51				21,340.36	21,340.36		0.00
Mutual Fund	2001A MF Bluffview Sr. Apts. 2001A MF Bluffview Sr. Apts.	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/0 <b>7</b>	120,132.08 141,623.27	120,132.08 141,623,27	66,794.20 15,201.31				186,926.28 156,824.58	186,926,28 156,824.58	-	0.00 0.00
Mutual Fund Mutual Fund	2001A MF Bluffview Sr. Apts.	4.23	08/01/07	09/01/07	100,178,16	100,178.16	0.00				100,178.16	100,178.16		0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.23	08/01/07	09/01/07	40,420.32	40,420.32	450.23				40,870.55	40,870.55		0.00
	2001A MF Bluffview Sr. Apts. Total			_	415,361.68	415,361.68	90,778.25	0.00	0.00	0.00	506,139.93	506,139.93	0.00	0.00
Mutual Fund	2001A MF Knollwood Vilias Apts	4.23	08/01/07 08/01/07	09/01/07 09/01/07	1,067.77	1,067.77 124.750.51	9,189.46 63.103.57				10,257.23 187.854.08	10,257.23 187.854.08	•	0.00 0.00
Mutual Fund Mutual Fund	2001A MF Knollwood Villas Apts 2001A MF Knollwood Villas Apts	4.23 4.23	08/01/07	09/01/07	124,750.51 91,066.45	91.066.45	03,103.57	(15,389.31)			75,677.14	75,677,14	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	4.23	08/01/07	09/01/07	30.35	30.35	119,734.64	(10,303.31)			119.764.99	119,764.99		0.00
	2001A MF Knollwood Villas Apts Tot				216,915.08	216,915.08	192,027.67	(15,389.31)	0.00	0.00	393,553.44	393,553.44	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	4.23	08/01/07	09/01/07	30,863.58	30,863.58	44.400.00	(4,700.77)			26,162.81	26,162.81	-	0.00
Mutual Fund Mutual Fund	2001A MF Skyway Villas 2001A MF Skyway Villas	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	238,890.62 25,725.48	238,890.62 25,725.48	14,499.99	(4,292.13)			253,390.61 21,433.35	253,390.61 21,433.35	-	0.00 0.00
Mutual Fund	2001A MF Skyway Villas	4.23	08/01/07	09/01/07	74,100.13	74,100,13	47,991,75	(4,292.13)			122,091.88	122,091.88		0.00
Mutual Fund	2001A MF Skyway Villas	4.23	08/01/07	09/01/07	10,845.50	10,845.50	32,217,13				43,062.63	43.062.63		0.00
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	12,089.71	12,089.71	0.00				12,089.71	12,089.71	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.23	08/01/07	09/01/07	55,000.02	55,000.02		(30,000.01)			25,000.01	25,000.01	-	0.00
Mutual Fund	2001A MF Skyway Villas	4.23	08/01/07	09/01/07	180,618.26	180,618.26	4.500.05	(90,905.63)			89,712.63	89,712.63		0.00
	2001A MF Skyway Villas Total				628,133.30	628,133.30	94,708.87	(129,898.54)	0.00	0.00	592,943.63	592,943.63	0.00	0.00
Mutual Fund	2001AB Cobb Park Apts	4.23	08/01/07	09/01/07	17,085.55	17,085.55		(14,499.91)			2,585.64	2,585.64	_	0.00
Mutual Fund	2001AB Cobb Park Apts	4.23	08/01/07	09/01/07	64,954.62	64,954.62	51,122.48				116,077.10	116,077.10	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.23	08/01/07	09/01/07	52,801.19	52,801.19	10,055.47				62,856.66	62,856.66	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.23	08/01/07	09/01/07	72,569.82	72,569.82		(76.99)			72,492.83	72,492.83	-	0.00
Mutual Fund	2001AB Cobb Park Apts	4.23	08/01/07	09/01/07	56,066,36	56,066.36	624.50	(44.576.00)	2.00		56,690.86	56,690.86		0.00
	2001AB Cobb Park Apts Total				263,477.54	263,477.54	61,802.45	(14,576.90)	0.00	0.00	310,703.09	310,703.09	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	4,41	08/01/07	09/01/07	31.16	31.16	0.86				32.02	32.02		0.00
Mutual Fund	2001A MF Greens Road Apts				273,273.67	273,273.67		(273,273.67)					-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	10,704.15	10,704.15	116,614.50				127,318.65	127,318.65	-	0.00
Mutual Fund	2001A MF Greens Road Apts	4.41	08/01/07	09/01/07	0.09	0.09	0.00				0.09	0.09	•	0.00
Mutual Fund	2001A MF Greens Road Apts 2001A MF Greens Road Apts Total	4,41	08/01/07	09/01/07	0.01 284,009.08	0.01 284,009.08	0,00 116,615.36	(273,273,67)	0.00	0.00	0.01 127,350.77	0.01 127,350,77	0.00	0.00
	200 IA ME Greens note Apis Total				204,003.00	204,003.00	110,010.30	(213,210.01)	0.00	0.00	121,000,11	121,000.71	0.00	0.00
Mutual Fund	2001AB MF Meridian Aptss	4.18	08/01/07	09/01/07	3.51	3.51	2,627.21				2,630.72	2,630.72	-	0.00

Investment		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Money Market	2001AB MF Meridian Aptss	4,18	08/01/07	09/01/07			113,772.55				113,772.55	113,772.55	•	0.00
Mutual Fund	2001AB MF Meridian Aptss	4.18	08/01/07	09/01/07	592,967.66	592,967.66		(525,451.45)			67,516.21	67,516.21	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	4.18	08/01/07	09/01/07			67,524.11				67,524.11	67,524.11	-	0.00
Mutual Fund	2001AB MF Meridian Aptss		00/04/07	00/04/07	83.14	83.14	-0.004.00	(83.14)			50,061.88	50.004.00	-	0.00
Mutual Fund	2001AB MF Meridian Aptss	4.18	08/01/07 08/01/07	09/01/07			50,061.88 216,265.04				216,265.04	50,061.88 216,265.04	-	0.00 0.00
Mutual Fund	2001AB MF Meridian Aptss Total	4.18	06/01/07	09/01/07	593,054,31	593,054,31	450,250.79	(525,534.59)	0,00	0.00	517,770.51	517,770.51	0.00	0.00
	200 IAB MF Meridian Apiss Total				383,034.51	393,034,31	430,230.18	(525,554,58)	0.00	0.00	317,770.31	377,770.31	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07	2.62	2.62	0.00				2.62	2.62	_	0.00
Mutual Fund	2001AB MF Wildwood Branch	4,18	08/01/07	09/01/07	2.74	2.04	2,159.48				2.159.48	2,159,48	_	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07			121.083.31				121.083.31	121,083,31	_	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07	0.02	0.02	0.00				0.02	0.02		0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07	586,902.38	586,902.38		(525,238.10)			61,664.28	61,664.28	•	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07			67,817.48				67,817.48	67,817.48	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07	14,106.84	14,106.84	44,202.73				58,309.57	58,309.57	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.18	08/01/07	09/01/07	1,055.82	1,055.82	212,669.88				213,725.70	213,725.70		0.00
	2001AB MF Wildwood Branch Total				602,067.68	602,067.68	447,932.88	(525,238.10)	0.00	0.00	524,762.46	524,762.46	0.00	0.00
	OCCUPANTE THE TANK		00/04/07	00/04/07	455.057.50	455.057.50	04.045.00				040.070.04	040.070.04		0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.18 4.23	08/01/07 08/01/07	09/01/07 09/01/07	155,357.58 14,679.59	155,357.58 14,679,59	61,615.06				216,972.64 17.448.09	216,972,64 17,448,09	-	0.00 0.00
Mutual Fund Mutual Fund	2001ABC MF Falibrook Apts 2001ABC MF Falibrook Apts	4.23	08/01/07	09/01/07	14,679.59	14,679,59 8.95	2,768.50	(0.73)			17,446.09 8.22	17,446.09 8.22	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.23	08/01/07	09/01/07	152,140.99	152,140.99	15,865.85	(0.75)			168,006.84	168,006.84		0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.23	08/01/07	09/01/07	101,225.13	101,225.13	10,000.00	(47,019.68)			54,205.45	54,205.45		0.00
Mutual Fund	2001ABC MF Failbrook Apts	4.23	08/01/07	09/01/07	456,746.60	456,746.60		(218,219.87)			238,526.73	238,526.73	-	0.00
mana ana	2001ABC MF Fallbrook Apts Total			-	880,158.84	880,158.84	80,249.41	(265,240.28)	0.00	0.00	695,167,97	695,167,97	0.00	0,00
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Mutual Fund	2001 MF Oak Hollow Apts	4.23	08/01/07	09/01/07	21,974.52	21,974.52	3,862.59				25,837.11	25,837.11	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.23	08/01/07	09/01/07	56,113,18	56,113,18		(30,842.08)			25,271.10	25,271.10	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.23	08/01/07	09/01/07	1,966.09	1,966.09	55,016.16				56,982.25	56,982.25	•	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.23	08/01/07	09/01/07	72,602.15	72,602.15	36,473.16	100 0 10 001			109,075.31	109,075.31	•	0.00
	2001 MF Oak Hollow Apts Total				152,655.94	152,655.94	95,351.91	(30,842.08)	0.00	0.00	217,165.77	217,165.77	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	4.23	08/01/07	09/01/07	17,062,36	17,062,36	3,940.52				21,002.88	21,002.88		0.00
Mutual Fund	2001AB MF Hillside Apts	4.23	08/01/07	09/01/07	115,725,45	115,725,45	0,040.02	(96,745,66)			18,979.79	18,979.79	-	0.00
Mutual Fund	2001AB MF Hillside Apts	4.23	08/01/07	09/01/07	13.86	13.86	108,428,11	(04)			108.441.97	108,441,97	_	0.00
Mutual Fund	2001AB MF Hillside Apts	4.23	08/01/07	09/01/07	172,180.06	172,180.06	76,297.53				248,477.59	248,477.59		0.00
	2001AB MF Hillside Apts Total			-	304,981.73	304,981.73	188,666.16	(96,745.66)	0.00	0.00	396,902.23	396,902.23	0.00	0.00
	•													
Mutual Fund	2002A MF Millstone Apts	3.85	08/01/07	09/01/07	1,788.28	1,788,28	2,265,86				4,054.14	4,054.14	-	0.00
Mutual Fund	2002A MF Milistone Apts	3.85	08/01/07	09/01/07	36,559.22	36,559,22	15,905.09				52,464.31	52,464.31	•	0.00
Mutual Fund	2002A MF Milistone Apts	3.85	08/01/07	09/01/07	1.03	1,03	0.00				1.03	1.03	•	0.00
Mutual Fund	2002A MF Millstone Apts	3.85	08/01/07	09/01/07	29,138.91	29,138.91		(23,640.42)			5,498.49	5,498.49	-	0.00
Mutual Fund	2002A MF Millstone Apts	3.85 3.85	08/01/07 08/01/07	09/01/07	46,051.70	46,051.70	29,939.52	M7 444 07\			75,991.22	75,991.22 37.768.01	•	0.00 0.00
Mutual Fund Mutual Fund	2002A MF Millstone Apts 2002A MF Millstone Apts	3.85 3.85	08/01/07	09/01/07	64,912,28 248,214,12	64,912.28 248,214.12		(27,144.27) (68,197.93)			37,768.01 180,016.19	180,016.19	•	0.00
Mutual Fund	2002A MF Milistone Apts	3.85	08/01/07	09/01/07	64,620.86	64,620.86	13,596.83	(00,197.93)			78,217.69	78,217.69	•	0.00
Mutual Fund	2002A MF Millstone Apts	3.85	08/01/07	09/01/07	2,42	2.42	0,00				2.42	2.42		0.00
Mutual Fund	2002A MF Millstone Apts	0.00	00/01/07	00/01/07	13,635,17	13,635,17	0,00	(13,635.17)			2.72	2.12		0.00
	2002A MF Millstone Apts Total			-	504,923.99	504,923.99	61,707.30	(132,617.79)	0.00	0.00	434,013.50	434,013.50	0.00	0.00
	•													
Mutual Fund	2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	265.51	265.51	2.76				268.27	268.27	-	0.00
Money Market	2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	0.28	0.28	0.27	//OC 222 25:			0.55	0.55	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	336,015.59	336,015.59		(189,383.86)			146,631.73	146,631.73	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	17.77	17.77	0.12	FT 241			17.89	17.89	-	0.00 0.00
Mutual Fund Mutual Fund	2002 MF SugarCreek Apts 2002 MF SugarCreek Apts	3.85	08/01/07	09/01/07	7.41 79.76	7.41 79.76	0.92	(7.41)			80.68	80,68	-	0.00
WILLIAN FUND	2002 MF SugarCreek Apts Total	3.05	000 1/07	09/01/0/	336,386,45	336,386,45	4.07	(189,391,27)	0.00	0.00	146,999,25	146,999,25	0.00	0.00
	2102 IIII Ougaroreek Apis 10idi				000,000, <del>1</del> 0	CC0,000.40	4.07	(14,100,001)	0.00	0.00	1-0,000.20	,-0,000.20	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	4.23	08/01/07	09/01/07	845.91	845.91	9.42				855.33	855.33		0.00
Mutual Fund	2002 MF West Oaks Apts	4.23	08/01/07	09/01/07	143,817,21	143,817.21	11,046.10				154,863.31	154,863.31	-	0.00
Money Market	2002 MF West Oaks Apts	4.23	08/01/07	09/01/07	7,329.17	7,329.17	3,344.16				10,673.33	10,673.33	-	0.00

Investment Type	issue	Current Interest Rate 4.23	Current Purchase Date 08/01/07	Current Maturity Date 09/01/07	Beginning Carrying Value 05/31/07 159,599.57	Beginning Market Value 05/31/07 159,599.57	Accretions/ Purchases 27,016.38	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 186,615.95	Ending Market Value 08/31/07 186,615.95	Change in In Market Value	Recognized Gain 0.00
Mutual Fund	2002 MF West Oaks Apts 2002 MF West Oaks Apts Total	4.23	00/01/07	09/01/07	311,591.86	311,591.86	41,416.06	0.00	0.00	0.00	353,007,92	353,007,92	0.00	0.00
	2002 MIF West Oaks Apts Total				311,581.00	011,031.00	41,410.00	0.00	0.00	0.00	000,007.32	000,007.52	0.00	0.00
Mutual Fund	2002 MF Park Meadows	4.18	08/01/07	09/01/07	15,318.39	15,318.39		(8,126.91)			7,191.48	7,191,48	-	0.00
Mutual Fund	2002 MF Park Meadows	4.18	08/01/07	09/01/07	195,582.59	195,582.59		(80,586.41)			114,996.18	114,996.18	-	0.00
Mutual Fund	2002 MF Park Meadows	4.18	08/01/07	09/01/07	15,258.83	15,258.83	176.65				15,435,48	15,435.48		0.00
	2002 MF Park Meadows Total				226,159.81	226,159.81	176.65	(88,713.32)	0.00	0.00	137,623,14	137,623.14	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.23	08/01/07	09/01/07	24,582,87	24.582.87		(12,254,55)			12,328,32	12,328,32	_	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.23	08/01/07	09/01/07	137,816,56	137,816.56		(6,567.20)			131,249.36	131,249.36	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.23	08/01/07	09/01/07	15,49	15,49	121,130.54	(-,,			121,146.03	121,146.03	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	4.23	08/01/07	09/01/07	158,152.96	158,152.96	82,968.98				241,121.94	241,121.94		0.00
	2002 MF Clarkridge Villas Apts Total				320,567.88	320,567.88	204,099.52	(18,821.75)	0.00	0.00	505,845.65	505,845.65	0.00	0.00
Make Cond	2002 ME Widow Texas Asta	4.23	08/01/07	09/01/07	11,932.97	11,932.97	6,556,73				18,489.70	18,489,70		0.00
Mutual Fund Mutual Fund	2002 MF Hickory Trace Apts 2002 MF Hickory Trace Apts	4.23	08/01/07	09/01/07	56.014.55	56.014.55	10,290,24				66,304,79	66,304.79		0.00
Money Market	2002 MF Hickory Trace Apts	4.23	08/01/07	09/01/07	92,732.71	92,732.71	0.00				92,732.71	92,732.71	_	0.00
Mutual Fund	2002 MF Hickory Trace Apts	4.23	08/01/07	09/01/07	93,024.78	93,024.78	47,747.51				140,772.29	140,772.29	-	0.00
	2002 MF Hickory Trace Apts Total			•	253,705.01	253,705.01	64,594.48	0.00	0.00	0.00	318,299,49	318,299,49	0.00	0.00
<b></b> .		4.00	0010470	0000107	0.5.40	0.17.40					0.000	242.22		0.00
Mutual Fund Mutual Fund	2002 MF Green Crest Apts 2002 MF Green Crest Apts	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	345.48 82,868.51	345.48 82,868.51	3,85 923,04				349.33 83,791.55	349.33 83,791.55	•	0.00 0.00
Mutual Fund	2002 MF Green Crest Apts	4.23	08/01/07	09/01/07	246.19	246.19	2.74				248.93	248.93		0.00
Mutual Fund	2002 MF Green Crest Apts	4.23	08/01/07	09/01/07	7,324.75	7,324.75	81.58				7,406.33	7,406.33	-	0.00
	2002 MF Green Crest Apts Total			-	90,784.93	90,784.93	1,011.21	0,00	0.00	0.00	91,796,14	91,796.14	0.00	0.00
Mutual Fund	2002 MF Ironwood Crossing Apts	4.23 4.23	08/01/0 <del>7</del> 08/01/07	09/01/07	305,208,16	305,208.16	117,564.67				422,772.83	422,772.83 3.884.44	-	0.00 0.00
Mutual Fund Mutual Fund	2002 MF Ironwood Crossing Apts 2002 MF Ironwood Crossing Apts	4.23	08/01/07	09/01/07 09/01/07	3,841,65 11,307.69	3,841.65 11,307.69	42.79	(1,732.23)			3,884.44 9,575.46	3,004.44 9,575.46	•	0.00
Mutual Fund	2002 MF Ironwood Crossing Apts	4.23	08/01/07	09/01/07	58,471.56	58,471.56		(57,631.97)			839.59	839.59	_	0.00
(1)0100(1) 0110	2002 MF Ironwood Crossing Apts To		00.0	55,61,57	378,829.06	378,829.06	117,607.46	(59,364.20)	0.00	0.00	437,072.32	437,072.32	0.00	0.00
Mutual Fund	2002 MF Woodway Village	4.18	08/01/07	09/01/07	12,048.66	12,048.66		(9,961.96)			2,086.70	2,086.70	-	0.00 0.00
Mutual Fund Mutual Fund	2002 MF Woodway Village 2002 MF Woodway Village	4.18	08/01/07	09/01/07	247,737.47 58.52	247,737.47 58.52		(105,277.76) (58.52)			142,459.71	142,459.71		0.00
Mutual Fund	2002 MF Woodway Village				44.02	44.02		(44.02)					-	0.00
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2002 MF Woodway Village Total			•	259,888.67	259,888.67	0.00	(115,342.26)	0.00	0,00	144,546.41	144,546.41	0.00	0.00
Mutual Fund	2003 AB MF Reading Road	4.18	08/01/07	09/01/07	56,713,62	56,713.62	144,392.65				201,106.27	201,106.27	-	0.00 0.00
Money Market Mutual Fund	2003 AB MF Reading Road 2003 AB MF Reading Road	4,18 4,18	08/01/07 08/01/07	09/01/07 09/01/07	7.96 0.16	7.96 0.16	0,00 0,00				7.96 0.16	7.96 0.16	-	0.00
IVIDUOSI I DIIG	2003 AB MF Reading Road Total	4,10	00/01/07	00/01/01	56,721,74	56,721.74	144,392.65	0.00	0.00	0.00	201,114.39	201,114.39	0.00	0,00
	_				·						•			
Money Market	2003 AB MF North Vista Apts	4.86	08/01/07	09/01/07	113,620.70	113,620.70	56,620,29				170,240.99	170,240.99	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.86	08/01/07	09/01/07	775,085,06	775,085.06	9,347.68	(400.40)			784,432.74	784,432.74	•	0.00
Mutual Fund Mutual Fund	2003 AB MF North Vista Apts	4,86 4,86	08/01/0 <b>7</b> 08/01/0 <b>7</b>	09/01/07 09/01/07	12,460,84 74,553,29	12,460.84 74,553,29	16,666.12	(407.16)			12,053.68 91,219.41	12,053.68 91,219.41	•	0.00 0.00
Mutual Fund	2003 AB MF North Vista Apts 2003 AB MF North Vista Apts	4,86	08/01/07	09/01/07	74,353,29 348,02	348.02	63,109.78				63,457.80	63,457.80		0.00
Money Market	2003 AB MF North Vista Apts	4.23	08/01/07	09/01/07	52.83	52.83	45,616.65				45,669.48	45,669.48		0.00
Mutual Fund	2003 AB MF North Vista Apts	4.86	08/01/07	09/01/07	285,984.35	285,984.35	,	(146,879.39)			139,104.96	139,104.96	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.86	08/01/07	09/01/07	38,016.39	38,016.39		(26,623.50)			11,392.89	11,392.89	-	0.00
	2003 AB MF North Vista Apts Total			•	1,300,121.48	1,300,121.48	191,360.52	(173,910.05)	0.00	0.00	1,317,571.95	1,317,571.95	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	5.15	08/01/07	09/01/07	48,638.72	48,638.72		(31,851.05)			16,787.67	16,787.67	_	0.00
Money Market	2003 AB MF West Virginia Apts 2003 AB MF West Virginia Apts	5.15	08/01/07	09/01/07	47,287.99	47,287.99	13,381,11	(51,651.65)			60,669.10	60,669.10	-	0.00
Money Market		5.15	08/01/07	09/01/07	126,412.71	126,412.71	60,911.94				187,324.65	187,324.65	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	5.15	08/01/07	09/01/07	6,665.34	6,665.34	2,646.52				9,311.86	9,311.86	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	5.15	08/01/07	09/01/07	11,378.99	11,378.99	32,867.58				44,246.57	44,246.57	-	0.00
Money Market	2003 AB MF West Virginia Apts	5.15	08/01/07	09/01/07	59,536.61	59,536.61		(22,085.82)			37,450.79	37,450.79	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	5,15	08/01/07	09/01/07	215,581,91 515,502,27	215,581,91 515,502,27	109,807.15	(91,035.22)	0.00	0.00	124,546.69 480,337.33	124,546.69 480,337.33	0.00	0.00
	2003 AB MF West Virginia Apts Tot	a ı			515,502,27	313,302.27	109,007.15	(144,372.03)	0.00	0.00	400,337,33		0,00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
GNMA	2003AB MF Sphinx @ Murdeaux	5,10	12/30/04	12/15/42	14,770,795.79	14,770,795.79	· di di di di di	04.00	(34,922.25)		14,735,873.54	14,735,873,54	-	0.00
Inv Agmt	2003AB MF Sphinx @ Murdeaux				385,804.74	385,804.74		(385,804.74)					-	0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux	4.23	08/01/07	09/01/07			162,546.62				162,546.62	162,546.62	-	0.00
	2003AB MF Sphinx @ Murdeaux To	tal			15,156,600.53	15,156,600.53	162,546.62	(385,804.74)	(34,922.25)	0.00	14,898,420.16	14,898,420.16	0.00	0.00
	0000 40 415 0 (	4.00	00/04/07	00104107	404 000 70	101 000 70		(4.000.07)			100.066.65	100,066,65		0.00
Mutual Fund Money Market	2003 AB MF Primrose Houston 2003 AB MF Primrose Houston	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	101,998.72 5,743.66	101,998.72 5,743.66	1,373.28	(1,932.07)			7,116.94	7,116.94	-	0.00
woney warker	2003 AB MF Primrose Houston Tota		00/01/07	03/01/07	107,742.38	107,742,38	1,373,28	(1,932.07)	0.00	0.00	107,183.59	107,183.59	0.00	0.00
	2000 AD IM 1 THIN OSC HOUSEON TOL				(0),	10111-12:00	1,010.20	(1,002.07)	0.00	0.55	107,100.00	101,100.00	5.55	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.23	08/01/07	09/01/07	35,681.29	35,681.29	14,506.35				50,187.64	50,187.64	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.23	08/01/07	09/01/07	134,883,05	134,883.05	15,386.10				150,269.15	150,269.15	•	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.23	08/01/07	09/01/07	93,702.08	93,702.08	5,562.02	(00.000.45)			99,264.10	99,264.10	•	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts 2003 AB MF Timber Oaks Apts Total	4.23	08/01/07	09/01/07	26,859,89 291,126,31	26,859,89 291,126,31	35,454,47	(22,003.17)	0.00	0.00	4,856.72 304,577.61	4,856.72 304,577,61	0.00	0.00
	2003 AB MP Timber Oaks Apis 100	аі			291,120.31	291,120.51	33,434.47	(22,003.17)	0.00	0.00	304,577.01	304,377.01	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	4.23	08/01/07	09/01/07	981,27	981,27	64.70				1,045.97	1,045.97	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.23	08/01/07	09/01/07	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.23	08/01/07	09/01/07	99,529.28	99,529.28		(67.23)			99,462.05	99,462.05	-	0.00
Money Market	2003 AB MF Ash Creek	4.23	08/01/07	09/01/07	1,166,43	1,166.43	14,353.07				15,519.50	15,519.50	•	0.00
	2003 AB MF Ash Creek Total				106,505.46	106,505.46	14,417.77	(67.23)	0.00	0.00	120,856.00	120,856.00	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	4.23	08/01/07	09/01/07	47.62	47.62	0.00				47.62	47,62	_	0.00
Mutual Fund	2003 AB MF Peninsula	4.23	08/01/07	09/01/07	148,048.61	148,048.61	206,629.65				354,678.26	354,678.26	_	0.00
Mutual Fund	2003 AB MF Peninsula	4.23	08/01/07	09/01/07	14,767.20	14,767.20	191.37				14,958.57	14,958.57	-	0.00
	2003 AB MF Peninsula Total			_	162,863.43	162,863.43	206,821.02	0,00	0.00	0.00	369,684.45	369,684.45	0.00	0.00
				20104/22	***						00.50	00.50		0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite 2003 A MF Evergreen @ Mesquite	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	30.18 84,465.14	30.18 84,465,14	0.34 4,794.81				30.52 89,259.95	30,52 89,259,95		0.00 0.00
Mutual Fund Mutual Fund	2003 A MF Evergreen @ Mesquite	4.23	08/01/07	09/01/07	1,230.98	1,230,98	13,71				1,244.69	1,244.69		0.00
Money Market	2003 A MF Evergreen @ Mesquite	4.23	08/01/07	09/01/07	2,426.20	2,426.20	(0,, ,	(2,389.60)			36.60	36.60	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.23	08/01/07	09/01/07	23,773.64	23,773,64		(13,757.49)			10,016.15	10,016.15		0.00
	2003 A MF Evergreen @ Mesquite 1	Total		-	111,926.14	111,926.14	4,808.86	(16,147.09)	0.00	0.00	100,587,91	100,587.91	0.00	0.00
			00/04/00	50/54 157		107.000.01	4 700 05				400 707 70	400 705 70		0.00
Money Market	2003 AB Arlington Villas 2003 AB Arlington Villas	4,23 4,23	08/01/07 08/01/07	09/01/07 09/01/07	427,968.81 109.942.96	427,968.81 109.942.96	4,766.95	(2,491.02)			432,735.76 107,451.94	432,735.76 107,451.94		0.00 0.00
Mutual Fund Mutual Fund	2003 AB Arlington Villas	4.23	08/01/07	09/01/07	13,911.30	13,911.30	9,079.50	(2,491.02)			22,990.80	22,990.80	-	0.00
IVIQUOSI I GIIG	2003 AB Arlington Villas Total	4.20	00,0 ,,0,		551,823.07	551,823.07	13,846.45	(2,491.02)	0.00	0.00	563,178.50	563,178.50	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.23	08/01/07	09/01/07	10,668.34	10,668.34	118.82				10,787.16	10,787.16	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.23		09/01/07	75,595.48	75,595.48	842.02				76,437.50	76,437.50	-	00.0 00.0
Mutual Fund Mutual Fund	2003 AB Parkview Twohms 2003 AB Parkview Twohms	4.23 4.23	08/01/07 08/01/07	09/01/07 09/01/07	39.80 147,340.99	39.80 147,340.99	0.31 24,818.58				40.11 172,159.57	40.11 172,159.57		0.00
Mutual Fund	2003 AB Parkview Twinins	4.23		09/01/07	147,040.93	147,040.88	634.71				634.71	634.71	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	4.23	08/01/07	09/01/07	212,486.93	212,486,93	2,366.79				214,853.72	214,853.72	-	0.00
	2003 AB Parkview Twnhms Total			-	446,131.54	446,131.54	28,781.23	0.00	0.00	0.00	474,912.77	474,912.77	0.00	0.00
Money Market		4.23		09/01/07	283,517.78	283,517.78	6 550 47	(245,159.43)			38,358.35 58,729.33	38,358.35 58,729,33	-	0.00 0.00
Money Market	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	4.23 4.23		09/01/07 09/01/07	53,171.16 66,77	53,171,16 66.77	5,558.17 0.74				50,729.33 67.51	56,729.55 67.51	-	0.00
Money Market Money Market	2003 MF NHP-Asmara-Refunding	4.23	00/01/07	09/01/0/	634.86	634.86	0.74	(634.86)			07.51	07.01	_	0.00
Money Market	2003 MF NHP-Asmara-Refunding				7.958.10	7,958,10		(7,958.10)					-	0.00
Money Market		4.23	08/01/07	09/01/07	88,196.39	88,196.39	982.38				89,178.77	89,178.77	-	0.00
-	2003 MF NHP-Asmara-Refunding T	otal		-	433,545.06	433,545.06	6,541.29	(253,752.39)	0.00	0.00	186,333.96	186,333.96	0.00	0.00
	DODA ARD Took or Differ	4.00	00/04/05	0004/07	E 00E 00	6 006 00	24444				0.000.50	8,206.52		0.00
Money Market Money Market	2004 A&B Timber Ridge 2004 A&B Timber Ridge	4.23 4.23		09/01/07 09/01/07	5,095.33 47,176.07	5,095.33 47,176.07	3,111.19 993.32				8,206.52 48,169.39	48,169.39	-	0.00
worker	2004 A&B Timber Ridge Total	4.20	00/07/07	03/01/07	52,271,40	52,271,40	4,104.51	0.00	0.00	0.00	56,375,91	56,375,91	0.00	0.00
					,	,	.,		-100		,	,		
Money Market		4.23		09/01/07	43,853,84	43,853.84		(16,118.68)			27,735.16	27,735.16	-	0.00
Money Market	2004 A&B Century Park	4.23		09/01/07	14,886.70	14,886.70	44,659.38				59,546.08	59,546.08	-	0.00
Money Market		4.23 4.23		09/01/07	82,606.09	82,606.09	56,461.87				139,067.96 9,899,50	139,067.96 9,899.50	-	0.00 0.00
woney warket	2004 A&B Century Park	4.23	08/01/07	09/01/07	7,345.85	7,345.85	2,553.65				9,099.50	9,033.50	-	0.00

Investment	family.	Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
Type	Issue 2004 A&B Century Park	Rate 4.23	Date 08/01/07	Date 09/01/07	<b>05/31/07</b> 76,951.31	76,951.31	Purchases	(29,590.79)	waturities	Transfers	47,360.52	47,360.52	value	0.00
Money Market Money Market	2004 A&B Century Park 2004 A&B Century Park	4.23	08/01/07	09/01/07	20,065.68	20,065.68	15,234.79	(25,550.75)			35,300.47	35,300.47	-	0.00
Money Market	2004 A&B Century Park	4.23	08/01/07	09/01/07	321,246.50	321,246,50	13,234.13	(138,661.25)			182,585.25	182,585.25	-	0.00
Money Market	2004 A&B Century Park Total	4.23	00/01/01	03/01/07	566,955,97	566,955.97	118,909.69	(184,370.72)	0.00	0.00	501,494.94	501,494.94	0.00	0.00
	2004 Add Celluly Falk Total				300,033,01	000,300.37	(10,303.03	(10-,010.72)	0.00	0.00	001,757.57	001,-00-	0.00	0.00
Money Market	2004 A Addison Park	4.23	08/01/07	09/01/07	568.61	568.61	7.38				575.99	575.99	_	0,00
Money Market	2004 A Addison Park	4.23	08/01/07	09/01/07	172.49	172.49	2.24				174,73	174.73	_	0,00
Money Market	2004 A Addison Park	4.23	08/01/07	09/01/07	1,226.69	1,226.69	15.89				1,242.58	1,242.58	_	0.00
Money Market	2004 A Addison Park	4.23	08/01/07	09/01/07	11.70	11.70	0.15				11.85	11.85	-	0.00
	2004 A Addison Park Total			_	1,979.49	1,979.49	25.66	0,00	0.00	0.00	2,005.15	2,005.15	0.00	0.00
Money Market	2004 A&B MF Veterans Memoria!	4.23	08/01/07	09/01/07	0.17	0.17	0.00				0,17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	4.23	08/01/07	09/01/07			145,965.76				145,965.76	145,965.76	•	0.00
Money Market	2004 A&B MF Veterans Memorial	4.23	08/01/07	09/01/07	69,962.12	69,962.12	779,28				70,741.40	70,741.40	•	0.00
Money Market	2004 A&B MF Veterans Memorial	4.23	08/01/07	09/01/07	116,79	116,79	0.63				117.42	117.42	•	0.00
Money Market	2004 A&B MF Veterans Memorial	4.23	08/01/07	09/01/07 _	662.43	662,43	7,38	0.00	0.00		669.81	669.81	0.00	0.00
	2004 A&B MF Veterans Memorial To	Cas			70,741,51	70,741.51	146,753.05	0.00	0.00	0.00	217,494.56	217,494.56	0.00	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	34,471.71	34,471,71		(13,904.71)			20,567.00	20,567.00	_	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	378,999.30	378,999.30	4,623.38	(10,304.71)			383,622.68	383,622.68	_	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	39.02	39.02	0.48				39.50	39.50	_	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	82,374.89	82,374.89	0.70	(82,363.87)			11.02	11.02	_	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	69.70	69.70	0.85	(,,			70.55	70.55		0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	19,299.31	19,299,31	235.43				19,534.74	19,534.74	-	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	9,303.86	9,303.86	3,825.61				13,129.47	13,129.47	-	0.00
Money Market	2004 MF Rush Creek Apts	4.13	08/01/07	09/01/07	72,784.92	72,784.92	54,043.00				126,827.92	126,827.92	-	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	86.04	86.04	1.05				87.09	87.09	-	0.00
Money Market	2004 MF Rush Creek Apts	4.23	08/01/07	09/01/07	68.73	68.73	0.83				69.56	69.56		0.00
	2004 MF Rush Creek Apts Total				597,497.48	597,497.48	62,730.63	(96,268.58)	0.00	0.00	563,959.53	563,959.53	0.00	0.00
			00/04/07	0000107	10.000.10	40,000,40	44.007.00				e4 ee4 40	C4 CC4 4C		0.00
Money Market	2004 MF Humble Parkway	4.23 4.23	08/01/07	09/01/07	40,283.48	40,283.48 9,003,16	11,267.68				51,551.16	51,551.16	-	0.00 0.00
Money Market	2004 MF Humble Parkway 2004 MF Humble Parkway	4.23 3.65	08/01/07 11/16/05	09/01/07 02/01/10	9,003,16 373,301,34	373,301.34	116,767.68	(209,312.82)			125,770.84 163,988.52	125,770.84 163,988.52	-	0.00
Inv Agmt Money Market	2004 MF Humble Parkway	4.23	08/01/07	09/01/07	16,219.51	16,219.51		(5,617.83)			10,601.68	10,601.68	_	0.00
Woney Warker	2004 MF Humble Parkway Total	4.20	00/01/07	03/01/07	438,807.49	438,807.49	128,035.36	(214,930.65)	0.00	0.00	351,912.20	351,912.20	0,00	0.00
	2007 M Homore I armay Tour				400,007.40	100,007.10	120,000.00	(21-1,000.00)	0.00	0.00	001,012.22	***************************************		0.00
Money Market	2004 MF Chisholm Trail Apts				0.43	0.43		(0.43)					-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.26	08/01/07	09/01/07	1,434.24	1,434.24	11.28				1,445.52	1,445.52	-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.23	08/01/07	09/01/07	45,157.81	45,157.81	34,973.62				80,131.43	80,131.43	-	0.00
Money Market	2004 MF Chisholm Trail Apts				0.52	0.52		(0.52)					-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.26	08/01/07	09/01/07	1,030.28	1,030.28	223.63				1,253.91	1,253.91	-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.26	08/01/07	09/01/07	11,827.77	11,827.77	10,435.77				22,263.54	22,263.54		0.00
	2004 MF Chisholm Trail Apts Total				59,451.05	59,451.05	45,644.30	(0.95)	0.00	0.00	105,094.40	105,094.40	0.00	0.00
			00/04/07	00104107	20.101.10	20.101.10	10 707 00				407.040.00	407.040.00		0.00
Money Market	2004 M/F Evergreen @ Plano 2004 M/F Evergreen @ Plano	4.29 4.29	08/01/07 08/01/07	09/01/07 09/01/07	93,481.42 2,663.37	93,481.42 2,663.37	43,767.66 5,581.72				137,249.08 8,245.09	137,249.08 8,245.09	-	0.00 0.00
Money Market Money Market	2004 M/F Evergreen @ Plano 2004 M/F Evergreen @ Plano	4.29	08/01/07	09/01/07	2,083.27	2,083.27	24.53				2,107.80	2,107.80	-	0.00
Money Market	2004 M/F Evergreen @ Plano	4.29	08/01/07	09/01/07	2,003,21	2,003,21	0,81				0.81	2,107.80	_	0.00
Money Market	2004 M/F Evergreen @ Plano	4.29	08/01/07	09/01/07	0.03	0.03	9,64				9.67	9.67	-	0.00
Money Market		4.29	08/01/07	09/01/07	102,572,45	102,572,45	6,517,16				109,089.61	109,089.61	_	0.00
Money Market		4.29	08/01/07	09/01/07	71,969.77	71,969.77	13,379.72				85,349.49	85,349.49		0.00
money memor	2004 M/F Evergreen @ Plano Total		33/31/31		272,770.31	272,770,31	69,281,24	0.00	0.00	0.00	342,051.55	342,051.55	0.00	0.00
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Money Market	2004 MF Montgomery Pines Apts	4.26	08/01/07	09/01/07	2,575.92	2,575.92	4,741.12				7,317.04	7,317.04	-	0.00
Money Market	2004 MF Montgomery Pines Apts	4.26	08/01/07	09/01/07	33.80	33.80	0.00				33.80	33.80	-	0.00
Money Market	2004 MF Montgomery Pines Apts				0.05	0.05		(0.05)		-				0.00
	2004 MF Montgomery Pines Apts To	otal			2,609.77	2,609.77	4,741.12	(0.05)	0.00	0.00	7,350.84	7,350.84	0.00	0.00
	00044450		00.01.00	0010110	B 004 21						7.004.00	B 004 04		2.22
Money Market	2004 MF Bristol Apts	4.26	08/01/07	09/01/07	7,801.41	7,801.41	92.88				7,894.29	7,894.29 47,487.89	-	0.00
Money Market	2004 MF Bristol Apts	4.29 4.26	08/01/07 08/01/07	09/01/07 09/01/07	46,929.16 23,176.20	46,929.16 23,176.20	558.73 275.93				47,487.89 23,452.13	23,452.13	-	0.00
Money Market Money Market	2004 MF Bristol Apts 2004 MF Bristol Apts	4.26 4.26	08/01/07	09/01/07	23,176.20 101.20	23,176.20	2/5.93 1.21				23,452.13	102.41	-	0.00
woney warker	2004 Na* DUSION APIS	4.20	00/01/07	vaio 1/07	101.20	101.20	1.21				102,41	102.41		0.00

investment Type	issue 2004 MF Bristol Apts Total	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07 78,007.97	Beginning Market Value 05/31/07 78,007.97	Accretions/ Purchases 928.75	Amortizations/ Sales 0.00	Maturities 0.00	Transfers 0.00	Ending Carrying Value 08/31/07 78,936.72	Ending Market Value 08/31/07 78,936.72	Change in In Market Value 0.00	Recognized Gain 0.00
Money Market	2004 MF Pinnade Apts	4.26	08/01/07	09/01/07	0.01	0.01	8,324.41				8,324.42	8,324,42	-	0.00
Money Market	2004 MF Pinnacle Apts	4.26	08/01/07	09/01/07	21,427.72	21,427,72	255.12				21,682.84	21,682,84	_	0.00
Money Market	2004 MF Pinnade Apts			****	0.01	0.01		(0.01)			,	•	-	0.00
Money Market	2004 MF Pinnade Apts	4.26	08/01/07	09/01/07	6,358.13	6,358.13		(6,114.54)			243.59	243,59	-	0.00
Money Market	2004 MF Pinnacle Apts	4.26	08/01/07	09/01/07	16,725.20	16,725.20	199.13				16,924.33	16,924.33	-	0.00
Money Market	2004 MF Pinnacle Apts			_	54.82	54.82		(54.82)					<u>-</u>	0.00
	2004 MF Pinnacle Apts Total				44,565.89	44,565.89	8,778.66	(6,169.37)	0.00	0.00	47,175.18	47,175.18	0.00	0.00
			00/04/07	50.04.07	0000 ==	04.000 ==	40 700 04				46,786.69	46,786.69		0.00
Money Market	2004 MF Tranquility Bay Apts	4.13 4.13	08/01/07 08/01/07	09/01/07 09/01/07	34,083,75 241,56	34,083,75 241,56	12,702.94 2.75				244.31	244.31	•	0.00
Money Market	2004 MF Tranquility Bay Apts	4.13	08/01/07	09/01/07	123,279.23	123,279,23	55.33				123,334.56	123,334,56	-	0.00
Money Market Money Market	2004 MF Tranquility Bay Apts 2004 MF Tranquility Bay Apts	4.13	08/01/07	09/01/07	281,458.28	281,458.28	69,429,24				350,887.52	350,887.52	_	0.00
Money Market	2004 MF Tranquility Bay Apts	4.13	08/01/07	09/01/07	18,729.66	18,729.66	18.97				18,748,63	18,748,63	_	0.00
money menter	2004 MF Tranquility Bay Apts Total			-	457,792.48	457,792.48	82,209.23	0.00	0.00	0.00	540,001.71	540,001,71	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,262,400.22	11,262,400.22			(23,054.59)		11,239,345.63	11,239,345.63	-	0.00
Money Market	2004 MF Sphinx @ Delafield	4.23	08/01/07	09/01/07			58,697.23	(00 - 000 00)			58,697.23	58,697.23	-	0.00 0.00
Inv Agmt	2004 MF Sphinx @ Delafield	4.00	00/04/07	00/04/07	234,663.89 2,061,23	234,663.89 2,061,23	5,972.96	(234,663.89)			8,034,19	8,034,19	-	0.00
Money Market	2004 MF Sphinx @ Delafield 2004 MF Sphinx @ Delafield Total	4.23	08/01/07	09/01/07	11,499,125.34	11,499,125.34	64,670,19	(234,663.89)	(23,054.59)	0.00	11,306,077.05	11,306,077,05	0.00	0.00
		4.29	08/01/07	09/01/07	653,383,28	653,383,28	C+1,07 G. 10	(645,303.89)	(20,004.00)	0.00	8,079.39	8.079.39	••	0.00
Money Market	2004 MF Churchill @ Pinnade 2004 MF Churchill @ Pinnade	4.29	08/01/07	09/01/07	156,248.70	156,248.70	41,746.28	(040,303.08)			197,994.98	197,994,98	-	0.00
Money Market Money Market	2004 MF Churchill @ Pinnacle	4.29	08/01/07	09/01/07	343.87	343.87	4.06				347.93	347.93	_	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.29	08/01/07	09/01/07	60,866.02	60,866,02	7,337.39				68,203.41	68,203,41	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.29	08/01/07	09/01/07	58,677.78	58,677.78	.,	(58,644,36)			33,42	33.42	_	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.29	08/01/07	09/01/07	501.83	501.83	87,209.39	. , .			87,711.22	87,711.22	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.29	08/01/07	09/01/07	17,081.19	17,081,19		(8,584.16)			8,497.03	8,497.03	<u>-</u>	0.00
	2004 MF Churchill @ Pinnacle Total				947,102.67	947,102.67	136,297.12	(712,532.41)	0.00	0.00	370,867.38	370,867.38	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	4.26	08/01/07	09/01/07	2,915.57	2,915.57	34.71				2,950.28	2,950.28	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	4.26	08/01/07	09/01/07	2.79	2.79	0.03				2.82	2.82	•	0,00
Money Market		4.26	08/01/07	09/01/07	5.76	5,76	0.06	0.00	0.00	0.00	5.82	5.82 2,958.92	0.00	0.00
	2004 A/B MF Post Oak East Apts Tot				2,924.12	2,924.12	34.80	0.00	0.00	0.00	2,958.92		0.00	
Money Market		4.23	08/01/07	09/01/07	116,613.26	116,613,26	26,945.23	(405 554 00)			143,558.49	143,558,49	-	0.00 0.00
Money Market		4.23	08/01/07	09/01/07	185,554.09 111,215.15	185,554.09 111,215.15	505.93	(185,554.09)			111,721.08	111,721.08	-	0.00
Money Market	2004 MF Village Fair 2004 MF Village Fair	4.23	08/01/07	09/01/07	15,714.05	15.714.05	6,307,48				22,021.53	22,021.53		0.00
Money Market	2004 MF Village Fair Total	4.23	00/01/07	09/01/07	429,096.55	429,096.55	33,758.64	(185,554.09)	0.00	0.00	277,301.10	277,301.10	0.00	0.00
· Money Market		4.23	08/01/07	09/01/07	516.94	516.94	0.00				516.94	516.94		0.00
Money Market		4.23		09/01/07	75.40	75.40	0.84				76.24	76.24		0.00
Money Market		4.23	08/01/07	09/01/07	4,03	4.03	5.81				9.84	9.84	-	0.00
,	2005 MF Pecan Grove Total			•	596,37	596.37	6.65	0.00	0.00	0.00	603.02	603.02	0.00	0.00
Money Market	2005 MF Prairie Oaks	4.23		09/01/07	10,717.40	10,717.40	6,255.98				16,973.38	16,973.38	-	0.00
Money Market	2005 MF Prairie Oaks	4.23		09/01/07	24,303.31	24,303.31	10,607.00				34,910.31	34,910.31	-	0.00
Money Market		4.23		09/01/07	356,887.10	356,887.10	3,975.21				360,862.31	360,862.31	-	0.00
Money Market		4.23		09/01/07	24,576.65	24,576.65	273.75				24,850.40	24,850.40	-	0.00
Money Market		4.23		09/01/07	242.20	242.20	89,169.98				89,412.18	89,412.18	-	0.00
Money Market		4.23	08/01/07	09/01/07	86,870.48	86,870,48	19,943.56	0.00	0.00	0.00	106,814.04 633,822.62	106,814.04 633,822.62	0.00	0.00
	2005 MF Prairie Oaks Total				503,597.14	503,597.14	130,225.48	0.00	0.00	0.00		,	0.00	
Money Market		4:23		09/01/07	142.07	142.07	0.00				142.07	142.07 290.59	-	0.00 0.00
Money Market		4.23		09/01/07	234.00	234.00	56.59				290.59 2.69	290.59	•	0.00
Money Market	2005 MF Port Royal 2005 MF Port Royal Total	4.23	08/01/07	09/01/07	1,10 377,17	1.10 377.17	1.59 58.18	0.00	0.00	0.00	435,35	435.35	0.00	0.00
. Money Market		4.23	08/01/07	09/01/07	538,682.45	538,682.45	W. 10	(196,537.36)	5.50	0.00	342,145.09	342,145.09	-	0.00
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Investment Type Money Market Money Market Money Market	Issue 2005 MF Mission Del Rio Total	Current Interest Rate 4.23 4.23 4.23	Current Purchase Date 08/01/07 08/01/07 08/01/07	Current Maturity Date 09/01/07 09/01/07	Beginning Carrying Value 05/31/07 1,950,107.20 2,105.03 2,179.30 2,493,073.98	Beginning Market Value 05/31/07 1,950,107.20 2,105.03 2,179.30 2,493,073.98	Accretions/ Purchases 21,721,36 0.00 47,72 21,769,08	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 1,971,828.56 2,105.03 2,227.02 2,318,305,70	Ending Market Value 08/31/07 1,971,828.56 2,105.03 2,227.02 2,318,305.70	Change in In Market Value	Recognized Gain 0.00 0.00 0.00 0.00
Money Market	2005 MF Atascocita Apts	4.23	08/01/07 08/01/07	09/01/07 09/01/07	7,877.71	7,877.71	6,615.38 0.01				14,493.09 0.01	14,493.09 0.01	-	0.00 0.00
Money Market Money Market	2005 MF Atascocita Apts 2005 MF Atascocita Apts	4.23	08/01/07	09/01/07	12,007.28	12,007,28	0.01	(12,007.28)			0.01	0.01		0.00
Money Market	2005 MF Atascocita Apts				411,859.41	411,859.41		(411,859.41)					-	0.00
Money Market	2005 MF Atascocita Apts				68,738.75	68,738.75 0,27		(68,738.75) (0.27)					-	0.00 0.00
Money Market	2005 MF Atascocita Apts 2005 MF Atascocita Apts Total			-	0.27 500,483.42	500,483,42	6,615.39	(492,605.71)	0.00	0.00	14,493.10	14,493.10	0.00	0.00
	•				·		•	,						
Money Market	2005 MF Tower Ridge	4,18	08/01/07 08/01/07	09/01/07 09/01/07	850.00 83.16	850.00 83.16	40.41 0.92				890.41 84.08	890.41 84.08	-	0.00 0.00
Money Market Money Market	2005 MF Tower Ridge 2005 MF Tower Ridge	4,41	06/01/07	09/01/07	30.19	30.19	0.92	(30.19)			04.00	04.00	-	0.00
money market	2005 MF Tower Ridge Total			-	963.35	963.35	41.33	(30.19)	0.00	0.00	974.49	974.49	0.00	0.00
Money Market	2005 MF Alta Cullen	4.29	08/01/07	09/01/07	250.30	250.30	105,529.12				105,779.42	105,779.42	_	0.00
Money Market	2005 MF Alta Cuilen	4.29	08/01/07	09/01/07	81,737.58	81,737.58		(76,898.29)			4,839.29	4,839.29	-	0.00
Money Market		4.29	08/01/07	09/01/07	105,347.32	105,347.32	59,252.39				164,599.71	164,599,71	-	0.00
	2005 MF Alta Cullen Total				187,335.20	187,335.20	164,781.51	(76,898.29)	0.00	0.00	275,218.42	275,218,42	0.00	0.00
GNMA	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	12,165,913.66	12,165,913.66			(25,957.48)		12,139,956.18	12,139,956.18	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	431,258.05	431,258.05	2 121 12	(260,452.29)			170,805.76	170,805.76	-	0.00 0.00
Money Market Money Market	2005 MF Prairie Ranch 2005 MF Prairie Ranch	4.23	08/01/07	09/01/07	6,555.54	6,555.54	3,484.46	(6,555.54)			3,484.46	3,484.46	-	0.00
Money Market		4.23	08/01/07	09/01/07	10.21	10.21	8,619.29	(0,000.0-7			8,629.50	8,629.50	-	0.00
	2005 MF Prairie Ranch Total			_	12,603,737.46	12,603,737.46	12,103.75	(267,007.83)	(25,957.48)	0.00	12,322,875.90	12,322,875.90	.0.00	0.00
Money Market	2005 MF St. Augustine				36,048.64	36,048,64		(36,048.64)					-	0.00
Money Market	2005 MF St. Augustine				2.09	2.09		(2.09)					-	0.00
Money Market	2005 MF St. Augustine	4.26 4.26	08/01/07 08/01/07	09/01/07 09/01/07	0.97 4.040.35	0.97 4.040.35	40.21 114.09				41.18 <b>4.15</b> 4. <b>44</b>	41,18 4,154.44	-	0.00 0.00
Money Market Money Market	2005 MF St. Augustine 2005 MF St. Augustine	4.26	08/01/07	09/01/07	892.30	892.30	1,812.92				2,705.22	2,705.22		0.00
Money Market	2005 MF St. Augustine				39.74	39.74		(39.74)				•	-	0.00
Money Market	2005 MF St. Augustine	4.26	08/01/07	09/01/07	21,223.45	21,223.45	2,213.49	(11.59)			23,436.94	23,436.94	-	0.00 0.00
Money Market	2005 MF St. Augustine 2005 MF St. Augustine Total			-	11,59 62,259.13	11.59 62,259.13	4,180.71	(36,102.06)	0.00	0.00	30,337.78	30,337.78	0.00	0.00
	_					•					40.004.55	40.004.55		0.00
Mutual Fund Money Market	2005 MF Park Manor 2005 MF Park Manor	4.29 4.29	08/01/07 08/01/07	09/01/07 09/01/07	2.301.07	2,301.07	12,001.55	(2,292.07)			12,001.55 9,00	12,001.55 9.00		0.00 0.00
Money Market	2005 MF Park Manor	4.29		09/01/07	206,366.67	206,366.67		(184,765.96)			21,600.71	21,600.71	-	0.00
Money Market	2005 MF Park Manor	4.29	08/01/07	09/01/07	142,485.40	142,485.40		(82,047.13)			60,438.27	60,438.27	-	0.00
Money Market	2005 MF Park Manor 2005 MF Park Manor Total	4.29	08/01/07	09/01/07	5,205.63 356,358.77	5,205.63 356,358.77	10,550.33 22,551.88	(269,105.16)	0.00	0.00	15,755.96 109,805,49	15,755.96 109,805.49	0.00	0.00
	2003 MF Park Marior Total				550,556.77	000,000.77	22,001.00	(200,100.10)	0.00	0.00	100,000.40		0.00	
Money Market	2005 MF Pr Mockingbird	4.23	08/01/07	09/01/07	8,381.96	8,381.96	12,688.80				21,070.76	21,070.76	-	0.00
Money Market	2005 MF Pr Mockingbird 2005 MF Pr Mockingbird	4.23 4.23		09/01/07 09/01/07	140,146.87 530,69	140,146.87 530.69	1,561.03 89,396.25				141,707.90 89,926.94	141,707.90 89,926.94		0.00 0.00
Money Market Money Market	2005 MF Pr Mockingbird 2005 MF Pr Mockingbird	4.23 4.23		09/01/07	11,188.77	11,188.77	7.052.40				18,241.17	18,241.17	_	0.00
	2005 MF Pr Mockingbird Total			•	160,248.29	160,248.29	110,698.48	0.00	0.00	0.00	270,946.77	270,946.77	0.00	0.00
Money Market	2005 MF Pi @ Chase Oaks	4.26	08/01/07	09/01/07	303,049.62	303,049.62	3,608.06				306,657.68	306,657.68		0.00
Money Market	2005 MF Pi @ Chase Oaks	4.26		09/01/07	384,817.36	384,817.36		(176,029.63)			208,787,73	208,787.73		0.00
	2005 MF PI @ Chase Oaks Total				687,866.98	687,866.98	3,608.06	(176,029.63)	0.00	0.00	515,445.41	515,445.41	0.00	0.00
Money Market		4.23	08/01/07	09/01/07	8,212.38	8,212.38	4,122.39	/F 446 =0\			12,334.77	12,334.77	-	0.00
Money Market	2005 MF Canal Place 2005 MF Canal Place	4.23	08/01/07	09/01/07	5,119.72 1,183.41	5,119.72 1,183.41	96,701.00	(5,119.72)			97,884.41	97,884,41		0.00
Money Market Money Market		4.23	00/01/07	00/01/01	32,318.94	32,318.94	55,7 0 1.00	(32,318.94)			37,007.41	31,00-171		0.00
Inv Agmt	2005 MF Canal Place				259,252,38	259,252.38		(259,252.38)					•	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
Inv Agmt	2005 MF Canal Place				58,102,92	58,102.92		(58,102.92)						0.00
	2005 MF Canal Place	4.23	08/01/07	09/01/07	30,095.02	30,095.02	62,295.27	, , ,			92,390.29	92,390.29	-	0.00
	2005 MF Canal Place Total			-	394,284.77	394,284.77	163,118.66	(354,793.96)	0.00	0.00	202,609.47	202,609.47	0.00	0.00
	2006 MF Coral Hills	4.10	08/01/07	09/01/07	46.07	46,07	0.76				46.83	46.83	-	0.00
Money Market	2006 MF Coral Hills	4.10	08/01/07	09/01/07	143,043.75	143,043.75		(63,350.13)			79,693,62	79,693.62	-	0.00
Money Market	2006 MF Coral Hills	4,10	08/01/07	09/01/07	9.82	9.82	0.00				9.82	9.82		0.00
	2006 MF Coral Hills Total				143,099.64	143,099.64	0.76	(63,350.13)	0.00	0.00	79,750.27	79,750.27	0.00	0.00
Money Market	2006 MF Harris Branch	4,23	08/01/07	09/01/07	3,715,293.38	3,715,293.38		(2,636,199.93)			1,079,093,45	1,079,093.45	-	0,00
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	3,419.98	3,419.98	41.45				3,461,43	3,461.43	-	0.00
Money Market	2006 MF Harris Branch	4.23	08/01/07	09/01/07	9,362.61	9,362.61	0.00				9,362,61	9,362.61	-	0.00
Money Market	2006 MF Harris Branch	4.23	08/01/07	09/01/07	42.36	42.36	0.45				42,81	42.81	-	0.00
Inv Agmt	2006 MF Hams Branch	4.72	03/02/06	02/15/08	3,397.99	3,397.99	41.18				3,439.17	3,439.17	-	0.00
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	157,066.11	157,066.11		(139,755.57)			17,310.54	17,310.54	-	0.00
	2006 MF Harris Branch	4.23	08/01/07	09/01/07	361.94	361.94	108.06				470.00	470.00	-	0.00
Money Market	2006 MF Hams Branch	4.23	08/01/07	09/01/07			933.46				933.46	933.46		0.00
	2006 MF Harris Branch Total				3,888,944.37	3,888,944.37	1,124.60	(2,775,965.50)	0.00	0.00	1,114,113.47	1,114,113.47	0.00	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07	13,862.68	13,862.68		(11,956.69)			1,905.99	1,905.99	-	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07			1,044.16				1,044,16	1,044.16	-	0.00
Inv Agmt	2006 MF Bella Vista	4.76	04/07/06	10/01/07	11,749.66	11,749.66		(10,937.55)			812,11	812.11	-	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07	2,400.07	2,400.07		(2,384.52)			15.55	15.55	-	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07	240,845.00	240,845.00		(7,378.19)			233,466.81	233,466.81	-	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07	24,440.92	24,440.92		(21,067.43)			3,373.49	3,373.49	•	0.00
Inv Agmt	2006 MF Bella Vista	4.76	04/13/06	10/01/07	297,135,95	297,135.95		(84,909.58)			212,226.37	212,226.37	-	0.00
Money Market	2006 MF Bella Vista	4.23	08/01/07	09/01/07	330.36	330.36	23.73				354.09	354,09		0.00
	2006 MF Bella Vista Total				590,764.64	590,764.64	1,067.89	(138,633.96)	0.00	0.00	453,198.57	453,198.57	0.00	0.00
Money Market	2006 MF Village Park	4.10	08/01/07	09/01/07	3.73	3.73	0.00				3.73	3.73	-	0.00
Money Market	2006 MF Village Park	4.10	08/01/07	09/01/07	0.50	0.50	79.52				80.02	80.02	-	0.00
Money Market	2006 MF Village Park	4.10	08/01/07	09/01/07	387,206.09	387,206.09		(164,532.75)			222,673.34	222,673.34	-	0.00
Money Market	2006 MF Village Park	4.10	08/01/07	09/01/07	241.21	241.21	2.75				243.96	243.96		0,00
	2006 MF Village Park Total				387,451,53	387,451,53	82.27	(164,532.75)	0.00	0.00	223,001.05	223,001.05	0.00	0.00
Money Market	2006 MF Oakmoor	4.29	08/01/07	09/01/07	2,913,393.84	2,913,393.84		(1,503,245.22)			1,410,148.62	1,410,148.62	-	0.00
Money Market	2006 MF Oakmoor	4.29	08/01/07	09/01/07	100,000.00	100,000.00	0.00		•		100,000.00	100,000.00	-	0.00
Money Market	2006 MF Oakmoor	4.29	08/01/07	09/01/07	425,158.57	425,158.57		(28,239,47)			396,919.10	396,919.10	•	0.00
Money Market	2006 MF Oakmoor	4.29	08/01/07	09/01/07	146,927.14	146,927.14		(134,829,16)			12,097.98	12,097.98	-	0.00
Money Market	2006 MF Oakmoor			_	747,866.70	747,866.70		(747,866.70)					•	0.00
	2006 MF Oakmoor Total				4,333,346.25	4,333,346.25	0.00	(2,414,180.55)	0.00	0.00	1,919,166.70	1,919,165.70	0.00	0.00
Money Market	2006 MF Sunset Pointe	4.45	08/01/07	09/01/07	7,619,120.71	7,619,120.71		(4,225,512.12)			3,393,608.59	3,393,608.59	-	0.00
-	2006 MF Sunset Pointe Total				7,619,120.71	7,619,120.71	0.00	(4,225,512.12)	0.00	0.00	3,393,608.59	3,393,608.59	0.00	0.00
Money Market	2006 MF Hillcrest	4.10	08/01/07	09/01/07	4,741.37	4,741.37	50.98				4,792.35	4,792.35		0.00
Money Market	2006 MF Hillcrest	4,10	08/01/07	09/01/07	146,970.63	146,970.63	168,883.50				315,854.13	315,854.13	-	0.00
Money Market	2006 MF Hillcrest	4,10	08/01/07	09/01/07	1,187,175.22	1,187,175.22	•	(124,960.69)			1,062,214.53	1,062,214.53	-	0.00
Money Market	2006 MF Hillcrest	4.10	08/01/07	09/01/07	24.20	24,20	0.14				24.34	24.34	-	0,00
Ť	2006 MF Hillcrest Total			•	1,338,911.42	1,338,911,42	168,934.62	(124,960.69)	0.00	0.00	1,382,885.35	1,382,885.35	0.00	0.00
Money Market	2006 MF Pleasant Village	4.12	08/01/07	09/01/07	3,111.04	3,111.04	777.76				3,888.80	3,888,80	_	0.00
Mutual Fund	2006 MF Pleasant Village	4.12		09/01/07	93,746,36	93,746,36		(59,871.01)			33,875.35	33,875,35	_	0.00
Money Market		·- · · -	23/0//01		31,000.00	31,000.00		(31,000.00)			,		-	0.00
CD's	2006 MF Pleasant Village				1,157,840.12	1,157,840,12		(1,157,840.12)					-	0.00
Mutual Fund	2006 MF Pleasant Village	4.12	08/01/07	09/01/07	299,684.85	299,684.85	134,377.80				434,062.65	434,062.65		0.00
Money Market	2006 MF Pleasant Village	4.12		09/01/07	109,066.15	109,066,15	14,400.38				123,466.53	123,466.53	-	0.00
Money Market	2006 MF Pleasant Village	4.12		09/01/07	20.81	20.81		(4.05)			16.76	16.76		0.00
•	2006 MF Pleasant Village Total			-	1,694,469.33	1,694,469.33	149,555.94	(1,248,715.18)	0.00	0.00	595,310.09	595,310.09	0.00	0.00
Money Market	2006 MF Grove Village				31,930.00	31,930.00		(31,930,00)					-	0.00
CD's	2006 MF Grove Village				383,006.76	383,006.76		(383,006.76)					-	0.00
	Ť				•									

Investment	Manua	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Motorition	Tenenform	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized
Type	Issue 2006 MF Grove Village	Kate	Date	Date	985.99	985.99	Purchases	(985.99)	Maturities	Transfers	06/3/707	00/3/10/	value	Gain
Money Market		4.12	08/01/07	09/01/07	92,257.51	92,257.51	3,481.45	(862.88)			95,738,96	95,738,96	-	0.00
Money Market	2006 MF Grove Village												-	0.00
Money Market	2006 MF Grove Village	4.12	08/01/07	09/01/07	3,111.04	3,111.04	777.76				3,888.80	3,888.80	-	0.00
Money Market	2006 MF Grove Village	4.12	08/01/07	09/01/07	29,344.73	29,344.73	5,324.74				34,669.47	34,669,47	-	0.00
CD's	2006 MF Grove Village				67,400.41	67,400.41		(67,400.41)					-	0.00
Money Market	2006 MF Grove Village	4.12	08/01/07	09/01/07	21.16	21.16		(4.31)			16.85	16.85		0.00
	2006 MF Grove Village Total				608,057.60	608,057.60	9,583.95	(483,327.47)	0.00	0.00	134,314.08	134,314.08	0.00	0.00
Money Market	2006 MF Red Hills	4.23	08/01/07	09/01/07	12,508.87	12,508.87	5,244.07				17,752.94	17,752.94	-	0.00
Money Market	2006 MF Red Hills	4.23	08/01/07	09/01/07	20,926,12	20,926,12	8,507,89				29,434.01	29,434.01	_	0.00
,	2006 MF Red Hills Total			-	33,434.99	33,434.99	13,751.96	0.00	0.00	0.00	47,186.95	47,186.95	0.00	0.00
						,					,			
Money Market	2006 MF Champion Crossing	4.23	08/01/07	09/01/07	14,176.49	14,176.49	5,076,79				19,253.28	19,253.28		0.00
Money Market	2006 MF Champion Crossing	4.23	08/01/07	09/01/07	39,995,26	39,995.26	15,731.89				55,727.15	55,727,15	_	0.00
Wolley Warket	2006 MF Champion Crossing Total	4.20	00/01/07	- 10/0	54,171,75	54,171,75	20,808,68	0.00	0.00	0,00	74,980.43	74,980,43	0.00	0.00
	2000 MF Champion Crossing Total				04,17 1.70	54,171.75	20,000.00	0.00	0,00	0.00	14,800.43	14,800,43	0.00	0.00
Manay Madrat	2006 ME Stonehoven	4.23	08/01/07	09/01/07	1,600,294.60	1,600,294.60		/4 EDO 10E 4D\			70 100 10	70 490 40		0.00
Money Market	2006 MF Stonehaven	4.23 4.71	09/27/06	02/28/08				(1,528,105.42)			72,189.18	72,189,18	•	0.00
inv Agmt	2006 MF Stonehaven				2,975,218.44	2,975,218.44		(1,375,176.42)			1,600,042.02	1,600,042.02	-	0.00
Money Market	2006 MF Stonehaven	4.23	08/01/07	09/01/07			3,797.61				3,797.61	3,797.61	-	0.00
Money Market	2006 MF Stonehaven	4.23	08/01/07	09/01/07	787,754.24	787,754.24		(155,669.79)			632,084.45	632,084.45		0.00
	2006 MF Stonehaven Total				5,363,267,28	5,363,267.28	3,797.61	(3,058,951.63)	0.00	0.00	2,308,113.26	2,308,113.26	0.00	0.00
	•													
Money Market	2006 MF Center Ridge	4.10	08/01/07	09/01/07	76.7 <del>6</del>	76.76	0.92				77.68	77.68	•	0.00
Money Market	2006 MF Center Ridge	4.10	08/01/07	09/01/07	423,342.81	423,342.81		(140,342.97)			282,999.84	282,999.84	-	0.00
Money Market	2006 MF Center Ridge	4.10	08/01/07	09/01/07	57,102.19	57,102,19	107,825.59				164,927.78	164,927.78		0.00
	2006 MF Center Ridge Total				480,521.76	480,521.76	107,826.51	(140,342.97)	0.00	0.00	448,005.30	448,005.30	0,00	0.00
Money Market	2006 MF Meadowlands	4.29	08/01/07	09/01/07	410,310.19	410,310.19		(8,400.64)			401,909.55	401,909.55	-	0.00
Money Market	2006 MF Meadowlands	4.29	08/01/07	09/01/07	171,527.83	171,527.83	1,427,875.05				1,599,402.88	1,599,402.88	-	0.00
Money Market	2006 MF Meadowlands	4.29	08/01/07	09/01/07	154,893.17	154,893.17		(137,811.01)			17,082,16	17,082.16	-	0.00
Money Market	2006 MF Meadowlands	4.13	08/01/07	09/01/07	2,876,304.72	2,876,304.72		(2,874,978.53)			1,326.19	1,326.19	_	0.00
GIC's	2006 MF Meadowlands	4.19	09/27/06	10/01/07	3,375,000.00	3,375,000.00	0.00	(=,=: :,=:=:;			3,375,000.00	3,375,000.00		0.00
0.00	2006 MF Meadowlands Total				6,988,035.91	6,988,035.91	1,427,875.05	(3,021,190,18)	0.00	0.00	5,394,720.78	5,394,720.78	0.00	0.00
	2000 III. MQ220IFAIIGO TOMI				0,000,000.01	0,000,000.01	1,441,010,00	(0,021,100.10)	0.00	0.00	0,00-,120.70	0,00-,120.10	0.00	0.00
GIC's	2006 MF East Texas Pines	5.00	11/08/06	11/08/08	10,117,296.84	10,117,296.84		(1,572,042.65)			8,545,254.19	8,545,254,19	_	0.00
Money Market	2006 MF East Texas Pines	4.23	08/01/07	09/01/07	51.73	51.73	0.00	(1,012,042.00)			51.73	51,73		0.00
Money Market	2006 MF East Texas Pines	4.23	08/01/07	09/01/07	3,475.91	3,475.91	1,409,47				4,885.38	4,885,38	-	0.00
GIC's	2006 MF East Texas Pines	5.00	01/01/07	11/08/08	87,685,14	87,685.14	121,000.52				208,685.66	208,685.66	-	0.00
	2006 MF East Texas Pines	4.23	08/01/07	09/01/07	5,67	5.67	0.64				6.31	6.31	-	0.00
Money Market GIC's		5.00	02/01/07	11/08/08	202,643,34	202,643.34	2,545.14				205,188.48	205,188.48	-	0.00
SICS	2006 MF East Texas Pines	5.00	0201/07	11/00/00				(4.530.040.05)	0.00					
	2006 MF East Texas Pines Total				10,411,158.63	10,411,158.63	124,955.77	(1,572,042.65)	0.00	0.00	8,964,071.75	8,964,071.75	0.00	0.00
	0000 145 \ 0011		00/04/07	00/04/07	004	0.04	0.00							
Money Market	2006 MF Villas at Henderson	4.23	08/01/07	09/01/07	2.64	2.64	0.03				2.67	2.67	-	0.00
Money Market		4.23	08/01/07	09/01/07	0.42	0.42	1.00				1.42	1.42	•	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	248,285.00	248,285.00	0.00				248,285.00	248,285.00	-	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	3,686,979.97	3,686,979.97		(966,587.47)			2,720,392.50	2,720,392.50	-	0.00
Money Market	2006 MF Villas at Henderson	4.23	08/01/07	09/01/07	16,547.75	16,547.75		(2,295.71)			14,252.04	14,252.04	-	0.00
GIC's	2006 MF Villas at Henderson	4.47	11/20/06	04/01/08	272,380.14	272,380.14		(43,989.18)			228,390.96	228,390.96	-	0.00
Money Market	2006 MF Villas at Henderson	4.23	08/01/07	09/01/07	4,198.00	4,198.00	1,321.92				5,519.92	5,519.92	-	0.00
Money Market	2006 MF Villas at Henderson	4.23	08/01/07	09/01/07	25,130.65	25,130.65	279.92				25,410.57	25,410.57	-	0.00
	2006 MF Villas at Henderson Total			_	4,253,524.57	4,253,524.57	1,602.87	(1,012,872.36)	0.00	0.00	3,242,255.08	3,242,255.08	0.00	0,00
Money Market	2006 MF Aspen Parks Apts	4.35	08/01/07	09/01/07	556.38	556.38	6.05				562.43	562,43	-	0.00
Money Market	2006 MF Aspen Parks Apts	4.35	08/01/07	09/01/07	226,580.21	226,580.21		(117,151.53)			109,428.68	109,428,68	-	0.00
Money Market	2006 MF Aspen Parks Apts	4.35	08/01/07	09/01/07	328,090.57	328,090.57		(271,622.51)			56,468.06	56,468.06	-	0.00
	2006 MF Aspen Parks Apts Total				555,227.16	555,227.16	6.05	(388,774.04)	0.00	0.00	166,459.17	166,459.17	0.00	0.00
					000,EE1.10	000,227.10	5.00	(000,7.7.04)	5.00	5.50	100,400.17	100,000.17	2.00	0.00
Money Market	2006 MF Idlewilde Apts	4.23	08/01/07	09/01/07	552,60	552,60		(54.42)			498.18	498.18	_	0.00
Money Market	2006 MF Idlewilde Apts	4.23	08/01/07	09/01/07	9,834.61	9,834.61		(9,152.16)			682.45	682.45	-	0.00
GIC's	2006 MF Idlewilde Apts	4.71	12/15/06	01/15/08	386,786,42	386,786.42					205,201.99	205,201.99	-	0.00
	2006 MF Idlewide Apts	4.73	08/01/07	09/01/07	5,726.90	5,726.90	1,423.83	(181,584.43)			7,150.73	7,150.73	•	0.00
Money Market		4.23	08/01/07	09/01/07			1,423.63	(E 644 00)					-	0.00
Money Market	2006 MF Idlewilde Apts	4.23	00/01/07	09/01/0/	40,923.65	40,923.65		(5,611.20)			35,312.45	35,312.45	-	0.00

Investment Type GIC's	Issue 2006 MF Idlewide Apts	Current Interest Rate 4.71	Current Purchase Date 12/15/06	Current Maturity Date 01/15/08	Beginning Carrying Value 05/31/07 10,449,354.73	Beginning Market Value 05/31/07 10,449,354.73	Accretions/ Purchases	Amortizations/ Sales (2,123,508.01)	Maturities	Transfers	Ending Carrying Value 08/31/07 8,325,846.72	Ending Market Value 08/31/07 8,325,846.72	Change in In Market Value	Recognized Gain 0,00
Money Market	2006 MF (dlewilde Apts	4.23	08/01/07	09/01/07	30.52	30.52	24,440.48	(=, -=,,,			24,471.00	24,471.00	-	0.00
Money Market	2006 MF idlewiide Apts			*******	21,637,72	21,637,72	= 1, 1	(21,637.72)			- 4	= 1,111 1111	-	0.00
	2006 MF Idlewilde Apts Total			_	10,914,847.15	10,914,847.15	25,864.31	(2,341,547.94)	0.00	0.00	8,599,163.52	8,599,163.52	0.00	0.00
Money Market	2007 MF Landcaster Apts				400,46	400.46		(400,46)					-	0.00
GIC's	2007 MF Landcaster Apts		00:04:0=	00104107	68,508.28	68,508.28		(68,508.28)			0=04=40	07.047.40	-	0,00
Money Market	2007 MF Landcaster Apts	4.23 4.72	08/01/07 01/31/07	09/01/07 02/15/08	39,292.29 10,227,391,28	39,292.29 10,227,391.28		(1,974,87) (754,175,57)			37,317.42 9,473,215.71	37,317.42 9,473,215.71	-	0.00 0.00
GIC's	2007 MF Landcaster Apts	4.72	08/01/07	09/01/07	5,268,54	5,268,54	1,423,80	(754,175.57)			6,692.34	6,692.34	-	0.00
Money Market Money Market	2007 MF Landcaster Apts 2007 MF Landcaster Apts	4.23	08/01/07	09/01/07	4,924.67	4,924.67	19,941.94				24,866,61	24,866.61	-	0.00
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08	263,281.25	263,281.25	10,071.04	(13,049.32)			250,231.93	250,231.93	-	0.00
Money Market	2007 MF Landcaster Apts	4.23	08/01/07	09/01/07	778.80	778.80		(212.80)			566.00	566.00	_	0.00
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08	204,209.69	204,209.69		(105,088.95)			99,120,74	99,120.74	_	0.00
Money Market	2007 MF Landcaster Apts	4.23	08/01/07	09/01/07	163.76	163.76	86.47	, .,			250.23	250.23	-	0.00
Money Market	2007 MF Landcaster Apts				21,581.03	21,581.03		(21,581.03)						0.00
•	2007 MF Landcaster Apts Total			_	10,835,800.05	10,835,800.05	21,452.21	(964,991.28)	0.00	0.00	9,892,260,98	9,892,260.98	0.00	0.00
				00										
	2007 MF Park Place	4.29	08/01/07	09/01/07	73,108.33	73,108.33	0.00	(43,427.03)			29,681.30	29,681.30	-	0.00
GIC's	2007 MF Park Place 2007 MF Park Place	5.80 4.29	02/21/07 08/01/07	10/01/08 09/01/07	327,220.00 380,387.00	327,220,00 380,387.00	0.00	(1,500.00)			327,220.00 378,887.00	327,220.00 378,887.00	•	0.00 0.00
Money Market Money Market	2007 MF Park Place	4.29	08/01/07	09/01/07	376.87	376.87	723.42	(1,500.00)			1,100,29	1.100.29	•	0.00
GIC's	2007 MF Park Place	5.80	02/28/07	10/01/08	11,897,857.09	11,897,857.09	120.42	(2,291,970.00)			9,605,887.09	9,605,887.09		0.00
	2007 MF Park Place	4.29	08/01/07	09/01/07	1,598,124,76	1,598,124,76		(199,558,49)			1,398,566,27	1,398,566,27	_	0.00
	2007 MF Park Place Total			-	14,277,074.05	14,277,074.05	723,42	(2,536,455.52)	0.00	0.00	11,741,341.95	11,741,341.95	0.00	0.00
GIC's	2007 MF Terrace @ Cibolo	4.57	05/09/07	07/01/08	505,036.78	505,036.78	0.00				505,036.78	505,036.78	-	0.00
	2007 MF Terrace @ Cibolo	4,57	05/00/07	07/04/00	4,938.82	4,938.82		(4,938.82)			E 224 649 70	E 224 648 70	-	0.00 0.00
GIC's	2007 MF Тетгасе @ Cibolo 2007 MF Тетгасе @ Cibolo	4.57	05/09/07 08/01/07	07/01/08 09/01/07	5,978,995.01	5,978,995.01	23,852.29	(647,346.31)			5,331,648.70 23,852.29	5,331,648.70 23,852.29	-	0.00
Money Market GIC's	2007 MF Terrace @ Cibolo	4.23 4.57	05/09/07	07/01/08	394,925.21	394,925.21	23,002.29	(29,163.53)			25,052.29 365,761.68	23,052.29 365,761.68	-	0.00
Money Market	2007 MF Terrace @ Cibolo	4.23	08/01/07	09/01/07	394,923.21	384,823.21	5,783.28	(28,103.33)			5,783.28	5,783.28		0.00
Money Market	2007 MF Terrace @ Cibolo	4.23	08/01/07	09/01/07	859.83	859.83	1,827.08				2,686,91	2,686,91	_	0.00
Money Market	2007 MF Terrace @ Cibolo	4.23	08/01/07	09/01/07	20,276.52	20,276.52	236.34				20,512.86	20,512.86	_	0,00
•	2007 MF Terrace @ Cibolo Total			_	6,905,032.17	6,905,032.17	31,698.99	(681,448.66)	0.00	0.00	6,255,282.50	6,255,282.50	0,00	0,00
	2007 MF Santora Villas	4.29 5.80	08/01/07	09/01/07	400 704 40	400 704 40	16,775.14	(40.000.00)			16,775.14	16,775.14	-	0.00 0.00
GIC's	2007 MF Santora Villas 2007 MF Santora Villas	4.29	05/25/07 08/01/07	08/01/08 09/01/07	428,731.12	428,731,12	1,440.64	(13,075.32)			415,655.80 1,440.64	415,655.80 1,440.64	-	0.00
Money Market GIC's	2007 MF Santora Villas	5.80	05/25/07	08/01/08	10,701,259.87	10,701,259.87	1,440.04	(41,469.90)			10,659,789,97	10.659.789.97	-	0.00
Money Market	2007 MF Santora Villas 2007 MF Santora Villas	4.29	08/01/07	09/01/07	11,131.59	11,131.59		(11,047.96)			83.63	83.63		0.00
World's Walket	2007 MF Santora Villas Total	4.20	00.0		11,141,122.58	11,141,122.58	18,215.78	(65,593.18)	0.00	0.00	11,093,745.18	11,093,745.18	0.00	0.00
GIC's	2007 A/B MF Villas @ Mesquite	5.04	06/26/07	01/15/10			62,366.05				62,366.05	62,366.05	-	0.00
GNMA	2007 A/B MF Villas @ Mesquite	5.17	07/30/07	03/15/11			1,833,002.00				1,833,002.00	1,833,002.00	-	0.00
GIC's	2007 A/B MF Villas @ Mesquite	5.04 4.23	06/26/07 08/01/07	01/15/10 09/01/07			15,026,998.00 45,312.94				15,026,998.00 45,312.94	15,026,998.00 45,312.94	. •	0.00 0.00
Money Market	2007 A/B MF Villas @ Mesquite 2007 A/B MF Villas @ Mesquite Total		08/01/01	09/01/07	0.00	0.00	16,967,678.99	0.00	0.00	0.00	16,967,678.99	16,967,678.99	0.00	0.00
							,,				,,			
Money Market	2007 MF Summit Point	4.35	08/01/07	09/01/07			47,051.64				47,051.64	47,051.64	•	0.00
GNMA	2007 MF Summit Point	5.32	07/30/07	07/15/09			7,000,000.00				7,000,000.00	7,000,000.00	-	0.00
Money Market	2007 MF Summit Point	4.35	08/01/07	09/01/07			77,086.40				77,086.40	77,086.40	-	0.00
Inv Agmt	2007 MF Summit Point	4.41 4.35	06/29/07	11/30/09 09/01/07			4,670,001.11				4,670,001.11 561,37	4,670,001.11 561.37	-	0.00 0.00
Money Market GIC's	2007 MF Summit Point 2007 MF Summit Point	4.35 4.41	08/01/07 06/29/07	11/30/09			561.37 140.000.00				140,000.00	140,000,00	-	0.00
GIUS	2007 MF Summit Point 2007 MF Summit Point Total	4.41	00/28/0/	11/20/09 _	0.00	0.00	11,934,700.52	0.00	0.00	0.00	11,934,700.52	11,934,700.52	0.00	0.00
					2.00	2.00	,00 ,, 00.02	0.00	5.00	. 5.50	11,00 00.02	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2.45	4.44
Money Market	2007 MF Costa Rialto	4.23	08/01/07	09/01/07			357,303.17				357,303.17	357,303,17	-	0.00
Money Market	2007 MF Costa Rialto	4.23	08/01/07	09/01/07			804,685.58				804,685,58	804,685.58	-	0.00
Money Market		4.23	08/01/07	09/01/07 _			10,464,994.98		2.22		10,464,994.98	10,464,994.98		0.00
	2007 MF Costa Rialto Total				0.00	0.00	11,626,983.73	0.00	0.00	0.00	11,626,983.73	11,626,983.73	0.00	0.00

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	D
Investment		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/			Carrying Value	Market Value	In Market	Recognized
Туре	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			2,543.96				2,543.96	2,543.96	-	0.00
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			565.29				565.29	565,29	-	0,00
GIC's	2007 MF Windshire Apts	4.55	08/06/07	08/15/08			461,471.93				461,471.93	461,471.93	-	0.00
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			12,228.03				12,228.03	12,228.03	-	0.00
GIC's	2007 MF Windshire Apts	4.56	08/06/07	08/15/08			10,738,115.48				10,738,115.48	10,738,115.48	-	0.00
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			653,69				653.69	653,69	-	0.00
GIC's	2007 MF Windshire Apts	4.56	08/06/07	08/15/08			457,374.93				457,374.93	457,374,93	-	00,0
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			36.17				36,17	36.17	-	0.00
GIC's	2007 MF Windshire Apts	4.56	08/13/07	08/15/08			135,880.19				135,880.19	135,880.19	-	0.00
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			8,890.92				8,890.92	8,890.92	-	0.00
Money Market	2007 MF Windshire Apts	4.23	08/01/07	09/01/07			20,050.21				20,050.21	20,050.21	-	0.00
	2007 MF Windshire Apts Total			-	0.00	0.00	11,837,810.80	0.00	0.00	0.00	11,837,810.80	11,837,810.80	0.00	0.00
	Total Multi-Family Invest	ment Summar	у		168,200,104.81	168,200,104.81	61,347,430.63	(35,963,138.33)	(83,934.32)	0.00	193,500,462.79	193,500,462.79	0.00	0.00

## Texas Department of Housing and Community Affairs Commercial Paper Investment Summary For Period Ending August 31, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
	Commercial Paper	5.15	08/31/07	09/04/07	19,732,35	19,732,35	6,102.14				25,834,49	25.834.49		0.00
Repo Agmt GIC's	Commercial Paper	4.40	06/05/07	10/05/07	13,162.00	10,102.00	15,039,000.00				15,039,000.00	15,039,000.00	-	0.00
GIC's	Commercial Paper	4.35	06/14/07	10/05/07			9,735,000.00				9,735,000.00	9,735,000.00	-	0.00
GIC's	Commercial Paper	4.59	08/31/07	10/05/07			8,095,000.00				8,095,000.00	8,095,000.00	-	0.00
GIC's	Commercial Paper				5,000,000.00	5,000,000.00		(5,000,000.00)					-	0.00
GIC's	Commercial Paper				4,939,000.00	4,939,000.00		(4,939,000.00)					-	0.00
GIC's	Commercial Paper				5,100,000.00	5,100,000.00		(5,100,000.00)					-	00.00
	Commercial Paper Total				15,058,732.35	15,058,732.35	32,875,102.14	(15,039,000.00)	0.00	0.00	32,894,834.49	32,894,834.49	0,00	0.00
	Total Commercial Paper I	nvestment Sumr	nary		15,058,732.35	15,058,732.35	32,875,102.14	(15,039,000.00)	0.00	0.00	32,894,834.49	32,894,834.49	0.00	0.00

# Texas Department of Housing and Community Affairs General Fund Investment Summary For Period Ending August 31, 2007

•		Current	Current	Current	Beginning	Beginning	A	Amortizations/			Ending	Ending Market Value	Change in	December
Investment	Issue	Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/07	Market Value 05/31/07	Accretions/ Purchases	Sales	Maturities	Transfers	Carrying Value 08/31/07	08/31/07	in Market Value	Recognized Gain
Type		5.15	08/31/07	09/04/07	2,832,522.31	2,832,522.31	37,681,55	Sales	mattines	Italislets	2,870,203.86	2,870,203,86	value -	0.00
Repo Agmt	General Fund			09/04/07	3,389,199,94	3,389,199,94	45.087.20				3,434,287,14	3,434,287,14		0.00
Repo Agmt	General Fund	5.15	08/31/07										-	
Repo Agmt	General Fund	5,15	08/31/07	09/04/07	827,246.41	827,246.41	11,005.29				838,251.70	838,251.70	-	0,00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	605,297.98	605,297.98	31,230.64				636,528.62	636,528.62	-	00,0
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	52,381.80	52,381.80	4,016.13				56,397.93	56,397.93	-	0.00
Repo Agmt	General Fund	5,15	08/31/07	09/04/07	920,673.82	920,673.82	75,542.84				996,216.66	996,216.66	-	0.00
Repo Agmt	General Fund	5,15	08/31/07	09/04/07	139,274.43	139,274.43	1,055.03				140,329.46	140,329.46	-	0,00
Repo Agmt	General Fund	5,15	08/31/07	09/04/07	328,195.89	328,195.89	4,366.23				332,562.12	332,562.12	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	395,575.29	395,575.29	5,262.60				400,837.89	400,837.89	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07			156,000.00				156,000.00	156,000.00	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	231,912.16	231,912.16		(148,886.83)			83,025.33	83,025.33	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	406,808.24	406,808.24	5,411.98	, ,			412,220,22	412,220.22	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	191,323.31	191,323.31	8,351.94				199,675,25	199,675.25	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	698,788.97	698,788.97	9,296.30				708,085.27	708,085,27	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	829,704,43	829,704.43		(333,913.25)			495,791.18	495,791.18	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07			254,800.00				254,800.00	254,800,00	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	2,403,985,45	2,403,985.45	1,083,586,47				3,487,571.92	3,487,571.92	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	132,750.02	132,750.02	52,130.07				184,880.09	184,880.09	-	0.00
Repo Agmt	General Fund	5.15	08/31/07	09/04/07	432,769.57	432,769.57	4,545.64				437,315.21	437,315.21	-	0.00
	General Fund Total			•	14,818,410.02	14,818,410.02	1,789,369.91	(482,800.08)	0.00	0.00	16,124,979.85	16,124,979.85	0.00	0.00
	Total General Fund I	nvestment Summa	ry ·		14,818,410.02	14,818,410.02	1,789,369.91	(482,800.08)	0.00	0.00	16,124,979.85	16,124,979.85	0.00	0.00

#### Texas Department of Housing and Community Affairs Housing Trust Fund Investment Summary For Period Ending August 31, 2007

1		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	05/31/07	05/31/07	Purchases	Sales	Maturities	Transfers	08/31/07	08/31/07	Value	Gain
Repo Agmt	Housing Assistance Fund	5.15	08/31/07	09/04/07	112,651,06	112,651.06	13.415.77	Outes	Matariaes	rigitaleta	126,066.83	126,066,83	-	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	249,971,64	249.971.64	10,410.11	(14.25)			249.957.39	249.957.39	_	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	530,401.60	530,401.60		(93,619.01)			436.782.59	436,782.59	_	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	399,966.62	399,966.62		(16.79)			399,949,83	399,949.83		0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	407,263.83	407,263.83		(228,495.31)			178,768.52	178,768.52		
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	63,534,99	63,534,99	4.221.37	(220,400.01)			67.756.36	67,756,36		0.00
Repo Agmt	Housing Trust Fund	5,15	08/31/07	09/04/07	101,195.47	101.195.47	1.311.02				102,506,49	102,506.49	_	0.00
Repo Agmt	Housing Trust Fund	5,15	08/31/07	09/04/07	415,112,95	415.112.95	55,368.51				470,481,46	470,481,46	_	0.00
Repo Agmt	Housing Trust Fund	5,15	08/31/07	09/04/07	2,093,071,26	2,093,071,26		(1,936,655.00)			156,416.26	156,416,26	-	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	1,780,388,19	1,780,388,19	20,851.85	, . , ,			1,801,240,04	1,801,240.04	_	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07	, ,		200,000.00				200,000.00	200,000.00	-	0.00
Repo Agmt	Housing Trust Fund	5,15	08/31/07	09/04/07			1,000,000.00				1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Housing Trust Fund	5.15	08/31/07	09/04/07			250,000.00				250,000.00	250,000.00	-	0.00
Repo Agmt	General Revenue Appn	5.15	08/31/07	09/04/07	328,537.64	328,537.64	335,697.21				664,234.85	664,234.85	-	0.00
Repo Agmt	General Revenue Appn	5.15	08/31/07	09/04/07	313,178.49	313,178.49	116,885.68				430,064.17	430,064,17	-	0.00
Repo Agmt	Capacity Building -GR	5.15	08/31/07	09/04/07	10,878,28	10,878,28	0.00				10,878.28	10,878.28	-	0.00
Repo Agmt	Capacity Building -GR	5.15	08/31/07	09/04/07	78,491.31	78,491,31		(6,241,87)			72,249.44	72,249.44	-	0.00
Repo Agmt	Pre-Development -GR	5.15	08/31/07	09/04/07	400,778,31	400,778,31	0,00				400,778.31	400,778.31		0.00
Repo Agmt	Pre-Development -GR	5.15	08/31/07	09/04/07	100,000.00	100,000.00	0.00				100,000.00	100,000.00	•	0.00
Repo Agmt	Housing Trust Fund-GR	5,15	08/31/07	09/04/07	309,558.13	309,558.13	6,241.87				315,800.00	315,800.00	•	0.00
Repo Agmt	Boostrap -GR	5,15	08/31/07	09/04/07	180,660.00	180,660.00		(16,800.00)			163,860.00	163,860.00	-	0.00
Repo Agmt	Boostrap -GR	5.15	08/31/07	09/04/07	578,310.03	578,310.03		(105,798.56)			472,511.47	472,511.47	-	0.00
Repo Agmt	Boostrap -GR	5.15	08/31/07	09/04/07	927,099.00	927,099.00		(204,300.00)			722,799.00	722,799.00	-	0.00
Repo Agmt	Boostrap -GR	5.15	08/31/07	09/04/07	4,890,808.44	4,890,808.44		(234,513.90)			4,656,294.54	4,656,294.54	-	0.00
Repo Agmt	Boostrap -GR	5.15	08/31/07	09/04/07	816,300.00	816,300.00		(159,000.00)			657,300.00	657,300.00	<del>-</del>	0.00
	Housing Trust Fund Total				15,088,157.24	15,088,157,24	2,003,993,28	(2,985,454.69)	0.00	0.00	14,106,695.83	14,106,695.83	0.00	0.00
	Total Housing Trust Fund I	Investment Sum	mary		15,088,157.24	15,088,157.24	2,003,993.28	(2,985,454.69)	0.00	0,00	14,106,695.83	14,106,695.83	0.00	0.00

#### Texas Department of Housing and Community Affairs Administration Investment Summary For Period Ending August 31, 2007

Investment Type Repo Agmt	<b>Issue</b> Administration	Current Interest Rate 5.15	Current Purchase Date 08/31/07	Current Maturity Date 09/04/07	Beginning Carrying Value 05/31/07 151,397,98	Beginning Market Value 05/31/07 151,397.98	Accretions/ Purchases 1,976.29	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07 153,374.27	Ending Market Value 08/31/07 153,374.27	Change in In Market Value	Recognized Gain 0.00
	Administration Total			•	151,397.98	151,397.98	1,976.29	0.00	0.00	0.00	153,374.27	153,374.27	0.00	0.00
	Total Administration In	vestment Summ	ary		151,397.98	151,397.98	1,976.29	0.00	0.00	0.00	153,374.27	153,374.27	0.00	0.00

#### Texas Department of Housing and Community Affairs Compliance Investment Summary For Period Ending August 31, 2007

Investment	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/07	Ending Market Value 08/31/07	Change in In Market Value	Recognized Gain
Type	122 ne	rate	Date	Date				Cales	Methines	1141401615			Taide	
Repo Agmt	RTC	5.15	08/31/07	09/04/07	273,733.83	273,733.83	36,390.55				310,124.38	310,124.38	•	0.00
Repo Agmt	Multi Family	5,15	08/31/07	09/04/07	973,283.82	973,283.82	106,425.02				1,079,708.84	1,079,708.84	-	0.00
Repo Agmt	Multi Family	5,15	08/31/07	09/04/07	133,925.61	133,925.61	1,752.82				135,678.43	135,678.43	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.15	08/31/07	09/04/07	1,820,405.37	1,820,405.37	426,149.97				2,246,555.34	2,246,555.34	-	0.00
0	Compliance Total				3,201,348.63	3,201,348.63	570,718.36	0.00	0.00	0.00	3,772,066.99	3,772,066.99	0.00	0.00
	Total Compliance Inves	stment Summary	y		3,201,348.63	3,201,348.63	570,718.36	0.00	0.00	0.00	3,772,066.99	3,772,066.99	0.00	0.00

#### Texas Department of Housing and Community Affairs Housing Initiatives Investment Summary For Period Ending August 31, 2007

Investment	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/07	Beginning Market Value 05/31/07	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transford	Ending Carrying Value 08/31/07	Ending Market Value	Change in In Market	Recognized
Туре								Sales	Matunues	Transfers		08/31/07	Value	Gain
Repo Agmt	S/F Interim Construction	5.15	08/31/07	09/04/07	488,980.46	488,980.46	6,450.05				495,430,51	495,430.51	-	0.00
Repo Agmt	S/F Interim Construction	5.15	08/31/07	09/04/07	188.21	188.21	2.70				190,91	190.91	-	0.00
Repo Agmt	S/F Interim Construction	5.15	08/31/07	09/04/07	7.25	7.25	0.00				7.25	7.25	-	0.00
Repo Agmt	Mtg. Credit Certificate	5.15	08/31/07	09/04/07	74,400.40	74,400.40	955.84				75,356.24	75,356.24	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.15	08/31/07	09/04/07	961,312.51	961,312.51		(74,602.15)			886,710.36	886,710.36	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.15	08/31/07	09/04/07	3,605,058,71	3,605,058.71	1,622,961.82				5,228,020.53	5,228,020.53	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.15	08/31/07	09/04/07	356,328,28	356,328.28	37,448.03				393,776.31	393,776,31	-	0.00
	Housing Initiatives Total				5,486,275.82	5,486,275.82	1,667,818.44	(74,602.15)	0.00	0.00	7,079,492.11	7,079,492.11	0.00	0,00
	Total Housing Initiatives In	vestment Sumi	mary		5,486,275.82	5,486,275.82	1,667,818.44	(74,602.15)	0.00	0.00	7,079,492.11	7,079,492.11	0.00	0,00
	Total Inv	estment Summ	ary	=	1,517,882,143.86	1,488,824,875.62	307,286,742.00	(145,957,749.32)	(21.031.441.90)	0.00	1,658,179,694,64	1,628,052,833.50	(1,069,592.90)	0.00

# Housing Tax Credit Program Board Action Request November 8, 2007

### **Action Item**

Request, review, and board determination of one (1) four percent (4%) tax credit application with TDHCA as the Issuer.

### Recommendation

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with <u>TDHCA</u> as the Issuer for the tax exempt bond transaction known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Bond	Requested Credit Allocation	Recommended Credit Allocation
07621	Residences at Onion Creek	Austin	TDHCA	224	224	\$24,159,799	\$15,000,000	\$786,789	\$785,293



WWW.TDHCA.STATE.TX.US

## MULTIFAMILY FINANCE PRODUCTION DIVISION

2007 Private Activity Multifamily Housing Revenue Bonds

Residences at Onion Creek North side of East Slaughter Lane 1/2 mile east of IH 35 Travis County, Texas

> Onion Creek Housing Partners, Ltd. 224 Units Priority 2 \$15,000,000 Tax Exempt – Series 2007

#### **TABLE OF EXHIBITS**

TAB 1	TDHCA Board Presentation
TAB 2	<b>Bond Resolution</b>
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Compliance Status Summary
TAB 7	Public Hearing Transcript (September 4, 2007)

## MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

#### **Action Item**

Presentation, Discussion and Possible Issuance of Multifamily Housing Revenue Bonds, Series 2007 and Housing Tax Credits with TDHCA as the Issuer for the Residences at Onion Creek development.

#### **Requested Action**

Approve, Amend or Deny the staff recommendation for the Residences at Onion Creek development.

#### **Summary of the Transaction**

Background and General Information: The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, as amended, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. (The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.) The pre-application for the 2007 Waiting List was received on February 1, 2007. The Application was scored and ranked by staff. The Application was induced at the March 20, 2007 Board meeting and submitted to the Texas Bond Review Board. The Application received a Reservation of Allocation on July 13, 2007. The deadline for bond delivery is on or before December 10, 2007, but the anticipated closing date is November 15, 2007. Located in Travis County, the Development consists of the new construction of 224 units targeted to a general population. The Application was submitted under the Priority 2 category, with the Applicant proposing 100% of the units serving individuals and families earning 60% of AMFI.

Organizational Structure and Compliance: The Borrower is Onion Creek Housing Partners, Ltd., and the General Partner is NDG Onion Creek, LLC, which is comprised of the following individuals with ownership interest: Rob and Sandy Hoskins, 100% ownership interest. The Compliance Status Summary completed on October 15, 2007 shows that the principals of the general partner have a total of five (5) properties that have no material noncompliance.

Public Hearing: There were 18 people in attendance at the public hearing conducted by the Department for the proposed development on September 4, 2007, and ten (10) spoke for the record. A summary of the public comment heard at the hearing is as follows: concern about increased vehicle traffic and its impact on the neighborhood south of East Slaughter Lane, concern about background checks and the kinds of people that will reside in/visit the Development, concern about the maintenance and appearance of the Development and how this will impact their neighborhood. A copy of the transcript and the signin sheets are included in this presentation. The Department has not received any letters of support or opposition.

Census Demographics: The proposed site is located at approximately ½ mile east of the intersection at IH 35 and East Slaughter Lane, on the North side of Slaughter Lane, Travis County. Demographics for the census tract (24.2) include AMFI of \$50,575; the total population is 9,543; the percent of the population that is minority is 74.77%; the percent of the population that is below the poverty line is

12.69%; the number of owner occupied units is 1,995; the number renter occupied units is 737 and the number of vacant units is 104; the percentage of population that is minority for the entire City of Austin is 35%. (FFIEC Geocoding for 2007)

#### **Summary of the Financial Structure**

The applicant is requesting the Department's approval and issuance of variable rate tax-exempt bonds in the amount of \$15,000,000. During the construction phase, credit enhancement will be provided by a letter of credit issued by JPMorgan Chase Bank, National Association. Prior to conversion, the Bonds are expected to receive a AA-/A-1+ rating. From and after conversion credit enhancement will be provided by Fannie Mae through a direct pay irrevocable transferable credit enhancement instrument. PNC ARCS LLC (Fannie Mae DUS Lender) will underwrite the transaction. The construction and lease up period is anticipated for 30 months with one 6-month extension followed by a 30-year term and 35-year amortization. The interest rate on the Bonds will not exceed 6.0% per annum.

#### **Recommendation**

Staff Recommends the Board approve the issuance of \$15,000,000 in tax-exempt Multifamily Housing Revenue Bonds, Series 2007 and \$785,293 in Housing Tax Credits for Residences at Onion Creek.

#### **RESOLUTION NO. 08-002**

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (RESIDENCES AT ONION CREEK) SERIES 2007; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Variable Rate Demand Multifamily Housing Revenue Bonds (Residences at Onion Creek) Series 2007 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and The Bank of New York Trust Company, N.A. (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Onion Creek Housing Partners, Ltd., a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental development described on <a href="Exhibit A">Exhibit A</a> attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on March 20, 2007, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Financing Agreement (the "Financing Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Mortgage Loan") to the Borrower to enable the Borrower to finance the costs of acquiring, constructing and equipping the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a

multifamily note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for initially by a Letter of Credit issued by JPMorgan Chase Bank, N.A. (the "Bank"), and upon conversion, if conversion occurs, by a Credit Enhancement Instrument issued by Fannie Mae ("Fannie Mae"); and

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

WHEREAS, the Department's interest in the Mortgage Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear, and, initially, to the Bank, as its interests may appear, pursuant to an Assignment and Intercreditor Agreement (the "Assignment") among the Department, the Trustee and the Bank and acknowledged, accepted and agreed to by the Borrower; and

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

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

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower, Merchant Capital, L.L.C. (the "Underwriter"), and any other parties to such Bond Purchase Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Underwriter or another party will purchase all or their respective portion of the Bonds from the Department and the Department will sell the Bonds to the Underwriter or another party to such Bond Purchase Agreement; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Asset Oversight Agreement, the Official Statement and the Bond Purchase Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Section 1.15, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Mortgage and the Note, and the taking of such other actions as may be necessary or convenient in connection therewith;

#### NOW, THEREFORE,

#### BE IT RESOLVED BY THE BOARD OF THE DEPARTMENT:

#### ARTICLE I

#### ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

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

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair or Vice Chairman of the Board or the Executive Director or Acting Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the rates determined from time to time by the Remarketing Agent (as such term is defined in the Indenture) in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 6.0%; (ii) the aggregate principal amount of the Bonds shall not exceed \$15,000,000; (iii) the final maturity of the Bonds shall occur not later than December 15, 2040; and (iv) the price at which the Bonds are sold to the initial purchasers thereof under the Bond Purchase Agreement shall not exceed 100% of the principal amount thereof.

<u>Section 1.3--Approval, Execution and Delivery of the Indenture</u>. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreement. That the form and substance of the Financing Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Financing Agreement and deliver the Financing Agreement to the Borrower and the Trustee.

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

Section 1.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and any other party to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter and any other party to the Bond Purchase Agreement as appropriate.

<u>Section 1.7--Acceptance of the Mortgage and Note</u>. That the forms of the Mortgage and the Note are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are authorized to endorse and deliver the Note to the order of the Trustee and the Bank, as their interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignment. That the form and substance of the Assignment are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignment and to deliver the Assignment to the Borrower, the Trustee and the Bank.

Section 1.9--Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chairman of the Governing Board and the Executive Director or the Acting Executive Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934; that the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the authorized representatives of the Department named in this Resolution each are authorized hereby to accept the Official Statement, as required; and that the distribution and circulation of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director or the Acting Executive Director of the Department and the Department's counsel.

<u>Section 1.10--Approval, Execution and Delivery of the Asset Oversight Agreement.</u> That the form and substance of the Asset Oversight Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Asset Oversight Agreement to the Borrower.

Section 1.11--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

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

Exhibit B - Indenture

Exhibit C - Financing Agreement

Exhibit D - Regulatory Agreement
Exhibit E - Bond Purchase Agreement

Exhibit F - Mortgage Exhibit G - Note

Exhibit H - Assignment
Exhibit I - Official Statement

Exhibit J - Asset Oversight Agreement

Section 1.13--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.14--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chair of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of Programs of the Department, Deputy Executive Director of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

<u>Section 1.15--Conditions Precedent</u>. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director of the Department; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Development.

#### ARTICLE II

#### APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

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

<u>Section 2.3--Engagement of Other Professionals</u>. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.

- <u>Section 2.4--Certification of the Minutes and Records</u>. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.
- <u>Section 2.5--Approval of Requests for Rating from Rating Agency.</u> That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., is approved, ratified and confirmed hereby.
- <u>Section 2.6--Authority to Invest Proceeds</u>. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.
- <u>Section 2.7--Underwriter</u>. That the underwriter with respect to the issuance of the Bonds shall be Merchant Capital, L.L.C.
- <u>Section 2.8—Engagement of Other Professionals</u>. That the Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State.
- <u>Section 2.9--Ratifying Other Actions</u>. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

#### ARTICLE III

#### CERTAIN FINDINGS AND DETERMINATIONS

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

#### (a) Need for Housing Development.

- (i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,
- (ii) that the financing of the Development is a public purpose and will provide a public benefit, and
- (iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

#### (b) <u>Findings with Respect to the Borrower</u>.

- (i) that the Borrower, by operating the Development in accordance with the requirements of the Financing Agreement and the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,
- (ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Mortgage Loan in accordance with its terms, and
- (iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

#### (c) Public Purpose and Benefits.

- (i) that the Borrower has agreed to operate the Development in accordance with the Financing Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and
- (ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.
- Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Financing Agreement and the Regulatory Agreement.
- <u>Section 3.3--Sufficiency of Mortgage Loan Interest Rate</u>. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Financing Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.
- <u>Section 3.4--No Gain Allowed</u>. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

<u>Section 3.5--Waiver of Rules</u>. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

#### ARTICLE IV

#### **GENERAL PROVISIONS**

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

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

<u>Section 4.3--Effective Date</u>. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--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 8th day of November, 2007.

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By: \_/s/ Elizabeth Anderson\_ Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby Kevin Hamby, Secretary

#### **EXHIBIT A**

#### DESCRIPTION OF DEVELOPMENT

Owner: Onion Creek Housing Partners, Ltd., a Texas limited partnership

Development:

The Development is a 224-unit multifamily facility to be known as Residences at Onion Creek and located at approximately 2500 Brandt Road, Austin, Travis County, Texas. It will consist of three-story residential apartment buildings with approximately 247,752 net rentable square feet and an average unit size of approximately 1,106 square feet. The unit mix will consist of:

32	one-bedroom/one-bath units
96	two-bedroom/two-bath units
88	three-bedroom/two-bath units
8	four-bedroom/two- bath units
224	Total Units

Unit sizes will range from approximately 842 square feet to approximately 1,415 square feet.

Common areas are expected to include a clubhouse, a barbecue area, a playground, and a swimming pool. All units are expected to have central heating and air conditioning, carpeting and vinyl tile, ceiling fans, mini-blinds, a dishwasher, a range and oven, balcony/patio or sunroom. Some garages will be provided.



## MULTIFAMILY FINANCE PRODUCTION DIVISION

### November 8, 2007

## Development Information, Public Input and Board Summary The Residences at Onion Creek, TDHCA Number 07621

		BASIC DEVELO	OPMENT INF	ORMATION			
Site Address:	N side of E. Slaugh	iter Ln., 1/2 mile Eas	t of I35		Development :	#:	07621
City:	Austin	Region:	7	Po	opulation Serve	d:	General
County:	Travis	Zip Code:	78744		Allocation	n: Ur	ban/Exurban
HOME Set Asi	des: CHDO	☐ Preservation	☐ General		Purpose/Activit	y:	NC
Bond Issuer:	TDHCA						
	HTC Purpose/Activity	NC=New Construction, ACQ=	=Acquisition R=R	ehabilitation NC//	ACO=New Construction	n and Δα	quisition
		NC/R=New Construction and	Rehabilitation, A	CQ/R=Acquisition		Tana 710	quisition,
Owner:		Owner An					
	ot and Dhana	Onion Creek Housi  Dan Allgeier	ng raimeis,		(072) 572 2411		
Owner Contac	st and Phone	_	ont Croup li		(972) 573-3411		
Developer:	and Company	NuRock Developme	·	IC			
-	eral Contractor:	NuRock Construction					
Architect:		Morton M. Grubber					
Market Analys	st:	Capital Maket Rese	earch, Inc.				
Syndicator:		Boston Capital					
Supportive Se	ervices:	NuRock Developm	ent Group, I	nc			
Consultant:		SBG Development	Services, L.	P.			
		<u>UNIT/BUILD</u>	DING INFOR	MATION			
<u>30%</u> <u>40%</u> <u>5</u>	<u>0%</u> <u>60%</u> <u>Eff</u> <u>1 E</u>	<u> 3 BR                                  </u>	5 BR	Total Restric	ted Units:		224
	0 224 0 3			Market Rate			0
Type of Buildin	_	or more per building		Owner/Emplo	•		0
☐ Duplex		ed Residence			pment Units:		224
☐ Triplex	□ Single □ Transit	Room Occupancy		Total Develo Number of R	esidential Buildi	nae.	\$24,159,799 10
☐ Fourplex	☐ Townh			HOME High		ngs.	0
				HOME Low 1			0
	Note: If	Development Cost =\$0, an U	nderwriting Repo	rt has not been co	mpleted.		
		·	G INFORMA				
		Applica Reque		epartment nalysis	Amort	Term	Rate
4% Housing	Tax Credits with Bo	nds: \$789,12	23	\$785,293	0	0	0%
TDHCA Bon	d Allocation Amount	: \$15,000,00	00 \$1	5,000,000	0	0	0%
HOME Activi	ty Fund Amount:	\$	30	\$0	0	0	0%
HOME CHD	O Operating Grant A	Amount: \$	0	\$0			



## MULTIFAMILY FINANCE PRODUCTION DIVISION November 8, 2007

## Development Information, Public Input and Board Summary The Residences at Onion Creek, TDHCA Number 07621

#### **PUBLIC COMMENT SUMMARY**

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

#### State/Federal Officials with Jurisdiction:

TX Senator: Wentworth, District 25 NC US Representative: Doggett, District 25, NC

TX Representative: Bolton, District 47 NC US Senator: NC

**Local Officials and Other Public Officials:** 

Mayor/Judge: Will Wynn, Mayor, City of Austin - NC Resolution of Support from Local Government

Paul Hilgers, City of Austin, Community Development Officer - This project is consistent with the needs and strategies outlined in the Consolidated Plan for the City of

Austin.

Individuals/Businesses: In Support: 0 In Opposition 0

**Neighborhood Input:** 

#### **General Summary of Comment:**

Public Hearing: concern about increased vehicle traffic and its impact on the neighborhood south of East Slaughter Lane, concern about background checks and the kinds of people that will reside in/visit the Development, concern about the maintenance and appearance of the Development and how this will impact the neighborhood.

Number that attended: 18 Number that spoke: 10 Number in support: 0 Number in opposition: 11 Number Neutral: 7

#### **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, by start of construction, of a letter from the civil engineer indicating that no structures, drives, or parking areas are located within zone AE or that the development will be constructed in compliance with QAP requirements for properties within the 100 year floodplain.

Receipt, review, and acceptance, by closing, of an executed interest rate cap agreement with the provision of a term for a minimum term of 15 years.

Receipt, review, and acceptance, by closing, of a letter from the general contractor indicating a willingness to defer contractor fee as necessary.

Receipt, review and acceptance of a permanent loan supporting a debt coverage ratio at a minimum of 1.15 and Board acceptance of a potential mandatory redemption of \$1,585,000 in bonds at conversion to permanent.

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



### MULTIFAMILY FINANCE PRODUCTION DIVISION

#### **November 8, 2007**

## Development Information, Public Input and Board Summary The Residences at Onion Creek, TDHCA Number 07621

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

4% Housing Tax Credits: Credit Amount: \$785,293

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$785,293 annually for ten years, subject to

conditions.

TDHCA Bond Issuance: Bond Amount: \$15,000,000

Recommendation: Recommend approval of issuance of \$15,000,000 in Tax Exempt Mortgage Revenue Bonds with a variable interest

rate and repayment term of 30 years with a 35 year amortization period, subject to conditions.

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

## **Residences at Onion Creek**

## **Estimated Sources & Uses of Funds**

Sources of Funds	
Series 2007 Tax-Exempt Bond Proceeds	\$ 15,000,000
Tax Credit Proceeds	7,402,188
Deferred Development Fee	1,304,504
<b>Total Sources</b>	\$ 23,706,692

Uses of Funds	
Acquisition and Site Work Costs	\$ 1,650,000
Direct Hard Construction Costs	14,334,251
Developer Fees and Overhead	2,630,246
Direct Bond Related	288,370
Bond Purchase Costs	172,000
Other Transaction Costs	3,323,665
Real Estate Closing Costs	1,308,160_
Total Uses	\$ 23,706,692

## **Estimated Costs of Issuance of the Bonds**

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	\$ 75,000
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	30,000
TDHCA Bond Compliance Fee (\$40 per unit)	8,960
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Trustee Fee	7,160
Trustee's Counsel (Note 1)	4,000
Rating Agency	13,000
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,750
DTC, CUSIP, SDF, Misc.	6,000
Total Direct Bond Related	\$ 288,370

#### **Residences at Onion Creek**

Bond Purchase Costs	
Underwriter's Expenses	135,000
Underwriter's Counsel	37,000_
<b>Total Bond Purchase Costs</b>	\$ 172,000
Other Transaction Costs	
Interest/Interim Construction Costs	1,371,353
Development Soft Costs	1,008,500
Financing Costs	943,812
<b>Total Other Transaction Costs</b>	\$ 3,323,665
Real Estate Closing Costs	
Permits and Fees	1,308,160
<b>Total Real Estate Costs</b>	\$ 1,308,160
<b>Estimated Total Costs of Issuance</b>	\$ 5,092,195

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division Underwriting Report

REPORT DATE: 10/31/07 PROGRAM: 4% HTC/MRB FILE NUMBER: 07621

KLI OKI DAIL. 10/31/0/	r KOGRAM.	4/01110/	TVIND	TILL NOIVID	LR. <b>0</b> 7	021			
	DE	VELOPM	ENT						
	Residence	es at Or	nion Creek						
Location: North side of East Slau	ıghter Lane 1/2	? mile east	of IH 35		Re	gion:7			
City: Austin	County: <u>Travis</u>		Zip:	78744	QCT	DDA			
Key Attributes: Multifamily, fam	nily, urban/exurl	ban, new	construction	1					
	Al	LLOCATIO	N						
		REQUEST		RECO/	MMENDAT	ION			
TDHCA Program	Amount*	Interest	Amort/Term	Amount	Interest	Amort/Term			
Private Activity Mortgage Revenue Bonds	\$15,000,000	6.50%	420	\$15,000,000	variable	420			
Housing Tax Credit (Annual)	\$786,789			\$785,293					
* The Applicant's HTC request was revised	d several time dur	ing the cou	rse of underwrit	ting with the final r	evision on 1	0/19/2007.			
	C	ONDITIO	NS						
<ol> <li>Receipt, review, and acceptare that no structures, drives, or pare constructed in compliance with the structed in compliance with the structed in compliance with the structed in compliance with the structure of the</li></ol>	<ul> <li>of 1.15 and Board acceptance of a potential mandatory redemption of \$1,585,000 in bonds at conversion to permanent.</li> <li>2 Receipt, review, and acceptance, by start of construction, of a letter from the civil engineer indicating that no structures, drives, or parking areas are located within zone AE or that the development will be constructed in compliance with QAP requirements for properties within the 100 year floodplain.</li> <li>3 Receipt, review, and acceptance, by closing, of an executed interest rate cap agreement with the provision of a term for a minimum term of 15 years.</li> <li>4 Receipt, review, and acceptance, by closing, of a letter from the general contractor indicating a willingness to defer contractor fee as necessary.</li> <li>5 Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit/allocation amount may be warranted.</li> </ul>								
		LIENT ISSI							
Income Limit		SET-ASIDES		Nimah ar af i	Unita				
60% of AMI		Rent Limi		Number of 1 224	Jnits				
		00/6 OI AI	VII			I			
PROS	<del> </del>			CONS		<del></del>			
<ul> <li>The development team is expe substantial liquid assets on han</li> </ul>		as •	program rer	ents are below nts for several o imited demand	f the unit t	types, which			
The Applicant's expense to incomplete below 45%, indicating a capacity viability during periods of increased flat income.	city to sustain		amount of serentals, which	nt has projecte econdary inco h is particularly num tax credit	me from g unlikely d	garage lue to the			

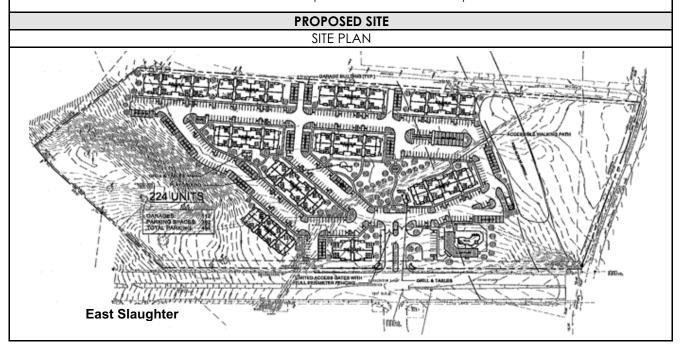
 The Underwriter's inclusive capture rate is only slightly below the Department's 25% maximum.

#### **PREVIOUS UNDERWRITING REPORTS** No previous reports. **DEVELOPMENT TEAM** OWNERSHIP STRUCTURE **NuRock Development** Onion Creek Housing Partners, Ltd Group, Inc 100% Owner **DEVELOPER** Rob Hoskins 50% Owner NDG Onion Creek, LLC 99.99% Limited Partner 0.01% General Partner Sandy Hoskins 50% Owner Rob and Sandy Hoskins 100% Ownership CONTACT Phone: 972.573.3411 Dan Allgeier Fax: 678.218.1496 Contact: Email: dallgeier@nurock.com **KEY PARTICIPANTS** Net Assets Liquidity1 # Completed Developments NuRock Development Group, Inc \$28,358,088 \$6,209,408 5 LIHTC developments in Texas **Rob Hoskins** Confidential Sandy Hoskins Confidential 5 LIHTC developments in Texas

#### **IDENTITIES of INTEREST**

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

 The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.



						BUILDII	NG C	ONFIGU	RATIC	NC						
	Buildin	д Туре	Α	В	С	D							To	otal		
	Floors/	Stories	3	3	3	2							Buil	dings		
	Nun	nber	1	4	4	1								10		
	BR/BA	SF					Ur	nits				1	Toto	al Units	Total SF	
	1/1	842	16	4			0.							32	26,944	
	2/2	1,084	- 10	12	12									96	104,064	
	3/2	1,198	8	8	12									88	105,424	
	4/2	1,415				8								8	11,320	
	Units per		24	24	24	8							2	224	247,752	
	011113 (201	Dollari 19											_		2 , . 02	
							SITE	ISSUES								
To	tal Size:	22.	55	acres		Scatte	arad si	to2				Yes	X	No		
	od Zone:		.55 & AE	acres				r floodpl	ain 2			Yes	^	No		
	ning:		Zonin				-	e re-zone			Х	Yes	X	-	□ N/A	
	omments:	110	ZOHIH	9		Need	3 10 06	5 16-2011 <del>6</del>	αŸ			163	_^	. 140	N/A	
C	The inforr	mation in	the ar	onlica!	tion ind	dicate	s that	the south	ern n	ortio	n of th	a cita i	sloce	nted wit	hin zone	
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	floodplai	n. The plc	anned	deten	tion po	ond ap	opear:	s to abut	the fl	oodp	lain b	ounda	ıry. Ho	owever,	, receipt,	
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	South:	Brandt Ro	d & va	cant l	and			West	: <u>S</u>	laugh	nter Ln	n/Single	e-Farr	nily subc	division	
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#### **MARKET HIGHLIGHTS** Provider: Capitol Market Research, Inc. 4/17/2007 Date: Charles H Heimsath Phone: 512.476.5000 Not Provided Contact: Fax: Number of Revisions: Date of Last Applicant Revision: N/A 37.59 square feet (3.46 mile radius) Primary Market Area (PMA): The Primary Market Area is inclusive of 17 census tracts in the South Austin area (p. 19). The PMA includes portions of six zip codes: 78744;78745; 78747; 78748; 78752; and 78610. Although only a very small portion of 78610 is included in the PMA. Secondary Market Area (SMA):

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS									
	PMA			SMA					
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units	

The Market Analyst did not delineate or utilize a Secondary Market Area in the subject study.

INCOME LIMITS									
	Travis								
% AMI 1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Person									
60	\$29,880	\$34.140	\$38,400	\$42,660	\$46,080	\$49.500			

N/A

	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				557	32	54	15%			
2 BR/ 60% Rent Limit				598	96	102	33%			
3 BR/ 60% Rent Limit				146	88	36	85%			
4 BR/ 60% Rent Limit				66	8	0	12%			

<sup>\*</sup> The unit capture rates are derived by the Underwriter based on the total units of comparable unstabilized units and total demand per unit type provided by the Market Analyst.

						С	VERAI	LL DEMAN	ID			
			arget seholds	House	ousehold Size Income Eligibl		ne Eligible	Te	enure	Dei	mand	
PMA DEMAND from TURNOVER												
Market Analyst	p.	25	100%	32,539	100%	32,539	31%	10,055	39%	3,949	49%	1,930
Underwriter			100%	28,301	96%	27,216	32%	8,619	39%	3,385	49%	1,654
					PMA	A DEMAN	D from	HOUSEH	OLD G	ROWTH		
Market Analyst	p.	24			100%	501	31%	155	39%	61	100%	61
Underwriter					96%	445	32%	135	39%	53	100%	53

#### Comments:

Meadows at Southpark 060418

The Market Analyst derived the base year and projected population and household demographics from Austin MSA wide employment growth projections provided by Texas Perspectives (March 2006). Specifically, the Market Analyst applied an assumed population to employment ratio of 0.518 to the employment forecasts to determine MSA wide population growth and then applied a rate of 3.39% (derived from 2000 Census data) to determine the estimated PMA population as a percentage of the MSA wide population. This methodology makes two primary assumptions of concern; first, that employment growth is homogeneous throughout the MSA, and two, that the PMA population growth in relation to MSA population growth is the same now as it was at the time of the 2000 Census.

Typically, additional information from the Market Analyst would be needed to support these assumptions; however, the Underwriter has collected data from the City of Austin website that provides the following information.

The PMA includes portions of the two fastest growing zip codes within the City of Austin and four of the five affected zip codes (78610 was not included due to the large size and very small portion included in the PMA) are in the top third of the City's fastest growing zip codes. Moreover, the Underwriter used the City's population data for the five zip codes to derive a projected annualized growth rate of 1.6%, which is the same growth rate that has been determined by the Market Analyst using employment growth. As a result, the Underwriter has used the population data provided by the Market Analyst for the PMA with one exception. The Market Analyst applied an MSA wide average household size figure (2.53 persons per household) to determine the number of households in the PMA. The Underwriter has used 2000 Census data that is specific to the PMA (2.91 persons per household) which results in a lower estimated number of households within the PMA.

	INCLUSIVE CAPTURE RATE								
			Subject Units		Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate	
Market Analyst	p.	27	224	192	0	416	1,991	20.9%	
Underwriter			224	192	0	416	1,707	24.37%	

#### Primary Market Occupancy Rates:

"Occupancy rates in the South Austin market area stabilized in 1997 at approximately 95.2%. For the next four years, the occupancy rate for existing projects remained at or above 96% and reached a high of 98.6% in December 2000 before dropping to a low of 84.0% in December 2002. Since that time however, the occupancy rate has rebounded quickly and increased to 86.8% in December 2003, 89.3% in December 2004 and 96.4% in December 2005. Occupancy decreased slightly, yet remained above the stabilized rate (90.0%) in December 2006 at 93.9%. Most recently, market area occupancy was reported at 93.3% in March 2007" (p. 29).

#### Absorption Projections:

"Based upon market conditions anticipated in the area and the proposed development program, the subject should be able to achieve an absorption rate of at least 15 units per month" (p. 55).

		RENT ANAL	YSIS (Tenant-Pai	d Net Rents)	
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR 842 SF 60	\$726	\$727	\$764	\$727	\$37
2 BR 1,084 SF 60	% \$823	\$859	\$823	\$823	\$0
3 BR 1,198 SF 60	\$883	\$985	\$883	\$883	\$0
4 BR 1,415 SF 6C	% \$1,039	\$1,073	\$1,039	\$1,039	\$0

#### Market Impact:

"In 2004, unit demand, as measured by absorption, exceeded new unit completions by 4,424. The lack of new construction has allowed existing units to be absorbed in by the market. For the first time since 2000, rental rates increased in July 2005 to \$0.82, and occupancy increased to 92.7%" (p. 16).

#### Comments:

The market study provided sufficient information on which to base a funding recommendation. It should be noted, however, that the Underwriter's inclusive capture rate is within 1% of the Department's threshold maximum for urban/exurban properties targeting families.

OPERATING PROFORMA ANALYSIS									
Income:	Number of Revisions:	3	Date of Last Applic	ant Revision:	10/17/2007				
prograr	olicant's revised income n rents less utility allowan program rents indicating	ices. The marke	t rents for the 2-, 3-, a	nd 4-bedroom	units are less than				
	derwriter has also used thall gross income estimate								
loss of 7 income Underwincome docum concer	plicant also included sec 2.5% which are in line with for 112 garages that is exiter requested that the and a with the applicant properties of the low mark and the lack and this source of incorporation.	n Department staguivalent to \$6 Applicant province of the Applicant as the Applicant the Applicant the Applications in the Marting in the Applications in the Applications in the Applications in the Marting in the Applications	tandards. However, th 0 per month per gard de documentation to nent in response, no h pplicant's estimate. Th ry high projected gar	ne Applicant has a support the substraction is support the substraction is supported by the substraction is substraction in the substraction is substraction in the substraction is substraction.	as estimated garage age occupancy. The ubstantial garage rt or other solid is particularly high lease rate. Due				
Expense:	Number of Revisions:	2	Date of Last Applic	ant Revision:	10/17/2007				
estimat estimat expens databo to supp across e	olicant's revised total exp e of \$4,159 per unit. While es are generally lower th es with a much lower pa use figures for comparable ort the lower estimate, the each line item rather tha	e no specific lin an the Underwi yroll and payrol e properties. Up ne Applicant re	e items deviate signifi riter's estimates. The A Il tax figure that was s bon the Underwriter's vised the expenses to	cantly, the Ap pplicant origir ignificantly low request for ad reflect a realle	plicant's line item vally submitted ver than the TDHCA ditional information ocation of expense				
Conclusion		t		. ( )	*I - I I* I II -				
Applico Underw covera minimu	ne Applicant's estimate of ant's projected operating riter's Year One proformage ratio. The Underwriter m of 1.15. Therefore, the nent first lien. This is discus	expense and rate is used to detect t	net operating income ermine the developm ds a DCR that is belov I financing structure w	(NOI) are not ent's debt cap v the Departm vill reflect a de	Therefore, the pacity and debt ent's current crease in the				
Feasibility:									
The und for experience year efficient adjustment of the coveral of	derwriting 30-year proformenses in accordance with ective gross income, explents to the terms and/or ge ratio that remains aborderized as feasible	n current TDHC, pense and net of amounts of the ove 1.15 and co	A guidelines. As noted operating income we e anticipated debt, the ontinued positive cast	d above, the U re utilized, and ne 30-year pro	nderwriter's base I after necessary forma reflects a debt				
		A COLUCITIO	ON INCODALATION						
			ON INFORMATION SSED VALUE						
	00.5-								
Land Only		\$451,000	Tax Year:		2006				
Existing Bui		\$19,883 \$470,883	Valuation Tax Rate:	Dy:	Travis CAD 2.2028				
Total Asses	seu vulue.	₽ <b>4</b> /∪,ԾԾ3	iax kale:		Z.ZUZO				

EVIDENCE o	F PROPERTY CONTROL							
Type: Standard Contract for Sale and Purcha	se Acreage: 22.5							
Contract Expiration: 11/30/2007	Valid Through Board Date? X Yes No							
Acquisition Cost: \$1,500,000	Other:							
Seller: 22.5 Acres, Ltd	Related to Development Team? Yes X No							
CONSTRUCTION C	COST ESTIMATE EVALUATION							
COST SCHEDULE Number of Revisions:	Date of Last Applicant Revision: 10/19/2007							
Applicant's acquisition cost is assumed to be i	ract for \$1,500,000 (\$66.7K per acre or \$6.7K per unit). The reasonable due to the arm's length nature of the ntial portion of the property in the floodplain, the pears to be high.							
Sitework Cost:  The Applicant's claimed sitework costs of \$6,4 therefore, third-party substantiation is not requirect Construction Cost:	15 per unit are below the Department's threshold and vired.							
derived from Marshall and Swift's Residential C	cost is 2% or \$270K lower than the Underwriter's estimate Cost Handbook. Of note, the Applicant did not include the es in eligible basis. These costs have been allocated to the							
Contingency & Fees:  The Applicant's eligible contractor fees, developer fees, and contingency exceed the Department's maximums by a total of \$40,992. Therefore, the Applicant's eligible basis has been reduced by an equivalent amount and the costs effectively shifted to ineligible items.								
Applicant's cost schedule will be used to dete to calculate eligible basis. An eligible basis of	nin 5% of the Underwriter's estimate. Therefore, the ermine the development's need for permanent funds and \$21,514,877 supports annual tax credits of \$785,293. This quest and the tax credits calculated based on the gap in ecommended allocation.							
FINANC	CING STRUCTURE							
SOURCES & USES Number of Revisions:  Issuer: TDHCA Source: ARCS Commercial Mortgage	Date of Last Applicant Revision: 10/19/2007  Type: Interim to Permanent Bond Financing							
by the Department. The commitment indicate 7.1%. The underwriting rate consists of a base fee (0.66%), a liquidity fee (0.15%), issuer fees (0.05%). The commitment indicates a 5 year in	7.10% Fixed Amort: 420 months  5,000,000 in Tax-Exempt Private Activity bonds to be issued as a variable rate structure with an underwriting rate of rate of 6% and stack consisting of a guarantee/servicing (0.16%), a remarketing fee (0.10%), and a trustee fee atterest only period followed by a 35 year amortization year interest only period was negotiated to allow for							
this purpose. However, a rate cap agreemen	ar cap will be purchased and has budgeted \$175,000 for t was not available at the time of this report. Therefore, of an executed interest rate cap agreement with the							

source:	Boston Capital		iype:	syndication		
Proceeds:	\$7,402,188	Syndication Rate:	97%	Anticipated HTC:	\$	759,275
Comments 1.15 min	:: nimum DCR requirement					
Amount:	\$1,496,275		Туре:	Deferred Developer	Fees	

#### **CONCLUSIONS**

#### Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. Therefore, receipt, review and acceptance, by commitment, of documentation including, but not limited to a new permanent loan commitment supporting a debt coverage ratio at a minimum of 1.15 is a condition of this report. The current underwriting analysis assumes a decrease in the permanent loan amount to \$13,415,000 based on the terms reflected in the application materials. As a result the development's gap in financing will increase. Board acceptance of a potential mandatory redemption of \$1,585,000 in bonds at conversion to permanent is therefore also a condition of this report.

The Applicant's total development cost estimate less the adjusted permanent loan of \$13,415,000 indicates the need for \$10,744,799 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,102,141 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$786,789), the gap-driven amount (\$1,102,141), and eligible basis-derived estimate (\$785,293), the eligible basis-derived estimate of \$785,293 is recommended resulting in proceeds of \$7,655,838 based on a syndication rate of 97%.

The Underwriter's recommended financing structure indicates the need for \$3,088,961 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 15 years of stabilized operation. However, a portion of contractor fee must be deferred in addition to 100% of the developer fee. The contractor is a related party and it is unlikely that this would be a significant barrier to development. However, receipt, review, and acceptance, by commitment, of a letter from the general contractor indicating a willingness to defer contractor fee as necessary is a condition of this report.

Underwriter:		Date:	October 31, 2007
	Cameron Dorsey		
Manager of Real Estate Analysis:		Date:	October 31, 2007
	Raquel Morales		
Director of Real Estate Analysis:		Date:	October 31, 2007
	Tom Gouris		

#### MULTIFAMILY COMPARATIVE ANALYSIS

#### Residences at Onion Creek, Austin, 4% HTC/MRB #07621

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%	32	1	1	842	\$800	\$727	\$23,264	\$0.86	\$73.00	\$50.00
TC 60%	96	2	2	1,084	\$960	823	79,008	0.76	101.00	57.00
TC 60%	88	3	2	1,198	\$1,109	883	77,704	0.74	124.00	84.00
TC 60%	8	4	2.5	1,415	\$1,237	1,039	8,312	0.73	164.00	101.00
TOTAL:	224		AVERAGE:	1,106		\$841	\$188,288	\$0.76	\$108.29	\$68.18

INCOME Total Ne	t Rentable Sq Ft:	247,752		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				\$2,259,456	\$2,259,072	Travis	Austin	7
Secondary Income	Pe	er Unit Per Month:	\$15.00	40,320	40,320	\$15.00	Per Unit Per Month	
Other Support Income: Garage I	ncome			0	72,576	\$27.00	Per Unit Per Month	
POTENTIAL GROSS INCOM	Ξ			\$2,299,776	\$2,371,968			
Vacancy & Collection Loss	% of Potent	tial Gross Income:	-7.50%	(172,483)	(177,898)	-7.50%	of Potential Gross In	come
Employee or Other Non-Rental L		ions		0	0			
EFFECTIVE GROSS INCOME	Ξ			\$2,127,293	\$2,194,070			
<u>EXPENSES</u>	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.21%	\$400	0.36	\$89,660	\$71,800	\$0.29	\$321	3.27%
Management	3.44%	327	0.30	73,189	87,763	0.35	392	4.00%
Payroll & Payroll Tax	10.58%	1,004	0.91	224,973	213,000	0.86	951	9.71%
Repairs & Maintenance	5.07%	481	0.43	107,752	91,400	0.37	408	4.17%
Utilities	2.10%	200	0.18	44,765	40,000	0.16	179	1.82%
Water, Sewer, & Trash	4.83%	458	0.41	102,699	88,000	0.36	393	4.01%
Property Insurance	2.40%	228	0.21	50,981	50,000	0.20	223	2.28%
Property Tax 2.2028	8.12%	771	0.70	172,700	165,000	0.67	737	7.52%
Reserve for Replacements	2.63%	250	0.23	56,000	56,000	0.23	250	2.55%
TDHCA Compliance Fees	0.42%	40	0.04	8,960	8,960	0.04	40	0.41%
Other:	0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	43.80%	\$4,159	\$3.76	\$931,679	\$871,923	\$3.52	\$3,893	39.74%
NET OPERATING INC	56.20%	\$5,338	\$4.83	\$1,195,614	\$1,322,148	\$5.34	\$5,902	60.26%
DEBT SERVICE								
Merchant Capital Loan (Bonds)	54.65%	\$5,190	\$4.69	\$1,162,585	\$1,099,867	\$4.44	\$4,910	50.13%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	1.55%	\$147	\$0.13	\$33,029	\$222,281	\$0.90	\$992	10.13%
AGGREGATE DEBT COVERAGE	RATIO			1.03	1.20			
RECOMMENDED DEBT COVER	AGE RATIO			1.15				

**CONSTRUCTION COST** 

<u>Description</u>	<u>Factor</u>	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		6.09%	\$6,696	\$6.05	\$1,500,000	\$1,500,000	\$6.05	\$6,696	6.21%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		5.83%	6,415	5.80	1,437,000	1,437,000	5.80	6,415	5.95%
Direct Construction		47.12%	51,818	46.85	11,607,202	11,337,000	45.76	50,612	46.93%
Contingency	4.94%	2.62%	2,876	2.60	644,300	644,300	2.60	2,876	2.67%
Contractor's Fees	13.83%	7.32%	8,054	7.28	1,804,040	1,804,040	7.28	8,054	7.47%
Indirect Construction		5.87%	6,458	5.84	1,446,700	1,446,700	5.84	6,458	5.99%
Ineligible Costs		3.97%	4,370	3.95	978,930	978,930	3.95	4,370	4.05%
Developer's Fees	14.87%	11.47%	12,616	11.41	2,826,000	2,826,000	11.41	12,616	11.70%
Interim Financing		8.37%	9,200	8.32	2,060,829	2,060,829	8.32	9,200	8.53%
Reserves		1.32%	1,455	1.32	326,019	125,000	0.50	558	0.52%
TOTAL COST		100.00%	\$109,960	\$99.42	\$24,631,020	\$24,159,799	\$97.52	\$107,856	100.00%
Construction Cost Red	ар	62.90%	\$69,163	\$62.53	\$15,492,542	\$15,222,340	\$61.44	\$67,957	63.01%

Construction Cost Recap	62.90%	\$09,703	\$02.53	\$15,492,542	\$15,222,340	\$01.44
SOURCES OF FUNDS						RECOMMENDED
Merchant Capital Loan (Bonds)	60.90%	\$66,964	\$60.54	\$15,000,000	\$15,000,000	\$13,415,000
Additional Financing	0.00%	\$0	\$0.00	0	0	0
HTC Syndication Proceeds	31.11%	\$34,212	\$30.93	7,663,524	7,663,524	7,655,838
Deferred Developer Fees	6.07%	\$6,680	\$6.04	1,496,275	1,496,275	3,088,961
Additional (Excess) Funds Req'd	1.91%	\$2,104	\$1.90	471,221	0	0
TOTAL SOURCES				\$24,631,020	\$24,159,799	\$24,159,799

Developer Fee Available \$2,806,288 % of Dev. Fee Deferred 110% 15-Yr Cumulative Cash Flow \$5,270,762

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Residences at Onion Creek, Austin, 4% HTC/MRB #07621

#### DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$52.99	\$13,127,798
Adjustments				
Exterior Wall Finish	3.20%		\$1.70	\$420,090
Elderly	0.00%		0.00	0
9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(0.88)	(218,553)
Floor Cover			2.43	602,037
Breezeways/Balconies	\$22.02	25,719	2.29	566,435
Plumbing Fixtures	\$805	592	1.92	476,560
Rough-ins	\$400	224	0.36	89,600
Built-In Appliances	\$1,850	224	1.67	414,400
Exterior Stairs	\$1,800	74	0.54	133,200
Enclosed Corridors	\$43.07		0.00	0
Heating/Cooling			1.90	470,729
Garages/Carports	Not included	in eligible basis	0.00	0
Comm &/or Aux Bldgs	\$62.25	3961	1.00	246,570
Other: fire sprinkler	\$1.95	247,752	1.95	483,116
SUBTOTAL			67.86	16,811,982
Current Cost Multiplier	0.98		(1.36)	(336,240)
Local Multiplier	0.87		(8.82)	(2,185,558)
TOTAL DIRECT CONSTRU	ICTION COST	TS	\$57.68	\$14,290,184
Plans, specs, survy, bld prn	3.90%		(\$2.25)	(\$557,317)
Interim Construction Interes	3.38%		(1.95)	(482,294)
Contractor's OH & Profit	11.50%		(6.63)	(1,643,371)
NET DIRECT CONSTRUCT	TION COSTS		\$46.85	\$11,607,202

#### **PAYMENT COMPUTATION**

Primary	\$15,000,000 Amort		420
Int Rate	7.10%	DCR	1.03
Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.03
Additional	\$7,663,524	Amort	
Int Rate		Aggregate DCR	1.03

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$1,039,739
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$155,876

Primary	\$13,415,000	Amort	420
Int Rate	7.10%	DCR	1.15
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional	\$7,663,524	Amort	0
Int Rate	0.00%	0.00% Aggregate DCR	

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME	at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIA	AL GROSS	RENT	\$2,259,456	\$2,327,240	\$2,397,057	\$2,468,969	\$2,543,038	\$2,948,078	\$3,417,630	\$3,961,970	\$5,324,556
Secondar	ry Income		40,320	41,530	42,775	44,059	45,381	52,608	60,988	70,701	95,017
Other Su	pport Incor	me: Garage	0	0	0	0	0	0	0	0	0
POTENTIA	AL GROSS	NCOME	2,299,776	2,368,769	2,439,832	2,513,027	2,588,418	3,000,686	3,478,618	4,032,671	5,419,573
Vacancy	& Collection	on Loss	(172,483)	(177,658)	(182,987)	(188,477)	(194,131)	(225,051)	(260,896)	(302,450)	(406,468)
Employee	e or Other	Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIV	E GROSS	INCOME	\$2,127,293	\$2,191,112	\$2,256,845	\$2,324,550	\$2,394,287	\$2,775,635	\$3,217,721	\$3,730,221	\$5,013,105
EXPENSE	S at	4.00%									
General 8	& Administ	rative	\$89,660	\$93,246	\$96,976	\$100,855	\$104,889	\$127,614	\$155,262	\$188,900	\$279,617
Managen	nent		73,189	75,384	77,646	79,975	82,375	95,495	110,705	128,337	172,474
Payroll &	Payroll Ta	ıx	224,973	233,972	243,331	253,064	263,186	320,206	389,580	473,984	701,612
Repairs 8	& Maintena	ince	107,752	112,063	116,545	121,207	126,055	153,365	186,592	227,018	336,042
Utilities			44,765	46,555	48,418	50,354	52,369	63,714	77,518	94,313	139,606
Water, Se	ewer & Tra	ısh	102,699	106,807	111,079	115,523	120,144	146,173	177,842	216,372	320,283
Insurance	Э		50,981	53,021	55,141	57,347	59,641	72,562	88,283	107,410	158,993
Property '	Tax		172,700	179,608	186,792	194,263	202,034	245,805	299,060	363,852	538,590
Reserve t	for Replace	ements	56,000	58,240	60,570	62,992	65,512	79,705	96,974	117,984	174,644
Other			8,960	9,318	9,691	10,079	10,482	12,753	15,516	18,877	27,943
TOTAL EX	PENSES		\$931,679	\$968,214	\$1,006,189	\$1,045,660	\$1,086,686	\$1,317,394	\$1,597,331	\$1,937,046	\$2,849,805
NET OPER	RATING IN	ICOME	\$1,195,614	\$1,222,898	\$1,250,656	\$1,278,891	\$1,307,600	\$1,458,241	\$1,620,390	\$1,793,175	\$2,163,300
DE	BT SERVI	ICE									
First Lien F	Financing		\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739	\$1,039,739
Second Lie	en		0	0	0	0	0	0	0	0	0
Other Fina	incing		0	0	0	0	0	0	0	0	0
NET CASH	H FLOW		\$155,876	\$183,159	\$210,918	\$239,152	\$267,862	\$418,502	\$580,651	\$753,437	\$1,123,561
DEBT COV	VERAGE F	RATIO	1.15	1.18	1.20	1.23	1.26	1.40	1.56	1.72	2.08

#### HTC ALLOCATION ANALYSIS -Residences at Onion Creek, Austin, 4% HTC/MRB #07621

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	\$1,500,000	\$1,500,000		
Purchase of buildings				
Off-Site Improvements				
Sitework	\$1,437,000	\$1,437,000	\$1,437,000	\$1,437,000
Construction Hard Costs	\$11,337,000	\$11,607,202	\$11,337,000	\$11,607,202
Contractor Fees	\$1,804,040	\$1,804,040	\$1,788,360	\$1,804,040
Contingencies	\$644,300	\$644,300	\$638,700	\$644,300
Eligible Indirect Fees	\$1,446,700	\$1,446,700	\$1,446,700	\$1,446,700
Eligible Financing Fees	\$2,060,829	\$2,060,829	\$2,060,829	\$2,060,829
All Ineligible Costs	\$978,930	\$978,930		
Developer Fees			\$2,806,288	
Developer Fees	\$2,826,000	\$2,826,000	-	\$2,826,000
Development Reserves	\$125,000	\$326,019		
TOTAL DEVELOPMENT COSTS	\$24,159,799	\$24,631,020	\$21,514,877	\$21,826,071

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	\$21,514,877	\$21,826,071
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$21,514,877	\$21,826,071
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$21,514,877	\$21,826,071
Applicable Percentage	3.65%	3.65%
TOTAL AMOUNT OF TAX CREDITS	\$785,293	\$796,652

Syndication Proceeds 0.9749 \$7,655,838 \$7,766,573

Total Tax Credits (Eligible Basis Method) \$785,293 \$796,652

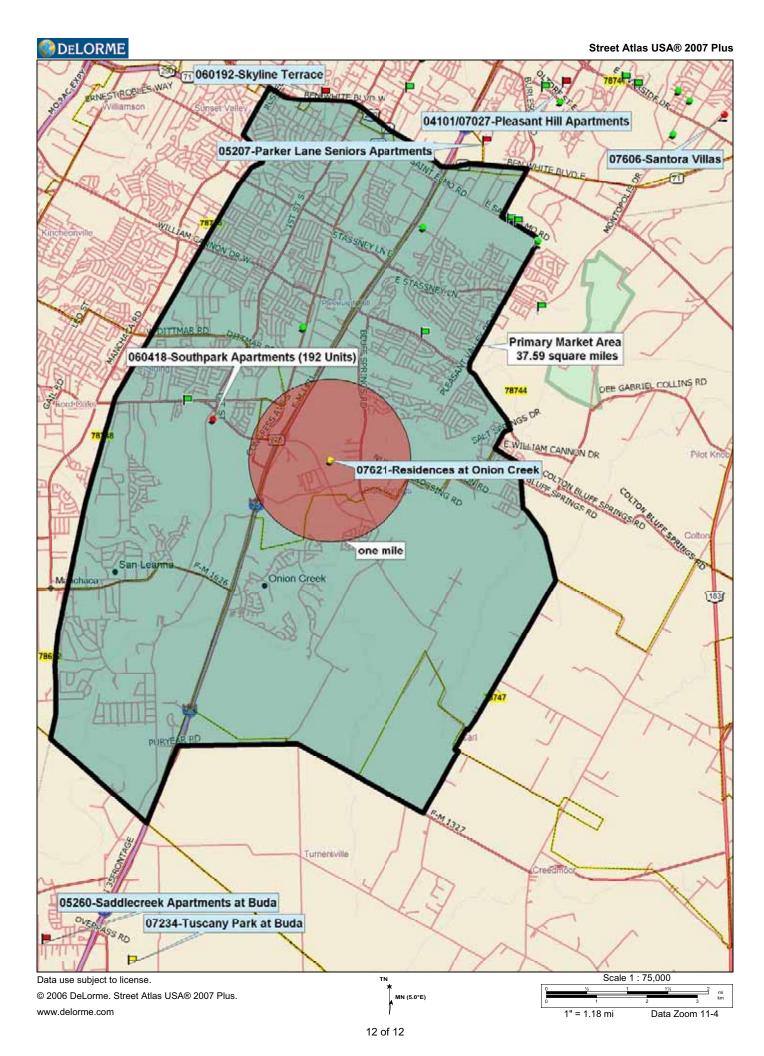
Syndication Proceeds \$7,655,838 \$7,766,573

Requested Tax Credits \$786,789

Syndication Proceeds \$7,670,423

Gap of Syndication Proceeds Needed \$10,744,799

Total Tax Credits (Gap Method) \$1,102,141



## **Applicant Evaluation**

Project ID # <b>07621</b> Name:	Onion Creek	City: Austin
LIHTC 9% ☐ LIHTC 4% ✔ H	IOME BOND HTF	SECO ESGP Other
☐ No Previous Participation in Texas	Members of the develop	oment team have been disbarred by HUD
— No Frevious Farticipation in Texas	in Members of the develop	illent team have been disbarred by 110D
National Previous Participation Ce	rtification Received:   N/A	$\square$ Yes $\square$ No
Noncompliance Reported on Natio	onal Previous Participation Certification:	$\square$ Yes $\square$ No
	Portfolio Management and Compliance	
	Projects in Material Noncompliance	
Total # of Projects monitored:7	Yes □ No ✓	# in noncompliance: 0
Projects zero to nine:5_		Projects not reported Yes in application No
grouped ten to nineteen: 2 by score		<del></del>
twenty to twenty-nine: 0	# not yet monitored or pending review:	# of projects not reported0
Portfolio Monitoring	Single Audit	Portfolio Analysis
Not applicable ✓	Not applicable	Not applicable
Review pending	Review pending	No unresolved issues
No unresolved issues	No unresolved issues	Not current on set-ups
Unresolved issues found	Issues found regarding late cert	Not current on draws
Unresolved issues found that warrant disqualification	Issues found regarding late audit	Not current on match
(Comments attached)	Unresolved issues found that warrant disqualification	
	(Comments attached)	
Reviewed by	T	Date
Multifamily Finance Production	НОМЕ	Real Estate Analysis (Workout)
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that	Unresolved issues found that	Unresolved issues found that $\Box$
warrant disqualification (Comments attached)	warrant disqualification (Comments attached)	warrant disqualification (Comments attached)
Reviewer S Gamble	Reviewer Jo En Taylor	Reviewer D. Burrell
Date 10/10/2007	Date <u>10/15/2007</u>	Date <u>10/10/2007</u>
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship	Not applicable	No delinquencies found
Review pending	Review pending	Delinquencies found
No unresolved issues	No unresolved issues	
Unresolved issues found	TT 1 1: C 1	
	Unresolved issues found	
Unresolved issues found that	Unresolved issues found that	
warrant disqualification	Unresolved issues found that warrant disqualification	
	Unresolved issues found that	Reviewer Melissa M. Whitehead

## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RESIDENCES AT ONION CREEK

PUBLIC HEARING

Akins High School Cafeteria Akins High School 10701 South First Street Austin, Texas 78748

September 4, 2007 6:00 p.m.

**BEFORE:** 

SHARON D. GAMBLE, Housing Specialist

## I N D E X

<u>SPEAKER</u>	PAGE
Bob Flynn	32
Karen Gonzales	36
Pat Young	37
Jerry Carroll, Jr.	39
Dennis Young	43
Jennifer Barker	49
Chris Smith	50
Kristen Gordon	52
Rachel Micklethwait	54
Whitten Smart	57
Bob Flynn	59
Pat Young	60

## PROCEEDINGS

MS. GAMBLE: Let's get started so that we make sure we have enough time to get everything done, get every -- all of the comments onto the record and that sort of thing.

We've got a little bit of an unorthodox setup, here. We can't really do -- you know, stadium seating here, I guess. So what I'm going to ask you to do is, if you have a comment, if you would I'm going to leave this microphone here on the edge of the table. If you would come up and grab this microphone, because -- it's very important because otherwise, the -- looks like we might have some more people coming.

Otherwise, the court reporter won't pick up your comments, and it's very, very important to have all of the comments on the record. So as these people come in, we'll go ahead and get started, and I'll kind of give them a little intro as they come in.

Hello. Welcome to the hearing. Come on in.

You probably had as much trouble as the rest of us finding this place.

(Laughter.)

MS. GAMBLE: When you come in, on the table over here there's a sign-in sheet, and there's several

handouts. There's a form called a witness affirmation form. If you think you may want to speak during this hearing, please fill out one of those forms and bring it to me, so that we can have your information for the record.

VOICE: Are we going to be able to ask you questions --

MS. GAMBLE: Absolutely.

VOICE: -- even if we don't sign up?

MS. GAMBLE: Oh, yes. Yes, yes. Just, if you want to make an official statement, then --

VOICE: Oh, okay.

MS. GAMBLE: -- you'll want to for sure, but don't worry about it.

My name is Sharon Gamble. I work for the Texas

Department of Housing and Community Affairs. I work in

the Multifamily Finance Division, and I'm doing this

hearing on behalf of the Department.

The role of the Department in this process is to allow interested parties, whether they be people interested in being residents, or neighbors -- the opportunity to provide comments on the development that we'll be discussing this evening.

I'm going to give you sort of a little bit of

an outline of how the hearing's going to go. First I'm going to do a short presentation that tells you about the programs that the Department oversees, two programs in particular that the developer, Mr. Allgeier here, has applied for.

And then secondly, Mr. Allgeier is going to give you a quick presentation on his company, his business, his development, that sort of thing.

And then lastly, I have a speech that I'm required to read, required by the IRS to read, and then after that we'll open the floor for public comments, for question and answer, for -- since we have a small group I think that we can be a little, you know, less structured.

So we'll have -- you know, we'll do public comment, we'll do question and answer, and at that time you can ask any questions that you have about the Department, about our programs, or about the development.

If -- does anybody have any questions about that? Any comments at this time?

(No response.)

MS. GAMBLE: Great. Okay, then I'm going to go ahead. Just -- in case you didn't find them when you came in, the handouts that we have, we have sort of an FAQ sheet that has questions, some sort of frequently asked

questions and answers there, handouts regarding the development's specifics, and then also information about how to contact us at the Department.

And then also I mentioned the witness affirmation forms. If at any time you decide that you want to speak, please fill out one of those forms, and bring it up to me.

Also, sign-in sheets, make sure you sign in, and if you haven't yet decided whether or not you're for or against this development, then just before you leave, if you'd make sure you check one of those boxes, if it's important to you then that would be great. If your opinion is neutral, then that's fine too.

The entire hearing and all of the comments made here this evening will be transcribed by a court reporter. It's important that you make your comments at this microphone, so that she can record your comments. Any comments or questions made from the audience may not be picked up on the record.

To allow everyone the opportunity to speak, we will answer any questions or concerns that were raised at the end, after all of the public comment has been made. I ask that the developer keep a list of any questions that come up as it relates to the particular development, and

I'll keep a list of questions that come up as it relates to the Department, and our role.

According to the IRS Code, the Department is only required to take public comment on the bond issuance. However, TDHCA, which is the agency I work for, has extended this hearing to take comment on the development itself. We're not required to do that, but we want community input, and to ensure that your voice is heard.

TDHCA schedules the public hearing where the development is to be located, at a time and location that is convenient for the community. The mission of the Department is to help Texans achieve an improved quality of life through development of better communities.

The two programs the developer have applied for include, Private Activity Bond Program, and the Housing Tax Credit Program. Those programs were created by the federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower than average incomes.

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

on that investment. The bond purchaser accepts a lower rate of return; therefore, the lender that is involved will charge a lower interest rate for the mortgage that will be placed on the property to the developer.

Therefore, the developer can build a marketrate property at a lower cost to the developer. Dit-ditdit-dit-dit.

The Housing Tax Credit is another program that goes along with the bond program. The Housing Tax Credit was created as a result of the Tax Reform Act of 1986.

The Housing Tax Credit is a credit or reduction in tax liability each year for ten years, for investors in affordable rental housing, by providing a credit against the tax liability, the Housing Tax Credit is an incentive for individuals and corporations to invest in the construction or rehabilitation of housing for low-income families.

The Housing Tax Credit provides additional financing to the development, and lowers building costs, which allows the developer to provide lower rents to affordable tenants.

In conclusion, with both of these programs the tax benefit goes to the investors that have financed the development. These two programs result in a developer

being able to bring something of high quality to your area, and all of these properties are privately owned and privately managed.

There are ongoing oversight responsibilities between the affordable housing developments and the Department. This includes regular monitoring to ensure the development is complying with rules of the Housing Tax Credit and Private Activity Bond Programs. The term the development will be monitored for is the greater of 30 years or as long as the bonds are outstanding, which is usually 30 years.

Which means that he can't build this property and then sell it a year from now; he's in this for 30 years.

Oversight responsibilities include that the units are occupied by eligible households, we have oversight over the physical appearance of the property, make sure that rents are capped at the appropriate levels, that the repair reserve accounts are established and funded, other important checks are tenant background checks including credit checks, criminal background checks, are established by the developer and will apply to all tenants equally.

The developer can establish procedures up to

and including eviction for various reasons, consistent with state eviction laws that would be applicable to any other apartment complex. TDHCA does not set these requirements.

Private Activity Bond developments are monitored ever year by the Department's third party asset oversight agents. In addition, the Department's Compliance Division monitors the development every two years. Desk reviews are done quarterly by the Department, and are a modified version of an onsite visit.

The Department verifies that the set-asides were made, i.e., if they're low income tenants or if they are supposed to be elderly tenants, those sorts of things; and that the units are income and rent restricted.

After the lease-up is completed, a survey is usually done to determine the tenant profile, and the types of services that would be of interest to tenants. These services are provided by the developers, by some of the developers on site if their development includes these, and they can include things like tutoring and honor roll programs for children, computer access and educational classes, after-school activities and summer camps, health care screening, immunizations, ESL classes, financial planning, credit counseling, down payment

assistance -- these are just some of the services that can be provided.

And it's important to note that all or most individuals begin in multifamily housing. It's the first step to home ownership. Therefore, some developers could choose to provide down payment assistance classes to help educate the tenants on steps they can take towards home ownership.

Okay? At this time I'm going to turn it over to Dan Allgeier, who's going to tell you about his development.

MR. ALLGEIER: Thank you, Sharon.

My name is Dan Allgeier, I'm a vice president with NuRock Development. NuRock is a nationwide firm, we're based in Atlanta. I'm out of the Irving, Texas, office. We currently have two other properties in Austin, I'll tell you a little bit about them here later in this brief presentation.

We've got our own development company, which

I'm vice president of the development company; our own

construction company; property management company, and a

housing foundation which we use to provide services to our

residents.

The advantage of all of this being integrated

is, we have better communication that way, and we have control over the property and the quality of the property from the dirt all the way through the 30-year compliance period.

We're the 13th largest developer of affordable housing in the United States this year. As Sharon mentioned, the programs that we use -- require that we own them for -- own these properties for a long period of time. She said I'd be owning it for 30 years; I'm not sure I'm going to be owning it for 30 years (laughs), NuRock will be. And hopefully I'm here in 30 years. We'll be the owners and we do build for the long term.

And what that means is, because we own our own construction company, and we're going to own this for 30 years, we really don't cut very many corners. We spend more money -- our construction company does not make a lot of money. Some years it doesn't make any money, because we've put the money in the properties.

Our foundation runs a program which is called,
Breakout, which is a trademarked and award-winning
program, which is an after-school and summer program for
kids. We've won awards, the Homebuilders' Distinction for
Rehab Project -- you guys can read probably better than I
can. So we're one of the better companies in our

industry. We like to think we're one of the best companies in our industry.

Let me tell you a little bit about the Breakout Program, and this property will have a Breakout Center on it. And I'll get into more specifics about what we're planning on building, but basically 224 units, multiple bedrooms, and it's for families primarily.

Breakout is an after-school and summertime program for children. It's voluntary, the residents do not have to participate, but it's free. It's -- well, it's not free but it's included in the rent. And what we do is -- Well, that's our little mission statement with Breakout. We -- it's only for residents; it's not for people who don't live in the community, and there's no additional charge, as I mentioned.

The kids get off the school bus. They start to wander off as they do. Well, if they're in Breakout, our Breakout director's standing there. "You need to go into the Breakout Center." We build a physical facility. The kids go in, they have activities, they go, "Well, I don't have any homework tonight." Now, we know better because we've communicated with the school. We know if they have homework.

"Well, I forgot to bring my book home." We've

got your book. Because we get a copy of all books for all of the classes for our kids. We'll have on average 50, 60 kids in this program, all the way from 16 years old to six years old, and that's a lot of work, but that's what we do.

The reason it's done through our foundation is really the property cannot afford to do this and not charge the residents on their own. So we put up a foundation, we get donations from outside sources, and we're able to run this program.

As I said, we work with the local schools to ensure the students are completing their work at home, and work on areas of special need. If that special need is math, then they'll work on their math. The older kids help the younger kids in some cases.

Now, if a kid doesn't have anything to do, that doesn't mean he gets to go out and mess around; they still have to stay there, we have games, we have pool tables, we have foosball tables, we have a very nice computer center for the kids; the other computer center for the residents too, but we got one for the kids. And we spent a lot of time and effort setting this computer system up so they can only go certain places.

I will tell you having worked on that we're

only partially successful with that, because these kids are really good (laughs). Suffice it to say we work at it, and try to keep it where they can only go certain places.

We put -- we have special activities. You can see what we're talking about here. These are for the kids. We also do adult programs at night. And that's as Sharon said, we'll do home ownership, ESL if it's needed, and other programs like that. Some health screening, we really for a family property we really don't do much health screening. It's mostly just how to get into a house, parenting, things like that.

We work with the local schools; the police give us programs, How to Be Safe, How to Handle Bullies, stuff like that. And Boy Scouts, YMCA and other youth organizations. We've actually had Boy Scout troops at properties; this property's not going to be big enough, probably to support that but we've done that. But we'll work with them.

Just some photos of some of the things,
that's -- our Breakout Center in Fort Worth on a property
that we have. It's just a separate facility, and the kids
do Tae Kwon Do, and they swim, and so forth. Residents at
Diamond Hills property we have in Fort Worth, an aerial

photo of it, this is a townhome development, pool, the clubhouse, fitness center and the like.

This is, in here just kind of a representative of what we do. The neighborhood in Fort Worth is nothing like the neighborhood here. The neighborhood in Fort Worth, the Residences at Diamond Hill, is not a very good neighborhood.

We've actually improved the neighborhood; the police have said that -- you know, I don't know if you can read it there, but we -- both the sheriffs and the police have said that we've done a lot for the neighborhood in actually improving it.

This is a property similar in nature. This is in Corinth, which is between Dallas and Denton, on I-35. This property just opened late last year; it's now full, and it's similar in nature to what we're proposing here.

Clubhouse, pool and the typical units. The interiors, even though this is called affordable housing, workforce housing, we do step it up a notch; our finishes are as good as in the -- in a starter home. We do builtins, our units are very well laid out, very livable units and we do nice little features like the little entry back into the bedroom-thingy with the columns, and -- all of our bedrooms are usable; they're big enough to actually

put a bed in.

This is a property we have in Austin, it's called Heritage Pointe. It's over in East Austin, this is a senior property, and that's not what we're building here, but this is always full with a waiting list. Three-story interior corridor, this has been a very, very successful property.

And we have a property called Eagle's Landing here in Austin. It's also on the east side, it's on Decker, it's pretty far out east. And as you can see we have our -- again, this is the Breakout Center, and the apartment units.

Onion Creek, what we're calling Residences at Onion Creek, since it's next to Onion Creek, it's on the -- I guess that would be the east side of Slaughter, since Slaughter turns north-southbound there. You've probably seen the sign, there is a sign on the site.

And if you haven't seen that, Kinney Gardens had a green sign up there forever and ever. It's right before Onion Creek. It's where the median cut is; I'm sure there's a story why there's not another median cut out of that subdivision. I'd be interested to hear it, because I don't understand why there's not one unless somebody got creamed there --

VOICE: Yes, there was an accident --

MR. ALLGEIER: Oh, okay. Well, that's interesting, you might be interested to know -- which I'll tell you a bit later. 224 units, there's a site plan. I can tell you that that's not the final site plan because we're still working with the City of Austin.

This is the floodplain for the flood area for it, over here. Let's see, north is that way on this map. That's -- here's Slaughter down here. Here's the median cut, here's the entrance out of the subdivision right here.

This floodplain line is not accurately located on this map, and so these units are going to -- we're probably going to have a building up on top of the hill as well. Nothing's being built in the floodplain, we're meeting all of Austin's requirements, we're meeting all the wetlands requirements, we're meeting all the -- this property will be -- let me back up.

This property will be in the SMART Housing

Program in the City of Austin. Now, what that means is,

SMART is an acronym for, energy-efficient, affordable,

transit-oriented housing. And you go, How's it transit
oriented, and you're half a mile from the bus stop?

We're working with Cap Metro on that. But it

will be in the SMART Housing program. That means it will be energy efficient, and will have all of the bells and whistles required by the City.

We'll have a bedroom floor plan. This floor plan probably will not change too much. Let's see if I can do this any better; something that's interesting to neighbors, we have patios and balconies. We don't put patios for -- we have patios, balconies or sunrooms. We don't put patios and balconies around the outside of the property. We put sunrooms, because we don't like people to drive by and see a balcony with a bicycle and towels hanging over, and -- all of that stuff.

You can't barbecue on your patio or balcony any more anyway, it's against the law. And the only thing people use patios and balconies for anymore is to send the spouse to smoke. That's the truth. Spouse doesn't need to be smoking anyway -- so.

We've -- we do try to get some balconies,
Sharon; it's in your requirements. But we don't do 100
percent of them, and all around the outside will be
sunrooms; we put it inside the unit, for livable space.

It makes it a lot better and you don't have to look at all
of that stuff, and you don't have to -- and if you don't
have a balcony, you can't hang a dish on it.

I am going to be selling these people, these residents, TV services. I hope they take it. I cannot keep them from using their dish if they have one; that's the law. However, I'm going to sell it to them a lot cheaper than they can buy it from DIRECTV or somebody like that.

I don't really like all those dishes either because they're kind of ugly. So we will have our own system, there will be wifi internet in it, they'll be wired for cable as well.

The units are large. They have washer-dryer hookups. We also rent washers and dryers if people want them. We have a swimming pool, playground, it will be fenced and gated and we'll have 112 detached garages, and thousands of additional parking spaces as required by the City.

I exaggerate; I think the City is going to require roughly an about 400 additional -- in addition to the garage. And because it's Austin, we will have bicycle parking for 20 percent of the units, and other features that are unique.

A workout facility; a business center for the adults with full internet access, with a printer and a fax and all the goodies that you need. Not that many people

use business centers anymore to be honest with you, everybody's got their own computer. But they don't always have their own printer, sometimes the printer's not working, sometimes their internet's down, so it does get used.

We do a walking path around, we've got a lot of green area on this because of the floodplain, and we'll cut a walking path through. Barbecue grills and picnic area, because you can't barbecue on your patio.

We do a trash compacter, a big trash compacter for the whole facility rather than put dumpsters.

Nobody's right next to it. So nobody's backyard's going to be backing up to us, but -- one of the reasons we do that is because if your backyard's across the fence from my property, and I have a dumpster there, you probably wouldn't like that very much. So we do one trash compacter. And we'll have the recycle facilities there as well. That's part of the SMART Housing, that we'll have the -- three of them, I think, here. Yes, I think that's right.

So we'll have a central area for that, and it will be someplace where it won't be offensive to either our property or the neighbors'.

Resident screening. Sharon outlined the

program a little bit, but let me kind of give you a brief synopsis. You've got to have X dollars to build something. This doesn't cost a dime less to build than a regular apartment complex. In many ways it costs more because a lot of times they don't put the energy features in that we do.

We don't put in granite countertops, and we don't put in top of the line appliances or hardwood floors, but we do a nice property. So where does the money come from?

Well, part of it comes from bonds, the taxexempt bonds, which we sell on the open market. And these
we realize \$15 million from that source. The balance
comes from selling these tax credits which are federal
income tax credits, which are sold to investors, and those
investors in turn pay for those credits.

And that money comes to us in equity, we don't have to pay it back, thus our debt is smaller, thus we're able to charge lower rents.

How do we screen our residents? Well, first of all we screen them on income. There's an upper income limit which I'll show you the numbers here shortly, there's also a lower income limit; you got to be able to pay the rent.

We check their credit; many people -- two or three years ago we were turning down people to live in affordable housing that were turning around and going out and buying a house. I know that sounds terrible, but you all have read the headlines, and it's true.

We do check credit, we do have minimum standards. We check with the prior landlord, see if they're good citizens, we do a criminal background check on every resident that's in our restrictions that we sign and file with the county that we will do a criminal background check. It's in the LURA, Land Use Restrictive Agreement.

Okay, what constitutes not being able to live there? Criminal background check. If you were arrested five years ago, driving under the influence, that probably is not going to keep you from living in our property. If you have a history of that, yes, it might. We use some reasonableness with that, but we do a criminal background check on everybody. I can't do a criminal background check on the guy that just bought the house next door. I don't know anything about him. Well, actually I know quite a bit about him now. But that's an advantage that we have.

And they're going to -- they have to agree in

writing to conform to our rules. We have a one strike and you're out, policy. The example that the guy that owns our company always gives, you're living in the property, your brother-in-law comes to visit, he's passing through on his way to Florida, he gets -- you know, they find him with drugs or something -- you're out. That's the way it goes. He's not supposed to live there under those circumstances.

We enforce those rules, you can ask the justice of the peace here in Travis County. We enforce those rules.

Okay, income requirements for the residents.

They got to make enough income to pay the rent. Initially when they first move in, the family has to make less than 60 percent of the median household income for the area.

The current median income for Austin is a little bit under 70 grand, a family of three, that's the maximum income they can make, when they first move in.

Now, if they're there and a year later they make more money, they can continue to live here. They can continue to pay the same rent, or whatever our rent is at that time. They can go up to as much as 140 percent times that number, which is -- \$98,000.

Imagine if they're making \$98,000 they're

probably going to own a house by then, assuming they've got any credit. But the fact is, they can continue to live here.

Given that we have -- I don't use the term daycare, because that's a licensed thing and we do not run a licensed daycare center. But given that we have afterschool care for free, I don't know how many of you pay child care, my kids are all you guys' age, but it's expensive. And that's a nice perk. And we do have good resident retention because of that.

Site features, here's an aerial. I guess you can see the red lines. That outlines our site. Here's the -- I'm sorry, this is the most current area-wide I could find. There's the subdivision; there's the apartments that are -- exist. Here, they're building new apartments here. Here's Home Depot. Here's U-Haul. So forth.

This is a little map that we sent Cap Metro.

Because for the SMART Housing program we really need a bus stop. And we said, Here's what we're going to do. What do we need for you to run the bus out this direction? The Cap Metro, not the school bus; the school bus comes by.

They said, Okay. They looked at it, you got plenty of ridership between the subdivision and the new

apartments being built right here, and the existing apartments and then what we're proposing. There appears to be plenty of ridership but we need a light. We need a traffic light down there.

We said, Well, what does a traffic light cost?

And they said, It's going to cost \$150,000. And we went,

Okay, if you'll put a bus stop there, we will pay for a

traffic light.

Now, the City of Austin is investigating to see, they don't like to put lights right on top of each other; they have to have a light where they're comfortable with a light being -- but if Austin says it's okay to put a light at the median cut, the exit to the subdivision and which will also be our main entrance, then we're going to pay to put a traffic light there.

VOICE: What are you calling the median cut? Where is that? Is that on, does that ramp onto the little road that --

MR. ALLGEIER: No.

VOICE: Is it -- Narrow Glen --

VOICE: Is it on Narrow Glen --

MR. ALLGEIER: Yes. I think Narrow Glen, I think you're right. I'm talking right there --

VOICE: Okay. And I know that's right

across --

MR. ALLGEIER: Now, Brandt -- that's Brandt.

VOICE: Right, but that's --

(Simultaneous discussion.)

MR. ALLGEIER: Okay.

VOICE: Your sign is down at Brandt.

MR. ALLGEIER: But --

VOICE: Yes, and that's where the sign is --

MR. ALLGEIER: All right. Then that's what I'm talking about.

VOICE: Yes. That's Narrow Glen --

(Simultaneous discussion.)

MR. ALLGEIER: Now, I'm not sure -- I mean, I'm not disputing your word, because you live there. But --

VOICE: Yes. Right there --

MR. ALLGEIER: Which is the one they closed? Is that the one they closed?

VOICE: Yes. That's Narrow Glen.

VOICE: This is where they closed, right here.

MR. ALLGEIER: Okay. And there's a median cut there. That's where I'm talking about.

VOICE: Yes.

VOICE: Okay, that's --

MR. ALLGEIER: Yes.

VOICE: Your sign is at the lower one --

MR. ALLGEIER: Yes.

VOICE: Yes, that's --

VOICE: Yes, that's exactly --

MR. ALLGEIER: I think right here -- here's where I'm talking about, okay? Right there.

Now, that's subject to the City approving this. And we've got it in right now, and I wish I could tell you they'd do it; I wish I -- but I can't. And my experience is, they may not, because you have a street here, Brandt Drive, although it's a street to nowhere but it's a street nonetheless, they may not let us put one there.

I don't know. But we've offered to pay for one and I would dearly love it; I've sat out there, there's a lot of traffic, there's a lot of cross-traffic and people come like 75 miles an hour, going towards 35. And you go on a walk around -- we were walking around, it's pretty scary.

And I understand why this one's closed, because you've got the grade, you can't see over and there's not room enough to hide a car in between, and I'm sure somebody got smacked --

VOICE: Yes. People got --

VOICE: We've had five people --

VOICE: Five deaths --

(Simultaneous discussion.)

MR. ALLGEIER: Four? Oh, man. No comment. They always do it too late.

That's where we're talking about. Any help in that area would be appreciated, I would be happy to give you the name of the guy in the City. I don't have it off the top of my head, but I'm happy to do that. He probably wouldn't be happy but I'll do it anyway.

So we're talking about possibly extending the bus route there if Cap Metro does it. That's not going to happen this summer. Neither are the apartments going to happen this summer, the apartments -- probably not be opened until a year from now or even longer, probably 14, 16 months from now.

But the point is, by then hopefully we will have a traffic light and an extension of the Cap Metro out there. I don't know if that's a big deal for you guys or not, and frankly it's really not a big deal for our residents, they all drive cars, that's why we have to have 400 parking spaces. But the fact remains that to get the SMART Housing designation we need to be closer to a bus stop. So we're doing this.

And SMART Housing is important to us because it's -- we did Heritage Pointe as SMART Housing and we found it to be quite a nice little -- residents are happy about that. They feel like they're doing something good. And hopefully in the long run we're saving money on it.

Proximity to services. Shopping on the corner at Slaughter and 35. I -- six or seven years ago I personally built a property down here on Manchaca South. There was nothing. I mean, there was the HEB on the corner of Manchaca and Slaughter, and there was Three [sic] Amigos, and there wasn't much else.

This is great. This is really -- you got Home

Depot, and you got Wal-Mart, and you got Starbuck's. I

don't need anything else, you've got everything I need.

You've got a rec center, you've got parks, there are lots

of parks around here. You've got the other park over here

off of Slaughter.

Some of the other facilities, you've got a fire station up there and another fire station over there, and I believe that's also a police station at that location. The schools, the buses run in front of our property now, the school district likes it because we're over a mile from the school, so they don't have to pay for the bus, the State will pick up the busing.

I wouldn't ask any of my kids to walk; it's too far to any of the schools. Strangely, the -- according to the Austin ISD right now, our kids wouldn't go to this high school; they'd go to Crockett.

VOICE: Right.

MR. ALLGEIER: Surprises me, but -- in another year, who knows.

VOICE: That's probably going to change.

MR. ALLGEIER: Yes, I -- this is a nice facility. Certainly nicer than anything I went to school at. The approximate location of the schools, the high school is up here where -- it's not on our map. This is a three-mile radius, by the way on the circle.

Basically we're close to facilities. It will be income-restricted, that's the initial restriction for the residents, they can go up over that. And that's the access situation, I guess with that I'll open the floor to questions, or do you want to do your official --

She has a legal thing she's got to read into the record, and then we can ask questions.

MS. GAMBLE: Okay. For those of you who came in later, if you'd please make sure you sign in, and if you'd like to speak for the record there are witness affirmation forms on the table; if you'd fill out one of

those and bring it to me prior to speaking, then that would be great. Okay, so now we're going to start.

Good evening, my name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 6:40 p.m. on Tuesday, September 4, 2007, and are at the Akins High School located at 10701 South First Street, Austin, Texas. I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community. This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development and the proposed bond issue.

No decision regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider the transaction on October 11, 2007. In addition to providing your comments at this hearing, the public is also invited to provide comment directly to the Board at any of their meetings. The Department staff will also accept written comments from the public up to 5:00 p.m. on October 2, 2007.

The Bonds will be issued as tax-exempt

multifamily revenue bonds in the aggregate principal amount not to exceed \$15 million, and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs. The proceeds of the Bonds will be loaned to Onion Creek Housing Partners, Ltd. (or a related person or affiliated entity thereof), to finance a portion of the costs of acquiring, constructing and equipping a multifamily rental housing community described as follows: a 224-unit multifamily residential rental development to be constructed on approximately 22 acres of land, located at approximately 2,500 east of the intersection of Interstate Highway 35 and East Slaughter Lane, on the north side of Slaughter Lane, Travis County, Texas. proposed multifamily rental housing community will be initially owned and operated by the borrower (or a related person or affiliate thereof).

I would now like to open the floor for public comment. If anyone has filled out a witness affirmation form and would like to make comment for the record, please come forward at this time with your form.

MR. FLYNN: I'm Bob Flynn, I live at the Crossing at Onion Creek. I'm really concerned about that you don't actually have a traffic light at that

intersection. We've got over 500 vehicles, probably 600 vehicles coming out of the Crossing, and you're going to have about 336. And that's close to a thousand vehicles going in and out of those roads, plus they're going to use Brandt Lane, going Brandt's, all the way to 35, also on that narrow road.

How's that going to handle? We've already had five people killed at the intersection of Narrow Glen and Slaughter Lane. What are we going to do for the protection of the -- of all of the residents, even if you get this built?

MR. ALLGEIER: That's a very good question, and something we've very concerned with. As I said, we have offered to the City to pay for a traffic light there. And they're telling me that's going to be \$150,000, I'd -- that's their estimated cost.

The only thing I could suggest is, I will get the name of the guy in the South -- the engineer for South Austin with the City of Austin is the person that makes this decision, and -- yes, okay. Well, maybe if I offer to pay for it, it makes it easier. I don't know.

But the fact -- are they telling you, obviously you've had some discussion about this --

MR. FLYNN: They kept telling us to go away.

MR. ALLGEIER: Say again?

MR. FLYNN: They told us to go away. They were not --

VOICE: On our way here --

VOICE: Yes.

VOICE: -- we noticed they are doing --

VOICE: They got the rubber strips out --

(Simultaneous discussion.)

MR. ALLGEIER: Oh, well. Actually --

VOICE: They got rubber strips, to --

MR. ALLGEIER: -- we're doing the counter. I'm sorry. I don't want to disappoint you. But -- if we're under 1500 vehicles per day, then I don't have to pay for a full-blown traffic study, and they're just checking. It was 14-something, and so they said, Go put a counter out there.

However, this is good because with this information, I mean -- we need a traffic light here. I mean, honest to God they come 70 miles an hour down there, and I'm not -- I'm preaching to the choir, I know.

But where I'm going is -- also on the record so

I need to be careful what language I'm using, I apologize.

They really come fast, and it's very important to us as
well. We -- we'll have to set our gates back to get what

you call storage space for cars, so that when somebody pulls off, you know, we don't leave our gates open; we leave our gates shut. You got to use your card, you got to use your code, to get in. We don't leave them open.

So you got to have rooms for cars to store in there. So we'll have to move our gates back, because there's a lot of -- and if we don't have a traffic light it's going to be a real mess. It's going to -- and Cap Metro won't put a bus stop out there if they got to u-turn a bus there with no traffic light? Oh, no. No way. No way they'll do that.

So we're working on it. If somebody -- if you've had some discussion with the gentleman, I would like the opportunity to visit with you and then I'll go talk to this guy.

VOICE: Several of us have.

MR. ALLGEIER: Well, if you all would talk to them, I think the SMART Housing situation, tied to the bus, this SMART Housing program's a pretty interesting thing, it does seem to cut a lot of red tape in the City.

VOICE: You know, if you can afford to build this magnificent building, you can afford to put in a light in.

MR. ALLGEIER: That's our opinion. And it's

not only that. It's an issue of -- well, just from, just a pure practical standpoint, do we want to put our residents at risk, too? Because it's a situation where if one of our residents gets killed because they're trying to turn out there and we didn't provide a safe way to get in and out, you know --

VOICE: It's --

MR. ALLGEIER: -- it's just not prudent business --

VOICE: There really should be no question; you guys should just do it.

VOICE: I'm not letting go of it.

VOICE: They make you take it down.

MS. GAMBLE: Let me just remind you that if you're not close to a microphone, the record won't pick up your comments, so -- please just make sure to do that.

Does anyone else have a witness affirmation form?

MS. GONZALES: Hi, I'm Karen Gonzales. I'm a resident at the Crossing of Onion Creek. I actually just had a couple questions, if that -- I hope that's okay.

One is, what is the number of people per unit?

I know you have one-bedroom, two-bedroom? How many
people can be in each unit?

MR. ALLGEIER: Our policy is, two persons per

bedroom, maximum. Period.

VOICE: And how many bedrooms?

MR. ALLGEIER: And the unit mix, which I failed to tell you guys, thanks for bringing that up, I'm sorry.

Thirty one-bedroom, 96 two-bedroom, 80 three-bedrooms, and eight four-bedrooms.

MS. GONZALES: And just to clarify, you are willing -- your company is willing to pay for a traffic light if the City of Austin will put one there. But the City of Austin has to decide to put one there.

MR. ALLGEIER: That is true. And we're on record.

MS. GONZALES: Thank you. I just wanted to get it on there.

MR. ALLGEIER: I've got a line item in my budget for it. And I did that because -- I did a property, not NuRock; I did a property in Oklahoma on a county road where people drove 70 miles an hour and didn't get a traffic light up, and somebody pulled out like a week after we were open and got killed in a car wreck.

And we have fought very hard for traffic lights ever since then.

MS. YOUNG: Hi, I'm Pat Young. I'd like to know what type of construction materials are going to be

used?

MR. ALLGEIER: You mean finishes?

MS. YOUNG: Yes. What type of construction finishes.

MR. ALLGEIER: Yes. I'll give you just a basic comment on construction. It's wood frame construction, three-story, it will be sprinklered -- fire-sprinklered. Concrete foundations, post-tension concrete -- we'll start at the bottom. Post-tension concrete foundation, we'll have a concrete parking lot. Wood frame construction, heavily insulated, composition roof; the exterior siding will be -- it's Austin, it will be stone and Hardie Board, the cement siding, and it will probably be about 40 percent stone and 60 percent siding.

And we'll have railings on what patios and balconies, but you won't be able to see those from the outside, and the fence will be a wrought-iron type fence.

Does that answer your question?

MS. YOUNG: Yes. What type of longevity does your company have in maintaining this type of complex?

MR. ALLGEIER: Well, NuRock's been in business for 20-some years, and still, we haven't -- we retain everything that we've built with the exception of two properties in Georgia, which we remodeled. But everything

we've built new, we've retained.

We do our own -- we have our own property management company, our own construction company, we do our own maintenance work. To some extent, we can't repair parking lots if that's required, we contract that out.

But I think we've got a good record on maintenance.

The key to making money in this business is retaining the residents. So you don't have to turn over the apartments all of the time, and the first thing that makes anybody move out of an apartment, if you can't get something fixed. So I think we've got a good record along those lines. I'm pretty comfortable that we stack up as well as anybody along those lines.

MS. YOUNG: What type -- will you be having, what type of pets will you be having? Or pet requirements?

MR. ALLGEIER: We do have a pet policy, I'm not aware of it exactly but I do know that we limit people to pets of a certain size or smaller; we don't allow great big pets. And we limit the number of pets. I'll get you specific information, off the top of my head I think it's two pets, maximum, per property and like a 30-inch dog or something like that, that's the biggest you can be.

We do not allow dangerous breeds of dogs, we --

and if your pets starts to mess up the apartment we make them move, because we can't afford for the damage to the apartment. And we do charge a pet deposit, in addition.

MS. YOUNG: Okay. Thank you.

MS. GAMBLE: Jerry Carroll, Jr.

MR. CARROLL: Good afternoon. My name is Jerry Carroll, Jr. and I'm a resident of the Crossing at Onion Creek. I just had a question. It seems like -- and hopefully I make myself clear here. It seems like your project is based on a lot of "ifs." If we can get the SMART Housing thing, you know, if we can get a bus stop we'll be able to do the SMART Housing thing, we will get a bus stop if we can get a light. What happens if none of your wishes are adhered to? I mean, what happens to your project? That's my first question.

And my second question is, I'm a Special Ed teacher in AISD. So -- and I work at an alternative school. So a lot of students, a lot of the clientele that you'll have at your after-school program, I'm familiar with. And I was just wondering what type of -- do you all hire staff to work with that type of clientele, and are you all going to have adequate staff?

Because in theory, it seems like a really good idea. But in reality, sometimes it doesn't work like we

hope it does. So I was just wondering, you know.

MR. ALLGEIER: Good questions, both. The first one, regarding the City of Austin's cooperation and the SMART Housing and the light: That's a county-maintained road right now, where we are. But Austin has the say-so on traffic lights. If Austin says we can't put in a traffic light, we can't just go out and put in a traffic light.

And if we -- I just can't feature if somebody's willing to pay for it, that they're going to tell me I can't do it. But stranger things have happened. If that happens, then the SMART Housing people -- I don't want to, the rule says we have to be a quarter of a mile from a bus stop in order to qualify for SMART Housing. They have flexibility that they can adjust their rules. It doesn't cost the City anything to make us SMART Housing, it costs us money. It doesn't cost them money.

The point of SMART Housing is to promote energy efficiency, promote the other features that we have to do. I think, it is my belief that they will allow us to do SMART Housing if they don't do the bus stop; but we don't have a decision on that because we don't have a decision on the bus and because we don't have a decision on the light.

And you're right, there are a lot of "ifs." If none of that happens, we're still going to go ahead with our project. We're -- actually we would save money, because then I wouldn't (a) be spending money for the light, and (b) I wouldn't be spending money on the energy features for the SMART Housing. But that's not what we want to do, and I've got it built in our budget.

We don't want to build a half -- we've got to own this thing for 30 years. And the better job you do on the front end, the more money you spend on the front end, the better job you do on the front end the better it is in 10 or 15 years from now.

The second question. It's really hard to find good people to run the Breakout Program. And my sisterin-law's a Special Ed teacher, you're a special person to do this. She's a Special Ed teacher in Corpus Christi, and it's hard.

I hope I didn't oversell, we're not -Huntington, or something you know to -- SAT Prep or
something like that. We're getting the kids in there,
we're giving them a snack, we're calming them down, we're
setting them in front of their homework and we're being a
little bit parent, because parent isn't there yet. And
saying, You got to do your homework.

I cannot say that our Breakout director's going to be able to help them with their pre-calculus. Chances are, that's going to be very unlikely. But we got them in there and we're working with them. We do, even though we're not a daycare center, we don't meet the state requirements to be a day care center, we do have an internal policy of one employee for every 30 kids.

That's -- I know that's a lot, but my wife teaches in private school and she's got 26 kids in one class this year, high school kids, high school boys. I don't know how big your classes are here --

VOICE: It's a private school --

MR. ALLGEIER: Well -- Jesuit school. But still, they're not so great all of the time. I don't know but anyway the point of all that is we try to do something like that; but it's hard to find people for that, and it's an expensive program to run. That's why we have the foundation to run it, because you couldn't afford to do it otherwise without the foundation.

But we've been fortunate, we've got some good sponsors nationally and so forth, and we've got some money.

Listen, I want a light there, not -- I hate to keep going back to this, but any help you guys can give

me, any -- what you've done already, who you've talked to, I will come back and meet you individually or whatever it takes.

I'm -- right now I'm here every -- I'm here twice a week. So if somebody wants to meet I'll come by your place of work, whatever. Let me know where it is. I want it there. Let's see what we can do to get it. Where do you teach?

MR. CARROLL: At Alternative Center for Elementary School Students.

MR. ALLGEIER: Austin?

MR. CARROLL: Austin. Thank you.

MS. GAMBLE: Dennis Young?

(Simultaneous discussion.)

MR. YOUNG: I come before you to stand behind you to tell you something I know nothing about.

(Laughter.)

MR. YOUNG: Okay. I'm Dennis Young. I used to live at the Crossing of Onion Creek. We still have that property, we lease it out. We have moved to Onion Creek. So I'm in the neighborhood quite a bit. And I also do architectural drafting, and I noticed on the sign it said, "Tax credit." And now we're talking SMART Housing.

And, you know, I came in late, sorry about

that. And so SMART Housing requires a certain percentage, a higher percentage of a home to be handicapped, and have to be able to present government code if the handicapped shows up, now we can make that one a handicapped --

You have to prepare for the future, you know, your 5 percent now and 5 percent later; that kind of stuff. And --

VOICE: I'm sorry, would you speak up? I can't hear you.

MR. YOUNG: Oh, I'm sorry. My -- is this -it's on. Oh, but it's not plugged, oh, okay -(Simultaneous discussion.)

VOICE: She's just recording it --

MR. YOUNG: Yes, you're recording it and I'll talk out this way, how about that?

Okay, the -- tax credit things. This happens a certain time of the year and a bunch of them grab the tax credit thing. And the HardiPlank and the stone, 60-40, I don't know. Maybe not. Anyway it's not going to be -- spent a whole lot of money on it.

But the SMART Housing, that requires more -they have to prepare for handicapped, because they have to
have extra handicapped places, they're not handicapped
now, but you prepare it so you can strike it if somebody

moves in and we've allowed for that sort of thing.

So the SMART Housing takes into account a whole lot of -- a whole bunch of good things. I think it's good. The -- will this project actually happen? I've seen a lot of the tax credit stuff just I mean, I do the site plan, they go out and they talk about it, and they take it to the developers -- the investors, and it just sort of dies on the vine.

Is there a chance that this is actually going to happen?

MR. ALLGEIER: Gosh, I sure hope so. We've invested a lot of money. And that's actually a very valid point, and given that you're in the architecture business you've probably gotten -- done the site plans and not gotten paid for it on some deals, so you know about that.

There's two programs in tax credits, and as Sharon emphasized, tax credits does not mean we don't pay taxes. We pay property taxes on this; we pay a lot of property taxes. We send kids to school; we don't believe that we should not pay our school taxes. So we pay those.

There's two programs. There's a competitive program, which is the one that comes up, boom, every year and then a whole bunch of things get awarded. They just awarded at the end of August for the competitive program.

And this is not one of those. This is a bondfinanced deal, so these happen all during the year. Will
it happen? NuRock has never had a bond deal not get built
unless we chose to convert it to a conventionally
financed, market rate property, which we did to these guys
a couple of months ago in Fort Worth.

Sorry, Sharon; I know you spent a lot of time. But we paid our fees. But we would not do that here for the obvious reason that there are plenty of conventional apartments that are coming out of the ground within about three miles of us. All getting decent rents, but there's a lot of apartments that have just gotten built around here. There's 330 units being built right behind Home Depot; Criterion at Onion Creek I think they call it.

No, we wouldn't do that. It's either going to be an affordable workforce housing or it won't happen for us. We have until December to get our bonds closed. I think we're going to make it through Austin in that period of time. We do have to annex; we're actually in the county, and so we will be annexed as well. But we choose to annex because the water and sewer is cheaper, and also because we build to City specs anyway. We'll sprinkler them and everything.

But SMART Housing does have a handicapped

requirement. But it mirrors the tax credit requirements.

The agency, the state agency a few years ago actually used SMART Housing as a model for their design.

And we will have 40 percent stone or brick and 60 percent HardiPlank because we told them we would, and they get real nasty if we don't do what we told them we're going to do; they make us go back to the Board and get approvals of changes, and charge us fees and everything else.

They -- the Agency is really cracking down on not doing what you tell them you're going to do. She smiles.

MR. YOUNG: Good answers on the first question. The second part was, the traffic problem. That is going to be a problem. Are you -- since it will be SMART Housing, there probably won't be as much traffic really, because -- oh, it's hard to tell.

But what do you know of what's going to happen to Slaughter in such a case. It's going to go out to 130; it's going to go out 183 and then to 130, and Slaughter's becoming real big. Are we going to become like a river, you know, you got the Digital Divide, are we going to have a Slaughter as a divide, and then we'll have to find other ways into --

And also, on your plans, is Slaughter going to be the only ingress, egress?

MR. ALLGEIER: Yes. It is. Slaughter's our only ingress and egress.

MR. YOUNG: Just curious. Good luck with that.

MR. ALLGEIER: Yes, so -- well, Brandt is -- there's floodplain between us and Brandt. Brandt's in the floodplain. I doubt if it's ever flooded; maybe it has, I don't know. But it's in the floodplain, we can't build a road over to it, the City won't let us.

Slaughter is our only ingress and egress. It is a four-lane or six-lane -- what they call major thoroughfare. And the traffic -- preliminary traffic study says, we'll generate 1400 vehicles per day, both directions. Which seems a little high to me, but probably isn't.

The buses are nice, we do it for SMART Housing.

The folks that live in our apartments are just like

everybody else. They've got two cars, and -- they pick up

kids, they may have three cars, and I won't lie to you;

they drive. Just like everybody else does, even though

it's Austin and a lot of people ride the bus in Austin,

they still drive just like everybody else.

MS. GAMBLE: Jennifer Barker?

MS. BARKER: Hello. My name is Jennifer Barker and I live at the Crossing at Onion Creek. My question is, that right after that last horrible accident happened when they closed up the road, we were trying to get the traffic light. The City sent out a flier, and they told us that one of the reasons they couldn't put a light there is because it was too dangerous to put a light at the bottom of the hill.

Have they expressed that to you at all?
MR. ALLGEIER: No.

VOICE: There's a lot of -- reasons --

MS. BARKER: No? But that was -- do you all remember the flier?

VOICE: Because I was still there --

VOICE: Because at the top of the hill, we couldn't see it; it's --

MS. BARKER: So that's not considered the bottom of the hill, then?

VOICE: It is the bottom of the hill.

MS. BARKER: Oh --

MR. ALLGEIER: Let me -- I'm not a traffic engineer or a -- but I can see why they might not put a light where that previous median cut was, because you don't have good visibility from the west -- or the north,

I guess, because -- the architect and I were standing there looking, going, Why in the world would they close that median cut?

And we decided, you can't hide a car in the median; the median's not wide enough. That when you pull in, you're hanging out. Either the back or the front.

And you come over the hill from I-35, and you're right there. Boom. You're right on top of them. I could see why they wouldn't put a light there, to be honest with you.

We're another quarter of a mile? Maybe not.

200 yards further down. But that's -- they haven't said

yes --

MS. BARKER: Okay.

MS. GAMBLE: Chris Smith?

MR. SMITH: Chris Smith. I'm a resident of the Crossing at Onion Creek as well. I had a question about your -- how you establish residentship there. Is everybody that's living there of age on the lease, and are they subject to the background check?

MR. ALLGEIER: Good questions. The answer is, yes. Everybody in the -- well, yes, if they're old enough to have a criminal -- well, okay. Let me think this through.

(Laughter.)

MR. ALLGEIER: Okay. I'm not sure you can run a criminal background check on a 12-year-old.

MR. SMITH: I'm thinking like, 16 --

VOICE: Sixteen --

MR. ALLGEIER: Sixteen, you most definitely can.

MR. SMITH: Okay.

MR. ALLGEIER: Because I mentioned, my wife teaches some high school, and well, yes. You need to run criminal background checks on anybody -- we will run on everybody that -- we'll run all of the names. It costs \$2.50. We'll run all of the names, and, you know, we'll get somebody that's 12 years old and you'll come up with some 40-year-old guy. It's obviously not the same person.

But we'll run on everybody, because -- a 15year-old can be just as much trouble as a 20-year-old.

The other thing I will mention is, that we -- let's see,
we do background checks, we do the credit check, we do the
income check, and we check with the prior landlord.

But yes, we'll run everybody including the minors. And I guess sad to say, but I guess a 12-year-old could be -- have a record.

(Simultaneous discussion.)

MR. ALLGEIER: Ten-year-old? I thought that was only -- well.

MS. GORDON: Okay. My name is Kristen Gordon and I'm a resident at Crossing at Onion Creek. And I'm wondering, how do you plan to monitor or police people who live in the apartment but are not on the lease, i.e., baby Daddies. That is a big deal.

MR. ALLGEIER: I know exactly what you're talking about, because we police it. We've got a staff on site, 224 units will have three people and a couple of maintenance people. We just keep up. Because it's a workforce housing, we have the right to go look in an apartment, and go look inside.

VOICE: When you say, three people. Is that like security guards?

MR. ALLGEIER: Oh, no. No, no. We'll have -we'll have three full time staff, management people and so
forth. We will lease apartments to courtesy officers;
they don't call them security guards, there's a liability
issue there; to policemen or a county sheriff or so forth,
and we give them free apartments, basically. And we'll
have a couple of them living there.

And if we have issues, we will hire a security company. But frankly, well, we don't have any security

companies in any properties in Texas. We do have security companies at properties in Georgia. But not here.

But to answer your question, yes. We monitor that, because first of all, they're stealing rent. And secondly, the two-persons per bedroom issue. And thirdly, that's really where a lot of your problems come, on site are people that actually are not residents, they are visitors.

We have a policy, you cannot have visitors over a certain length of time. You have to register your visitors; we're really pretty nasty landlords, and we have a lot of people who really don't like us because we kick them out of apartments.

MS. GORDON: And can you go back to the slide where you had the income actual numbers?

MR. ALLGEIER: Yes.

MS. GORDON: Okay, so. A family of three. Is that -- two adults and a dependent? Or is that just any three people?

MR. ALLGEIER: That's, if you got an apartment you got three people living in it. The income can't exceed that amount. So for example if you have roommates, and one of them's got a kid, or -- well, that's probably a bad example for three.

But if you have roommates, their combined income cannot exceed, that would probably be around 36, or something like that.

MS. GORDON: Okay, on the low end. If you had like a head of household, two dependents. What is the lowest amount of money they can make?

MR. ALLGEIER: You have a head of household and two dependents, that's a family of three. They can -- the lowest amount -- oh, lowest amount of money, I'm sorry.

MS. GORDON: The lowest.

MR. ALLGEIER: Yes, lowest. Well, the rent on -- with two dependents, let's say they could live in a two-bedroom apartment, that rent is going to be in the range of around 800 bucks, so if you're looking at 800 bucks times 12, that's 9600 divided by 30 is -- probably around \$27,000, \$28,000. Don't hold me to that, that was off the top of my head.

MS. GAMBLE: Okay. I don't have any more forms. We will have a question and answer, more question and answer period but just for the purpose of the actual public hearing, I don't have any more Witness -- if you have one -- okay. Bring it forward, bring it forward. If you have more, bring them forward, because --

MS. MICKLETHWAIT: My name is Rachel

Micklethwait, I'm a resident at the Crossing at Onion Creek as well.

And I am concerned about bringing in transientoriented -- I can't read my --

(Laughter.)

MS. MICKLETHWAIT: -- bringing in a transient [sic] oriented, multifamily housing development to my community due to the increase in the crime opportunities. As you said, in order to be a SMART Housing program you're wanting it to be on the bus route to make it I guess transient-oriented, and with that, unfortunately that does bring in a lot of crime.

MR. ALLGEIER: The -- yes, if you bring the transit over, it does give an opportunity to get in, to get out, a much easier opportunity. A properly maintained multifamily property does not generate more crime than a single family neighborhood.

Now, I'm not going to lie to you and tell you that in places where you have a whole bunch of apartments, you don't have a higher crime rate. You have a higher concentration of people, among other things.

But we do our best, I showed you the slide of the property in Fort Worth in Diamond Hill, and Diamond Hill's not a -- it's not that bad a neighborhood, but it's

not a great neighborhood either.

And we actually brought the crime down in our little precinct, because we had a neighborhood watch within our property that was doing stuff. I don't think -- this isn't that kind of neighborhood. This isn't a -- this is a nice neighborhood, and --

VOICE: It is now --

VOICE: Yes --

(Laughter.)

MR. ALLGEIER: Yes, it is. And we build properties in nice neighborhoods, and they remain nice neighborhoods. That property in Corinth, is in a very nice neighborhood with some very expensive homes around it, and we have -- Corinth's a little bitty town, so it's easy to track the crime statistics. But -- they haven't really done too much there, and that's the latest in a similar type deal.

MS. MICKLETHWAIT: Because I'm not actually saying that I think that your property is going to bring in the crime-ridden folks. But it provides the opportunity for other people who have not been able to ride the bus over to our area, now are able to just hop on a bus, come over, walk our neighborhood, case it, come back later.

And with that, with having that opportunity, that's where our concern is.

MR. ALLGEIER: Well, duly noted. If SMART
Housing doesn't make us do it, I'm not sure Cap Metro's
actually going to get anything done. The light is very
important to us, though. I definitely want the light,
even if they won't bring the buses over. But, duly noted.

MR. SMART: I'm Whitten Smart, again from the subdivision, Crossing at Onion Creek. My question is, who's responsible for all of the maintenance? I don't want to see peoples' towels and their trash and junky cares and all that stuff around their neighborhood. What are the consequences? Because we have to live next to that.

Secondly, who is going to be responsible for policing? And I know that you guys are going to have lower rent for peace officers and whatnot, but that doesn't mean they're going to come. You know, we have already had a problem in our neighborhood recently, so I don't want to bring any more people in that neighborhood that have -- I'm not trying to be mean or anything but, you know, let's be real here. You know, to have those tendencies. So.

MR. ALLGEIER: Well, NuRock runs their own

property management company. And we're responsible, for picking up the yard and so forth, and they do that every morning, and if any of the suits of the company drive by, people get fired for nasty-looking properties. It's happened. It's happened in the last month.

So we try and -- you got to understand, we're trying to lease apartments. You have a turnover in apartments, you're always -- have the need to lease apartments.

And you have what you call drive -- the curb appeal. And it's important to us that we keep it clean and neat. I know it's important to the neighbors as well, but it's important to us. There's a business reason for us to do it, and if there's a business reason, obviously people are more inclined to do it.

As for your second question, we do our best to make sure that the folks that move into our apartments are good citizens. We do what we can legally to assure that. If they don't abide by our rather strict rules, we kick them out. And we have very strict rules, we do enforce them.

We will let people break leases if they can show us that they're buying a house. Which I think is a little unusual, and was pretty darned expensive the last

couple of years, because we were losing a lot of people to houses. But that was our policy.

Everybody's lived in an apartment. I've lived in an apartment, I'm sure you've all lived in apartments. I've got five kids, they've all lived in an apartment. At one time in your life, you've done that. And you all are lucky enough now that you don't have to do that anymore, and I applaud you for that.

But, you know, these are just folks with jobs.

They're just like everybody else. And if they don't have a job, they can't pay the rent and they're out. That's the way it goes.

MS. GAMBLE: Can you restate your name, please.

MR. FLYNN: Yes, I'm Bob Flynn, I'm at Crossing of Onion Creek. Getting back to the traffic problem. I don't know if you realize that further out Slaughter there's some property called Bradshaw Crossings? Isn't it?

VOICE: Yes, Bradshaw Crossings.

MR. FLYNN: They have an estimated number of 500 homes that are going there. You just said there's going to be another 1,400 apartments? Is that what you said?

MR. ALLGEIER: 330.

MR. FLYNN: 330. Okay. You know, this traffic is going to be a -- KB Homes has spaces close -- they go out Slaughter to get to those KB Homes out there. There's going to be more homes built out there.

And this business of the City not allowing a light at the bottom of the hill -- they ought to go around and drive around the Hill Country. You know, there's lights at the bottom of the hills every time you turn around.

And the reason they wouldn't put one at Narrow Glen is because the builder of our homes graded -- wasn't it, the grade was insufficient? They -- it was not graded properly, so that somebody coming over the knoll could not see that light at Narrow Glen. Consequently, five people were killed at that crossing.

And this is just unacceptable. And Brandt's Road going out to 35, that little bitty two lane -- this is just not good.

MR. ALLGEIER: We're not accessing -- Brandt Road, we can't because of the floodplain issues. We'll be coming off of Slaughter. And you know I'm here to tell you we're going to do everything that we can do in our power to get the traffic light there, because it's very important to us as well.

For pretty much the same reasons it's important to you. As the traffic increases on Slaughter, people aren't going to be able to get out in the morning to go to 35 to go to work, if we don't do something.

I live in Plano, Texas. I'm at -- well, let me put it this way. My daughter started school down here in '96, and the difference between '96 and today in Austin is, pretty depressing frankly in terms of traffic.

MS. YOUNG: A quick question. Where are you going to hook up the sewer system? What sewer system are you going to hook up to?

 $$\operatorname{MR}.$$  ALLGEIER: All our utilities will come from the City of Austin.

MS. YOUNG: No, no, no. But in other words, your sewer system --

MR. ALLGEIER: Oh. There's a --

MS. YOUNG: -- you're going to have to have a hookup.

MR. ALLGEIER: Right.

MS. YOUNG: And what wastewater system do you hook into?

MR. ALLGEIER: The sewer line is -- there's a manhole in the southwest corner of the site. It's 12 feet down to it. The sewer line is determined by the City to

be adequate, and it goes back into -- somewhere in the City of Austin sewer system.

We're hooking onto the City of Austin's water system. We are going to expand the line coming down to us, make it bigger. So we'll have Austin water and sewer. You know, but all the others are --

MS. YOUNG: But you're county, in there.

MR. ALLGEIER: But we are going to annex. And even if we don't annex, we're still going to be hooked up on the City sewer. But we're going to annex. We've already got the annexation --

MS. YOUNG: Are you going to go into the Onion Creek sewer system?

MR. ALLGEIER: I don't -- I can't answer that.

I don't know.

MS. YOUNG: Okay. Can I ask, as a homeowner, why would I want to have you there? As a neighbor?

MR. ALLGEIER: The site -- well, the site's zoned multifamily. The site's a multifamily site, it's in the county. It allows 18 units per acre, it's 22 acres. That's 400 units or something, I don't know. It's a lot of units. We're building 224 units on the site. So we're doing a lot lower density than we could.

The reason we do that is, we're just -- our

numbers work. So we're not going to build that many units. We don't cram a lot of units on the site. We find the long term, it's a better situation.

Reason number one. Something's going to get built on the site eventually. Lower-density property is better. Two, NuRock has a good national reputation and we're a long -- we've been around for 18 years, we're a stable financial -- financially stable company, and a good neighbor who spends money on their property and takes care of it.

And I think those are a couple of pretty good reasons.

VOICE: I have a question, it doesn't have to be on the record. This --

(Simultaneous discussion.)

MS. GAMBLE: Well, we will have time for more question and answer. I just want to ask at this point so that we can close the hearing, is there anyone else who would like to make public comment, for the record, at this time?

(No response.)

MS. GAMBLE: Okay. Thank you for attending this hearing. Your comments have been recorded. The meeting is now adjourned. And the time is now 7:25 p.m.

(Whereupon, at 7:25 p.m., the hearing was concluded. An informal question and answer period follows.)

## QUESTION AND ANSWER

VOICE: Okay. Thank you for coming and giving us all this information. But does it really matter what we say?

VOICE: Yes.

VOICE: Are you going to build it whether we say nay, or yea? That's the question.

VOICE: You're off the record now, so --

MR. ALLGEIER: Yes. I know I'm off the record but I'm also going to be your neighbor. And --

VOICE: But not you.

MR. ALLGEIER: No, not me. But --

VOICE: Your company.

MR. ALLGEIER: -- I'm the guy that's going to be down here every week. And I'm the boss --

VOICE: So that's my question, you know, this is a lot of information.

MR. ALLGEIER: A lot of the information you gave is good information. I'll give you a real honest answer. You're probably going to [inaudible].

VOICE: Okay.

MR. ALLGEIER: I mean I hate to be --

VOICE: No, that's not --

MR. ALLGEIER: -- but it's not my answer.

VOICE: No, we're off the record.

(Simultaneous discussion.)

VOICE: No, the public hearing is closed,

but --

MR. ALLGEIER: Well, you can't transcribe that.

VOICE: It can be transcribed. So --

MR. ALLGEIER: Oh, I'm sorry.

VOICE: Yes.

MR. ALLGEIER: All right. Transcribe away.

VOICE: Okay. So whether or not we have any input in this -- I guess we just learned that. But in the past, neighborhoods that you have dealt with, what have been some things that they have been able to voice their concerns about?

I mean, I know we're all in agreement that we want a light there. But what are some other things that we have the opportunity to work on?

MR. ALLGEIER: That's a good question. I'm sorry, maybe I was a little blunt with that response.

VOICE: No, that's exactly what I wanted to know --

MR. ALLGEIER: We've worked with neighborhoods; we work with neighborhoods in terms of things like, you know, Okay, we want a screening fence here. We want a --

don't put a dumpster across from my back yard.

We've got problems with the sewer here; you know, can you fix the sewer line. The light, that's a big deal. We've put up a lot of traffic lights, and traffic lights are expensive. Cities have limited resources, and, you know, sometimes we got to kick in our share to do that.

Right turn lanes, like you come out of the property, and you build a little right turn lane so you can kind of get up to speed as you get out on the road.

If we put a light, we are not going to have to do that. but if we do do a light, I think we need a left-turn lane, frankly. I think you guys need a left turn lane.

Well, no actually you don't because nobody goes south, do you?

VOICE: Everybody that leaves our place has to do a turnaround. And I can't see -- if everybody was going to try to leave the back way out of our subdivision, down Brandt and come out that little S curve --

MR. ALLGEIER: You'd need a left turn lane.

VOICE: We need a left turn lane --

MR. ALLGEIER: Yes, okay.

VOICE: -- but that's not going to accommodate the amount of vehicles that would be trying to leave out

of there. I mean, it would be a traffic nightmare.

MR. ALLGEIER: Well, but the left turn lane's important because you're right, a lot of you guys come out and do a u-turn down there.

VOICE: Yes. We come out of our main entrance --

MR. ALLGEIER: And I'm afraid Austin's solution will be a "No U Turn" sign.

VOICE: -- to the turnaround, and cut back around.

VOICE: That' my theory, is that -- there's a light, and a "No U Turn" sign.

VOICE: Yes.

MR. ALLGEIER: Yes. But then you --

(Simultaneous discussion.)

MR. ALLGEIER: Yes, but a lot of you guys also come out at Narrow -- at --

MR. YOUNG: Well, an interesting thing about --

MR. ALLGEIER: -- down there.

MR. YOUNG: -- when they close that intersection, which is pretty [inaudible]. So they closed that, and they also closed off part of the lane, so we had three lanes become two lanes. That gave us a safe lane to go out and turn right onto, and, you know, without a

problem. So as I go up and down there I watch everybody just put on out and go across three lanes of traffic, so, Duh, you know --

(Laughter.)

MR. ALLGEIER: What I'd like to do is, if I can get some phone numbers and names of some folks that I could talk to, so I got some ammunition to go talk to the -- there we go. Bob Flynn left me his. Anybody else? You want to -- because, listen. I want a light there. And I think it's important for all of us.

MS. GAMBLE: I wanted to speak on, someone had asked earlier about things that you can comment on, and I think somebody asked, Is this a done deal? And that question comes up a lot, and I want you to know that we are here to get your comment. What's going to happen here is that, everything that's been said here is going to be transcribed, and this, the transcribed record is going to be given to each of our Board members.

So that before they look at this, they will have your comments, they will have your concerns, they will know exactly what it is you're concerned about with this project.

You also still have the opportunity to write to us if you want to, or to go online to make comments about

this project. You're also even invited to come to a Board meeting. This Board -- the Board meeting for this project will be held on October 11 -- excuse me -- I believe at the State Capitol, that's usually where they are.

There is also a Board meeting on September 13, that will be at the Capitol, and you can come to that meeting also and make any comments that you want, directly to our Board.

You can come as an individual, you can come as a group, however you want to. You have the right to address our Board about this, to make whatever comments you want, so that they can know what you -- feel about and what you think about this development. I just want to make sure that's perfectly clear.

VOICE: So in general, here's another question.

On the places where you've built, did property values go
up or down?

VOICE: Yes.

MR. ALLGEIER: That's a complex question. The answer is, where we've built they've probably gone up, but then whether we were there or not they still would have gone up, because of the nature of Texas right now and the area.

Did they go up or down? Something's going to

get built there, in terms of multifamily, and the better projects, a lower-density project's better. That's a pretty complex question, and --

MR. FLYNN: I mean, you've done enough of these, can't you --

VOICE: I mean, I would assume --

MR. ALLGEIER: Well, I did a study in Wylie,
Texas, because that question got asked and I had to go to
a public hearing and answer the question. And there was
another affordable housing property, workforce housing
project built in Wylie, and I went back and looked at the
tax valuations in Collin County, Texas, for the value of
the homes around there. They had all gone up. Now -- and
they'd gone up pretty much the same as everybody else in
Wylie, Texas.

But, geez, there's so many other factors that affect that, that it's really hard to say. I'm sure that we could find an affordable housing property that has been in an area that the property values have gone down. But I don't -- are there many areas in Texas where the property value has gone down? Overall --

MS. YOUNG: Sure.

VOICE: East Stassney. Stassney Lane, on the east side of 35.

MR. ALLGEIER: It's come down, from where it was?

VOICE: Very, very down.

VOICE: Yes.

MR. ALLGEIER: The values?

VOICE: The values.

MR. ALLGEIER: I don't think anything -- well, I don't know. I don't know. I just -- I did that one study; that's the only thing I can say. And that's two years old, and it showed that the property values of the houses within a one-mile radius around a particular affordable housing project had gone up, the same as everybody else in the city on the average. And -- you know, that's --

VOICE: Is there any way you can show the slide again, of the property, where -- not just the site plan but like the actual aerial view? Okay. At the corner of your -- along the north side of your property line, no that's the south side -- go to the other side. There you are, right there. Okay.

There's a party barn right there. Are you aware of that?

(No response.)

VOICE: Yes. So you're going to have all these

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people live right next to that party barn? It's a barn that can be rented out for Quinceaneras, and -- from my house, which is over on the corner of that little -- where you want to put the light, basically, yes, my house is right there.

Every Friday, every Saturday and some Sunday nights, you can hear the bass, bomp, ba boom pah -- and if I can hear that way over there, I wouldn't want to be one of your residents, to be honest with you right there.

MR. ALLGEIER: I'm aware that's there. There's a lot of elevation --

(Simultaneous discussion.)

VOICE: There's a lot of beer cans --

VOICE: All right. Well, good luck to them.

VOICE: -- I clean it every week. I know.

MS. GORDON: What is the eviction process? Can you start from like, violation, what is the time frame for those?

MR. ALLGEIER: This is Travis County. Okay.

Evictions are handled by a justice of the peace. And

let's say somebody -- well, there's two ways. If somebody

doesn't pay their rent, it's cut and dry.

You're in economic default, you've got a certain, I think it's a two-week notice period, you go to

the JP, the JP evicts.

If they're in economic default. Now, if they've violated rules, that's a little more difficult. And that's a function of who your justice of the peace is, and there's some -- but in Travis County the Justice of the Peace -- justices -- your JPs here are all very aware of the situations and they evict people just as quickly for a rule violation as they do for economic violations.

So -- and I'm not in the property management business, so the way it works is, they violate the rules, we send a notice to the resident that you're being evicted, the resident has a period of time that they can ask for a hearing with the JP; the JP schedules a hearing, and then assuming that the resident is unsuccessful at that hearing, then they have a -- I believe it is two weeks to leave or the constable can move them out.

Now, I'm not sure I'm exactly right on my dates, and if you want to leave me some stuff I can have somebody give me the exact dates and I can give you that timing schedule. Because I'm doing that from memory from a long time ago.

But it's -- here, the problem is in a little bitty town, sometimes the JP's one of the people, for a rules violations because they know the family or something

like that. That's really not the issue so much here in the big cities.

VOICE: What was the name again of the place you said you built out in Decker Lane.

MR. ALLGEIER: Eagle's Landing. It's a different program. But we built that, and then we've got one in Webberville, which is a senior project called Heritage Pointe.

VOICE: Now, we'll take a senior's project.
(Laughter.)

MR. ALLGEIER: I'd love to build a senior's project in South Austin, but I can guarantee you a senior's project has to be on a bus line.

VOICE: And you said that the one in Corinth that you built was Tower Ridge?

MR. ALLGEIER: Tower Ridge, yes. In Corinth, and that's on -- kind of on I-35, not exactly.

VOICE: So Eagle's Landing you said, is different than what you're --

MR. ALLGEIER: Well, it's -- a different --

VOICE: -- I mean, I want a comparison --

MR. ALLGEIER: Eagle's Landing has a different financing, type of financing program, and so that the residents are restricted to 50 percent of median income

instead of 60 percent. So it's a slightly lower income restriction, there.

VOICE: So, we -- this one is going to be a higher income?

MR. ALLGEIER: These are higher incomes here. Yes. These are higher incomes here. Heritage -- well, it's a senior's but it's -- a totally different program.

VOICE: Well, I'm just curious --

MR. ALLGEIER: Yes.

VOICE: -- if there are some in our area that we can go take a look at, to give us an idea of what it is you're trying to do across the street from us.

MR. ALLGEIER: Sure.

VOICE: That's what I'm trying to --

MR. ALLGEIER: Yes. Actually the properties in the Dallas-Fort Worth area are a lot more representative of what we're doing. But that's really not as convenient as going up on Decker Drive. I understand.

MR. SMART: Do you, on your website, or do you have a website that tells us where --

MR. ALLGEIER: Yes. NuRock.com --

MR. SMART: Okay. That --

MR. ALLGEIER: -- pretty simple.

MS. GAMBLE: Okay. Well, thank you all for

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coming out tonight, and my business card is over there on the table also, so -- grab it, and thank you for coming.

We'll see you next time.

MR. ALLGEIER: You guys were -- intelligent questions, and really nice --

(Whereupon, at 7:40 p.m. the public hearing was concluded.)

#### CERTIFICATE

IN RE: Residences at Onion Creek

LOCATION: Austin, Texas

DATE: September 4, 2007

I do hereby certify that the foregoing pages, numbers 1 through 80, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

(Transcriber) (Date)

On the Record Reporting, Inc. 3307 Northland, Suite 315 Austin, Texas 78731

#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS PUBLIC HEARING FOR

## (Residences at Onion Creek) SERIES 2007 DATE: September 4, 2007

PRINTED NAME	SIGNATURE	STREET ADRESS	SUPPORT DEVELOPMENT	OPPOSE DEVELOPMENT
1 Cities Smoth	ces	9419 Rowlands Sayla Ro		×
2 Kairen Gonzales	(Concoles	9200 Rowlands Soule Rd		
3 Benjamin Gonzales	Van Chonel ge	9206 Rowlands Sayle Rel		$\propto$
		2416 Melissa Oaks La 78744		
4 Joseph Leonard 5 Floy Durith	Sily Ree	2416 117elise1701HB.L	-M.	
6 Pobt. G. Flyn	Both h	3202 Narrow Blen PKy	7	X
, Rachel Mickleth	//	With 2201 Melissa Oaks L	1	
8 Whiten Smart	relitation	2210 Melissa Oaks Ln 7874	1	X
9 Jennike Borlor	Menh	2006 Melisso Dass 78744		
10 Sara Brown	fu	9400 Rowlands Sayle 78744		
11 Any Out	AhryCy	2304 Melissa Ocks 7871		
12 Abbey Smart	Small	2210 Melissa Oaks Ln 7874	<del>)</del>	X
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#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS PUBLIC HEARING FOR

## (Residences at Onion Creek) SERIES 2007 DATE: September 4, 2007

	PRINTED NAME	SIGNATURE	STREET ADRESS	SUPPORT DEVELOPMENT	OPPOSE DEVELOPMENT
1	Jerry Crell	July	2907 Melisser Valus long Austin 7876		
2	Ynzen Gordon	MILL	2203 Melissa OaksLn		
3 _	Pennis Young	Duris Luy	11032 River Plantation Dr Austin 78747	you have to	ne
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#### MULTIFAMILY FINANCE PRODUCTION DIVISION

#### **BOARD ACTION REQUEST**

**November 8, 2007** 

#### **Action Item**

Presentation, Discussion and Possible Approval of an Inducement Resolution for Multifamily Housing Revenue Bonds and Authorization for Filing Applications for Private Activity Bond Authority – 2008 Waiting List.

#### **Requested Action**

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2008 Private Activity Bond Program for two (2) applications.

#### **Background**

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$440 million is set aside for multifamily until August 7<sup>th</sup> for the 2008 bond program year. TDHCA has a set aside of approximately \$88 million available for new 2008 applications. If the Board approves the Waiting List applications they will be submitted to the Texas Bond Review Board on January 2, 2008.

Inducement Resolution 08-003 includes two (2) applications that were received on or before October 11, 2007. The applications will reserve approximately \$23 million in 2008 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2008 Waiting List. These applications will be the first applications approved by the Board for the 2008 program year.

Costa Ibiza Apartments, App. #08602 – The proposed new construction will consist of 216 units and will target the general population. It will be located at approximately 17000 Hafer Road, Houston, Harris County. Demographics for the census tract (5503.00) include AMFI of \$50,200; the total population is 9,654; the percent of the population that is minority is 49.08%; the number of owner occupied units is 550; number of renter occupied units is 4,321; and the number of vacant units is 509. (Census Information from FFIEC Geocoding for 2007).

*Public Comment*: The Department has received letters of opposition from State Representative Patricia Harless and the Houston Northwest Chamber of Commerce. Copies of these letters are included in this presentation. The Department has not received any letters of support.

West Oak Seniors Apartments, App. #08603— The proposed new construction development will consist of 232 units and will target the elderly population. It will be located at the southeast corner of FM 1093 and Caseta Dr., Houston, Harris County. Demographics for the census tract (4543.00) include AMFI of \$57,431; the total population is 10,834; the percent of the population that is minority is 60.31%; the number of owner occupied units is 2,231; number of renter occupied units is 1,769; and the number of vacant units is 589. (Census Information from FFIEC Geocoding for 2007).

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

## Recommendation

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

## Texas Department of Housing and Community Affairs

2008 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	]	Bond Amount	Developer Information	Comments
08602	Costa Ibiza	216	\$	11,500,000	Costa Ibiza , Ltd.	Recommend
	Approximately 17000 Hafer Road				Debra Guerrero	
Priority 2	City: Houston	General		Score = 77	111 Soledad, Suite 1220	
	County: Harris				San Antonio, Texas 78205	
	New Construction				(210) 487-7878	
08603	West Oaks Senior Apartments	224	\$	11,500,000	2007 Houston Development, LLC	Recommend
	SE Corner of FM 1093 and Caseta Dr.				Kenneth Cash	
Priority 1C	City: Houston	Elderly		Score = 65	16000 Barkers Point Lane, Ste. 225	
	County: Harris				Houston, Texas 77079	
	New Construction				(281) 493-0700	
Totals for Reco	mmended Applications	440	\$	23,000,000		

#### **RESOLUTION NO. 08-003**

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF APPLICATIONS FOR ALLOCATIONS OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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 persons and families of low, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a "Development" and collectively, the "Developments") as more fully described in <u>Exhibit A</u> attached hereto. The ownership of each Development as more fully described in <u>Exhibit A</u> will consist of the ownership entity and its principals or a related person (each an "Owner" and collectively, the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Development and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Development from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Development will be occupied at all times by eligible tenants, as determined by the Governing Board of the Department (the "Board") pursuant to the Act ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that its Development will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse each Owner for the costs associated with its Development listed on <u>Exhibit A</u> attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of each Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of each respective Development described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Development an Application for Allocation of Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

#### BE IT RESOLVED BY THE BOARD THAT:

#### Section 1--Certain Findings. The Board finds that:

- (a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
  - (c) the financing of each Development is a public purpose and will provide a public benefit;
  - (d) each Owner is financially responsible; and
- (e) each Development will be undertaken within the authority granted by the Act to the Department and each Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

<u>Section 3--Terms of Bonds</u>. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Development and listed on Exhibit A attached hereto ("Costs of each respective Development") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation of its Development, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of its Development; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

<u>Section 5--Principal Amount</u>. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Development will not exceed the amount set forth in <u>Exhibit A</u> which corresponds to its Development.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Development and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Development. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

<u>Section 8--Payment of Bonds</u>. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Development.

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other

expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

<u>Section 13--Certain Findings</u>. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Development will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2007 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

<u>Section 15--Related Persons</u>. The Department acknowledges that financing of all or any part of each Development may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of each respective Development which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

<u>Section 17--Authorization of Certain Actions</u>. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

<u>Section 18--Effective Date</u>. This Resolution shall be in full force and effect from and upon its adoption.

<u>Section 19--Books and Records</u>. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--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 of the State of Texas (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.

## PASSED AND APPROVED this 8th day of November, 2007.

[SEAL]	By: /s/ Elizabeth Anderson	
	Elizabeth Anderson, Chair	
Attest: /s/ Kevin Hamby		
Kevin Hamby, Secretary		

EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Costa Ibiza	Costa Ibiza, Ltd, to be formed, or other entity	The General Partner may be NRP Costa Ibiza, LLC, to be formed, or other entity, the managing members of which may be J. David Heller, T. Richard Bailey, Jr., and/or Alan F. Scott, or other entity	\$11,500,000

Costs: (i) acquisition of real property located at approximately 17000 Hafer Road, Harris County, Texas; and (ii) the construction thereon of an approximately 216-unit multifamily residential rental housing development, in the amount not to exceed \$11,500,000.

Project Name	Owner	Principals	Amount Not to Exceed
West Oaks Senior Apartments	2007 Houston Development, LLC, or other entity	The Managing Members may be David W. Russell and/or Kenneth G. Cash, or other entity	\$11,500,000

Costs: (i) acquisition of real property located at approximately 15300 Caseta Drive, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 232-unit or senior multifamily residential rental housing development, in the amount not to exceed \$11,500,000.

# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS MULTIFAMILY FINANCE DIVISION PREQUALIFICATION ANALYSIS

#### Costa Ibiza, Houston, TDHCA #08602, Priority 2

	Unit Mix and Rent Schedule							
Unit Type	Beds/Bath	# Units		Rents	Unit Size S.F.	Rent/S.F.		
60% AMI	1BD/1BA	2	\$	580	789	0.74		
60% AMI	1BD/1BA	10	\$	596	789	0.76		
60% AMI	2BD/2BA	22	\$	703	1,010	0.70		
60% AMI	2BD/2BA	86	\$	724	1,010	0.72		
60% AMI	3BD/2BA	18	\$	809	1,255	0.64		
60% AMI	3BD/2BA	66	\$	829	1,255	0.66		
60% AMI	4BD/2BA	2	\$	891	1,561	0.57		
60% AMI	4BD/2BA	10	\$	909	1,561	0.58		
						0.00		
						0.00		
						0.00		
						0.00		
						0.00		
						0.00		
Totals		216	\$	1,979,976	242,700	\$ 0.68		
Averages			\$	764	1,124			

U	Uses of Funds/Project Costs							
		Costs	]	Per Unit		Per S.F.	]	Percent
Acquisition	\$	1,620,955	\$	7,504	\$	6.68		0.07
Off-sites		0		0		0.00		0.00
Subtotal Site Costs	\$	1,620,955	\$	7,504	\$	6.68		0.07
Sitework		1,944,000		9,000		8.01		0.08
Direct Construction Costs		12,266,525		56,789		50.54		0.50
General Requirements (6%)		852,632		3,947		3.51		0.03
Contractor's Overhead (2%)		284,211		1,316		1.17		0.01
Contractor's Profit (6%)		852,632		3,947		3.51		0.03
Construction Contingency		486,000		2,250		2.00		0.02
Subtotal Construction	\$	16,685,999	\$	77,250	\$	68.75		0.68
Indirect Construction		1,247,500		5,775		5.14		0.05
Developer's Fee		2,807,000		12,995		11.57		0.11
Financing		1,977,300		9,154		8.15		0.08
Reserves		231,000		1,069		0.95		0.01
Subtotal Other Costs	\$	6,262,800	\$	28,994	\$	26	\$	0
Total Uses	\$	24,569,754	\$	113,749	\$	101.24		1.00

Applicant - Sources of Funds							
Source I	Net Proceeds	Sale Price	Applicable Percentage				
Tax Credits	\$ 9,405,261	\$0.80	3.55%				
Source II	Proceeds	Rate	Amort	Annual D/S			
Bond Proceeds	\$10,901,288	6.00%	30	\$ 784,305			
Source III	Proceeds	% Deferred	Remaining				
Deferred Developer Fee	\$ 2,556,974	91.1%	\$250,026				
Source IV	Proceeds	Description		Annual D/S			
Other	\$ 332,070			\$ -			
<b>Total Sources</b>	\$23,195,593			\$ 784,305			

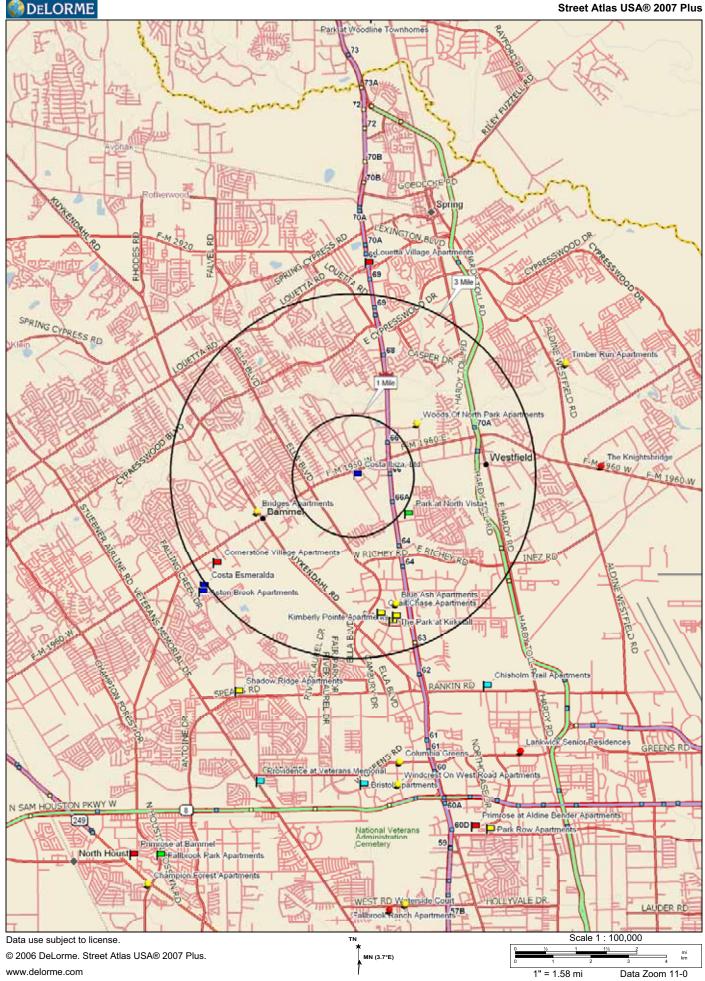
T	TDHCA - Sources of Funds						
	Net	Sale	Applicable				
Source I	Proceeds	Price	Percentage				
Tax Credits	\$ 9,405,261	\$0.80	3.55%				
Source II	Proceeds	Rate	Amort	A	nnual D/S		
Bond Proceeds	\$ 10,901,288	6.00%	30	\$	784,305		
Source III	Proceeds	% Deferred	Remaining				
Deferred Developer Fee	\$ 2,245,600	80.0%	\$ 561,400				
Source IV	Proceeds	Description		A	nnual D/S		
Other	\$ 332,070			\$	-		
<b>Total Sources</b>	\$ 24,569,754			\$	784,305		

Applicant - (	Operating	g Proforma/De	bt Covera	ge
			Per S.F.	Per Unit
Potential Gross Income		\$1,979,976	\$8.16	
Other Income & Loss		38,880	0.16	180
Vacancy & Collection	-7.36%	(148,500)	-0.61	-688
Effective Gross Income		\$1,870,356	7.71	8,659
Total Operating Expenses		\$965,520	\$3.98	\$4,470
Net Operating Income		\$904,836	\$3.73	\$4,189
Debt Service		784,305	3.23	3,631
Net Cash Flow		\$120,531	\$0.50	\$558
Debt Coverage Ratio		1.15		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0
Net Cash Flow		\$120,531	\$0.50	\$558
DCR after TDHCA Fees		1.15		
Break-even Rents/S.F.		0.60		
Break-even Occupancy		88.38%		

TDHCA - Operating Proforma/Debt Coverage								
			Per S.F.	Per Unit				
Potential Gross Income		\$1,979,976	\$8.16					
Other Income & Loss		38,880	0.16	180				
Vacancy & Collection	7.50%	(151,414)	-0.62	-701				
Effective Gross Income		1,867,442	7.69	8,646				
Total Operating Expenses	51.7%	\$965,520	\$3.98	\$4,470				
Net Operating Income		\$901,922	\$3.72	\$4,176				
Debt Service		784,305	3.23	3,631				
Net Cash Flow		\$117,617	\$0.48	\$545				
Debt Coverage Ratio		1.15						
TDHCA/TSAHC Fees			\$0.00	\$0				
Net Cash Flow		\$117,617	\$0.48	\$545				
DCR after TDHCA Fees		1.15						
Break-even Rents/S.F.		0.60						
Break-even Occupancy		88.38%						

Applicant - Annual Operating Expenses							
		Per S.F.	Per Unit				
General & Administrative Expenses	\$64,800	0.27	300				
Management Fees	90,720	0.37	420				
Payroll, Payroll Tax & Employee Exp.	205,200	0.85	950				
Maintenance/Repairs	105,840	0.44	490				
Utilities	86,400	0.36	400				
Property Insurance	97,200	0.40	450				
Property Taxes	239,760	0.99	1110				
Replacement Reserves	54,000	0.22	250				
Other Expenses	21,600	0.09	100				
Total Expenses	\$965,520	\$3.98	\$4,470				

	Staff Notes/Comments
Other expenses:	
support services: 10,800	
contact services: 10,800	





## PATRICIA HARLESS

DISTRICT 126
House of Representatives

P.O. Box 2910 Austin, Texas 78768-2910 (512)463-0496 FAX (512)463-1507 PATRICIA.HARLESS@HOUSE.STATE.TX.US

August 17, 2007

Received

Teresa Morales, Administrator Multifamily Finance Production Division P.O. Box 13941 Austin, Texas 78711-3491

AUG 2 0 2007

Dear Ms. Morales:

An Affordable Rental Housing Development Application has been proposed in the district I represent. The project, Costa Ibiza, is development #07441, located at approximately 17000 Hafer Road.

After meeting with the community leaders in my area and hearing their concerns, I am writing today to inform you that I oppose the approval of this application.

Thank you for the providing me with the notice of this application and allowing me the opportunity to provide my input.

Sincerely.

Patricia Harless District 126





14511 Falling Creek Dr, Ste. 205 Houston, Texas 77014 281-440-4160 ofc 281-440-5302 fax Chamberinfo@HoustonNWChamber.org :email

### www.HoustonNWChamber.org

August 28, 2007

Ms. Teresa Morales
Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3491

% +0741 25 losta Ibiza

Dear Ms. Morales:

On behalf of the Houston Northwest Chamber of Commerce, we want to express our concern regarding the proposed construction of an affordable housing apartment complex near 17000 Hafer Road in north Houston. We have enclosed a copy of a resolution passed by our Board of Directors in opposition to the Hafer Road complex. Our Chamber represents 750 businesses in this northwest region.

A group of community leaders, including a representative from Representative Debbie Riddle's office, attended a presentation delivered by the NRP Group, the developers of the proposed complex. While NRP's plans appear sound, we feel that this is not the "highest and best use" for this tract.

We understand that a hearing is scheduled for September 5<sup>th</sup> and we plan to voice our concerns at that time. As indicated in the enclosed resolution, our community is already overburdened by Section 8 housing.

We appreciate your consideration of our position and we look forward to the opportunity to articulate our concerns next month.

Singerely,

Barbara Thomason

President

Enclosure

cc: Representative Patricia Harless Representative Debbie Riddle

<sup>•</sup> Tommy Ripley, Ripley's Muffler & Brakes, Chairman • Darrell Pile, Tomball Regional Medical Center, Chair-Elect

<sup>•</sup> Judge J. Kent Adams, Justice of the Peace-Precinct 4, Chairman Emeritus • Seth Sharr, Chairman Ex-Officio

<sup>•</sup> Larry Hoole, Lawrence G. Hoole, P.C., Treasurer • Brenda Jackson, A.G. Edwards & Sons, Inc., Secretary • Barbara Thomason, President

<sup>•</sup> Founder's Council: Ryland Homes • Wal\*Mart Kuvkendahl & FM 2920 • Woodforest National Bank

<sup>•</sup> Chairman's Council: 1960 Sun, Amegy Bank, AT & T, Brookside Funeral Homes, CapitalOne Bank, Continental Airlines, Hewlett-Packard, Houston Northwest Medical Center, Northstar EMS, L.P., Sam Houston Race Park, Tomball Regional Medical Center, Wal\*Mart SuperCenters, Weingarten Realty Investors



# RESOLUTION In Support of Protest Action to Oppose the Construction of New Affordable Housing Units in Northwest Houston

WHEREAS, the Houston Northwest Chamber of Commerce is highly committed to the economic vitality of this region, to the public safety and security of the area and to the success of the business community; and

WHEREAS, the north Houston region is home to an unusually high concentration of Affordable Rental Housing Complexes that serve low-income tenants. We believe that as a community, we have done our part to support low-income housing and that other areas should now support these units; and

WHEREAS, the school districts serving these areas would be required to educate the children of these tenants without the benefit of adequate tax income to offset education expenses; and

WHEREAS, the hospitals in the area are already taxed with uninsured patients; and

WHEREAS, the area in the vicinity of the proposed 17000 Hafer Road project is an area vulnerable to crime and blight, seeing increased crime in recent years; and

WHEREAS, our Chamber and other community groups are taking an active role through Renaissance 1960 to upgrade these areas with higher rent housing, retail and office space, not lower rent housing and commercial space;

NOW, THEREFORE, BE IT RESOLVED by the Houston Northwest Chamber of Commerce that we protest the introduction of the Hafer Road project through the Texas Department of Housing and Community Affairs, Multifamily Finance Production Division.

ADOPTED and approved on this 22nd day of August, 2007.

Tommy Ripley

Chairman of the Board

∳arba∕a Thomason

President

# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS MULTIFAMILY FINANCE DIVISION PREQUALIFICATION ANALYSIS

#### West Oaks Seniors Apartments, Houston, TDHCA #08603, Priority 1C

Unit Mix and Rent Schedule									
Unit Type	Beds/Bath	# Units		Rents	Unit Size S.F.	Rent/S.F.			
60% AMI	1BD/1BA	122	\$	686	680	1.01			
60% AMI	2BD/2BA	110	\$	823	980	0.84			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
						0.00			
Totals		232	\$	2,090,664	190,760	\$ 0.91			
Averages			\$	751	822				

U	ses	of Funds/	Pro	ject Cos	ts			
		Costs	1	Per Unit		Per S.F.	Percent	
Acquisition	\$	1,738,339	\$	7,493	\$	9.11		0.09
Off-sites		0		0		0.00		0.00
Subtotal Site Costs	\$	1,738,339	\$	7,493	\$	9.11		0.09
Sitework		1,778,689		7,667		9.32		0.09
Direct Construction Costs		10,246,367		44,165		53.71		0.50
General Requirements (6%)		721,503		3,110		3.78		0.04
Contractor's Overhead (2%)		240,501		1,037		1.26		0.01
Contractor's Profit (6%)		721,503		3,110		3.78		0.04
Construction Contingency		601,253		2,592		3.15		0.03
<b>Subtotal Construction</b>	\$	14,309,817	\$	61,680	\$	75.01		0.70
Indirect Construction		441,000		1,901		2.31		0.02
Developer's Fee		2,344,227		10,104		12.29		0.11
Financing		1,213,137		5,229		6.36		0.06
Reserves		350,000		1,509		1.83		0.02
Subtotal Other Costs	\$	4,348,364	\$	18,743	\$	23	\$	0
Total Uses	\$	20,396,520	\$	87,916	\$	106.92		1.00

Applicant - Sources of Funds								
	Net	Sale	Applicable					
Source I	Proceeds	Price	Percentage					
Tax Credits	\$ 7,679,791	\$0.80	3.55%					
Source II	Proceeds	Rate	Amort	Annual D/S				
Bond Proceeds	\$11,000,000	6.00%	30	\$ 791,407				
Source III	Proceeds	% Deferred	Remaining	•				
Deferred Developer Fee	\$ 1,746,994	74.5%	\$597,233					
Source IV	Proceeds	Description		Annual D/S				
Other				\$ -				
<b>Total Sources</b>	\$20,426,785			\$ 791,407				

TDHCA - Sources of Funds								
	Net	Sale	Applicable					
Source I	Proceeds	Price	Percentage					
Tax Credits	\$ 7,679,791	\$0.80	3.55%					
Source II	Proceeds	Rate	Amort	Annual D/S				
Bond Proceeds	\$11,000,000	6.00%	30	\$ 791,407				
Source III	Proceeds	% Deferred	Remaining					
Deferred Developer Fee	\$ 1,716,729	73.2%	\$ 627,498					
Source IV	Proceeds	Description		Annual D/S				
Other	\$ -			\$ -				
<b>Total Sources</b>	\$ 20,396,520			\$ 791,407				

Applicant - Operating Proforma/Debt Coverage									
		Per S.F.	Per Unit						
	\$2,090,664	\$10.96							
	41,760	0.22	180						
6.79%	144,696	0.76	624						
	\$2,277,120	11.94	9,815						
	\$962,781	\$5.05	\$4,150						
	\$1,314,339	\$6.89	\$5,665						
	791,407	4.15	3,411						
	\$522,932	\$2.74	\$2,254						
	1.66								
	\$0	\$0.00	\$0						
	\$522,932	\$2.74	\$2,254						
	1.66								
	0.77								
	83.91%								
		\$2,090,664 41,760 144,696 \$2,277,120 \$962,781 \$1,314,339 791,407 \$522,932 1.66 \$0 \$522,932 1.66 0.77	Per S.F.   \$2,090,664   \$10.96   41,760   0.22   144,696   0.76   \$2,277,120   11.94   \$962,781   \$5.05   \$1,314,339   \$6.89   791,407   4.15   \$522,932   \$2.74   \$1.66   \$0   \$0.00   \$522,932   \$2.74   \$1.66   \$0.77   \$1.66   \$0.77						

TDHCA -	TDHCA - Operating Proforma/Debt Coverage									
			Per S.F.	Per Unit						
Potential Gross Income		\$2,090,664	\$10.96							
Other Income & Loss		41,760	0.22	180						
Vacancy & Collection	7.50%	(159,932)	-0.84	-689						
Effective Gross Income		1,972,492	10.34	8,502						
Total Operating Expenses	48.8%	\$962,781	\$5.05	\$4,150						
Net Operating Income		\$1,009,711	\$5.29	\$4,352						
Debt Service		791,407	4.15	3,411						
Net Cash Flow		\$218,305	\$1.14	\$941						
Debt Coverage Ratio		1.28								
TDHCA/TSAHC Fees			\$0.00	\$0						
Net Cash Flow		\$218,305	\$1.14	\$941						
DCR after TDHCA Fees		1.28								
Break-even Rents/S.F.		0.77								
Break-even Occupancy		83.91%								

Applicant - Annual Operating Expenses							
		Per S.F.	Per Unit				
General & Administrative Expenses	\$79,500	0.42	343				
Management Fees	71,381	0.37	308				
Payroll, Payroll Tax & Employee Exp.	205,000	1.07	884				
Maintenance/Repairs	88,000	0.46	379				
Utilities	112,500	0.59	485				
Property Insurance	69,600	0.36	300				
Property Taxes	208,800	1.09	900				
Replacement Reserves	58,000	0.30	250				
Other Expenses	70,000	0.37	302				
Total Expenses	\$962,781	\$5.05	\$4,150				

Staff Notes/Comments
Other expenses: cable tv, support service contract fees, compliance fees, and
security

## MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

#### **Action Items**

Presentation, Discussion and Possible Action of a Housing Tax Credit Amendment Process Policy.

#### **Required Action**

Approve, amend or deny the Housing Tax Credit Amendment Process Policy.

#### **Background**

As requested by the Board, staff provided a policy to clarify the approval process for Housing Tax Credit (HTC) Amendments at the September Board meeting. After reviewing the policy and listening to public testimony, the Board asked staff to publish the policy to receive public comment. Staff did as the Board requested and received comment through October 15, 2007.

The majority of comments received suggested how and what penalties should be applied which are summarized with the public comment for the Qualified Allocation Plan and Rules. The Texas Affiliation of Affordable Housing Providers (TAAHP) and Mark Musemeche with MGoup offered some suggestions for this policy. The suggestions have been incorporated in the policy following this presentation.

A summary of the comments are as follows:

An owner should be notified of a non-compliant issue and be allowed thirty days to resolve the issue. This is currently the informal process and staff concurs with this comment. The date any penalties are effective should be the day the issue is reported to or identified by the Department. Staff agrees there should be an effective date of non-comformity and has suggested language in the policy. (TAAHP)

The Department should modify and expand the definition of "material alteration" and "significant modification of the site plan" so that staff will have appropriate guidelines to follow. The draft policy specifies what issues will be presented to the Board and which will be handled administratively. Unless a development is "permit ready" at the time of application, there will be changes to the site. A significant modification could be site access changing from a public street to a private drive; or a change in the amount of impervious coverage of more or less than twenty percent (20%). The use of impervious coverage will allow changes tree preservation, grading, drainage, parking, site plan design, site boundary, building locations, vehicular circulation, and open recreation spaces can all be modified to stay within the parameters. Only changes in building type, number of stories, buildings, units, bedrooms or bathrooms, a reduction of 3% or more in either unit or common area square footage should be considered significant architectural design changes. Staff believes these comments are already consistent with the policy and therefore no change is necessary. (MGroup)

The policy has been blacklined from the August Board submission for your convenience.

It is critical to note that this policy was, and is, intended only to clarify which types of Tax Credit amendments will be presented to the Board and which amendments will be processed administratively at the Executive Director level. The policy has never been intended to be used as tool to address significant rule-based issues such as the administration of penalties. The forum for that type of significant policy is the Qualified Allocation Plan and Rules. You will note, therefore, that edits are limited to issues that pertain to the limited scope of this policy.

#### Recommendation

Staff recommends approval of attached Amendment Process Policy.

## Texas Department of Housing and Community Affairs Multifamily Finance Division

## **Housing Tax Credit Amendment Process Policy**

#### I. Introduction

Housing Tax Credit (HTC) Amendments are governed by §2306 of the Texas Government Code and the Qualified Allocation Plan and Rules (QAP). §2306.6712 of the Texas Government Code, requires the Board to hear certain requests seeking amendments as have been outlined below. To best use the Board's time at meetings, staff is seeking board approval to administratively handle issues that are considered to be routine or non-material. Part of this document will also reflect items that are considered material based on prior Board actions and comments. The purpose of this policy is to have the Executive Director process administratively all other requests for amendments on tax credit properties.

The Staff currently uses judgment in what to bring to the Board based on prior acts and this policy formalizes that process. In general, upon the completion of a development, the final review by staff includes an evaluation of the original representations in the application about physical features, rent structure, threshold items, scoring items and representations reflected in the Department's underwriting report in comparison to the development as built. Any deviation from the representations of the application's specifications and amenities, rent schedule, threshold requirements, scoring representations, and construction plans would typically be viewed as an issue requiring approval. Changes in the ownership, developer membership and financing structure are generally not subject to the amendment process unless the original scoring would be negatively affected (§2306.6712(d)(3)), although they may be subject to the ownership transfer process as detailed in §2306 and the QAP.

#### **II. Identification of Amendments**

If the Department identifies discrepancies or inconsistencies, the Department will notify the Owner, in writing, of the non-conformity. The owner will have an opportunity to correct, explain and submit an amendment request if necessary.

In order to prevent the possible assessment of penalties, an Owner should request amendments in advance of implementation. The recognized date of non-conformity will be the date the Owner should have notified the Department of the missing items. This will be the date administrative penalties may begin pursuant to the "adherence to obligations" section of the Qualified Allocation Plan and Rules.

#### **HIII.** Policy on Substitutes

It is expected that any modification that requires the approval of an amendment must be presented with an acceptable substitute. The substitute will replace the feature that has been eliminated or any eliminated aspect of a feature. Substitutes for physical features of a development do not, necessarily, need to be physical features of the development; substitutes may be additional services. Any amenity, feature or item of equipment that was not proposed to

be in the development in any part of the application but that was, in fact, built into the development, may be used as a substitute for an amenity, feature or item that was or will be omitted or diminished. For staff to recommend an amendment for approval to the Board or Executive Director, the substitute must be viewed by the Department as being an item or quality that would be an acceptable or equivalent substitute to the eliminated or diminished feature that was represented and provides the tenants of the property a like benefit.

Acceptable substitutes must be equivalent to the aspects of the development that are to be replaced. If appropriate to evaluate equivalency, the substitutes will be evaluated with respect to their cost and usefulness to the development and the benefit to the tenants. Other factors that might be considered include the impact on the overall operation of the development.

#### **IIIIV.** Amendments that Require Approval by the Board

The amendments that qualify under §2306.6712 as "material alterations" may not be handled administratively. Pursuant to §2306.6712, the Board is required to review the following amendments:

- 1. Amendments that would materially alter the development in a negative manner; and
- 2. Amendments that would have adversely affected the selection of the application in the application round.

Material alteration of a development as stated in §2306.6712 includes:

- 1. A significant modification of the site plan;
- 2. A modification of the number of units or bedroom mix of units;
- 3. A substantive modification of the scope of tenant services;
- 4. A reduction of three percent or more in the square footage of the units or common areas;
- 5. A significant modification of the architectural design of the development; a modification of the residential density of the development of at least five percent; and
- 6. Any other modification considered significant by the Board.

Additional amendments that are considered material alterations based on prior Board actions include:

- 1. Modifications to rent and income restrictions that are increasing the levels required of tenants;
- 2. Transfers of ownership specific to the special treatment of Historically Underutilized Businesses and nonprofit organizations;
- 3. Changes in which equivalent substitutes are not proposed;
- 4. Changes from original plans that are significant, i.e. two bedroom two bath to two bedroom one bath:
- 5. Changes deemed to be significantly negative, controversial or otherwise of a nature indicating that reservation for the Board's decision is most appropriate;
- 6. Changes in building types;
- 7. Any amendment in which penalties of any type are recommended; or

8. Any amendment at the discretion of the Executive Director.

#### **IVV.** Administrative Amendments

Amendments that are not listed above will be processed administratively. Such amendments could include but are not limited to, parking variances that meet code, equivalent selection, threshold or amenity changes that are interchangeable at the discretion of the Executive Director, administrative clarifications or conflicts between parts of an application or other routine matters.

The list of possible amenities for both common and unit amenities may change from year to year but will based on the applicable QAP when the amendment is requested for comparison between items. Additional amenities could be evaluated by staff and approved to be included as substitutions.

#### V. Appeal

Any staff decision may be appealed to the Board pursuant to the appeal process detailed in the Department rules in place at the time governing Board is to hear the appeal.

#### VI. Quarterly Reporting to the Board

Department staff will prepare quarterly reports to apprise the Board of the amendments being processed administratively by the Executive Director.

## Housing Tax Credit Program Board Action Request November 8, 2007

### **Action Item**

Request review and board determination of two (2) 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 two (2) four percent (4%) Tax Credit Determination Notice with <u>another issuer</u> 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
07448	River Falls Apartments	Amarillo	Panhandle Regional HFC	288	288	\$18,129,990	\$8,600,000	\$505,347	\$505,347
07449	Canterbury Apartments	Amarillo	Panhandle Regional HFC	95	95	\$5,647,484	\$3,200,000	\$207,022	\$184,290

## MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 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 River Falls Apartments, #07448.

#### **Summary of the Transaction**

Background and General Information: The application was received on August 22, 2007. The Issuer for this transaction is Panhandle Regional HFC with a reservation of allocation that expires on November 26, 2007. The development proposes the acquisition and rehabilitation of 288 total units targeting the general population. The development is proposed for the City of Amarillo, Potter 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 Panhandle River Falls, Ltd. and the General Partner is MC-CDC River Falls, Inc. of which Mid-Continent Community Development Corp. has 100% ownership interest. The Compliance Status Summary completed on October 3, 2007 reveals that the principals of the general partner do not have any properties that have been monitored by the Department. The bond priority for this transaction is:

Priority 1C:

Set aside 100% of units that cap rents at 30% of 60% AMFI (Only for projects located in a census tract with median income that is greater than the median income of the county MSA, or PMSA that the QCT is located in. Must receive 4% Housing Tax Credits)

Census Demographics: The development is to be located at 6040 Belpree Road in Amarillo. Demographics for the census tract (101.00) include AMFI of \$57,872; the total population is 2,085; the percent of population that is minority is 16.69%; the percent of population that is below the poverty line is 16.44%; the number of owner occupied units is 381; the number of renter units is 772 and the number of vacant units is 75. The percentage of population that is minority for the entire City of Amarillo is 32% (Census information from FFIEC Geocoding for 2007).

*Public Comment:* The Department has received one letter of support from the Mayor of Amarillo Debra McCartt and no letters of opposition.

#### Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of \$505,347 in Housing Tax Credits for River Falls Apartments.



## MULTIFAMILY FINANCE PRODUCTION DIVISION

### November 8, 2007

# Development Information, Public Input and Board Summary River Falls Apartments, TDHCA Number 07448

BASIC DEVELOPMENT INFORMATION									
Site Address:	6040 Belpree R	d.			Development	t #:	07448		
City:	Amarillo	Regio	on: 1	i	Population Serve	ed:	Family		
County:	Potter	Zip Co	ode: 79	106	Allocation	on: Url	ban/Exurban		
HOME Set Asi	des: CHDC	) Preservation	on 🗆 Ge	eneral	Purpose/Activ	rity:	RH		
Bond Issuer:	Panhand	dle Regional 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 DE	VELOPMENT TEAN	<u> </u>				
Owner:		Panhandle Riv	er Falls, L	.td.					
Owner Contac	ct and Phone	Larry Bunn			(806) 349-462	3			
Developer:		MC-CDC Rive	r Falls, Inc	<b>.</b>					
Housing Gene	eral Contractor:	Residential Ho	using Cor	nstruction, Inc.					
Architect:		Architettura, In	C.						
Market Analys	st:	Novogradac &	Company	, LLP					
Syndicator:		Red Capital Ma	arkets, Inc	<b>.</b>					
Supportive Se	rvices:	To Be Determi	ned						
Consultant:		Not Utilized							
		UNIT/E	BUILDING	INFORMATION					
<u>30%</u> <u>40%</u> <u>5</u>	0% 60% Eff	1 BR 2 BR 3 BR	4 BR 5 BF	R Total Restri	icted Units:		288		
0 0	0 288 15	185 88 0	0 0	Market Rate	e Units:		0		
Type of Buildi	ng: 🗹 4 ur	nits or more per bui	lding	Owner/Emp	oloyee Units:		0		
☐ Duplex		ached Residence			opment Units:		288		
☐ Triplex		gle Room Occupan	су		opment Cost:		\$18,129,990		
☐ Fourplex		nsitional			Number of Residential Buildings: 8				
	□ IOW	rnhome		· ·	n Total Units: <sup>,</sup> Total Units:		0 0		
	Note	e: If Development Cost =\$0	ı. an Underwrit				0		
		FUN	DING INF	ORMATION	•				
		•	plicant equest	Department Analysis	Amort	Term	Rate		
4% Housing	Tax Credits with	\$505,347	0	0	0%				
TDHCA Bon	d Allocation Amo	unt:	\$0	\$0	0	0	0%		
HOME Activi	ty Fund Amount:		\$0	\$0	0	0	0%		
HOME CHDO Operating Grant Amount: \$0			\$0	\$0					



#### MULTIFAMILY FINANCE PRODUCTION DIVISION

#### November 8, 2007

## Development Information, Public Input and Board Summary River Falls Apartments, TDHCA Number 07448

#### **PUBLIC COMMENT SUMMARY**

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

#### State/Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31 NC US Representative: Thornberry, District 13, NC

TX Representative: Swinford, District 87 NC US Senator: NC

#### **Local Officials and Other Public Officials:**

Mayor/Judge: Debra McCartt, Mayor, City of Amarillo - S Resolution of Support from Local Government

Vicki Covey, Director Community Services Division, City of Amarillo - A project of this nature is consistent with the priority strategies of Amarillo's 2005-2010 Consolidated

Plan.

<u>Individuals/Businesses:</u> In Support 0 In Opposition 0

**Neighborhood Input:** 

#### **General Summary of Comment:**

The Department has received one letter of support from the Mayor of Amarillo Debra McCartt 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 documentation reflecting that the sale of the properly include the land along with the buildings and other improvements described in Exhibit A of the Purchase Agreement.

Receipt, review and acceptance of the complete revised PCA Report before closing of the bonds.

Receipt, review, and acceptance, by cost certification, that the Applicant has followed the recommendations of the ESA provider in the Operations & Maintenance Plan with regard to asbestos in accordance with local state, and federal regulations before, during, and after the renovation of the site.

Receipt, review and acceptance, by cost certification, of documentation from the local taxing authority that the property will receive a 50% tax exemption.

Receipt, review and acceptance, before commencement of construction, of the satisfactory resolution of the suit under Cause No. 95449-00A District Court, Potter County, Texas in order that the insuring title company will issue title insurance coverage on the subject property.

Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the allocation amount may be warranted.



## November 8, 2007

# Development Information, Public Input and Board Summary River Falls Apartments, TDHCA Number 07448

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

4% Housing Tax Credits: Credit Amount: \$505,347

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$505,347 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:



# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

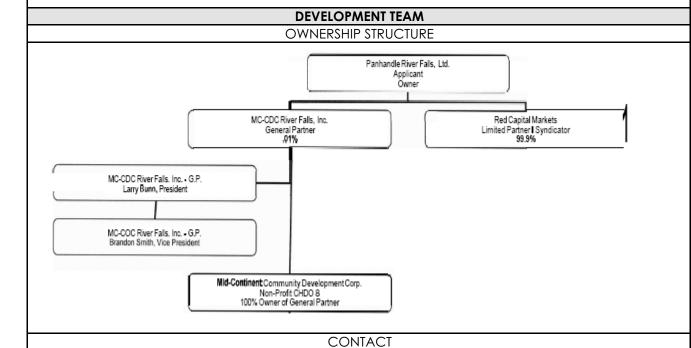
Real Estate Analysis Division Underwriting Report

REPORT DATE: 11/01/07 PROGRAM: HTC 4% FILE NUMBER: 07448

	, and a	F)/FI O DA4	FAIT			
		EVELOPM				
	River F	alls Apa	rtments			
Location: 6040 Belpree Rd.					Re	gion: 1
City: Amarillo	County: Potte	er	Zip:	79106	QCT	DDA
Key Attributes: Non-Profit, Ac	quisition/Rehab	ilitation, M	ultifamily, Ur	ban/Exurban		
	Δ.	LLOCATION	2N			
			JN			
		REQUEST	I		MMENDAT	
TDHCA Program	Amount	Interest	Amort/Term		Interest	Amort/Term
Housing Tax Credit (Annual)	\$505,347			\$505,347		
	C	CONDITIO	NS			
<ol> <li>Receipt, review and accepto land along with the buildings Agreement.</li> </ol>	and other impro	ovements	described in	Exhibit A of the	Purchase	<b>&gt;</b>
2 Receipt, review and accepto	ince of the com	nplete revi	sed PCA Rep	port before clos	ing of the	bonds.
3 Receipt, review, and acceptor recommendations of the ESA accordance with local, state, site.	provider in the	Operation	s & Mainten	ance Plan with	regard to	asbestos in
4 Receipt, review and accepte authority that the property will				ntation from the	e local tax	ing
5 Receipt, review and accepto of the suit under Cause No. 95 company will issue title insuran	5449-00A District	Court, Po	tter County,	Texas in order t		•
6 Should the terms and rates of evaluated and an adjustmen				-	action sho	ould be re-
	SA	ALIENT ISS	UES			
	TDHCA	SET-ASIDES	SforLURA			]
Income Limit	1	Rent Lim		Number of	Units	
60% of AMI		60% of A <i>l</i>	ΛI	288		
PROS				CONS		
<ul> <li>The proposed plan will mainto an existing 29 year old affordo</li> </ul>		tate •	which supp	the property ind orts a higher sa oraised value.		
<ul> <li>The rehabilitation will limit the existing tenants.</li> </ul>	displacement c	of	slightly belo	riter's inclusive on the Departm are a rehabilitation oncern.	ent's 100%	s maximum

# **PREVIOUS UNDERWRITING REPORTS**

The Applicant applied for 4% housing tax credits for the acquisition and rehabilitation of this development under the 2006 cycle; however, the application was withdrawn at the Applicant's request.



		1	1
Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments
Mid-Continent Community Dev. Corp.	\$353K	\$350K	0
Larry Bunn	Confid	dential	0

**KEY PARTICIPANTS** 

Phone: (806) 349-4623

Fax: (806) 349-4635

Larry Bunn

larry@mc-cdc.org

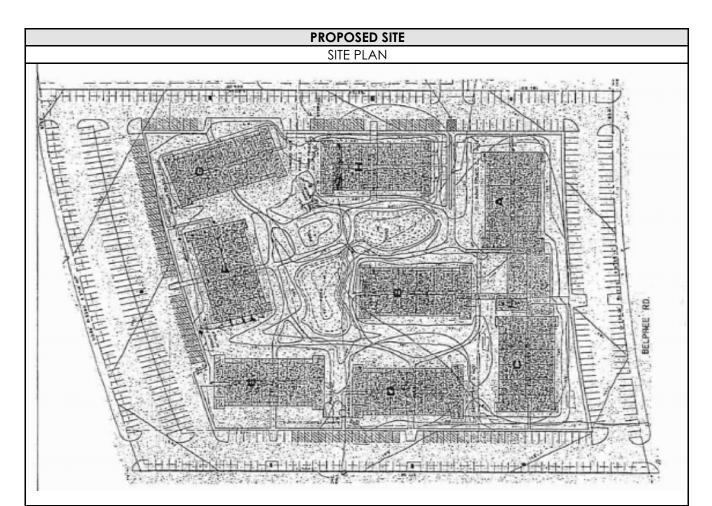
Contact:

Email:

## **IDENTITIES of INTEREST**

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments. The Contractor is listed as a non related party; however, contact information provided is the same as the Applicant's information.
- The seller is regarded as a related party due to the proposed seller financing of a substantial portion of the sales price, and because of the guarantees the Seller is providing to the lender and syndicator.

<sup>&</sup>lt;sup>1</sup> Liquidity = Current Assets - Current Liabilities



# **BUILDING CONFIGURATION**

Buildin	g Type	Α	В						Total	
Floors/	'Stories	3	3						Buildings	
Nun	nber	3	5						8	
BR/BA	SF				Ur	nits			Total Units	Total SF
Eff/1	350		3						15	5,250
1/1	665	6	6						48	31,920
1/1	700	3	2						19	13,300
1/1	730	6	5						43	31,390
1/1	755	9	9						72	54,360
1/1	800	1							3	2,400
2/2	905	1							3	2,715
2/2	1,015	10	11						85	86,275
Units per	<sup>r</sup> Building	36	36						288	227,610

## Rehabilitation Summary:

The buildings are currently occupied and in average condition based on the age of the improvements and the amount of deferred maintenance. The property condition assessment prepared by JPS & Associates, Inc. indicates the property is considered to be average. The scope of rehab work on this property has changed several times, most recently as a result of the syndicator's requirement that a minimum of \$20,000 per unit in rehabilitation be completed. The most current list of renovations include:

Replace heating and domestic hot water boilers as needed; repair drywall from previous leaks; paint hallways and interior of units; repair sliding glass doors as needed; replace windows property-wide; paint laundry room and install new vinyl flooring; replace locks and repair gates and doors as needed on security entry and repair intercom system; general repairs to roofs and parapet caps; overlay and restripe parking lots and replace bumper stops as needed; repair cracked or damaged sections of sidewalk and update to ADA specs; install new door signs at each unit; install new building signs at each building; install new property sign with site map at main entrance; repair existing ponds; paint exterior siding, trim doors and railings; repair soffits, fascia and balcony railings; repair stairs as needed; upgrade existing building lighting and install up to six per building; replace existing pole lights in courtyards; repair pool and pool fences as needed; replace downspouts as needed; repair elevators, repair cabinets and resurface countertops.

Replace refrigerators, ranges, dishwashers, disposals and vent hoods; repair existing chillers and blower units; repair exhaust fans in bathrooms; install ceiling fans in living rooms and bedrooms; replace vinyl and carpet flooring; replace carpet and/or vinyl in common areas, hallways and community rooms; replace up to 50% of bathtubs; repair showers and install new pans and tile (up to 75%).

In addition the following additional features are proposed to be added: Install six foot wrought iron fence on the north and south property boundaries; convert bathroom at clubhouse to ADA accessible public bathroom; install computer/business center; build partition wall to separate from business center; install barbeque and picnic area, install gazebo area; install playground;

The original Property Condition Assessment (PCA) total rehabilitation costs was substantially less than the Applicant's most recent proposal and a second PCA was still approximately \$1M less than the proposed renovation. The Department received a copy of a letter from the PCA provider on October 30, 2007 which reflected only summary of total costs that now match the Applicant's most current estimate and an indication that a revised report detailing these total costs would be forthcoming. It is therefore anticipated that the scope of work will also grow to address these additional costs. Accordingly, receipt, review and acceptance by the Department of the revised PCA Report before bond closing is a condition of this report.

## Relocation Plan:

The Applicant plans to renovate the property in phases whereby specific buildings and units will be targeted, tenants will be moved out of those buildings, renovations will be completed and then tenants will be relocated to the completed buildings. The property is currently operating at a significantly higher vacancy rate in order to facilitate keeping tenants in the development and minimize need for placement in other facilities. All cost associated with the Relocation Plan will be incurred by the Applicant.

		SITE	ISSUES	
Total Size: Flood Zone Zoning:	9.7753 acres C GR-General Rental	Scattered sit Within 100-yi Needs to be	r floodplair	
		TDHCA SITI	E INSPECTI	ION
Inspector:	Manufactured Housing St	aff		Date: 7/11/2007
Overall Ass Exc Surrounding	ellent X Acceptable	e Ques	stionable	Poor Unacceptable
North:	g uses. IH40, warehouses and sto	rage	East:	Businesses
South:	Residential and business		West:	Residential

	HIGHLIGHTS of ENVIRONMENTAL REPORTS		
Provider:	LandAmerica Commercial Services	Date:	2/5/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

"LAC (LandAmerica Commercial Services) performed a Phase I Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of 6040 Belpree Rd., Amarillo, Texas 79109, the property. This assessment has revealed no evidence of recognized environmental conditions in connection with the Property. However, the following Non-ASTM issue was identified: Based on the results of the limited asbestos survey, ACM in the form of textured ceiling material has been confirmed at the property. This material is located throughout the Property and was in good condition, where observed. Other suspect ACM's observed at the Property included various other styles of vinyl flooring/mastics and roofing materials." (p. 23)

Based on the findings of the ESA, LAC recommends the following:

"An Operations and Maintenance (O&M) program should be developed to manage the identified and suspect asbestos-containing materials in places found at the facility. The intent of the O&M program is to minimize the potential exposure of building occupants to airborne asbestos fibers. In addition, prior to any demolition or renovation activities a comprehensive asbestos survey is recommended." (p. 23)

## Comments:

Since the Phase I Environmental Site Assessment was originally prepared, an Operations and Maintenance (O&M) program has been developed by LandAmerica Commercial Services. The O&M report sets forth a plan of operation for the development with additional requirements for the property in the event of renovations or rehabilitation. Therefore, receipt, review, and acceptance that the Applicant has followed the recommendations of the ESA provider in the Operations & Maintenance Plan with regard to asbestos in accordance with local, state, and federal regulations before, during, and after the renovation of the site is a condition of this report.

	MAR	KET HIGHLIG	HTS							
Provider:	Novogradac & Company			Date:	2/5/2007					
Contact:	Davonne Lewis	Phone:	(512) 340-0420	Fax:	(512) 340-0421					
Number of I	Revisions: 0 Date of	Last Applica	int Revision: N/A		_					
"The Sub 9th Aver	Primary Market Area (PMA): 23.71 square miles (2.75 mile radius)  "The Subject's Primary Market Area (PMA) is the area bound by West Amarillo Boulevard, Coulter Drive, 9th Avenue, and Interstate 40 to the north, Interstate 27 and US Highway 87 to the east, West Hollywood Boulevard to the south, and Soncy Road to the West." (p. 11)									
•	Market Area (SMA): ondary market area is defined as the	e Amarillo MS	A." (p. 12)							

PROPOSED,	PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS											
	PMA				SMA							
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units				
Town Parc	5124	144	86									
Canyons Retirement	7219	111	0									
Three Fountains Apts.	7447	223	0		N/A							
Canterbury Apts.	7449	95	0									
Puckett Place Apts.	7450	255	0									

### Comments:

All of the units listed above, except Town Parc at Amarillo, are existing units that are being proposed to be rehabilitated. The low occupancy rates at the subject's sister properties: Three Fountains, Canterbury, and Puckett Place (all below 72% currently) might suggest a limited demand for any new additional units in the market.

	INCOME LIMITS										
	Potter										
% AMI	% AMI 1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons										
60 \$21,780 \$24,840 \$27,960 \$31,080 \$33,540 \$36,060											

MARKET ANALYST'S PMA DEMAND by UNIT TYPE											
Unit Type  Turnover Demand  Demand  Other De											
0 BR/ 60% Rent Limit			88	88	15	0	17.09%				
1 BR/ 60% Rent Limit			1,089	1,089	185	25	19.28%				
2 BR/ 60% Rent Limit			1,534	1,534	88	61	9.71%				

	OVERALL DEMAND												
Target Households						Household Size Income Eligible		Tenure		Demand			
PMA DEMAND from TURNOVER													
Market Analyst	p.	110	100%	41,057	100%	41,057	7%	2,710	25%	677	100%	677	
Underwriter			100%	41,392	82%	33,941	11%	3,734	39%	1,456	25%	364	
					PMA	A DEMAN	D from	HOUSEH	OLD G	ROWTH			
Market Analyst	p.	110			100%		7%		25%		100%	22	
Underwriter					82%	329	11%	30	39%	12	100%	12	
						SMA DE	MAND	) from TUF	RNOVE	R			

	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. 110		288	86	0	374	700	53.43%					
Underwriter 288 86 0 374 376 99.57												

## Primary Market Occupancy Rates:

"Occupancy rates reported at the comparable properties ranged from 86.6 to 100 percent, with an average occupancy rate of 92.23 percent." (p. 74)

## Absorption Projections:

"Much of the demand for the Subject is expected to originate with tenants already living at the property, which has a current occupancy rate of 68.8 percent. After renovation, the existing tenant base at the Subject will benefit from improvements to the property and rents that are well below achievable market rents. In addition, these improvements will appeal to the target market of low-income renters elsewhere in the market, particularly Section 8 voucher holders. Approximately 20 percent of current tenants at the Subject have Section 8 vouchers. Thus, if we conservatively assume an absorption rate of 20 units per month overall, the absorption period is estimated to be approximately 13 months to reach 93 percent occupancy." (p. 73).

	RENT ANALYSIS (Tenant-Paid Net Rents)											
Unit Type (% AMI)		Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market						
O BR	350 SF	60%	\$429	\$491	\$455	\$455	\$0					
1 BR	665 SF	60%	\$471	\$511	\$515	\$511	\$4					
1 BR	700 SF	60%	\$467	\$511	\$535	\$511	\$24					
1 BR	730 SF	60%	\$472	\$511	\$540	\$511	\$29					
1 BR	730 SF	60%	\$472	\$511	\$540	\$511	\$29					
1 BR	755 SF	60%	\$477	\$511	\$545	\$511	\$34					
1 BR	800 SF	60%	\$483	\$511	\$560	\$511	\$49					
2 BR	905 SF	60%	\$548	\$628	\$645	\$628	\$17					
2 BR	1,015 SF	60%	\$594	\$628	\$665	\$628	\$37					

## Market Impact:

"Despite the new competition in the PMA from Town Parc at Amarillo, the potential impact on the existing affordable housing stock is anticipated to be minimal." (p. 119)

## Comments:

Typically because the subject development is currently occupied and it is likely that existing tenants will choose to remain at the property, an inclusive capture rate calculation is not considered to be a meaningful tool for determining the feasibility of the subject development. The Underwriter found the market study provided sufficient information upon which to base a funding recommendation.

It should be noted that the Applicant plans to rehabilitate three other developments within the defined Primary Market Area: TDHCA #07449 Canterbury Apartments (95 units, 71.6% occupancy) immediately, and TDHCA #07447 Three Fountains Apartments (223 units, 65.5% occupancy), and TDHCA #07450 Puckett Place Apartments (255 units, 58% occupancy) sometime during the next year or so. If only the unoccupied units in these four developments are considered along with all of the units at the unstabilized Town Parc development, the inclusive capture rate would still hover just under 100%. However, the current occupancy rates of the subject and its sister developments may be artificially low given management's intention to perform renovations in exiting vacant units and minimize relocation expenses. Given that the units already exist in the market, a significant increase in rent is not being projected and a major repositioning of the development is not expected. It is anticipated that the rehabilitated units will, however, be able to improve on their occupancy rate and be able to remain as safe decent and affordable housing as a result of this transaction.

# Income: Number of Revisions: 2 Date of Last Applicant Revision: 10/24/2007

The Applicant's projected rents are between \$26 and \$80 lower than the underwritten rents and substantially below the market rents determined by the Market Analyst and the net program rents. The Underwriter utilized the lesser of the Market Analyst's market rent conclusion and the rents calculated by subtracting tenant-paid utility allowances as of October 1, 2006 from the 2007 program gross rent limits in line with Department guidelines. The Applicant indicated the current boiler system for Hot water would continue and thus water heating was excluded from the tenant portion of the utility allowance. The Applicant used utility allowances from a schedule dated October 1, 2005 of which most allowances were less than the 2006 schedule used by the Underwriter.

The difference in the projected rent levels results in a potential gross rent difference of \$126K.

The Applicant's secondary income is projected to be \$23 per unit per month; however, the Underwriter used a rate of \$15 per unit per month for the Department's analysis. This income consists of laundry income, application fees, late fees, NSF fees and washer and dryer rentals. Tenants will be required to pay natural gas and electric utility costs.

Expense:	Number of Revisions:	2	Date of Last Applicant Revision:	10/26/2007	

The Applicant's total annual operating expense projection of \$3,216 per unit is not within 5% of the Underwriter's estimate of \$3,742, derived from the actual operating history of the development, the TDHCA database and third party data sources. The Applicant's budget has several line item estimates that deviate significantly from the Underwriter's estimates, including: general and administrative (\$48K lower); payroll and payroll tax (\$17K lower); utilities (\$72K higher); water, sewer and trash (\$50K lower); insurance (\$22K lower) and property tax (\$61K lower).

Historical operating expenses are somewhat low compared to other properties in the market; however, the current owner has a 100% property tax exemption on the subject development, and the Applicant intends to obtain a 50% exemption. Receipt, review and acceptance, by cost certification, of documentation from the local taxing authority that the property will receive a 50% exemption is a condition of this report.

#### Conclusion:

The Applicant's net operating income is within 5 percent of the Underwriter's estimate; however, the Applicant's estimates of effective gross income and total operating expense are not. Therefore, the Underwriter's proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR).

The Applicant included payment of deferred developer fees as a principal and interest payment against net operating income and calculated the debt coverage ratio accordingly. The Underwriter excluded this as a debt service payment for this analysis, and has a resulting debt coverage ratio of 1.24% for the third party debt associated with the bonds. This ratio is considered acceptable according to Department guidelines.

Both the Applicant's (56%) expense-to-income ratio and the Underwriter's (60%) ratio are below the Department's maximum 65%. Therefore, the projected expense-to-income ratio in each proforma is acceptable.

## 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 Underwriter's base year effective gross income, expense and net operating income coupled with a revised debt service 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									
	APPRAISED	VALUE							
Provider: Novogradac & Comp	any		Date:	1/23/2007					
Number of Revisions: 0	Date of Last App	olicant Revisior	n: N/A						
Land Only: 9.78 acres	\$1,200,000	As of:	1/23/2007						
Existing Buildings: (as-is)	\$6,800,000	As of:	1/23/2007	<del>_</del>					
Total Development: (as-is)	\$8,000,000	As of:	1/23/2007	<del>_</del>					
Comments:				<del>_</del>					

The appraisal provided an "as is value" of the total property (land and buildings) based upon the direct capitalization analysis method using a 7% capitalization rate. The Appraiser provided an "as is" market value of the property assuming current rent restricted operations (but 100% taxes) to be \$8,000,000 and the "as is" investment value assuming restricted rents and maintaining a 50% property tax abatement was stated to be \$8,800,000.

The Appraiser also provided a separate land-only value "as vacant" of \$1,200,000. Three land sales dating from 2001 to 2004 for 10.7 acres to 12.5 acres were used to determine the underlying value of the land.

The appraisal also provided an "as completed" value of the total property assuming tax credit restricted rent (no tax exemption) to be \$12,800,000 and the "as completed" investment value assuming restricted rents and a 50% property tax abatement was estimated to be \$13,600,000. The rents used by the Appraiser were \$4 to \$10 higher than the Underwriter's concluded rents.

According to the Applicant, Novogradac & Company will be providing an updated appraised value for the property that will establish the "as is" value at \$9,600,000; however, the updated report has not been received at this time. Should a revised appraisal be provided and be well documented, a revision to the acquisition basis may be possible.

A COFFOCED A CALLIE											
ASSESSED VALUE											
Land Only: 9.78 acres Existing Buildings:	\$854,738 \$4,544,216	Tax Year: Valuation by:	2006 Potter/Randall CAD								
•	•										
Total Assessed Value:	\$5,398,954	Tax Rate:	2.53127								
EVIDENCE of PROPERTY CONTROL											
Type: Purchase Agreement			Acreage: N/A								
Contract Expiration: 12/	31/2007 Valid	Through Board Date?	X Yes No								
Acquisition Cost: \$9,600,00	Othe	r: Site control only refle	cts sale of the buildings								
Seller: Amarillo Affordable H	ousing, LLC Rela	ed to Development Tear	n? Yes No								
	TIT	<u>.E</u>									
Comments:  The site control document of land. This is a result of the Allease is no longer being conformacquisition cost was increas receipt, review and acceptional along with the building Agreement is a condition of	oplicant's original plant templated and while c ed, it did not identify the ance of documentations and other improvement	o buy the buildings and long amendment to the cortact the land was also being a reflecting that the sale of	ease the land. The land  ntract was provided and the g transferred. Accordingly, of the property include the								
There is currently a suit pend Registered Holders of Series will not cover loss, costs, atto their satisfaction, before the handled appropriately so th property.	2000 vs. Amarillo Afford orney's fees and expens date the Policy is issue	able Housing. The Title co es resulting from this item d. Accordingly, this item r	ompany has stated that it unless it is disposed of to must be disposed of or								

# **CONSTRUCTION COST ESTIMATE EVALUATION** COST SCHEDULE Number of Revisions: 2 Date of Last Applicant Revision: 10/26/2007

## Acquisition Value:

The acquisition of the subject development is being considered a related party transaction based upon the seller's continued interest in the property through their long-term seller financing of a portion of the sales price and because of the guarantees the Seller is providing to the lender and syndicator. The appraisal, provided by the purchaser, was discussed above. The current "as is" value based upon the 50% exemption is \$8,800,00 and provides an upward limit on the acquisition value of the transfer. A higher transfer value would result in a higher seller note as there is no additional capacity from the operation of the development to support additional first lien debt. The Applicant has included a transfer price of \$9,600,000 and has indicated that an updated appraisal will be forthcoming. The Underwriter consequently reduced the Seller financing by the difference in the Applicant's estimated acquisition price and the "as is" appraisal.

The Underwriter used land-only value established by the appraiser (\$1,200,000) to deduce the acquisition basis for the buildings of \$7,480,000. The Applicant utilized a reduced acquisition value of \$5,321,841 as a result of concerns over the 10 year hold period and the eligibility of both original phases of the development. According to the Applicant, the development was last placed in service in two phases and the smaller phase containing 37% of the value may not have met the 10 year hold requirements based upon an opinion from their tax counsel. The Applicant is continuing to work on this issue and if it is resolved, an amended request for additional acquisition credits will be submitted.

The Applicant also claimed a developer fee for the acquisition; however, the Department's underwriting rules prohibit a developer fee for the acquisition portion in an identity of interest transaction from being claimed as an eligible cost to support additional credits. Therefore, these fees have been removed from eligible basis in the Underwriter's analysis.

#### Sitework Cost:

The Applicant's proposed site work cost of \$1,550 per unit is within the Department's guidelines and is considered to be reasonable for a rehabilitation development.

## Direct Construction Cost:

The Applicant's direct construction cost estimate is the same summary total amount that was provided in the October 30 letter from the PCA provider (\$4,826,401). This is the PCA providers third estimate of the renovation costs. While the Underwriting analysis will also reflect the amount provided by the PCA provider; receipt, review, and acceptance of the detail revised PCA analysis is a condition of this report.

## Contingency & Fees:

As discussed above, the Applicant claimed developer fees on the related-party acquisition. The eligible developer fee was therefore reduced by this amount, which is \$798,277.

#### Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis.

An eligible basis of \$5,321,849 is used for the acquisition and \$8,485,275 is used for rehabilitation which supports total annual tax credits of \$506,721. 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.

APPLICANT'S PROPOSED FINANCING STRUCTURE									
SOURCES & USES Number of Revisions: 2 Date of Last Applicant Revision: 10/26/2007									
Source: Column Capital, LLC Type: Interim to Permanent Financing									
Interim: \$8,600,000 Interest Rate: 5.75% X Fixed Term: 36 months Permanent: \$8,600,000 Interest Rate: 5.75% X Fixed Term: 420 months Comments:  The development qualifies as a Priority 2 Private Activity Bond transaction because it is at least 51 percent financed by tax-exempt private activity bonds; however, it is anticipated that the Applicant's bond financing will be arranged through the Panhandle Regional Housing Finance Corporation.  The tax exempt bonds are to be issued by the Panhandle Regional Housing Finance Corporation and purchased by Column Capital, LLC. Column is to provide both the construction and permanent financing for the development. The construction loan phase is to be 36 months from closing plus									
applicable extensions at an underwriting interest rate of loan, payments will be monthly principal and interest p with an 18 year repayment term at a rate of approxim  Source: Amarillo Affordable Housing, LLC	of 5.75%. Up payments ba	on conversion to the	e permanent rear amortization						
Principal: \$4,862,355 Interest Rate: 4.8% X Fixed Amort: 540 months  Comments:  This is to be a second lien seller finance note to facilitate the financing of the property. This note is to be paid from excess cash flow of the property after the senior debt payment and deferred developer fees have been paid. The borrower is to begin making payments in the 11th year and will continue for the remaining term of 24 years. The loan is to have an amortization term of 45 years with a repayment term of 24 years, and will have an interest rate of 4.77%. This loan does appear to be repayable out of cash flow in this time period assuming typical increase assumptions for expenses and income. However if expenses outpace income by more than 1%, repayment of this second lien would be in jeopardy.									
Source: Red Capital Markets	Туре:	Syndication							
Proceeds: \$4,699,256 Syndication Rate:	93%	Anticipated HTC:	\$ 505,347						
Comments: The tax credit syndication commitment is consistent wi funds listed in the application.									
Amount: \$1,524,042	Type:	Deferred Develope	er rees						

## **UNDERWRITER'S CONCLUSIONS AND RECOMMENDATIONS**

## Recommended Financing Structure:

As discussed above the Underwriter has reduced the Seller note by \$800,000 to \$4,062,355 as a result of the Appraisal limited identity of interest transfer price. In addition the uses of funds are further reduced by approximately \$800,000 as a result of the developer fee requested for the building acquisition.

As a result, the Underwriter's total development cost estimate less the permanent first mortgage of \$8,600,000 and the long-term seller finance second lien loan of \$4,062,355 indicates a need for \$5,467,635 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$587,977 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$505,347), the gap-driven amount (\$587,977), and the eligible basis-derived estimate (\$506,721), the Applicant's request of \$505,347 is recommended, resulting in proceeds of \$4,699,256 based on a syndication rate of 93%.

In addition to the first and second lien sources and the syndication proceeds there will be a need for \$768,379 in additional funds. Deferred developer fees in this amount appear to be repayable from development cashflow within 10 years. As indicated above, the second lien Seller note will not be repaid during the first 10 years while the deferred developer's fees are being paid.

Underwriter:		Date:	November 1, 2007
	D. Burrell		
Director of Real Estate Analysis:		Date:	November 1, 2007
	Tom Gouris		

# MULTIFAMILY COMPARATIVE ANALYSIS

# River Falls Apartments, Amarillo, HTC 4% #07448

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%	15	0	1	350	\$544	\$455	\$6,825	\$1.30	\$53.00	\$43.00
TC 60%	48	1	1	665	\$582	511	24,528	0.77	71.00	89.00
TC 60%	19	1	1	700	\$582	511	9,709	0.73	71.00	89.00
TC 60%	13	1	1	730	\$582	511	6,643	0.70	71.00	89.00
TC 60%	30	1	1	730	\$582	511	15,330	0.70	71.00	89.00
TC 60%	72	1	1	755	\$582	511	36,792	0.68	71.00	89.00
TC 60%	3	1	1	800	\$582	511	1,533	0.64	71.00	89.00
TC 60%	3	2	1.5	905	\$699	628	1,884	0.69	71.00	89.00
TC 60%	85	2	1.5	1,015	\$699	628	53,380	0.62	71.00	89.00
TOTAL:	288		AVERAGE:	790		\$544	\$156,624	\$0.69	\$70.06	\$86.60

INCOME Total Net F	Rentable Sq Ft:	227,610		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				\$1,879,488	\$1,753,668	Potter		1
Secondary Income	I	Per Unit Per Month:	\$15.00	51,840	78,312	\$22.66	Per Unit Per Month	ı
Other Support Income:				0	0	\$0.00	Per Unit Per Month	1
POTENTIAL GROSS INCOME				\$1,931,328	\$1,831,980			
Vacancy & Collection Loss	% of Pote	ntial Gross Income:	-7.50%	(144,850)	(164,880)	-9.00%	of Potential Gross	Income
Employee or Other Non-Rental Unit	s or Concess	ions		0	0			
EFFECTIVE GROSS INCOME				\$1,786,478	\$1,667,100			
<u>EXPENSES</u>	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	5.04%	\$312	0.40	\$89,998	\$42,296	\$0.19	\$147	2.54%
Management	3.88%	241	0.30	69,347	66,684	0.29	232	4.00%
Payroll & Payroll Tax	15.87%	984	1.25	283,426	266,309	1.17	925	15.97%
Repairs & Maintenance	6.03%	374	0.47	107,663	96,397	0.42	335	5.78%
Utilities	6.96%	432	0.55	124,374	196,598	0.86	683	11.79%
Water, Sewer, & Trash	5.79%	359	0.45	103,470	53,048	0.23	184	3.18%
Property Insurance	5.15%	319	0.40	92,015	70,272	0.31	244	4.22%
Property Tax 2.53127	6.12%	380	0.48	109,351	48,110	0.21	167	2.89%
Reserve for Replacements	4.84%	300	0.38	86,400	86,400	0.38	300	5.18%
TDHCA Compliance Fees	0.64%	40	0.05	11,520	0	0.00	0	0.00%
Other: Bond Admin. Fee	0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	60.32%	\$3,742	\$4.73	\$1,077,563	\$926,114	\$4.07	\$3,216	55.55%
NET OPERATING INC	39.68%	\$2,462	\$3.11	\$708,915	\$740,986	\$3.26	\$2,573	44.45%
DEBT SERVICE			_					_
Column Capital, LLC	31.97%	\$1,983	\$2.51	\$571,213	\$571,213	\$2.51	\$1,983	34.26%
Additonal Financing	0.00%	\$0	\$0.00	0	82,366	\$0.36	\$286	4.94%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	7.71%	\$478	\$0.60	\$137,702	\$87,407	\$0.38	\$303	5.24%
AGGREGATE DEBT COVERAGE R	ATIO			1.24	1.13			
RECOMMENDED DEBT COVERAG	E RATIO			1.24				

## **CONSTRUCTION COST**

<u>Description</u>	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site of	or bldg)	48.54%	\$30,556	\$38.66	\$8,800,000	\$9,600,000	\$42.18	\$33,333	48.77%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		2.46%	1,550	1.96	446,325	446,325	1.96	1,550	2.27%
Direct Construction		26.62%	16,758	21.20	4,826,401	4,826,401	21.20	16,758	24.52%
Contingency	5.70%	1.66%	1,044	1.32	300,545	300,545	1.32	1,044	1.53%
Contractor's Fees	14.00%	4.07%	2,563	3.24	738,182	738,183	3.24	2,563	3.75%
Indirect Construction		2.08%	1,308	1.66	376,827	376,827	1.66	1,308	1.91%
Ineligible Costs		3.30%	2,076	2.63	597,797	597,797	2.63	2,076	3.04%
Developer's Fees	15.00%	6.10%	3,843	4.86	1,106,775	1,905,052	8.37	6,615	9.68%
Interim Financing		3.81%	2,397	3.03	690,220	690,220	3.03	2,397	3.51%
Reserves		1.36%	857	1.08	246,918	204,273	0.90	709	1.04%
TOTAL COST		100.00%	\$62,951	\$79.65	\$18,129,990	\$19,685,623	\$86.49	\$68,353	100.00%
Construction Cost Rec	an	34.81%	\$21 915	\$27.73	\$6.311.453	\$6,311,454	\$27.73	\$21 915	32.06%

•						
SOURCES OF FUNDS						RECOMMENDED
Column Capital, LLC	47.44%	\$29,861	\$37.78	\$8,600,000	\$8,600,000	\$8,600,000
American Housing Foundation	26.82%	\$16,883	\$21.36	4,862,355	4,862,355	4,062,355
Additional Financing	0.00%	\$0	\$0.00	0	0	0

\$20.65

\$6.70

(\$6.83)

\$16,317

\$5,292

(\$5,402)

25.92%

 Deferred Developer Fees
 8.41%

 Additional (Excess) Funds Req'd
 -8.58%

 TOTAL SOURCES

\$8,600,000 \$8,600,000 \$8,600,000 4,862,355 4,062,355 0 0 0 0 0 0 4,699,256 4,699,256 4,699,256 1,524,012 1,524,012 768,379 (1,555,633) 0 (0) \$18,129,990 \$19,685,623 \$18,129,990

Dev. Fee Available
\$1,106,775
% of Dev. Fee Deferred
69%
15-Yr Cumulative Cash Flow
\$3,126,235

HTC Syndication Proceeds

# MULTIFAMILY COMPARATIVE ANALYSIS (continued)

River Falls Apartments, Amarillo, HTC 4% #07448

## **PAYMENT COMPUTATION**

Primary	\$8,600,000	Amort	420
Int Rate	5.75%	DCR	1.24

Secondary	\$4,862,355	Amort	
Int Rate		Subtotal DCR	1.24

Additional	Amort	
Int Rate	Aggregate DCR	1.24

# RECOMMENDED FINANCING STRUCTURE:

 Primary Debt Service
 \$571,213

 Secondary Debt Service
 0

 Additional Debt Service
 0

 NET CASH FLOW
 \$137,702

Primary	\$8,600,000	Amort	420
Int Rate	5.75%	DCR	1.24

Secondary	\$4,062,355	Amort	
Int Rate	4.77%	Subtotal DCR	1.24

Additional	\$0	Amort	360
Int Rate	5.75%	Aggregate DCR	1.24

# OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME a	at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL C	GROSS RENT	\$1,879,488	\$1,935,873	\$1,993,949	\$2,053,767	\$2,115,380	\$2,452,306	\$2,842,894	\$3,295,694	\$4,429,137
Secondary In	ncome	51,840	53,395	54,997	56,647	58,346	67,639	78,413	90,902	122,164
Other Suppo	ort Income:	0	0	0	0	0	0	0	0	0
POTENTIAL O	GROSS INCOME	1,931,328	1,989,268	2,048,946	2,110,414	2,173,727	2,519,945	2,921,307	3,386,595	4,551,301
Vacancy & C	Collection Loss	(144,850)	(149,195)	(153,671)	(158,281)	(163,030)	(188,996)	(219,098)	(253,995)	(341,348)
Employee or	Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE O	GROSS INCOME	\$1,786,478	\$1,840,073	\$1,895,275	\$1,952,133	\$2,010,697	\$2,330,949	\$2,702,209	\$3,132,601	\$4,209,953
EXPENSES a	at 4.00%									
General & Ad	dministrative	\$89,998	\$93,598	\$97,342	\$101,236	\$105,285	\$128,096	\$155,848	\$189,613	\$280,674
Management	t	69,347	71,427	73,570	75,777	78,050	90,482	104,893	121,600	163,420
Payroll & Pay	yroll Tax	283,426	294,763	306,553	318,815	331,568	403,403	490,801	597,135	883,906
Repairs & Ma	aintenance	107,663	111,969	116,448	121,106	125,950	153,237	186,437	226,829	335,762
Utilities		124,374	129,349	134,523	139,904	145,500	177,023	215,376	262,037	387,879
Water, Sewe	er & Trash	103,470	107,609	111,913	116,390	121,046	147,271	179,177	217,996	322,688
Insurance		92,015	95,696	99,523	103,504	107,645	130,966	159,340	193,862	286,963
Property Tax	(	109,351	113,725	118,274	123,005	127,925	155,640	189,360	230,386	341,027
Reserve for F	Replacements	86,400	89,856	93,450	97,188	101,076	122,974	149,617	182,032	269,451
Other		11,520	11,981	12,460	12,958	13,477	16,397	19,949	24,271	35,927
TOTAL EXPE	NSES	\$1,077,563	\$1,119,973	\$1,164,057	\$1,209,884	\$1,257,521	\$1,525,489	\$1,850,798	\$2,245,761	\$3,307,697
NET OPERAT	TING INCOME	\$708,915	\$720,100	\$731,218	\$742,249	\$753,176	\$805,461	\$851,411	\$886,840	\$902,257
DEBT	SERVICE									
First Lien Fina	ancing	\$571,213	\$571,213	\$571,213	\$571,213	\$571,213	\$571,213	\$571,213	\$571,213	\$571,213
Second Lien		0	0	0	0	0	0	0	0	0
Other Financir	ng	0	0	0	0	0	0	0	0	0
NET CASH FL	LOW	\$137,702	\$148,887	\$160,005	\$171,037	\$181,963	\$234,248	\$280,198	\$315,627	\$331,044
DEBT COVER	RAGE RATIO	1.24	1.26	1.28	1.30	1.32	1.41	1.49	1.55	1.58

# HTC ALLOCATION ANALYSIS -River Falls Apartments, Amarillo, HTC 4% #07448

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW	
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	
Acquisition Cost	<b>#4.070.454</b>	<b>00.470.454</b>					
Purchase of land	\$4,278,151	\$3,478,151	<b>#5.004.040</b>	#F 004 040			
Purchase of buildings	\$5,321,849	\$5,321,849	\$5,321,849	\$5,321,849			
Off-Site Improvements	0.110.005	<b>*</b> 4 4 0 0 0 <b>5</b>	1	ı	<b>*</b> 440.00=	<b>*</b> * * * * * * * * * * * * * * * * * *	
Sitework	\$446,325	\$446,325			\$446,325	\$446,325	
Construction Hard Costs	\$4,826,401	\$4,826,401			\$4,826,401	\$4,826,401	
Contractor Fees	\$738,183	\$738,182			\$738,182	\$738,182	
Contingencies	\$300,545	\$300,545			\$300,545	\$300,545	
Eligible Indirect Fees	\$376,827	\$376,827			\$376,827	\$376,827	
Eligible Financing Fees	\$690,220	\$690,220			\$690,220	\$690,220	
All Ineligible Costs	\$597,797	\$597,797				£4.400.77F	
Developer Fees	£4.005.050	¢4.400.775	<b>#700.077</b>	I	£4.400.77F	\$1,106,775	
Developer Fees	\$1,905,052	\$1,106,775	\$798,277		\$1,106,775		
Development Reserves	\$204,273	\$246,918					
TOTAL DEVELOPMENT COSTS	\$19,685,623	\$18,129,990	\$6,120,126	\$5,321,849	\$8,485,274	\$8,485,275	
Deduct from Basis:							
All grant proceeds used to finance costs in	a cligible basis						
B.M.R. loans used to finance cost in eligible							
Non-qualified non-recourse financing	le basis						
Non-qualified portion of higher quality units	2 [43(4)(3)]						
Historic Credits (on residential portion only							
TOTAL ELIGIBLE BASIS	<i>'</i>		\$6,120,126	\$5,321,849	\$8,485,274	\$8,485,275	
High Cost Area Adjustment			+ = , : = = , : = =	7-,,	100%	100%	
TOTAL ADJUSTED BASIS			\$6,120,126	\$5,321,849	\$8,485,274	\$8,485,275	
Applicable Fraction			100%	100%	100%	100%	
TOTAL QUALIFIED BASIS			\$6,120,126	\$5,321,849	\$8,485,274	\$8,485,275	
Applicable Percentage			3.67%	3.67%	3.67%	3.67%	
TOTAL AMOUNT OF TAX CREDITS			\$224,609	\$195,312	\$311,410	\$311,410	
	Syndication Proceeds	0.9299	\$2,088,651	\$1,816,218	\$2,895,819	\$2,895,819	
		Total	Tax Credits (Eligib	ala Basis Mothad)	\$536,018	\$506,721	
		iotai	, ,	dication Proceeds	\$4,984,470	\$4,712,037	
			Regu	ested Tax Credits	\$505,347		
			•	dication Proceeds	\$4,699,256		
		c	ap of Syndication			\$5,467,635	
		T T			\$5,407,033		

Fap of Syndication Proceeds Needed \$5,467,635

Total Tax Credits (Gap Method) \$587,977

# **Applicant Evaluation**

Project ID # <b>07448</b> Name:	River Falls Apartments	City: <b>Amarillo</b>
LIHTC 9% ☐ LIHTC 4% ✓	HOME □ BOND □ HTF □	SECO ESGP Other
✓ No Previous Participation in Texas	Members of the develor	ment team have been disbarred by HUD
The Free real Participation in Fernas		ment team have been disparted by 110D
National Previous Participation Co	ertification Received:   N/A	$\square_{\mathrm{Yes}}$ $\square_{\mathrm{No}}$
Noncompliance Reported on National	onal Previous Participation Certification:	☐ Yes ☐ No
	Portfolio Management and Compliance	
Total # of Projects monitored:0	Projects in Material Noncompliance	# in noncompliance: 0
Projects zero to nine: 0	Yes No V	Projects not reported Yes
grouped ten to nineteen: 0	# monitored with a score less than thirty:	in application No 🗸
by score twenty to twenty-nine: 0	# not yet monitored or pending review:	9 # of projects not reported 0
Portfolio Monitoring	Single Audit	Portfolio Analysis
Not applicable	Not applicable	Not applicable
Review pending	Review pending	No unresolved issues
No unresolved issues	No unresolved issues	Not current on set-ups
Unresolved issues found	Issues found regarding late cert $\Box$	Not current on draws
Unresolved issues found that	Issues found regarding late audit $\Box$	Not current on match
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	
Reviewed by Patricia Murphy	(Comments attached)	Date10/3/2007
Multifamily Finance Production	НОМЕ	Real Estate Analysis
		(Workout)
Not applicable	Not applicable	Not applicable
Review pending  No unresolved issues	Review pending	Review pending  No unresolved issues
	No unresolved issues	Two unicsolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)
Reviewer S Gamble	Reviewer Sandy M. Garcia	Reviewer D. Burrell
Date 9 /19/2007	Date 9 /20/2007	Date 9 /24/2007
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship	Not applicable	No delinquencies found
Review pending	Review pending	Delinquencies found
No unresolved issues	No unresolved issues	1
Unresolved issues found	Unresolved issues found	
Unresolved issues found that	Unresolved issues found that	
warrant disqualification (Comments attached)	warrant disqualification (Comments attached)	
Reviewer EEF	Reviewer RAUL GONZALES	Reviewer Melissa M. Whitehead
Date 9 /19/2007	Date 9 /26/2007	Date 9 /21/2007

## **DEBRA McCARTT**

**MAYOR** 



July 23, 2007

Robbye Meyer, Director Multifamily Finance Production Division Texas Department of Housing and Community Affairs PO Box 13941 Austin, TX 78711-3941

RE: Application for Affordable Housing

Panhandle River Falls, Ltd

TDHCA #: 07448

Dear Ms Meyer:

The City of Amarillo is pleased the Texas Department of Housing and Community Affairs is considering an application for the Housing Tax Credit Program for the Panhandle River Falls, Ltd project located at 6040 Belpree Road.

The City of Amarillo supports the Panhandle River Falls, Ltd application, as it will improve the condition and quality of affordable housing for Amarillo's low and moderate-income residents. The location of the project will increase the housing choice for low and moderate-income residents by providing affordable housing outside of lower income neighborhoods.

The need for quality, affordable housing is a major issue for Amarillo. Our average multi-family rental occupancy rate is 92%. Amarillo's rents continue to rise. Our 2006 Survey of Housing indicates, the average monthly rent is \$543. It is difficult for families at 50% and 60% MFI, to find rental units without experiencing a severe cost burden. Currently, there are 1,754 households on the waiting list for the City's Section 8 Voucher Program. There is an 18 to 24-month wait for rental assistance.

On behalf of the Amarillo City Commission, we encourage consideration by the Texas Department of Housing and Community Affairs for this project. We thank the Texas Department of Housing and Community Affairs for continued support for our community.

Sincerely,

Debra McCartt

lua McCadt

Mayor

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 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 Canterbury Apartments, #07449.

# **Summary of the Transaction**

Background and General Information: The application was received on August 22, 2007. The Issuer for this transaction is Panhandle Regional HFC with a reservation of allocation that expires on November 26, 2007. The development proposes the acquisition and rehabilitation of 95 total units targeting the general population. The development is proposed for the City of Amarillo, Potter 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 Panhandle Canterbury, Ltd. and the General Partner is MC-CDC Canterbury, Inc. of which Mid-Continent Community Development Corp. has 100% ownership interest. The Compliance Status Summary completed on October 3, 2007 reveals that the principals of the general partner do not have any properties that have been monitored by the Department. The bond priority for this transaction is:

Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in. Must receive 4% Housing Tax Credits)

Census Demographics: The development is to be located at 2027 S. Austin Street in Amarillo. Demographics for the census tract (104.00) include AMFI of \$70,770; the total population is 3,445; the percent of population that is minority is 12.77%; the percent of population that is below the poverty line is 6.50%; the number of owner occupied units is 1,109; the number of renter units is 373 and the number of vacant units is 107. The percentage of population that is minority for the entire City of Amarillo is 32% (Census information from FFIEC Geocoding for 2007).

*Public Comment:* The Department has received one letter of support from the Mayor of Amarillo Debra McCartt and no letters of opposition.

## Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of \$184,290 in Housing Tax Credits for Canterbury Apartments.



# November 8, 2007

# Development Information, Public Input and Board Summary Canterbury Apartments, TDHCA Number 07449

			BASIC DEV	<u>'ELO</u>	PMENT IN	<b>IFORMATION</b>			
Site Address:	2027 S.	. Austin Stre	et				Development	t #:	07449
City:	Amarillo	o	Regio	า:	1	Po	pulation Serve	ed:	Family
County:	Potter		Zip Co	de:	79109		Allocation	on: l	Jrban/Exurban
HOME Set Asi	des: [	CHDO	☐ Preservation	1 [	Genera	I	Purpose/Activ	vity:	RH
Bond Issuer:		Panhandle F	Regional HFC						
	НТС Р	ourpose/Activity: N	IC=New Construction, A	ACQ=/	Acquisition, R=	Rehabilitation, NC/A	CQ=New Constructi	ion and	Acquisition,
		N	IC/R=New Construction				nd Rehabilitation		
Owner:			Panhandle Can			PMENT TEAM			
Owner Contac	ct and Ph	none	Larry Bunn		,,	(	806) 349-462	3	
Developer:			MC-CDC Cante	rbur	v. Inc.	`	,000,010101	•	
Housing Gene	eral Cont	ractor:	Residential Hou		•	tion. Inc.			
Architect:			Architettura, Inc		,	,			
Market Analys	st:		Novogradac & 0		pany, LLP				
Syndicator:			Red Capital Ma						
Supportive Se	ervices:		To Be Determin	ed					
Consultant:			Not Utilized						
			UNIT/BI	JILD	ING INFO	RMATION			
<u>30%</u> <u>40%</u> <u>5</u> 6	<u>0%</u> 60%	<u>% Eff 1 B</u>	R 2 BR 3 BR 4			Total Restrict	ed Units:		95
0 0	0 95	0 53	42 0	0	0	Market Rate I	Jnits:		0
Type of Buildin	ng:		or more per build	ling		Owner/Emplo	-		0
☐ Duplex			ed Residence			Total Develop			95
☐ Triplex		_	Room Occupancy	<b>/</b>		Total Develop		al:.a a. a	\$5,674,484
☐ Fourplex		☐ Transiti				HOME High 1	esidential Build Fotal Units:	uings:	. 8
		□ TOWING	JIII <del>C</del>			HOME Low T			0
		Note: If D	evelopment Cost =\$0,	an Un	derwriting Rep				
			·		INFORM	<u>ATION</u>			
			App Rec	lican ques		Department Analysis	Amort	Terr	m Rate
4% Housing	Tax Cre	dits with Bor	nds: \$207	,022	2	\$184,290	0		0 0%
TDHCA Bon	d Allocat	ion Amount:		\$0	)	\$0	0		0 0%
HOME Activi	ity Fund	Amount:		\$0	)	\$0	0		0 0%
HOME CHD	O Opera	ting Grant A	mount:	\$0	)	\$0			



## November 8, 2007

# Development Information, Public Input and Board Summary Canterbury Apartments, TDHCA Number 07449

## **PUBLIC COMMENT SUMMARY**

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

## State/Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31 NC US Representative: Thornberry, District 13, NC

TX Representative: Swinford, District 87 NC US Senator: NC

## **Local Officials and Other Public Officials:**

Mayor/Judge: Debra McCartt, Mayor, City of Amarillo - S Resolution of Support from Local Government

Vicki Covey, Director Community Services Division, City of Amarillo - A project of this nature is consistent with the priority strategies of Amarillo's 2005-2010 Consolidated

Plan.

<u>Individuals/Businesses:</u> In Support 0 In Opposition 0

**Neighborhood Input:** 

## **General Summary of Comment:**

The Department has received one letter of support from the Mayor of Amarillo, Debra McCartt 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 documentation reflecting that the sale of the property include the land along with the buildings and other improvements described in Exhibit A of the Purchase Agreement.

Receipt, review and acceptance of the complete revised PCA Report before closing of the bonds.

Receipt, review, and acceptance, by cost certification, that the Applicant has followed the recommendations of the ESA provider in the Operations & Maintenance Plan with regard to asbestos in accordance with local, state, and federal regulations before, during, and after the renovation of the site.

Receipt, review and acceptance of a noise study report as recommended by Land America assessment Corporation with recommendations for any remediation prior to commencement of construction so it can be incorporated into the renovation plan and documentation by cost certification that any such recommendations have been followed.

Receipt, review and acceptance, before cost certification, of documentation of local taxing authority approval of a 50% property tax exemption.

Receipt, review and acceptance, before commencement of construction, of the satisfactory resolution of the suit under Cause No. 95449-00A District Court, Potter County, Texas in order that the insuring title company will issue title insurance coverage on the subject property.

Receipt, review and acceptance prior to bond closing of the contractor's acceptance of the possible deferral of all or a portion of the contractor fee.

Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the allocation amount may be warranted.



# November 8, 2007

# Development Information, Public Input and Board Summary Canterbury Apartments, TDHCA Number 07449

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

4% Housing Tax Credits: Credit Amount: \$184,290

Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$184,290 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:



REPORT DATE: 10/31/07 PROGRAM: HTC 4% FILE NUMBER: 07449

	DE	VELOPM	ENT				
			artments				
Location: 2027 S. Austin Street					Reg	gion: 1	
City: Amarillo	County: Potter Zip: 79109  Non-Profit, Acquisition/Rehabilitation, Multifamily, Urban/Exurban						
Key Attributes: Non-Profit, Acq	uisition/Rehabi	litation, M	ultifamily, Urb	oan/Exurban			
	Α	LLOCATIO	ON				
	-	REQUEST		RECO!	MMENDATION	ON	
TDHCA Program	Amount	Interest	Amort/Term	Amount	T T	Amort/Term	
Housing Tax Credit (Annual)	\$207,022			\$184,290			
	C	ONDITIO	NS				
<ol> <li>Receipt, review and acceptan land along with the buildings a Agreement.</li> <li>Receipt, review and acceptan</li> <li>Receipt, review, and acceptar recommendations of the ESA paccordance with local, state, a site.</li> <li>Receipt, review and acceptan Assessment Corporation with receptan and acceptan assessment corporation with receptants.</li> </ol>	nd other impro ce of the com nce, by cost ce provider in the ( and federal reg ce of a noise s ecommendation	plete revisertification Operation gulations k tudy repo	described in sed PCA Rep , that the Ap s & Maintenc pefore, during rt as recomm remediation	Exhibit A of the ort before closic plicant has followed plan with g, and after the opened by Landrig prior to comm	Purchase ing of the knowed the regard to de renovation de America nencement	oonds. asbestos in in of the	
construction so it can be incorporated construction that any such reco	ommendations	have bee	en followed.		•	, authority	
5 Receipt, review and acceptan approval of a 50% property tax		or cermica	lion, of docu	imenialion of it	ocai iaxing	dumonly	
6 Receipt, review and acceptan of the suit under Cause No. 954 company will issue title insurance	149-00A District	Court, Po	tter County, <sup>•</sup>	Texas in order t			
7 Receipt, review and acceptan deferral of all or a portion of the		_	of the contro	actor's accepto	ance of the	e possible	
8 Should the terms and rates of the evaluated and an adjustment					action shou	uld be re-	

# **SALIENT ISSUES**

	TDHCA SET-ASIDES for LURA	
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	95

## **PROS**

- The proposed transaction will maintain and rehabilitate an existing 29 year old affordable property in the Amarillo market.
- The proposed rehabilitation will limit the displacement of existing tenants.

#### CONS

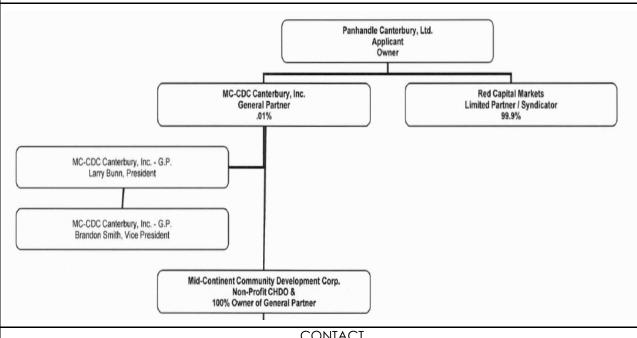
- The sale of the property includes a seller note which supports a higher sales price than the current appraised value.
- The Underwriter's inclusive capture rate for all vacant units is only slightly below the Department's 100% maximum however as a rehabilitation development this is of limited concern.

## PREVIOUS UNDERWRITING REPORTS

The Applicant applied for 4% housing tax credits for the acquisition and rehabilitation of this development under the 2006 cycle; however, the application was withdrawn at the Applicant's request prior to completing the underwriting process.

## **DEVELOPMENT TEAM**

## **OWNERSHIP STRUCTURE**



## CONTACT

Contact: Phone: (806) 349-4623 Larry Bunn Fax: (806) 349-4635

Email: larry@mc-cdc.org

# **KEY PARTICIPANTS**

Name	Net Assets	Liquidity <sup>1</sup>	# Completed Developments		
Mid-Continent Community Dev. Corp.	\$353K	\$350K	0		
Larry Bunn	Confid	dential	0		

<sup>1</sup> Liquidity = Current Assets - Current Liabilities

# IDENTITIES of INTEREST

- The Applicant and Developer are related entities. These are common relationships for HTC-funded developments. The contractor is listed as a non related party however, contact information provided is the same as the Applicant's information.
- The seller is regarded as a related party due to the proposed owner financing of a substantial portion of the sales price, and guarantees required of the Seller by the lender and syndicator to support the new owner.

# PROPOSED SITE

SITE PLAN

# 

# **BUILDING CONFIGURATION**

Building Type	Α	В	U	D				Total
Floors/Stories	2	2	2	2				Buildings
Number	3	3	1	1				8

BR/BA	SF		Units										Total SF
1/1	569	7	7	6	5							53	30,157
2/1	743	5	5	6	6							42	31,206
Units per	Building	12	12	12	11							95	61,363

# Rehabilitation Summary:

The buildings are currently occupied and in average condition based on the age of the improvements and the amount of deferred maintenance. The TDHCA inspection revealed that roofs were replaced in 2004, but that the single pane aluminum windows are original and that most of the stairs are in need of replacement. The property condition assessment prepared by JPS & Associates, Inc. indicates the property is considered to be average. The renovations will consist of the following:

Installing a playground; overlay and re-stripe parking lots, repair cracks and damaged sidewalks; install new door signs at each unit; install new building signs at each building; install new property sign with site map at main entrance; trim trees; remove railroad tie retaining wall and replace with concrete, landscape, block or curb; remove existing fence around buildings A, B and C; replace fence around swimming pool; resurface pool and replace equipment as needed; repair hot tub; new paint on siding, trim, doors and railings, repair fascia; replace damaged soffit and overhangs; replace all stairwells; repair damaged wood railing; upgrade existing lighting and install up to six per building; repair existing mailboxes; replace downspouts as needed.

Replace chiller unit; repair blower units; repair cabinets and resurface countertops; replace refrigerators, ranges, dishwashers, disposals and vent hoods; repair exhaust fans; install GCFI outlets in bathrooms and kitchens; install ceiling fans in living rooms and bedrooms; replace vinyl and carpet flooring in 100% of the units; replace up to 50 percent of bathtubs, repair drywall from previous leaks, paint interior of units; replace windows; replace entry doors; paint laundry room and install new vinyl flooring; convert bathroom at clubhouse to ADA accessible public bathroom; install computer learning/business center; update community center and kitchen; update offices; and update fitness center.

The original Property Condition Assessment (PCA) total rehabilitation costs was substantially less than the Applicant's most recent proposal and a second PCA was still considerably less than the proposed renovation. The Department received a copy of a letter from the PCA provider on October 30, 2007 which reflected only summary of total costs that now match the Applicant's most current estimate and an indication that a revised report detailing these total costs would be forthcoming. It is therefore anticipated that the scope of work will also grow to address these additional costs. Accordingly, receipt, review and acceptance by the Department of the revised PCA Report before bond closing is a condition of this report.

## Relocation Plan:

The Applicant plans to renovate the property in phases whereby specific buildings and units will be targeted, tenants will be moved out of those buildings, renovations will be completed and then tenants will be relocated to the completed buildings. All cost associated with the Relocation Plan will be incurred by the Applicant.

N/A						
TDHCA SITE INSPECTION						
/2007 eptable						
ential						
e						

HIGHLIGHTS of ENVIRONMENTAL REPORTS							
Provider: LandAmerica Commercial Services	Date:	1/23/2007					
Recognized Environmental Concerns (RECs) and Other Concerns:  "LAC (LandAmerica Commercial Services) performed a Phase I Site Assessn scope and limitations of ASTM Practice E 1527 of 2027 South Austin Street, A property. This assessment has revealed no evidence of recognized environ connection with the Property. However, the following Non-ASTM issue was results of the limited asbestos survey, ACM in the form of textured ceiling mather property. This material is located throughout the Property and was in goobserved. Other suspect ACM's observed at the Property included various flooring/mastics and roofing materials." (p. 1)	marillo, Te mental co identified: aterial has ood cond	exas 79109, the conditions in Based on the been confirmed at ition, where					
"Based on the findings of the ESA, LAC recommends the following:  "An Operations and Maintenance (O&M) program should be developed to manage the identified and suspect asbestos-containing materials in places found at the facility. The intent of the O&M program is to minimize the potential exposure of building occupants to airborne asbestos fibers. In addition, prior to any demolition or renovation activities a comprehensive asbestos survey is recommended." (p. 2)							
Comments:  Since the Phase I Environmental Site Assessment was originally prepared, ar Maintenance (O&M) program has been developed by LandAmerica Com report sets forth a plan of operation for the development with additional re in the event of renovations or rehabilitation. Therefore, it is a condition of the follow the recommendations of the O&M report in accordance with local, subefore, during, and after the renovation of the site.  In addition, a Noise Determination Survey Letter was prepared by the ESA pois LAC's recommendation that a noise analysis be performed" Receipt, remoise study report as recommended by Land America Assessment Corporation any remediation prior to commencement of construction so it can be in renovation plan and documentation by cost certification that any such recarried out.	mercial Sequirement quirement his report the state and provider who view and tion with recorporate	ervices. The O&M ts for the property hat the developer federal regulations hich concluded, "it acceptance of a recommendations ed into the					
MARKET HIGHLIGHTS							
Provider: Novogradac & Company  Contact: Davonne Lewis Phone: (512) 340-0420  Number of Revisions: 0 Date of Last Applicant Revision: N/A		2/5/2007 (512) 340-0421					
Primary Market Area (PMA): 23.71 square miles (2.75 mile radius)  "The Subject's Primary Market Area (PMA) is the area bound by West Amaril 9th Avenue, and Interstate 40 to the north, Interstate 27 and US Highway 87 Boulevard to the south, and Soncy Road to the West." (p. 11)							
Secondary Market Area (SMA):  "The secondary market area is defined as the Amarillo MSA." (p. 11)							
PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS								
	PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units
Town Parc	5124	144	86					
Canyons Retirement	7219	111	0					
Three Fountains Apts.	7447	223	0		N/A			
River Falls Apts.	7448	288	0					
Puckett Place Apts.	7450	255	0					

## Comments:

All of the units listed above, except Town Parc at Amarillo, are existing units that are being proposed to be rehabilitated. The low occupancy rates at the subject's sister properties: Three Fountains, River Falls and Puckett Place (all below 70% currently) might suggest a limited demand for any new additional units in the market.

			INCOME LIM	NITS		
Potter						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	\$21,780	\$24,840	\$27,960	\$31,080	\$33,540	\$36,060

MARKET ANALYST'S PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand		Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1BR/ 60%	175	24	484	683	53	25	11.42%
2BR/60%	197	28	565	790	42	61	13.04%

OVERALL DEMAND												
	Target Households		House	ehold Size	Incom	ne Eligible	Te	enure	Der	mand		
PMA DEMAND from TURNOVER												
Market Analyst	p.	90	100%	41,057	100%	41,057	4%	1,478	25%	370	100%	368
Underwriter			100%	41,593	82%	34,106	11%	3,752	39%	1,463	25%	366
	PMA DEMAND from HOUSEHOLD GROWTH											
Market Analyst	p.	90			100%							12
Underwriter					82%	264	11%	24	39%	9	100%	9

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.	90	95	86	0	181	380	47.63%
Underwriter			95	86	0	181	375	48.26%

## Primary Market Occupancy Rates:

"Occupancy rates reported at the comparable properties ranged from 91.3 to 100 percent, with an average occupancy rate of 94.91 percent." (p. 68)

## Absorption Projections:

"Much of the demand for the Subject is expected to originate with tenants already living at the property, which has a current occupancy rate of 71.6 percent. After renovation, the existing tenant base at the Subject will benefit from improvements to the property. Thus, if we conservatively assume an absorption rate of 20 units per month overall, the absorption period is estimated to be approximately 4 months to reach 93 percent occupancy." (p. 67).

	RENT ANALYSIS (Tenant-Paid Net Rents)								
U	Unit Type (% AMI) Current Rent		Program Maximum	Market Rent	Underwriting Rent	Increase Over Current			
1BR	569 SF	60%	\$435	525	\$445	445	\$10		
1BR	743 SF	60%	\$537	626	\$550	550	\$13		

## Market Impact:

"Demand for the Subject's vacant units is likely to originate from rent-overburdened households at older market rate properties and Section 8 voucher holders. Despite the new competition in the PMA from Town Parc at Amarillo, the potential impact on the existing affordable housing stock is anticipated to be minimal." (p. 84)

#### Comments:

condition of this report.

It should be noted that the Applicant plans to rehabilitate three other developments within the defined Primary Market Area: TDHCA #07448 River Falls Apartments (288 units, 67.4% occupancy) immediately, and TDHCA #07447 Three Fountains Apartments (223 units, 65.5% occupancy), and TDHCA #07450 Puckett Place Apartments (255 units, 58% occupancy) sometime during the next year or so. Typically because the subject development is currently occupied and it is likely that existing tenants will choose to remain at the property, an inclusive capture rate calculation may not be a meaningful tool for determining the feasibility of the subject development. If only the unoccupied units in these four developments are considered along with all of the units at the unstabilized Town Parc development, the inclusive capture rate would rise to just under 100%. However, the current occupancy rates of the subject and its sister developments may be artificially low given management's intention to perform renovations in exiting vacant units and minimize relocation expenses.

Given that the units already exist in the market, a significant increase in rent is not being projected and a major repositioning of the development is not expected. It is anticipated that the rehabilitated units will, however, be able to improve on their occupancy rate and be able to remain as safe, decent and affordable housing as a result of this transaction. The Underwriter found the market study provided sufficient information upon which to base a funding recommendation.

				_	
		0	PERATING	PROFORMA ANALYSIS	
	Income:	Number of Revisions:	2	Date of Last Applicant Revision:	10/26/2007
	For each less that maintain Application were less and electrical and electrical for the second secon	ch unit type, the Underwrite in the rents calculated by s ined by the Housing Author ant used utility allowances t iss than the 2006 schedule u ectric utility costs. The App	r utilized the ubtracting trity of the C from a sche used by the licant indica	unit are considerably lower than the e Market Analyst's lower market rent of tenant-paid utility allowances as of O ity of Amarillo, from the 2007 programedule dated October 1, 2005 of which underwriter. Tenants will be required ated the current boiler system for hot ed from the tenant portion of the utilities.	conclusion which is actober 1, 2006, a gross rent limits. The a most allowances at to pay natural gas water would
	used a income this pro	rate of \$15 per unit per mo e, application fees, late fee perty reflect an even lower	nth for the I s, NSF fees o r \$8.30 aver	ed to be \$23 per unit per month; howe Department's analysis. This income co and washer and dryer rentals. The ac age per unit per month in 2006. Even accupied units is less than \$15 per unit p	onsists of laundry tual historical data for if the properties low
	Underw databo budget	vriter's estimate of \$3,111, d ase, third party data source t has several line item estim	erived from s and prope ates that de	Date of Last Applicant Revision:  se projection of \$2,897 per unit is not actual operating history of the deve erty tax assumptions of the Applicant eviate significantly when compared to	lopment, the TDHCA . The Applicant's to the Underwriter's
	propert Historicathe curr	ry tax (\$13K lower).  al operating expenses are rent owner has a 100% prop	somewhat I oerty tax ex	maintenance (\$11K lower), utilities (\$ ow compared to other properties in temption on the subject developmen review and acceptance, by cost ce	the market; however, t, and the Applicant
	docum	entation from the local tax	ing authorit	y that the property will receive a 50%	exemption is a

## Conclusion:

Effective gross income is within 5% of the Underwriter's estimate; however, operating expenses and net operating income are not within 5%; therefore, the Underwriter's proforma will be used to determine the development's debt capacity.

The Applicant included payment of deferred developer fee as a principal and interest payment against net operating income and calculated the debt coverage ratio accordingly. The Underwriter excluded this as a debt service payment for this analysis, and has a resulting debt coverage ratio of 1.12%. This is just below the Department guidelines and will result in a projected reduction in the first lien debt for the transaction as discussed below.

Both the Applicant's (51%) expense-to-income ratio and the Underwriter's (55%) ratio are below the Department's maximum 65%. Therefore the projected ratio in each is considered acceptable.

## Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized, and after necessary adjustments to the terms and/or amounts of the anticipated debt, the 30-year proforma reflects a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible once the debt is adjusted.

	APPRAISED	VALUE		
Provider: Novogradac & Compan	У		Date:	2/2/2007
Number of Revisions: 0	Date of Last App	olicant Revision:	N/A	_
Land Only: 2.87 acres	\$340,000	As of:	2/2/2007	
Existing Buildings: (as-is)	\$1,860,000	As of:	2/2/2007	<u> </u>
Total Development: (as-is)	\$2,200,000	As of:	2/2/2007	_
Comments:		_		_

The appraisal provided a fee simple "as is value" of both the land and buildings based upon the direct capitalization analysis method using a 7% capitalization rate of \$2,200,000. The Appraiser provided a separate land only value "as vacant" of \$340,000. Three land sales dating from 2001 to 2004 for 10.7 acres to 12.5 acres were used to determine the underlying value of the land.

The appraisal also provided an "as completed" value of the total property assuming tax credit restricted rent (no tax exemption) to be \$3,100,000 and the "as completed" investment value assuming restricted rents and a 50% property tax abatement was estimated to be \$3,300,000. The rents used by the Appraiser were identical to the Underwriter's concluded rents.

According to the Applicant, Novogradac & Company will be providing an updated appraised value for the property that will establish the "as is" value at \$2,940,000; however, the updated report has not been received at this time. Should a revised appraisal be provided and be well documented, a revision to the acquisition basis may be possible.

ASSESSED VALUE						
Land Only:	2.87 acres	\$131,427	Tax Year:	2006		
Existing Buildings:		\$1,692,780	Valuation by:	Potter-Randall CAD		
Total Assessed Value:		\$1,824,207	Tax Rate:	2.53127		

EVIDENCE (	of PROPERTY CONTROL
Type: Purchase Agreement	Acreage: 0
Contract Expiration: 12/31/2007	Valid Through Board Date? X Yes No
Acquisition Cost: \$2,940,000	Other: Site control appears to be buildings only
Seller: Amarillo Affordable Housing, LLC	Related to Development Team? Yes No
	TITLE
land. This is a result of the Applicant's original lease is no longer being contemplated and acquisition cost was increased, it did not ide receipt, review and acceptance of docume land along with the buildings and other improvement is a condition of this report.  There is currently a suit pending under Cause Registered Holders of Series 2000 vs. Amarillo will not cover loss, costs, attorney's fees and their satisfaction, before the date the Policy	e sale of the buildings and does not appear to address the all plan to buy the buildings and lease the land. The land while an amendment to the contract was provided and the entify that the land was also being transferred. Accordingly, entation reflecting that the sale of the property include the rovements described in Exhibit A of the Purchase  e No. 95449-00-A, District Court Potter County, Texas, styled: Affordable Housing. The Title company has stated that it expenses resulting from this item unless it is disposed of to is issued. Accordingly, this item must be disposed of or pany will insure title prior to the closing on the sale of the
CONSTRUCTION	COST ESTIMATE EVALUATION
COST SCHEDULE Number of Revisions:	2 Date of Last Applicant Revision: 10/26/2007
the seller's continued interest in the property sales price and because of the guarantees the appraisal, provided by the purchaser, was a 50% exemption is \$2,400,000 and provides are higher transfer value would result in a higher operation of the development to support actionsfer price of \$2,940,000 and has indicate Underwriter consequently reduced the Seller acquisition price and the "as is" appraisal.  The Underwriter used land-only value establishasis for the buildings of \$2,029,091 as appose to be based on a yet to be seen appraisal. resolved, an amended request for additional the Applicant claimed a developer fee for the sales.	he acquisition; however, the Department's current
	or acquisition in an identity of interest transaction from additional credits. Therefore, these fees have been er's analysis.

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though low, is considered to be reasonable for a rehabilitation development.

The Applicant's proposed site work cost of \$1,892 per unit is within the Department's guidelines and,

## Direct Construction Cost:

The Applicant's direct construction cost estimate is the same summary total amount that was provided in the October 30 letter from the PCA provider (\$1,703,830). This is the PCA provider's third estimate of the renovation costs. While the Underwriting analysis will also reflect the amount provided by the PCA provider; receipt, review, and acceptance of the detail revised PCA analysis is a condition of this report.

## Contingency & Fees:

As discussed above the Applicant's claimed developer fees on the related party acquisition. The eligible developer fee was therefore reduced by this amount, which is \$390,000.

## Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting limits in the Department's guidelines. Therefore, the Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis.

An eligible basis of \$2,029,091 is used for the acquisition and \$2,992,425 is used for rehabilitation which supports total annual tax credits of \$184,290. 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.

APPLICANT'S PROPOSED FINANCING STRUCTURE
SOURCES & USES Number of Revisions: 2 Date of Last Applicant Revision: 10/26/2007
Source: Column Capital, LLC Type: Interim to Permanent Financing
Interim: \$3,200,000 Interest Rate: 5.75% Fixed Term: 36 months Permanent: \$3,200,000 Interest Rate: 5.75% X Fixed Term: 420 months Comments:
The development qualifies as a Priority 2 Private Activity Bond transaction because it is at least 51 percent financed by tax-exempt private activity bonds. The Applicant's bond financing will be arranged through the Panhandle Regional Housing Finance Corporation.
The tax-exempt bonds are to be issued by the Panhandle Regional Housing Finance Corporation and purchased by Column Capital, LLC. Column is to provide both the construction and permanent financing for the development. The construction loan phase is to be 36 months from closing plus applicable extensions at an underwriting interest rate of 5.75%. Upon conversion to the permanent loan, payments will be monthly principal and interest payments based on a thirty-five year amortization with an 18 year repayment term at a rate of approximately 5.75%.
Source: Amarillo Affordable Housing, LLC Type: Permanent Financing
Principal: \$845,375 Interest Rate: 4.77% X Fixed Amort: 540 months  Comments:
This is to be a second lien seller finance note to facilitate the financing of the property. This note is to be paid from excess cash flow of the property after the senior debt payment and deferred developer fees have been paid. The borrower is to begin making payments in the 11th year and will continue for the remaining term of 24 years. The loan is to have an amortization term of 45 years with a repayment term of 24 years, and will have an interest rate of 4.77%. This loan does appear to be repayable out of cash flow in this time period assuming typical increase assumptions for expenses and income. However if

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expenses outpace income by more than 1%, repayment of this second lien would be in jeopardy.

Source: Red Capital Markets		Туре:	Syndication	
	Syndication Rate:	93%	Anticipated HTC:	\$ 207,022
Comments:	!tic consistant w	'II- II- a torms	-fi - ata d in the course	di usos of
The tax credit syndication commit funds listed in the application.	iment is consistent w	Iffn the lettins	reflected in the source	es and uses oi
Amount: \$624,345		Туре:	Deferred Developer	Fees
UNDERWRITE	R'S CONCLUSIONS	AND RECO	MMENDATIONS	
Recommended Financing Structure:				
As discussed above the Underwrit		Seller note b	v \$540,000 to \$305,475	as a result of
the Appraisal limited identity of in	terest transfer price.	In addition t	the uses of funds are f	
by \$390,000 as a result of the deve	eloper fee requested	d for the build	ding acquisition.	
As stated above, the proforma ar	nalveis results in a del	ht coverage	ratio below the Denc	ortment's
minimum guideline of 1.15. The cu	urrent underwriting a	ınalysis assum	nes a decrease in the	permanent loan
amount to \$3,122,000 based on th	ne terms reflected in			
development's gap in financing v	vill increase.			
The Underwriter's total developme				
other long-term funding sources ir syndication terms, a tax credit allo		_		
financing.	Callon or \$241,040 (	Jiliuully woo	ла ветецитеа то пт п	als gap in
Of the three possible tax credit all	locations, Applicant'	's request (\$2	207.022), the gap-drive	en amount
(\$241,648), and the eligible basis-	derived estimate (\$1	84,290), the 6	eligible basis-derived	estimate of
\$184,290 is recommended, resultir	ng in proceeds of \$1	,713,725 base	ed on a syndication ro	ate of 93%.
In addition to the first and second	Hien sources and the	e syndication	proceeds there will b	ne a need for
\$533,385 in additional funds. Defe	erred developer and	d contractor f	fees in this amount ap	pear to be
repayable from development cas	shflow within 10 year	rs. As indicate	ed above, the second	d lien Seller note
will not be repaid during the first 1 paid.	0 years while the ae	ferred contro	actor and developers	s fees are being
		-tariaralata	I	
It is not clear from the application are not related they will need to be				
review and acceptance prior to b	oond closing of the c	contractor's c	acceptance of the po	
of all or a portion of the contracto	or fee is a condition of	of this report.		
Underwriter:			Date: C	October 31, 2007
	D. Burrell			

07449 Canterbury Apartments.xls printed: 11/1/2007

Tom Gouris

Date:

October 31, 2007

Director of Real Estate Analysis:

# MULTIFAMILY COMPARATIVE ANALYSIS

# Canterbury Apartments, Amarillo, HTC 4% #07449

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%	53	1	1	569	\$582	\$445	\$23,585	\$0.78	\$57.00	\$43.00
TC 60%	42	2	1	743	\$699	550	23,100	0.74	73.00	51.00
TOTAL:	95		AVERAGE:	646		\$491	\$46,685	\$0.76	\$64.07	\$46.54

				T	¥ . • , • • •	*****	******	¥
	t Rentable Sq Ft:	61,363		TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				\$560,220	\$561,228	Potter		1
Secondary Income	Pe	r Unit Per Month:	\$15.00	17,100	25,908	\$22.73	Per Unit Per Mont	h
Other Support Income:				0		\$0.00	Per Unit Per Mont	h
POTENTIAL GROSS INCOME	Ξ			\$577,320	\$587,136			
Vacancy & Collection Loss	% of Potentia	al Gross Income:	-7.50%	(43,299)	(44,040)	-7.50%	of Potential Gross	Income
Employee or Other Non-Rental L		ions		0				
EFFECTIVE GROSS INCOME	Ξ			\$534,021	\$543,096			
<u>EXPENSES</u>	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.65%	\$261	0.40	\$24,831	\$23,385	\$0.38	\$246	4.31%
Management	4.00%	225	0.35	21,361	21,724	0.35	229	4.00%
Payroll & Payroll Tax	15.85%	891	1.38	84,669	82,762	1.35	871	15.24%
Repairs & Maintenance	7.17%	403	0.62	38,284	27,271	0.44	287	5.02%
Utilities	3.62%	203	0.31	19,310	36,472	0.59	384	6.72%
Water, Sewer, & Trash	3.59%	202	0.31	19,157	18,946	0.31	199	3.49%
Property Insurance	4.79%	269	0.42	25,586	18,905	0.31	199	3.48%
Property Tax 2.53127	5.63%	316	0.49	30,059	17,238	0.28	181	3.17%
Reserve for Replacements	5.34%	300	0.46	28,500	28,500	0.46	300	5.25%
TDHCA Compliance Fees	0.71%	40	0.06	3,800	0	0.00	0	0.00%
Other: Bond Admin. Fee	0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	55.35%	\$3,111	\$4.82	\$295,556	\$275,203	\$4.48	\$2,897	50.67%
NET OPERATING INC	44.65%	\$2,510	\$3.89	\$238,465	\$267,893	\$4.37	\$2,820	49.33%
DEBT SERVICE								
Column Financial	39.80%	\$2,237	\$3.46	\$212,544	\$212,544	\$3.46	\$2,237	39.14%
Developer's Fees	0.00%	\$0	\$0.00	0	29,827	\$0.49	\$314	5.49%
Additional Financing	0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH FLOW	4.85%	\$273	\$0.42	\$25,921	\$25,522	\$0.42	\$269	4.70%
AGGREGATE DEBT COVERAGE	RATIO			1.12	1.11			
RECOMMENDED DEBT COVER	AGE RATIO			1.15				
CONSTRUCTION COST								

## **CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site of	or bldg)	42.29%	\$25,263	\$39.11	\$2,400,000	\$2,940,000	\$47.91	\$30,947	44.58%
Off-Sites		0.00%	0	0.00	0		0.00	0	0.00%
Sitework		3.17%	1,892	2.93	179,750	179,750	2.93	1,892	2.73%
Direct Construction		30.01%	17,928	27.76	1,703,160	1,703,830	27.77	17,935	25.84%
Contingency	5.70%	1.89%	1,130	1.75	107,364	107,364	1.75	1,130	1.63%
Contractor's Fees	14.00%	4.65%	2,775	4.30	263,607	263,702	4.30	2,776	4.00%
Indirect Construction		3.19%	1,906	2.95	181,047	181,047	2.95	1,906	2.75%
Ineligible Costs		3.64%	2,172	3.36	206,320	206,320	3.36	2,172	3.13%
Developer's Fees	15.00%	6.88%	4,109	6.36	390,316	780,430	12.72	8,215	11.83%
Interim Financing		2.95%	1,760	2.72	167,180	167,180	2.72	1,760	2.54%
Reserves		1.33%	797	1.23	75,740	65,212	1.06	686	0.99%
TOTAL COST		100.00%	\$59,731	\$92.47	\$5,674,484	\$6,594,835	\$107.47	\$69,419	100.00%
Construction Cost Red	сар	39.72%	\$23,725	\$36.73	\$2,253,881	\$2,254,646	\$36.74	\$23,733	34.19%

Construction Cost Recap	39.72%	\$23,725	\$36.73	\$2,253,881	\$2,254,646	\$36.74
SOURCES OF FUNDS						RECOMMENDED
Column Financial	56.39%	\$33,684	\$52.15	\$3,200,000	\$3,200,000	\$3,122,000
Additional Financing	0.00%	\$0	\$0.00	\$0	\$845,375	\$305,375
Equity Contribution-Mid Continent	0.00%	\$0	\$0.00	0	0	0
HTC Syndication Proceeds	33.93%	\$20,264	\$31.37	1,925,115	1,925,115	1,713,725
Deferred Fees	11.00%	\$6,572	\$10.17	624,345	624,345	533,385
Additional (Excess) Funds Req'd	-1.32%	(\$789)	(\$1.22)	(74,976)	0	0
TOTAL SOURCES				\$5,674,484	\$6,594,835	\$5,674,484

Developer Fee Available \$390,430 Contractor Fee Available \$263,607 % of Dev. Fee Deferred 137% 15-Yr Cumulative Cash Flow

\$911,562

# MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Canterbury Apartments, Amarillo, HTC 4% #07449

# PAYMENT COMPUTATION

Primary	\$3,200,000	Amort	420
Int Rate	5.75%	DCR	1.12
Secondary		Amort	
Int Bata		Cultivated DCD	1.10

Additional	Amort	
Int Rate	Aggregate DCR	1.12

## RECOMMENDED FINANCING STRUCTURE:

 Primary Debt Service
 \$207,364

 Secondary Debt Service
 0

 Additional Debt Service
 0

 NET CASH FLOW
 \$31,102

Primary	\$3,122,000	Amort	420
Int Rate	5.75%	DCR	1.15

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional	\$0	Amort	540
Int Rate	4.77%	Aggregate DCR	1.15

# OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GRO	SS RENT	\$560,220	\$577,027	\$594,337	\$612,168	\$630,533	\$730,960	\$847,383	\$982,349	\$1,320,195
Secondary Incon	ne	17,100	17,613	18,141	18,686	19,246	22,312	25,865	29,985	40,297
Other Support In	come:	0	0	0	0	0	0	0	0	0
POTENTIAL GRO	SS INCOME	577,320	594,640	612,479	630,853	649,779	753,272	873,248	1,012,334	1,360,492
Vacancy & Colle	ction Loss	(43,299)	(44,598)	(45,936)	(47,314)	(48,733)	(56,495)	(65,494)	(75,925)	(102,037)
Employee or Oth	ner Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GRO	SS INCOME	\$534,021	\$550,042	\$566,543	\$583,539	\$601,045	\$696,776	\$807,755	\$936,409	\$1,258,455
EXPENSES at	4.00%									
General & Admir	nistrative	\$24,831	\$25,824	\$26,857	\$27,931	\$29,048	\$35,342	\$42,999	\$52,314	\$77,438
Management		21,361	22,002	22,662	23,342	24,042	27,871	32,310	37,456	50,338
Payroll & Payroll	Tax	84,669	88,056	91,578	95,241	99,051	120,510	146,619	178,384	264,053
Repairs & Mainte	enance	38,284	39,816	41,408	43,065	44,787	54,490	66,296	80,659	119,395
Utilities		19,310	20,082	20,885	21,721	22,589	27,483	33,438	40,682	60,220
Water, Sewer &	Trash	19,157	19,923	20,720	21,549	22,411	27,266	33,173	40,360	59,743
Insurance		25,586	26,609	27,674	28,781	29,932	36,417	44,307	53,906	79,794
Property Tax		30,059	31,261	32,512	33,812	35,165	42,783	52,052	63,329	93,743
Reserve for Repl	lacements	28,500	29,640	30,826	32,059	33,341	40,564	49,353	60,045	88,882
Other	_	3,800	3,952	4,110	4,274	4,445	5,409	6,580	8,006	11,851
TOTAL EXPENSE	ES _	\$295,556	\$307,164	\$319,231	\$331,773	\$344,811	\$418,136	\$507,127	\$615,143	\$905,456
NET OPERATING	NCOME	\$238,465	\$242,877	\$247,312	\$251,766	\$256,234	\$278,641	\$300,628	\$321,266	\$353,000
DEBT SEF	RVICE									
First Lien Financir	ng	\$207,364	\$207,364	\$207,364	\$207,364	\$207,364	\$207,364	\$207,364	\$207,364	\$207,364
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	v	\$31,102	\$35,514	\$39,949	\$44,402	\$48,871	\$71,277	\$93,264	\$113,902	\$145,636
DEBT COVERAG	E RATIO	1.15	1.17	1.19	1.21	1.24	1.34 60,074	1.45 82,271	1.55 103,583	1.70 129,769

### HTC ALLOCATION ANALYSIS -Canterbury Apartments, Amarillo, HTC 4% #07449

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S ACQUISITION	TDHCA ACQUISITION	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY Acquisition Cost	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
Purchase of land	\$340.000					
	\$2,600,000	\$2,029,091	\$2,600,000	\$2,029,091		
Purchase of buildings  Off-Site Improvements	\$2,000,000	\$2,029,091	\$2,600,000	\$2,029,091		
Sitework	\$179,750	\$179,750		1	\$179,750	\$179,750
Construction Hard Costs	\$1,703,830	\$1,703,160			\$1,703,830	\$1,703,160
Contractor Fees	\$263,702	\$263,607			\$263,701	\$263,607
Contingencies	\$107,364	\$107,364			\$107,364	\$107,364
Eligible Indirect Fees	\$181,047	\$181,047			\$181,047	\$181,047
Eligible Financing Fees	\$167,180	\$167,180			\$167,180	\$167,180
All Ineligible Costs	\$206,320	\$206,320			Ψ107,100	ψ101,100
Developer Fees	1 +,	+===,===	<u>!</u>			
Developer Fees	\$780,430	\$390,316	\$390,000		\$390,430	\$390,316
Development Reserves	\$65,212	\$75,740			. ,	
TOTAL DEVELOPMENT COSTS	\$6,594,835	\$5,303,575	\$2,990,000	\$2,029,091	\$2,993,303	\$2,992,425
All grant proceeds used to finance costs in e B.M.R. loans used to finance cost in eligible Non-qualified non-recourse financing Non-qualified portion of higher quality units [All Historic Credits (on residential portion only)	basis					
TOTAL ELIGIBLE BASIS			\$2,990,000	\$2,029,091	\$2,993,303	\$2,992,425
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS			\$2,990,000	\$2,029,091	\$2,993,303	\$2,992,425
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$2,990,000	\$2,029,091	\$2,993,303	\$2,992,425
Applicable Percentage			3.67%	3.67%	3.67%	3.67%
TOTAL AMOUNT OF TAX CREDITS			\$109,733	\$74,468	\$109,854	\$109,822
Syr	ndication Proceeds	0.9299	\$1,020,416	\$692,481	\$1,021,544	\$1,021,244
		Total Tax C	Request	ation Proceeds	\$219,587 \$2,041,960 \$207,022	\$184,290 \$1,713,725
		Gap of	Syndica Syndication Pro	ation Proceeds	\$1,925,115	\$2,247,109

**Total Tax Credits (Gap Method)** 

\$241,648

15 of 15

## **Applicant Evaluation**

Project ID # <b>07449</b> Name:	<b>Canterbury Apartments</b>	City: <b>Amarillo</b>
LIHTC 9% ☐ LIHTC 4% ✓ I	HOME BOND HTF	SECO ESGP Other
✓ No Previous Participation in Texas	Members of the develor	ment team have been disbarred by HUD
- No Frevious Farticipation in Texas	in wembers of the develop	ment team have been disbarred by 110B
National Previous Participation Ce	ertification Received:   N/A	$\square_{\mathrm{Yes}}$ $\square_{\mathrm{No}}$
Noncompliance Reported on Nation	onal Previous Participation Certification:	$\square$ Yes $\square$ No
Tvoncompliance reported on Ivano	mai i revious i articipation Certification.	_ 103
	Portfolio Management and Compliance	
Total # of Projects monitored: 0	Projects in Material Noncompliance	# in noncompliance: 0
	Yes ☐ No 🗸	<u> </u>
Projects zero to nine: 0 grouped ten to nineteen: 0	# monitored with a score less than thirty:	Projects not reported Yes in application No
by score ten to nineteen: 0 twenty to twenty-nine: 0		0 # of projects not reported 0
twenty to twenty-nine.		
Portfolio Monitoring	Single Audit	Portfolio Analysis
Not applicable	Not applicable	Not applicable
Review pending	Review pending	No unresolved issues
No unresolved issues	No unresolved issues	Not current on set-ups
Unresolved issues found	Issues found regarding late cert	Not current on draws
Unresolved issues found that	Issues found regarding late audit	Not current on match
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	
Reviewed by Patricia Murphy	(Comments attached)	Date 10/3/2007
Multifamily Finance Production	НОМЕ	Real Estate Analysis
		(Workout)
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)
Reviewer S Gamble	Reviewer Sandy m. Garcia	Reviewer D. Burrell
Date 9 /19/2007	Date 9 /20/2007	Date 9 /24/2007
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship	Not applicable	No delinquencies found
Review pending	Review pending	Delinquencies found
No unresolved issues	No unresolved issues	·
Unresolved issues found	Unresolved issues found	
Unresolved issues found that $\Box$	Unresolved issues found that	
warrant disqualification (Comments attached)	warrant disqualification (Comments attached)	
Reviewer EEF	Reviewer RAUL GONZALES	Reviewer Melissa M. Whitehead

#### **DEBRA McCARTT**

MAYOR



July 23, 2007

Robbye Meyer, Director Multifamily Finance Production Division Texas Department of Housing and Community Affairs PO Box 13941 Austin, TX 78711-3941

RE: Application for Affordable Housing

Panhandle Canterbury, Ltd.

TDHCA #: 07449

Dear Ms Meyer:

The City of Amarillo is pleased the Texas Department of Housing and Community Affairs is considering an application for the Housing Tax Credit Program for the Panhandle Canterbury, Ltd. Project located at 2027 S Austin.

The City of Amarillo supports the Panhandle Canterbury, Ltd. application, as it will improve the condition and quality of affordable housing for Amarillo's low and moderate-income residents. The location of the project will increase the housing choice for low and moderate-income residents by providing affordable housing outside of lower income neighborhoods.

The need for quality, affordable housing is a major issue for Amarillo. Our average multi-family rental occupancy rate is 92%. Amarillo's rents continue to rise. Our 2006 Survey of Housing indicates, the average monthly rent is \$543. It is difficult for families at 50% and 60% MFI, to find rental units without experiencing a severe cost burden. Currently, there are 1,754 households on the waiting list for the City's Section 8 Voucher Program. There is an 18 to 24-month wait for rental assistance.

On behalf of the Amarillo City Commission, we encourage consideration by the Texas Department of Housing and Community Affairs for this project. We thank the Texas Department of Housing and Community Affairs for continued support for our community.

Sincerely, Oileia McCautt

Debra McCartt

Mayor

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

### **Action Items**

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

#### **Required Action**

Approve the Commitment Notice(s) as Recommended.

#### **Background**

At the October 13, 2007 Board meeting, one application under consideration for an allocation of credits was not awarded credits by the Board because it was appealing the Department's underwriting report; therefore, the Board directed staff to bring it back to them at this November meeting for consideration of the appeal, and possibly an award. Ultimately, no appeal was necessary.

At the time of publication of the board materials on November 1, 2007, the Board had awarded \$48,620,285 in tax credits leaving a balance of \$465,532 still available in 2007. This amount does not exceed the permissible limit for the State of Texas to be eligible for participation in the National Pool for 2008; however, staff is concerned that due to the uncertainty relating to the amount of credits that may still remain outstanding because of the binding agreements associated with the cost increase policy, the State could be at risk of exceeding the permissible federal limit. Therefore, staff recommends that the credits be reallocated to the next appropriate application.

Additionally, staff rescinded the 2007 tax credits, in Region 11, in the amount of \$738,251, for #07153, Los Ebanos, because they did not meet the conditions of the commitment notice. This applicant is not appealing that rescission and those credits are also available for reallocation.

#### Recommendation

- (1) Staff recommends the Board award #07303, the Villas on Raiford, utilizing the remaining \$465,532 in 2007 credit ceiling and forward commit an amount not to exceed \$734,468, to make the application whole from the 2008 ceiling. This application was the next highest scoring application in Region 3 when the Oak Timbers award was returned for failure to provide appropriate zoning for the proposed site.
  - Staff also 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 the Villas on Raiford application whole with only 2007 credit ceiling if possible.
- (2) Staff recommends the Board award an amount not to exceed of \$705,994 to #07302, Casa Alton, in Region 11. This application is the next highest scoring USDA application in Region 11. This award is made possible by the return of tax credits from #07153, Los Ebanos Apartments in the amount of \$738,251. This award will be subject to the Department's underwriting and compliance reviews.

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

### **Action Items**

Presentation, Discussion and Possible Action on an Appeal from a 2004 Housing Trust Fund Capacity Building Grant #1000215 for Ability Resources Incorporated.

### **Required Action**

Approve, amend or deny the appeal of the capacity building grant for Ability Resources Incorporated #1000215.

#### **Background**

In August 2004, the Texas Department of Housing and Community Affairs (the "Department") executed a commitment of Housing Trust Fund funds in the form of a grant the amount of \$30,000 with Ability Resources Incorporated to hire a consultant to provide technical assistance for the Willow Bend Creek development. The Department policy at the time allowed the applicant to draw 50% of the funds initially and the remaining 50% of funds at the time of the second quarterly report. These draws were not based on reimbursement for funds expended. Ability Resources, Inc. requested draws for the entire amount of \$30,000. The commitment of funds was originally to expire in February 2006, however an extension was requested until May 2006 to allow the applicant to expend all the funds. In May of 2006, the applicant had not expended all of the funds and requested an additional extension through January 31, 2007. The applicant submitted sufficient information to account for \$22,943.55 through January 31, 2007, which left \$7,056.45 in undocumented expenses. Staff notified the applicant that Ability Resources Incorporated owed the Department \$7,056.45.

The applicant disputed the amount owed to the Department and submitted a payment in the amount \$1786.45 for the amount he believes he owes. The applicant asserts that he incurred consultant expenses for office space, telephone and supplies for the consultant to work at the Ability Resources Incorporated facility. Although these may be allowable expenses, the applicant has not submitted sufficient documentation to the Department for these expenses. Unless the applicant submits sufficient documentation for the expenses, staff believes the applicant owes the Department \$5,270.

Grant Amount	Receipts <u>Received</u>	Amount Paid to TDHCA	Remaining Amount Due TDHCA with Insufficient Documentation
\$30,000.00	\$22,943.55	\$1,756.45	\$5,270.00

#### Recommendation

Staff recommends the Board deny the appeal and request payment in full of \$5,270.00.



#### **ABILITY RESOURCES**

#### INCORPORATED

15 September 2007

Ms. Robbye Meyer Texas Department of Housing Affairs 507 Sabine Street P.O. Box 13941 Austin, Texas 78711

09-17-07 03:30 RCVD

Re: Capacity Building Grant for Willow Bend Creek Apartments; Contract Number 1000215

### Dear Robbye:

Sharon Gamble and I have been discussing the referenced funding from your agency. The grant of \$30,000 was to cover the costs of a consultant to assist with the development of Willow Bend Creek Apartments, eight affordable and accessible residential units for less than extremely low-income individuals with disabilities. The typical tenant will have an income of less than twenty percent Area Median Income (20%). Members of the targeted population cannot afford to live in other affordable units developed through funding from your agency.

All expenditures were in compliance with the original budget submitted to your office leaving a balance of \$1786.45 by our records. This office has provided documentation to your office verifying the expenses, but your staff determined the information is insufficient and TDHCA claims a balance of \$7086.45 remains. Since all costs were expended in accordance with contract requirements and this office has only the previous amount of \$1786.45 remaining, we are returning that amount to you and respectfully request to address the Board of Directors concerning this matter. Please schedule such a meeting and inform this office as to the time and date. Thank you for your time and consideration.

Sincerely,

Jesse Q. Seawell, IV

ARI

Executive Director

:	ABILITY RESOURCES, INC. OPERATING ACCOUNT 6040 CAMP BOWIE BLVD. STE. 31 FORT WORTH, TX 76116  DATE  ABILITY RESOURCES, INC.  DATE  DATE	107	8095 37-65/1119 1220 0110617456
r <del>- T. Constant</del> lis fargo Bank N.A. 25 Iklargo com	PAY TO THE ORDER OF Lyas dept. of Llousing and Community Office One thousand seven hundred eight six and 45/10 THIS CHECK IS DELIVERED IN CONNECTION OF THE FOLLOWING ACCOUNT (S)	\$ 1780 0 DOLLARS	Soortly Fedures Backs of Backs
WELLS WE FARGO WELL	Capacity Bldg. Grant Contract # 1000215 Syanne Mais	Obbie D su	Lee-
	OOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOOO		

### Dear Robbye:

Sharon Gamble and I have been discussing the referenced funding from your agency. The grant of \$30,000 was to cover the costs of a consultant to assist with the development of Willow Bend Creek Apartments, eight affordable and accessible residential units for less than extremely low-income individuals with disabilities. The typical tenant will have an income of less than twenty percent Area Median Income (20%). Members of the targeted population cannot afford to live in other affordable units developed through funding from your agency.

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Sincerely,

Jesse Q. Seawell, IV

ARI

Executive Director

### MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

### **Action Items**

Presentation, Discussion and Possible Action for a Request to Return Housing Tax Credits and Receive a Reallocation of 2008 Housing Tax Credits for Commons of Grace, TDHCA #04224.

#### **Required Action**

Approve, amend or deny the request for Commons of Grace.

### **Background**

At the October 2007 Board meeting, the Board requested that staff investigate whether Commons of Grace qualified for an extension under the IRS Revenue Ruling Number 2007-54. Staff has confirmed with the Internal Revenue Service that it does not qualify and as requested by the Board has placed the item back on the agenda for consideration for a reallocation of credits.

GC Community Development Corporation received a Housing Tax Credit award in 2004. After approval a series of extension requests followed.

The Owner requested an extension in June of 2005, for the construction loan closing due to changes to the development that required the Department's approval and a delay in receiving the final commitment from the permanent lender.

The Owner requested a second extension in September of 2005, for the construction loan closing citing a delay in the permitting process with the City of Houston and a suspension of HOME funding from U. S. Housing and Urban Development (HUD) to the City of Houston. At that time, the Owner stated that the permits were anticipated to be issued and the HOME funds planned to be closed in November of 2005.

The Owner requested a third extension in November of 2005, for the construction loan closing along with an extension of commencement of substantial construction still citing delays with the City of Houston.

The Owner requested a fourth extension in March of 2006, for the construction loan closing and commencement of substantial construction citing another delay with the City of Houston HOME funds and the expiration of the HOME commitment from the City of Houston.

The Owner requested a fifth extension in June 2006, for the construction loan closing and commencement of substantial construction citing a delay with the City of Houston HOME funding. The Board approved these extensions in June, with the condition that the HOME funds must be approved by the Houston City Council at the next available council meeting.

In November of 2006, the Owner, for the sixth time, requested an extension of the construction loan closing because the City of Houston commitment was delayed due to the tax credit

syndicator withdrawing their commitment of funding. The City of Houston did not approve the HOME commitment until October 4, 2006. The Owner requested both the construction loan closing and commencement of substantial construction be extended to February 2007.

Also in June 2006, the Owner requested and received a placement in service extension under revenue procedure 95-28. This revenue procedure allowed a year extension of the placement in service date. The original placement in service was December 31, 2006 and the extended placement in service date was December 31, 2007.

According to NRP, the NRP Holdings, LLC joined the development team in November 2006. NRP indicates that part of the delay from the City of Houston was an unwillingness to do business with the previous owner. NRP was aware of all the extensions and the deadline for completion when it purchased the property. This is a sophisticated developer with a long history of the risks involved in development of property. The Board was assured that the development would be able to complete construction and place in service by December 31, 2007.

The actual construction of pouring foundations and framing finally began earlier this month. NRP has indicated that they clearly will not be able to meet the placement in service deadline of December 31, 2007. Therefore, they are requesting that they return the credits they were awarded in 2004 (which would be returned to the Credit Ceiling) and that the Board re-allocate 2008 credits in that same amount back to them from the 2008 credit ceiling. This action effectively provides them with 2008 credits that have, at the outside, 2008 federal timelines. The Owner has assured staff that construction will be complete and the development placed in service by March 2008.

Section 50.17(j) of the 2004 Qualified Allocation Plan and Rules ("QAP") under which the partnership was awarded tax credits 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...".

Staff does not believe that the credits are invalid and does not affirm that the applicant was not responsible. While staff is sympathetic to the issues associated with the City of Houston's accountability with disaster efforts, meeting the deadlines for the tax credit program is a key responsibility for Owners. In this case the development has already received an additional year relating to the disaster as noted.

This Owner has had well over three years to complete the development and has received six extensions for the construction loan closing deadlines and four extensions for commencement of substantial construction deadlines. Three and a half years is ample time to complete a development and place in service and already reflects federal leniency due to the disaster relating to the Revenue Proclamation extension. NRP is claiming that 161 days of work stoppage delayed the development due to the site being too wet for significant periods of time to pour a foundation due to the heavy rains in the Houston area.

Staff has verified that there were indeed weather delays in the Houston area, but the majority of the delay of the three years to build this property was not weather related, but management related. NRP agreed to take on the property knowing that the development was two years behind

schedule. As these credits would be returned to the 2008 Credit Ceiling the State of Texas will still receive the benefit of these credits in another affordable housing development.

In summary, the weather did cause a delay, but the primary delay was the inability of the management team to move the project forward and the purchase of the property was inherently risky as there was less than one yea remaining to develop the property when it was acquired and the transfer completed. By providing the reallocation of credits in a non-competitive cycle, the Board could be establishing a precedent that management errors will be an acceptable reason to reallocate credits. Further, the Board could be considered to be providing indemnification for risk taking by NRP group, a successful developer with experience and setting a precedent to not perform full due diligence in the acquisition of tax credits. This Owner made a choice to continue to move forward with the development knowing the placement in service deadline was December 31, 2007.

The IRS has given a clear interpretation of what type of event warrants an extension of the Placement in Service, again this development has already had the advantage of the relief allowed by the IRS. 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.

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 reallocation would deviate from the waiting list procedure approved by the Board in July.

Development Owner: TX Commons of Grace, LP

General Partner: TX Commons of Grace Development, LLC

Developer: GC Community Development Corporation; B&L Housing

Development Corporation; NRP Holdings, LLC

Principals/Interested Parties: GC Community Development Corporation (Nonprofit, 99% of

GP); B&L Housing Development Corporation (Leroy Bobby

Leopold, 1% of GP)

Syndicator: Column Financial

Construction Lender: City Bank Permanent Lender: Capmark

Other Funding: City of Houston (HOME)

City/County: Houston/Harris
Set-Aside: Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 86 HTC and 22 market rate units

2004 Allocation: \$660,701 Allocation per HTC Unit: \$7,683

Prior Extensions: Construction Loan Closing extended from 6/1/05 to 9/1/05

Construction Loan Closing extended from 9/1/05 to 12/1/05

Construction Loan Closing extended from 12/1/05 to 3/31/06 Commencement of Construction extended from 12/1/05 to 3/31/06.

Construction Loan Closing extended from 3/31/06 to 5/31/06 Commencement of Construction extended from 3/31/06 to 5/31/06

Construction Loan Closing extended from 5/31/06 to 11/30/06 Commencement of Construction extended from 5/31/06 to 11/30/06

Placement in Service extended from 12/31/06 to 12/31/07 Construction Loan Closing extended from 11/30/06 to 2/28/07 Commencement of Construction extended from 11/30/06 to 2/28/07

### Recommendation

Staff recommends the Board deny the request for re-allocation as this was a continuation of substandard management, a comprehensive failure to perform and a calculated risk by the current owner. Approval would set a poor precedent to bail out developers and not require them to be accountable for their mistakes or risky behavior.

### G.C. Community Development Corporation

"Building a Community One Step At a Time"
9410 Mesa Drive
Houston, Texas 77028
(713) 633-3371 – office (713) 635-8009 -- fax



October 19, 2007

Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Received

OCT 2 2 2007

Re:

Commons of Grace (Houston)

TDHCA File No.: 04224

Dear Mr. Gerber:

This letter constitutes a formal request to the Texas Department of Housing and Community Affairs ("TDHCA") for relief to TX Commons of Grace, LP (the "Partnership"). The Partnership is developing a 108-unit housing property for seniors (the "Property") in the Tidwell neighborhood of Houston. The Property initially was proposed as a joint development venture between Southwest Housing Development ("Southwest") and G.C. Community Development Corporation, a community-based non-profit corporation affiliated with the Grace Cathedral Church ("Non-Profit"). To finance the development, the Partnership received a \$759,068 allocation of low-income housing tax credits ("Tax Credits") in 2004. The Partnership also received a commitment of HOME funds from the City of Houston.

Upon the allocation of Tax Credits, Houston's HOME funds were frozen by the Department of Housing and Urban Development. This was the first in a series of devastating events that delayed development of the Property. As the Partnership strove to put a viable financing plan together, Hurricane Katrina hit, sending thousands of evacuees to Houston, and Hurricane Rita ravaged southeast Texas immediately thereafter. Construction costs skyrocketed and insurance became unattainable. With this catastrophic consequence, the Partnership sought and received a one-year extension of its placement in service date under Revenue Procedure 95-28, making the placement in service date December 31, 2007.

The Partnership re-worked its development budget and financing plan. When Houston's HOME funds were released, the development seemed to be falling into place. Unfortunately, by this time, officials had launched a federal investigation of Southwest for matters unrelated to the Property. This impacted the availability of financing, and it became apparent that Southwest was not in the best position to complete the Property.

The Non-Profit knew it needed to act quickly to preserve the development. The Partnership had received precious resources in Tax Credits and HOME funds. The neighborhood was anxiously anticipating the construction of the Property. The Houston City Council had given the Property tremendous support. The Non-Profit agreed to replace Southwest with the NRP Group ("NRP") as

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its development partner. An affiliate of NRP agreed to develop the Property in October 2006 and was admitted as a special limited partner of the Partnership in December 2006. TDHCA was notified of this change. At this point, NRP knew the construction schedule would be tight. But with 12 years of experience developing and constructing more than 9,600 units of housing, NRP knew the Property could be completed by the December 31, 2007 placement in service deadline. In fact, NRP previously had taken a replacement developer role for another troubled Texas property and successfully completed the development.

With financing in place and prepared to commence construction, the Partnership suffered another devastation – incessant rains. Beginning in January 2007 and continuing through September 2007, the development site received over 124.52 inches of rain, resulting in 161 days of work stoppage. This is approximately 350% of the average rainfall for this period in Houston. (See the timeline attached as Exhibit A). When work could be performed, the-work focused on drying out the site so foundations could be poured. The Partnership spent over \$150,000 on attempts to fortify and stabilize the soil. (See invoices and change orders attached as Exhibit B.) Each time it stabilized the soil, more rain ensued. Finally, foundations were poured and lumber was delivered to the site this month. Since then, construction has progressed rapidly, as evidenced by the pictures attached as Exhibit C.

The Partnership believes it can complete the Property in the first quarter of 2008. But, the December 31, 2007 placed in service date appears to be impossible. Under Section 42(h)(1)(E) of the Internal Revenue Code (the "Code"), Tax Credits will be revoked if all buildings in the Property are not placed in service by December 31. Loss of the Tax Credits would have a catastrophic economic impact on the Partnership, NRP, the investor and the lender. The Partnership's investor limited partner is an affiliate of Column Financial. To date, it has contributed over \$1,389,120 to the development of the Property. The Partnership's lender is Citibank, and the outstanding loan balance is \$1,864,320. They have determined that the Property is not viable as market rate housing. Without the Tax Credit financing, construction would likely cease and the Property could become a blight on the neighborhood. This would have an equally catastrophic social impact that the Non-Profit simply cannot abide. The Non-Profit's mission is to lift up the citizens of its community. The neighbors have been waiting for this housing for years; over 250 inquiries have been received already. The residents need this housing; the Partnership must overcome this final obstacle.

Given the impending loss of Tax Credits if the Partnership fails to place the Property in service by December 31, 2007, the Partnership needs immediate help. The Partnership has explored a variety of options, including a one-year extension of the placement in service date under Revenue Procedure 2007-54. At this time, the Partnership has been advised that TDHCA does not think that the IRS will permit Revenue Procedure 2007-54 to apply to the Property. Yet, we do not have any evidence that the IRS has made a definitive determination of this effect. If Revenue Procedure 2007-54 is unavailable to the Partnership, then relief under the 2007 Qualified Allocation Plan (the "QAP") appears to be the only alternative. Section 49.16 of the 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.

Under this provision, the Partnership could return its Tax Credits immediately after December 31 and have Tax Credits re-issued as 2008 Tax Credits. This QAP provision, giving the Board certain discretion to provide an extraordinary remedy that may override the regular allocation process, is consistent with Section 42(m)(1)(A)(iv) of the Code. Section 42(m)(1)(A)(iv) allows a housing finance agency to allocate Tax Credits in a manner that deviates from its QAP if "a written explanation is available to the general public for any allocation of a housing credit dollar amount which is not made in accordance with established priorities and selection criteria of the housing credit agency." In this instance, restoration of Tax Credits to the Property is specifically allowed under the QAP, and thus does not deviate from QAP requirements.

Quite simply, the QAP and the Code allow the Board to grant relief in extraordinary situations. The events associated with the Property are extraordinary and merit such relief. The Partnership is not able to meet a critical deadline. However, its failure to do so was a direct result of circumstances that were out of its control. With a 12-month construction schedule and over five months lost to rain, the Partnership found itself in an untenable situation. It did everything it could control, spending considerable funds to dry out the site, but it could not stop the rain from falling.

The re-issuance of Tax Credits as suggested would have a neutral impact on the 2008 Tax Credit application round. Section 42(h)(3)(C) of the Code establishes the state housing credit ceiling for TDHCA; under the Code's calculation, Tax Credits returned from the Partnership may become a part of TDHCA's state housing credit ceiling for 2008. Section 49.7(a) of the QAP requires that the state housing credit ceiling be distributed in accordance with the regional allocation formula. If the \$759,068 of Tax Credits are added to the 2008 pool and spread among the various regions, they would have little impact on TDHCA's ability to fund a project in any particular region. However, we believe the Board has the authority to allocate the returned Tax Credits back to the Partnership, despite the regional allocation formula, under Section 49.17(j) of the QAP. Section 49.17(j) permits the Board to utilize an extraordinary remedy. If the Board had to do so within the confines of the regional allocation formula and other provisions of the QAP, then the remedy in Section 49.17(j) could be worthless. Further, the Board has the power, under Section 42(m)(1)(A)(iv) of the Code, to allocate Tax Credits in a manner inconsistent with the QAP. The restoration of the Tax Credits is specifically allowed by the QAP and thus is not inconsistent, but it would deviate from the QAP's standard allocation system. These provisions, working together, give the Board the ability to restore the Tax Credits for Property with a 2008 allocation.

We understand that the Partnership is asking the Board to do something unusual. This is an extraordinary situation requiring extraordinary relief, and that is just what the QAP provisions are intended to do. The QAP provisions are not intended to rescue developers from their own inability to perform. They are intended to ensure that affordable housing is not jeopardized when a developer runs into circumstances beyond its control.

We hope you will agree that the Partnership and the Property are worthy of preservation of their Tax Credits and will recommend this relief to the Board for its November 8 meeting.

If you need any additional information to consider this request, please let me know.

Thank you for the time that you and the staff have devoted to this challenging issue.

TX Commons of Grace, LP

By: TX Commons of Grace Development, LLC,

its general partner

By: G.C. Community Development Corporation,

its managing member

By:

Pastor Charles H. Taylor, Sr.,

Vice President

cc: NRP Group

Citibank

Column Financial

Donald Sampley, City of Houston

#### **Commons of Grace - Timeline of Events**

#### Pre-NRP:

July 28, 2004 - Tax credits awarded to Southwest Housing. 2005 - Revenue Procedure 95-98 extension (due to Hurricanes Katrina and Rita) is granted to Southwest Housing.

#### Post-NRP:

September 21, 2006 – Letter of Intent signed. NRP agrees to step in on Commons. Due diligence ensues, resulting in an agreement between the parties for NRP to become co-developer (with the non-profit). Non-profit is Pastor Charles Taylor, Grace Cathedral Church CDCTX Commons of Grace, L.P.

October 2006 - Ownership transfer from Southwest Housing to The NRP Group takes place.

November 30, 2006 - December 21, 2006:

NRP is prepared to start construction on Nov. 30. However, financial terms could not be finalized until the City of Houston agreed to sign a subordination agreement with the construction lender.

December 21, 2006 - January 11, 2007:

Notice to proceed was delayed until the City approved the surety bond. The city standard forms were not acceptable and numerous City approvals were needed to use the surety's standard forms.

January 2007 - City of Houston HOME Funds closed. Construction begins. Monthly rainfall total = 10.52 inches. Monthly "No Work" Days = 17 days.

February 2007 - Monthly rainfall total = 9.8 inches. Monthly "No Work" Days = 27 days.

March 2007 - Monthly rainfall total = 14.10 inches. Monthly "No Work" Days = 23 days.

April 2007 - Monthly rainfall total = 13.50 inches. Monthly "No Work" Days = 17 days.

May 2007 - Monthly rainfall total = 19.75 inches. Monthly "No Work" Days = 20 days.

June 2007 - Monthly rainfall total = 13.5 inches. Monthly "No Work" Days = 13 days.

July 2007 - Monthly rainfall total = 26.50 inches. Monthly "No Work" Days = 20 days.

August 2007 - Monthly rainfall total = 13.35 inches. Monthly "No Work" Days = 17 days.

September 2007 - Monthly rainfall total = 3.5 inches. Monthly "No Work" Days = 7 days.

October 2, 2007 - President Bush declares Harris County a federal disaster area.

October 2007 - Lumber is dropped. Construction development is vertical and we are progressing rapidly.

### Commons of Grace 9/12/07

Total costs incurred by NRP for drying site to date.

### HONDO CONSTRUCTION:

TOTAL COST PAID BY NRP FOR DRYING COMI	MONS OF GRAC \$153,882.66
ROBLES TOTAL to assist in drying site:	\$75,480.35
Cut and Haul off mud on site     Equipment Rental and Pebble lime material	\$58,300.00 \$17,180.35
ROBLES EXCAVATION  1) Cut and Houl offermed an site	<u> </u>
PACE TOTAL for assisting in site drying:	\$750.00
1). 2 pallets of lime to assist in drying for concrete truck To access site for pour.	s <u>\$750.00</u>
PACE CONCRETE	
WC BELL TOTAL to assist in drying site:	\$5500.00
Drying site with 3 pallets of lime     Additional mobilization	\$3000.00 \$2500.00
WC Bell	
Hondo Total for site drying costs:	\$72,152.31
11 loads to achieve the desired result.	\$33,000.00
To facilitate access to the site and to expedite construction	on
7). Incorporate "Tru Chem" into existing soils to a depth Of appox. 1 to 1.5' at building pads, clubhouse, drivewa	
Soils to a depth of 1 to 1.5' at building pads	\$6000.00
<ul><li>5). Provide dozer and operator to aid in drying 12 days</li><li>6). Incorporate "Tru Chem" into existing saturated site</li></ul>	\$7260.00
4). 20 loads of fill dirt @ 80.00 per load  5) Provide degree and apparture to sid in during 12 days	\$1600.00
3). 200 loads of import fill @ 75.00 per load	\$15000,00
2). Equipment rental	\$4945.31
1). Drying site and cutting in material,	\$4347.00

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### CHANGE ORDER

TO: HONDO CONSTRUCTION

COMPANY

18473 Kinkaid Road E.,

Montgomery TX 77316

CONTACT: Woody Addison

DATE: 7/27/2007

PHONE: (936)597-6946

FAX: (936)597-5263

REF. NUMBER: TCOFG1-901

CHANGE ORDER NUMBER: 8

PROJECT: COMMONS OF GRACE

ADDRESS: 9110 TIDWELL

HOUSTON TEXAS 77078

PHONE: (936) 327-0454

FAX: (936) 327-0454

PROJECT SUPERINTENDENT: Larry Hill

PROJECT MANAGER: Brent McMahon

<u>Job</u> <u>CC</u> Description/Scope of Work **QTY Unit Cost** Tax Total Amount TCOFG1-001 2.200 DRYING SITE & CUTTING IN 4,347.00 4,347.00 MATERIAL Total: 4,347.00 Amount of original contract: \$140,000.00 Amount of previously authorized change orders: \$73,805.31 Amount of this change order: \$4,347.00 New contract amount including this change order: \$218,152.31

BY:

AUTHORIZED BY NRP CONTRACTORS LLC

BY:

Charles H. Holman, Vice President

DATE:

38 BML

PM SF

SPM RB

ACCEPTED BY: HONDO CONSTRUCTION COMPANY

Woody Addison

TITLE: Reserve

DATE: 8-1-07

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205

Phone: 210.487.7878 Fax: 210.487.7880

### **CHANGE ORDER**

TO:	HONDO CON	ISTRUCTION .		ref. Numi	BER:	TCOF	31-901	•
	18473 Kinkaid	f Road E.,	CHANGE OF	RDER NUMI	BER:	7		-
	Montgomery 1	TX 77316		PROJI	ECT:	COMM	10NS OF GR	ACE
CONTACT:	Woody Addiso	on ·		ADDR	ESS:	9110 T	IDWELL	
************	•					HOUS	TON TEXAS	77078
DATE:	7/13/2007			PHC	DNE:	(936) 3	27-0454	
			<i>Y</i> *	I	AX:		27-0454	
PHONE:	(936)597-6946	: 5	PROJECT SUPI	ERINTENDI	ENT:	Larry I		
FAX:	(936)597-5263	3		CT MANA		Brent N	<b>AcMa</b> hon	
Job	CC.	Description/Scope of Work		OTY	Tief	t Cost	Tax	Total Amount
<u>จกที</u>	CC:	Description/acope of Work	•	<u>V1.1</u>	Om	I COM	TUA	A DIAL IS INCOME.
TCOFG1-001	2.200	EQUIPMENT RENTAL		1	4,9	945.31		4,945,31
							Total :	4,945.31
Amount of or	iginal contract:			\$140,000.00	)			
Amount of pr	eviously author	ized change orders:		\$68,860.00	0			
Amount of thi	s change order	:		\$4.945.3	L ·			
New contract	amount includ	ing this order:		\$213,805.31	1			
AUTHORIZE	D BY NRP CO	NTRACTORS LLC	ACCEP	TED BY: 1	ONDO	CONS	TRUCTION	COMPANY
ns).		m		_				
BY:	Chades	H. Holman, Vice President			1/2	loor,	Colu	
	Cilmios	ser asommity view a averagem	BY:	ر کے ا	<u> </u>	W	loody Addison	· · · · · · · · · · · · · · · · · · ·
		- 6-	TITLE	. <i>D</i>	] ان سم معاد		1/_	
DATE:		7/27/07		<i>:</i>	<u>~1~'C</u>	2007		
	2334		DATE	. A	6 -	a 2		

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

RΒ

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487,7880

### CHANGE ORDER

TO: HONDO CONSTRUCTION

COMPANY

18473 Kinkaid Road E.,

Montgomery TX 77316

CONTACT: Woody Addison

DATE: 6/19/2007

PHONE: (936)597-6946

FAX: (936)597-5263

REF. NUMBER: TCOFG1-901

CHANGE ORDER NUMBER: 6

PROJECT: COMMONS OF GRACE

9110 TIDWELL ADDRESS:

HOUSTON TEXAS 77078

PHONE: (936) 327-0454

75.00

FAX: (936) 327-0454

PROJECT SUPERINTENDENT: Larry Hill

**OTY** 

200

PROJECT MANAGER: Brent McMahon

<u>Job</u>

TCOFG1-001 2.200

<u>CC:</u>

Description/Scope of Work

200 LOADS OF IMPORT FILL @ \$ 75.00 PER LOAD

Unit Cost

Tax

Total Amount

15,000.00

Total:

15,000.00

Amount of original contract:

Amount of previously authorized change orders:

Amount of this change order:

New contract amount including this order:

\$140,000.00

\$53,860.00

\$15,000.00

\$208,860.00

AUTHORIZED BY NRP CONTRAC

BY:

DATE:

RB

ACCEPTED BY: HONDO CONSTRUCTION COMPANY

BY:

TITLE:

DATE:

ORIGINAL: Supplier Copy: Project Manager/Pield Officer/Accounting

Entered By:

Admin

RECEIVED

JUL 0 6 2007

Page I of I

111 Soledad, Suite 1220 San Antonio, Texas 78205

Phone: 210.487.7878 Fax: 210.487.7880

### **CHANGE ORDER**

				•				
TO:	HONDO CON	ISTRUCTION		· REF. NUM	iber: '	TCOFO	1-901	
	18473 Kinkai	d Road E.,	CHA	NGE ORDER NUM	BER:	5		<i>*</i>
	Montgomery	TX 77316		PROJ	ECT:	СОММ	ONS OF GR	ACE
CONTACT:	Woody Addis	on		ADDI	RESS:	9110 TH	DWELL	
						HOUST	ON TEXAS	77078
DATE:	6/8/2007			PH	ONE:	(936) 32	7-0454	
					FAX:	(936) 32	7-0454	
PHONE:	(936)597-694	•	PROJEC	CT SUPERINTEND	ENT: 1	Lany Hi	iII	
FAX:	(936)597-5263			PROJECT MANA	GER:	Brent M	oMalion	
Joh	CC	Description/Scope of W	<u>'ork</u>	<u>oty</u>	Unit	Cost	Tax	Total Amount
TCOFG1-001	2.260	20 LOADS OF FILL DIF PER LOAD	00.00 <b>\$ @</b> TX	20	8	80.00		1,600.00
						1	otal :	1,600.00
Amount of ori	ginal contract:	···	<del></del>	- <del> </del>		·	\$140,00	0.00
Amount of pro	eviousiv author	ized change orders:					\$52,26	0.00
	-	-					•	
Amount of this	s change order	•					\$1,60	0.00
New contract	amount includi	ng this change order:					\$193,86	0.00
AUTHORIZE	D BY NRP CO	NTRACTORS LLC		ACCEPTED BY: I	HONDO	CONST	RUCTION	COMPANY
BY:		w						
DX:	Chadas	H. Holman, Vice President		,	/ 7	بردوا		1. della
	Chattes	ri. rioiman, vice President	}	BY:			ody Addison	· Maria
					NICA	LÅ	ouy Addison	
DATE:	6	111/07		TITLE:	XIXIX	LWV	······································	
Ó	Fight /	SPM RB		DATE:	6/15	101	· · · · · · · · · · · · · · · · · · ·	

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487,7878

Fax: 210.487.7880

### **CHANGE ORDER**

TO: HONDO CONSTRUCTION

COMPANY

18473 Kinkaid Road E.,

Montgomery TX 77316

CONTACT: Woody Addison

DATE: 5/18/2007

PHONE: (936)597-6946

FAX: (936)597-5263

REF. NUMBER: TCOFG1-901

CHANGE ORDER NUMBER:

PROJECT: COMMONS OF GRACE

9110 TIDWELL

**HOUSTON TEXAS 77078** 

PHONE: (936) 327-0454

> FAX: (936) 327-0454

PROJECT SUPERINTENDENT: Larry Hill

PROJECT MANAGER:

Brent McMaison

ÇC Job Description/Scope of Work **QTY** Unit Cost Tax Total Amount TCOFG1-001 2.200 PROVIDE DOZER AND 12 605.00 7,260.00 OPERATOR TO AID IN DRYING OUT SITE - 12 DAYS @ \$ 605.00 / PER DAY Total: 7,260.00 \$140,000.00 Amount of original contract: \$45,000.00 Amount of previously authorized change orders: Amount of this change order: \$7,260,00 New contract amount including this change order: \$192,260.00

AUTHORIZED BY NRP CONTRACTORS LLC

BY:

Charles H. Holman, Vice President

DATE:

BY:

TITLE:

DATE:

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

RB

Entered By:

ACCEPTED BY: HONDO CONSTRUCTION COMPANY

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### **CHANGE ORDER**

TO:	HONDO CO	NSTRUCTION	RI	EF. NUME	aran · '	TCOFC	11-001	
	COMPANY						)1-20 <u>'</u> 1	
	18473 Kinkai	*****	CHANGE ORD			2		
## L	Montgomery			PROJE			IONS OF GR	ACE
CONTACT:	Woody Addis	On		ADDR			IDWELL	
DATE;	4/12/2007			PITO			FON TEXAS 27-0454	77078
						-	27-0454	
PHONE:	(936)597-694	6 <b>P</b> 1	ROJECT SUPER	INTENDE		Lany H		
PAX:	(936)597-526	3	PROJECT	î Manag	er: 1	Raul Sa	ntoliez	
				, , , , , , , , , , , , , , , , , , ,				
<u>Job</u>	CC:	Description/Scope of Work	Q	TY	Unit	Cost	<u> Ţax</u>	Total Amount
TCOFG1-001	2,200	INCORPORATE "TRU CHEM"		1	6,00	0.00		-6,000.00
		INTO EXISTING SATURATED SITE SOILS TO A DEPTH OF			•		1	
		APPROX 1 TO 1.5 FEET AT BUILDING PADS TO EXPEDIT	לזי					
		PROOFROLL	ь					
				•			Total:	< aaa aa
							iotat :	6,000.00
				······································				
Amount of orig	ginal contract:	1	\$1	140,000.00	)			
Amount of pre	viously author	ized change orders;	\$	00.000,664	)			_
Amount of this	change order	:		\$6,000.00	<u> </u>			
New contract s	unount includi	ing this order:	\$1	179,000.00	)			
AUTHORIZEI	BY NRP CO	NTRACTORS	ACCEPTE	D BY: H	ONDO (	CONST	TRUCTION	COMPANY
D1).		- Uni						
BY:	Charles	H. Holman, Vice President	-		\J	11	-/1]	m -
	Cimilog	*** Exometal, ************************************	BY:			W	oody Addison	
	4	1/12/07	TITLE:	•	De	الماريخ	and	
DATE:		1147				<u> </u>		······································
		m_	DATE:	•	4-1	7-0	7	
	PM	SPM RB						

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

III Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### **CHANGE ORDER**

TO:	HONDO CONSTRUCTION

COMPANY

18473 Kinkald Road E.,

Montgomery TX 77316

CONTACT: Woody Addison

DATE: 3/19/2007

PHONE: (936)597-6946 FAX: (936)597-5263 REF. NUMBER: TCOFG1-901

CHANGE ORDER NUMBER: 1

PROJECT: COMMONS OF GRACE

ADDRESS: 9110 TIDWELL

**HOUSTON TEXAS 77078** 

PHONE: (936) 327-0454

> FAX: (936) 327-0454

PROJECT SUPERINTENDENT: Larry Hill

PROJECT MANAGER: Raul Sanchez

<u>Job</u> <u>cc</u> Description/Scope of Work **OTY Unit Cost** Tax Total Amount TCOFG1-001 2,200 INCORPORATE "TRU CHEM" 33,000.00 33,000.00 ı INTO EXISTING SATURATED SITE SOILS TO A DEPTH OF APPROX. 1 TO 1.5 FT. AT BLDG PADS, CLUBHOUSE PAD & DRIVEWAYS TO FACILITATE ACCESS TO THE SITE & TO **EXPEDITE CONSTRUCTION-11** LOADS TO ACHIEVE THE DESIRED RESULT.

Total:

33,000.00

\$140,000.00 Amount of original contract: Amount of previously authorized change orders: \$0.00

\$33,000.00

Amount of this change order:

New contract amount including this change order:

\$173,000.00

**AUTHORIZED BY NRP CONTRACTORS** 

BY:

Charles H. Holman, Vice President

DATE:

ACCEPTED BY: HONDO CONSTRUCTION COMPANY

BY:

TITLE:

DATE:

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### **CHANGE ORDER**

TO: W. C. BELL, INC.

REF. NUMBER: TCOFG1-902

131 South Trade Center Parkway,

CHANGE ORDER NUMBER: 2

PROJECT: COMMONS OF GRACE

**HOUSTON TEXAS 77078** 

Conroe TX 77385 CONTACT: Billy Bell

ADDRESS: 9110 TIDWELL

DATE: 8/24/2007

PHONE: (936) 327-0454

FAX: (936) 327-0454

PHONE: (936)273-4440

PROJECT SUPERINTENDENT: Larry Hill

FAX: (936)273-4601

PROJECT MANAGER: Brian Stress

<u>Joh</u>	<u>CC</u>	Description/Scone of Work	OTY	Ľ	Unit Cost	<u>Tax</u>	Total Amount
TCOFG1-001	2.700	ADDITIONAL WORK TO CORRECT FIRE LINE	. 1	i	2,000.00		2,000.00
TCOPG1-001	2.200	DRY SITE WITH 3 PALLETS OF LIME	1	l	3,000.00		3,000.00
					Т	otal :	5,000.00
Amount of o	riginal conti	ract:				\$258,000.00	***************************************
Amount of p	reviously au	thorized change orders:				\$2,500.00	
Amount of the	ils change of	rder:				\$5,000.00	
New contrac	t amount inc	luding this change order:	/	//	1	\$265,500.00	1
AUTHORIZI	ED BY NRP	CONTRACTORS LLC	ACCEPTED	y. w	C. BELL, INC	- 2	
BY:	Chi	aries H. Holman, Vice President	BY:	الر	16	Dell	
DATE:	[s]	8/28/07	TITLE:	P	sidan	Billy Bell	
	PM	SPM RB	DATE:	3	3/30/07	energyani estapoidde enaskel di Milleri es de-boo	-
			•				

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### **CHANGE ORDER**

TO: W. C. BELL, INC. REF. NUMBER: TCOFG1-902 131 South Trade Center Parkway, CHANGE ORDER NUMBER: 1 Conroe TX 77385 PROJECT: COMMONS OF GRACE CONTACT: Billy Bell ADDRESS: 9110 TIDWELL **HOUSTON TEXAS 77078** DATE: 7/26/2007 PHONE: (936) 327-0454 (936) 327-0454 FAX: PHONE: (936)273-4440 PROJECT SUPERINTENDENT: Larry Hill FAX: (936)273-4601 PROJECT MANAGER: Brent McMahon <u>Job</u> CC: Description/Scope of Work **OTY** Unit Cost Tax Total Amount TCOFG1-001 2.700 ADDITIONAL MOBILIZATION 2,500.00 2,500.00 Total: 2,500.00 Amount of original contract: \$258,000.00 Amount of previously authorized change orders: \$0.00 Amount of this change order: New contract amount including this order: \$260,500% AUTHORIZED BY NRP CONTRACTORS LLC ACCEPTED/B BY: Charles H. Holman, Vice President BY: Billy Bell TITLE DATE:

DATE:

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

RΒ

Entered By:

111 Soledad, Suite 1220 San Antonio, Texas 78205

Phone: 210.487.7878 Fax: 210.487.7880

### **CHANGE ORDER**

CONTACT: DATE: PHONE:	P.O. Box 69 Houston TX Scott Schroo	C 77269 oder 50	ADDI	BER: JECT: RESS: ONE: FAX: DENT:	9110 Ti HOUST (936) 32 (936) 32 Lany H	ONS OF OR DWELL ON TEXAS 27-0454 27-0454	
Job	<u>CC</u>	Description/Scope of Work	QTY	Uni	t Cost	Tax	Total Amount
TCOFG1-001	2.515	(2) PALLETS OF LIME	1		50.00	<u></u>	750.00
					Т	ofal :	750.00
Amount of ori	ginal contrac	f:		<del></del>	············	\$614,000	0,00
Amount of pro	eviously autho	orized change orders:				\$(	0.00
Amount of this	s change orde	r:		-		\$750	<u>),00</u>
New contract	amount inclu	ding this change order:				\$614,750	0.00
AUTHORIZE	D BY NRP C	ONTRACTORS LLC	ACCEPTED BY: P	ACE CO	ONCRE	TE, LTD.	
BY:		M					
	Charle	s H. Holman, Vice President	BY:				
					Soo	(t Schroeder	
DATE:	7	131107	TITLE:				
	PM /	SPM RB	DATE:				

ORIGINAL: Supplier Copy: Project Manager/Field Officer/Accounting

Entered By:

Admin

File Cupy

## EXHIBIT "D" SCHEDULE OF VALUES/APPLICATION FOR PAYMENT

SCOPE OF WO PHASE/COST DRAW #:		Commons of G Sitework 2,200	Frace				
CONTRACT # SUBCONTRA ADDRESS:		TCOFG1-914 Robles Excavat		Humble, TX 77338			
CONTACT:				5 Fax 281-324-6451			
DUE THIS DRA LESS RETAINA	AGE		\$ <u>8</u>	33,300.00	- )		
NET DUE THE	B DRAW:	u.	\$		•		
bcontractor certifies the riod. Subcontractor cell due and payable biterialmen's liens related to the form as constituted.	rtifies that: 'There a ils with respect to ling to the Work. Wa ies an effective waive	re no known mech the Work have b tiver from all sub- r of lien under the	anics' or mate een paid to do subcontractor applicable lar	rialmen's liens outs ate. There is no kn s and materialmen is	tanding as of cown basis fivolved with cas".	the date of the or filing any the Work has	ris applicat mechanics
GNED: DMPANY:	Robles	Excavation, Inc.		DATE:			
OR WORK COM	PLETED:	······································	TO _				
OR WORK COM		DESCRIPTION		AMT.	PREV APPL	THIS APPE	BAL. TO DRAW
<u>Cospcode</u>				\$ 58,300.00			<u>TO</u>
COSPICODE  COFG1-001-2.200	600	DESCRIPTION					<u>TO</u>
<u>COSPCODE</u> COFG1-001-2,200	Haul Off Mud	DESCRIPTION		\$ 58,300.00			TO
COSPICODE COFG1-001-2.200	Haul Off Mud	DESCRIPTION		\$ 58,300.00			<u>TO</u>
COSP (GDE 5000) COFG1-001-2,200	Haul Off Mud	DESCRIPTION		\$ 58,300.00			TO
	Haul Off Mud	DESCRIPTION		\$ 58,300.00			

111 Soledad, Suite 1220 San Antonio, Texas 78205 Phone: 210.487.7878

Fax: 210.487.7880

### **CHANGE ORDER**

CONTACT: DATE: PHONE:	ROBLES EXP.O. Box 490 Huffman TX Ruben Robles 8/24/2007 (218)324-978: (281)324-645	77336	CHANGE ORD PROJECT SUPER	PROJEG Addre Phoi PA Intendei	ER: 2 CT: CO SS: 911 HO NE: (93 AX: (93 NT: Lan	OFG1-914  MMONS OF G 0 TIDWELL USTON TEXA 6) 327-0454 6) 327-0454 ry Hill		
			PROJEC	l Managi	er: but	un Stress		
<u>Job</u>	<u>CC1</u>	Description/Scope of Work	9	TY	Unit Co.	<u>Tax</u>	Total Amount	
TCÓFGI-001	2.200	EQUIPMENT RENTAL AND PEBBLE LIME MATERIAL I ATTACHED EXHIBIT A	PER	1	17,180.3		17,180.35	
		•				Total :	17,180.35	
Amount of orl	ginal contract:			00.008,88	·			
Amount of previously authorized change orders:  Amount of this change order:  New contract amount including this order:			(\$20,912.64)					
			·	\$17.180.35				
			\$79,567.71					
AUTHORIZED BY:		TRACTORS LLC  L Holman, Vice President		DBY; ROI	BLES EX	CAVATION, 1	NC.	
	Ç	. Tourism, Troe Freshacht	BY:	***********		Ruben Robles		
DATE:	, 4	8/28/07	TITLE:					
	PM S	PM RB	DATE:					
ORIGINAL:	Supplier Cop	y: Project Manager/Pield Offic	er/Accounting		Entered	By: A	ıdmin	

FILE COPY

From: 8.207

### ROBLES EXCAVATION, INC. PO#TCOFG1-914 #2

QTY MATERIAL	DESCRIPTION	UNIT COST	TOTAL	
27	Pebble Lime - 27 tons @ \$ 120.00 / ton	\$120.00	\$3,240.00	
EQUIPMEN	T RENTAL			
	580 Case Dozer 07/24/07 to 07/26/07			
1	1 Week Rental	\$695.00	\$695.00	
1	Fuel Surcharge	\$208.50	\$208.50	
1	Freight In	\$125.00	\$125.00	
1 -	Freight Out	\$125.00	\$125.00	
	Subtotal	*	\$1,153.50	
	Total		\$1,153.50	
*	850 Case Dozer - 07/24/07 to 08/18/07			
1	1 Month & 1 week Rental	40 500 00		
1	Fuel Surcharge	\$3,500.00	\$3,500.00	
1		\$1,050.00	\$1,050.00	
1	Freight-In Freight Out	\$125.00	\$125.00	
1	Subtotal	\$125.00	\$125.00	
	Guntotai		\$4,800.00	
	Total	•	\$4,800.00	
	Sweeper / Broom 07/30/07 to 08/18/07			
1	1 Month Rental	\$1,530.00	\$1,530.00	
1	Fuel Surcharge	\$459.00	\$459.00	
1 .	Freight In	\$125.00	\$125.00	
1	Freight Out	\$125,00	\$125.00	
	Subtotal		\$2,239.00	
-	Total		\$2,239.00	
	Total Equipment		\$8,192.50	
LABOR				
	Operator #1	400.00	MA 622 AA	
	Operator #2	\$23.00	\$2,622.00	
32.	Operator #2	\$17.00	\$1,564.00	
	•		\$4,186.00	
	Subtotal		\$15,618.50	
	10% Mark-Up		\$1,561.85	
	CDAND TOTAL		A.m	
'	GRAND TOTAL	•	\$17,180.35	

















#### MULTIFAMILY FINANCE PRODUCTION DIVISION

#### **BOARD ACTION REQUEST**

**November 8, 2007** 

#### **Action Item**

Presentation, Discussion and Possible Action for Housing Tax Credit Amendments.

#### **Requested Action**

Approve, deny or approve with amendments the requests for amendments related to housing tax credit properties.

#### **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. 01042, Fountains at Tidwell

<u>Summary of Request</u>: Owner requests approval to release 5.5048 acres of vacant land from the land use restrictive agreement. The development plan originally proposed that the residential buildings and clubhouse would be built on a 14.827 acre tract of land and that a 7.952 acre tract would contain a baseball field, soccer field, covered basketball court, open basketball court, walking trail, picnic area and parking lot. The 5.5048 acres is the western part of the 7.952 acre tract.

The owner's counsel stated that the recreational facilities on the 7.952 acre tract were proposed as part of a plan to provide a youth sports program that was to have been administered by students of Texas Southern University (TSU). Counsel stated that when TSU indicated that it would not fulfill its commitment, the owner planned a three-hole golf course and negotiated with The First Tee of Houston (a nonprofit organization) to provide its golf instruction and life skills program. The second proposed use of the site ended when First Tee chose a different site for its program.

The owner's counsel stated that an affiliate of the development owner built and leased 30 single family homes on the east side of the subject development and because of the success of this venture, the owner believes that the 5.5048 acre tract would be best used for a similar development. Counsel also stated that the subject tract is currently a problem because, despite being fenced, the land is suffering misuse as a dumping ground.

While the proposed change would not have affected either the Threshold qualifications, the scoring of the application or would not have affected the recommendation for an award of tax credits, there was a representation that these amenities would be offered to the tenants. The owner's counsel noted that the present rules governing amendments and penalties were not in place when the owner planned the development. Counsel indicated that the remainder of the 7.952 acres, other than the 5.048 acres, would contain a putting green and covered basketball court.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan, and any other modification considered

significant by the board.

Owner: Fountains at Tidwell, Ltd. General Partner: IVE Fountains, LLC

Developers: Hettig Development Group II, LTD

Principals/Interested Parties: Isaac & Vera Matthews (Owners of GP); John E. Hettig and W. Barry Kahn

(principals of special limited partner and developer)

Syndicator: JER Hudson

Construction Lender: Mitchell Mortgage Permanent Lender: Mitchell Mortgage

Other Funding: NA

City/County: Houston/Harris Set-Aside: General Population

Type of Area: Urban

Type of Development: New Construction Population Served: General Population

Units: 141 HTC units and 47 market rate units

2001 Allocation: \$830,255 Allocation per HTC Unit: \$5,888

Prior Board Actions: July, 2001 - Approved award of tax credits

Underwriting Reevaluation: Forms 8609 have already been issued to this property. The amount of the tax

credits awarded would not have changed if the cost of the land that is at issue

were deducted from the total land value.

Staff Recommendation: Staff recommends denying the request because the owner has not

offered equivalent substitute features to compensate for the features

that would be eliminated from the development.

Penalty Assessment: Staff recommends the assessment of appropriate penalties pursuant to

49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation) because the amendment request was made after the change had been implemented and after the issuance of the IRS Forms 8609. The penalties should be assessed against the general partner and either the original or current special limited partner, as applicable, for having developed the property inconsistently

with the application.

#### HTC No. 04160, Maplewood Crossing (formerly Village on Hobbs Road)

<u>Summary of Request</u>: The owner was cited for failing to provide 30-year architectural shingles and for having a final common area of 5,765 square feet instead of the 6,109 square feet of common area that was originally proposed. The difference between the two areas is 5.6% and exceeds the 3% maximum established by statute as the threshold in defining a material alteration of the development.

A city ordinance regarding green space and parking was required of the development. The ordinance required one acre of green space for every ninety units. The owner stated that the green space requirement was made more difficult by the parking requirements. The code required 2.25 parking spaces per unit for the development's elderly population, the same as the City required for a general population development. The owner had to build 230 parking spaces, 74 more spaces than were proposed in the application and underwritten. The owner then had to adjust the building footprints to create the required green space. Therefore, the common area space was reduced to meet the city requirements. No amenities from the common area were deleted.

The city also required that all glass doors and windows have storm shields of ¾ inch plywood. The owner purchased a safer more efficient storm shield product in place of the plywood.

The owner noted that 30 year shingles were installed on some but not on all buildings because they became unavailable due to Hurricanes Katrina and Rita. The owner indicates an incremental benefit of fabric shields over plywood shields and an increase in the number of parking spaces as appropriate substitute features for the reduction in the common area and in the 30 year shingles. While these are amenities that were not presented in the original application, staff does not believe the amenities are equivalent substitutes for the original amenities and do not necessarily provide a benefit to the tenant.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a reduction of three percent or more in the square footage of the units or common areas and any

modification considered significant by the board.

Owner: Hobbs Road Village, LP
General Partner: Hobbs Road Village GP, LLC
Developers: Hobbs Road Village GP, LLC

Principals/Interested Parties: Thomas H. Scott, sole member of GP; Sally Gaskin, sole member of special

limited partner, SGI Ventures, Inc.

Syndicator: Alliant Capital
Construction Lender: Greenpark Financial
Permanent Lender: Greenpark Financial

Other Funding: City of League City (grant)
City/County: League City/Galveston

Set-Aside: General Type of Area: Exurban

Type of Development: New Construction Population Served: Elderly Population

Units: 80 HTC units and 20 market rate units

2004 Allocation: \$551,851 (original allocation)

Allocation per HTC Unit: \$6,898

Prior Board Actions: 7/04 – Approved award of tax credits

Underwriting Reevaluation: The changes do not affect the feasibility of the development or the amount of

the award of tax credits.

Staff Recommendation: Staff recommends denying the request because the owner has not

proposed acceptable substitute features.

#### **Penalty Assessment:**

Staff recommends the assessment of appropriate penalties pursuant to 49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation) because the amendment request was made after the change had been implemented. The penalties should be assessed against the general partner and either the original or current special limited partner, as applicable, for having developed the property inconsistently with the application.

#### HTC No. 05004, Samuels Place

<u>Summary of Request</u>: The owner requested approval to change the rent targeting. The development originally committed in its application to have twelve units restricted for use by tenants qualifying at 30% of AMGI. The owner now proposes to restrict only four units to 30% rents with the remaining eight of the original twelve units being restricted to rents at 60% of AMGI. The letter of request stated that easing the restrictions is necessary to allow the development to service the increase in the debt that was necessary to cover the increases in building costs that have occurred. The increases were said to have resulted from the small size of the development, noise reduction measures, and sloping topography. The change would not have affected the score of the application because the development still has 10% of the units serving 30% AMGI.

The Department's underwriting analysis of the owner's proposal suggests that resizing the debt financing and increasing the deferred fees would allow the development to remain feasible with eight units restricted to rents at the 30% of AMGI level.§50.17(d)(8) of the Qualified Allocation Plan and Rules states "In the event that an Applicant or Developer seeks to be released from the commitment to serve the income level of tenants targeted in the original Application, the following procedure will apply. For amendments that involve a reduction in the total number of low income Units being served, or a reduction in the number of low income Units at any level of AMGI represented at the time of Application, evidence must be presented to the Department that includes written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in Units. The Board may or may not approve the amendment request, however, any affirmative recommendation to the Board is contingent upon concurrence from the Real Estate Analysis Division that the Unit adjustment (or an alternative Unit adjustment) is necessary for the continued feasibility of the Development." The lender and syndicator have issued letters stating that without the change in the rent levels the development will be financially infeasible.

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: Samuels Avenue LP
General Partner: Pioneers of Samuels, LLC
Developers: Carleton Development, Ltd.

Principals/Interested Parties: Fort Worth Affordability, Inc., nonprofit owner of GP; Printice Gary, David

Kelly, Neal Hildebrandt, owners of CGB Southwest, special limited partner

Syndicator: Apollo Housing Capital, LLC

Construction Lender: Chase Bank, N.A. Permanent Lender: Chase Bank, N.A.

Other Funding: City of Fort Worth HOME Funds

City/County: Fort Worth/Tarrant

Set-Aside: General Type of Area: Urban

Type of Development: New Construction
Population Served: General Population
Units: 36 HTC units
2005 Allocation: \$254,842

Allocation per HTC Unit: \$7,079

Prior Board Actions: 7/05 – Approved award of tax credits

Underwriting Reevaluation: Up to eight units can be restricted to 30% rents without eliminating the

development's financial feasibility. No change in the award is

recommended.

Staff Recommendation: Staff recommends that eight units be restricted to 30% rents, the most

that the Department's underwriting analysis indicates can remain

restricted while maintaining financial feasibility.

Penalty Assessment: No penalty assessment under 49.9(c) of the Qualified Allocation Plan

and Rules (as stated at the beginning of this presentation) is recommended because the amendment is requested in advance of the

changes being instituted.

#### HTC No. 05069, Santa Rosa Village

<u>Summary of Request</u>: Owner requests approval to correct and amend several items. The development was acquisition/rehabilitation and there was no change in the configuration of the units or residential buildings. Deficiencies cited by the Department's inspectors and proposed resolutions are stated below.

The application's rent schedule stated that the eight four bedroom units would have two bathrooms and the Department's inspectors cited a deficiency because the development as built had only one and a half bathrooms in these eight units. Despite the citation and the representation of the rent schedule, a close review of the application indicated that the four bedroom units were only intended to have one and half baths, the same number that they had before construction began. This conclusion was evident from the architectural drawings, which indicated that the four bedroom unit plan would have only one and a half bathrooms and the property condition assessment, which indicated that the rehabilitation would not change the original unit configurations. In an application for rehabilitation, the property condition assessment is the fundamental document used by the Department in identifying the scope of work. The owner reported that the discrepancy in rent schedule arose because the form supplied by the Department rounded "1.5" bathrooms to "2". Department staff verified the owner's statement and that the number of bathrooms would not have affected the recommendation to award tax credits. The evidence therefore indicates that this deficiency may be resolved by a correction. An amendment is not necessary.

The Specifications and Amenities exhibit of the application represented that the development would have laminated countertops. The kitchen has laminated countertops but the bathrooms have freestanding sinks with no counters and, thus, no countertops at all. The countertops were a representation of the Specifications and Amenities exhibit, which did not indicate the extent to which countertops would be present. Furthermore, the architectural plans depicted the freestanding sinks in the bathrooms and the lack of counters. The lack of laminated counters in the bathrooms is therefore, like the "1.5" versus "2" bathroom issue above, a correction rather than an amendment.

The application represented that the HVAC units in the development would be 14 SEER units but only 12 SEER units were installed. The owner has requested that \$38,000 worth of R-18 insulation that was installed, but had not been proposed, be approved as a substitute feature. The property condition assessment confirmed that the insulation was not proposed and the owner documented the cost by submitting a draw request form. The insufficiency of the existing insulation was said to have been discovered after construction began. This change would have decreased the score of the application by six points (three points for 14 SEER HVAC, doubled in the case of rehabilitation).

The application represented that refrigerators with ice-makers would be installed but the refrigerators installed did not have ice-makers. The owner requested approval to substitute barbeque grills and picnic tables which were worth one point as Threshold items for the refrigerators with icemakers which were worth one point as Selection items. The barbeque grills and picnic tables were not proposed in the application. The substitution would have caused a two point decrease (one point doubled because the development was rehabilitation) in the score of the application because Threshold points did not count in the final score.

The application represented that two children's playgrounds would be installed but none were installed. The owner has requested that, because the development has a public playground adjacent to the development, approval be granted to substitute a public telephone for the playgrounds. The playgrounds were worth two points (doubled to four) in the application and the public telephone also would have been worth two points (doubled).

Although the application would have scored much lower if the changes now requested had been considered in the original scoring, the application would still have been recommended for an award of tax credits because of its set-aside (At-Risk).

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: VOA Texas Santa Rosa Village, LP General Partner: VOA Texas Santa Rosa Village, GP, Inc.

Developers: Volunteers of America, Texas, Inc. Principals/Interested Parties: Volunteers of America (Nonprofit)

Syndicator: PNC Multifamily Capital Construction Lender: PNC Multifamily Capital Permanent Lender: PNC Multifamily Capital

Other Funding: NA

City/County: Santa Rosa/Cameron

Set-Aside: At-Risk Type of Area: Rural

Type of Development: Rehabilitation
Population Served: General Population
Units: 53 HTC units

2005 Allocation: \$132,202 (original allocation)

Allocation per HTC Unit: \$2,494

Prior Board Actions: July, 2005 - Approved award of tax credits

Underwriting Reevaluation: Analysis of the proposed changes indicates that the changes would not have

materially affected the findings of the original underwriting report or the

amount of the award that was recommended.

Staff Recommendation: Staff recommends approving the request because the substitute features

appear to be acceptable.

Penalty Assessment: Staff recommends assessment of appropriate penalties pursuant to

49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation) because the amendment request was made after the changes had been implemented. The penalties should be assessed against the general partner and any special limited partners, as applicable, for having developed the property inconsistently with the

application.

#### HTC No. 05127, Navigation Pointe

Summary of Request: On October 12, 2006, the Board approved a reduction in the number of residential buildings. The Board also approved a revision of the unit mix to decrease the one bedroom units by four units and increase the two bedroom units by the same number. However, the summary of the request did not specify that some buildings in the final plan were three-stories (two stories at the ends of the building and three stories in the center), whereas all original buildings had been no more than two-stories. Similarly, the request did not specify that eight two-bedroom units with 2.5 bathrooms would be converted into two-bedroom units with two bathrooms, or that twelve three-bedroom units with 2.5 bathrooms would be converted into three-bedroom units with two bathrooms. In each case, the half bathroom that was included in the original design was included because the units were two-story units that needed bathroom facilities downstairs. When the units became one-story units, the half-bathrooms became redundant and an undesirable use of the available space.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan, modification of the number of units or bedroom mix of units and any other modification that is considered

significant by the board.

Owner: C.C.T. Navigation-Cameron, LP

General Partner: Merced-Navigation, LLC
Developers: GMAT III Development, Ltd.

Principals/Interested Parties: Merced Housing Texas, 501(c)(3); Manish Verma

Syndicator: Paramount Financial Group, Inc.
Construction Lender: Malone Mortgage Company
Permanent Lender: Malone Mortgage Company
Other Funding: City of Corpus Christi (\$150,000)
City/County: Corpus Christi/Nueces County

Set-Aside: General Population

Type of Area: Exurban

Type of Development: New Construction
Population Served: General Population
Units: 124 HTC units
2005 Allocation: \$800,000

Allocation per HTC Unit: \$6,452

Prior Board Actions: 7/05 – Approved award of tax credits

10/12/06 – Approved amendment as stated above

Underwriting Reevaluation: The changes would not have reduced the amount of the original award and

the development appears to remain financially feasible.

Staff Recommendation: Staff recommends that the Board acknowledge the corrections because

changes did not negatively affect the development.

Penalty Assessment: No penalty assessment recommended because this is just an

acknowledgement of a correction.

#### HTC No. 06024, Cunningham Manor

<u>Summary of Request</u>: The owner requests a waiver for the requirement to include a HOME loan in the final development funding. The HOME loan was used to score eighteen points in the application as funding from a local political subdivision. The owner stated that the United States Department of Housing and Urban Development (HUD) will not allow the use of the HUD insured 221(d)(4) loan that is planned to be the primary permanent financing of the development if the HOME loan is part of the financing.

The owner's counsel stated that HUD has at least two objections to the inclusion of the HOME loan with the 221(d)(4) loan. One objection was said to be that the terms of the 221(d)(4) loan require that any secondary loans be repaid solely from surplus cash. This requirement conflicts with a provision of the HOME loan requiring that the HOME loan be repaid in one year. A second objection was said to be that there are irreconcilable differences between the provisions of the two loans with respect to the requirements for relocating tenants. Because the application was in the At-Risk set-aside, the loss of the eighteen points from the score of the subject application would not have changed the recommendation to award tax credits.

The Owner is requesting the penalties be waived because the "after the fact" notice of the amendment was forced by circumstances beyond their control. The situation with the HUD funding happened at the closing table and the Owner did not have the ability to "ask in advance" without placing the development funding at risk.

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: Cunningham Manor, LP
General Partner: Cunningham Manor GP, LLC

Developers: Housing and Community Services, Inc. (Nonprofit)

Principals/Interested Parties: Housing and Community Services, Inc.; TG 105, Inc. (Nonprofit)

Syndicator: Enterprise Community Investment, Inc.

Construction Lender: Evanston Financial Permanent Lender: Evanston Financial

Other Funding: City of Brownsville HOME funds

City/County: Brownsville/Cameron

Set-Aside: At-Risk Type of Area: Urban

Type of Development: Rehabilitation
Population Served: General Population
Units: 104 HTC units

2006 Allocation: \$755,048 Allocation per HTC Unit: \$7,260

Prior Board Actions: July, 2006 - Approved award of tax credits

Underwriting Reevaluation: No change in the amount of the award of tax credits is recommended. The

development would remain financially feasible under the new proposal.

Staff Recommendation: Staff recommends approval of the amendment because the application

would have been competitive without the points for the HOME funding.

Penalty Assessment: Staff recommends assessment of appropriate penalties pursuant to

49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation) because the amendment request was made after the changes had been implemented. The penalties should be assessed against the general partner and any special limited partners, as

applicable, for application.	having	developed	the propert	y inconsistently	y with the

#### HTC No. 07115, Heights Apartments

<u>Summary of Request</u>: The owner requested approval to change the site plan plans by relocating the clubhouse, two of the residential buildings and some of the site improvements. The number of units and buildings, unit types, unit mix, net rentable area and common area would not change. The owner stated that the request was made to resolve engineering issues that resulted from underestimating the grade changes when the original plan was made. The score of the application would not have been changed by the amendments described.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan and any other modification considered

significant by the board.

Owner: Big Spring Heights Apartments, LP
General Partner: Big Spring Heights Housing, LLC
Developers: Zimmerman Properties, LLC

Principals/Interested Parties: Vaughn C., Rebecca A., Justin, and Leah Zimmerman; Kelly M. Holden

Syndicator: CharterMac Capital
Construction Lender: CharterMac Capital
Permanent Lender: Lancaster Pollard
Other Funding: Great Southern Bank
City/County: Big Spring/Howard

Set-Aside: USDA Type of Area: Rural

Type of Development: New Construction
Population Served: General Population
Units: 48 HTC units

2007 Allocation: \$377,886 Allocation per HTC Unit: \$7,873

Prior Board Actions: July, 2007 - Approved award of tax credits

Underwriting Reevaluation: The changes appear to have no material effect on the application as

underwritten and no effect on the recommended award of tax credits.

Staff Recommendation: Staff recommends approving the request because the final site plan

appears to be equivalent to the original plan and the changes would not

negatively affect the development.

Penalty Assessment: No penalty assessment is recommended under §49.9(c) of the QAP

because the amendment is requested in advance of the changes being

instituted.

#### HTC No. 07118, Lakeside Apartments

<u>Summary of Request</u>: The owner requested approval to change the site plan and building plans. The number of units and buildings, unit types, unit mix, net rentable area and common area would not change. The footprints of the buildings and other amenities on the site will change and two of the buildings will change from two-stories to three-stories. With respect to the residential buildings, in the original plans, two buildings were two-stories tall and the other two buildings were half and half, two-story and three-story. In the current plan, two buildings are three-stories, and the other two are half two-story and half three-story. The owner stated that the request was made to resolve engineering issues, to reduce the total footprint of all buildings and thereby minimize the impact on the land, and to stay within the project budget. The score of the application would not have been changed by the amendments described.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan and any other modification considered

significant by the board.

Owner: Mt. Pleasant Lakeside Apartments, LP General Partner: Mt. Pleasant Lakeside Housing, LLC

Developers: Zimmerman Properties, LLC

Principals/Interested Parties: Vaughn C., Rebecca A., Justin, and Leah Zimmerman; Kelly M. Holden

Syndicator: CharterMac Capital
Construction Lender: CharterMac Capital
Permanent Lender: Lancaster Pollard

Other Funding: Northeast Texas Housing Finance Corporation

City/County: Mount Pleasant/Titus

Set-Aside: USDA Type of Area: Rural

Type of Development: New Construction Population Served: General Population

Units: 63 HTC units and 1 employee unit

2007 Allocation: \$520,342 Allocation per HTC Unit: \$8,259

Prior Board Actions: July, 2007 - Approved award of tax credits

Underwriting Reevaluation: The changes appear to have no material effect on the application as

underwritten and no effect on the recommended award of tax credits.

Staff Recommendation: Staff recommends approving the request because the final site and

building plans appear to be equivalent to the original plans and the

changes would not negatively affect the development.

Penalty Assessment: No penalty assessment is recommended under §49.9(c) of the QAP

because the amendment is requested in advance of the changes being

instituted.

#### HTC No. 07220, San Gabriel Crossing

Summary of Request: The owner requested approval to change the site to satisfy a request from the City of Liberty Hill for access to the site to be provided from a side street instead of from Loop 332 as originally proposed. The site will increase from six acres to 6.67 acres, or approximately 11%. In the process of changing the size of the site, the size will increase to approximately 7.6 acres in an intermediate period as the development owner acquires more land, at no cost to the development owner, than will be included in the final site. Approximately 0.93 acres of the additional land constitutes the side street that will be used to access the development and will be dedicated to the City of Liberty Hill as a public right-of-way when the development is completed. In the process of the change that is being proposed, the buildings will be rearranged on the site so that the configuration of the building footprints is substantially dissimilar to the original plan. However, the individual building footprints are the same size and there has been no change in the unit mix, number of buildings or number of stories of a particular building. The community building has been relocated to the opposite side of the original site plan so that it is again near the entrance to the apartment community.

A representative of the owner stated that the additional land in the site as now proposed includes land that was not under contract during the application review period.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan and any other modification considered

significant by the board.

Owner: Liberty Hill THF Housing, L.P. General Partner: THF San Gabriel Crossing, LLC

Developers: THF Development Company, LLC (affiliate of Texas Housing Foundation);

DMA Development Company, LLC

Principals/Interested Parties: Texas Housing Foundation (Nonprofit); Diana McIver

Syndicator: Boston Capital

Construction Lender: Lancaster Pollard Mortgage Company
Permanent Lender: Lancaster Pollard Mortgage Company

Other Funding: City of Liberty Hill
City/County: Liberty Hill/Williamson

Set-Aside: TX-USDA Type of Area: Rural

Type of Development: New Construction Population Served: General Population

Units: 73 HTC units and 3 market rate units

2007 Allocation: \$582,217 Allocation per HTC Unit: \$7,976

Prior Board Actions: July, 2007 - Approved award of tax credits

Underwriting Reevaluation: Analysis of the request resulted in no change in the amount of the award

recommended.

Staff Recommendation: Staff recommends approving the request because the final site plan,

although appearing substantially different from the original plan, contains the same number of buildings and features as the original plan. As a USDA development, the application did not score points for a Pre-Application, therefore there would be no change in the score related to

site plan changes.

### **Penalty Assessment:**

No penalty assessment is recommended under §49.9(c) of the QAP because the amendment is requested in advance of the changes being instituted.

#### HTC No. 04193, Providence at Edinburg

<u>Summary of Request</u>: The owner requested approval to change the site plan, unit plans, and building plans. The original application listed the development activities as acquisition, rehabilitation, and new construction. After submission, the application was changed to demolition and new construction and was evaluated as such. The development was then built as a rehabilitation of existing buildings. The application file contained an electronic mail sent by Department staff on February 27, 2004 instructing the applicant that the rehabilitated units would have to comply with the unit size requirements that were mandatory for new construction.

The underwriting report for this development was completed on December 8, 2004 and the Commitment Notice was issued on December 13, 2004. The underwriting report clearly states that new construction was confirmed with the applicant. In the letter requesting this amendment, the owner's assertion that the Board's approval of an extension of the commencement of construction deadline in December of 2005, after the award was made, constituted an approval of rehabilitation as the construction activity, appears to be both unfounded and unsupportable as a rationalization for further action. If the Board had made such an approval it would have reversed the allocation to new construction without underwriting the new development proposal. Nevertheless, the amendment request appeared to state, in essence that the inclusion of the term "Rehabilitation" (i.e., in "Rehabilitation/New Construction") in the extension request write-up constituted an approval for the owner to proceed with rehabilitation instead of new construction. Staff disagrees with the conclusion of the applicant.

The application proposed 28 efficiencies and 72 one-bedroom units. However, 40 efficiencies and 60 one-bedroom units were built. The efficiencies are 26% smaller than the minimum required for new construction (500 square feet required for elderly units) and 29% smaller than unit size proposed in the application. The one bedroom units are 7% smaller (550 square feet required for elderly units) than the minimum required for new construction and 15% smaller than proposed in the application. The differences in unit mix, unit size, and net rentable area between the development as finally described in the application and as built are given in the table below. The table assumes that the development will meet the original target rents but this intention has not been confirmed by the owner.

	Applica	ation			Cost Certific	cation	
Number	Unit Type	Size	NRA	Number	Unit Type	Size	NRA
5	Efficiency	522	2,610	5	Efficiency	370	1,850
23	Efficiency	522	12,006	35	Efficiency	370	12,950
4	1BR/1Bath	600	2,400				
8	1BR/1Bath	600	4,800				
<u>60</u>	1BR/1Bath	600	36,000	<u>60</u>	1BR/1Bath	511	<u>30,660</u>
100			57,816	100			45,460

In addition to the differences noted in the table, the development failed to deliver many of the amenities that were proposed. Among the amenities that were cited as absent by the Department's inspectors or by staff reviewing the cost certification, were the following:

- A condition of the commitment required that the development (seven stories as-built, elderly tenants) would have two elevators. The cost certification did not confirm the installation of a second elevator and the original development had only one elevator.
- A condition of the commitment required one parking space per unit or documentation of compliance with local code and "best practices". Parking changed from 60 open spaces proposed in the application to 58 open spaces and 30 carports as built but documentation to meet the requirement has not been submitted.
- One building with four floors was proposed but the rehabilitation consisted of two seven-story residential buildings and one single-story common building.

- Nine foot ceilings, dishwashers, microwave ovens, self-cleaning or continuous-cleaning ovens, refrigerators with ice-makers, storage rooms or closets, covered patios or balconies, Energy Star or equivalent kitchen appliances and community room with warming kitchen or full kitchen are all required but have not been documented by the owner as present.
- The application represented that a service coordinator's office, game/recreation room, shuffleboard court, and public telephone would all be provided.

Note on the amendment request: The letter requesting the amendment contained the following language, "Given the mistake and information from the late underwriting, the EHA [Edinburg Housing Authority] board felt they had the right to rehab the property as originally planned in lieu of the cost of demolition and new construction. For this record, the developer advocated for new construction but the decision belonged to the owner, the Edinburg Housing Authority. We fully support their right, EHA, to rehabilitate as executed."

The deficiencies cited above may not include all deficiencies in the development because staff's cost certification review is incomplete. Some of the deficiencies cited may have already been resolved by the owner.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan, significant modification of the architectural design, and any other modification considered significant by the board.

Owner: Chicory Court XXX, L.P. General Partner: Chicory GP-XXX, LLC

Developers: ORH Financial, LP (developer); Edinburg Housing Opportunity Corporation

(EHOC, co-developer & managing member of GP)

Principals/Interested Parties: Housing Authority of the City of Edinburg (owner of EHOC); Saleem Jafar

(ORH)

Syndicator: SunAmerica

Construction Lender: IBC Bank in Brownsville

Permanent Lender: SunAmerica

Allocation per HTC Unit:

Other Funding: Edinburg Housing Authority

City/County: Edinburg/Hidalgo
Set-Aside: At-Risk, Nonprofit
Type of Area: Urban/Exurban
Type of Development: New construction
Population Served: Elderly Population
Units: 100 HTC units
2004 Allocation: \$357,369

Prior Board Actions: July, 2004 - Approved award of tax credits

\$3,574

Underwriting Reevaluation: Recommend rescission of the 2007 award for additional credits and

Do Not Recommend issuance of IRS Forms 8609, at this time.

Staff Recommendation: Staff recommends denying the request and rescission of the binding

allocation agreement because the explanation given for the owner's actions, indicate that the rules of the program were violated

purposefully, egregiously and recklessly.

Penalty Assessment: 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) because the amendment request was made after the change had been implemented. The penalties should be assessed against the general partner and any special limited partners, as applicable, for having developed the property inconsistently with the application.

Although staff found no specific provision for penalizing the codeveloper, the Board may choose to assess the same penalties because the co-developer and affiliates acted on behalf of the owner during the application and post award processes. These affiliates of the codeveloper, according to their own statements in the amendment request, were knowingly complicit in violating the rules.

#### HTC No. 04082, Fenner Square

<u>Summary of Request</u>: The owner's counsel has requested approval for amendments associated with two applications for funding to build the development named above. First, the owner applied for and received an allocation of Housing Tax Credits (HTC) in the competitive application round of 2004. Then, the owner applied for and received a Housing Trust Fund (HTF) loan in 2005. Although each of the two applications were for development of the same site, the improvements that were represented in each application differed significantly in some respects, and the improvements that were actually built differed significantly in certain aspects from the representations of both applications. The owner's counsel has reiterated that staff reported to the owner on December 18, 2006, that the "2004 amenity commitments do not apply" and "dishwashers, disposals and service coordinator's office...deficiencies have been dropped." Staff's assumptions were in error.

Due to the inconsistencies in the applications submitted, staff performed a detailed list of amenities represented. These are located in Exhibit A included in this presentation.

Staff believes the following deficiencies should not be in dispute as they were indicated as amenities in the last application (Housing Trust Fund) received and were not amended with the Department:

- Microwave ovens
- Community gardens
- High speed internet access in each unit at no charge

To the extent that staff's December 2006 letter erroneously relieved the applicant of the 2004 HTF application amenity commitments, the following amenities should be affirmed by the Board as waived for this development.

- Self-cleaning ovens
- Refrigerator with icemaker
- Garbage disposal and dishwasher
- Service coordinator's office

#### **Exhibit A**

#### Fenner Square, HTC No. 04082, HTF No. 05259

Housing Tax Credit & Housing Trust Fu						Oct.	This letter says none of the changes affect the scoring.
Unit & Quality (Selection) Amenities Proposed	Score	Delivered	Cert.	HTC	HTF	-	HTF did not have scoring for unit amenities.
Covered entries	1	$\sqrt{}$	Α				
Nine foot ceilings	1	$\sqrt{}$	Α				HTC proposed 9' while HTF proposed 8'
Self-cleaning ovens	1	no					Oct.3 letter said "oven"
cemakers	1	no					
aundry connections	1	$\sqrt{}$	Α				
00% masonry exterior	3	$\sqrt{}$	Α	√,			HTC proposed 95% stone veneer and 5% wood
R-15 walls/R-30 ceilings	3	√,	0	√,			
12 SEER HVAC	3	V	Α	<b>V</b>			
Energy Star appliances	2	<u>√</u>	Α				
Total	16	14					
Common (Threshold) Amenities Proposed	Score	Delivered	Cert.	HTC	HTF	_	
Community gardens	1	no		√			
Service coordinator office #1	1	no		√,	no		HTC scored points for 2 service coordinator's offices
Service coordinator office #2	1	no	_	$\sqrt{}$	no		HTC scored points for 2 service coordinator's offices
Barbeque grills & picnic tables	1	$\sqrt{}$	Α	<b>V</b>	√		
Equipped business center	2	V	Α	$\sqrt{}$	no		
Game/TV/Community room	1	V	Α	√,	$\sqrt{}$		
Sport court	2	<u>ν</u>	Α.				
Total	9	6					
•	Selecte	Delivered	Cert.	HTC	HTF	_	
Garbage disposal	√,	no		√,	$\sqrt{}$	no	HTC Threshold unless USDA; Oct.3 letter said no disposals
Dishwasher	√,	no			$\sqrt{}$	no	HTC Threshold unless USDA; Oct.3 letter said no dishwashers
Washer/dryer connections	√,	<b>√</b>	Α	<b>V</b>	$\sqrt{}$	$\sqrt{}$	TI 1.11( 1)TO
Ceiling fans	<b>√</b>	V	Α	$\sqrt{}$	$\sqrt{}$	1	Threshold for HTC
Furnished community room	$\sqrt{}$	$\sqrt{}$	A	√,	$\sqrt{}$		Oct.3 letter said community building would be present.
Residential kitchen	<b>V</b>	V	0	√ ,	$\sqrt{}$		
Picnic area	٧,	V	Α	√ ,			
Play area	√.	V	Α	$\sqrt{}$	√		
Playground equipment		$\sqrt{}$	Α				
Basketball court	$\sqrt{}$	$\sqrt{}$	Α				
Composition shingle roof	$\sqrt{}$	$\sqrt{}$					HTF proposed galvanized metal
100% masonry exterior		$\sqrt{}$					HTC proposed 95%; HTF proposed only stone (100%)
Computer room/facilities	√	√ √	A	√	√		
Public restrooms	V	V	0	$\sqrt{}$	•		
Community garden/walk trail	$\sqrt{}$	no					Oct. 3 letter did not mention this amenity
Microwave (in HTF application, only)	$\sqrt{}$	no					Oct. 3 letter did not mention this amenity
Some tile countertops (in HTF application, only)	\ √	no				no	Oct.3 letter said laminated, only
High speed internet access (in HTF app., only)	$\sqrt{}$	$\sqrt{}$	0				Oct. 3 letter did not mention this amenity was not free
9' ceilings	$\sqrt{}$	$\sqrt{}$	Α				HTC proposed 9' while HTF proposed 8'
	_						
Amenities Delivered but Not Proposed		Delivered		- 1	HTF	-	A many plantage of the British Co.
Two playgrounds (one more than proposed)	2	$\sqrt{}$	0				1 more playground was built than proposed

#### Notes:

HTC & HTF columns indicate "\sqrt{"}" for present or scored, "O" for owner, "A" for architect, "na" for not applicable, "no" for not present or not scored.

Game/recreation room was checked in Specifications and Amenities in Vol. 1. It must be a separate room to satisfy the representation but the HTC plans only showed one "common" room, meaning one room as the furnished community room and game/recreation room.

Laundry room was included in HTC clubhouse plans but not in S&A, scoring or Threshold.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must

approve material alterations of a development, including a significant modification of the site plan and any other modification considered

significant by the board.

Owner: Fenner Square, Ltd.

General Partner: Merced-Fenner Square, LLC

Developers: Legacy Renewal, Inc. (LRI); Merced Housing Texas

Principals/Interested Parties: Gary Driggers (LRI); Merced Housing Texas

Syndicator: WNC Associates

Construction Lender: Centennial Mortgage, Inc.
Permanent Lender: Centennial Mortgage, Inc.
Other Funding: Housing Trust Fund Loan

City/County: Goliad/Goliad

Set-Aside: General Type of Area: Rural

Type of Development: New Construction
Population Served: General Population
Units: 32 HTC units

2004 Allocation: \$195,062 (Original allocation)

Allocation per HTC Unit: \$6,096

Prior Board Actions: July, 2004 - Approved award of tax credits

December 14, 2005 – Approved amendment

Underwriting Reevaluation: The proposed changes do not appear to have a negative impact on the

feasibility of the development and no change to the credit amount is

warranted prior to finalization of the Cost Certification.

Staff Recommendation: Staff recommends the owner be required to include microwave ovens in

all the units; not be allowed to charge for high speed internet service in each unit; and construct an area for a community garden and affirm the

waiver of the amenities waived by staff.

Penalty Assessment: Staff recommends the assessment of appropriate penalties pursuant to

49.9(c) of the Qualified Allocation Plan and Rules (as stated at the beginning of this presentation) because the amendment request was made after the change had been implemented. The penalties should be assessed against the general partner and any special limited partners, as applicable, for having developed the property inconsistently with the

application.



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Memorandum

To:

Ben Sheppard, Multifamily Finance Production Division

From:

Raquel Morales, Real Estate Analysis Division

cc:

File

Date:

October 15, 2007

Re:

Amendment Request for Fountains at Tidwell, #01042

I have reviewed the Owner's request to amend the Application and LURA with respect to the total number of acres restricted for the subject development and the economic impact this request has on the development. The Application originally contemplated two separate tracts of land for this development. Tract 1 (14.85 acres) would contain the housing structures and Tract 2 (7.953 acres) would contain an extensive sports facility to benefit the tenants residing in the property. Unfortunately, due to the lack of a service to facilitate the youth sports programs planned for Tract 2, the Owner had to limit its plans. While basketball courts were installed, a putting green was installed in place of the baseball diamond and soccer fields. The Owner is now asking that 5.0548 acres of Tract 2 be released from the LURA in order to better serve the neighborhood with the development of single family homes.

It should be noted that the subject development has already completed the Cost Certification review process and has received its IRS Forms 8609. However, the Underwriter reviewed the final analysis and adjusted the Owner's final total development costs for the land acquisition based on a prorated amount for the remaining 17.7482 acres to remain encumbered by the LURA. Based on this adjustment it does not appear that there would have been an economic impact to the development and the credit award would have remained the same.

Please let me know if you have further questions.



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Memorandum

To:

Ben Sheppard, Multifamily Finance Production Division

From:

Raquel Morales, Real Estate Analysis Division

cc:

File

Date:

October 16, 2007

Re:

Amendment Request for Village at Hobbs, HTC #04160

I have reviewed the Owner's revised amendment request for the subject development relating to a reduction in the common area square footage of 5% and the omission of 30-year architectural shingles. According to the owner the reduction in common area square footage was a result of "...fine tuning in the conversion of the very preliminary initial plans with actual working construction, permit approval, etc." The owner also indicates that the omission of the 30-year shingles was a result of construction in the aftermath of Rita and Katrina, and the cost and availability of roofing materials increasing. Although 30-year shingles were not provided, the project architect did certify to 25-year shingles as well as 12 SEER HVAC systems in each unit, which were not originally checked as a threshold or scoring item, but provided in the development regardless.

As part of the Cost Certification review process, the owner's final total development costs were re-evaluated by the Underwriter using current Marshall & Swift Residential Cost Handbook data and resulted in a difference of less than 5%. In addition the owner's final costs were certified to by a third party CPA as required by the current Cost Certification Procedures Manual. Therefore, the reduction in common area square footage and substitution of the 30-year shingles in this case does not negatively affect the financial feasibility of this development. No change to the credit award prior to final review of the Cost Certification is recommended at this time.



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Memorandum

To:

Ben Sheppard, Multifamily Finance Production Division

From:

Raquel Morales, Real Estate Analysis Division

CC:

File

Date:

October 15, 2007

Re:

Amendment Request for Heatherbrook Apartments, #04430

I have reviewed the Owner's request, dated October 3, 2007, for an amendment to the application with respect to several amenities committed and not provided. The request indicates that the property has a perimeter fence on three sides of the property instead of a full four-sided perimeter fence. Additionally, the Owner is requesting that the development be accepted without dishwashers and disposals, which is a threshold requirement of all 2004 developments.

Based on the Underwriter's analysis it does not appear that the requested changes would have a negative impact on the feasibility of this development and no change to the credit amount is warranted prior to finalization of the Cost Certification review.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ANALYSIS 2<sup>nd</sup> ADDENDUM

DATE:

October 17, 2007

PROGRAM:

9% HTC

**FILE NUMBER:** 

05004

	E'									

Samuel's Place Apartments

and the				APPLICANT					
Name:	Samuels Ave	enue LP		Туре:	For-prof	it			
Address:	1201 East 13	3 <sup>th</sup> Street		City:	Fort W	orth (		Sta	te: TX
Zip:	76102 Ćo	ntact:	Barbara Holston	Phone:	(817)	332-8614	Fax	: (817)	332-4830
			PRINCIPALS of th	e APPLICANT/	KEY PARTIC	CIPANTS			
Name:	Pioneers of Sam	uels, LL	C	(%):	1 .	Title:	Managi	ng Gener	al Partner
Name:	Fort Worth Affo	ordability	y, Inc.	(%):	N/A	Title:	Owner	of GP	
Name:	Carleton Develo	pment, l	Ltd.	(%):	N/A	Title:	Develo	per	
Name:	CGB Southwest	, Inc.		(%):	N/A	Title:	1% Spe	cial Limi	ted Partner
Name:	Printice L. Gary			(%):	N/A	Title:	50% O	wner CGE	3 Southwest
Name:	R. David Kelly			(%):	N/A	Title:	25% Ov	wner CGE	3 Southwest
Name:	Neal R. Hildebra	andt		(%):	N/A	Title:	25% Ov	wner CGE	3 Southwest
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Location:	SE corner Sa	muel's	Avenue and Poind				$\boxtimes$	)CT	DDA
City:	Fort Worth			County:	Tarrant			Zip:	76102
			-					-	
el discontinuo de la contra de l La contra de la contra del la contra de la contra del la contra del la contra de la contra de la contra del la contra del la contra de la contra del la cont	kinggeren er frank i ning grane er hin der eller er frank er eller er frank er eller er eller er eller er elle		er (Karlenger) ett i landen hallen er (Karlenger) ett i sterre er (Karlenger) ett i sterre er (Karlenger) ett i	REQUEST	ed frekriger av resserie	nanaman dan dan 1997. 1901	erierangen verk	areart <del>area pae</del> Biologija (1901) is	
	<u>Amount</u>		Interest Rate		<u>Amortizati</u>	<u>on</u>		Terr	<u>m</u>
	\$275,576		N/A		N/A			N/A	A
Other Red	quested Terms:	Annu	al ten-year allocat	ion of housing t	ax credits		· · · · · · · · · · · · · · · · · · ·		
Proposed	Use of Funds:	New o	construction	Propert	у Туре:	Multif	amily		
Special Pr	urpose (s): G	eneral P	opulation, Urban/I	Exurban					
L									

### RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$275,576 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

### CONDITIONS

1. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

# TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM

#### ADDENDUM

In September 2006 the Applicant previously requested approval to amend the application for a change to the site and building plans in order to accommodate the noise abatement plan. The Board approved the Applicant's previous amendment request at the October 2006 meeting with no change to the recommended credit amount of \$254,842. In October 2006 the Board approved a policy to allocate additional tax credits to competitive 2004 and 2005 HTC developments to accommodate construction cost increases resulting from Hurricanes Katrina and Rita during September 2005. As a result, the Applicant was awarded \$20,734 in additional annual credits, giving the Applicant a total tax credit allocation of \$275,576.

In a letter dated July 31, 2007 the Applicant submitted a second amendment request to change the rent restrictions of the units, specifically decreasing the total number of 30% units from twelve to four and omitting public housing units at this development altogether. According to the Applicant a significant increase in construction costs due to noise reduction measures, split foundations required because of the topography of the site and a rise in building costs has occurred. In order to acquire more debt to cover these increased costs, the Applicant is seeking to convert eight of the original twelve units from 30% to 60% rent restricted units. The Applicant provided revisions to the rent schedule, operating expenses, development cost schedule, and sources and uses of funds.

The Applicant's revised income estimate reflects an increase of \$93K in potential income as a result of changing eight of the twelve units from 30% AMI units to 60% AMI units. The Applicant's revised expense estimate increased slightly by \$3,600. It should be noted that if the development were to maintain its original proposal to have twelve units at 30% AMI, the property would generate \$43K less in annual income based on current 2007 maximum program rents. This would cause the development, with its current construction cost estimate, to have to re-size its permanent debt in order to attain a minimum 1.15 DCR. Deferring the entire developer fee would not cover the remaining gap, therefore characterizing the development as infeasible. While the Underwriter's analysis contemplates the Applicant's request to maintain only four units at 30% AMI, additional analysis was performed to evaluate the possibility of maintaining additional 30% AMI units in order to continue to serve as many low income level tenants as originally proposed. Based on the Underwriter's analysis it appears that the development would be able to support a total of six or even eight units at 30% AMI and still meet the Department's and lender's minimum DCR requirement of 1.15. Although the permanent debt would have to be re-sized to reach a 1.15 DCR, sufficient deferred developer fee and 15-year cumulative cash flow appears to be available to fund the remaining gap.

The Applicant's revised construction cost estimate reveals that costs have increased by 45% or \$1.5M since that estimated at application and construction of the development is 75% complete. The Underwriter's updated *Marshall & Swift Residential Cost Handbook*-derived estimate reflects increased costs by 27% or \$971K, and is within 5% of the Applicant's revised estimate. The Applicant provided an updated sources and uses of funds summary as well as revised letters of commitment for the permanent financing and syndication proceeds. The permanent loan amount has increased from \$805K to \$1.7M. The revised tax credit syndication commitment reflects a syndication rate that has increased from \$0.84 to \$0.96. As stated above, the Applicant's total development cost is within 5% of the Underwriter's estimate; therefore the Applicant's cost schedule is used to determine eligible basis. However, the tax credits previously awarded (\$275,576) is less than both amounts resulting from the gap in permanent funds and the tax credits resulting from eligible basis. According to both the Applicant's and the Underwriter's Year 1 proforma the revised permanent loan amount of \$1.7M is serviceable at a DCR that falls within the Department's guidelines.

Therefore, the recommended tax credit allocation remains unchanged at \$275,576 based on a gap in permanent funds of \$2,888,277. Deferred fees totaling \$229K appear to be repayable from development cashflow within 10 years of stabilized operation. Based on the Underwriter's analysis the requested changes to do not appear to impact the feasibility of the development in a negative manner.

#### SUMMARY OF SALIENT RISKS AND ISSUES

• The Applicant's net operating expenses are more than 5% outside of the Underwriter's verifiable ranges.

# TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM

- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.35) if the maximum tax credit rents can be achieved in this market.
- The seller of the property has an identity of interest with the Applicant.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.
- The significant financing structure changes being proposed have not been reviewed by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

		/)	
Underwriter:	ROSUL II Raquel Morales	Carally Date:	October 17, 2007
			<del>- :: -: ::: - : : : : : : : : : : : : :</del>

#### Samuel's Place Apartments, Fort Worth, 9% HTC, 2nd Addendum

				Sam	uel's Place A	partments, For	t Worth, 9% H	TC, 2nd Adden	dum			
Type of Unit	Number	Bedrooms	No. of Saths	Size in SF	Gross Rent Lmt.	Rent Collected	l	·	Rent per Month	Ronl per SF	Tnt-Pd Util	WS&T
TC 30%	11	1	1	704	\$356	\$287			\$287	\$0.41	\$69.00	\$22.00
TC 60%	3	1 1	11	704	\$713	\$644			1,932	0.91	69.00	22.00
TC 30%	3	1	11	710	\$356	\$287			861	0.40	69.00	22.00
TC 60%	3	11	11	710	\$713	\$644			1,932	0.91	69.00	22.00
TC 60%	4	1	1	802	\$713	\$644			2,576	0.80	69.00	22.00
7C 60%	2	2	2	1,073	\$856	\$772			1,544	0.72	84.00	24.00
TC 60%	14	2	2	1,124	\$856	\$772			10,808	0.69	84.00	24.00
TC 60%	4	3	2	1,306	\$989	\$893			3,572	0.68	96.00	28.00
TC 60%	2	3	2	1,338	\$989	\$893			1,786	0.67	96.00	28.00
						_						
	1											
												l
	<u> </u>											
TOTAL:	36		AVERAGE:	1,002		\$703			\$25,298	\$0.70	\$80.17	\$23.89
	·	J:	<u> </u>	.,			<u> </u>	,	,	<u> </u>		
NICOME		Table 1		26.066		TDHCA-2nd Addendum	TDHCA-1st Addendum	APP-1st Addendun	APP-2nd Addendum	00/19/79	48514.0501014	
POTENTIA			Rentable Sq Ft	36,066		\$303,576	\$260,856	\$209,412	\$302,136	<u>county</u> Tarrant	REM REGION Fort Worth	COMPT. REGION
		KENI			\$10.00	4,320	4,320	4,320	4,320	\$10.00		
Secondary			'	Per Unit Per Month:	\$10.00	4,520	4,520	4,520	4,320	į.	Per Unit Per Month	
POTENTIA	port Income		•			\$307,896	\$265,176	\$213,732	\$306,456	\$0.00	Per Unit Per Month	
	k Callection		W of Date	ntial Gross Income:	-7.50%	(23,092)	(19,888)	(16,032)	(22,980)	-7.50%	of Potential Gross I	#AArria
			nits or Conce		-1.5076	(23,082)	(18,000)	(10,002)	(22,300)	77.30%	or moterities Gross i	ncome
EFFECTIV			IIII OI COIICE	3310713		\$284,804	\$245,288	\$197,700	\$283,476			
EXPENSE		INCOME	% OF EGI	PER UNIT	PER SQ FT	Ψεοτιούτ	VE-10,200	\$107,100	<b>V</b> 200,410	PER SQ FT	PER UNIT	% OF EGI
		li ca				\$11.604	\$11 <sub>,</sub> 327	\$7,560	\$7,560	\$0.21		
	Administrat	ive	4.07%	\$322	0.32	\$11,604		1			\$210	2.67%
Manageme			3.70%	293	0.29	10,531	14,717	11,862	11,862	0.33	330	4.18%
Payroll & F	Payroll Tax		11.33%	897	0.89	32,277	30,034	32,000	32,000	0.89	889	11.29%
Repairs &	Maintenand	:e	9.23%	730	0.73	26,293	22,002	20,052	20,052	0.56	557	7.07%
Utilities			5.04%	399	0.40	14,363	11,791	13,000	13,000	0.36	361	4.59%
Water, Sev	wer, & Trast	า	3.62%	287	0.29	10,320	16,423	11,000	11,000	0.30	306	3.88%
Property In	nsurance		4.43%	351	0.35	12,623	8,956	10,000	10,000	0.28	278	3.53%
Property T	ax		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
	or Replacem	ents	3.16%	250	0.25	9,000	7,200	7,200	10,800	0.30	300	3.81%
	ompliance F		0.51%	40	0,04	1,440	1,440	1,440	1,440	0.04	40	0.51%
	ompilance i	003		0	0.00	0	.,	''''		0.00	0	0.00%
Other:	DENSES		0.00%			\$128,450	\$123,891	\$114,114	\$117,714	\$3.26	\$3,270	41.53%
TOTAL EX		_	45.10%	\$3,568	\$3.56				····	·····		
NET OPER		Ü	54.90%	\$4,343	\$4.34	\$156,353	\$121,397	\$83,586	\$165,762	\$4.60	\$4,605	58.47%
DEBT SER												
Bank of Ami			46.84%	\$3,706	\$3.70	\$133,401	\$66,939	\$66,939	\$132,606	\$3.68	\$3,684	46.78%
City of Fort	Worth HOM	E Funds	0.00%	\$0	\$0.00		0	0		\$0.00	\$0	0.00%
Additional F	inancing		0.00%	\$0	\$0.00	. 0	0	0		\$0.00	\$0	0.00%
NET CASH	FLOW		8.06%	\$638	\$0.64	\$22,953	\$54,458	\$16,647	\$33,156	\$0.92	\$921	11.70%
AGGREGAT	TE DEBT C	OVERAGE	RATIO			1.17	1.81	1.25	1.25			
RECOMME	NDEO DEB	T COVERA	GE RATIO			1,17	1.30					
CONSTRU	ICTION CO	ST								_		
				-		TDHCA-2nd	TDHCA-1st		APP-2nd			
Descr	<u>ription</u>	Factor	% of TOTAL	PER UNIT	PER SO FT	Addendum	Addendum	APP-1st Addendun	Addendum	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	Cost (site o	r bklg}	3.55%	\$4,444	\$4.44	\$160,000	\$160,000	\$160,000	\$160,000	\$4.44	\$4,444	3.39%
Off-Sites	,	**	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Sitework			13.49%	16,906	16.88	608,630	237,065	237,065	608,630	16.88	18,906	12.91%
Direct Cons	etruction		41.82%	52,411	52.31	1,886,791	1,829,682	1,591,339	2,066,491	57.30	57,403	43.83%
		6 0007				124,771	50,000	50,000	128,324	3.56	3,565	2.72%
Contingend	•	5.00%	2.77%	3,466	3.48							
Contractor's		14.00%	7.74%	9,704	9.69	349,359	240,000	240,000	359,308	9.98	9,981	7.62%
Indirect Co			9.25%	11,589	11.57	417,189	324,000	324,000	417,189	11.57	11,589	8.85%
Ineligible C	osts		0.55%	694	0.69	25,000	74,922	74,922	25,000	0.69	694	0.53%
Developers	s Fees	11.24%	9.42%	11,808	11.79	425,098	425,098	425,098	425,098	11.79	11,808	9.02%
Interim Fina	ancing		8.75%	10,965	10.94	394,737	158,371	158,371	394,737	10.94	10,965	8.37%
Reserves			2.67%	3,346	3.34	120,440	41,868	0	130,000	3.60	3,611	2.76%
TOTAL CO	ST		100.00%	\$125,334	\$125.10	\$4,512,015	\$3,541,007	\$3,260,795	\$4,714,777	\$130.73	\$130,966	100.00%
Construction		сар	65.81%	\$82,488	\$82.34	\$2,969,552	\$2,356,747	\$2,118,404	\$3,162,753	\$87.69	\$87,854	67.08%
		-			•					RECOMMENDED	-	
SOURCES		<u>~</u>	07.000		647.44	\$4.700.000	tone eer	ا جمع عموم	£1.700.000	heres ( primeres es exeler cop és es)	Day-1 =	an Avail-ti-
Bank of Ame			37.68%	\$47,222	\$47.14	\$1,700,000	\$805,667	\$805,667	\$1,700,000	\$1,700,000	Developer F	
City of Fort \			2.80%	\$3,514	\$3.51	126,500	126,500	126,500	126,500	126,500	\$425	
HTC Syndic	alion Proce	eds	58.93%	\$73,862	\$73.73	2,659,039	2,602,807	2,602,807	2,659,039	2,659,308	% of Dev. F	ee Deferred
Deferred De	eveloper Fed	es	5.08%	\$6,368	\$8.36	229,238	1,910	1,910	229,238	228,969	54	%
Additional (8	Excess) Fun	ds Req'd	-4.49%	(\$5,632)	(\$5.82)	(202,762)	4,123	(276,089)	0	0	15-Yr Cumulai	ive Cash Flow
TOTAL SO		•				\$4,512,015	\$3,541,007	\$3,260,795	\$4,714,777	\$4,714,777	\$720	121
	· ·							L			,	

#### DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$60.31	\$2,175,300
Adjustments				
Exterior Wall Finish	0.70%		\$0.42	\$15,227
Elderly			0.00	0
9-Ft. Cellings	3.10%		1.87	67,434
Roofing			0.00	0
Subfloor			(1.24)	(44,542
Floor Cover			3.08	111,083
Breezeways/Balconies	\$21.66	1,986	1.19	43,007
Plumbing Fixtures	\$985	12	0,32	11,580
Rough-ins	\$400		0.00	0
Built-In Appliances	\$2,425	36	2.42	87,300
Exterior Stairs	\$2,100	34	1.98	71,400
Enclosed Corridors	\$50.39		0.00	0
Heating/Cooling			1.90	68,525
Garages/Carports			0.00	0
Comm &/or Aux Bidgs	\$83.42	400	0.93	33,366
Other: fire sprinkler			0.00	. 0
SUBTOTAL			73.19	2,639,681
Current Cost Multiplier	0.98	I	(1.46)	(52,794
Local Multiplier	0.90		(7.32)	(263,968
TOTAL DIRECT CONSTRU	ICTION COS	STS .	\$64.41	\$2,322,920
Pians, specs, survy, bld pro	3.90%		(\$2.51)	(\$90,594)
Interim Construction Interes	3.38%		(2.17)	(78,399
Contractor's OH & Profit	11.50%		(7,41)	(267,136)
NET DIRECT CONSTRUCT	TION COSTS		\$52.31	\$1,886,791

#### PAYMENT COMPUTATION

Primary	\$1,700,000	Amort	360
Int Rate	8.83%	DCR	1.17
Secondary	\$126,500	Amort	0
Int Rate	2.75%	Subtolal DCR	1.57
	······································		1.1
Additional	\$2,659,039	Amort	
Int Rate		Aggregate DCR	1.17

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service \$133,401 Secondary Debt Service 0 Additional Debt Service NET CASH FLOW 0 \$22,953

Primary	\$1,700,000	Amort	360
Int Rate	6.83%	DCR	1.17

Secondary	\$126,500	Amort	0
fnt Rate	2.75%	Subtotel DCR	1.17

Additional	\$2,659,039	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

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	\$303,576	\$312,683	\$322,064	\$331,726	\$341,677		\$396,098	\$459,186	\$532,322	\$715,397
Secondary Income	4,320	4,450	4,583	4,721	4,862		5,637	6,534	7,575	10,180
Other Support Income:	0	0	0	0	.0_		0	0	0	0
POTENTIAL GROSS INCOME	307,898	317,133	326,647	336,446	346,540		401,734	465,720	539,897	725,577
Vacancy & Collection Loss	(23,092)	(23,785)	(24,499)	(25,233)	(25,990)		(30,130)	(34,929)	(40,492)	(54,418)
Employee or Other Non-Rental I	0	0	0	0	0		0	0	0	0
EFFECTIVE GROSS INCOME	\$284,804	\$293,348	\$302,148	\$311,213	\$320,549		\$371,604	\$430,791	\$499,405	\$671,159
EXPENSES at 4.00%							· · · · · · · · · · · · · · · · · · ·			
General & Administrative	\$11,604	\$12,068	\$12,551	\$13,053	\$13,575		\$16,516	\$20,094	\$24,448	\$36,189
Management	10,531	10,847	11,173	11,508	11,853		13,741	15,929	18,467	24,817
Payroll & Payroll Tax	32,277	33,568	34,911	36,307	37,759		45,940	55,893	68,002	100,660
Repairs & Maintenance	26,293	27,344	28,438	29,576	30,759		37,423	45,530	55,395	81,998
Unities	14,363	14,937	15,535	16,156	16,802		20,442	24,871	30,260	44,792
Water, Sewer & Trash	10,320 '	10,733	11,162	11,609	12,073		14,689	17,871	21,743	32,184
Insurance	12,623	13,128	13,653	14.199	14,767		. 17,967	21,859	26,595	39,367
Property Yax	. 0	0	0	0	o		0	0	0	0
Reserve for Replacements	9,000	9,360	9,734	10,124	10,529		12,810	15,585	18,962	28,068
Other	1,440	1,498	1,558	1,620	1,685		2,050	2,494	3,034	4,491
TOTAL EXPENSES	\$128,450	\$133,483	\$138,714	\$144,151	\$149,802		\$181,577	\$220,127	\$268,904	\$392,586
NET OPERATING INCOME	\$158,353	\$159,865	\$163,434	\$167,062	.\$170,748		\$190,028	\$210,664	\$232,501	\$278,593
DEST SERVICE						•				
First Lien Financing	\$133,401	\$133,401 -	\$133,401	\$133,401	\$133,401		\$133,401	\$133,401	\$133,401	\$133,401
Second Lien	0	0	0	0	0		o	0	0	0
Other Financing	0	0	0	0	0		0	0	0	0
NET CASH FLOW	\$22,953	\$26,464	\$30,034	\$33,861	\$37,347	. :	\$56,627	\$77,263	\$99,100	\$145,192
DEBT COVERAGE RATIO	1.17	1.20	1.23	1.25	1.28		1.42	1.58	1.74	2.09
							46,987	66,945	88,182	122,146
Cumulative Cash Flow	22,953	49,417	79,451	113,112	150,459		385,394	720,121	1,161,030	2,382,491

#### 

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	\$160,000	\$160,000	umanbobia an			iniputudugi ilin
Purchase of buildings				·		iilijilojetilotte etele
Off-Site Improvements			2411127401241114414444444444444444444444			
Sitework	\$608,630	\$608,630			\$608,630	\$608,630
Construction Hard Costs	\$2,066,491	\$1,886,791			\$2,066,491	\$1,886,791
Contractor Fees	\$359,308	\$349,359			\$359,308	\$349,359
Contingencies	\$128,324	\$124,771			\$128,324	\$124,771
Eligible Indirect Fees	\$417,189	\$417,189			\$417,189	\$417,189
Eligible Financing Fees	\$394,737	\$394,737			\$394,737	\$394,737
All Ineligible Costs	\$25,000	\$25,000	didamilika limbarik (s. 194			Maria di Maria da Maria
Developer Fees			· ·			
Developer Fees	\$425,098	\$425,098			\$425,098	\$425,098
Development Reserves	\$130,000	\$120,440				
TOTAL DEVELOPMENT COSTS	\$4,714,777	\$4,512,015			\$4,399,777	\$4,206,576

Deduct from Basis:		<b>,</b>		
All grant proceeds used to finance costs in eligible basis	······································			
B.M.R. loans used to finance cost in eligible basis		<u></u>	\$126,500	\$126,500
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
TOTAL ELIGIBLE BASIS			\$4,273,277	\$4,080,076
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS			\$5,555,260	\$5,304,098
Applicable Fraction	100%	100%	100%	100%
TOTAL QUALIFIED BASIS			\$5,555,260	\$5,304,098
Applicable Percentage	4.00%	4.00%	8.10%	8.10%
TOTAL AMOUNT OF TAX CREDITS			\$449,976	\$429,632

Syndication Proceeds

0.9650

\$4,342,269

\$4,145,948

Total Tax Credits (Eligible Basis Method)

Syndication Proceeds

\$449,976 \$4,342,269 \$429,632 \$4,145,948

**Previously Approved Credits** 

Syndication Proceeds

\$275,576

\$2,659,308

Gap of Syndication Proceeds Needed

\$2,888,277

**Total Tax Credits (Gap Method)** 

\$299,303



### Texas Department of Housing and Community Affairs

#### Memorandum

To:

Ben Sheppard, MFFP

From:

Cameron Dorsey, REA

CC:

Raquel Morales, REA

Tom Gouris, Director of REA

Date:

10/16/2007

Re:

Amendment for Santa Rosa Village (TDHCA # 05069)

The Applicant has requested an amendment to the application due to a number of discrepancies noted in the TDHCA inspection report. Below, I have evaluated each of the items in the amendment request to determine if there are any resulting material changes to the underwriting or credit allocation.

The original application indicated 2 bathrooms in the four bedroom units. However, the inspection indicated that only 1.5 baths were provided. The Applicant has attributed this discrepancy to a rounded problem when imputing the information in the application forms. The property originally did not include two bathrooms in the subject units. Moreover, a property condition assessment was provided at application. The PCA scope of work does not include a cost estimate for conversion of the existing 1.5 bath units to 2 bath units. Therefore, the underwriting is not materially affected by the provision of 1.5 baths in the subject units rather than the originally reported 2 baths.

The Applicant has also including the following as part of the amendment request:

- The Applicant has indicated that picnic tables and barbeque grills were installed as a substitute for icemakers in the refrigerators (both were 1 point items).
- The Applicant originally indicated that laminated countertops would be provided in each bath room. However, at inspection, these countertops were not provided. The limited space is prohibitive.
- 13 SEER HVAC units were installed instead of the committed 14 SEER HVAC units. The Applicant has requested that the additional insulation that was installed be a substitute for the deficiency in the HVAC unit SEER rating.
- The Applicant provided a public phone (2 point item) and a tot play area instead of the committed two children's playgrounds (2 point item).

These items area generally not individually itemized for costing purposes and were not specifically contemplated in the PCA. Therefore, no further action is required.

HTC 05127

# TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ADDENDUM

DATE:	October 16, 2	007	PROGRAM	: 9% H	ГС	٠		FILE NUMBER		<b>R:</b> 05127		
			DE	VELOPMENT	'NA	Λ <b>E</b>				isy sugar kana	Madin	aktietakke
Navigation Pointe Apartments												
APPLICANT												
Name:	C.C.T. Navigation-Cameron, LP Type: For-profit											
Address:	45 NE Loop 4	City:		San An	toni	nio State: TX						
Zip:	78216 Con	78216 Contact: Manish Verma		Phone	: :	(210) 240-8		0-8376 Fax:		(210)	493	3-7573
PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS												
Name:	Merced-Navig	(%):	%): 0.01 Title: Managi				ng General Partner					
Name:	Merced Housi	(%):	N/A	N/A Title: Member,			, 100% c	, 100% owner of MGP				
Name:	GMAT III De	velopme	ent, Ltd	(%):	N/A	A Title: Developer						
Name:	Commercial I	(%):	N/A	Title: Application Consultant								
												· · · · · · ·
			PRO	OPERTY LOC	ATIC	N						
Location:	909 S. Naviga	tion Blv	d.						₫ QC	T [	]	DDA
City:	Corpus Christi			County:	County: Nueces Cou			ty		Zip:	7840	05
											Simple sector	
Amount Interest Rate				REQUEST  Amortization			nn	Term				
_	\$800,000 N/A			N/A			<u> </u>	 N/A				
Other Requested Terms: Annual ten-year allocation of housing tax credits												
Proposed Use of Funds: New construction				Property Type:				Multifamily				
Special Purpose (s): General Population, Urban/Exurban												
												······································
RECOMMENDATION												
RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$800,000 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.												

#### CONDITIONS

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

#### ADDENDUM

An Amendment Request dated August 8, 2006 and signed by Cynthia Bast of Locke Liddell & Sapp LLP requests substituting HOME funds for escrow waivers proposed at application in addition to significant changes in the building construction and site plans. On October 12, 2006, the TDHCA Board approved the following August 8, 2006 amendment request and a July 31, 2006 amendment request (as discussed below) subject to a review by underwriting. The following addendum to the original underwriting report evaluates the effects of the requested changes based on the new information submitted by the Applicant as well as an additional clarification of the reduction in the bathrooms from 2.5 to 2 in some units. The original amendment request and write-up for the TDHCA Board did not expressly make note of this change;

however, it will also be addressed in this addendum. Due to the extent of the changes, the addendum constitutes a reevaluation of the development.

<u>Unit Mix</u>: An Amendment Request dated July 31, 2006 and signed by Manish Verma of CCT Navigation-Cameron, LP requests approval of revisions to the Development's unit mix and amenities.

The total number of units (124) remains the same; however, two bedroom units have been increased from 44 proposed at application to 48 units and one bedroom units have decreased from the 44 proposed at application to only 40 units. Despite the increase in number of bedrooms, the net rentable square footage has decreased from 121,896 square feet to 119,472 square feet. In addition, the number of residential buildings has decreased from 17 at application to a much denser seven at the time of this request. The income set-aside remains the same with 13 units affordable at 30% of AMGI and the remaining 111 affordable at 60% of AMGI.

As clarification, eight of the original two bedroom units and 12 of the original three bedroom units were proposed to have 2.5 baths. The revised proposed unit mix removes all half baths from the two and three bedroom units.

### OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant submitted a revised rent schedule and operating expenses due to the change in the unit mix and development characteristics. The Applicant's revised estimate of income is within 5% of the Underwriter's estimate. Additionally, the Applicant's estimates of secondary income and vacancy and collection loss are each within TDHCA guidelines.

Expenses: The Applicant's revised annual operating expense projection of \$3,450 per unit is within the Underwriter's estimate of \$3,465 derived from the TDHCA database and third-party data sources. However, the Applicant's estimate of property tax is \$41K or 85% higher than the Underwriter's estimate. Of note, according to the most current available tax assessment, the partnership has obtained a 50% CHDO tax exemption. The possible CHDO exemption was also noted in the original report; however, it appears the Applicant has not taken this status into account for the purpose of estimating property taxes.

Additionally, the Underwriter has increased the estimated reserve for replacements estimate based upon the 221(d)(4) Regulatory Agreement.

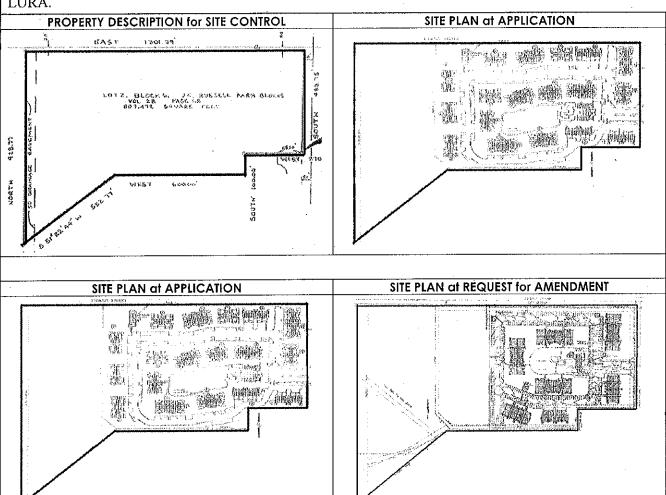
Revised Conclusion: The Applicant's estimates of income, operating expense, and net operating income are each within 5% of the Underwriter's; therefore, the Applicant's Year-One proforma is used to determine the development's debt capacity and estimated debt coverage ratio (DCR). The Applicant's Year-One proforma and estimated debt service result in a DCR within the Department guideline (in effect at the time of application) of 1.10 to 1.30. However, the Applicant underestimated the debt service by not including the debt service from the anticipated HOME loan from the City of Corpus Christi, which has been accounted for in the estimated DCR. While not used in the analysis, the Underwriter's proforma and estimated debt service also result in a DCR within the guideline.

Long Term 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 underwriting 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 1.10 and continued positive cashflow. Therefore, the development can be characterized a feasible for the long term.

### CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The significant revisions to the building plans result in a siteplan that is much more compact than as submitted in the original application. In addition, it appears the original underwriting report failed to recognize the discrepancy in the boundaries for approximately 17 acres indicated in the site control documents and the boundaries planned for the development. The original underwriting analysis allowed the full contract price of \$300,000 for 17.5 acres to be included in the development cost schedule. Through correspondence the Applicant has confirmed that the development, as revised, will occupy approximately 8.05 acres of the total acquisition acreage and also confirmed that the remaining 9.04 acres would be restricted in the Land Use Restriction Agreement. Therefore, the Underwriter has allowed the full \$300K

purchase price in this analysis given that the entire 17-acre tract will be restricted under the Department's LURA.



<u>Sitework Cost</u>: The Applicant's revised sitework costs of \$7,281 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

<u>Direct Construction Cost</u>: The Applicant's revised direct construction cost estimate is \$289K or 5.2% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. In addition, the Applicant's revised costs are \$717K higher than the direct construction costs claimed in the original application.

<u>Fees</u>: The Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$29,757, and therefore, the eligible portion of the Applicant's developer fee must be reduced by the same amount.

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 \$10,645,295 supports annual tax credits of \$1,120,950. 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.

		FINA	ANCING STRUCTURE					
INTERIM TO PERMANENT FINANCING								
Source:	Keybank Real E	state Capital	Contact: Jeff Rogers					
Interim:	\$3,379,100	Interest Rate:	6.65%, Underwriter's estimate	Amort:	24 months			
Permanent:	\$3,379,100	Interest Rate:	6.65%, fixed, Applicant's estimate	Amort:	480 months			

HTC 05127

## TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ADDENDUM

Documentation	entation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application							
Comments:	The interest rate is equal to 6.12	.5% + Mortgage Insura	nce Premiun	m.				
		HOME LOAN						
Source:	City of Corpus Christi		Contact:	Daniel Gallegos				
Principal:	\$150,000 Interest Rate:	5.09%, Underwriter's	estimate	Amort: 480 months				
Documentation	Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application							
Comments:	Rate equal to AFR as of October	r 1 2007.						
	TAX	CREDIT SYNDICATION	1					
Source:	MMA Financial, LLC		Contact:	Marie Keutmann				
Proceeds:	\$7,758,000 Net Syndication	n Rate: 97%	Anticipated	HTC: \$800,000/year				
Documentation	: Signed Term Sheet LO	Firm Commitment	Conditiona	al Commitment Application				
Comments:	Limited Partnership Agreement	provided.						
<u>.                                    </u>		OTHER						
Amount: \$1	.96,696 Source:	Deferred Develop	oer Fee					
	EINIANIC	INC STRUCTURE ANAL	VCIC					

<u>Interim to Permanent Financing</u>: The Applicant anticipates a first lien loan from Keybank Real Estate Capital in the amount of \$2,400,000. This is a \$175,000 increase from the anticipated first lien in the original underwriting report. However, the Regulatory Agreement submitted indicates that the actual loan is \$3,379,100, slightly below the Applicant's sources and uses. In either case, the Applicant's debt coverage ratio is not significantly affected.

Funding by Local Political Subdivision: The original application included a commitment for escrow waivers for offsite improvements with an estimated value of \$151,423.67. The construction lender advised the Owner (Applicant) the proposed loan through the HUD 221(d)(4) mortgage insurance program would be adversely impacted by the escrow waivers. As a result and as a part of the amendment, the Owner requested HOME funds from the City as a replacement for the escrow waivers. The City will grant the HOME funds to Merced Housing Texas, owner of the General Partner. The sources include \$100,000 from the City's HOME program funding for fiscal year 2005 and \$50,000 approved by the Corpus Christi Community Improvement Corporation. Merced Housing Texas will loan the total \$150,000 to the Owner (Applicant). According to the Applicant, the loan will amortize over 40 years with interest accruing at AFR.

A commitment for a total of \$150,000 in HOME funds has been submitted to TDHCA. However, the terms of the loan are not clear in the City's commitment and the Applicant has not provided a commitment from Merced Housing Texas with the proposed terms. It is assumed that because the GP (Merced Housing) will act as the lender, the proposed terms with a 40 year amortization and interest rate of AFR will be achievable. Should the structure of the loan from the GP to the partnership change, the transaction should be reviewed to ensure that the viability of the transaction is not affected and the HOME funds will not jeopardize access to the 9% HTCs.

HTC Syndication: According to the revised documentation submitted for the amendment, the syndication rate for the tax credit proceeds has increased significantly from 84 cents to 97 cents per dollar of tax credit. The Applicant provided the Limited Partnership Agreement to support this increase. Also of note, the Applicant's estimated syndication proceeds are slightly above (\$1,000) the capital contribution indicated in the Limited Partnership Agreement.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$196,696 amount to 14% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$3,379,100 and HOME loan of \$150,000 indicates the need for \$7,976,596 in gap funds. Based on the

HTC 05127

## TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS MULTIFAMILY UNDERWRITING ADDENDUM

Applicant's anticipated syndication terms, a tax credit allocation of \$822,541 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the previously awarded amount (\$800,000), the gap-driven amount (\$822,541), and eligible basis-derived estimate (\$1,120,950), the previously awarded amount of \$800,000 is recommended resulting in proceeds of \$7,758,000 based on a syndication rate of 97%.

The Underwriter's recommended financing structure indicates the need for \$218,596 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within four years of stabilized operation.

## SUMMARY OF SALIENT RISKS AND ISSUES

- Significant inconsistencies in the application could affect the financial feasibility of the development.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.
- It is unclear if the significant financing structure changes being proposed have been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	Dat	e: October 16, 2007
Manager of Real Estate Analysis:	Cameron Dorsey  Kazul Marull Dan  Raquel Novales	October 16, 2007

## Navigation Pointe Apartments, Corpus Christi, 9% HTC #05127 ADDENDUM

Type of Unit	Number	Badrooms	No, of Baths	Size in SF	Gross Rent Lmt,	Rent Collected			Rent per Month	Rent per SF	Tht-Pd Util	Wir, Swr, Trsh
TC 30%	6	1	1	727	\$270	\$199	and Guide Sec		\$1,194	\$0.27	\$71.00	\$57.00
TC 60%	34	1	1	727	542	471			16,014	0.65	71.00	57.00
TC 30%	4	2	2	920	325	237			948	0.26	88.00	63.00
TC 60%	44	2	2	920	651	563			24,772	0.61	88.00	63.00
TC 30%	3	3	2	1,261	375	273			819	0.22	102.00	75.00
TC 60%	29	3	2	1,261	752	650			18,850	0.52	102.00	75.00
TC 60%	4	3	2	1,470	752	650			2,600	0.44	102.00	75.00
TOTAL:	124		AVERAGE:	963	\$612	\$526		en albunios con cineraini	\$65,197	\$0.55	\$86.58	\$64.55
INCOME		Total Net R	entable Sq Ft:	119,472		TOHCA	Orig.TDHCA	Orig: APP	APPLICANT	Con	nptroller's Region	10
POTENTIAL	L'GROSS	RENT				\$782,364	\$712,452	\$733,284	\$782,364		REM Region	Corpus Christi
Secondary f	Income		· F	er Unit Per Month:	\$15.00	22,320	22,320	22,320	22,320	\$15.00	Per Unit Per Mont	h
Olher Suppo						0	0		0	\$0.00	Per Unit Per Mont	h
POTENTIAL			N -4 D-1		-7.50%	\$804,684 (60,351)	\$734,772 (55,108)	\$755,604 (56,676)	\$804,684 (60,348)	-7.50%	of Potential Gross	Income
Vacancy & C Employee or				ntial Gross Income:	-7.50%	(60,331)	0	(90,070)	(00,540)	-7.5076	or Polential Gross	likone
EFFECTIVE			ills or Conce	15510115		\$744,333	\$679,664	\$698,928	\$744,336			
EXPENSES		INCOME	% OF EGI	PER UNIT	PER SQ FT	ψ1-7-1,000	40,01000		4.1.1000	PER SO FI	PER UNIT	% OF EGI
	_		4,61%	\$277	0.29	\$34,338	\$30,814	\$32,476	\$32,930	\$0.28	\$266	4.42%
General & A		ve	4.41%	265	0.27	\$32,811	30,585	31,453	33,495	0.28	270	4.50%
Managemen						\$102,575		96,840	96,840			13.01%
Payroll & Pa	•		13.78%	827	0.86	· · · · · · · · · · · · · · · · · · ·	104,588	2818112102034741741741747		0.81	781	
Repairs & M	laintenance	3	7.70%	462	0.48	\$57,334	45,741	47,160	47,160	0.39	380	6.34%
Utilities			4.33%	560	0.27	32,208	30,187	26,232	26,232	0.22	212	3.52%
Water, Sewe	er, & Trash	ı	5.09%	306	0.32	37,909	42,155	33,204	33,588	0.28	271	4.51%
Property Ins	surance		4.82%	289	0.30	35,842	30,474	28,036	27,478	0.23	222	3.69%
Property Tax	х	3.213125	6.42%	386	0.40	47,811	45,157	88,600	88,600	0.74	715	11.90%
Reserve for	Replacem	ents	4.32%	259	0.27	32,140	24,800	24,800	24,800	0.21	200	3.33%
Supp serv, o	compl fees,	sec	2.24%	135	0.14	16,680	16,680	16,680	16,680	0.14	135	2.24%
TOTAL EXP	PENSES		57.72%	\$3,465	\$3.60	\$429,649	\$401,183	\$425,481	\$427,803	\$3.58	\$3,450	57.47%
NET OPERA	ating in	С	42.28%	\$2,538	\$2.63	\$314,684	\$278,481	\$273,447	\$316,533	\$2.65	\$2,553	42.53%
DEBT SERV	VICE			•			ester duoi			-		
First Lien Mor	rtgage		32.69%	\$1,963	\$2.04	\$243,354	\$235,451	\$231,172	\$256,513	\$2.15	\$2,069	34.46%
Cîty HOME F	unds		1.18%	\$71	\$0.07	8,787	0	0	0	\$0.00	\$0	0.00%
Additional Fin	nancing		0.00%	\$0	\$0.00	0	. 0	. 0	0	\$0.00	\$0	0.00%
NET CASH	FLOW		8.40%	\$504	\$0.52	\$62,543	\$43,030	\$42,275	\$60,020	\$0.50	\$484	8.06%
AGGREGATE RECOMMEN					,	1.25	1.18 1.91	1.18	1.23			
CONSTRUC						,						
			E ALTOTAL	PER UNII	PER SO FT	TDHCA	Orig, TDHÇA	Orig. APP	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Description (	-	Factor	% of TOTAL			\$303,000	\$312,000	\$312,000	\$303,000	\$2.54	\$2,444	2.63%
	COST (site o	r blog)	2.72%	\$2,444	\$2.54	9303,000	¥012,000	ΨΟ12,000	0	0.00	0	0.00%
Off-Sites			0.00%	0	0.00			860,459	902,859	7.56	7,281	7.85%
Sitework			8.11%	7,281	7.56	902,859	860,459					50.85%
Direct Const			49.96%	44,852	46.55	5,561,631	5,186,400	5,133,717	5,850,847	48.97	47,184	
Contingency		4.99%	2.90%	2,603	2.70	322,723	278,054	278,054	322,723	2.70	2,603	2.80%
General Rec	•	6.00%	3.48%	3,128	3.25	387,869	362,812	365,472	403,356	3.38	3,253	3.51%
Contractor's		1.88%	1.09%	980	1,02	121,507	120,937	131,437	121,507	1.02	980	1.06%
Contractor's		6.00%	3.48%	3,128	3.25	387,869	362,812	394,313	402,494	3.37	3,246	3.50%
Indirect Con			8.49%	7,624	7.91	945,314	738,460	738,460	945,314	7.91	7,624	8.22%
Ineligible Co	osts		4.05%	3,637	3.77	450,944	263,968	263,968	450,944	3.77	3,637	3.92%
Developer's	G & A	3.36%	2.70%	2,424	2.52	300,550	321,513	321,513	378,206	3.17	3,050	3.29%
Developer's	Profit	11.64%	9.34%	8,388	8.71	1,040,068	884,161	884,161	1,040,068	8.71	8,388	9.04%
Interim Final	incing		2.76%	2,481	2.58	307,678	136,012	136,012	307,678	2.58	2,481	2.67%
Reserves			0.90%	807	0.84	100,026	141,142	88,700	76,700	0.64	619	0.67%
TOTAL COS	ST		100.00%	\$89,775	\$93.18	\$11,132,039	\$9,968,730	\$9,908,266	\$11,505,696	\$96.30	\$92,788	100.00%
Construction	n Cost Red	ар	69.03%	\$61,971	\$64.32	\$7,684,459	\$7,171,474	\$7,163,452	\$8,003,786	\$66.99	\$64,547	69.56%
SOURCES	OF FUND	<u>s</u>	•							RECOMMENDED	-	
First Lien Mor		_	30.54%	\$27,419	\$28.46	\$3,400,000	\$3,225,000	\$3,225,000	\$3,400,000	\$3,379,100	Developer f	ee Available
City HOME Fo			1.35%	\$1,210	\$1.28	150,000	125,000	125,000	150,000	150,000	\$1,38	8,517
HTC Syndicat		eds	69.70%	\$62,573	\$64.94	7,759,000	6,720,000	6,720,000	7,759,000	7,758,000	1	ee Deferred
Deferred Dev			1.77%	\$1,586	\$1.65	196,696	124,176	124,176	196,696	218,596	1	3%
Additional (Ex			-3.36%	(\$3,013)	(\$3.13)	(373,657)	(225,446)		0	0	1	live Cash Flow
-	-	oo neq u	0.0070	140,010)	140.10)	\$11,132,039	\$9,968,730	\$9,908,266	\$11,505,696	\$11,505,696	\$1,53	
TOTAL SOL	SINCES					ψ, τ, το 2,038	********	144-43A(4AA)	<u> </u>	property (Constitution)	<sub>1</sub> Ψ1,00	
				4								

## MULTIFAMILY COMPARATIVE ANALYSIS (continued) Navigation Pointe Apartments, Corpus Christi, 9% HTC #05127 ADDENDUM

### DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$49.58	\$5,923,209
Adjustments				
Exterior Wall Finish	1.20%		\$0.59	\$71,079
9-Ft. Cellings	3.15%		1.56	186,581
Roofing			0.00	0
Subfloor			(0.81)	(97,315)
Floor Cover			2.22	265,228
Porches/Balconies	\$21.82	9,728	1.78	212,283
Plumbing	\$680	364	2.07	247,520
Built-In Appliances	\$1,675	124	1.74	207,700
Stairs/Fireplaces	\$1,650	48	0.66	79,200
Enclosed Corridors			0.00	0
Heating/Cooling			1,73	206,687
Garages/Carports	\$26.84	1,200	0.27	32,208
Comm &/or Aux Bldgs	\$62.87	5,617	2.96	353,155
Interior Stairs	\$1,485	4	0.05	5,940
SUBTOTAL			64.40	7,693,473
Current Cost Multiplier	1.07		4.51	538,543
Local Multiplier	0.82		(11.59)	(1,384,825)
TOTAL DIRECT CONSTRU	CTION COS	rs	\$57.31	\$6,847,191
Plans, specs, survy, bld pm	3.90%		(\$2.24)	(\$267,040)
Interim Construction Interes	3.38%		(1.93)	(231,093)
Contractor's OH & Profit	11.50%		(6.59)	(787,427)
NET DIRECT CONSTRUCT	ION COSTS		\$46.55	\$5,561,631

### PAYMENT COMPUTATION

Primary	\$3,400,000	Amort	480	
Int Rate	6.65%	DCR	1.29	
Secondary	\$150,000	Amort	460	
Int Rate	6.09%	Subtolal DCR	1.25	
	Ť			
Additional	\$7,769,000	Amort		
Int Rate		Aggregate DCR	1.25	

#### RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service \$241,858 Secondary Debt Service 8.787 Additional Debt Service NET CASH FLOW \$65,888

Primary	\$3,379,100	Amort	480				
Int Rate	6.65%	DCR	1.31				

Secondary	\$150,000	Amort	480
Int Rate	5.09%	Subtotal DCR	1.26

Additional	\$7,769,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.26

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

INCOME at 3.0	0% YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RE	NT \$782,364	\$805,835	\$830,010	\$854,910	\$880,558
Secondary Income	22,320	22,990	23,679	24,390	25,121
Other Support Income:	0	0	0	0	0
POTENTIAL GROSS IN	COME 804,684	828,825	853,689	879,300	905,679
Vacancy & Collection L	oss (60,348)	(62,162)	(64.027)	(65,947)	(67,926)
·Employee or Other Nor	n-Rente 0	. 0	0	0	0
EFFECTIVE GROSS IN	соме \$744,336	\$766,663	\$789,663	\$813,352	\$837,753
EXPENSES at 4.0	0%		-2		
General & Administration	re \$32,930	\$34,247	\$35,617	\$37,042	\$38,523
Management	33,495	34499.697	35534.68796	36600.7286	37698.75045
Payrell & Payroll Tax	96,840	100,714	104,742	108,932	113,289
Repairs & Maintenance	47,160	49,046	51,008	53,049	55,171
Utilities	26,232	27,281	28,373	29,507	30,688
Waler, Sewer & Trash	33,588	34,932	36,329	37,782	39,293
Insurance	27,478	28,577	29,720	30,909	32,145
Property Tax	88,600	92,144	95,830	99,663	103,649
Reserve for Replaceme	ents 24,800	25,792	26,824	27,897	29,012
Other	16,680	17,347	18,041	18,763	19,513
TOTAL EXPENSES	\$427,803	\$444,580	\$462,018	\$480,144	\$498,983
NET OPERATING INCO	ME \$316,533	\$322,083	\$327,644	\$333,209	\$338,770
DEBT SERVICE					
First Lien Financing	\$241,858	\$241,858	\$241,858	\$241,858	\$241,858
Second Lien	8,787	8,787	8,787	8,787	8,787
Other Financing	0	0	0	0 _	0
NET CASH FLOW	\$65,888	\$71,438	\$77,000	\$82,564	\$88,125
DEBT COVERAGE RAT	1.28	1.29	1.31	1.33	1.35

YEAR 10	YEAR 15	YEAR 20	YEAR 30	
\$1,020,808	\$1,183,396	\$1,371,880	\$1,843,692	
29,123	33,761	39,138	52,599	
0	0	0	0	
1,049,930	1,217,157	1,411,018	1,896,291	
(78,745)	(91,287)	(105,826)	(142,222)	
. о	0	0	0	
\$971,185	\$1,125,870	\$1,305,192	\$1,754,069	
\$46,870	\$57,024	\$69,379	\$102,697	
43703.18403	50663.96822	58733.42485	78932.81168	
137,834	167,696	204,027	302,010	
67,123	81,666	99,359	147,076	
37,336	45,425	55,267	81,808	
47,806	58,164	70,765	104,749	
39,110	47,583	57,892	85,694	
126,105	153,427	186,667	276,313	
35,298	42,946	52,250	77,343	
, 23,741	28,884	35,142	52,019	
\$604,926	\$733,478	\$889,481	\$1,308,642	
\$366,259	\$392,392	\$415,711	\$445,427	
\$241,858	\$241,858	\$241,858	\$241,858	
8,787	8,787	8,787	8,787	
0	0	0	0	
\$115,614	\$141,747	\$165,066	\$194,782	
1 46	1.57	1.66	1 78	

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$303,000	\$303,000	diament and apply	
Purchase of buildings				
(2) Rehabilitation/New Construction Cost	"		•	
On-site work	\$902,859	\$902,859	\$902,859	\$902,859
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$5,850,847	\$5,561,631	\$5,850,847	\$5,561,631
(4) Contractor Fees & General Requirements				
Contractor overhead	\$121,507	\$121,507	\$121,507	\$121,507
Contractor profit	\$402,494	\$387,869	\$402,494	\$387,869
General requirements	\$403,356	\$387,869	\$403,356	\$387,869
(5) Contingencies	\$322,723	\$322,723	\$322,723	\$322,723
(6) Eligible Indirect Fees	\$945,314	\$945,314	\$945,314	\$945,314
(7) Eligible Financing Fees	\$307,678	\$307,678	\$307,678	\$307,678
(8) All Ineligible Costs	\$450,944	\$450,944		en Britania de Abeliada
(9) Developer Fees			\$1,388,517	
Developer overhead	\$378,206	\$300,550		\$300,550
Developer fee	\$1,040,068	\$1,040,068		\$1,040,068
(10) Development Reserves	\$76,700	\$100,026	\$1,388,517	\$1,340,618
TOTAL DEVELOPMENT COSTS	\$11,505,696	\$11,132,039	\$10,645,295	\$10,278,068

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	\$10,645,295	\$10,278,068
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$13,838,883	\$13,361,489
. Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$13,838,883	\$13,361,489
Applicable Percentage	8.10%	8.10%
TOTAL AMOUNT OF TAX CREDITS	\$1,120,950	\$1,082,281

Syndication Proceeds 0.9698 \$10,870,408 \$10,495,416

Total Tax Credits (Eligible Basis Method) \$1,120,950 \$1,082,281

Syndication Proceeds \$10,870,408 \$10,495,416

Previously Approved Tax Credits \$800,000

Syndication Proceeds \$7,758,000

Gap of Syndication Proceeds Needed \$7,976,596

Total Tax Credits (Gap Method) \$822,541



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## Memorandum

To:

Ben Sheppard, MFFP

From:

Cameron Dorsey, REA

cc:

Tom Gouris, REA

Date:

October 8, 2007

Re:

Amendment Request for Heights Apartments (07115) in Big Spring, TX

I have reviewed the Applicant's request, dated October 3, 2007, for an Amendment to the proposed siteplan for the subject development. The submitted revised siteplan appears to reposition the buildings and amenities without affecting the building configuration or the unit mix. Moreover, the Applicant has stated that the proposed changes will not affect the development costs originally underwritten. Therefore, based upon the information provided by the Applicant, the requested amendment has no material affect on the application as underwritten and no affect on the recommended 9% Housing Tax Credit Award.

Should any further changes be requested, the transaction should be reevaluated and an adjustment to the 9% HTC recommendation may be warranted. A copy of the Applicant's request is attached.



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## Memorandum

To:

Ben Sheppard, MFFP

From:

Diamond Unique Thompson, REA

cc:

Tom Gouris, REA

Date:

October 9, 2007

Re:

Amendment Request for Lakeside Apartments (07118) in Mount Pleasant, TX

I have reviewed the Applicant's request, dated October 3, 2007, for an Amendment to the proposed site plan for the subject development. The submitted revised site plan indicates two of the original building plans have been redesigned as three story structures. The revised site plan also appears to reposition the buildings and amenities without affecting any other building configuration or unit mix. Moreover, the Applicant has stated that the proposed changes will not affect the development costs originally underwritten. Therefore, based upon the information provided by the Applicant, the requested amendment has no material effect on the application as underwritten or on the recommended 9% Housing Tax Credit Award.

Should any further changes be requested, the transaction should be reevaluated and an adjustment to the 9% HTC recommendation may be warranted. A copy of the Applicant's request is attached.



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Real Estate Analysis Division Addendum Underwriting Report

REPORT DATE:

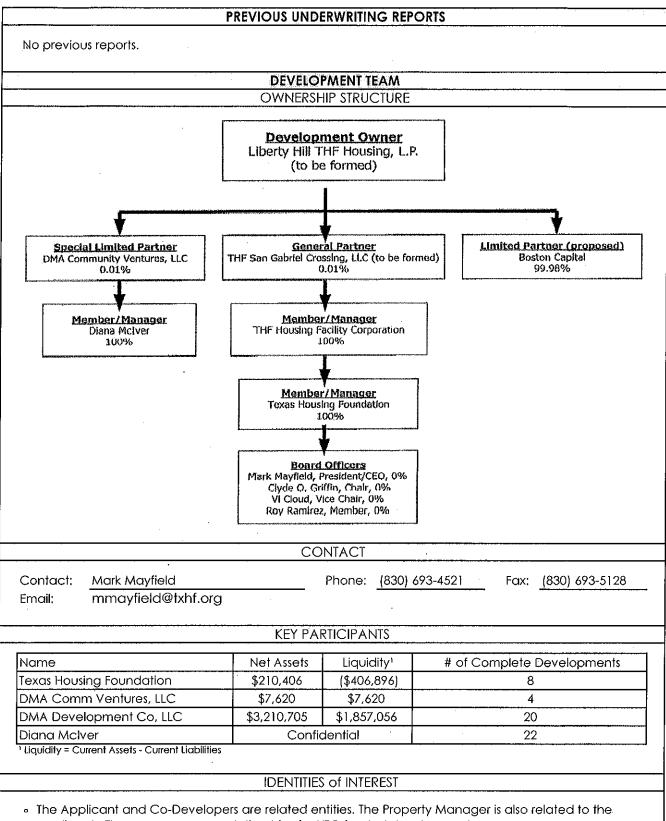
10/08/07

PROGRAM: 9% HTC

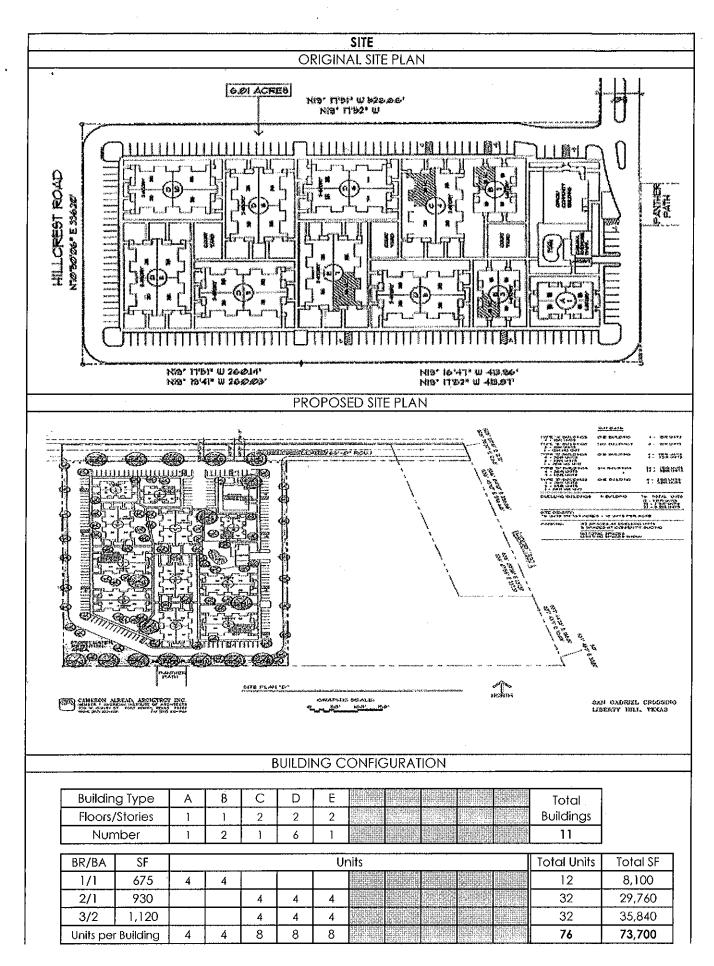
FILE NUMBER:

07220

		DE	VELOPMI	ENT			·
		San G	abriel C	rossing	·		
Location:	1625 Loop 332					Re	gion:7_
City: Libert	y Hill Cou	unty: Willian	nson	Zip:	78642	QCT	DDA
Key Attribut	es: Family, Rural, New	Constructio	n, USDA A	Mocation an	d Multifamily	<del> </del>	<del> </del>
		AL	LOCATIO	ON	· · · · · · · · · · · · · · · · · · ·		
	·	R	EQUEST		RECO	MMENDAT	ION
TDHCA Prog		Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Housing Tax C	Credit (Annual) \$	582,217	<u>:</u>	<u> </u>	\$582,217	1	
		CO	ONDITION	VS			
for the co 2 Receipt, loan and 3 Should th	review and acceptance to construction of the propose review and acceptance linterest rate subsidy. The terms and rates of the part of and an adjustment to the contract of the part of the	ed developr of docume proposed do he credit/al	ment. ntation of ebt or syn	f approval by dication cho amount may	/ USDA of the pange, the trans	oroposed saction sh	section 538
		TDHCA S					
·	Income Limit		ent Limi <sup>.</sup>		Units		
,	30% of AMI	30	0% of AM	11	8		
	60% of AMI	50	0% of AN	VI	65		
This is the	PROS first tax credit transaction	to bo		The develop	CONS	a over aub	siding d if the
complete The deve advanta propertie 60% hous The prop the cash	ed in the City of Liberty Hill elopment will have a compge over other typical tax on the area since it can send the area since it	I. petitive pric credit serve up to strengthens	е •	requested cr The originally Analyst's con were below limited need	ment could be redit amount is proposed renacluded restrict the 50% calculor for additional at this market.	awarded Its and Mo Ied rents f lated rent	I. arket for 60% units reflecting



- Applicant. These are common relationships for HTC-funded developments.
- The application notes the attorney is also related to a development team member, but the relationship is not clear.



3 of 4 07220 San Gabriel Crossing Addendum 10-8-07.xls, printed: 10/9/2007

	SITE ISSUES								
	311E 1330E3	· · · · · · · · · · · · · · · · · · ·							
Total Size: 6.36 acres Flood Zone: X Zoning: SF 2	Scattered site? Within 100-yr floodplain? Needs to be re-zoned?	Yes X No Yes X No X Yes No No							
review and acceptance by cor	est for a change of zoning to "MF" mmitment of confirmation of a zoni evelopment is a condition of this re	ing change approval to allow for the							
The original site was 6.0 acres. After relocating the access road to the northern boundry of the property it will contain 6.36 acres.									
	Addendum								
from Loop 332, which is a major art the appearance of a public street, agreed to make this 1.24 acre tract	that access to the site be from a side erial road. Hillcrest Lane borders the it is owned by Gary and Kaye Jac t, along with 0.36 additional acres, e tract will be improved as a city so	ne of which is to accommodate a de street, Hillcrest Lane, rather than ne site on the north, and while it has ckson. The Jacksons have, however available to San Gabrriel Crossing at treet by the partnership and will be							
	Due to the change in access to the site the Applicant has also requested that the community building be relocated near the new entrance to the site as it was in the original site plan.								
This change in site plan preserves the same building types and unit mixes, acres and after the dedication of the same properties.	, and has no impact on the net rer	e orginal application as well as the ntable areas. The original site was 6.0							
for \$5,164,715 in gap funds. Based annually would be required to fill th Applicant's previously approved cr derived estimate (\$602,065), the Ap	The Applicant's total development cost estimate less the permanent loan of \$3,140,706 indicates the need for \$5,164,715 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$593,712 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's previously approved credits of (\$582,217), the gap-driven amount (\$593,712), and eligible basis-derived estimate (\$602,065), the Applicant's previously approved credits of \$582,217 is recommended resulting in proceeds of \$5,064,719 based on a syndication rate of 87%.								
	ntractor fees in this amount appec	d for \$99,996 in additional permanent ar to be repayable from development							
	as underwritten or on the recomme uested, the transaction should be r	e requested amendment has no ended 9% Housing Tax Credit Award. reevaluated and an adjustment to the							
Underwriter:	Carl Adover	Date: October 8, 2007							
Reviewing Underwriter:	Kaguel Morale Raquel Morales	Date: October 8, 2007							

	. Agia da agia da A				· NALIE TIE	AMILV COM	οαρλτί\/Ε.Λ	MALVOIO	a a a sa da			
						ossing, Liberty			3			
Type of Unit	Number	Bedrooms	No. of Balhs		Gross Rent Lmt.	=	Hilimani ini kamani di	und institution (attended to the little of t	Rent per Month	Rent per SF	Tnt-Pd UIII	WS&T
TČ 30%	٠ 3	1	1	675	\$400	\$346			\$1,038	\$0.51	\$54.00	\$47.00
TC50%r60%i	. 9	1 .	1	675	\$666	611			5,499	0.91	54.00	47.00
TC 30%	3	2	22	930	\$480	411			1,233	0.44	69,00	54.00
TC50%r60%i	28	2	22	930	\$800	731			20,468	0.79	69.00	54.00
MR	1	22	22	930		775	and an expense of the con-		775	0.83	69.00	54.00
TC 30%	2	3	2	1,120	\$555	472			944	0.42	83.00	63.00
TC50%r60%i	28	3	2	1,120	\$924	841			23,548	0.75	83.00	63.00
MR	2	3	2	1,120	•	875 ·			1,750	0.78	83.00	63.00
										** *		
TOTAL:	76		AVERAGE:	970		\$727			\$55,265	\$0.76	\$72.53	\$56.68
INCOME		Total Nat	Rentable Sq F1:	73,700		TDHCA- AMENDMENT	TDHCA-ORIG	APPL-ORIG	APP-AMENDMENT	COMMEN		
POTENTIAL GR	OSS REN		remane ou ri:	101100		\$663,060	\$663,060	\$634,884	\$634,884	COUNTY Williamson	<u>IREM REGION</u> Austin	COMPT, REGIO
Secondary Incor		•	p	er Unit Per Month:	\$10.00	9,120	9,120	9,120	9,120	\$10.00	Per Unit Per Monti	
Other Support In			,	01 01011 01 010101	010.00	0,120	0	0,120	0	\$0.00	Per Unit Per Monti	
POTENTIAL GR		OME				\$672,180	\$672,180	\$644,004	\$644,004	03.00	T G GIRT BI HOIS	•
Vacancy & Colle	ction Loss		% of Poten	tial Gross Income:	-7.50%	(50,414)	(50,414)	(48,300)	(48,300)	-7.50%	of Potential Gross	Income
Employee or Oth	er Non-Rei	ntal Units o	r Concessions	i		0	0	0	0			
EFFECTIVE GR	OSS INCO	DME				\$621,767	\$621,767	\$595,704	\$595,704			
<u>EXPENSES</u>			% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & Admir	nistrative		5.03%	\$411	0.42	\$31,247	\$31,247	\$31,500	\$31,500	\$0.43	\$414	5.29%
Management			5.00%	409	0.42	31,088	31,088	30,000	30,000	0.41	395	5.04%
Payroti & Payroli	Tax		12.62%	1,032	1.06	78,462	78,462	79,200	79,200	1.07	1,042	13.30%
Repairs & Mainte	enance		6.10%	499	0.51	37,951	37,951	44,100	44,100	0.60	580	7.40%
Utilities			2.62%	214	0.22	16,263	16,263	20,000	20,000	0.27	263	3.36%
Water, Sewer, &	Trash		8.35%	519	0.54	39,458	39,458	39,500	39,500	0.54	520	6.63%
Property Insuran	ce		2.90%	237	0.24	18,009	18,009	13,000	13,000	0.18	171	2.18%
Property Tax		2.481257	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Reserve for Rep	acements		4.07%	333	0.34	25,308	25,308	25,308	25,308	0.34	333	4.25%
TDHCA Complia			0.47%	38	0.04	2,920	2,920	2,920	2,920	0.04	38	0.49%
Other: Supp Sen			0.98%	79	0.08	6,000	6,000	6,000	6,000	0.08	79	1.01%
TOTAL EXPENS			48,11%	\$3,772	\$3.89	\$286,706	\$286,706	\$291,528	\$291,528	\$3.96	\$3,836	48.94%
NET OPERATIN	G INC		53.89%	\$4,409	\$4.55	\$335,060	\$335,060	\$304,176	\$304,176	\$4.13	\$4,002	51.06%
DEBT SERVICE												
Lancaster Pollard	@ 5%		15.54%	\$1,271	\$1.31	\$96,628	\$96,628	\$222,235	\$222,235	\$3.02	\$2,924	37.31%
Lancaster Pollard	@ 7.5%		19.78%	\$1,618	\$1.87	123,006	123,006			\$0.00	\$0	0.00%
USDA FEE			2.39%	\$196	\$0.20	14,880	14,880	14,880	14,880	\$0.20	\$196	2.50%
NET CASH FLO	W		16.17%	\$1,323	\$1.36	\$100,547	\$100,547	\$67,061	\$67,061	\$0.91	\$882	11.26%
AGGREGATE DE						1.43	1.43	1.28	1.28			
RECOMMENDED		VERAGE R	ATIO			136	1.35					
CONSTRUCTIO	N COST	-				TDHCA-	· · · · · · · · · · · · · · · · · · ·					
Descriptio	Ū	Factor	% of TOTAL	PER UNIT	PER SQ FT	AMENDMENT	TDHCA-ORIG	APPL-ORIG	APP-AMENDMENT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost	(site or bldg)		5.21%	\$5,566	\$5.74	\$423,050	\$423,050	\$423,050	\$423,050	\$5.74	\$5,566	5.09%
Off-Sites			1.01%	1,078	1,11	81,900	6,900	6,900	81,900	1.11	1,078	0.99%
Sitework			7.81%	8,342	8.60	634,000	684,000	684,000	634,000	8.60	8,342	7.63%
Direct Constructi	on		48 23%	51 503	53.11	3 914 266	3 914 266	3 958 500	4 033 500	54.73	53.072	48 56%

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	AMENDMENT	TDHCA-ORIG	APPL-ORIG	APP-AMENDMENT	PER SOFT	<u>PER UNIT</u>	% of TOTAL
Acquisition Cost (site or bldg)		5.21%	\$5,566	\$5.74	\$423,050	\$423,050	\$423,050	\$423,050	\$5.74	\$5,566	5.09%
Off-Sites		1.01%	1,078	1,11	81,900	6,900	6,900	81,900	1.11	1,078	0.99%
Sitework		7.81%	8,342	8.60	634,000	684,000	684,000	634,000	8.60	8,342	7.63%
Direct Construction		48.23%	51,503	53.11	3,914,266	3,914,266	3,958,500	4,033,500	54.73	53,072	48.56%
Confingency	5.00%	2.80%	2,992	3.09	227,413	229,913	230,125	230,125	3.12	3,028	2.77%
Contractor's Fees	14.00%	7.85%	8,378	8.64	636,757	643,757	649,950	649,950	8.82	8,552	7.83%
Indirect Construction		7.41%	7,913	8.16	601,416	601,416	601,416	601,416	8.18	7,913	7.24%
Ineligible Costs		2.15%	2,293	2.36	174,280	174,280	174,280	174,280	2.38	2,293	2.10%
Developer's Fees	15.00%	11.59%	12,371	12.76	940,178	949,103	955,200	956,200	12.98	12,568	11.50%
Interim Financing		3.13%	3,342	3.45	254,000	254,000	254,000	254,000	3.45	3,342	3.06%
Reserves		2.81%	2,999	3.09	227,952	227,952	268,000	268,000	3.64	3,526	3.23%
TOTAL COST		100.00%	\$106,779	\$110.11	\$8,115,212	\$8,108,637	\$8,205,421	\$8,305,421	\$112.69	\$109,282	100.00%
Construction Cost Recap		66.69%	\$71,216	\$73.44	\$5,412,436	\$5,471,936	\$5,522,575	\$5,547,575	\$75.27	\$72,994	66.79%
SOURCES OF FUNDS									RECOMMENDED		
Lancaster Pollard @ 5%		18.48%	\$19,737	\$20.35	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	Developer f	ee Available

Lancaster Pollard @ 5%	18.48%	\$19,737	\$20.35	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Lancaster Pollard @ 7.5%	18.06%	\$19,289	\$19.89	1,466,000	1,466,000	1,466,000	1,466,000
CapArea HFC-Grant				6,900	6,900	6,900	6,900
HTC Syndication Proceeds	64.02%	\$68,358	\$70.49	5,195,230	5,195,230	5,195,230	5,195,230
Deferred Developer Fees	0.46%	\$491	\$0.51	37,291	37,291	37,121	137,29
Additional (Excess) Funds Req'd	-1.11%	(\$1,187)	(\$1.22)	(90,209)	(96,784)	170	
TOTAL SOURCES				\$8,115,212	\$8,108,637	\$8,205,421	\$8,305,42

	110 4 5 10 110 110 110	
1	\$1,500,000	
1	1,640,706	
1	0	
1	5.064.719	
ł	00.000	
i	99,880	
1	<u> </u>	1
ı	\$8,305,421	

\$955,200 % of Dev. Fee Deferred 10% 15-Yr Cumulative Cash Flow \$2,106,193

## MULTIFAMILY COMPARATIVE ANALYSIS (continued).

San Gabriel Crossing, Liberty Hill, 9% HTC #07220 Addendum

## DIRECT CONSTRUCTION COST ESTIMATE

'Marshall & Swift Residential Cost Handbook Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$55.05	\$4,057,411
Adjustments				
Exterior Wall Finish	6.00%		\$3.30	\$243,445
Elderly	l	editorike da	0.00	0
9-Ft. Ceilings	3.75%		2.06	152,153
Roofing			0.00	0
Subfloor			(1.40)	(103,202
Floor Cover		der fühldärt	2.43	179,091
Breezeways/Balconies	\$21.66	14,923	4.38	323,168
Plumbing Fixtures	\$805	76	0.83	61,180
Rough-ins	\$400	76	0.41	30,400
Built-In Appliances	\$1,850	78	1.91	140,600
Interior Stairs	\$1,485	32	0.64	47,520
Enclosed Corridors	\$45.13		0.00	0
Heating/Cooling			. 2.24	165,088
Garages/Carports			0.00	0
Comm &/or Aux Bidgs	\$65.99	3,469	3.11	228,902
Other: fire sprinkler	\$1.95	73,700	1.95	143,715
SUBTOTAL			76.93	5,669,460
Current Cost Mulliplier	0.98	50 - 18 - 18 - 1	(1.64)	(113,389)
Local Multiplier	0.87		(10.00)	(737,030)
TOTAL DIRECT CONSTRUCTI	ON COSTS		\$65.39	\$4,819,041
Pfans, specs, survy, bld prmts	3.90%		(\$2.55)	(\$187,943)
Interim Construction Interest	3.38%	an equation	(2.21)	(162,643)
Contractor's OH & Prefit	11.50%		(7.52)	(554,190)
NET DIRECT CONSTRUCTION	COSTS		\$53.11	\$3,914,266

#### PAYMENT COMPUTATION

Primary	\$1,500,000	Amort	360	
Int Rate	5.00%	DCR	3.47	
Secondary	\$1,466,000	Amort	360	
Int Rate	7.50%	Subtotal DCR	1.53	
Additional	•	Amort		
Int Rate		Aggregate DCR	1.43	

#### RECOMMENDED FINANCING STRUCTURE:

 Primary Debt Service
 \$95,531

 Secondary Debt Service
 137,665

 Additional Debt Service
 14,880

 NET CASH FLOW
 \$86,985

Primary	\$1,500,000	Amort	360
Int Rate	4.90%	DCR	3.51
Secondary	\$1,640,706	Amort II	360
Secondary	4.14.4(1.44		

Additional	\$0	Amort	0	
Int Rate	0.00%	Aggregate DCR	1.35	

## OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

							Edinicalistica (Section 1997)				
INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	eliniasettiidisaavainilisvanilistiisv——	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS R	ENT	\$663,060	\$682,952	\$703,440	\$724,544	\$746,280	Europaus sendneuelen ebn	\$865,143	\$1,002,938	\$1,162,680	\$1,562,544
Secondary Income		9,120	9,394	9,675	9,986	10,265		11,900	13,795	15,992	21,492
Other Support Income	:	0	0	0	0	. 0	88 925 15 105 15 15 15 15 15 15 15 15 15 15 15 15 15	0	٥	0	0
POTENTIAL GROSS IN	COME	672,180	692,345	713,116	734,509	758,545	rijusi selali kirak ekirilenje kojuktor	877,042	1,016,733	1,178,672	1,584,036
Vacancy & Collection	Loss	(50,414)	(51,926)	(53,484)	(55,088)	(56,741)	\$55567\$8\$\$\$\$\$\$\$\$\$\$\$\$\$	(65,778)	(76,255)	(88,400)	(118,803)
Employee or Other No.	n-Rental Units or	0	0	0	0	0		0	0	0	0
EFFECTIVE GROSS IN	COME	\$621,767	\$640,419	\$659,632	\$679,421	\$699,804	Aparic Krali akindada di ndonjada 🔔	\$811,284	\$940,478	\$1,090,271	\$1,465,233
EXPENSES at	4.00%										
General & Administrati	lve	\$31,247	\$32,497	\$33,797	\$35,149	\$36,555	en do entra una el de la companya d	\$44,475	\$54,110	\$65,833	\$97,450
Management		31,088	32,021	32,982	33,971	34,990		40,563	47,024	54,514	73,262
Payroll & Payroll Tax		78,462	81,600	84,864	88,259	91,789	genor production in the color of the	111,676	135,871	165,307	244,695
Repairs & Maintenance	e	37,951	39,469	41,047	42,689	44,397		54,016	85,718	79,956	118,355
Utilides		16,263	16,914	17,591	18,294	19,026		23,148	28,163	34,265	50,720
Water, Sewer & Trash		39,458	41,036	42,678	44,385	46,160		58,161	68,329	83,132	123,056
Insurance		18,009	18,729	19,478	20,257	21,067		25,632	31,185	37,941	56,162
Property Tax		0	0	0	0	0		0	. 0	0	0
Reserve for Replacem	enis	25,308	26,320	27,373	28,468	29,607		38,021	43,825	53,320	78,927
Other		8,920	9,277	9,648	10,034	10,435		12,696	15,447	18,793	27,818
TOTAL EXPENSES		\$288,706	\$297,884	\$309,458	\$321,506	\$334,027		\$404,387	\$489,871	\$593,062	\$870,445
NET OPERATING INCO	)YE	\$335,060	\$342,556	\$350,174	\$357,915	\$365,777		\$406,877	\$450,806	\$497,209	\$594,789
DEBT SERV	/ICE										
First Usn Financing		\$95,531	\$95,531	\$95,531	\$95,531	\$95,531		\$95,531	\$95,531	\$95,531	\$95,531
Second Lien		137,665	137,665	137,665	137,885	137,685	Eudora Cuerca su autoria de	137,685	137,665	137,865	137,665
Other Financing		14,880	14,880	14,880	14,880	14,880	in allo nimeterik de ale oleksik in	14,880	14,880	14,880	14,880
NET CASH FLOW		\$86,985	\$94,480	\$102,099	\$109,839	\$117,701	Sár Meidir Sárbár séredi néhriga diri	\$158,802	\$202,731	\$249,134	\$346,713
DEBT COVERAGE RAT	10	1.35	1.38	1.41	1.44	1.47	enemetrija i kraji k	1.64	1.82	2.00	2.40
								138,251	180,766	225,932	297,924
Cumulative Cash Flow		86,985	181,485	283,564	393,403	511,104		1,202,362	2,106,193	3,235,855	6,215,092

## HTC ALLOCATION ANALYSIS -San Gabriel Crossing, Liberty Hill, 9% HTC #07220 Addendum

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
Acquisition Cost		,		-
Purchase of land	\$423,050	\$423,050		andreas American
Purchase of buildings				anii Geranda Anio Gu
Off-Site Improvements	\$81,900	\$81,900		
Sitework	\$634,000	\$634,000	\$634,000	\$634,000
Construction Hard Costs	\$4,033,500	\$3,914,266	\$4,033,500	\$3,914,266
Contractor Fees	\$649,950	\$636,757	\$649,950	\$636,757
Contingencies	\$230,125	\$227,413	\$230,125	\$227,413
Eligible Indirect Fees	\$601,416	\$601,416	\$601,416	\$601,416
Eligible Financing Fees	\$254,000	\$254,000	\$254,000	\$254,000
All Ineligible Costs	\$174,280	\$174,280		
Developer Fees		,		
Developer Fees	\$955,200	\$940,178	\$955,200	\$940,178
Development <sup>/</sup> Reserves	\$268,000	\$227,952		
TOTAL DEVELOPMENT COSTS	\$8,305,421	\$8,115,212	\$7,358,191	\$7,208,030

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	\$7,358,191	\$7,208,030
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$7,358,191	\$7,208,030
Applicable Fraction	96%	96%
TOTAL QUALIFIED BASIS	\$7,041,699	\$6,897,997
Applicable Percentage	8.55%	8.55%
TOTAL AMOUNT OF TAX CREDITS	\$602,065	\$589,779

Syndication Proceeds 0.8699 \$5,237,379 \$5,130,498

 Total Tax Credits (Eligible Basis Method)
 \$602,065
 \$589,779

 Syndication Proceeds
 \$5,237,379
 \$5,130,498

Previously Approved Credits \$582,217

Syndication Proceeds \$5,064,719

Gap of Syndication Proceeds Needed \$5,164,715

Total Tax Credits (Gap Method) \$593,712

DATE: October 31, 2007 PROGRAM: 9% HTC FILE NUMBER: 04193

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			DE\	/ELOPMEN1	NAME					
	Е	dinburg S	Senior Towers (f	k.a. Provid	dence at	Edinb	urg Apart	ments	s)	
-										
				OWNER						
Name:	Chicory (	Court XXX	, LP.	Type:	For P	rofit				
Address:	975 One	Lincoln Ce	ntre	City:	Dallas	5			State	: Texas
Zip:	75240	Contact:	Saleem Jafar	Phone:	(972)	239- 111	8500 x	Fax:	(972)	239-8373
			PRINCIPALS of	the OWNER/	KEY PAR	TICIPAN	NTS			
Name:	Chicory	GP - XXX,		(%):	0.01%	Title:	Managing	g Gene	ral Partne	er
Name:	Edinburg	Housing C	(%):	N/A	Title:	100% Owner of MGP & 15% Co Developer			15% Co-	
Name:	ORH De	velopment l	II LLC ("ORH")	(%):	N/A	Title:	85% Interest in Developer			er
Name:	1029 Fan	nily Limited	d, LP (Saleem Jafar	(%):	N/A	Title:	100% Int	erest in	ORH	
			PRC	OPERTY LOC	CATION					
Location:	201 Nort	h 13 <sup>th</sup> Aven		J1 2.K11 200				QC	T [	DDA
City:	Edinburg	5		County:	Hida	lgo			Zip:	
									•	
				REQUES	T					
<u> </u>	Amount		<u>Interest Rate</u>		Amort	ization			Term	
1)	\$357,369		N/A		N	/A			N/A	
2)	\$29,947		N/A		N	/A			N/A	
Othor Dam	uastad Te		1) 2004 Ann	ual HTC allo	cation					
Other Requ	uestea 1 ern	18:	2) 2007 "Add	ditional 14%'	' Annual	HTC al	llocation			
Original Pr	roposed Use	of Funds:	Demolition/N	New Construc	ction		Property	Type:	Mult	ifamily
Actual Use	of Funds:		Acquisition/I	Acquisition/Rehabilitation				Type:	Mult	ifamily

### **RECOMMENDATION**

NOT RECOMMENDED DUE TO THE FOLLOWING:

Elderly

**Special Purpose (s):** 

• The Owner failed to reconstruct the development as originally underwritten and approved by the TDHCA Board and failed to request and receive approval of the rehabilitation actually performed.

### **ALTERNATIVE**

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$357,369 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS:

#### CONDITIONS

- 1. Approval of the amendment requested and discussed in this addendum;
- 2. Receipt, review, and acceptance, prior to release of 8609s, of documentation verifying the transfer price of the property and an explanation of any variance from the cost schedule or ground lease;
- 3. Receipt, review, and acceptance, prior to release of 8609s, of documentation of the amount and terms of the funds provided by the Edinburg Housing Authority;
- 4. Receipt, review, and acceptance, prior to release of 8609s, of documentation of the final amount of the FHLB grant;
- 5. Receipt, review, and acceptance, prior to release of 8609s, of a rent schedule with the correct unit mix and restrictions identified;
- 6. Receipt, review, and acceptance, prior to release of 8609s, of the current HAP Contract and Annual Contributions Contract for the public housing units;
- 7. Receipt, review, and acceptance, prior to release of 8609s, of a letter from the County Appraisal District clarifying the tax assessment and verifying the tax exemption;
- 8. Receipt, review, and acceptance of a final recorded LURA with the required corrections and signatures; and
- 9. Receipt, review, and acceptance, prior to issuance of 8609s, of all other documentation required by the Cost Certification Procedures Manual and documentation that all conditions of the original underwriting report have been satisfied.

#### ADDENDUM

The subject development has been submitted for Cost Certification. The Owner has requested annual tax credits of \$387,318 which consists of the entire 2004 allocation of \$357,369 and the entire 14% increase allocation from the 2007 HTC ceiling of \$29,947. During the course of review of the Cost Certification documentation, substantial changes to the development plan were identified that have not previously been approved by the Department or TDHCA Board.

The application for the subject transaction underwent several changes prior to underwriting. The original application proposed acquisition and rehabilitation of an existing development. However, the Owner subsequently resubmitted the application during the same cycle proposing new construction (with demolition of existing buildings). As a result of the re-submitted application, the Underwriter requested documentation to confirm the Owner's intended development plan to demolish and reconstruct the buildings and to support this economic decision versus rehabilitating the existing structures. As indicated in the original underwriting report, the Owner responded in writing that "systems in the buildings since the date of application have experienced significant failures making it a better economic choice to rebuild new" (letter dated August 10, 2004). Additionally, the Owner provided a draft property condition assessment indicating, "Our total cost estimate to make the needed repairs/upgrades may not be justifiable, given the extent and nature of the deficiencies and the overall condition of the existing systems and building finishes" (p. 3). While the PCA was not fully evaluated and does not meet the TDHCA guidelines, the general conclusions supported the Owner's decision to reconstruct. The application evaluated by the Underwriter included the necessary information for underwriting the property as a new construction including building plans and development characteristics.

Due to changes to the list of approved applications during the 2004 9% cycle, the subject application was added to the award list for the September 2004 Board meeting and approved subject to underwriting. The underwriting was completed on December 8, 2004 at which time the underwriting report was sent to the Owner with notification that the appeal timeline had been triggered by sending the underwriting report. The Owner did not appeal any portion of the underwriting report to assert that the development plan was to rehabilitate rather than reconstruct as underwritten.

The need to pursue an amendment here was only made known due to major discrepancies in the Cost Certification package and the final inspection report, both of which confirm that the development was rehabilitated instead of reconstructed. It should be noted that other major deficiencies are also outstanding as of the date of this addendum and will be discussed herein.

The Owner originally asserted that no appeal was necessary because the Department already approved this in reference to a prior extension of the construction loan closing and commencement of construction. The Owner stated that they are allowed to switch to rehabilitation because they contend staff had misinformed the Owner in February of 2004 regarding QAP limits on unit sizes. The Owner did not appeal at that time what they now say was staff's erroneous guidance but instead moved forward with the application and reiterated the reconstruction plan throughout the application review and underwriting processes. In discussions with the Owner, the Owner has indicated that the decision to switch back to rehabilitation was made sometime during early to mid 2005, after the Board approval of new construction and after Carryover. The Owner has acknowledged that no formal request to switch back to rehabilitation was made to the Department until now. Moreover, the Owner's amendment request states, "Given the mistake and information from the late underwriting, the EHA board felt they had the right to rehab the property as originally planned in lieu of the cost of demolition and new construction." As a result of this significant change in activity and scope, the Cost Certification review process and issuance of IRS Forms 8609 cannot be completed and issued unless the development plan issue is resolved.

This addendum evaluates the major differences to the development plan and development costs between the original underwriting and the Cost Certification documentation that would materially affect the underwriting. In addition to these items herein, the rehabilitation of the existing units may also have an affect on threshold and selection (points) items.

Major Changes Affecting Development Costs							
	At Underwriting	At Cost Certification					
Construction Type	New Construction	Rehabilitation					
Unit Mix	28 efficiency/72 1-bedroom	40 efficiency/60 1-bedroom					
Net Rentable Square Feet	57,816	45,460					
Average Unit Size (SF)	578	455					
# Floors	4	7					
# of Buildings	1	2					
Carports	100	30*					

<sup>\*</sup> Architect certified to 58 surface parking spaces and 30 carport spaces

#### **OUTSTANDING ISSUES**

Acquisition Value: The development was originally underwritten with an acquisition value of \$575,000, which is equal to the appraised value of the land. Despite being an identity of interest transfer, the full appraised amount was allowed at underwriting because the improvements, which were to be demolished, were conditionally allowed to be considered part of the identity of interest seller's original investment in the property. The development cost schedule in the Cost Certification package, which was certified to by a CPA, indicates a value of \$10,000, the Ground Lease indicates \$600,000, and the sources and uses of funds appears to indicate up to \$1,200,000. It should be noted that the CPA certified to a value of \$610,000 in mid-2005 in order to prove up the 10% test which, if now shown to be false, could jeopardize the validity of the Carryover Allocation and render the credits null and void. Receipt, review, and acceptance, prior to release of 8609s, of documentation verifying the transfer price of the property and an explanation of any variance from the cost schedule or ground lease is a condition of this report.

Financing Structure: The Owner has indicated a loan made to the partnership from the Housing Authority. However, the documentation in the cost certification package reflects inconsistent information regarding the amount and terms of the funds. A promissory note provided indicates a loan of \$590,000 while the sources of funds indicate a contribution of \$1,560,000. The terms of the funds are unclear, but could have a substantial impact on the eligible basis of the development and/or the development's gap in financing. Therefore, receipt, review, and acceptance, prior to release of 8609s, of documentation of the amount and terms of the funds provided by the Housing Authority is a condition of this report. For the purposes of this addendum the

Underwriter has assumed the loan is equal to the assumed purchase price of \$575,000 (due to the Owner's assertion that it is essentially seller financing) and that the interest rate is AFR with the interest and principal repayable at some currently unknown future date (i.e. no debt service for this loan). This is the general structure outlined in the financing narrative.

It should also be noted that the development's permanent first lien decreased by \$450K. However, recent correspondence identifies a new source of FHLB grant funds that was not originally acknowledged in the Cost Certification information. This source has not been included in the Underwriter's analysis, in part because of the lack of documentation to support it and in part because the Owner claimed it will not be used if there is no deferred developer fee. The inclusion of the entire amount of these funds would provide an excess source of funds for the development and would likely result in a reduction in the recommended credit allocation. Receipt, review, and acceptance, prior to release of 8609s, of documentation of the final amount of the FHLB grant is a condition of this report.

<u>Unit Mix</u>: The Owner submitted a rent schedule with the Cost Certification package that is identical in unit mix to that which was provided when the application was underwritten as a reconstruction project. However, the TDHCA Final Inspection Report indicates that the unit mix identified during the inspection is different from that underwritten originally. For purposes of this addendum the Underwriter utilized the actual rent roll as of 9/30/2007 to attempt to confirm the unit mix. It should be noted, however, that the rent roll does not identify the rent or income restrictions for each unit type. As a result, the Underwriter cannot verify that the Owner has adhered to the income set-asides and rent restrictions originally committed to in the application for reconstruction. Based on the rent roll it would appear that there are 12 efficiency public housing units and 13 one-bedroom public housing units. Few of the public housing units appear to be targeting the 30% or 40% level. The owner originally pledged 27 units targeting 30% and 40% households however the LURA executed by the Owner and lender reflects 23 units targeting 30%, 27 units targeting 40% and 22 units targeting 50%, with the remaining 28 units restricted as 60% units. Receipt, review, and acceptance, prior to release of 8609s, of a rent schedule with the correct unit mix and restrictions identified is a condition of this report.

Rental Subsidy: The Owner has indicated a HAP Contract and Annual Contributions Contract that, combined, cover 100% of the units and documentation to support this could greatly affect the development's income. However, the Owner did not provide the contracts in the cost certification package. The Owner provided contracts on follow up requests; however, the documentation provided is inconsistent with other information in the Cost Certification package and appear to suggest that 100% of the units have project-based vouchers and 15% have a public housing subsidy. It is unlikely that the subsidies overlap in this way, thus the actual subsidy mix remains unclear. Receipt, review, and acceptance, prior to release of 8609s, of the current correct HAP Contract and Annual Contributions Contract for the PHUs is a condition of this report.

<u>Property Tax Exemption</u>: The Owner has provided a tax assessment to document the property's 100% tax exemption. However, the improvements noted on the assessment include mobile homes and a nursing home, which quite clearly are not part of the development site. Therefore, the Underwriter has requested clarification in the form of documentation from the County Appraisal District. The Owner has indicated that the "mobile homes" reference is just a zoning designation; however, the appraisal district has assigned substantial values to a type of improvement labeled "mobile home" and therefore this explanation does not resolve the issue. Receipt, review, and acceptance, prior to release of 8609s, of a letter from the County Appraisal District clarifying the tax assessment and verifying the tax exemption is a condition of this report.

**Properly Recorded Land Use Restriction Agreement (LURA)**: The Owner recorded the LURA without the required approval or signatures from the TDHCA. Review of the LURA is currently underway and is likely to require correction and signature execution by all parties due to the unresolved inconsistencies in the unit mix and rent restrictions. Receipt, review, and acceptance of a final recorded LURA with the required TDHCA signatures is a condition of this report.

#### **CONSTRUCTION COST ESTIMATE EVALUATION**

The Underwriter has attempted to compare the rehab costs certified by the Owner and CPA, to the costs that

could be predicted if the Owner had reconstructed the project as originally proposed, but with smaller unit sizes.) In addition, the Underwriter has looked at the cost based on what the PCA had indicated given the understanding that the PCA had some significant limitations as discussed below. It should also be noted that the Owner has submitted a revised development cost schedule that has not been certified by the Owner's CPA as required for Cost Certification and does not appear to be in any way consistent with the AIA construction documents.

Acquisition Value: As indicated above, the acquisition cost is unclear. For the purposes of this analysis, the Underwriter has assumed a value of \$575,000 in line with the maximum acquisition cost allowed at underwriting and the appraised land value. The Owner has indicated a value of \$10,000 in the development cost schedule provided in the Cost Certification package. The Owner has also suggested that because this is now a rehabilitation rather than a reconstruction development that they could have claimed acquisition credits. This claim is unfounded since acquisition credits were never contemplated in the original application or Carryover, not to mention the \$10K in total acquisition cost would support few additional credits.

<u>Sitework Cost</u>: The Underwriter has used the sitework cost of \$5,400 per unit indicated at underwriting as the allowance for reconstruction. This is greater than the actual sitework reflected in the Owner's original cost schedule (and certified by a CPA) for the rehabilitation performed of \$1,307 per unit and greater than the original PCA figure provided of \$975 per unit (eligible sitework only).

<u>Direct Construction Cost</u>: The Underwriter has evaluated the direct construction costs as originally underwritten and new construction cost as of October 2007. The Owner's actual direct construction costs and actual total hard costs are substantially higher than originally underwritten and higher than if the development was demolished and reconstructed today (even with the additional 12,000 SF in net rentable square footage that was proposed at application). Based on the Underwriter's *Marshall and Swift Residential Cost Handbook*-derived estimate, the direct costs for the underwritten new construction property with 45,460 net rentable square feet would be \$51.24 per net rentable square feet if the Owner were to begin construction today verses the actual rehabilitation costs of \$72.41. The Owner's actual total hard construction cost is 21% higher than the total hard construction cost at application. This appears to support the Owner's and PCA provider's original assertions that the economic decision to reconstruct was better than to rehabilitate. However, the Owner pursued rehabilitation of the existing property without TDHCA Board approval.

In addition, the PCA provided at application does not meet the Department's guidelines and provides very little detail about the scope of work needed. Again, the PCA was not reviewed thoroughly when originally underwritten because it was not needed for the basis of the Underwriter's new construction cost analysis and did not meet the Department's guidelines. Because a rehabilitation plan and new acceptable PCA was not subsequently provided, the Underwriter cannot validate the appropriateness of the scope of work completed or the cost of such work.

The actual scope of rehab work performed provided by the Owner on October 22, 2007 indicates the following was performed: buildings power washed and sealed; new roofing and removal of existing roof mounted chillers; replace all interior doors; painting all interior walls; new ceilings; new flooring; replacement of kitchen cabinets and appliances; new bathroom accessories and finishes; replace aluminum siding and patio doors; repair damaged railings and patio floors; install new elevators; enclose existing openair walkways; install emergency generator; install new mailboxes; replace fire alarm system; remove and relocate trash chute; provide 6 new accessible units; replace security system; and repair rusting handrails. This scope of work was certified by the Architect prior to construction (6/8/05) and the Architect and Contractor have certified (7/29/07) that the total contract amount of \$3,835,826 has been completed. The Owner's cost certification reflects that the work performed amounts to \$38,358 in rehabilitation per unit. The Underwriter believes that this scope of work is extraordinarily high given the scope of work provided. As required by the Cost Certification Procedures Manual (CCPM) either a Certificate of Occupancy issued by the local government authority for a newly constructed development, or a certification by the Architect of the completion date and date ready for occupancy for rehabilitated developments must be submitted. The Owner provided a Certificate of Occupancy from the City of Edinburg rather than the required Architect's certification for rehabilitation activity. Additionally, other exhibits required by the CCPM for rehabilitation developments were not provided in the Owner's original or subsequent submissions.

Conclusion: Due to the substantial inconsistencies in the Cost Certification documentation provided, the actual total development cost is currently questionable. The final total development costs originally submitted in the Cost Certification and certified to by Novogradac & Co. reflect total costs of \$5,416,285. The Owner has subsequently provided a revised total development cost schedule reflecting total costs of \$5,892,150. The revised cost schedule was not utilized by the Underwriter for this analysis since a revised certification by the CPA was not provided. Based upon the assumptions noted above, the Owner's total rehabilitation development cost is 12% higher than the Underwriter's direct new construction cost. Due primarily to the difference in acquisition cost, however, the Applicant's total development costs are within 5% of the Underwriter's revised estimate for new construction. If the Owner's total costs are used, the development's eligible basis is \$4,773,463 which qualifies the Owner to receive a tax credit allocation of \$387,369. Therefore, if the Board approves the Owner's the development as built, the Owner's eligible basis can support the full 2004 allocation and the full 14% increase allocation from the 2007 ceiling, which amounts to a total allocation of \$387,316. Due to the inconsistencies in the financing structure it is currently unclear if this allocation can be supported by the gap in financing. If the development is approved as-is, the underwriting conditions would allow for additional clarity and an adjustment to the credit amount may be warranted.

While the development may be able support the full allocation amount, the substantial inconsistencies discussed throughout this addendum remain unresolved. Therefore, the Underwriter recommends no allocation of 2004 or 2007 housing tax credits at this time.

The Owner was advised in a request for an extension of the deadline to submit their cost certification that in order for the allocation of additional tax credits from the 2007 credit ceiling to remain valid, IRS Forms 8609 for these credits must be issued prior to December 31, 2007. Moreover, the Owner was granted the extension on July 11, 2007 that was based upon the assurances made by the Owner and the condition made by the Department that "...the cost certification must be submitted without any deficient material or information... If the cost certification is not submitted by August 7, 2007 the award of tax credits from the 2007 credit ceiling that was made in addition to the original award from the 2004 credit ceiling will be rescinded." While staff continues to work with the Owner to resolve all outstanding issues, to date two separate deficiency letters have been sent to the Owner since the cost certification submission for clarification of the significant inconsistencies in the original Cost Certification submission discussed above. As of the date of this addendum the Underwriter has not received sufficient documentation to clear and resolve these issues. Therefore, the Owner clearly violated the terms of the extension. The Owner should no longer be eligible for the 2007 additional credit allocation. Moreover, the 14% increase in credits was committed based upon the proposed new construction costs that were approved and are not for a rehabilitation development. Therefore, as an alternative, if the Board approves the subject as rehabilitated, the Underwriter recommends that the credits issued to this development be limited to the 2004 allocation amount of \$357,369, subject to the conditions of this report.

### **SUMMARY OF SALIENT RISKS AND ISSUES**

- Significant inconsistencies in the application could affect the financial feasibility of the development.
- The seller of the property has an identity of interest with the Owner.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:		Date:	October 22, 2007
	Cameron Dorsey		
Manager of Real Estate Analysis:			October 26, 2007
	Raquel Morales		
Director of Real Estate Analysis:		Date:	October 31, 2007
	Tom Gouris		

## COST CERTIFICATION COMPARATIVE ANALYSIS

Edinburg Senior Towers, Edinburg, HTC#04193 Reviewed by: Cameron Dorsey Date: 10/22/2007

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.		Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Elect/Gas	Wtr, Swr, Trsh
TC 30%/ PHU	12	0	1	370	\$226		\$300	\$169	\$197	\$3,600	\$0.81	\$29.00	\$26.00
TC 60%/HAP	28	0	1	370	453	ACTUAL UNIT	435	\$392	\$424	12,180	1.18	29.00	26.00
TC 30%/ PHU	4	1	1	511	226	MIX NOT YET	325	\$162	\$183	1,300	0.64	43.00	32.00
TC 40%/PHU	9	1	1	511	302	CONFIRMED.	325	\$242	\$259	2,925	0.64	43.00	32.00
TC 60%/HAP	47	1	1	511	453		460	\$401	\$453	21,620	0.90	0.00	0.00
TOTAL:	100		AVERAGE:	455	\$403		\$416			\$41,625	\$0.92	\$17.19	\$14.56

TOTAL: 100		AVERAGE:	455	\$403		\$416			\$41,625	\$0.92	\$17.19	\$14.56
		AVERAGE:	455	ψ100					T	*****	Ψ17.10	ψ14.50
INCOME	Total Net Re	entable Sq Ft:	45,460			TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	Com	ptroller's Region	11
<u>INGGINE</u> POTENTIAL GROSS R		sintable oq i t.	40,400			\$499,500	\$438,060	\$465,924	\$491,400	Com	IREM Region	• • •
Secondary Income		Pe	er Unit Per Month:	\$10.00		12,000	12,000	12,000	12,000	\$10.00	Per Unit Per Month	1
Other Support Income: (d	escribe)			•		0	0	0	0	\$0.00	Per Unit Per Month	
POTENTIAL GROSS IN	NCOME					\$511,500	\$450,060	\$477,924	\$503,400			
Vacancy & Collection Los	is	% of Poten	ntial Gross Income:	-7.50%		(38,363)	(33,755)	(35,844)	(25,176)	-5.00%	of Potential Gross	Income
Employee or Other Non-F		or Concessi	ions			0			0			
EFFECTIVE GROSS IN	COME					\$473,138	\$416,305	\$442,080	\$478,224			
<u>EXPENSES</u>		% OF EGI	PER UNIT	PER SQ FT						PER SQ FT	PER UNIT	% OF EGI
General & Administrative		6.16%	\$291	0.64		\$29,122	\$24,002	\$27,500	\$28,451	\$0.63	\$285	5.95%
Management		5.00%	237	0.52		23,657	16,652	17,683	23,912	0.53	239	5.00%
Payroll & Payroll Tax		15.84%	750	1.65		74,966	71,675	80,500	77,808	1.71	778	16.27%
Repairs & Maintenance		8.13%	385	0.85		38,477	33,032	52,450	40,500	0.89	405	8.47%
Utilities		12.02%	569	1.25		56,856	29,783	17,500	77,812	1.71	778	16.27%
Water, Sewer, & Trash		3.69%	175	0.38		17,472	25,399	21,500	17,279	0.38	173	3.61%
Property Insurance		6.39%	302	0.67		30,239	17,345	11,563	37,800	0.83	378	7.90%
Property Tax	2.8663	0.02%	1	0.00		100	100	100	1	0.00	0	0.00%
Reserve for Replacement	ts	6.34%	300	0.66		30,000	25,000	25,000	30,000	0.66	300	6.27%
Other:		1.85%	88	0.19	_	8,762	17,990	17,990	8,762	0.19	88	1.83%
TOTAL EXPENSES		65.45%	\$3,097	\$6.81	_	\$309,651	\$260,978	\$271,786	\$342,325	\$7.53	\$3,423	71.58%
NET OPERATING INC		34.55%	\$1,635	\$3.60	=	\$163,486	\$155,327	\$170,294	\$135,899	\$2.99	\$1,359	28.42%
DEBT SERVICE												
AMAC		20.53%	\$971	\$2.14		\$97,113	\$141,850	\$141,850	\$97,113	\$2.14	\$971	20.31%
Edinburg Housing Authority	y	0.00%	\$0	\$0.00		0	34,374		0	\$0.00	\$0	0.00%
Additional Financing		0.00%	\$0	\$0.00	=	0	(000,007)	000 444	0	\$0.00	\$0	0.00%
NET CASH FLOW		14.03%	\$664	\$1.46	_	\$66,374	(\$20,897)	\$28,444	\$38,786	\$0.85	\$388	8.11%
					_							
AGGREGATE DEBT COV					_	1.68	0.88	1.20	1.40			
RECOMMENDED DEBT C	OVERAGE					1.44	0.88					
RECOMMENDED DEBT C	OVERAGE T	ERATIO	PER LINIT	PER SO ET	New Constr	1.44 UNDERWRITER		APPLIC	CANT	PER SO ET	PERLINIT	% of TOTAL
RECOMMENDED DEBT C CONSTRUCTION COS  Description	OVERAGE  T  Factor	E RATIO	PER UNIT	PER SQ FT	New Constr	1.44 UNDERWRITER Rehab PCA	Original	APPLICATION	CANT COST CERT	PER SQ FT	PER UNIT	% of TOTAL
RECOMMENDED DEBT C CONSTRUCTION COS  Description Acquisition Cost (site or b	OVERAGE  T  Factor	% of TOTAL 10.33%	\$5,750	\$12.65	\$575,000	1.44 UNDERWRITER Rehab PCA \$575,000	<b>Original</b> \$710,000	APPLICATION \$710,000	COST CERT	\$0.22	\$100	0.18%
RECOMMENDED DEBT C CONSTRUCTION COS  Description Acquisition Cost (site or b Off-Sites	OVERAGE  T  Factor	% of TOTAL 10.33% 0.00%	\$5,750 0	\$12.65 0.00	\$575,000 0	1.44 UNDERWRITER Rehab PCA \$575,000	Original \$710,000 0	APPLICATION \$710,000	CANT  COST CERT  \$10,000	\$0.22 0.00	\$100 0	0.18% 0.00%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description  Acquisition Cost (site or both off-Sites)  Sitework	OVERAGE  T  Factor	% of TOTAL 10.33% 0.00% 9.70%	\$5,750 0 5,400	\$12.65 0.00 11.88	\$575,000 0 540,000	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500	Original \$710,000 0 540,000	APPLICATION \$710,000 0 540,000	COST CERT \$10,000 0 130,735	\$0.22 0.00 2.88	\$100 0 1,307	0.18% 0.00% 2.41%
RECOMMENDED DEBT OF CONSTRUCTION COS Description Acquisition Cost (site or both Cost (site or both Cost) Sitework Direct Construction	OVERAGE  T  Factor	% of TOTAL 10.33% 0.00%	\$5,750 0	\$12.65 0.00	\$575,000 0 540,000 2,329,421	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045	Original \$710,000 0 540,000 2,266,306	APPLICATION \$710,000 0 540,000 2,081,375	CANT  COST CERT  \$10,000	\$0.22 0.00	\$100 0	0.18% 0.00%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or both cost) Off-Sites Sitework Direct Construction Contingency	COVERAGE ST <u>Factor</u> oldg)	% of TOTAL 10.33% 0.00% 9.70% 41.85%	\$5,750 0 5,400 23,294	\$12.65 0.00 11.88 51.24	\$575,000 0 540,000 2,329,421 143,471	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777	Original \$710,000 0 540,000 2,266,306 140,315	APPLICATION \$710,000 0 540,000 2,081,375 160,883	COST CERT \$10,000 0 130,735 3,291,819	\$0.22 0.00 2.88 72.41	\$100 0 1,307 32,918	0.18% 0.00% 2.41% 60.78%
RECOMMENDED DEBT OF CONSTRUCTION COS Description Acquisition Cost (site or both Cost (site or both Cost) Sitework Direct Construction Contingency General Req'ts	Factor Factor 6.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85%	\$5,750 0 5,400 23,294	\$12.65 0.00 11.88 51.24	\$575,000 0 540,000 2,329,421 143,471 172,165	1.44 UNDERWRITER  Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117	Original \$710,000 0 540,000 2,266,306 140,315 160,883	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883	COST CERT \$10,000 0 130,735 3,291,819	\$0.22 0.00 2.88 72.41	\$100 0 1,307 32,918	0.18% 0.00% 2.41% 60.78%
RECOMMENDED DEBT OF CONSTRUCTION COS Description Acquisition Cost (site or both Cost (site or both Cost) Acquisition Cost (site or both Cost) Contingency General Req'ts Contractor's G & A	Factor Factor 6.00% 2.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03%	\$5,750 0 5,400 23,294 1,722 574	\$12.65 0.00 11.88 51.24 3.79 1.26	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388	1,44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039	\$0.22 0.00 2.88 72.41 3.90 1.30	\$100 0 1,307 32,918 1,771 590	0.18% 0.00% 2.41% 60.78% 3.27% 1.09%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or both of the construction Contingency General Req'ts Contractor's G & A Contractor's Profit	Factor Factor 6.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09%	\$5,750 0 5,400 23,294 1,722 574 1,722	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117	Original \$710,000 0 540,000 2,266,306 140,383 53,628 160,883	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,883	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90	\$100 0 1,307 32,918 1,771 590 1,771	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27%
Description Acquisition Cost (site or b Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction	Factor Factor 6.00% 2.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,883 512,000	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41	\$100 0 1,307 32,918 1,771 590 1,771 2,916	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38%
Description Acquisition Cost (site or b Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs	EOVERAGE Factor  Factor  6.00% 2.00% 6.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,000 145,521	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61%
Description Acquisition Cost (site or both Construction Cost) Description Acquisition Cost (site or both Cost) Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A	EXPERIENCE OF CONTRACT OF CONT	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 5.24% 11.30% 1.35%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,000 145,521 115,395	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00%
CONSTRUCTION COS  Description Acquisition Cost (site or boff-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit	EOVERAGE Factor  Factor  6.00% 2.00% 6.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,800 145,521 115,395 461,579	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or broff-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing	EXPERIENCE OF CONTRACT OF CONT	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 0.67%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376	1,44 UNDERWRITER Rehab PCA \$575,000  97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376	Original \$710,000 0 540,000 2,266,306 140,315 160,883 516,283 512,000 145,521 115,395 461,579 176,842	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,800 145,521 115,395 461,579 176,842	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description  Acquisition Cost (site or both Cost)  Off-Sites Sitework  Direct Construction  Contingency  General Req'ts  Contractor's G & A  Contractor's Profit  Indirect Construction  Ineligible Costs  Developer's G & A  Developer's Profit  Interim Financing  Reserves	EXPERIENCE OF CONTRACT OF CONT	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 8.74% 0.67% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391	1,44 UNDERWRITER Rehab PCA \$575,000  97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 516,283 512,000 145,521 115,395 461,579 176,842	COST CERT  \$10,000  0  130,735  3,291,819  177,117  590,39  177,117  291,608  629,058  0  608,652  37,376  3,764	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or broff-sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST	EOVERAGE  Factor  Factor  6.00%  2.00%  6.00%  13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 1.35% 8.74% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309	Original \$710,000 0 540,000 2,266,306 140,383 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 0 \$5,278,989	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 3,764 \$5,416,285	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11,24% 0.69% 0.07% 100.00%
Description Acquisition Cost (site or b Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction ineligible Costs Developer's G & A Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST	EOVERAGE  Factor  Factor  6.00%  2.00%  6.00%  13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 8.74% 0.67% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391	1,44 UNDERWRITER Rehab PCA \$575,000  97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 516,283 512,000 145,521 115,395 461,579 176,842	COST CERT  \$10,000  0  130,735  3,291,819  177,117  590,39  177,117  291,608  629,058  0  608,652  37,376  3,764	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07%
Description Acquisition Cost (site or b Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recap	EOVERAGE Factor Factor 6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 1.35% 8.74% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309	Original \$710,000 0 540,000 2,266,306 140,383 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 0 \$5,278,989	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 3,764 \$5,416,285	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07%
Description Acquisition Cost (site or b Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction ineligible Costs Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recap	EOVERAGE Factor Factor 6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 1.35% 8.74% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309	Original \$710,000 0 540,000 2,266,306 140,383 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 0 \$5,278,989	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 3,764 \$5,416,285	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07%
Description Acquisition Cost (site or both Construction Cost (site or both Cost) Description Acquisition Cost (site or both Cost) Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction (ineligible Costs) Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recapt SOURCES OF FUNDS	EOVERAGE Factor Factor  6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 0.67% 1.03% 1.03%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 555,666 \$32,711	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309 \$3,663,595	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742 \$3,322,015	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 0 \$5,278,989 \$3,157,652	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 \$3,764 \$5,416,285 \$3,835,827	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14 \$84.38	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 0.00% 11.44% 0.69% 0.07% 100.00% 70.82%
Description Acquisition Cost (site or both cost (site or both cost) Description Acquisition Cost (site or both cost) Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recap  SOURCES OF FUNDS  MAC Edinburg Housing Authority	EOVERAGE Factor Factor  6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 0.67% 100.00% 58.76%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 575,666 \$32,711	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45 \$71.96	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583 \$3,414,611	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309 \$3,663,595	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742 \$3,322,015	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 0 \$5,278,989 \$3,157,652	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 3,764 \$5,416,285 \$3,835,827	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14 \$84.38	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163 \$38,358	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 0.00% 11.44% 0.69% 0.07% 100.00% 70.82%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or broff-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recaption Cost Contractor Construction Cost Recaption Cost Cost Cost Cost Cost Cost Cost Cost	EOVERAGE Factor Factor  6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 5.24% 11.30% 1.35% 8.74% 0.67% 1.000% 58.76%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666 \$32,711	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$12.45 \$71.96	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583 \$3,414,611	1.44 UNDERWRITER Rehab PCA \$575,000 0 97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309 \$3,663,595	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 160,883 512,000 145,521 115,395 461,579 176,842 94,390 \$5,537,742 \$3,322,015	APPLICATION \$710,000 0 540,000 2,081,375 160,883 53,628 160,883 510,280 145,521 115,395 461,579 176,842 0 \$5,278,989 \$3,157,652	COST CERT \$10,000 0 130,735 3,291,819 177,117 59,039 177,117 291,608 629,058 0 608,652 37,376 3,764 \$5,416,585 \$3,835,827	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14 \$84.38 RECOMMENDED. \$1,200,000 575,000	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163 \$38,358	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 6.38% 11.61% 0.00% 11.24% 0.69% 0.07% 100.00%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or broff-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL COST Construction Cost Recapt SOURCES OF FUNDS AMAC Edinburg Housing Authority Additional Financing	EOVERAGE Factor Factor  6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 0.67% 1.03% 100.00%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666 \$32,711	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45 \$71.96	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583 \$3,414,611	1.44 UNDERWRITER Rehab PCA \$575,000  97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309 \$3,663,595  \$1,200,000 575,000 0	Original \$710,000 0 540,000 2,266,306 140,315 160,883 53,628 1512,000 145,521 115,395 461,579 176,842 94,390 \$5,3372,015 \$1,650,000 600,000 0	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 160,283 1512,000 145,521 115,395 461,579 176,842 0 \$5,278,989 \$3,157,652	COST CERT  \$10,000  0  130,735  3,291,819  177,117  59,039  177,117  291,608  629,058  0  608,652  37,376  3,764  \$5,416,285  \$3,835,827  \$1,200,000  1,560,000  0	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14 \$84.38 RECOMMENDED \$1,200,000 575,000 202,000	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163 \$38,358	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07% 70.82%
RECOMMENDED DEBT OF CONSTRUCTION COS  Description Acquisition Cost (site or both Cost) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves	EOVERAGE  Factor  Factor  6.00% 2.00% 6.00% 13.00%	% of TOTAL 10.33% 0.00% 9.70% 41.85% 3.09% 1.03% 3.09% 5.24% 11.30% 1.35% 8.74% 0.67% 1.03% 100.00% 58.76%	\$5,750 0 5,400 23,294 1,722 574 1,722 2,916 6,291 749 4,867 374 574 \$55,666 \$32,711	\$12.65 0.00 11.88 51.24 3.79 1.26 3.79 6.41 13.84 1.65 10.71 0.82 1.26 \$122.45 \$71.96	\$575,000 0 540,000 2,329,421 143,471 172,165 57,388 172,165 291,608 629,058 74,872 486,667 37,376 57,391 \$5,566,583 \$3,414,611 \$1,200,000 575,000 0 3,585,751	1.44 UNDERWRITER Rehab PCA \$575,000  97,500 2,998,045 154,777 177,117 59,039 177,117 291,608 629,058 0 593,280 37,376 57,391 \$5,847,309 \$3,663,595  \$1,200,000 575,000 0 3,585,751	Original \$710,000 0 540,000 2,266,306 140,315 160,883 512,800 145,521 115,395 461,579 176,842 94,390 \$5,537,742 \$3,322,015 \$1,650,000 600,000 0 2,999,297	APPLICATION \$710,000 0 540,000 2,081,375 160,883 160,883 53,628 161,2,000 145,521 115,395 461,579 176,842 0 \$5,278,989 \$3,157,652	COST CERT  \$10,000  0  130,735  3,291,819  177,117  591,608  629,058  0  608,652  37,376  \$3,764  \$5,416,285  \$3,835,827  \$1,200,000  1,560,000  0  3,585,751	\$0.22 0.00 2.88 72.41 3.90 1.30 3.90 6.41 13.84 0.00 13.39 0.82 0.08 \$119.14 \$84.38 RECOMMENDED \$1,200,000 575,000 202,000 3,243,270	\$100 0 1,307 32,918 1,771 590 1,771 2,916 6,291 0 6,087 374 38 \$54,163 \$38,358	0.18% 0.00% 2.41% 60.78% 3.27% 1.09% 3.27% 5.38% 11.61% 0.00% 11.24% 0.69% 0.07% 100.00% 70.82%

TCSheet Version Date 6/5/06tg Page 1

## MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Date: 10/22/2007

#### DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$63.20	\$2,872,942
Adjustments				
Exterior Wall Finish	1.20%		\$0.76	\$34,475
Elderly/9-Ft. Ceilings	3.00%		1.90	86,188
Roofing			0.00	0
Subfloor			(0.62)	(28,072)
Floor Cover			2.43	110,468
Porches/Balconies	\$30.98	3,704	1.98	90,231
Plumbing	\$805	100	1.39	63,296
Built-In Appliances	\$1,850	100	3.20	145,463
Stairs Interior	\$5,400	2	0.19	8,492
Floor Insulation			0.00	0
Heating/Cooling			1.90	86,374
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$70.97	2,000	2.45	111,598
Other: Elevator	\$62,000	1	1.07	48,750
SUBTOTAL			79.85	3,630,205
Current Cost Multiplier	0.98		(1.60)	(72,604)
Local Multiplier	0.81		(15.17)	(689,739)
TOTAL DIRECT CONSTRUC	TION COSTS	S	\$63.09	\$2,867,862
Plans, specs, survy, bld prmts	3.90%		(\$2.46)	(\$111,847)
Interim Construction Interest	3.38%		(2.13)	(96,790)
Contractor's OH & Profit	11.50%		(7.25)	(329,804)
NET DIRECT CONSTRUCTION	ON COSTS		\$51.24	\$2,329,421

#### PAYMENT COMPUTATION

Primary	\$1,200,000	Amort	360
Int Rate	7.135%	DCR	1.68
Secondary	\$1,560,000	Amort	
Int Rate	4.77%	Subtotal DCR	1.68
Additional		Amort	
Int Rate		Aggregate DCR	1.68

## RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$97,113
Secondary Debt Service	0
Additional Debt Service	16,347
NET CASH FLOW	\$50,026

Primary	\$1,200,000	Amort	360
Int Rate	7.14%	DCR	1.68

Secondary	\$575,000	Amort	0
Int Rate	4.77%	Subtotal DCR	1.68

Additional	\$202,000	Amort	360
Int Rate	7.14%	Aggregate DCR	1.44

## OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$499,500	\$514,485	\$529,920	\$545,817	\$562,192	\$651,734	\$875,876	\$1,177,104
Secondary Income	12,000	12,360	12,731	13,113	13,506	15,657	21,042	28,279
Other Support Income: (descr	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	511,500	526,845	542,650	558,930	575,698	667,391	896,918	1,205,383
Vacancy & Collection Loss	(38,363)	(39,513)	(40,699)	(41,920)	(43,177)	(50,054)	(67,269)	(90,404)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$473,138	\$487,332	\$501,952	\$517,010	\$532,520	\$617,337	\$829,649	\$1,114,980
EXPENSES at 4.00%								
General & Administrative	\$29,122	\$30,287	\$31,498	\$32,758	\$34,068	\$41,449	\$61,355	\$90,820
Management	23,657	24,367	25,098	25,851	26,626	30,867	41,482	55,749
Payroll & Payroll Tax	74,966	77,964	81,083	84,326	87,699	106,700	157,942	233,792
Repairs & Maintenance	38,477	40,016	41,617	43,282	45,013	54,765	81,066	119,997
Utilities	56,856	59,130	61,495	63,955	66,513	80,924	119,787	177,314
Water, Sewer & Trash	17,472	18,171	18,898	19,654	20,440	24,868	36,811	54,489
Insurance	30,239	31,449	32,707	34,015	35,376	43,040	63,710	94,306
Property Tax	100	104	108	112	117	142	211	312
Reserve for Replacements	30,000	31,200	32,448	33,746	35,096	42,699	63,205	93,560
Other	8,762	9,112	9,477	9,856	10,250	12,471	18,460	27,326
TOTAL EXPENSES	\$309,651	\$321,801	\$334,429	\$347,555	\$361,199	\$437,926	\$644,029	\$947,665
NET OPERATING INCOME	\$163,486	\$165,531	\$167,523	\$169,455	\$171,322	\$179,411	\$185,620	\$167,314
DEBT SERVICE								
First Lien Financing	\$97,113	\$97,113	\$97,113	\$97,113	\$97,113	\$97,113	\$97,113	\$97,113
Second Lien	0	0	0	0	0	0	0	0
Other Financing	16,347	16,347	16,347	16,347	16,347	16,347	16,347	16,347
NET CASH FLOW	\$50,026	\$52,071	\$54,063	\$55,995	\$57,862	\$65,951	\$72,160	\$53,854
DEBT COVERAGE RATIO	1.44	1.46	1.48	1.49	1.51	1.58	1.64	1.47

COST CERTIFICATION ANALYSIS -Date: 10/22/2007						
Edinburg	Senior Towers,	Edinburg, #0419	93			
	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA		
	TOTAL	TOTAL	REHAB/NEW	REHAB/NEW		
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS		
(1) Acquisition Cost						
Purchase of land	\$10,000	\$575,000				
Purchase of buildings						
(2) Rehabilitation/New Construction Cost		•				
On-site work	\$130,735	\$540,000	\$130,735	\$540,000		
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$3,291,819	\$2,329,421	\$3,291,819	\$2,329,421		
(4) Contractor Fees & General Requirements						
Contractor overhead	\$59,039	\$57,388	\$59,039	\$57,388		
Contractor profit	\$177,117	\$172,165	\$177,117	\$172,165		
General requirements	\$177,117	\$172,165	\$177,117	\$172,165		
(5) Contingencies		\$143,471		\$143,471		
(6) Eligible Indirect Fees	\$291,608	\$291,608	\$291,608	\$291,608		
(7) Eligible Financing Fees	\$37,376	\$37,376	\$37,376	\$37,376		
(8) All Ineligible Costs	\$629,058	\$629,058				
(9) Developer Fees						
Developer overhead		\$74,872		\$74,872		
Developer fee	\$608,652	\$486,667	\$608,652	\$486,667		
(10) Development Reserves	\$3,764	\$57,391	,,,,,,,	, , , , , ,		
TOTAL DEVELOPMENT COSTS	\$5,416,285	\$5,566,583	\$4,773,463	\$4,305,134		
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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))  Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			\$4,773,463	\$4,305,134		
High Cost Area Adjustment			100%	100%		
TOTAL ADJUSTED BASIS			\$4,773,463	\$4,305,134		
Applicable Fraction			100%	100%		
TOTAL QUALIFIED BASIS			\$4,773,463	\$4,305,134		
Applicable Percentage			8.12%	8.12%		
TOTAL AMOUNT OF TAX CREDITS			\$387,605	\$349,577		
Synd	lication Proceeds	0.9075	\$3,517,676	\$3,172,553		
-						
lotal	Tax Credits (Eligib	-	\$387,605	\$349,577		
	Synd	dication Proceeds	\$3,517,676	\$3,172,553		
	Approved	2004 Tax Credits	\$357,369			
		dication Proceeds	\$3,243,270			
	\$3,243,270					
	\$387,318					
	\$3,515,069					
	an of Syndication	Droceede Noodod	\$2 A20 20F			
Ga	ap of Syndication		\$3,439,285			
	Total Tax Cred	dits (Gap Method)	\$378,968			
	Recor	nciled Tax Credits	\$357,369			
	dication Proceeds	\$3,243,270				
	_					
	Additional 2007 A	Illocation Amount	\$29,947			

**DATE:** December 8, 2004 **PROGRAM:** 9% HTC **FILE NUMBER:** 04193

	DEVELOPMENT NAME										
			Providence at				rtments				
			Į.	APPLICA	NT						
Name:	Chicory	Court XXX	K, LP.	Туре	: _	For	Profit				
Address:	975 One	Lincoln Co	entre	City:		D	allas			State:	Texas
Zip:	75240	Phon	ie:	(9	) / 2. <b>)</b>	39-8500 111	Fax:	(972)	239-8373		
			PRINCIPALS of the A	APPLICAN	NT/ K	EY P	ARTICIPA	ANTS			
Name:	Chicory	GP - XXX	, LLC	(%):	0.0	1%	Title:	Managin	g Gene	eral Partner	
Name:	Edinburg	g Housing (	Opportunity Corp	(%):	N/A	4	Title:	100% Owner of MGP & 15% C Developer			5% Co-
Name:	LJB Hole	dings, Ltd.	(Leon J. Backes)		N/A	4	Title:	10% Interest in Developer			
Name:	1029 Far	nily Limite	d, LP (Saleem Jafar)	(%):	N/A	4	Title:	75% Inte	rest in	Developer	
			PROPI	ERTY LO	CAT	ION					
Location:	201 Nort	th 13 <sup>th</sup> Ave							] Q	CT	] DDA
City:	Edinburg	g	Co	ounty:	unty: Hidalgo			<del></del>		Zip:	78541
					_					_	
				REQUES	T						
<u> 4</u>	<u>Amount</u>		<b>Interest Rate</b>		<u> </u>	Mor	<u>tization</u>			<u>Term</u>	
1)	\$361,397		N/A			N	J/A			N/A	
Other Requ	uested Tern	ns: Ann	ual ten-year allocation	of housin	g tax	crec	lits				
Proposed U	se of Fund	s: Acq	uisition/Demolition/New	w Constri	uctio	n		Property 7	Гуре:	Multif	amily
Special Pur	pose (s):	Elderly									
			RECO	DMMEND	ATIC	N					
$\bowtie$ R	PECOMMEND APPROVAL OF A HOUSING TAY CREDIT ALLOCATION NOT TO EXCEED										

### CONDITIONS

\$357,369 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

- 1. Receipt review and acceptance of revised building plans reflecting the inclusion of at least two elevators or documentation that the local building code and best practices in senior developments do not require a lower tenant to elevator ratio prior to close of the construction loan;
- 2. Receipt review and acceptance of a revised site plan reflecting the inclusion of at least one parking space per unit or documentation that the local code and best practices in senior developments do not require more than 0.60 parking spaces per unit prior to close of the construction loan;
- 3. Receipt, review, and acceptance of a revised rent schedule and documentation from the Applicant that reconcile: the number of public housing units, the restricted rent for each rent level and General Partner confirmation of the number of efficiency and one-bedroom units prior to close of the

construction loan;

- 4. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs, building flood insurance and tenant flood insurance costs prior to close of the construction loan;
- 5. Receipt, review and acceptance of a plan for additional investigation and remediation of ACMs as recommended in the body of the ESA I prior to the demolition of the buildings;
- 6. Receipt, review and acceptance prior to close of the construction loan of a revised tax attorney's opinion or qualified CPA opinion and documentation to support the Applicant's ability to claim 9% tax credits without reducing eligible basis by the amount of below market federal financing being provided by Edinburg Housing Authority. Should such a satisfactory opinion and documentation not be provided, the recommended tax credit amount may be reduced to \$308,409.
- 7. Receipt, review and acceptance prior to close of the construction loan of a tax attorney's opinion or qualified CPA opinion and documentation to support the Applicant's ability to claim 100% property tax exemption;
- 8. Should their be further changes in the: unit mix, number or allowed rent of public housing units, terms and rates of the proposed debt or syndication; the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.

## REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS						
IMPROVEMENTS						
Total Units: 4 Rental Buildings 1 #Common Area Bldgs 1 Floors 4 Age: N/A yrs Vacant: N/A at / /						
Net Rentable SF: 57,816 Av Un SF: 578 Common Area SF: 2,000 Gross Bldg SF: 59,816						
	STRUCTURAL MATERIALS					

The structure will be wood frame and concrete block on a post-tensioned concrete slab on grade. According to the plans provided in the application the exterior will be comprised as follows: 75% stucco 15% stone and 10% Hardiboard or Plank siding. The interior wall surfaces will be drywall and the pitched roof will be finished with composite shingles.

### **APPLIANCES AND INTERIOR FEATURES**

The interior flooring will be a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, ceiling fans, laminated counter tops, central boiler system for hot water, and individual heating and air conditioning units.

## **ON-SITE AMENITIES**

A community center will include an activity room, management offices, laundry facilities, a kitchen, restrooms, a computer/business center, and a central mailroom. The community building is located at the middle of the property. In addition, perimeter fencing with limited access gates are planned for the site.

Uncovered Parking: 60 spaces Carports: 0 spaces Garages: 0 spaces

### PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

**Description:** Providence at Edinburg is a very dense, (72.6 units per acre) acquisition new construction development of 100 units of affordable housing located just north and east of the central business district of Edinburg, Texas. The original development, known as La Vallita Towers, was built in the 1970's and was originally planned to be renovated and some of the documentation in the application refer to a rehabilitation of the existing buildings. However the majority of the documentation refers to the existing buildings being demolished and the Applicant subsequently confirmed this in writing saying that "...systems in the buildings since the date of the application have experienced significant failures making it a better economic choice to rebuild new" (August 10, 2004 letter). The new building will be comprised of one four story building containing 100 units. The building will contain 72 efficiency and 28 one-bedroom/one-bath units.

The E-shaped building includes a single elevator located at the center of the building. This is a very poor design as some residents will be required to walk in excess of 200 feet in order to use the elevator. Moreover the single elevator serves 76 upper floor units which is considered higher than the 30 to 40 units per elevator in a more typical transaction. The Department currently has no formal requirement for the number of units each elevator should serve; however additional dispersed elevators would likely improve the marketability to senior residents. Therefore this report is conditioned upon receipt review and acceptance of revised building plans reflecting the inclusion of at least two elevators or documentation that the local building code and best practices in senior developments do not require a lower tenant to elevator ratio.

In addition the revised plan calls for only 60 parking spaces which is 3/5ths of a parking space per unit, although street parking may also be available. While the Department does not have a formal requirement for the number of parking spaces per unit, the typical underwriting minimum has been one parking space per unit and additional parking spaces would improve the marketability of the development. Therefore this report is conditioned upon receipt review and acceptance of a revised site plan reflecting the inclusion of at least one parking space per unit or documentation that the local code and best practices in senior developments do not require more than 0.60 parking spaces per unit.

Existing Subsidies: Currently the property is owned and being operated as 100% public housing by the Edinburg Housing Authority. Since the General Partner of the newly formed entity will be 100% owned by the Edinburg Housing Authority, they will maintain at least some of the units as public housing. The application indicated that up to 33% of the project's new units will be designated and operated as public housing units and will be set aside for tenants with incomes at or below 30% of area median income and the remaining 70% of the units will be set aside for low income housing for elderly tenants with incomes at or below the 60% level. The most recent rent schedule provided by the developer only reflects nine percent of the units set aside for residents earning 30% of AMI and an additional eight percent set aside for residents earning 40% of AMI. While it is possible that this eight percent and an additional 16% of the units (shown as 60% units) will be set aside for residents earning not more than 30% of the AMI, the mechanism (voucher or HAP contract) for providing the rent difference has not been clearly identified or documented. The Applicant has indicated that the property may continue to benefit from the public housing operating subsidy provided to the PHA by HUD. Receipt, review, and acceptance of a revised rent schedule and documentation from the Applicant that reconcile: the number of public housing units, the restricted rent for each rent level and General Partner confirmation of the number of efficiency and one-bedroom units is a condition of this report.

**Development Plan:** The existing twin 7 story buildings, containing a total of 100 units, will be demolished and a modern 4 story building with 100 units will be built in its place. After a review of the proposed plans and discussions with the developer, it was discovered that the proposed units do not meet the minimum size standards as stated in the QAP 50.9 (g) (7) (A). The minimum standards are as follows: Efficiency units must be a minimum of 500 square feet, one bedroom units must be 650 square feet for a non-elderly unit and 550 for an elderly unit and a two bedroom unit must be 900 square feet for non-elderly and 750 square feet for an elderly unit. The subject units were conceived as 552 square foot units for the one bedroom units and 600 square foot units for the 2 bedroom units. As a result of requests for clarification on this issue, the Applicant has decided to reclassify the original one-bedroom unit as efficiency units, and reclassify the original two-bedroom unit as a one-bedroom with a den. The Underwriter discussed this proposal with the developer who has also discussed this with the Applicant and informed him that once these units were designated as efficiency and one-bedroom units they will be required to rent these units at the appropriate efficiency and one bedroom rental rates for the entire term of the affordable period. He indicated that the Applicant was aware of this requirement and has agreed to provide these units at the lower rates for the entire term of the affordable period. Receipt, review, and acceptance of documentation from the Applicant that he is aware of the rental requirements for the efficiency and one bedroom-den units is a condition of this report. The demolition budget for the subject is \$175,000, and the tenant relocation budget has been set at \$150,000.

<u>Architectural Review</u>: The building and unit plans are of good design and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

SITE ISSUES							
					SITE DESCRIPTION		
Size:	1.377	acres	60,000	square feet	Zoning/ Permitted Uses:	C-2 General Business District	
Flood Zone Designation:		Zone AH		Status of Off-Sites:	Fully Improved		

#### SITE and NEIGHBORHOOD CHARACTERISTICS

<u>Location:</u> Edinburg is located in far South Texas along the Texas – Mexico boarder. Edinburg is approximately 240 miles south of San Antonio in Hidalgo County. The site is a rectangular-shaped parcel located in the north east area of Edinburg, approximately ¼ mile from the central business district. The site is situated on the north side of McIntyre Street, on the south side of Kuhn Street and on the west side of 13<sup>th</sup> Avenue.

#### **Adjacent Land Uses:**

- North: Kuhn Street immediately adjacent and single family residential homes beyond;
- South: McIntyre Street immediately adjacent and retail shopping beyond;
- East: 13th Avenue immediately adjacent and beauty salon, post office and parking beyond; and
- West: Existing Commercial Property (Adult Day Care Center) immediately adjacent

<u>Site Access</u>: Access to the property is from the east or west along East Kuhn (which is the northern boundary of the site) and East McIntyre Street (which is the southern boundary of the site) The development is to have two main entries, one from East Kuhn Street and the other from East McIntyre Street. Access to US Highway 281 is one mile east, Business 281 is two blocks east, and State Highway 83 is approximately 7 miles south, which provides connections to all other major roads serving the Rio Grande Valley area.

<u>Public Transportation</u>: Public transportation to the area is provided by Rio Metro, twice a week, on Monday and Wednesday. The bus will stop upon request, in front of the subject. The bus driver can deviate up to ½ mile from his route to pick up passengers. The main route is just one block north of the subject.

**Shopping & Services:** The site is within a short driving distance of major grocery/pharmacies, shopping centers, library, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

<u>Special Adverse Site Characteristics</u>: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

• Floodplain: The subject property is located in Flood Zone AH, as shown on FEMA Flood Insurance Map – Community Panel Number 480338 0020 E dated June 6, 2000. Flood Zone "AH" is defined as "Flood depths of 1 to 3 feet (usually areas of ponding); base flood elevations determined." In the QAP it states "Any Development......must develop the site so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements." Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation sitework costs, building flood insurance and tenant flood insurance costs prior to the initial closing on the property is a condition of this report.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on May 11, 2004 and found the location to be acceptable for the proposed development.

### HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 30, 2004 was prepared by MAS-D Environmental Associates and contained the following findings and recommendations:

### **Findings**:

• Asbestos-Containing Materials (ACM): Samples were collected and analyzed. Asbestos was found in the following areas: Popcorn Ceiling Material, Black Floor Tile mastic, and Black Mastic on TSI. Further Investigation/Remediation will be required prior to demolition or renovation.

Recommendations: "We do not recommend a Phase II Environmental Site Assessment based on the site

visit and the results of the search of the environmental data base." (p 20) Since demolition will be conducted to the existing building, compliance with state and federal requirements regarding the demolition buildings with ACMs will be required. Receipt, review and acceptance of a plan for additional investigation and remediation of ACMs as recommended in the body of the ESA I prior to the demolition of the buildings is a condition of this report.

### **POPULATIONS TARGETED**

<u>Income Set-Aside</u>: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 100 of the units (100% of the total) will be reserved for low-income elderly tenants. 9 of the units (9%) will be reserved for households earning 30% or less of AMGI, 8 units (8%) will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES							
1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons							
60% of AMI	\$17,820	\$20,340	\$22,920	\$25,440	\$27,480	\$29,520	

#### **MARKET HIGHLIGHTS**

A market feasibility study dated March 29, 2004 was prepared by Butler Burgher, Inc. ("Market Analyst") and highlighted the following findings: The PMA has experienced strong growth over the past ten years and is expected to continue in the foreseeable future. Positive absorption in the past 12 months and rents have remained level to slightly increasing. The location of the subject is good and has good access to the rest of the city and the Rio Grande Valley via US 281 and State Highway 83.

<u>Definition of Primary Market Area (PMA)</u> "The subjects primary market area has been defined as the McAllen/Edinburg/Mission MSA (comprised of Hidalgo County)" (p. 20). This area encompasses approximately 1,583 square miles and is equivalent to a circle with a radius of 22.5 miles.

**Population:** The estimated 2003 population of the PMA was 619,824 and is expected to increase by 13.94% to approximately 706,213 by 2008. Within the primary market area there were estimated to be 58,675 households in 2003.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 22,848 qualified households in the PMA, based on the current estimate of 58,675 households, the projected annual growth rate of 4.64%, renter households estimated at 26.53% of the population, income-qualified households estimated at 38.94%, and an annual renter turnover rate of 30 %. (p. 49). The Market Analyst used an income band of \$0.00 to \$19,080 since the property will in part be public housing available to tenants with no income.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY						
	Market	Market Analyst Underwriter				
Toma of Domand	Units of	% of Total	Units of	% of Total		
Type of Demand	Demand	Demand	Demand	Demand		
Household Growth	803	30.63%	268	12.4%		
Resident Turnover	1,819	69.37%	1,895	87.6%		
Other Sources:	N/A	N/A	N/A	N/A		
TOTAL ANNUAL DEMAND	2,622	100%	2,162	100%		

Ref: p. 49

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 6.18% based upon 100 units of demand and 162 unstabilized affordable housing in the PMA (including the subject) (p. 49-50). The Underwriter calculated an inclusive capture rate of 5.8% based upon a revised supply of unstabilized comparable affordable units of 126 divided by a demand of 2,162. Since both capture rates rely upon demand derived from public housing eligible households but only as much as 33% of the new development may be public housing eligible, the demand for the remaining units may be overstated and thus the capture rates may be significantly understated.

<u>Market Rent Comparables</u>: The Market Analyst surveyed 4 LIHTC comparable apartment projects totaling 698 units in the market area. "As indicated, the subject's average reconciled rents (as encumbered with LIHTC) of \$0.60/SF or \$414/unit fall in-line with the range of existing LIHTC properties in the market and are considered reasonable" (p. 59).

RENT ANALYSIS (net tenant-paid rents)							
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differential							
Efficiency (30%)	\$216	\$169	\$47	\$465	-\$249		
Efficiency (60%)	\$401	\$392	\$9	\$465	-\$64		
1-Bedroom (30%)	\$231	\$162	\$69	\$560	-\$331		
1-Bedroom (40%)	\$270	\$242	\$28	\$560	-\$290		
1-Bedroom (60%)	\$424	\$401	\$23	\$560	-\$136		

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =\$500, program max =\$600, differential = -\$100)

<u>Primary Market Occupancy Rates:</u> "....construction has been somewhat steady in this market over the past several years and absorption also appears to be relatively strong; this is because most of the units built in the current cycle have been affordable (LIHTC) units that have been met with strong demand. Our survey of LIHTC properties within the subject's PMA indicated a strong average occupancy rate of 96% and many of these complexes are at 100% occupancy with waiting lists" (p. 32).

Absorption Projections: "Absorption varied from 15 to 38 units per month, with the highest rates posted for properties with LIHTC rents. The average of the comparables was approximately 22 units per month.....Based on the market data presented, we believe the proposed 100-unit, senior-restricted project should be absorbed to a stabilized 92.5% occupancy in approximately 7 months from the completion of construction, based on an absorption rate of 15 units/month." (pgs. 51-52).

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study to be acceptable. The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

### **OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant's gross rent projections are slightly lower than the maximum rents allowed under HTC/program guidelines as it appears that the Applicant used the previous years (2003) maximum rent limits. However the utility allowances used were significantly less than the amounts calculated from the published utility allowances for Hidalgo County. The Applicant stated that the landlord would be responsible for centralized water heating costs and the allowance and utility operating expense were calculated accordingly. The Applicant used utility allowances of \$0.00 for the 30% efficiency units and \$31.00 for the 60% efficiency units. The Applicant used \$0.00 for the 30% one-bedroom units and \$39.00 for the 40%, and 60% one-bedroom units. Typically the utility allowance is applied to all units though it would appear that the Applicant was attempting to suggest that the public housing units would be all bills paid (to be fully reimbursed by the HUD rent subsidy allowed for public housing units. For the purposes of this review the Underwriter used the published allowances of \$53.00 for all of the efficiency units and \$76.00 for all of the one-bedroom units based on the fuel choices indicated in the application. More typically developments with public housing components are shown providing rent sufficient to break even covering operating income and debt service, if any. In this case that rent would be estimated at \$348 per unit and thus, the Applicant's estimates reflect that the non-public housing units may be providing additional operating support for the public housing units. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of these differences the Applicant's effective gross income estimate is \$25,775 greater than the Underwriter's estimate.

**Expenses:** The Applicant's total expense estimate of \$2,718 per unit is less than 5% higher than that of the Underwriter's database-derived estimate of \$2,610 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly payroll (\$9K higher), repairs and maintenance (\$19K higher), utilities (\$12K lower), and property insurance (\$6K lower). The Applicant is anticipating a 100% property tax exemption based on the housing authorities ownership of the general partnership of the development. While

there is no provision for such a property exemption in the state tax code, it is common for housing authorities to acquire the underlying land and lease the site to the development in order to obtain a full property tax exemption. Receipt, review and acceptance of documentation of the structure and basis for the proposed property tax exemption is a condition of this report. The Applicant also included reserves for replacements of \$250 per unit per year as required by the lender evidenced in the commitment letter.

Conclusion: The Applicant's estimated income is inconsistent with the Underwriter's expectations and the Applicant's net operating income (NOI) estimate is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. In both the Applicant's and the Underwriter's income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION										
APPRAISED VALUE										
Land Only: 1.377 acres		\$525,000			Date of Valu	ation:	02/	25/	2004	
Existing Building(s): "as is" \$0.00					Date of Valu	ation:	/	/		_
Total Development: "as is"		\$525,000			Date of Valu	ation:	02/	25/	2004	_
Appraiser: Tara Bodeke	r Butler	Burgher Inc.		City:	Dallas	Phone	(2	10-)	739-0700	_

#### APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Tara Bodeker, State Certified General and Diane Butler, MAI, CCIM and dated February 25, 2004. Since the buildings will be razed and a new building built the appraisal only provides a land value. This current land value is important in the valuation and underwriting of this property because it should and does support the purchase price of the subject. For this valuation, the only approach used was the sales comparison approach. In this case the value and purchase price are the same. Due to the quality of the comparable sales the appraisal provides a reasonable estimation of land value.

\$630	100						
	,480		Assessment for the Year of: 2003				
\$3,329,923		Valuation by:	Valuation by: Hidalgo Cou		County Appraisal District		
\$3,95	59,923		Tax Rate:	3.0390			
EVIDENCE of SITE or PROPERTY CONTROL							
Purcha	se Optio	on					
12/	31/	2004	Anticipated Clos	sing Date:	12/	31/	2004
Acquisition Cost: \$535,000 Oth				itions:	Buyer and	Seller are	the Same
Seller: Housing Authority of the City of Edinburg Related to Development Team Member: Yes						r: Yes	
	\$3,95 Purcha 12/ \$535,0	\$3,959,923  EVII  Purchase Option 12/ 31/ \$535,000	\$3,959,923  EVIDENCE of S  Purchase Option  12/ 31/ 2004  \$535,000	\$3,959,923 Tax Rate:  EVIDENCE of SITE or PROPERTY CO  Purchase Option  12/ 31/ 2004 Anticipated Close  \$535,000 Other Terms/Condition	\$3,959,923         Tax Rate:         3.0390           EVIDENCE of SITE or PROPERTY CONTROL           Purchase Option         12/ 31/ 2004 Anticipated Closing Date:           \$535,000         Other Terms/Conditions:	\$3,959,923         Tax Rate:         3.0390           EVIDENCE of SITE or PROPERTY CONTROL           Purchase Option         12/         31/         2004         Anticipated Closing Date:         12/           \$535,000         Other Terms/Conditions:         Buyer and	\$3,959,923

## CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$535,000 (\$5,350/unit) is substantiated by the appraisal of \$5,350 per unit and the tax assessed value of \$6,305. This value is based on "Land Only" since the structure is to be razed and a new structure to be built. The purchase of this property is a related party transaction. The general partner of the buyer and seller are the same entity. The General Partner is said to be also contributing an equal or greater amount of funding to the development thereby mitigating a potential acquisition gap funding by the tax credits. Demolition costs of \$175,000 are included in the site acquisition portion of the costs and therefore are properly accounted for as ineligible for basis calculation.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$6,000 per unit are considered reasonable compared to historical sitework costs for multifamily developments.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$185K or 8% lower than

the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate and therefore may be understated.

<u>Fees</u>: The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit all exceed the guidelines allowed by TDHCA by a total of \$8,402. In addition, contingency exceeds the allowable 5% limit by \$29,814. The Applicant's eligible basis has been reduced by these amounts. As a result the Applicant's projected developer fees exceed the allowable 15% of eligible costs by \$5,732 and this amount must also be reduced from the Applicant's eligible basis. The Applicant also included no initial reserves for operation and lease up exacerbating the potential that the development costs are generally understated.

Conclusion: However, the overall cost of the subject is \$259K or 4.7% lower than the Underwriter's estimate which is within the allowable 5% tolerance and is therefore regarded as reasonable as submitted. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted by the Underwriter, is used to calculate eligible basis and determine the HTC allocation. As a result, an eligible basis of \$4,379,520 is used to determine a credit allocation of \$357,369 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE							
INTERIM CONSTR	RUCTION/PERMANENT FINANCING						
Source: AMAC	Contact: Anthony Mastromarco						
Construction Principal Amount: \$1,830,000	Interest Rate: 30 BP over Permanent LN Approx 8.05%						
Permanent Principal Amount: \$1,650,000	Interest Rate: 7.75%						
Additional Information: Est. Construction loan in	nterest rate is 8.05% based on 30 basis points over the perm rate						
Interim Amortization: 12-18 Mos Term: N/A y	yrs Commitment:  LOI Firm  Conditional						
Permanent Amortization: 18 yrs Term: 30 y	yrs Commitment: LOI Firm M Conditional						
GRANT							
Source: Edinburg Housing Authority Contact: Estellas Trevino							
Principal Amount: \$600,000 Comm	itment: LOI Firm M Conditional						
Additional Information:	Commitment Date 02/ 2004						
TAX	CREDIT SYNDICATION						
Source: Related Capital	Contact: Justin Ginsberg						
Net Proceeds: \$2,999,297 Net Syr	ndication Rate (per \$1.00 of 10-yr HTC) .83¢						
Commitment LOI Firm	Conditional Date: 02/ 2004						
Additional Information:							
APPLICANT EQUITY							
<b>Amount:</b> \$29,690 <b>Source:</b>	Deferred Developer Fee						
FINANCING STRUCTURE ANALYSIS							

<u>Interim to Permanent Financing</u>: The interim and permanent financing letter is inconsistent with the terms reflected in the sources and uses of funds listed in the application. However, the amounts, rates, and terms listed in the commitment letter are sufficient to provide adequate financing for the project. Revised financial commitments need to be reviewed to ensure that the assumptions in this report remain valid or the development should be re-evaluated if any of the assumptions are changed.

Additional Interim and Permanent Financing: In addition to the above financing the Edinburg Housing Authority is said to be granting a loan to the Applicant (Chicory GP-XXX, LLC, Edinburg Housing Opportunity Corp. as Managing Partner which is 100% owned by Edinburg Housing Authority) in the amount of ... "\$610,000 or such greater amount as necessary to construct the public housing units, as such greater amount is approved by lender." In other documentation the Applicant has indicated that the loan will be in the amount of \$600,000 and the source of these funds is; "The loan will be funded a portion with proceeds of capital grant funds funded to lender by HUD and a portion with proceeds from the sale of the Project Site." The revenue generated from the sale of the Project Site is approximately \$535,000 and therefore, the remaining \$65,000 will come from HUD funds. Since this loan is structured to accrue interest until maturity, the development will not be responsible for debt service.

It is not clear how this \$600,000 forgivable loan is not considered federal funds since their origin either by way of sale of the original HUD funded development or the capital grant funds or future operating subsidy funds are federal HUD funds as well. The Applicant provided a letter from John Shackelford, the attorney representing the Applicant. Mr. Shackelford identified a loan of \$80,000 and suggested that since the funds are being made at an interest rate that equals the applicable federal rate the loan is not a below market rate loan and the development may maintain its full eligible basis. The proposed debt however will have debt service including interest that is deferred 30 years until maturity and according to the developer the principal and accrued interest is forgivable. A second element in determining if a development's federal subsidized loan is a below market loan is a determination that it is a real loan anticipated and capable of being repaid. Since the General Partner could alternatively choose to provide a lease on the site or sell the site to the Applicant they control for \$1.00, the \$65K to \$75K in additional funds from the housing authority could be the only funds that are ultimately at issue with regard to the below market rate federal subsidy. While it is questionable whether the entire \$600K plus accrued interest is repayable and thus could be considered below market rate funding, the potential \$75K additional funds can be characterized as repayable under this analysis. Thus for the purposes of the remainder of this analysis these funds have been considered not to effect eligible basis but the final structure of the entire \$600K proposed funds must be identified and shown to not be considered below market federal funding prior to close of the construction loan. If satisfactory documentation and support can not be provided, the funds may need to be considered as a reduction to eligible basis and the resulting tax credits will be reduced to \$308,409. The resulting reduction in syndication proceeds would increase the required deferred developer fee to a level that is characterized as not repayable in 15 years and therefore would result in an infeasible development. Therefore; receipt, review and acceptance of a tax attorney or CPA opinion and documentation to support the Applicant's ability to claim 9% tax credits without reducing eligible basis by the amount of the loan/grant is a condition of this report.

**HTC Syndication:** The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

**<u>Deferred Developer's Fees:</u>** The Applicant's proposed deferred developer's fees of \$62,828 amount to 11% of the total fees.

<u>Financing Conclusions</u>: Based on the Applicant's estimate of eligible basis, as adjusted by the Underwriter, the HTC allocation should not exceed \$357,369 annually for ten years, resulting in syndication proceeds of approximately \$2,965,566. Based on the underwriting analysis, the Applicant's deferred developer fee will be \$63,423, which represents approximately 11% of the eligible fee and which should be repayable from cash flow within 5 years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, or the eligible basis be reduced as a result of the ineligibility of funding provided by the housing authority, additional deferred developer's fee may not be available to fund all development costs.

## DEVELOPMENT TEAM IDENTITIES OF INTEREST

The General Partner of the Applicant, Co-Developer, Property Manager and Supportive Services firm are all related entities. While these are common relationships for HTC-funded developments, the General Partner is also the land seller and is providing additional funding to the development which is less common and will be

mitigated as required in this report or will result in a reduction in eligible basis and recommended credit.

## APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

<u>Financial Highlights</u>: The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.

The General Partner of the Applicant is 100% owned by the Housing Authority of the City of Edinburg and is an instrumentality of the City of Edinburg. The Housing Authority has provided audited financial statements for the year ended March 31, 2003 reporting total assets of \$5.3M and consisting of \$647K in cash, \$539K in receivables, \$10K in inventories net of allowance, and \$4.1M in fixed assets net of accumulated depreciation. Liabilities totaled \$872K, resulting in a net equity of \$4.4M. The Auditor provided a clean opinion according to Government Auditing Standards, but did note five non-material but reportable conditions, each of which had an appropriate plan for corrective action by the next annual audit.

The equity commitment requires the guarantee of LJB Financial L.P. and Leon Backes and Mr. Backes provided financial statements to the Department. It should be noted however that Mr. Backes and Mr. Jafar have split their overall development partnership since this application was submitted and it is unclear how that will effect this development. Should the development partnership proposed for this development change however, a re-examination by the Real Estate Analysis division of the Department will be required.

### **Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- Mr. James R. (Bill) Fisher an employee of one of the co-developers has been awarded a Certificate of Experience by TDHCA in February, 2004.

#### **SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's estimated gross income and net operating income are more than 5% outside of the Underwriter's verifiable ranges.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- Significant inconsistencies in the application could affect the financial feasibility of the development.
- The seller of the property has an identity of interest with the Applicant.
- The property's project-based rent subsidy is subject to Federal funding and may not be renewed as anticipated.
- The property is located in the Flood Hazard Area designated as "AH". Additional construction costs could be incurred to raise the level of the building out of the flood zone.
- Significant environmental/locational risks exist regarding possible costs related to safe removal of asbestos during demolition of the existing units.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:		Date:	December 8, 2004
	Bert Murray		
Director of Real Estate Analysis:		Date:	December 8, 2004
	Tom Gouris		

#### MULTIFAMILY COMPARATIVE ANALYSIS

#### Providence at Edinburg, Edinburg, 9%, 04193

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh	
TC 30%	5	Eff	1	522	\$222	\$169	\$845	\$0.32	\$53.00	\$36.00	
TC 60%	23	Eff	1	522	445	\$392	9,016	0.75	53.00	36.00	
TC 30%	4	1	1	600	238	\$162	648	0.27	76.00	40.00	
TC 40%	8	1	1	600	318	\$242	1,936	0.40	76.00	40.00	
TC 60%	60	1	1	600	477	\$401	24,060	0.67	76.00	40.00	
TOTAL:	100		AVERAGE:	578	\$435	\$365	\$36,505	\$0.63	\$69.56	\$38.88	
INCOME Total Net Rentable Sq F 57,816					TDHCA	APPLICANT	Comptroller's Region 11				
POTENTIAL	GROSS RE	ENT				\$438,060	\$465,924		IREM Region		
Secondar	y Income		Per t	Jnit Per Month:	\$10.00	12,000	12,000	\$10.00	Per Unit Per Mo	onth	
Other Su	pport Inco	me: (desci	ribe)			0	0				
POTENTIAL						\$450,060	\$477,924				
-				Gross Income:	-7.50%	(33,755)	(35,844)	-7.50% of Potential Gross Rent			
EFFECTIVE			I UNITES OF	Concessions		\$416,306	\$442,080				
EXPENSES	GRODD II	COME	% OF EGI	PER UNIT	PER SO FT	\$410,300	Ş442,000	PER SO FT	PER UNIT	% OF EGI	
	& Administ	ratimo	5.77%	\$240	0.42	\$24,002	\$27,500	\$0.48	\$275	6.22%	
		Iacive									
Managemen		m	4.00%	167	0.29	16,652	17,683	0.31	177	4.00%	
-	& Payroll		17.22%	717	1.24	71,675	80,500	1.39	805	18.21%	
-	& Maintena	nce	7.93%	330	0.57	33,032	52,450	0.91	525	11.86%	
Utilitie		,	7.15%	298	0.52	29,783	17,500	0.30	175	3.96%	
•	ewer, & Tr		6.10%	254	0.44	25,399	21,500	0.37	215	4.86%	
	Insurance		4.17%	173	0.30	17,345	11,563	0.20	116	2.62%	
Property		Tax Exempt	0.02%	1	0.00	100	100	0.00	1	0.02%	
	for Replac		6.01%	250	0.43	25,000	25,000	0.43	250	5.66%	
	penses:Com	p Fees, S		180	0.31	17,990	17,990	0.31	180	4.07%	
TOTAL EXP		•	62.69%	\$2,610	\$4.51	\$260,980	\$271,786	\$4.70	\$2,718	61.48%	
NET OPERA		:	37.31%	\$1,553	\$2.69	\$155,326	\$170,294	\$2.95	\$1,703	38.52%	
DEBT SERV	ICE										
AMAC			34.07%	\$1,418	\$2.45	\$141,850	\$141,850	\$2.45	\$1,419	32.09%	
Edinburg H			8.26%	\$344	\$0.59	34,374		\$0.00	\$0	0.00%	
Additional	-	•	0.00%	\$0	\$0.00	0 (***********	***	\$0.00	\$0	0.00%	
NET CASH FLOW		-5.02%	(\$209)	(\$0.36)	(\$20,898)	\$28,444	\$0.49	\$284	6.43%		
AGGREGATE 1						0.88	1.20				
RECOMMENDE		ERAGE RATI	10			1.10					
CONSTRUCT	'ION COST										
Descri	_	<u>Factor</u>	% of TOTAL	PER UNIT	PER SO FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL	
Acquisiti	on Cost	site or blo	12.82%	\$7,100	\$12.28	\$710,000	\$710,000	\$12.28	\$7,100	13.45%	
Off-Sites			0.00%	0	0.00	0		0.00	0	0.00%	
Sitework			9.75%	5,400	9.34	540,000	540,000	9.34	5,400	10.23%	
Direct Co	nstructio	on	40.92%	22,663	39.20	2,266,306	2,081,375	36.00	20,814	39.43%	
Contingen	су	5.00%	2.53%	1,403	2.43	140,315	160,883	2.78	1,609	3.05%	
General R	eq'ts	5.73%	2.91%	1,609	2.78	160,883	160,883	2.78	1,609	3.05%	
Contracto	r's G & A	1.91%	0.97%	536	0.93	53,628	53,628	0.93	536	1.02%	
Contracto	r's Prof:	5.73%	2.91%	1,609	2.78	160,883	160,883	2.78	1,609	3.05%	
Indirect	Construct	ion	9.25%	5,120	8.86	512,000	512,000	8.86	5,120	9.70%	
Ineligibl	e Costs		2.63%	1,455	2.52	145,521	145,521	2.52	1,455	2.76%	
Developer		2.88%	2.08%	1,154	2.00	115,395	115,395	2.00	1,154	2.19%	
Developer			8.34%	4,616	7.98	461,579	461,579	7.98	4,616	8.74%	
Interim F			3.19%	1,768	3.06	176,842	176,842	3.06	1,768	3.35%	
	9		1.70%	944	1.63	94,390	0	0.00	0	0.00%	
		•	100.00%	\$55,377	\$95.78	\$5,537,743	\$5,278,989	\$91.31	\$52,790	100.00%	
Reserves	T		59.99%	\$33,220	\$57.46	\$3,322,015	\$3,157,652	\$54.62	\$31,577	59.82%	
Reserves TOTAL COS		ion Costs	22.220		• • •			RECOMMENDED			
Reserves TOTAL COS Recap-Hard	Construct	ion Costs	33.33%								
Reserves TOTAL COS Recap-Hard SOURCES O	Construct	ion Costs		¢16 F00	\$20 F4	\$1 6EN NNN	¢1 650 000		Dorrol on on T	oo Arradiahi -	
Reserves TOTAL COS Recap-Hard SOURCES O	Construct		29.80%	\$16,500	\$28.54	\$1,650,000	\$1,650,000	\$1,650,000		ee Available	
Reserves TOTAL COS Recap-Hard SOURCES O AMAC Edinburg He	Construct F FUNDS Ousing Aut	hority	29.80% 10.83%	\$6,000	\$10.38	600,000	600,000	\$1,650,000 600,000	\$571	,242	
Reserves TOTAL COS Recap-Hard SOURCES O AMAC Edinburg He HTC Syndics	Construct F FUNDS Ousing Aut	hority eeds	29.80% 10.83% 54.16%	\$6,000 \$29,993	\$10.38 \$51.88	600,000 2,999,297	600,000 2,999,297	\$1,650,000 600,000 2,965,566	\$571 % of Dev. F	,242 ee Deferred	
Reserves TOTAL COS Recap-Hard SOURCES O AMAC Edinburg He HTC Syndica Deferred Deferred	Construct FFUNDS Ousing Aut ation Proceeveloper F	hority eeds ees	29.80% 10.83% 54.16% 0.54%	\$6,000 \$29,993 \$297	\$10.38 \$51.88 \$0.51	600,000 2,999,297 29,690	600,000 2,999,297 29,690	\$1,650,000 600,000 2,965,566 63,423	\$571 % of Dev. F 11	,242 Tee Deferred	
Reserves TOTAL COS Recap-Hard SOURCES O AMAC Edinburg H HTC Syndics	Construct F FUNDS  ousing Aut ation Proceeveloper F (excess)	hority eeds ees	29.80% 10.83% 54.16% 0.54%	\$6,000 \$29,993	\$10.38 \$51.88	600,000 2,999,297	600,000 2,999,297	\$1,650,000 600,000 2,965,566	\$571 % of Dev. F	,242 dee Deferred .1% live Cash Flow	

#### MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Providence at Edinburg, Edinburg, 9%, 04193

# DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$46.89	\$2,710,992
Adjustments				
Exterior Wall Fini	1.20%		\$0.56	\$32,532
Elderly/9-Ft. Ceil	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(2.03)	(117,366)
Floor Cover			2.00	115,632
Porches/Balconies	\$20.28	3,704	1.30	75,133
Plumbing	\$605	100	1.05	60,500
Built-In Appliance	\$1,650	100	2.85	165,000
Stairs Interior	\$2,700	2	0.09	5,400
Floor Insulation			0.00	0
Heating/Cooling			1.53	88,458
Garages/Carports		0	0.00	0
Comm &/or Aux Bldg	\$66.92	2,000	2.31	133,836
Other: Elevator	\$51,500	1	0.89	51,500
SUBTOTAL			57.45	3,321,617
Current Cost Multiplie	1.03		1.72	99,649
Local Multiplier	0.81		(10.92)	(631,107)
TOTAL DIRECT CONSTRUCT:	ION COSTS		\$48.26	\$2,790,158
Plans, specs, survy, b	3.90%		(\$1.88)	(\$108,816)
Interim Construction I	3.38%		(1.63)	(94,168)
Contractor's OH & Prof	11.50%		(5.55)	(320,868)
NET DIRECT CONSTRUCTION	OSTS		\$39.20	\$2,266,306

#### PAYMENT COMPUTATION

\$1,650,000	Term	360
7.75%	DCR	1.10
\$600,000	Term	360
4.00%	Subtotal DCR	0.88
	Term	
	Aggregate DCR	0.88
	7.75%	7.75% DCR \$600,000 Term 4.00% Subtotal DCR

#### RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW		\$141,850 0 0 \$13,476	
Primary	\$1,650,000	Term	360
Int Rate	7.75%	DCR	1.10
-			
Secondary	\$600,000	Term	0
Int Rate	4.00%	Subtotal DCR	1.10

Additional	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.10

#### OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

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	\$438,060	\$451,202	\$464,738	\$478,680	\$493,040	\$571,569	\$662,605	\$768,141	\$1,032,317
Secondary Income	12,000	12,360	12,731	13,113	13,506	15,657	18,151	21,042	28,279
Other Support Income: (d	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	450,060	463,562	477,469	491,793	506,546	587,226	680,756	789,183	1,060,596
Vacancy & Collection Los	(33,755)	(34,767)	(35,810)	(36,884)	(37,991)	(44,042)	(51,057)	(59,189)	(79,545)
Employee or Other Non-Re	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$416,306	\$428,795	\$441,659	\$454,908	\$468,556	\$543,184	\$629,699	\$729,994	\$981,051
EXPENSES at 4.00%									
General & Administrative	\$24,002	\$24,962	\$25,961	\$26,999	\$28,079	\$34,163	\$41,564	\$50,569	\$74,855
Management	16,652	17,152	17,666	18,196	18,742	21,727	25,188	29,200	39,242
Payroll & Payroll Tax	71,675	74,542	77,524	80,625	83,850	102,016	124,118	151,009	223,530
Repairs & Maintenance	33,032	34,354	35,728	37,157	38,643	47,016	57,202	69,594	103,017
Utilities	29,783	30,975	32,214	33,502	34,842	42,391	51,575	62,749	92,883
Water, Sewer & Trash	25,399	26,415	27,472	28,571	29,714	36,151	43,983	53,513	79,212
Insurance	17,345	18,039	18,760	19,511	20,291	24,687	30,036	36,543	54,092
Property Tax	100	104	108	112	117	142	173	211	312
Reserve for Replacements	25,000	26,000	27,040	28,122	29,246	35,583	43,292	52,671	77,966
Other	17,990	18,710	19,458	20,236	21,046	25,605	31,153	37,902	56,105
TOTAL EXPENSES	\$260,980	\$271,252	\$281,931	\$293,031	\$304,571	\$369,481	\$448,284	\$543,961	\$801,214
NET OPERATING INCOME	\$155,326	\$157,542	\$159,728	\$161,877	\$163,985	\$173,703	\$181,416	\$186,034	\$179,837
DEBT SERVICE									
First Lien Financing	\$141,850	\$141,850	\$141,850	\$141,850	\$141,850	\$141,850	\$141,850	\$141,850	\$141,850
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	\$13,476	\$15,693	\$17,878	\$20,027	\$22,135	\$31,853	\$39,566	\$44,184	\$37,988
DEBT COVERAGE RATIO	1.10	1.11	1.13	1.14	1.16	1.22	1.28	1.31	1.27

#### LIHTC Allocation Calculation - Providence at Edinburg, Edinburg, 9%, 04193

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost			•	
Purchase of land	\$710,000	\$710,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$540,000	\$540,000	\$540,000	\$540,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation ha	\$2,081,375	\$2,266,306	\$2,081,375	\$2,266,306
(4) Contractor Fees & General Requiremen	its			
Contractor overhead	\$53,628	\$53,628	\$52,428	\$53,628
Contractor profit	\$160,883	\$160,883	\$157,283	\$160,883
General requirements	\$160,883	\$160,883	\$157,283	\$160,883
(5) Contingencies	\$160,883	\$140,315	\$131,069	\$140,315
(6) Eligible Indirect Fees	\$512,000	\$512,000	\$512,000	\$512,000
(7) Eligible Financing Fees	\$176,842	\$176,842	\$176,842	\$176,842
(8) All Ineligible Costs	\$145,521	\$145,521		
(9) Developer Fees			\$571,242	
Developer overhead	\$115,395	\$115,395		\$115,395
Developer fee	\$461,579	\$461,579		\$461,579
(10) Development Reserves		\$94,390		
TOTAL DEVELOPMENT COSTS	\$5,278,989	\$5,537,743	\$4,379,520	\$4,587,831

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	\$4,379,520	\$4,587,831
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$4,379,520	\$4,587,831
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$4,379,520	\$4,587,831
Applicable Percentage	8.16%	8.16%
TOTAL AMOUNT OF TAX CREDITS	\$357,369	\$374,367

Syndication Proceeds

0.8298 \$2,965,566 \$3,106,622

\$357,369 \$374,367 \$2,965,566 \$3,106,622

\$361,397

\$2,998,993

\$3,028,989

\$365,012

1" = 6.31 mi

Data Zoom 9-0

HTC 01042

# LOCKE LIDDELL & SAPP PLLC

ATTORNEYS & COUNSELORS

100 CONGRESS

SUITE 300
AUSTIN, TX 78701-40422

AUSTIN, TX 78701-40422

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(512) 305-4700 (512) 305-4800 www.lockeliddell.com

DEPUTY ED.

September 28, 2007

Direct Number: (512) 305-4707 email: cbast@lockeliddell.com

Mr. Michael Gerber Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701

Re:

**LURA Amendment Request** 

Fountains at Tidwell in Houston (the "Property")

TDHCA LIHTC No. 01042

Dear Mike:

We represent Fountains at Tidwell, Ltd. ("Owner"), which is the owner of the Property. Owner received an allocation of low-income housing tax credits ("LIHTC"), along with a \$225,000 loan of Housing Trust Fund ("HTF") money, from TDHCA for the Property. Owner and TDHCA have entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits (the "LIHTC LURA") and a Land Use Restriction Agreement (Multifamily Properties) (HTF LURA) (the "HTF LURA") with respect to LIHTC and the HTF loan, respectively. The LIHTC LURA and the HTF LURA are hereinafter referred to collectively as the "LURA".

#### **Amendment Request**

The LURA encumbers a 14.827 acre tract ("Tract 1") and a 7.952 acre tract ("Tract 2"). We request that 5.0548 acres of Tract 2 be released from the LURA. For a legal description of the 5.0548 acres proposed to be released, please see Exhibit A.

#### **Detailed Description**

Owner's original site plan for the Property, a copy of which is attached as Exhibit B, which was submitted with the tax credit application, anticipated that the buildings and related facilities for the Property would be constructed on Tract 1. The site was larger than needed for the housing structures because Owner envisioned using Tract 2 for an extensive sports facility to benefit the children residing in the Property. A baseball diamond, soccer field, and basketball courts were designed for Tract 2, as shown by the yellow highlight on Exhibit B attached hereto. Note that the proposed sports facilities were not required to satisfy threshold or selection criteria for the tax credit application; Owner did not receive any points for proposing these amenities.

At the time of application, Owner's social service provider had an arrangement with Texas Southern University ("TSU"), whereby TSU students would implement and coordinate a youth sports program on the Mr. Michael Gerber September 28, 2007 Page 2

site. The TSU students would gain valuable experience in directing and coaching youth sports programs, and the community children would benefit from the opportunities to play team sports.

Unfortunately, as the Property neared construction completion, TSU notified Owner's social service provider that it would not be able to fulfill its commitment to the youth sports program, due to a lack of funding. Owner's social service provider then embarked upon another plan to provide sports opportunities for the children. It made a proposal to The First Tee of Houston to build a 3-hole golf course on Tract 2. First Tee, a nationally recognized non-profit, would then implement its golf instruction and life skills programs on the site. Copies of the proposal to First Tee are attached as Exhibit C. At the time, First Tee was looking to establish a program in this part of Houston. However, it ultimately selected another site, called Redstone, and did not accept the proposal for developing a golf amenity on Tract 2. It should be noted that all of the families residing in the Property do have access to the First Tee facility and programs at Redstone; the social services coordinator provides transportation for children to access this amenity.

With no one to facilitate the youth sports programs that were originally planned, Owner was forced to scale back its plans. It did install covered basketball courts, as promised. In place of the baseball diamond and soccer fields, it installed a putting green for the residents. It anticipated that the putting green would be better utilized by residents, because it did not require the organization of a team sport and it has been a successful addition. The basketball courts and putting green are visible on the survey of Tract 2 enclosed as Exhibit D. The balance of Tract 2 (specifically, 5.0548 acres) (the "Vacant Parcel") remains undeveloped and is shown on the yellow highlighted area of Exhibit D. This land has become a burden on the neighborhood. Despite the fact that it is fenced, people are continuously knocking down the fence and using the Vacant Parcel for a dumping ground. Pictures of this unsightly dumping are attached for your reference as Exhibit E.

Given that Owner is unable to stop vandals from the unlawful dumping, Owner believes the Property and the neighborhood would be better served if the Vacant Parcel could be released from the LURA and developed in another manner. Specifically, Owner contemplates that the Vacant Parcel may be developed with single family houses to complement the surrounding neighborhood. An affiliate of Owner just completed 30 single family houses on the east side of the property and they are 100% leased.

#### **Impact of Amendment**

The Property's LIHTC application received 72 points under the 2001 Qualified Allocation Plan ("QAP"). The youth sports fields that were originally proposed did not satisfy any threshold or selection criteria for the LIHTC application. Even without the 5.0548 acres, the Property continues to meet the density standards of the 2001 QAP. The 2001 QAP did not contain the pre-application procedure. Consequently, a change in acreage does not result in a loss of points. Thus, the Property would have received an LIHTC award, even without the proposed baseball and soccer fields, and even without the 5.0548 acres we are asking to be released from the LURA. The same analysis applies with respect to Owner's competitive position for the HTF loan.

#### Adherence to Obligations

Section 49.9(c) of the 2007 QAP, which addresses changes in applications, may apply to this request for release of the land from the LURA. However, if TDHCA approves the request to release the Vacant

Mr. Michael Gerber September 28, 2007 Page 3

Parcel from the LURA, no penalty should be imposed. Even if TDHCA does not approve the request, Owner has shown that a golf green was provided to compensate for the loss of the baseball and soccer field and that residents have access and transportation to the First Tee facility nearby. This accommodation should satisfy the requirements of Section 49.9(c). If TDHCA disagrees with this analysis and believes a penalty should be assessed to this request, we respectfully request that the penalties be waived for the compelling reason that Owner is trying to lift a burden from the community by allowing this land to be developed in a suitable, alternative and desirable manner. Strong community support exists for the development of additional single family homes for rental and the Harris County consolidated plan states that there is a shortage of larger units. Moreover, had the penalties of Section 49.9(c)of the QAP been in place when the application was made in 2001, Owner would never have "dreamed big" and tried to implement such a grand plan to benefit its residents.

#### Conclusion

Owner believes that the Property, its residents, and the surrounding neighborhood are best served if the Vacant Parcel described on the enclosed legal description is released from the tax credit LURA so that it may be developed. We seek your approval of this request. Upon approval, Owner will cause the Property to be re-platted so that the Vacant Parcel is a legal lot and appropriate release documentation can be prepared and recorded.

A check in the amount of \$2,500, payable to TDHCA, is enclosed to process this amendment. We understand an amendment of this nature may require Board approval. If so, please include this amendment request for consideration at the next available TDHCA Board meeting. If you need additional information to process this request, please let me know.

Sincerely,

unthia L. Bast

Enclosures

ce: Fountains at Tidwell, Ltd.

Barry Kahn Isaac Matthews

TDHCA Staff
Robbye Meyer (Multifamily)
Audrey Martin (Multifamily Tax Credits)
Ben Sheppard (Multifamily)
Patricia Murphy (Compliance)
Kevin Hamby (Legal)

December 11, 2006

Job No. H06187

#### ATTACHMENT "A"

NOTE:

BEARINGS ASSUMED.

BEING 5.0548 ACRES OF LAND OUT OF RESTRICTED RESERVE "A" OF FOUNTAINS AT TIDWELL RECREATION CENTER RECORDED IN FILM CODE NO. 0526141 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS, LOCATED IN THE SAMUEL McCLELLAND SURVEY, ABSTRACT NO. 544, SAID 5.0548 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a found 5/8 inch iron rod on the Northwest corner of said Restricted Reserve "A", being on the Northeast corner of Block 3 of Pinemont Plaza Section 1, recorded in Volume 175, Page 59 of the Map Records of Harris County, Texas, located on the South line of West Tidwell Road (100 feet wide) recorded in Harris County Clerk's File No. K429981;

THENCE North 87° 52' 23" East, along said South line, a distance of 198.45 feet to a point for curve to the Left and a found 5/8 inch iron rod;

THENCE along said Curve to the Left and continuing with said South line, said Curve to the Left having an Arc distance of 282.73 feet, a Radius of 2699.91 feet, a Chord Bearing North 84° 52′ 23″ East and a Chord distance of 282.60 feet to a point of tangent, survey found a 5/8 inch iron rod bearing South 17° 42′ 04″ East, a distance of 0.35 feet;

THENCE North 81° 52' 23" East, continuing along said South line, a distance of 7.88 feet to a point for corner and a set 1/2 inch iron rod capped no. 4966;

THENCE South 00° 25' 47" West, across said Restricted Reserve "A", a distance of 475.36 feet to a point for corner on the South line of said Restricted Reserve "A" and the North line of that certain called 11.357 acre tract recorded in Harris County Clerk's File No. L981670, survey found a 5/8 inch iron rod;

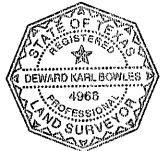
THENCE South 88° 21' 17" West, along said South line a distance of 468.52 feet to a point for corner on the Easterly line of said Block 3, survey found a 5/8 inch iron rod;

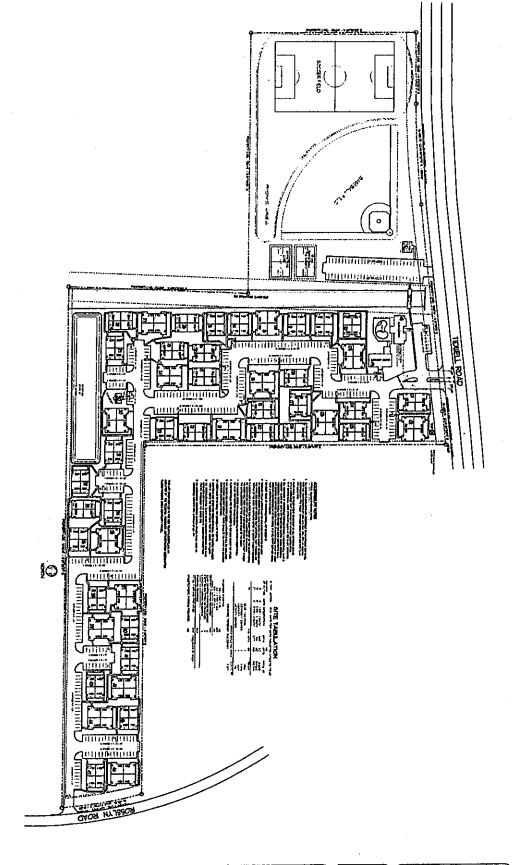
THENCE North 01° 58' 28" West, along said Easterly line, a distance of 455.34 feet to the POINT OF BEGINNING and containing 5.0548 acres or 220,188 square feet of land, more or less.

DATED this 11th day of December, 2006

DEWARD KARL BOWLES,

RPLS No. 4966







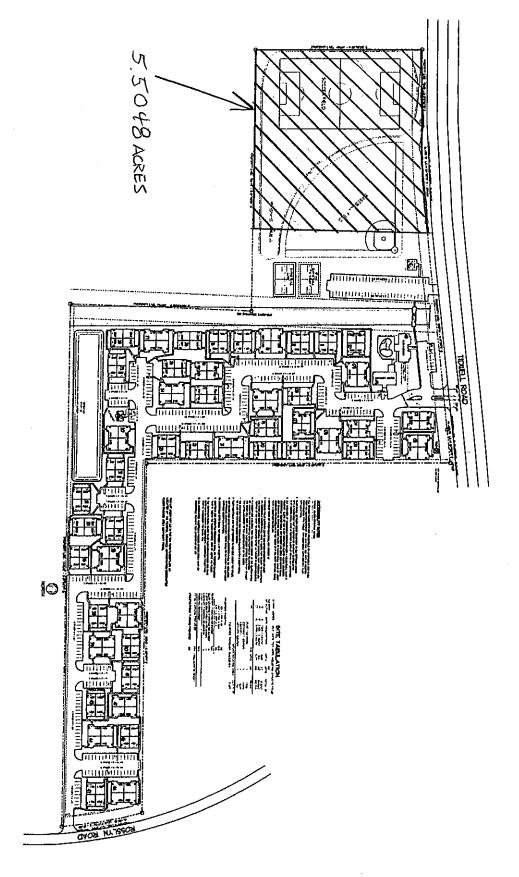




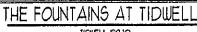












TIDUELL ROAD HOUSTON, TEXAS







# Child and Adult Development Center of Houston, Inc.

"A Non-profit Organization"



May 8, 2007

To Whom It May Concern

FROM: Isaac Matthews – CADC

RE: Property next to the Fountains Apartment Complex

Enclosed are documents pertaining to the once proposed construction of a 3-hole Golf Course on the property next to the Fountains Apartment Complex. The facility was not constructed because of cut backs in funding for The 1<sup>st</sup> Tee Facility. There were two facilities that were proposed to be constructed in the Houston Area at the same time. Both facilities were on the North Side of Houston. Funding was not available to construct both facilities. It was decided by The 1<sup>st</sup> Tee that the facility known as Redstone would be constructed because there was more property available to construct an 18-hole Golf Course Facility thus, accommodating more kids. The 1<sup>st</sup> Tee students of Acres Homes are now participating at the Redstone Golf Course Facility. This leaves the property next to the Fountains Apartment Complex vacant. It is beginning to be an eye sore and has been used on numerous occasions where trash is being dumped.

I suggest and the Community Leaders agree with me that this property should be used to develop more affordable housing in our community. The need for more affordable housing in the Acres Homes area is over whelming. If I can be of any more help with this matter please let me

Isaac Matthews

Child and Adult Development Center

#### Proposed Development Timeline for The First Tee of Houston @ Acres Home 10-24-03

HTC 01042

#### **Pre-Construction**

November 2003 - \*Local TFT Capital Campaign\* (Ongoing)

- TFT Project Review and Contract Execution

November 2003 - December 2003

- Design Development

November - December 2003

- Coordinate with Engineer /Owners Representative (Approvals, Local Processes, Permits, Storm Water

Management), Maintenance Specs

January 5 - April 5, 2004

- Construction Documents (Staking Plan, Clearing Plan, Grading Plan, Drainage Plan, Grassing Plan, Green Details, Landscape Plan, Irrigation Plan by TFT Supplier Pignato Group), Prepare Specification Book

April 2004 - May 2004

- Permits and Local Approvals

(Storm Water Management, Sediment and Erosion Control,

Grading and Drainage, Dust Control)

March 2004

- Contractor Pre-qualification

March 2004

- Pre-Bid Meeting/Bid Project

April 15-25, 2004

- Execute Contract with Golf Course Contractor

**Golf Course Construction** 

May 10, 2004

- Start Golf Course Construction

July 2004

- Construction (Irrigation Water on site)

August 1, 2004

- Finish Construction

August 15 - August 30, 2004

- Grassing

September 1, 2004 - May 2005

- Grow-in

Late Spring 2005

\*Open\*

# THE FIRST TEE ACRES HOMES CHAPTER HOUSTON, TEXAS BUSINESS PLAN

Prepared by:

Child and Adult Development Center

1126 West Tidwell

Houston, Texas 77091

Tel: (713) 290-1802

Fax: (713) 290-1842

E-mail: <u>Isaver@SWBell.net</u>

Contact: Isaac Matthews

# **Preliminary Market Report**

The Acres Homes community is presently served by three school districts. The two thousand census indicate that the number of kids from the age four to seventeen is approximately twelve thousand six hundred and fifty-two. The designated First Tee facility is located within one mile of six major subdivisions. This location is excellent; being in a position to uphold and promote the overall mission of The First Tee program. (Providing golf facilities with emphasis on serving kids who have not had the previous exposure to the game of golf).

# ORGANIZATION PLAN

## MISSION AND PURPOSE

The purpose of this business plan is to secure a First Tee Chapter in Acres Homes through a partnership with Child and Adult Development Center of Houston Inc.

For over 15 years, CADC has served residents of Acres Homes with a variety of valued-based programs and services to nurture the healthy development of children and teens, to support families, to improve health and fitness and to strengthen the community. CADC is a charitable, non-profit, 501 (c) 3 organization that values people of all ages, incomes, abilities, races, faiths, cultures and handicaps with dignity and respect. No one is ever turned away for inability to pay. A volunteer board of directors who live and work in the community and the City of Houston governs the CADC Programs.

CADC has always been known for its response to community needs and issues. Its programs are well-established, rooted in a long history of experience, are of higher quality and more comprehensive, and have the ability to utilize a network of program development and training. CADC programs and activities include four basic components: caring, honesty, respect and responsibility.

Encouraged by the overwhelming support of local and state government, businesses, corporations, community leaders and individuals, CADC is planning the design and implementation of a First Tee Program which will meet a number of pressing needs in the Acres Homes community and the northwest area of Houston; which continues to grow and is always striving towards improvement. This new facility is located in an area where it can be of the greatest service, to the most amounts of people, with the highest degree of quality and efficiency. It will be a true asset and jewel to the community, as well as a "magnet" and resource to youth, families and individuals from every walk of life.

The purpose of The First Tee is to impact lives of young people by creating affordable and accessible golf facilities to primarily serve those who have not previously had exposure to the game and its positive values. Individual responsibility, honesty, integrity and confidence are among the traits that can help young people on the road to success.

The purpose and goals of CADC and the First Tee have a natural connection and this partnership will enable children from every walk of life to learn life skills and values that will develop character that will serve them for a lifetime.

# CALENDAR SCHEDULE FOR PROGRAMS

Hours of operation for The First Tee Acres Homes facility are projected to be 8:00 a.m. to 7:00 p.m. seven days a week during the summer and 8:00 a.m. to 5:00 p.m. six/seven days a week during the winter (weather permitting). CADC fundraising efforts will kick off in September 2003. A continuous fundraising program will take place until all major goals are accomplished. The recruitment of participants will begin September 1, 2003. Classroom instructions will begin January 5, 2004. Construction of the putting green will begin October 1, 2003. The construction of a three-hole course should begin in late November 2003. Potential sources for construction grants and program grants will be applied for by November 2003.

# RECRUITMENT AND YOUTH SERVING GROUPS

Two strategies will be used to market and promote The First Tee facility and program:

- (1) The First Tee Acres Homes will be included in <u>all</u> CADC materials including; seasonal brochures, member newsletters and mailings, newspaper ads, youth sports flyers, in-house bulletin boards, banners, and membership information. The First Tee will receive the same attention as any other CADC program, youth sports, fitness, camp, childcare, teens, families and seniors. The informational will be included in promotions to schools, other non-profits and surrounding communities.
- (2) The second strategy will be the development of promotional materials specific to The First Tee. Child and Adult Development Center will consult with The First Tee main office to create a brochure for The First Tee Acres Homes and included in the brochure will be: mission statement and purpose, list of the oversight committee members, description of the facility, features of the facility, descriptions of programs available, fees, dress code, hours of operation, instruction levels and curriculum, practice range information, life skills development, manners class, tournament and camps schedule, and application for The First Tee. The CADC will conduct First Tee specific special events like: facility dedication, open houses, fund raising events, family events, parent-child tournaments in addition to youth tournaments, and host community events to increase public awareness.

The CADC will utilize any and all advertising and marketing promotional materials available from the National Office of The First Tee. The CADC will continually network with other First Tee programs and facilities to take advantage of their experiences in running successful operations.

Initially, the marketing and public relations effort will be very aggressive to assure that there is a public awareness of The First Tee program in our community then the advertising effort will be expanded to cover all of the Northwest Area of Houston, thus increasing the operational success of the program.

Marketing emphasis will be placed on the life skills training and the unique ability of the program to instill and nurture values as well as the introduction to the game of golf.

## **Transportation Plan**

CADC has six fifteen passenger vans and one forty-two passenger bus that is available to transport The First Tee participants. Parents have volunteered as chaperones and drivers on a as need basis. Metro has also volunteered its services to our First Tee program for transporting participants at no cost to the First Tee Acres Homes Chapter.

## Access Guidelines

Our access guidelines will continue to evolve based on the review of our first year of actual operation. Our guidelines shall provide extraordinary access to golf for young people who are registered participants in The First program at Acres Homes. This will include on-site instruction and dedicated access to the driving range, putting green, and chipping area. The pay matrix, along with a scholarship program and possible sponsorship program will ensure that no student will ever be turned away from participation in The First Tee Program based on an inability to pay registration fees. We will also make every effort to develop off-site teaching programs, if deemed necessary and encourage other facilities to provide reduced rates for graduates of The First Tee Program.

For Registered Participants in The First Tee Program: Our Chapter will provide at least 12 hours per week of junior programming at our facility, which will include free group instruction, both on the driving range and in a classroom setting. Classes will include beginning, intermediate and advanced group instruction over a four (4) month period. We shall also provide for each registered participant access to the driving range, chipping area and putting green at no charge to the participants.

For Registered Participants in the First Tee Program Seeking Certification: In addition to our commitment stated above, we will provide additional access, which will include at least sixteen (16) free rounds of golf at Inwood Forest Golf Club (one of our affiliates).

In addition to The First Tee Program Curriculum, the First Tee Acres Homes will use its best efforts to plan, develop and implement programs and initiatives: (1) for pre-teen youths; (2) for the disabled; including physically and mentally challenged participants, including the deaf; (3) for the disadvantaged groups and youths, particularly minorities; 94) with other local not-for-profit groups, such as the Boy's and Girl's Club, Girl Scouts, etc.; (5) with area elementary and/or middle schools, high schools and colleges; and (6) as the parties manually designate.

2003

#### Instructional Staff and Volunteer Plan

#### Goals and Guidelines:

- 1. Volunteers are essential to the CADC and The First Tee Acres Homes.
- 2. Volunteers contribute more than meets the eye.
- 3. To attract and keep volunteers, the CADC abides by compelling vision of nurturing kids, supporting families, and strengthening communities.
- 4. In the CADC, good volunteer development is like good staff development, and just as important.
- 5. People at all levels of the CADC are committed to volunteer development.
- 6. The CADC embraces people of all kinds and removes barriers to their volunteering.
- 7. To work with volunteers, the CADC is willing to bear some costs.
- 8. The CADC tracks the value of volunteer service.
- 9. Volunteers are essential to a democratic society.

#### Types of CADC volunteers include:

- 1. **Policy volunteers:** The people who serve on CADC boards and committees, and those who act as trustees.
- 2. **Program volunteers:** Those who have direct contact with CADC members and people in the community. They help deliver programs and services. They may also help with membership.
- 3. **Fundraising volunteers:** Those responsible for the leadership and legwork that goes into successful fundraising campaigns and special events.
- 4. **Managerial volunteers:** Those who act as consultants for the CADC lending a special skill or talent in accounting, architecture, public relations, education, construction, and counseling.
- 5. **Support volunteers:** The people who help out in the office, Golf course, classroom, nursery, in the facility, and on the grounds.

# **Experience shows that CADC volunteers:**

- Are the CADC's best word of mouth promoters.
- Are particularly well received as fundraisers.

# Staffing Plan

The Acres Homes First Tee will employ a Program Director for The First Tee Program who will oversee day-to-day operations and develop programs. Our Program Director will be responsible for the hiring of seasonal golf professionals to assist with golf and Life Skills instruction. Our Program Director will also, be responsible for recruiting volunteers, develop a comprehensive First Tee program, work with The Tee Oversight Committee, First recruit other youth organizations into the program and incorporate the Child and Adult Development Center youth program participants in The First Tee. The primary responsibility of the Program Director is to incorporate the "best practices" of The First Tee and establish them into our facility and operation.

# FACILITY OPERATIONS

# **GOLF COURSE MAINTENANCE**

CADC and The First Tee Acres Homes will seek the advice from the Inwood Golf Club (an affiliate) in hiring paid and volunteer staff to maintain the golf course. The training of volunteers that will help maintain our golf course is in process at this time.

## MANAGEMENT STAFF AND ADMINISTRATION

The First Tee Oversight Committee will include people from the community who represents the golf interests and expertise to assure success.

CADC will hire as a member of its program staff, a director of The First Tee. He/she will be an equal member of CADC Program Team and will be involved in program development and will be able to access other CADC program participants. A job description for the position be developed, with clearly defined duties, performance standards and program/facility goals. CADC will request assistance from the First Tee National Office in developing the job description and other models from existing First Tee operations. CADC will continually review existing materials that may help with the development and success of The First Tee Acres Homes. Personnel positions for the First Tee will include the following: First Tee Program Director, check-in/desk staff, maintenance staff, program instructors and rangers. Shared staff (with CADC) will include: superintendent, pro shop staff, mechanic and seasonal staff. The staff will be employees of CADC and CADC's personnel guidelines and procedures will apply to all employees.

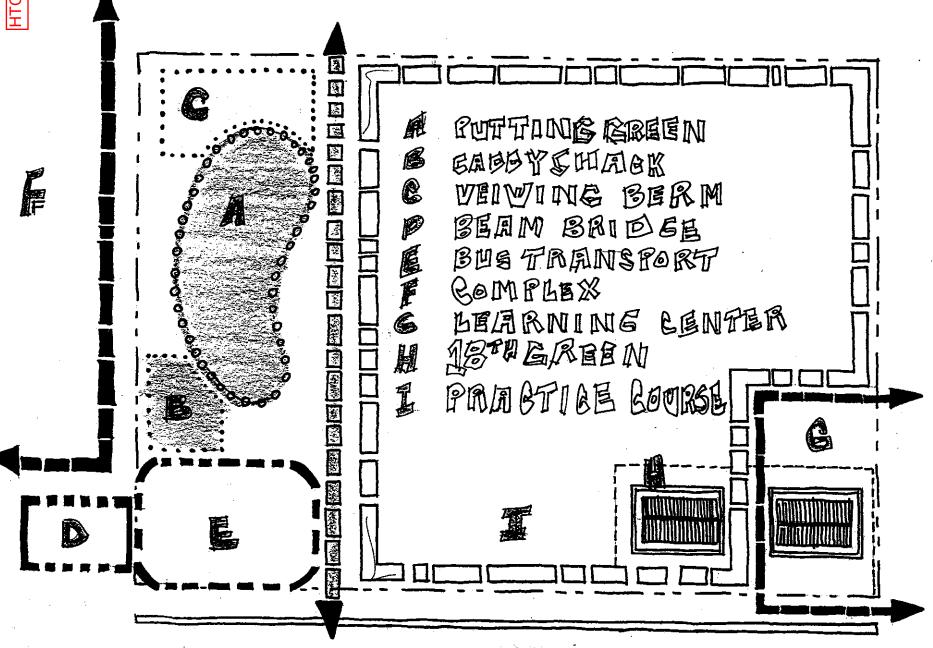
CADC will recruit volunteers to assist with The First Tee; they will include instructors, desk attendants, special events and tournament volunteers, and fund raisers.

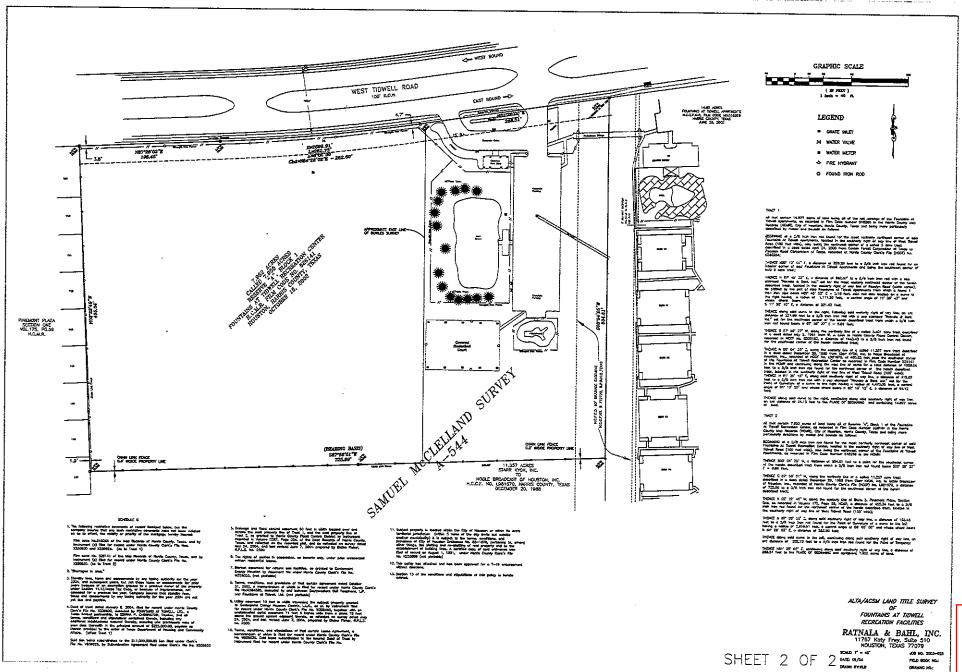
# **MARKETING PLAN**

The target market for The First Tee Acres Homes will be primarily the northwest section of Houston, Texas. This program will serve an estimate of four hundred and fifty low-income kids during the first months of operations. Most of the participants will be drawn from two of our affordable housing tax credit apartments.

65% Black 28% White 5% Hisp. 2% Other

The number of golfers is likely to grow as the Baby Boomers age. We believe that the junior/youth market has tremendous growth potential in our community. The First Tee will offer: programs for children, progressive lessons, outreach programs to other youth service agencies, preschool program, group lessons, individual lessons, practice range, life skills classes, sponsorship program, manners program, tournaments (youth, family, parent-child, and senior) and special events to attract people to the program and facility. To assure that the program is affordable and accessible; scholarships will be made available to insure that "no one is ever turned away because of an inability to pay". will be marketed throughout the program community, with special emphasis on areas of low income and high population of children.









10-01-07 14:02 RCVD

September 27, 2007

Ben Sheppard
Multifamily Finance Production
Texas Department of Housing and Community Affairs
221 East 11<sup>th</sup>
PO Box 13941
Austin, Texas 78711-3941

Re: Village on Hobbs Road – Maplewood Village (#04157)

Dear Mr. Sheppard:

After thoroughly reviewing the situation with respect to the above property and considering the uncertainty associated with the pending changes to the Department's Application Amendment policy, we would like to propose the following to work out the two unresolved items, which we have been discussing for some time. These issues are: (1) on the original application the thirty year shingle box was checked and, upon completion, based primarily upon shortages relating to Katrina-Rita, only a portion of the property actually has thirty year shingles, and (2) the common area turned out to be approximately 344 SF or 5.5% smaller than the number cited on the original application.

During the course of the planning and development of any multifamily property, there are multiple hurdles to overcome during the very complicated review and approval processes, including but not limited to TDHCA, the syndication interests, the investor, the construction lender, the permanent lender, City Council, the planning and zoning office, the drainage district, the green space committee, the local permit office, the building inspectors, the fire marshal, and several others. In the case of Maplewood, which is located in hurricane Tier I Galveston County, especially in view of Katrina and Rita, there is a heightened local governmental sensitivity to providing adequate advance protection from exposure to high winds. Construction codes have long called for cross bracing, plate clips at roof joists, and other items. Additional requirements are continually being added.

Once the detail plan development for Maplewood began in earnest, the City of League City imposed an additional unforeseen parameter that every window and glass door be able to be covered with either a storm sash or custom precut piece of ¾ inch plywood, which must be stored on the site. In order to meet this requirement, it would be necessary to construct a separate storage building on the site for the 654 sheets of plywood to cover every window and exposed patio door. We were not aware of this issue

at application and, it only became apparent after several meetings with League City personnel. There were, of course, obvious budget, space, and other implications, but as developers, solving this type of problem "comes with the territory", and we immediately undertook to come up with the best solution for the property.

While the plywood approach would have met the minimum City dictate, we determined that there was a superior, although significantly more expensive, solution that would even more greatly assure the safety of the elderly residents. It was decided, therefore, that custom fabric storm shield panels would be purchased for each glass panel surface. These panels, which are made from PVC coated woven fabric, are tested to block wind, rain, and storm driven projectiles. They are custom fitted to every window, and when not in use they are stored in cardboard tubes that are placed in the storage closet of each unit's patio. They are a bright white in color, relatively simple to install, light weight, and much easier to handle than are sheets of heavy plywood. They also minimize the possible flying missile danger factor that loose sheets of plywood could impose. This storm shield system has, in fact, even been a positive leasing incentive with several residents expressing favorable comments. (See "Aramco Storm Protection" info attached.)

From a financial standpoint the storm shield system required a substantial additional outlay as compared to the stored plywood alternative. The total cost of the storm shield alternative at \$52,875 was more than twice the cost of the plywood plus erecting a storage building at \$26,376. Even when incremental cost of thirty year shingles, which is estimated at \$17,150, for the residential buildings (they were used on the community center), is factored in, the storm shield system was still more expensive. In total, therefore, the Owner spent \$9,343 more on the storm shield system than he would have spent on the plywood and balance of thirty year shingles. (See attached cost breakdown.)

Note that if the plywood alternative had been selected, the storage building would have provided an additional increment of common area (approximately 400 SF), which would have brought the total common area to within the three percent variance level. By using the superior storm shield system, to enhance the safety of all residents, the storage building became unnecessary. Clearly, the Owner could have opted for the plywood and storage building, spent less money, and had no issues from TDHCA on the size matter. As it stands at present, the Owner is in jeopardy of being severely penalized by upgrading the safety of the property at additional out-of-pocket cost.

With respect to the size of the community center, absolutely no amenities were omitted or left out as a consequence of the small reduction in actual space. Our site was very "tight" to start with. When we got into the detail approval process with the City of League City, we faced two very restrictive issues concerning (a) parking and (b) green space. We certainly were aware of the parking ratios but had hoped, frankly, that the City would be amenable to less than the 2.25 ratio for an elderly property. They were not, and we built 230 spaces, which is more than we will ever need. We should have and did anticipate this situation. What we could not have planned for, however, was the brand

new City green space ordinance, which says that you must provide one acre of green space for every ninety units you build. The regulation was intended to apply to single family detached home subdivisions. The green space committee, however, decided that it also applied to multifamily units, which compelled us to find more than an acre of free green space on an already very tight and over parking paved site. We had several meetings with them to finally gain approval. In order to do so, and not compromise the potential loss of living unit area, the design of the footprint of the community center became critical. As it turned out, we are pleased that the reduction was very small, and no living area was reduced. In fact, we actually created a small positive amount (+100 SF) of additional living area. (A more detail amenities description and photos of the community center are attached.)

In view of all of the above, therefore, it is proposed that the custom *fabric storm* shield panel system be substituted for the thirty year shingles on the residential buildings, and that the presence of that upgrade provides sufficient explanation to account for the small negative variance in common area.

The eighty LIHTC and twenty market rate units at Maplewood Village are fully leased and occupied. There is a very high level of resident satisfaction. By every reasonable measure, this property is providing outstanding affordable housing for the immediate market area and is meeting every goal and objective of the Texas LIHTC program. We feel that we have strictly adhered to and exceeded every obligation, which we willingly assumed in taking on the project. We feel this proposal is equitable and reasonable. We anticipate your positive response.

Thank you.

Sincerely,

Robert J. DeLuca

Robet & Oa Luca

Director of Acquisitions and Development

Cc: Tom Scott

#### **Maplewood Amenities Discussion**

The Village on Hobbs Road (Maplewood) is a newly constructed elderly property located in League City, Galveston County, Texas. It opened for business in the summer of 2006. Twenty of the one hundred suites are unrestricted market rate with the remaining eighty allocated among 30%, 50%, and 60% LIHTC residents. The suites are unusually spacious and average over 1,000 SF each. There is an extensive amenities package including a large community center and attractive swimming pool. Maplewood was readily accepted into the League City neighborhood with leasing and occupancy at 100%. The property has quite clearly provided an affordable alternative for seniors, who have relatives in the area but might not otherwise be able to reside nearby.

When Hurricanes Katrina and Rita hit in August-September 2005, Maplewood had broken ground and was in the process of putting in underground utilities before slabs were poured. No framing and certainly no roofing had been completed. No drywall had been installed. Very shortly thereafter, prices for construction items skyrocketed and availability became very uncertain. TDHCA has recognized these circumstances through the special cost overrun tax credit allocation which was issued. Through rigorous construction management and good fortune Maplewood price increases were minimized and only a small budget deviation was experienced. This very difficult period, however, did not lend itself to a variety of choices as to items such as roofing and drywall.

The common area amenities at Maplewood are excellent and were in no way compromised by the difficult construction period. The property itself features common area amenities including:

- Perimeter fencing with controlled access gates
- Attractive swimming pool
- Accessible walking track
- Gazebo sitting area
- Covered pavilion with barbeque grills and picnic tables
- o Community gardens- one for vegetables and one for flowers
- Ample bright night time illumination
- o All units have special "Storm Shield" window protectors for hurricanes

The Community Center itself contains a full compliment of resident service oriented features:

- o Fully equipped fitness center
- Community laundry (units have washer/dryer connections)
- o Public telephone
- Covered seating area overlooking the pool
- Separate library
- o Large Community/function room
- Extensive Mexican tile flooring

- Game/card room with coffered exposed beam and crown molding ceiling treatment
- o Full kitchen facilities for parties and gatherings
- o Equipped business center
- Service coordinator office
- o Central mailboxes
- o Management Offices
- o Leasing Offices
- o Lush landscaping
- o Porte cache for protection from elements
- o Full restroom facilities
- o Maintenance shop
- o Storage room

The residents at Maplewood make good use of the community room and obviously enjoy it very much. Based on the extensive amenities present, it is difficult to believe that an additional 344 SF would have meant any measurable incremental increase in the quality of life at Maplewood. Absolutely no item was omitted as the result of the small size reduction.

# **MAPLEWOOD VILLAGE**

#### **Hurricane Protection Alternatives**

#### A. STORED PLYWOOD

ltem .	Qty	Unit Cost	Total Cost
4x8 sheet 3/4" plywood	654	\$9.75	\$6,376.50
20x20 storage bldg	1	\$ 20,000.00	\$20,000.00
Total Cost			\$26,376.50

#### **B. ARAMCO FABRIC STORM SHIELDS**

All exterior windows covered with exterior screws in place; contractor's invoice	\$	47,634.52
Genral contract mark up	_\$	5,239.80
Total Cost	\$	52,874.32

#### C. THIRTY YEAR SHINGLES VS TWENTY YEAR SHINGLES

Total shingle squares on residnetial building roofs	1,584
Additional cost per square for thirty year shingles	\$ 10.83
Total Cost	\$ 17,154.72

# D. OVERALL COST COMPARISON

Alterantive I:		***
Plywood		\$26,376.50
Thirty Year Shingles	\$	17,154.72
•		\$43,531.22
Total Cost		
Alternative 2:		
Alternative 2.		
Storm Shield	\$	52,874.32
Total Cost	\$	52,874.32
The same Albania Alban	\$	0.242.10
Excess Alternative 2 over Alternative 1:	<u> </u>	9,343.10



"Fabric-Shield™ Protects Against The Storm."

Aramco Outside Blinds, Inc. 5105 Broadway Galveston, TX 77551

(409) 762-9652

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About Us

Fabric-Shield™

Products:

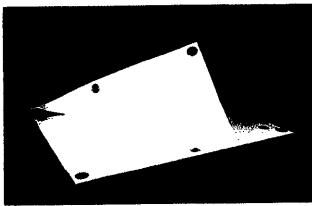
Fabric Shield

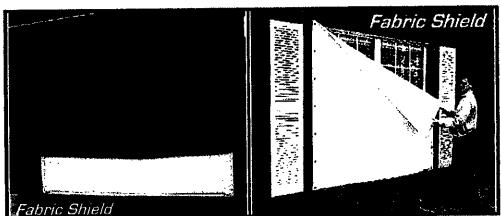
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- Cat5 Netting
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Wayne-Dalton Fabric -Shield™ Storm Panels are a highlyeffective alternative to steel or aluminum hurricane panels. These PVC coated woven fabric panels are tested to block wind, rain and storm-driven

projectiles. Yet Fabric -Shield™ panels are easy to handle and translucent, allowing light to enter. Patent pending.



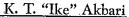


#### Fabric-Shield™ Features:

#### **Tested Effective**

Wayne-Dalton Fabric-Shield™ Storm Products have been evaluated for winload, impact and cyclic testing and meet the following test standards(results available):

Custom Storm Panel
Florida Building Code TAS 201, 202 & 203
ASTM - E-1886, E-1996
Design Pressure +62 / -66 PSF
DIY Storm Panel
Florida Building Code TAS 201, 202 & 203
ASTM - E-1886, E-1996
Design Pressure +/- 66 PSF
Puli-Down Shutter
Florida Building Code SBCCI-SSTD 12-99





October 3, 2007

Mr. Michael Gerber Executive Director Texas Dept. of Housing & Community Affairs 221 East 11<sup>th</sup> Street Austin, Texas 78701

Re: Heatherbrook Apartments, LP, Port Arthur, Texas TDHCA # 04430

Dear Mr. Gerber

Heatherbrook is a 256 unit property occupied by a majority of elderly/disabled residents. The project was originally built to provide housing specifically for the elderly, but during the rehabilitation, a question arose concerning whether or not some second floor units were meeting housing requirements for elderly tenants. HUD determined that the project could be rehabilitated to meet these requirements, however, the majority of the tenants are elderly/disabled and have been living at this project for many years as is.

This project qualified for 4% tax credits in 2004, and the rehabilitation was completed in 2005. The project has met all compliance requirements except the following deficiencies:

Perimeter Fencing was installed on three sides of the property, but because of the number of access entrances located on the front side, we were not able to install a fence. The project did not request limited access as an amenity, but only listed perimeter fencing. On December 20, 2006 we requested a waiver to omit the fence on the front side of the property.

Dishwashers & Disposals - Per the QAP, the project is required to provide dishwashers and disposals as threshold amenities. We did not mark these two items on the application as being provided, as the project is a rehab and the kitchens were not large enough to accommodate them. The ability to install the disposals is there, but will create a problem because all the sinks are single compartments. Normally disposals are only installed in two compartment sinks. The only dishwashers that could be installed would be portable dishwashers, which would take away part of the cabinet space. Installing dishwashers and disposals would not be a benefit to the current residents of this project, and in our opinion, they would prefer not to have the dishwashers and disposals.

Mr. Michael Gerber Page Two October 3, 2007

This project has many amenities over and above what was listed in the application. We have met all the compliance requirements to obtain the 8609s except the two deficiencies listed above. We hereby request a waiver on these two issues and ask that if the matter is presented to the Board for a variance, it does not cause a penalty to be imposed.

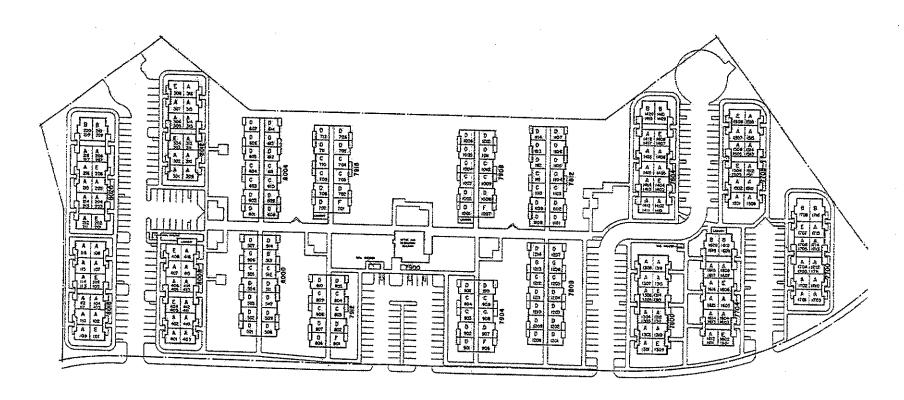
Enclosed is a check in the amount of \$2,500.00 together with a site plan and copy of letter from Coats/Rose requesting an amendment.

Sincerely.

K. T. Akbari

C: Raquel Morales

**EXHIBIT B: Site Plan** 



# COATS ROSE

ANTOINETTE M. JACKSON
OF COUNSEL

tjackson@coatsrose.com Direct Dial (713) 653-7392 Direct Fax (713) 890-3928

December 20, 2006

#### VIA ELECTRONIC SUBMISSION AND FEDERAL EXPRESS

Ms. Robbye Meyer
Director, Multifamily Finance Production
Texas Department of Housing and
Community Affairs
507 Sabine Street, Suite 400
Austin, Texas 78701

RE: Heatherbrook Apartments (TDHCA #04430) – Request for Amendment

Dear Ms. Meyer:

This letter is written on behalf of Heatherbrook Apartments, LP ("Project Owner"). The Project Owner received a commitment for an annual allocation of 2004 Housing Tax Credits (the "Commitment") from the TDHCA for Heatherbrook Apartments (the "Project"). We are requesting an amendment to the placement of a perimeter fence for this Project.

The 2004 QAP sets forth that transactions using tax exempt bonds must meet the threshold criteria set forth in §50.9(f). The development is required to set out in Volume 1, Exhibit 3, Activity Overview, the on-site amenities which will also be included in the development although these items do not receive points. In that exhibit, the Applicant indicated that a full perimeter fence would be an amenity to the property. Due to the layout of the property, it was determined that the property was best served by having multiple entrances to the complex. As a result, it was determined that a perimeter fence would not be a viable option for this complex.

Additionally, the property was also written up for not having garbage disposals and dishwashers. However, these items were not set out in the application as intended features in the development.

COATS | ROSE | YALE | RYMAN | LEE

A Professional Corporation

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307 Phone: 713-651-0111 Fax: 713-651-0220

Web: www.coatsrose.com

Ms. Robbye Meyer December 20, 2006 Page 2

Because this was a tax-exempt bond development, these items did not receive a score and the change does not affect the Project's allocation of credits. Additionally, there was not a decrease in development cost due to the elimination of this feature. All other amenities have been provided as set forth in the application.

Therefore, the Partnership would like to amend the application to change the perimeter fencing as a project amenity.

Thank you very much for your consideration of this request. If you have any questions, please do not hesitate to contact me.

1 VI the

truly yours,

Counsel for Heatherbrook Apartments, L.P.

#### **Carleton Residential Properties**

05004 Samuels Place

## Received

July 31, 2007

AUG - 2 2007

5485 Belt Line Road Suite 300 Dallas, Texas 75254

(972) 980-9810 (972) 980-1559 Fax

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

Dear Mr. Sheppard:

We have experienced a large increase in construction cost for our Samuels Place Apartments (TDHCA #05004). Although we did receive an additional allocation of \$20,734 to cover our additional costs providing approximately \$200,000 more in sources, our cost have increased by slightly more than \$1 million dollars since the application. There are several reasons for this including noise reduction measures required because of the nearby rail line, split foundations required because of the topography of the site, and generally a rise in building costs specifically because of the small number of units (36) in this transaction.

Originally, the sponsor contemplated twelve public housing units and had therefore set these twelve units as 30% units. Because of the increase in costs and our desire to obtain more debt to pay for these costs, we are no longer planning to place public housing units in this development. However, these still have a 30% area median income set aside which restricts the rent on the units. We would like to request a change in eight of the twelve units from 30% AMI units to 60% AMI. This would leave four units (11%) at 30% AMI. We do not believe our requested change would have changed the scoring of our application because the 4 units at 30% AMI will still fulfill the requirement of section 49.9(g)(3)(B), for which we took 22 points. This change would allow us to obtain about \$420,000 in additional debt to combine with deferred developer fee to cover the higher construction costs and continue to make this a viable development.

We do not believe this amendment should result in any penalty under section 49.9(c) of the 2007 QAP because we are requesting this change in the early part of construction, prior to implementation of the income set asides. We also think penalties under section 49.17(d)(8) of the 2007 QAP are not applicable because no points would be lost as a result of the request modification.

I've enclosed a revised rent schedule, operating expense schedule, 30 year pro forma, development cost schedule and sources and uses schedule reflecting the change we are requesting along with an amendment request check of \$2,500.

Thank you for your time on this matter. Should you have any question on this matter, please feel free to call me at (972) 980-9810.

Received

AUG - 2 2007

Sincerely,

Jeff Fulenchek

Director of Affordable Housing,

Carleton Development, Ltd., co-developer

Of Samuels Place

enclosures



Apollo Equity Partners 600 Superior Avenue, Suite 2300 Cleveland, OH 44114

September 19, 2007

Telephone: (216) 875-2626

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78701

#### Dear Mr. Sheppard:

We have been advised that the Texas Department of Housing and Community Affairs ("TDHCA") has requested a letter stating that development of Samuels Place Apartments (TDHCA #05004) is financially infeasible with out approval of the pending amendment request changing eight of the twelve units from 30% AMI units to 60% AMI. The change in the rent level would allow a permanent debt level of between \$1,650,000 and \$1,700,000 depending on interest rate levels. At this level of debt, \$229,239 of the \$425,098 developer fee is deferred at permanent conversion. However, if Samuels Place is required to maintain its current 12 units at 30% of AMI, it would yield approximately \$35,000 less in net operating income. This change would force a lower debt amount by \$350,000 to \$400,000. Even deferring the entire developer fee would not make up this gap, leaving the development infeasible. Because of the importance of this issue, you will note from the copy of our letter of intent provided to you by the developer that our first equity contribution is dependent on approval of this amendment request.

We have done a great deal of underwriting on this development and are ready to close pending resolution of this issue. Please let us know if there is anything that we can help you with in regards to getting this amendment approved.

Sincerely,

Daniel J. Kierce Regional Director

Apollo Equity Partners



September 20, 2007

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78701

Dear Mr. Sheppard:

Bank of America has been advised that the Texas Department of Housing and Community Affairs ("TDHCA") has requested a letter stating that development of Samuels Place Apartments (TDHCA #05004) is financially infeasible with out approval of the pending amendment request changing eight of the twelve units from 30% AMI units to 60% AMI. The change in the rent level would allow a permanent debt level of between \$1,650,000 and \$1,700,000 depending on interest rate levels. At this level of debt, \$229,239 of the \$425,098 developer fee is deferred at permanent conversion. However, if Samuels Place is required to maintain its current 12 units at 30% of AMI, it would yield approximately \$35,000 less in net operating income. This change would force a lower debt amount by between \$350,000 to \$400,000. Even deferring the entire developer fee would not make up this gap, leaving the development infeasible. Because of the importance of this issue, you will note from the copy of our letter of intent provided to you by the developer that our financing (both the construction and permanent loans) is dependent upon approval of this amendment request.

We have done a great of underwriting on this development and are ready to close pending resolution of this issue. Please let us know if there is anything that we can help you with in regards to getting this amendment approved.

Sincerely,

Bank of America

Valerie A. Williams Senior Vice President 214-209-3219

Valerie A. Williams





Mike King President/CEO

August 9, 2007

Mr. Ben Sheppard Texas Department of Housing And Community Affairs 221 East 11<sup>th</sup> Austin, TX 78711-3941

Re:

VOA Texas Santa Rosa Village, LP

TDHCA #05069

Dear Mr. Sheppard:

As per our telephone conversation, I am providing information regarding amendment to the original application issues for the above referenced property.

Deficiency #1

Unit Mix of development

Response

Please see attached letter from Kimball Thompson indicating that sufficient documentation was received to clear these as PMC inspection deficiency issues.

Also, please be apprised that the TDHCA data base does not allow for entry for 1.5 bathroom; therefore, the discrepancy is due to a rounding problem in the TDHCA data base.

Deficiency #3

Refrigerators with ice makers...

Response

Please see attached letter from Kimball Thompson indicating that sufficient documentation was received to clear these as PMC inspection deficiency issues.

We have installed picnic tables and barbeque grills as a substitution with

TDHCA's approval.

Page Two

**Deficiency #4** 

laminated bathroom countertops...

Response

The bathrooms have wall mounted sinks and there is not ample room to install countertops. However, there are laminated countertops in the kitchen. See attached picture of bathroom mounted sinks.

Deficiency #5

HVAC's - 12-14 seer...

Response

We have verified with the construction company and manufacturing company that the HVAC's installed were 13 seer (Energy Star efficient) and not 12 seer as reflected in the inspection. We have enclosed copy of the serial numbers and letter from the Construction Company.

We are asking to substitute the insulation we installed in lieu of the 14 seer A/C. The cost difference between the 13 seer A/C and the 14 seer AC would have been \$225.25 for a total cost difference of \$11,713.39.

Upon installing the A/Cs it was discovered that there little or no insulation; therefore, we installed R-18 insulation for a cost of approximately \$38,433.00

**Deficiency #6** 

Two Children's playground equipped....

Response

We are requesting that TDHCA allow us to substitute a public telephone for the use by the residents 24 hours a day, seven days a week, which is the same point value as the playground equipment. The property sits adjacent to a full playground that is accessible to all the children and residents of Santa Rosa.

We have also ordered Tot Playground equipment since we have a number of smaller children at this property. We have enclosed pictures and proof of public telephone.

If you should have any questions, please feel free to contact me at 817-529-7346.

Sincerely,

Betty Morris

Director of Housing

monis

July 31, 2006

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 221 East 11<sup>th</sup> Street Austin, Texas 78701

RE:

Amendment Request

Navigation Pointe Apartments in Corpus Christi

TDHCA No. 05127

Dear Mr. Sheppard,

C.C.T. Navigation-Cameron, LP ("Owner") respectfully request permission to amend certain criteria in its 2005 Housing Tax Credit Application, as follows:

#### 1. Revision of Unit Mix

Due to the rising direct construction costs, and in the coastal areas of Texas specifically, the Owner requests to revise the unit mix for Navigation Pointe. The proposed unit mix is more typical to a garden style development, thereby creating a more efficient design. The Owner has carefully attempted to create a unit mix that is consistent with the original unit mix in terms of unit count, net rentable square footage, income mix, and unit/community amenities. Comparisons of the two mixes are noted below:

Salient Information		New Mix	<u>Original Mix</u>
M	Unit Count	124 units (40-1br, 48-2br, 36-3br)	124 units (44-1br, 44-2br, 36-3br)
	Income Mix	13 units @ 30%, 111 units @ 60%	13 units @ 30%, 111 units @ 60%
	Net Rentable SFT	119,472 SFT (< 2% change)	121,896 SFT
•	Building Count	7 apartment buildings	17 apartment buildings

The updated forms for the application reflecting the revised unit mix, in addition to the updated site plan, unit plans, and building plans, are attached.

#### 2. Revision of Unit Amenities

The Owner is requesting a change in one of the unit amenity selections. The Owner is proposing to install "Energy Star or equivalently rated kitchen appliances" (2 points) in lieu of "self-cleaning ovens" (1 point). The Owner believes that this change would better serve the future tenants of Navigation Pointe,

Please let me know if you need any additional information for either of these two requests. Thank you in advance for your time and consideration.

Sincerely,

Manish Verma

C.C.T. Navigation-Cameron, LP Navigation Pointe, TDHCA #05127

HTC 060024

## LOCKE LORD BISSELL & LIDDELL LLP

ATTORNEYS & COUNSELORS

100 Congress Suite 300 Austin, TX 78701-4042 ATLANTA • AUSTIN • CHICAGO • DALLAS • HOUSTON • LONDON • LOS ÁNGELES • NEW ORLEANS • NEW YORK • SACRAMENTO • WASHINGTON, D.C.

Phone: (512) 305-4700 Fax: (512) 305-4800 www.lockelord.com

Direct Number: (512) 305-4707 email: cbast@lockeliddell.com

October 2, 2007

#### VIA HAND DELIVERY

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701 Received

OCT - 3 2007

Re:

Amendment Request -- Financing Change

Cunningham Manor in Brownsville, Texas

TDHCA No. 060024

••••••••

Dear Ben:

We represent Cunningham Manor, Ltd. (the "Partnership"), which proposes to rehabilitate the Cunningham Manor multifamily housing complex in Brownsville, Texas (the "Property"). The Partnership received low-income housing tax credits ("Tax Credits") for the acquisition and rehabilitation of the Property in the 2006 application round.

#### **Amendment Request**

The purpose of this letter is to request approval of an amendment to the Property's financing plan. This amendment is being requested in advance, prior to completion of rehabilitation of the Property.

#### **Detailed Description**

The Tax Credit application for the Property contemplated that the Property would be financed, in part, by a construction and permanent loan in the amount of \$1,760,000 from Evanston Financial, insured under the HUD 221(d)(4) program (the "HUD Insured Loan"), and a subordinate loan in the amount of \$365,000 from the City of Brownsville, consisting of HOME funds (the "HOME Loan"). The HOME Loan was expected to be amortized over 40 years and payable from cash flow generated by the Property. In the Tax Credit application, 18 points were awarded for the HOME Loan under the "local political subdivision funding" category.

In September 2006, the San Antonio office of HUD informed the City of Brownsville that HOME funds could not be used for long-term financing. Thus, based on this mandate, the City of

Mr. Ben Sheppard October 2, 2007 Page 2

Brownsville submitted HOME Loan documents with a one-year term. The Partnership continued to process the HUD Insured Loan. Because the Property required rehabilitation, a relocation plan for the tenants was required, as well.

After the HUD mortgage insurance commitment was received, the documents were negotiated, and the Partnership was ready to close all of its financing, HUD advised the Partnership that its regulations and requirements with respect to the HUD Insured Loan were inconsistent with its requirements for the HOME Loan and that it could not proceed with the HUD Insured Loan so long as the HOME Loan was part of the project financing. Specifically, the requirement that the HOME Loan be repaid within one year was inconsistent with the requirements of the HUD Insured Loan that all secondary loans be repaid solely out of Surplus Cash. Moreover, the relocation requirements for the HUD Insured Loan were inconsistent with the requirements for the HOME Loan and could not be reconciled. In other words, the two HUD programs simply could not work together. The HUD San Antonio office advised that the HOME Loan should be omitted from the financing to make the project "work" under all applicable HUD regulations. The letter from HUD attached as Exhibit A reflects HUD's directive.

Thus, the Partnership had no choice but to eliminate the HOME Loan from its financing plan. Nonetheless, the project remains financially feasible with a \$1,650,000 HUD Insured Loan and a \$270,000 seller finance loan for acquisition of the Property. This is shown on the revised sources and uses schedule attached as Exhibit B.

Without the HOME Loan, the Partnership's application loses 18 points. Nonetheless, we believe the Tax Credits would have been awarded because the application was in the at-risk set-aside.

#### Adherence to Obligations

Section 49.9(c) of the 2007 QAP, which addresses changes in applications, should not apply to this request because the change is being requested in advance.

#### Conclusion

Please provide approval for the change in financing plan for Cunningham Manor; approval should be communicated to the Compliance Division for inspection purposes. A check in the amount of \$2,500, payable to TDHCA, is enclosed to process this amendment. If this amendment requires Board approval, please include this amendment request for consideration at the next available TDHCA Board meeting. If you need additional information to process this request, please feel free to contact me or the Property owner. Thank you.

Sincerely,
Cypthia Chast

Cynthia L. Bast

Mr. Ben Sheppard October 2, 2007 Page 3

#### Enclosures

cc:

Ron Anderson

Ray Lucas



August 22, 2007

Mr. Ron Anderson, Director Housing Community Services, Inc. 8610 North New Braunfels, Su. 500 San Antonio, TX 78217

Dear Mr. Anderson:

SUBJECT: Return of HOME Funds

Project No. 115-35533

**Cunningham Manor Apartments** 

Brownsville, Texas

U.S. Department of Housing and Urban Development

San Antonio Field Office, Region VI Office of Housing, Multifamily Program Center

One Alamo Center

106 South St. Mary's Street, Suite 405

San Antonio, Texas 78205-3601

Phone (210) 475-6831 FAX (210) 472-6897 www.hud.gov

www.espanol.hud.gov



HTC 060024

This is notification that we have determined that the use of the subject HOME funds are not compatible with the requirements of the 221(d)4 Substantial Rehabilitation loan Program as it relates repayment of the loan from the equity partner's capital contributions.

You have informed us that due to unforeseen requirements involving the URA and HOME Program regulations that the 365 day HOME loan will be returned to the City of Brownsville. HUD staff has concurred that we are not in a position to reprocess this firm commitment for mortgage insurance and obtain compliance with the HOME regulations and therefore concur with your decision to return the funds to the City.

Additionally, please provide this office with a copy of the documentation that you receive from the City of Brownsville upon acceptance of the returned HOME funds.

We look for to working with you on the initial endorsement of this loan. Meantime, If you have any questions, please contact Deborah Roberts-Rhodes, Senior Project Manager, at (210) 475-6800, extension 2250.

Sincerely,

Director

Multifamily Program Center



# Housing and Community Services, Inc.

8610 North New Braunfels, Suite 500 San Antonio, Texas 78217-6397

Phone 210.821.4300

Fax 210.821.4303 • Toll Free 888,732,3394

Web Site: www.hcscorp.org · Email: rona@hcscorp.org

Received

OCT 2 9 2007

Ronald C. Anderson Executive Director

#### **Board of Directors**

Carl Forinash President

Gloria Flores Vice President

Eugenie A. Blaskovitz Secretary

Marvin Melson Treasurer

Ann Booker BJ Burns Jack Clark Joan Cortinas Perry Deckard Nancy Hard Dan Kiefer John Longoria Bob Montgomery Anthony Nanes Gloria Rodriguez Rafael Torres October 26, 2007

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

SUBJECT:

Request to Forgo Penalty Assessment

Cunningham Manor

Housing Tax Credit #06024

Dear Ms. Meyer:

Housing and Community Services (HCS) appreciates the consideration given by staff to the amendment request of October 2, 2007 for a change in the financing plan for Cunningham Manor (HTC #06024) and the staff recommendation for its approval.

At the same time, we respectfully request the Board's consideration of circumstances beyond our control that required the change in financing and, specifically, that the Board not assess the recommended penalty. The San Antonio office of the U.S. Department of Housing and Urban Development (HUD) supports this request. A copy of their letter of October 25, 2007 to the TDHCA is attached.

HCS came to the closing on the HUD-insured 221 (d) 4 loan on August 22, 2007 unaware of the incompatibility between the HUD-insured loan and the HOME loan from the City of Brownsville. The issues are spelled out in the letter of August 22, 2007 to HCS from Gretchen A. Marchand, Director of the San Antonio HUD Multifamily Program Center (also attached).

With the firm commitment on the HUD-insured 221 (d) 4 loan expiring at the close of business on the day of the closing (August 22, 2007), failure to close timely would have required re-underwriting and re-issuance of other



d

OCI 2 9 2007

loan-related documents, adding significant costs to the transaction. The start of construction (rehab) would have been delayed, further escalating the costs of the project. Ultimately, delay of the rehab would have created hardships for the residents of the 104-unit Cunningham Manor Apartments who were prepared to relocate based on the scheduled closing date and there likely would have been increased relocation costs.

With these factors weighing heavily and the inability to process an amendment request timely, our decision was to accept the change in financing, proceed with the closing and then inform the TDHCA. Stated more colloquially, HCS was forced by circumstances beyond its control to "sin first and ask for pardon later".

Housing and Community Services is asking for the Board's thoughtful consideration of this request to approve the amendment and forgo the associated penalty which would, for the near term, eliminate our ability compete for housing tax credits to rehabilitate existing low-income housing stock.

Staff assistance in distributing this letter and the two attached letters from the U.S. Department of HUD, San Antonio Field Office timely to the TDHCA Board of Directors is appreciated. Thank you.

Yours truly,

Ronald C. Anderson

**Executive Director** 

Attached: HUD Letter of Support - October 25, 2007

HUD Notification Letter - August 22, 2007



U.S. Department of Housing and Urban Development San Antonio Field Office, Region VI Office of Housing, Multifamily Program Center One Alamo Center 106 South St. Mary's Street, Suite 405 San Antonio, Texas 78205-3601 Phone (210) 475-6831 FAX (210) 472-6897

October 25, 2007

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

SUBJECT:

Cunningham Manor

Housing Tax Credit #06024

Dear Ms Meyer:

The U.S. Department of HUD respectfully requests that the Texas Department of Housing and Community Affairs (TDHCA) approve the requested amendment to the housing tax credit application (HTC #06024) and that you do so without assessing the recommended penalty.

The change in financing, which occurred on the day of closing, was completely out of the applicant's control. The incompatibility of the HUD HOME loan structure, in that it was due and payable within 12 months, conflicted with the sources ability to meet that requirement. Additionally, we were unable to receive from HUD CPD approval to use the HOME funds without an approved relocation plan. The action taken to leave the HOME Funds out of the transaction was unfortunate, but necessary, given the timeframes of the closing terms and the term of the HOME loan. It was not intentional on HUD's part, or HCS to change the financing plan, but unforeseen complications at the last minute resulted in the return of the funds to the City of Brownsville.

HCS has a longstanding partnership with HUD in preserving affordable housing in South Texas and has other 'at risk' properties in their low-income housing portfolio that would benefit from tax credit funding for rehab. The proposed penalty would effectively eliminate the ability of HCS to be competitive in the next two funding cycles.

Your consideration of the unexpected circumstances that led to withdrawal of the HOME funding is appreciated. If you have further questions you may contact me at (210)475-6800 extension 2263.

Sincerely,

Gretchen Marchand

Director

Multifamily Program Center



August 22, 2007

Mr. Ron Anderson, Director Housing Community Services, Inc. 8610 North New Braunfels, Su. 500 San Antonio, TX 78217

Dear Mr. Anderson:

SUBJECT: Return of HOME Funds

Project No. 115-35533

**Cunningham Manor Apartments** 

Brownsville, Texas

U.S. Department of Housing and Urban Development
San Antonio Field Office, Region VI
Office of Housing, Multifamily Program Center
One Alamo Center
106 South St. Mary's Street, Suite 405
San Antonio, Texas 78205-3601
Phone (210) 475-6831 FAX (210) 472-6897
www.hud.gov www.espanol.hud.gov

Received

OCT 2 9 2007

This is notification that we have determined that the use of the subject HOME funds are not compatible with the requirements of the 221(d)4 Substantial Rehabilitation loan Program as it relates repayment of the loan from the equity partner's capital contributions.

You have informed us that due to unforeseen requirements involving the URA and HOME Program regulations that the 365 day HOME loan will be returned to the City of Brownsville. HUD staff has concurred that we are not in a position to reprocess this firm commitment for mortgage insurance and obtain compliance with the HOME regulations and therefore concur with your decision to return the funds to the City.

Additionally, please provide this office with a copy of the documentation that you receive from the City of Brownsville upon acceptance of the returned HOME funds.

We look for to working with you on the initial endorsement of this loan. Meantime, If you have any questions, please contact Deborah Roberts-Rhodes, Senior Project Manager, at (210) 475-6800, extension 2250.

Sincerely,

Gretchen A. Marchand

Director

Multifamily Program Center

## ZIMMERMAN PROPERTIES, LLC

1730 E. REPUBLIC ROAD, SUITE F SPRINGFIELD, MISSOURI PHONE: (417) 883-1632 FAX: (417) 883-6343

October 3, 2007

Ben Sheppard Multifamily Finance and Production Division Texas Department of Housing and Community Affairs 211 East 11<sup>th</sup>, St. Austin, Texas 78711-3941 Received

DCI - /1 2007

RE:

Request for Amendment to the Heights Apartments, Big Spring, Texas

TDHCA #07115

Dear Mr. Sheppard:

As per our conversation on October 1<sup>st</sup>, 2007 we are formally requesting an application amendment for the Heights Apartments, TDHCA #07115. The following should identify all changes and provide an explanation of reasoning.

The requested amendment is as follows:

- We are request to modify the site plan submitted during the application process. Please see the original site plan attached labeled exhibit "A". Simply stated, the clubhouse, tot lots, picnic area, covered pavilion and two of the buildings are being relocated. Please see attached revised site plan labeled exhibit "B".
- The reasoning for the request is due to engineering issues concerning the topography of the site. After reviewing the final engineering reports, we realize that there are greater grade changes than originally anticipated. By a simple relocation of the amenities, clubhouse, and two buildings, construction/development cost will stay as originally budgeted.
- All other amenities have stayed the same.

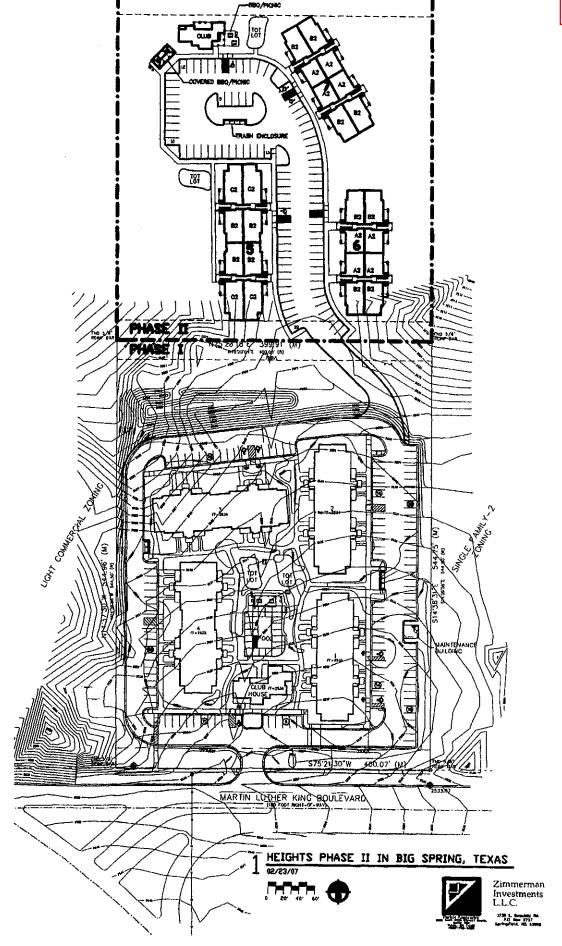
We have enclosed a check for \$2,500 per amendment guidelines. Please contact me at (417) 861-6757 if further clarification is need.

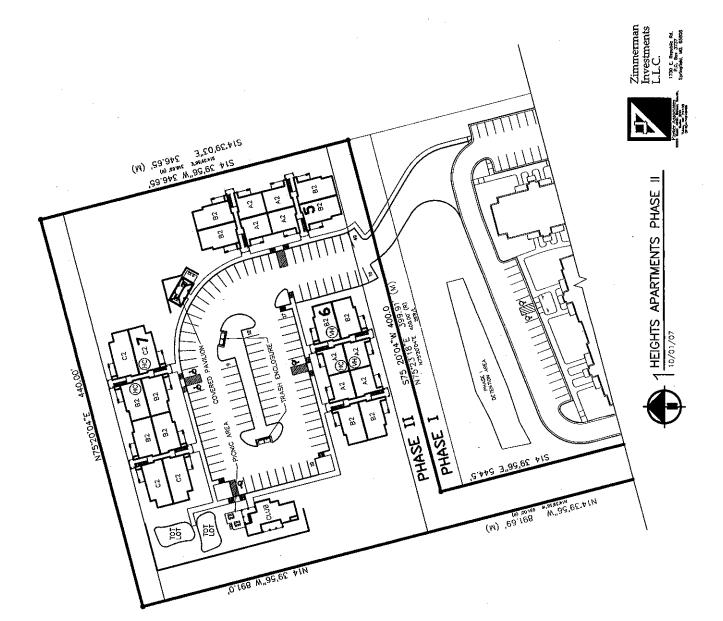
Sincerely,

Yustin M. Zimmerman

Member

HTC 07115





HTC 07118

### ZIMMERMAN PROPERTIES, LLC

1730 E. REPUBLIC ROAD, SUITE F
SPRINGFIELD, MISSOURI

PHONE: (417) 883-1632 FAX: (417) 883-6343

October 3, 2007

Ben Sheppard Multifamily Finance and Production Division Texas Department of Housing and Community Affairs 211 East 11<sup>th</sup>, St. Austin, Texas 78711-3941

Received

OCT - 4 200

RE:

Request for Amendment to the Lakeside Apartments, Mt. Pleasant, Texas

TDHCA #07118

Dear Mr. Sheppard:

As per our conversation on October 1<sup>st</sup>, 2007 we are formally requesting an application amendment for the Lakeside Apartments, TDHCA #07118. The following should identify all changes and provide an explanation of reasoning.

The requested amendment is as follows:

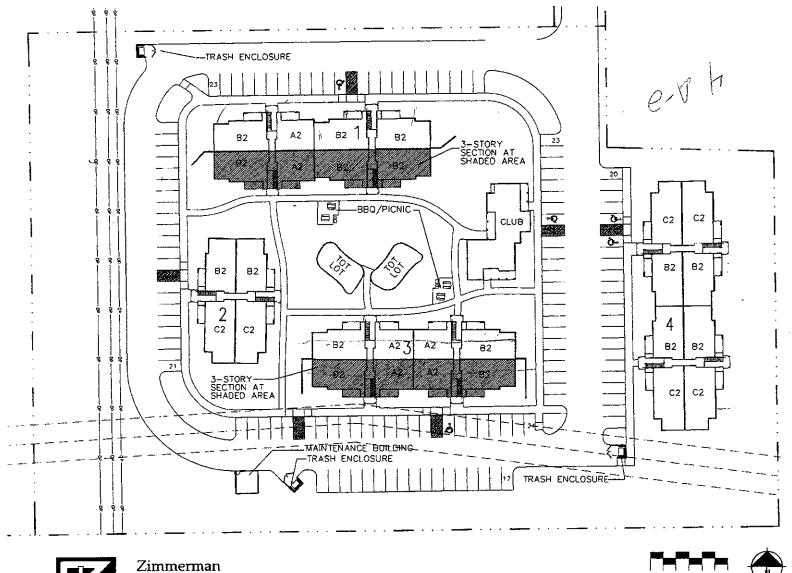
- We are requesting to modify the site layout and building plans submitted during the application process. Please see the original site plan attached labeled exhibit "A" and original building plans labeled exhibit "B-1 through B-6". The clubhouse, tot lots, picnic area, covered pavilion and buildings are being relocated per the attached revised site plan labeled exhibit "C". Two of the building plans have been redesigned as three story structures. Please see attached revised building plans labeled "D-1 through D-6". The remaining two buildings are as originally designed. (Please note that building numbers have changed on the revised site plan labeled exhibit "C".)
- The reasoning for the request is due to engineering issues at the site. By a redesign of the site plan and two of the apartment buildings, the footprint of the development is reduced allowing for less impact to the land. This will also assist in keeping the submitted construction/development budget intact.
- The number of units, unit types, unit square footage, and other amenities has stayed the same.
- Enclosed is a Revised Volume 1, Tab 2, Activity Overview, Part F. Building/Unit Type Configuration.

We have enclosed a check for \$2,500 per amendment guidelines. Please contact me at (417) 861-6757 if further clarification is need.

Sincerely,

Justin M./Z/mmerman

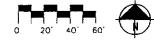
Member





Investments L.L.C.

1730 F. Republic Rd. P 0 8ox 3737 Springfield, MO. 65808

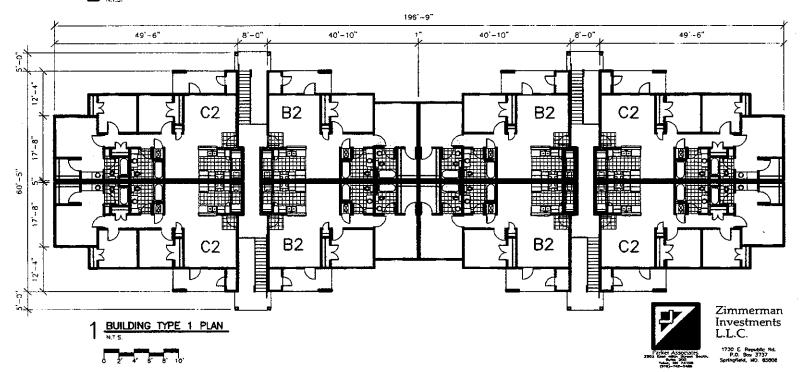


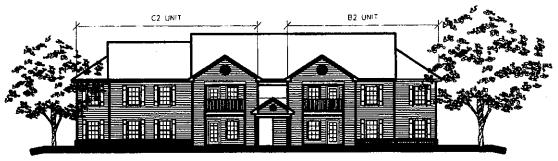
1 LAKESIDE APARTMENTS IN MT. PLEASANT TEXAS 02/24/07

## $3 \frac{\text{BUILDING TYPE 1 FRONT AND BACK ELELVATION}}{\text{N.T.S.}}$



### $2^{\frac{\text{building type 1 end elevation}}{\text{N.T.S.}}}$



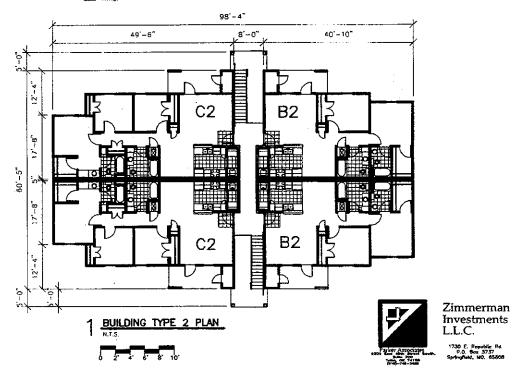


3 BUILDING TYPE 2 FRONT AND BACK ELELVATION

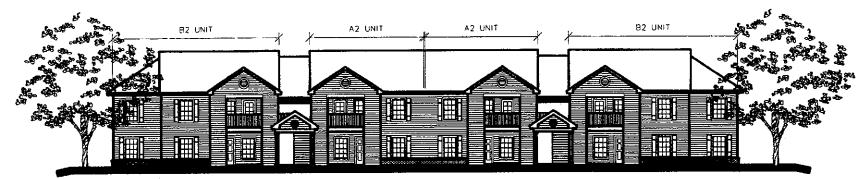


Apartment Exterior Fini	ishes
Total Cement Board	
Siding Area	- (+-92%)
Total Brick Area	= (+-08%)
Total Masonry Finish	= (100%)

### $2_{\frac{\text{BUILDING TYPE 2 END ELEVATION}}{\text{N.T.s.}}}$



## Exhibit "B3"

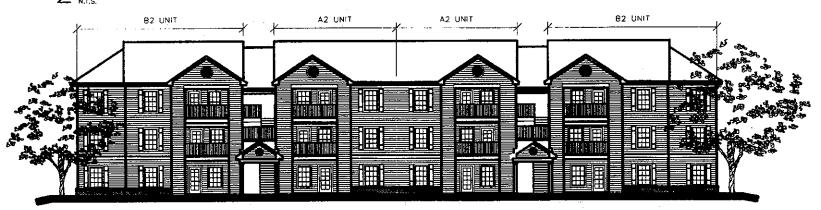


# 3 BUILDING TYPE 3 FRONT ELEVATION



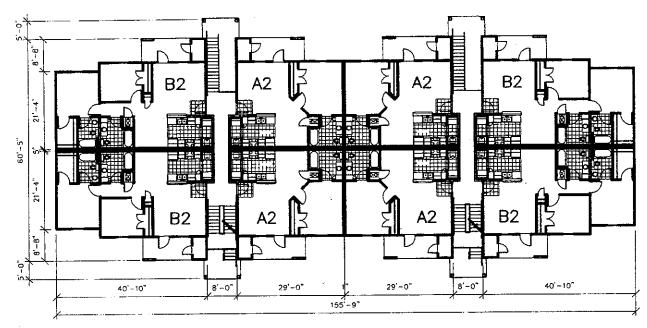
Apartment Exterior Fini	shes
Total Cement Boord Siding Area Total Brick Area	= (+-92%) = (+-08%)
Total Masonry Finish	= (100%)

## $2_{\frac{\text{BUILDING TYPE 3 END ELEVATION}}{\text{N.T.S.}}}$

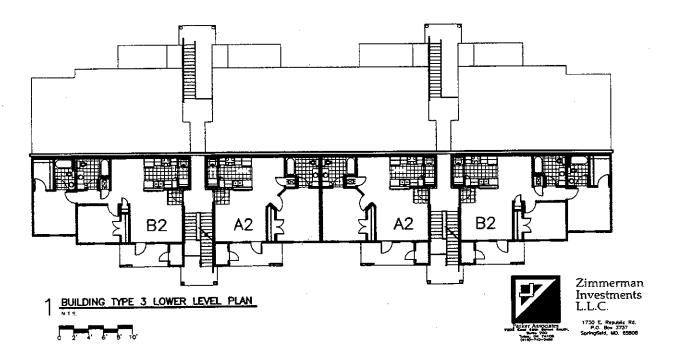


## 1 BUILDING TYPE 3 BACK ELEVATION N.T.S.

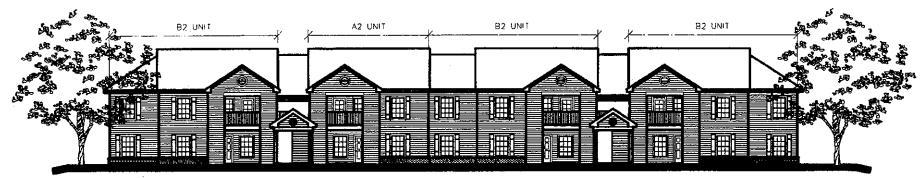




2 BUILDING TYPE 3 UPPER LEVEL PLAN



# Exhibit "B5"

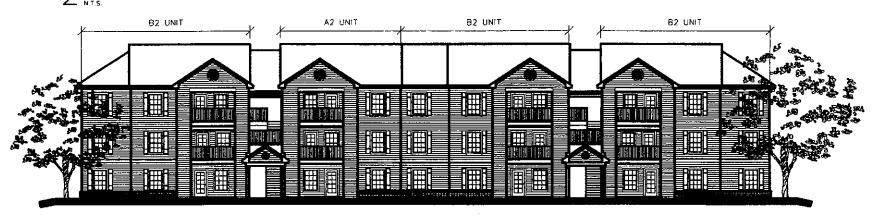


# 3 BUILDING TYPE 4 BACK ELEVATION



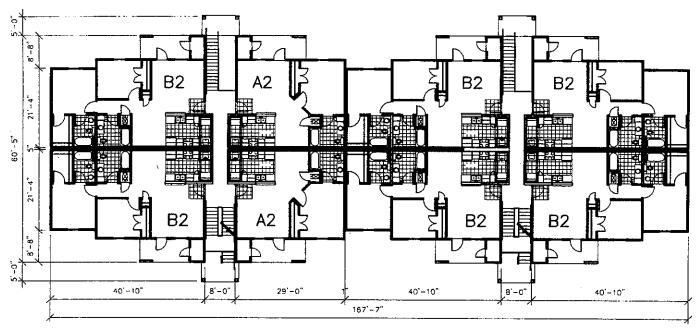
Apartment Exterior Fin	ishes		
Total Cement Board			
Siding Area			
Total Brick Area	= (+-08%)		
Total Masonry Finish	= (100%)		

## $2_{\frac{\text{BUILDING TYPE 4 END ELEVATION}}{\text{N.T.S.}}}$

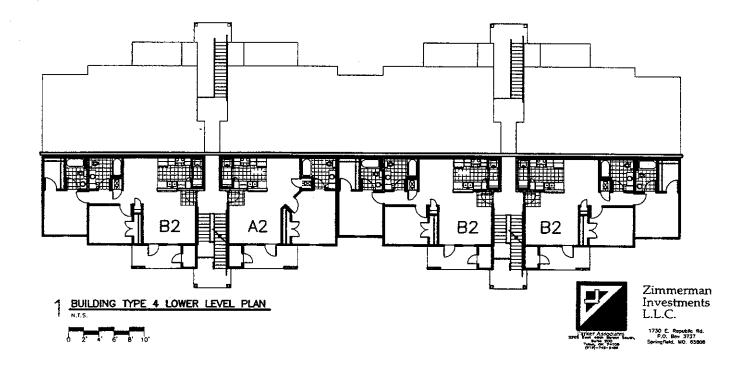


# 1 BUILDING TYPE 4 FRONT ELEVATION N.T.S.



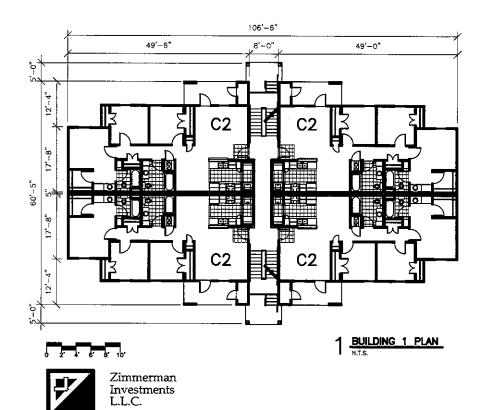


2 BUILDING TYPE 4 UPPER LEVEL PLAN N.T.S.



10/02/07

# Exhibit "DI"



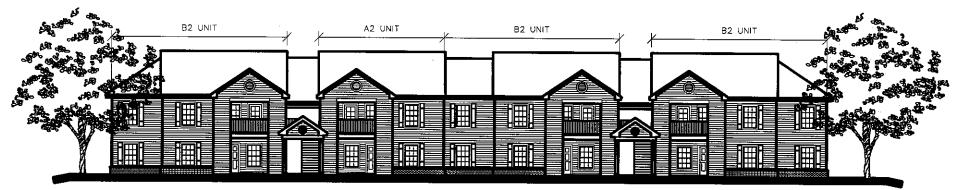


### $2_{\frac{\text{BUILDING 1 END ELEVATION}}{\text{N.T.S.}}}$



3 BUILDING 1 FRONT AND BACK ELELVATION N.T.S.

#### Exhibit "Dz"



3 BUILDING 2 BACK ELEVATION

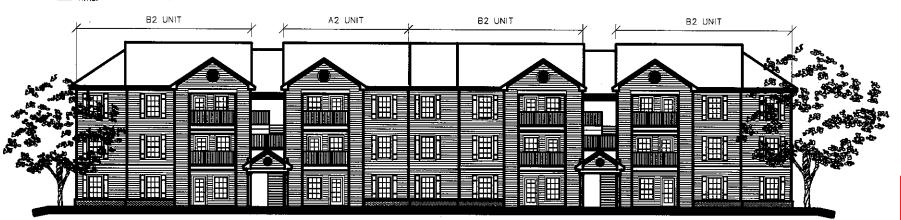


Aportment Exterior Finishes

Total Cement Board
Siding Area = (+-92%)
Total Brick Area = (+-08%)

Total Mosonry Finish = (100%)

2 BUILDING TYPE FEND ELEVATION

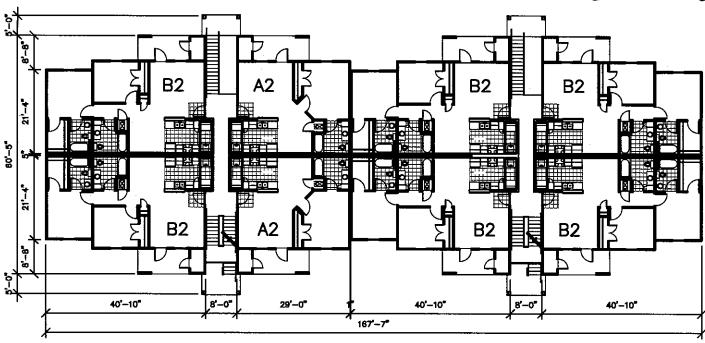




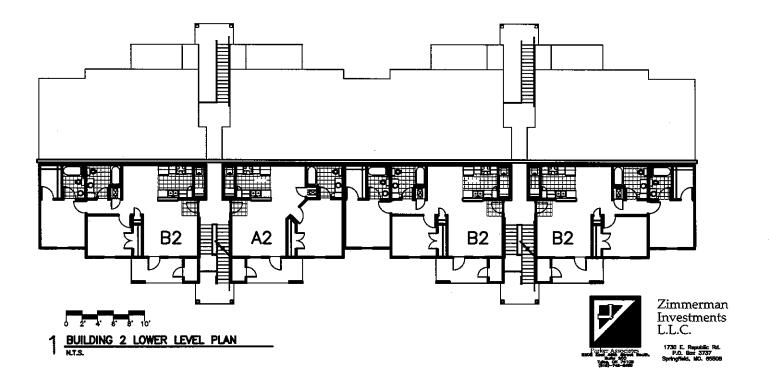
Parker Associates 2002 for Bulley 200 Products Tales 200 Products Tales 200 Products

Zimmerman Investments L.L.C.

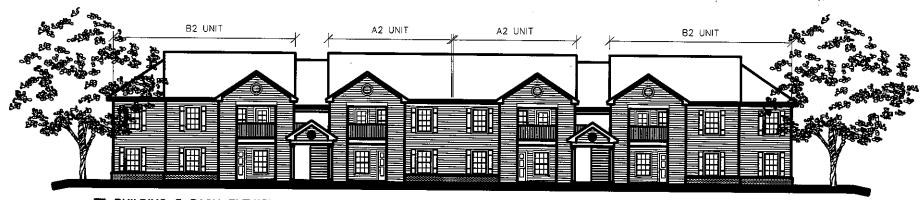
> 1730 E. Republic Rd. P.O. Box 3737 Springfield, MO. 85808



2 BUILDING 2 UPPER LEVEL PLAN
N.T.S.



## Exhibit "Dy"



## 3 BUILDING 3 BACK ELEVATION



Apartment Exterior Fir	nishes
Total Cement Board Siding Area Total Brick Area	= (+-92%) = (+-08%)
Total Masonry Finish	= (100%)

# $2_{\frac{\text{BUILDING 3 END ELEVATION}}{\text{\tiny N.T.S.}}}$

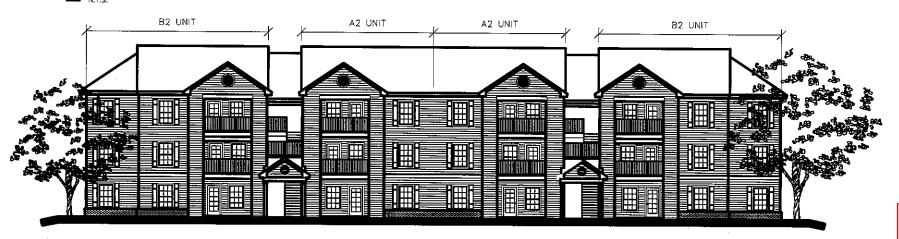
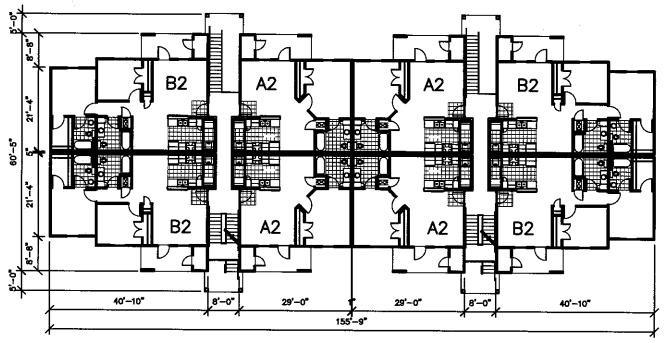
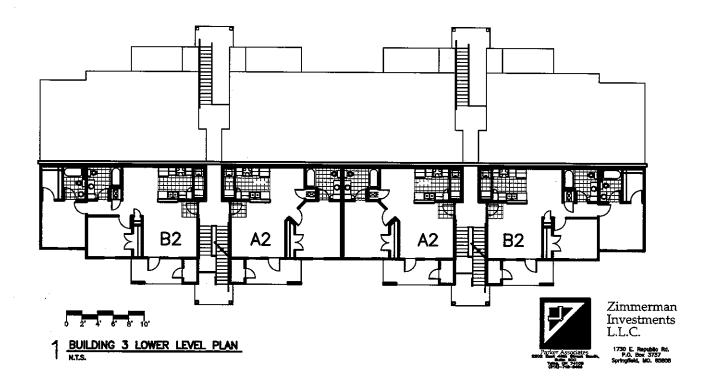


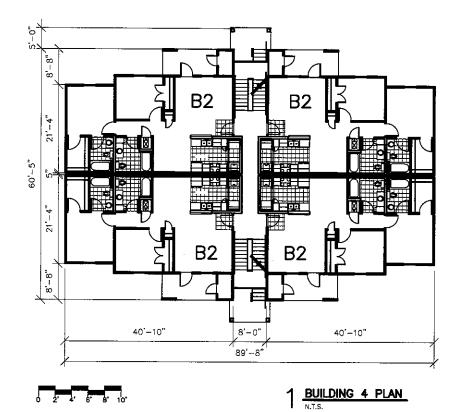


Exhibit "D5"



2 BUILDING 3 UPPER LEVEL PLAN
N.T.S.





B2 UNIT

 $2_{\frac{\text{BUILDING 4 END ELEVATION}}{\text{N.T.S.}}}$ 



3 BUILDING 4 FRONT AND BACK ELELVATION N.T.S.





# DEVELOPMENT COMPANY, LLC

October 4, 2007

neurd 10-5-07

Ms. Robbye Meyer Texas Department of Housing and Community Affairs 221 E 11<sup>th</sup> Street Austin, TX 78711

Re:

San Gabriel Crossing TDHCA # 07220 Liberty Hill, Texas

Dear Ms. Meyer:

On behalf of Liberty Hill THF Housing, L.P., I am requesting an amendment to the site plan submitted as part of our request for Housing Tax Credits. This 76-unit family community is being co-developed by DMA Development Company and Texas Housing Foundation (THF). We enclose a check for \$2,500 for the amendment fee along with the 2007 Multifamily Rental Housing Document and Payment Receipt.

Specifically, the amendment requested is to accommodate a request from the City of Liberty Hill that access to the site be from a side street, Hillcrest Lane, rather than from Loop 332, which is a major arterial. In addition to requesting that the access to the site be from Hillcrest, we request a revision of the site layout to allow the community building to be relocated near the entrance to the site, as it was in the original site plan. We have also completed a tree survey since the date of the application and have adjusted buildings to preserve the greatest number of trees.

By way of background, the application for the proposed 76-unit family apartment community proposed a site of six acres with access off Loop 332. (See Exhibit A attached.) The six-acre site is part of a larger 14-acre tract, the majority of our site being at the back part of the tract. As part of the consideration of our conditional use permit (which followed a successful zoning request), Liberty Hill City Council asked that we relocate the entrance to the site from Loop 332 to Hillcrest Lane. Hillcrest Lane borders the site on the North, and, while it has the appearance of a public street, it is largely owned by Gary and Kaye Jackson, landowners of the 14 acre parcel. Although the City of Liberty Hill adopted a Transportation Plan in 2005 which proposed a future connector road to run from the southeast through the middle of the 14 acre tract connecting to Loop 332, the Jacksons were not made aware of the City's plan for this road until late July 2007. In the spirit of cooperation, the City of Liberty Hill and the Jacksons agreed the best approach was to relocate the future connector road on the existing Hillcrest Lane.

The Jacksons have, however, agreed to make this 1.24 acre tract, along with .36 additional acres, available to San Gabriel Crossing at no additional charge. This 1.24 acre tract will be improved as a city street by the partnership and will be dedicated to the City following completion of the project. (See Exhibit B attached.) The City has agreed that San Gabriel Crossing can use the additional 1.24 acres for density to achieve the 10 units per acre zoning density requirement, prior to the road's dedication.

Ms. Robbye Meyer Page 2 October 4, 2007

This change of site plan 1) preserves the same common spaces as in the application, 2) preserves the same building types and unit mixes, and 3) has no impact on the net rentable areas. It provides safer access for the residents of San Gabriel Crossing and the improvement of Hillcrest Lane will benefit the neighborhood as a whole.

The change will have the following two impacts, although minor in nature:

- 1) The original site was 6.0 acres. The new site prior to dedication of the road is 7.6 acres, and following dedication of the road is 6.36 acres. This is a site area change of less than 10%. The 6.36 acres occupies the same portion of the tract as the original site.
- 2) We have reviewed this change from a cost analysis standpoint and it will have the following impact:
  - ✓ The improvement of Hillcrest Lane will cost approximately \$75,000 according to our contractor, and will be considered off-site costs not included in eligible basis. In our initial cost projections included in the application, we budgeted \$50,000 in on-site costs for the previous drive, which ran a shorter distance. Removing these on-site costs will reduce our eligible basis paving number by \$50,000.
  - ✓ Since the application filing, we have been advised by the civil engineer that we will need a lift station even though we will tie into city sewer at Loop 332. The approximate cost of a lift station is estimated to be \$75,000. This will be an on-site cost and will be included in eligible basis.
  - ✓ These two changes represent a total cost increase of \$100,000, with a net increase of \$25,000 in eligible basis. We ask that this project not be re-underwritten until Carryover (Part 2) since the costs are preliminary estimates and may change between now and then.

Per the Department's application amendment process and requirement guidelines, the following applicable application forms are being submitted:

- Financing Participants: This form is identical to that submitted with the initial application with the exception of increased deferred Developer fee to address the estimated increase in development costs. Syndicator offers are being reviewed in the next sixty days and therefore there is no change in financing participants to report at this time.
- Development Cost Schedule: Form is revised to include \$75,000 estimated for the off-site improvements to Hillcrest Lane; a \$50,000 reduction in on-site paving costs; and the \$75,000 lift station cost that is located in Special Construction line item.
- Sources and Uses: Revised to increase deferred Developer Fee to cover the development cost increase.
- Off-Site Cost Breakdown: Revised to include the \$75,000 improvements to Hillcrest Lane.

Ms. Robbye Meyer Page 3 October 4, 2007

Again, we ask that this project not be re-underwritten now since the costs are preliminary estimates and may be adjusted prior to Carryover (Part 2).

We believe this request is considered to be a minor site plan amendment which will benefit the project in a positive manner, and respectfully request the Department's approval. It is our understanding that if this amendment is approved, this change will not result in penalties under Section 49.9 of the Qualified Allocation Plan.

Please advise of any questions or need for additional information. Thank you.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

Diana McIver President

**Enclosures** 

Cc: Mark Mayfield, Texas Housing Foundation

JoEllen Smith, DMA

TEL: 512.328.3232 WWW.MCIVER.COM

FAX: 512.328.4584

# DEVELOPMENT COMPANY, LLC

October 31, 2007

Ms. Robbye Meyer Texas Department of Housing and Community Affairs 221 E 11<sup>th</sup> Street Austin, TX 78711

Re:

San Gabriel Crossing TDHCA # 07220 Liberty Hill, Texas

Dear Ms. Meyer:

On behalf of Liberty Hill THF Housing, L.P., I am submitting a revision to the request for an amendment to the site plan submitted as part of our request for Housing Tax Credits. This 76-unit family community is being co-developed by DMA Development Company and Texas Housing Foundation (THF). We have already submitted the check for \$2,500 for the amendment fee along with the 2007 Multifamily Rental Housing Document and Payment Receipt.

The initial amendment request requested a site increase of 1.6 acres of which approximately 1.24 acres would be dedicated to the City as an improved street, and .36 acres would be added to the final site. This revised request is to allow a site increase of 1.6 acres but now .93 acres would be dedicated to the City as an improved street, and .66 acres would be added to the final site.

The following is the same information submitted in our initial request, with the exception of changes in the amount acreage that is being dedicated to the City and the amount of acreage added to the final site:

Specifically, the amendment requested is to accommodate a request from the City of Liberty Hill that access to the site be from a side street, Hillcrest Lane, rather than from Loop 332, which is a major arterial. In addition to requesting that the access to the site be from Hillcrest, we request a revision of the site layout to allow the community building to be relocated near the entrance to the site, as it was in the original site plan. We have also completed a tree survey since the date of the application and have adjusted buildings to preserve the greatest number of trees.

By way of background, the application for the proposed 76-unit family apartment community proposed a site of six acres with access off Loop 332. (See Exhibit A attached.) The six-acre site is part of a larger 14-acre tract, the majority of our site being at the back part of the tract. As part of the consideration of our conditional use permit (which followed a successful zoning request), Liberty Hill City Council asked that we relocate the entrance to the site from Loop 332 to Hillcrest Lane. Hillcrest Lane borders the site on the North, and, while it has the appearance of a public street, it is largely owned by Gary and Kaye Jackson, landowners of the 14 acre parcel. Although the City of Liberty Hill adopted a Transportation Plan in 2005 which proposed a future connector road to run from the southeast through the middle of the 14 acre tract connecting to Loop 332, the Jacksons were not made aware of the City's plan for this road until late July 2007. In the spirit of cooperation, the City of Liberty Hill and the Jacksons agreed the best approach was to relocate the future connector road on the existing Hillcrest Lane.

4101 PARKSTONE HEIGHTS DRIVE, SUITE 310 AUSTIN, TEXAS 78746

TEL: 512.328.3232 WWW.MCIVER.COM FAX: 512.328.4584

Ms. Robbye Meyer Page 2 October 31, 2007

The Jacksons have, however, agreed to make this .93 acre tract, along with .66 additional acres, available to San Gabriel Crossing at no additional charge. This .93 acre tract will be improved as a city street by the partnership and will be dedicated to the City following completion of the project. (See Exhibit B attached.) The City has agreed that San Gabriel Crossing can use the additional .93 acres for density to achieve the 10 units per acre zoning density requirement, prior to the road's dedication.

This change of site plan 1) preserves the same common spaces as in the application, 2) preserves the same building types and unit mixes, and 3) has no impact on the net rentable areas. It provides safer access for the residents of San Gabriel Crossing and the improvement of Hillcrest Lane will benefit the neighborhood as a whole.

The change will have the following two impacts, although minor in nature:

- 1) The original site was 6.01 acres. The new site prior to dedication of the road is 7.6 acres, and following dedication of the road is 6.67 acres. This is a site area change of approximately 11%. The 6.67 acres occupies the same portion of the tract as the original site.
- 2) We have reviewed this change from a cost analysis standpoint and it will have the following impact:
  - ✓ The improvement of Hillcrest Lane will cost approximately \$75,000 according to our contractor, and will be considered off-site costs not included in eligible basis. In our initial cost projections included in the application, we budgeted \$50,000 in on-site costs for the previous drive, which ran a shorter distance. Removing these on-site costs will reduce our eligible basis paving number by \$50,000.
  - ✓ Since the application filing, we have been advised by the civil engineer that we will need a lift station even though we will tie into city sewer at Loop 332. The approximate cost of a lift station is estimated to be \$75,000. This will be an on-site cost and will be included in eligible basis.
  - ✓ These two changes represent a total cost increase of \$100,000, with a net increase of \$25,000 in eligible basis. We ask that this project not be re-underwritten until Carryover (Part 2) since the costs are preliminary estimates and may change between now and then.

Per the Department's application amendment process and requirement guidelines, the following applicable application forms are being submitted:

• Financing Participants: This form is identical to that submitted with the initial application with the exception of increased deferred Developer fee to address the estimated increase in development costs. Syndicator offers are being reviewed in the next sixty days and therefore there is no change in financing participants to report at this time.

Ms. Robbye Meyer Page 3 October 31, 2007

- Development Cost Schedule: Form is revised to include \$75,000 estimated for the off-site improvements to Hillcrest Lane; a \$50,000 reduction in on-site paving costs; and the \$75,000 lift station cost that is located in Special Construction line item.
- Sources and Uses: Revised to increase deferred Developer Fee to cover the development cost increase.
- Off-Site Cost Breakdown: Revised to include the \$75,000 improvements to Hillcrest Lane.

Again, we ask that this project not be re-underwritten now since the costs are preliminary estimates and may be adjusted prior to Carryover (Part 2).

We believe this request is considered to be a minor site plan amendment which will benefit the project in a positive manner, and respectfully request the Department's approval. It is our understanding that if this amendment is approved, this change will not result in penalties under Section 49.9 of the Qualified Allocation Plan.

Please advise of any questions or need for additional information. Thank you.

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

Diana McIver President

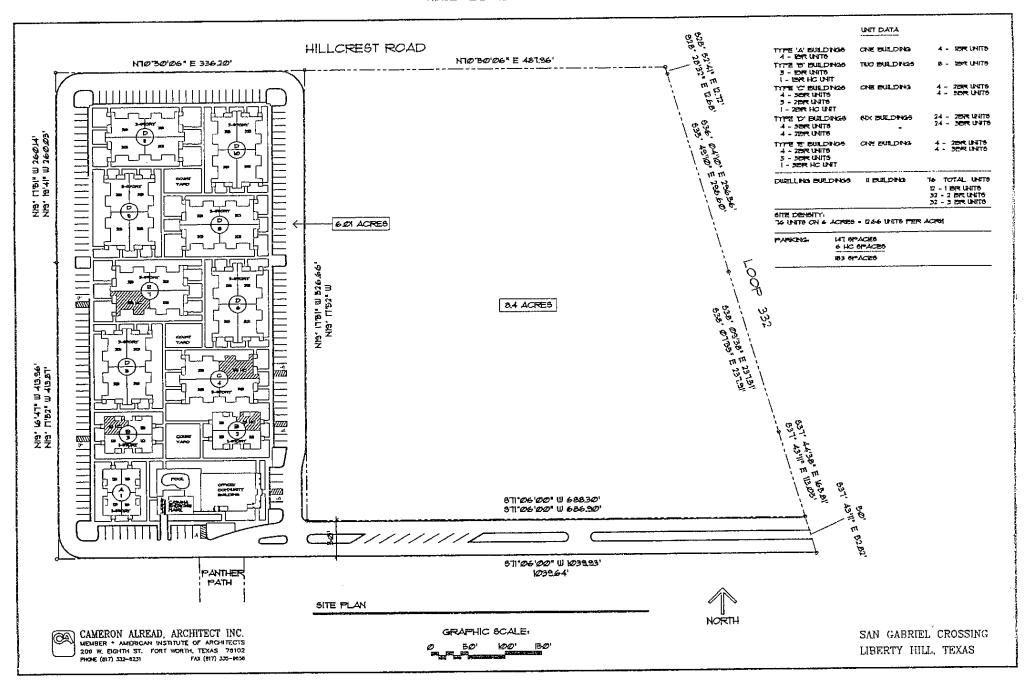
Enclosures

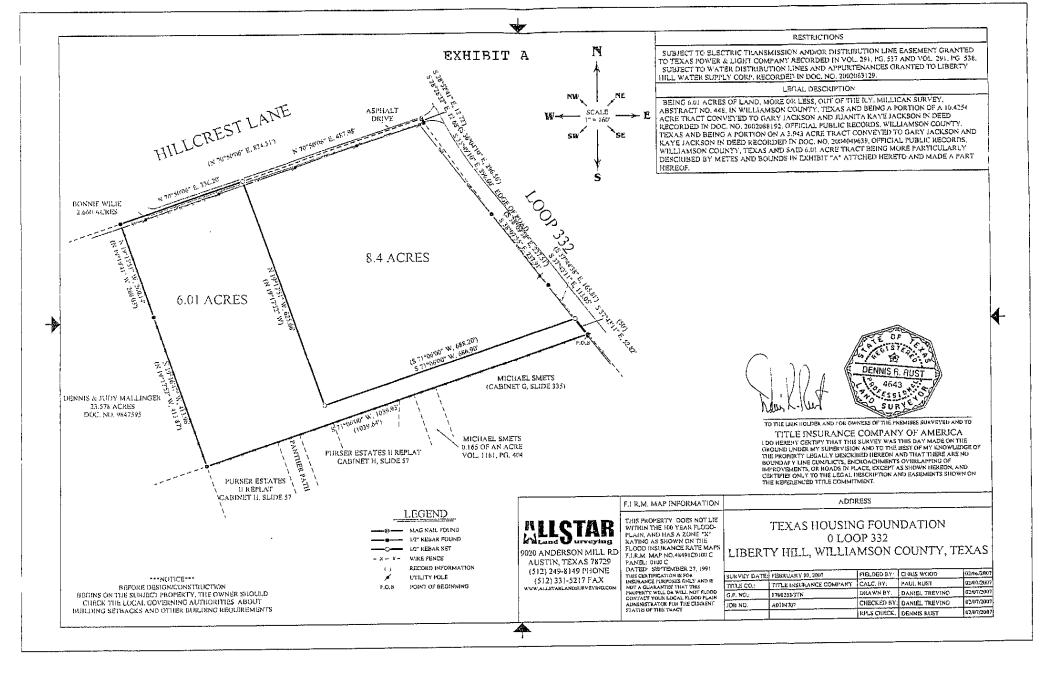
Cc:

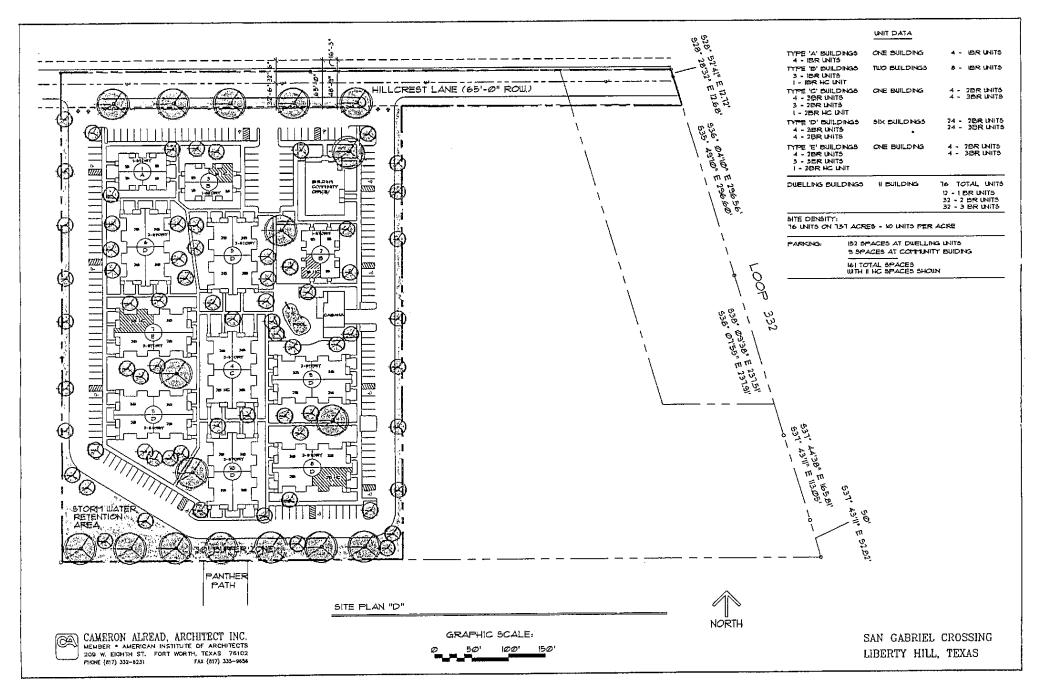
Mark Mayfield, Texas Housing Foundation

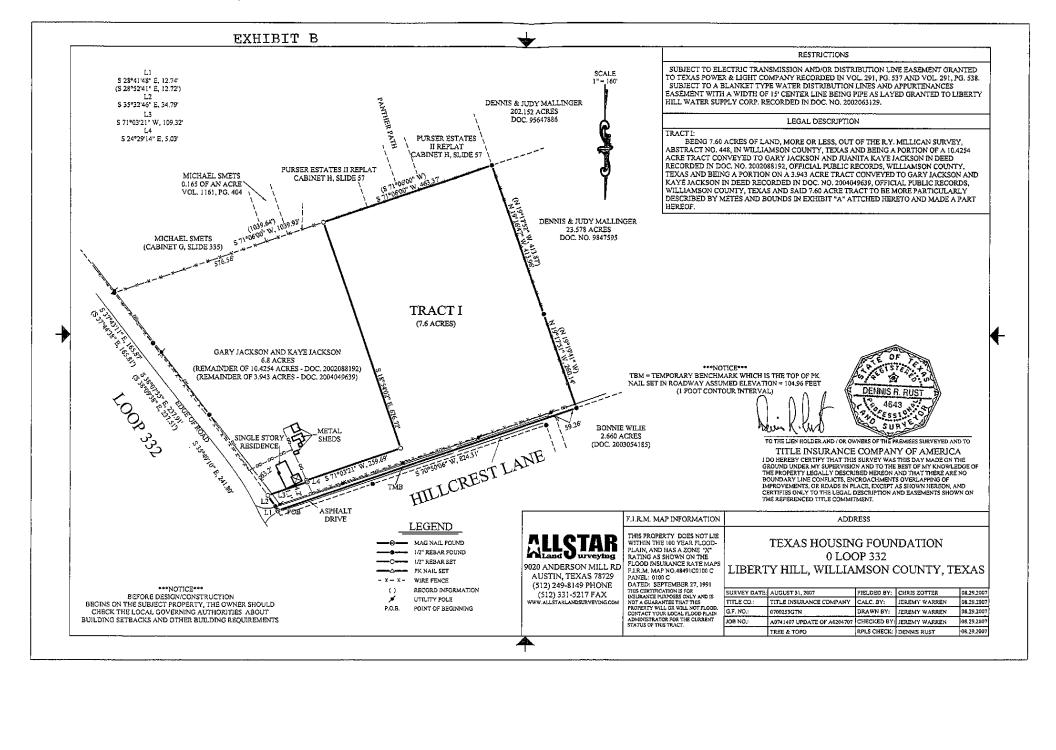
JoEllen Smith, DMA

EXHIBIT A









									G								

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants requires TDHCA's written consent.

Source #: 1 Amount: \$2,966,000 🖾 Interim 🗌 Permanent 🗌 Equity Commitment Date: 2/22/07
Source Lancaster Pollard Mortgage Company Contact Name: Ginger McGuire Name:
Address: 100 Congress Avenue, Suite 300 City: Austin
State: TX ZIP: 78701 Phn.: (512) 703-4600 Fax: 512-305-4800
Level of Commitment: Closed Firm Conditional Letter of Interest Other: Describe
Grant Terms:
Interest Rate: 7.5 % X Fixed Adjustable Floating
Rate Index: Annual Payment: \$interest only Lien Priority: N/A
Syndication Tax Credit Estimate \$ Syndication Factor: \$ Per Credit Dollar
Source #: 8 Amount: \$5,195,230
Source Boston Capital Contact Name: Olga Winner Name:
Address: One Boston Place, Suite 2100 City: Boston
State: MA ZIP: 02108 Phn.: (617)624-8816 Fax: (617) 523-6492
Level of Commitment: Closed Firm Conditional Letter of Interest Other: Describe
Grant Terms:
☐ Loan ☐ Recourse ☐ Non-Recourse Amortization Term: Yrs. Repayment Term: Yrs.
Interest Rate: <u>8.5 %</u> ☐ Fixed ☐ Adjustable ☐ Floating
Rate Index: Annual Payment: \$ Lien Priority:
Syndication Tax Credit Estimate \$597,220 Syndication Factor: \$.87 Per Credit Dollar
Source #: 10 Amount: \$ 2,966,000
Source Lancaster Pollard Mortgage Company Contact Name: Ginger McGuire Name:
Address: 100 Congress Avenue, Suite 300 City: Austin
State: TX ZIP: 78701 Phn.: (512)703-4600 Fax: (512) 305-4800
Level of Commitment: Closed Firm Conditional Letter of Interest Other: Describe
Grant Terms:
□ Recourse  Non-Recourse  Amortization Term: Yrs. Repayment Term: 30 Yrs.
Interest Rate: <u>5 %</u> ⊠ Fixed ☐ Adjustable ☐ Floating
Rate Index: Annual Payment: \$222,235 Lien Priority: _1
Syndication Tax Credit Estimate \$ Syndication Factor: \$ Per Credit Dollar: \$

		24 P (a)	對海	<b>教师</b> 某人	PART B.	FINAN	CING	PARTI	CIPAN	TS	對於特殊
All cu	irrent and pro	posed n	on-TDH	CA financii	ng sources	should be	e identifie	d below.	Use addit	ional sheets	if necessar
nana	tive to further	describe	e any fui	nding sour	ce other tha	an grants,	loans or	equity de	escribed h	erein. A cop	y of the co

ry and/or attach a written mmitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the Summary Sources and Uses of Funds" form. Subsequent changes to the proposed financing participants requires TDHCA's written consent.

Source #: 13 Amount: \$415,000   Interim   Permanent   Equity   Commitment Date: 2/26/07
Source Capital Area Housing Finance Corporation Contact Name: Jim Shaw Name:
Address: 4101 Parkstone Heights Drive, Suite 280 City: Austin
State: TX ZIP: 78746 Phn.: (512) 347-9903 Fax: (512) 732-8341
Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Intent to Apply
Grant Terms:
Interest Rate:       AFR %       AFI Fixed ☐ Adjustable ☐ Floating         Rate Index:       AFR %       Annual Payment:       \$       Lien Priority:       N/A
Syndication Tax Credit Estimate \$ Syndication Factor: \$ Per Credit Dollar
Source #: 13 Amount: \$6,900
Source City of Liberty Hill Contact Name: Mayor Connie Fuller Name:
Address: P.O. Box 1920 City: Liberty Hill
State: TX ZIP: 78642 Phn.: (512)778-5449 Fax: (512) 778-5418
Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: In-Kind Contribution/Sewer Ext.
Grant Terms: In-Kind Contribution to Extend Sewer to Site
Loan Recourse Non-Recourse Amortization Term: Yrs. Repayment Term: Yrs.
Interest Rate: % ☐ Fixed ⊠ Adjustable ☐ Floating
Rate Index: Annual Payment: \$ Lien Priority:
Syndication Tax Credit Estimate \$ Syndication Factor: \$ Per Credit Dollar
Source #: 16 Amount: \$137,121
Source THF Development Company, LLC Contact Name: Diana McIver
Address: 4101 Parkstone Heights Dr., Ste 310 City: Austin
State: TX ZIP: 78746 Phn.: (512)328-3232 Fax: (512) 328-4584
Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Deferred Developers Fee
Grant Terms:
Image: Substitution of the continuous process
Interest Rate: % ☐ Fixed ☒ Adjustable ☐ Floating
Rate Index: Annual Payment: \$based on cash Lien Priority: soft flow
Syndication Tax Credit Estimate \$ Syndication Factor: \$ Per Credit Dollar: \$

# Volume 1, Tab 3, ACTIVITY OVERVIEW

#### Part A. Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the eligible basis columns and the Requested Credit calculation below.

DEVELOPMENT NAME:	San Gabriel Cros	sing		
	TOTAL DEV	ELOPMENT S	IIMMARY	Expected Payee Taxpayer
	Total	Eligible Basis		Identification Number (TIN) <sup>1</sup>
	Cost	Acquisition	New/Rehab.	(and % of cost if item involves multiple payees)
ACQUISITION	9550	rioquioideri	Howittonapi	(and 10 of obstallation (interview makiple pareds)
Site acquisition cost	420,000			
Existing building acquisition cost	0	0	11042000	· · · · · · · · · · · · · · · · · · ·
Closing costs & acq. legal fees	3,050	arden (		
Other <sup>2</sup> (specify)	0	0	0	-
Subtotal Acquisition Cost	\$423,050	\$0	\$0	
OFF-SITES <sup>3</sup>				
Off-site concrete	0		1.8 44 4.35 mm	
Storm drains & devices	0			
Water & fire hydrants	0			
Off-site utilities	O S			
Sewer lateral(s)	6.900			
Off-site paving	75,000			
Off-site electrical	0			<u></u>
Other <sup>2</sup> (specify)	0	354.35.56.3		
Subtotal Off-Sites Cost	\$81,900	\$0	\$0	
SITE WORK⁴				
Demolition	01		100 100 100 100 100	
Rough grading	115,000		115,000	·······
Fine grading	15,000		15,000	
On-site concrete	115,000		115,000	
On-site electrical	42,000		42,000	
On-site paving	60,000		60,000	
On-site utilities	145,000		145,000	
Decorative masonry	2,500		2,500	
Bumper stops, striping & signs	3,500		3,500	
Landscaping	60,000		60,000	
Pool and decking	40,000		40,000	
Athletic court(s), playground(s)	6,000		6,000	
Fencing	30,000		30,000	
Other <sup>2</sup> (Specify)	0		.0	
Subtotal Site Work Cost	\$634,000	\$0	\$634,000	
DIRECT CONSTRUCTION COSTS*:				
Concrete	450,000		450,000	
Masonry	265,000		265,000	
Metals	20,000		20,000	
Woods and Plastics	1,325,000		1,325,000	
Thermal and Moisture Protection	102,000		102,000	
Roof Covering	121,000	····	121,000	
Doors and Windows	162,000		162,000	
Finishes Specialties	450,000 40,000		450,000 40,000	
Specialties				
Equipment	134,000		134,000	

		TOTAL DE	VELOPMENT S	UMMARY	Expected Payee Taxpayer
		Total		(If Applicable)	Identification Number (TIN) <sup>1</sup>
		Cost	Acquisition	New/Rehab.	(and % of cost if item involves multiple payees)
DIRECT CONSTRUCTION COSTS (Contin	nued):	244	, ioquiciaeri	TTOTAL TOTAL	have to et eest in Kerri inversee maniple payeeer
Furnishings	,	35,000		35,000	
Special Construction		80,000		80,000	
Conveying Systems (Elevators)		0		0	
Mechanical (HVAC; Plumbing)		505,000		505,000	
Electrical		278,000		278,000	
Individually itemize costs below:					
Accessory Buildings		66,500		66,500	
Carports and/or Garages		0		0	
Lead-Based Paint Abatement		Ö		0	
Asbestos Abatement		0		0	
Other <sup>2</sup> (Specify)		0		0	
Subtotal Direct Const. Costs		\$4,033,500	\$0	\$4,033,500	
TOTAL DIRECT CONST. & SITE WORK		\$4,667,500	\$0	\$4,667,500	
OTHER CONSTRUCTION COSTS	1				
General requirements (<6%)	6.00%	278,550	0	278,550	
Field supervision (within GR limit)			0		
Contractor overhead (<2%)	1.99%	92,850	0	92,850	
G & A Field (within overhead limit)			0		
Contractor profit (<6%)	5.97%	278,550	0	278,550	
Contingency (<5%)	4.93%	230,125	0	230,125	
Subtotal Ancillary Hard Costs		\$880,075	\$0	\$880,075	· · · · · · · · · · · · · · · · · · ·
TOTAL DIRECT HARD COSTS		A \$5,547,575	\$0	\$5,547,575	
INDIRECT CONSTRUCTION COSTS <sup>4</sup>	•				
Architectural - Design fees		70,000		70,000	
Architectural - Supervision fees		30,000		30,000	
Engineering fees		80,000		80,000	
Real estate attorney/other legal fees		20,000		20,000	
Accounting fees		15,000	<del></del>	15,000	
Impact Fees		230,000		230,000	
Building permits & related costs		20,000		20,000	
Appraisal		10,000		10,000	
Market analysis		9,000		9,000	
Environmental assessment		4,000		4,000	
Soils report		6,000		6,000	-
Survey		12,000		12,000	
Marketing		0			
Course of construction insurance		40,000	CE CE SE	40,000	
Hazard & liability insurance		40,000		40,000	
Real property taxes		2,500		2,500	
Personal property taxes		0	<u> </u>	0	·
Tenant relocation expenses		Ö		Ö	
Equipment/Furnishings		12,916		12,916	
Subtotal Indirect Const. Cost		\$601,416	\$0	\$601,416	· ·
DEVELOPER FEES <sup>4</sup>	1		. ,	, ,	
Housing consultant fees <sup>5</sup>		0	1	0	· · · · · · · · · · · · · · · · · · ·
General & administrative		0		- 0	
Profit or fee		955,200		955,200	· · · · · · · · · · · · · · · · · · ·
Subtotal Developer's Fees	14.92%	\$955,200	\$0	\$955,200	
•	·	\$500,£00	ψυ	ψυου <sub>1</sub> εου	

	TOTAL DEVELOPMENT SUMMARY		UMMARY	Expected Payee Taxpayer
	Total	Eligible Basis	(If Applicable)	Identification Number (TIN) <sup>1</sup>
	Cost	Acquisition	New/Rehab.	(and % of cost if item involves multiple payees)
FINANCING:				
CONSTRUCTION LOAN(S)4				
Interest	207,000		207,000	
Loan origination fees	0		0	
Title & recording fees	0		0	
Closing costs & legal fees	35,000		35,000	
Inspection fees	12,000		12,000	
Credit Report	0		0	·
Discount Points	0		0	
Other <sup>2</sup> (specify)	0		0	
PERMANENT LOAN(S)				
Loan origination fees	35,000	-5.000 ETS1-1270 AV	1154 115 115 12 12 12 12 12 12 12 12 12 12 12 12 12	
Title & recording fees	40,000			
Closing costs & legal	25,000	unic de la		<del></del>
Bond premium	20,000			
Credit report	0			
Discount points	0	Supplement of the		
Credit enhancement fees				
Prepaid MIP	0			
	10,000			
USDA Application Fee	10,000	<b>增加维加州</b> 高加	(常知底(A) · 明 · 中国(A) · (A)	
BRIDGE LOAN(S)				
Interest	0		0	
Loan origination fees	0		0	
Title & recording fees	0		0	
Closing costs & legal fees	0		0	<del></del>
Other <sup>2</sup> (specify)	0		0	
OTHER FINANCING COSTS⁴				
Tax credit fees	34,280			
Tax and/or bond counsel	0		0	
Payment bonds	0			
Performance bonds	0		0	
Credit enhancement fees	0		0	
Mortgage insurance premiums	0		0	
Cost of underwriting & issuance	0		0	
Syndication organizational cost	20,000		STATE OF THE STATE	
Tax opinion	10,000			
Contractor Guarantee Fee	0		0	
Developer Guarantee Fee	0		0	
Other	0		0	
Subtotal Financing Cost	\$428,280	\$0	\$254,000	
RESERVES			, , , , , , , , ,	1
Rent-up	20,000	支持指数/\$P\$普	er every control	]
Operating	80,000			
Replacement	00,000	The state of the second		·
Escrows	168,000			
Subtotal Reserves	\$268,000		\$0	
	+0/1000	Ψ.	+**	1
TOTAL HOUSING DEVELOPMENT COSTS"	\$8,305,421	\$0	\$7,358,191	
- Commercial Space Costs'	C			
TOTAL RESIDENTIAL DEVELOPMENT COSTS	\$8,305,421			

TOTAL DEVELOPMENT SUMMARY								
Total	Total Eligible Basis (if Applicable)							
Cost	Acquisition	New/Rehab,						

Expected Payee Taxpayer
Identification Number (TIN)<sup>1</sup>
(and % of cost if item involves multiple payees)

The following calculations are for HTC Applications only.

Deduct From Basis:

	-	
	0	. 0
	0	Ó.
	0	Ö
	0	0
	0	0
-	\$0	\$7,358,191
j	加加坡被持續	100%
	\$0	\$7,358,191
	0%	96%
\$7,041,789	\$0	\$7,041,789
	0,00%	8,51%
\$599,256	\$0	\$599,256

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated estimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

Liberly Hill THF Housing, L.P.	Nash Builders Ltd.	
Development Øwner Name	Contractor Name	
Ву:	Ву:	
Signature	Signature	
Its: thes Consid Partner	its:	
<i> D/410</i> 7		
Date	Date	

10/04/2007	17:20	FAX	8305986966
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### NASH BUILDERS LTD FAX No.

**2**001 P. 002

	TOTAL DE Total Cost	VELOPMENT SU Eligible Basis (I Acquisition		Expected Payee Taxpayer identification Number (TIN) <sup>1</sup> (and % of cost if item involves multiple payees)
The following calculations are for HTC Applications only.  Deduct From Basis:  Fed, grant proceeds used to finance costs in eligible basis  Fed, D.M.R. forms used to finance costs in eligible basis  Non-qualified non-recourse financing  Non-qualified portion of higher quality units (42.(d)(5))  Historic Credis (residential portion only)  Total Eligible Basis  "High Cost Area Adjustment (100% or 130%)  Total Adjusted Basis		0 0 0 0 0 0 \$0 \$0	0 0 0 0 0 \$7,358,191 100% \$7,358,191 96%	
Applicable Fraction* Total Qualified Basis	\$7,041,789		\$7,041,789	
Applicable Percentage		0.00%	8,51%	
Owner's Raquested Credits	\$599,256	\$0	\$599,256	

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated cotimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

Liberty Hill THF Housing, L.P.  Development Owner Name	Nash Builders Ltd. Contractor Namo
Ву:	By:
Signature Its:	Signatura 18251 1 1907
	10/4/07
Date	Date

# Volume 1, Tab 4. Funding Request

## PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

## Development Name: San Gabriel Crossing

	<del></del>		· · · · ·				
Source #	Funding Description	Priority of Lien	Const	truction or Rehab. Loan Stage Amt.		anent Loan Stage Amount	Financing Participants
1	Conventional Loan		\$	2,966,000			Lancaster Pollard
2	Conventional Loan/FHA			<u>.</u> <u>-</u>			
3	Conventional Loan/Letter of Credit						
4	HOME						
5	Housing Trust Fund						
6	CDBG						
7	Mortgage Revenue Bonds						
8	HTC Syndication Proceeds		\$	4,064,000	\$	5,195,230	Boston Capital
9	Historic Tax Credit Syndication Proceeds				Ì		
10	USDA/ TXRD Loan(s)				\$	2,966,000	Lancaster Pollard
11	Other Federal Loan or Grant						
12	Other State Loan or Grant	•					
13	Local Government Loan or Grant		\$	421,900	\$	6,900	CapArea HFC/City of Liberty Hill
14	Private Loan or Grant					·	
15	Cash Equity						
16	In-Kind Equity/Deferred Developer Fee		\$	853,521	\$		DMA Dev/THF Dev Co
TOTAL	SOURCES OF FUNDS		\$	8,305,421	\$	8,305,251	制度等企业的企业的企业。
TOTAL	USES OF FUNDS		\$	8,305,421	\$	8,305,421	

<sup>(1)</sup> Indicate Exclusive Use Financing Paticipant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrustructure funds used only for off-site construction

# SVOJUMEZETUDES ACTIVITY OVERVIEW

#### Part B. Offsite Costs Breakdown

This form must be submitted with the Development Cost Schedule If the development has Off Site Costs.

Column A: The off-site activity reflected here must match the off-site activity reflected in Exhibit 102, Project Cost Schedule.

Columns B and C: in determining actual construction cost, two different methods may be used. Either, the construction costs may be broken into labor (Col. 8) and materials (Col. C) for

the activity; OR The other method involves the use of unit price (Col. B) and the number of units (Col. C) data for the activity.

Column D: If based on labor and materials, add Column B and Column C together to arrive at total construction costs. If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the off-site activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

This form must be completed by a professional engineer or architect, licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.

# Development Name: San Gabriel Crossing

Α.	В,	C.	D.	E,	F.	G,
ACTIVITY	LABOR OR UNIT PRICE	OR#OF UNITS	CONSTRUCTION COSTS	ACQUISITION COSTS	ARCHITECTURAL COSTS	TOTAL ACTIVITY COSTS
Sewer Extension, 300 Feet			6900			690
Hillicrest Lane Improvement			75,000			75,00

(SEAL)

# EDINBURG SENIOR TOWERS CHICORY COURT XXX, L.P. 201 NORTH 13<sup>TH</sup> STREET EDINBURG, TX 78560 956-383-1124 and 972-701-5551 956-383-1125 and 972-701-5562 FAX

Mr. Ben Sheppard TDHCA 211 East 11<sup>th</sup> Street Austin, TX 77001

RE: Request for clarification or an amendment for Edinburg Senior Towers; Chicory Court XXX, L.P. 04-193 and 07-079

#### Dear Ben:

On behalf of the Edinburg Housing Authority, whose affiliate is the sole general partner of Chicory Court XXX, L.P., we requested a penalty free amendment to clear any confusion due to the pending cost certification regarding the project as an rehabilitation with limited new construction or a new construction development. Although we believe the project file and cost certificate filing provide adequate documentation, we agreed to ask for this amendment to insure our 2007 forward allocation of additional costs was not rescinded. Our file and board approvals allowed the housing authority to proceed as a rehabilitation with limited new construction; real estate analysis feels an amendment is required to complete the cost certification review and issuance of 8609's.

First, we do not believe that the issue affects the award of credits. Edinburg, #04-193, was funded under the at-risk set aside. The next at-risk was also funded, Tropical Gardens at Boca Chica, #04-191, also sponsored by the local public housing authority with Odyssey as the developer.

Second, the confusion, if any, was caused by the department staff and board book material and not by the project sponsor. The Edinburg housing authority wanted funding to rehabilitate their 35 year old senior towers with an allocation of housing tax credits and limited conventional financing. The towers consisted of small efficiency and one bedroom units. The project was pursued from pre-application to shortly before application as a re-habilitation project until staff advised the applicant, see e-mail attached, that threshold size criteria would apply to the development application. The application architect was dispatched to see if the units could be expanded or reconfigured to meet this requirement. When that was not structurally possible, new construction information was quickly added to the application and submitted to the department at the application deadline. The information about a threshold requirement for unit sizes in a rehab from TDHCA was inaccurate. The application submission contained information required for the related party transaction including the improvements and the Property Condition Assessment for a re-habilitation. Because of the inaccurate staff

communication, the application was also no longer eligible for additional acquisition credits for the value of the improvements. It is the applicant's contention the mistake actually led to the project receiving less credits not more credits than necessary to make it financially feasible. Additional rehab work would have been undertaken with the acquisition credits it was eligible to receive.

The issue remained outstanding well past the allocation date of July 30, 2004. In pursuing our allocation letter, staff was unable to issue or allow release of our letter until four and half months later on December 13, 2004, too late for any corrections or dialogue. That date is only 18 days from the IRS mandated carryover and the department's 10% test date. Please remember that submission requires an accountant's audit opinion. During this four and half month wait when we asked about our allocation letter, we were told by staff that underwriting was doing the rehab projects last. We were obviously the last report completed that year. This required the applicant's developer to carry all the project cost until January 2005, because we had to meet the carryover and 10% with the benefit of development financing based upon the tax credit allocation letter.

Given the mistake and information from the late underwriting, the EHA board felt they had the right to rehab the property as originally planned in lieu of the cost of demolition and new construction. For this record, the developer advocated for new construction but the decision belonged to the owner, the Edinburg Housing Authority. We fully support their right, EHA, to rehabilitate as executed.

In the request to the board for an extension of the construction loan closing and commencement of construction, the department's own write-up shows the allocation to be rehabilitation\new construction as was executed in the field. We understood any confusion had been remedied and if necessary, approved in this process. I have attached copies of the write up from the board book with this information. This was included in our cost certification and 8609 package submission in August 2007.

The development contains all the required threshold and point scoring and relevant amenities from the original submission scoring other than those affected by new construction versus rehabilitation. Example, non scoring items like 9 foot floor plates versus the 8 foot floor plates already in place. Our point total has not changed or has not changed in a manner that would have affected the award of credits. This application was a HUD mixed-finance application and the construction plans were reviewed and approved by the HUD office in San Francisco.

This letter requests that the board clarify the issue for real estate analysis that an amendment in this circumstance is not required and to complete the 8609 review as a rehabilitation project. In the alternative, we ask you to approve a penalty free amendment to affirm the changes.

Sincerely,

gmes R. (Bill) Fisher

For EHA on behalf of Chicory Court XXX, L.P.

# UNDERWRITING AMENDMENT VARIANCE GRID PER THE CONSTRUCTION INSPECTION REPORT

Change

Number of units None

Point Scoring Increase from application

Types of Units Some Mix of ones and studios versus 40/60

Income and rent restrictions None

Threshold criteria None

Site size None

Site plan One to two buildings

Unit sizes SF SF existing

Ves Units remained as 522 370

originally configured 600 511

NRA Yes Remained: 45,460 SF

Underwriting: 57,816 SF

Parking Yes Remained the same with addition of carports

Less than forecast in new construction

### Providence at Edinburg, HTC No. 04193

Summary of Request: Applicant requests an extension to submit documentation of commencement of substantial construction. Owner received extension to close the construction loan based on delays with HUD processing. Owner believed that the construction loan extension would automatically extend the commencement of construction deadline. Owner reported all tenants have been relocated and demolition has begun. Development is expected to reach 10% completion in May.

Chicory Court XXX, L.P. Owner: General Partner: Chicory GP-XXX, LLC

ORH Financial, LP (developer); Edinburg Housing Opportunity Developer:

Corporation (EHOC, co-developer & managing member of GP)

Principals/Interested Parties: Housing Authority of the City of Edinburg (owner of EHOC);

Saleem Jafar (ORH)

SunAmerica Syndicator:

IBC Bank in Brownsville Construction Lender:

Permanent Lender: SunAmerica

Edinburg Housing Authority Other Funding:

City/County: Edinburg/Hidalgo At-Risk, Nonprofit Set-Aside: Pype of Area: Urban/Exurban

Type of Development: Rehabilitation/New Construction

Population Served: Elderly Population Units: 100 HTC units 2004 Allocation: \$357,369 \$3,574 Allocation per HTC Unit: Extension Request Fee Paid: \$2,500

Type of Extension Request: Commencement of Substantial Construction

Note on Time of Request: Request was submitted late in response to contact by staff. December 1, 2005 (construction loan closing extended to Current Deadline:

12/15/05 but no extension requested for commencement of

construction)

New Deadline Requested: May 30, 2006 New Deadline Recommended: May 30, 2006

Prior Extensions: Construction loan closing extended from 6/1/05 to 9/1/05

Construction loan closing extended from 9/1/05 to 12/15/05

Staff Recommendation: Approve extension as requested. Message

04193

#### Bill Fisher

From: Jennifer Joyce [jennifer.joyce@tdhca.state\_tx:us]

Sent: Friday, February 27, 2004 2:19 PM

To: 'Bill Fisher'
Subject: RE: Rehab

Bill, I apologize for the delay in this. We ruled that it MUST be adjusted to meet threshold.

Jen Joyce Program Analyst Texas Dept. of Housing and Community Affairs (512) 475–3995

----Original Message----

From: Bill Fisher [mailto:bfisher@providentrealty.net]

Sent: Tuesday, February 24, 2004 2:48 PM

To: 'Jennifer Joyce' Subject: FW: Rehab

Have you responded to this e-mail???

Thanks,

Bill Fisher

Vice President
Provident Odyssey Acquisitions LLC
975 One Lincoln Center
5400 LBJ Freeway
Dallas, TX 75240
972-239-8500 X-120
972-239-8373 Fax
bfisher@providentrealty.net
www.providentrealty.net

## Bill

----Original Message-----

**From:** Bill Fisher [mailto:bfisher@providentrealty.net] **Sent:** Wednesday, February 18, 2004 11:24 AM

To: 'Jennifer Joyce' Subject: Rehab

If the units being rehabbed are less than mandated minimum size do they need to be increased in size through the rehab process to the state mandated minimum. Ex.: Efficiencies are limited to 500 sf for seniors. If the existing units are only 400 sf do the units need to be increased in size in order for the app to meet threshold??

Thank You,

04193

# Bill Fisher

Provident Odyssey Partners, LP 975 One Lincoln Centre 5400 LBJ Freeway Dallas, Texas 75240 972-239-8500

Fax: 972-239-8373

UMIT	AND	COMA	AON	AMENITHES	-TAR &G

## Complete Part I and Part II.

P	2	rt	1.
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Unit Amenities and Quality. Applications in which Developments provide specific amenity and quality features in every Unit at no extra charge to the tenant will be awarded points based on the point structure, not to exceed 12 points in total. Applications involving rehabilitation or proposing single room occupancy will double the points listed for each item, not to exceed 12 points in total. Select All That Apply:

added the points fisted for each field, not to exceed 12 joints in total, beleet An That Apply.
BANJ3 S
Covered entries (1 point)
Covered entries (1 point)  Nine foot ceilings (1 point)
Microwave ovens (1 point)  Self-cleaning or continuous cleaning ovens (1 point)
Z zen ereaning of continuous cleaning (1 point)
X
Refrigerator with icemaker (1 point)
Laundry connections (1 point)
Storage room or closet, of approximately 9 square feet or greater, which does not include
bedroom, entryway or linen closets (1 point)
Laundry equipment (washers and dryers) in units (3 points)
Thirty year architectural shingle roofing (1 point)
Covered patios or covered balconies (1 point)
Covered parking (including garages) of at least one covered space per Unit (2 points)
100% masonry on exterior, which can include stucco and cementious board products, excluding effs (3 points)
Greater than 75% masonry on exterior, which can include stucco and cementious board products, excluding effs (1 points)
Use of energy efficient alternative construction materials (structurally insulated panels)
with wall insulation at a minimum of R-20 (3 points)
R-15 Walls / R-30 Ceilings (rating of wall system) (3 points)  12 SEER HVAC or evaporative coolers in dry climates (3 points)
12 SEER HVAC or evaporative coolers in dry climates (3 points)
Energy Star or equivalently rated Kitchen Appliances (2 points)
4-3/330135
Part II. (Complete Both Part IIA and Part IIB).

Part IIA. Common Amenities Threshold. All Developments, must meet at least the minimum threshold of points to satisfy the Threshold requirement under §50.9(f)(4)(A). To receive additional points for this exhibit, Developments must first provide a minimum number of common amenities in relation to the Development size being proposed. The amenities selected must be selected from clause (iii) of this subparagraph and made available for the benefit of all tenants. If fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to complete this exhibit. Applications must meet a minimum threshold of points (based on the total number of Units in the Development) prior to accruing actual points for this exhibit, as follows:

(Check the a	ppropriate box):
	Total Units are less than 40, 3 points are required to meet Threshold;
	Total Units are between 40 and 76, 6 points are required to meet Threshold;
	Total Units are between 77 and 99, 9 points are required to meet Threshold;
	Total Units are between 100 and 149, 12 points are required to meet Threshold;

Total Units are between 150 and 199, 15 points are required to meet Threshold;

Total Units are more than 200, 18 points are required to meet Threshold.

Pre-

	Application	Application
(C) Unit Amenities and Quality. Applications in which Developments provide		,,,,,,
specific amenity and quality features in every Unit at no extra charge to the tenant	12	12
will be awarded points based on the point structure provided in clauses (i) through	Berkeler of the Control of the Contr	
(xviii) of this subparagraph, not to exceed 12 points in total. Applications		
involving rehabilitation or proposing single room occupancy will double the points		
listed for each item, not to exceed 12 points in total.		
(i) Covered entries (1 point);		
(ii) Nine foot ceilings (1 point);		
(iii) Microwave ovens (1 point);		
(iv) Self-cleaning or continuous cleaning ovens (1 point);		
(v) Ceiling fixtures in all rooms (globe with ceiling fan in all		
bedrooms) (1 point);		
(vi) Refrigerator with icemaker (1 point);		
(vii) Laundry connections (1 point);		
(viii) Storage room or closet, of approximately 9 square feet or		
greater, which does not include bedroom, entryway or linen closets (1 point);		
(ix) Laundry equipment (washers and dryers) in units (3 points);		
(x) Thirty year architectural shingle roofing (1 point);		
(xi) Covered patios or covered balconies (1 point);		
(xii) Covered parking (including garages) of at least one covered		
space per Unit (2 points);		
(xiii) 100% masonry on exterior, which can include stucco and		
cementious board products, excluding efis (3 points);		
(xiv) Greater than 75% masonry on exterior, which can include		
stucco and cementious board products, excluding effs (1 points);		
(xv) Use of energy efficient alternative construction materials		
(structurally insulated panels) with wall insulation at a minimum of R-20 (3		
points).		
(xvi) R-15 Walls / R-30 Ceilings (rating of wall system) (3		
points);		
(xvii) 12 SEER HVAC or evaporative coolers in dry climates (3		
points);		
$(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$ $(2.11)^{-1}$		

(vxiii) Energy Star or equivalently rated Kitchen Appliances (2

points)

- (D) Common Amenities. All Developments, must meet at least the minimum threshold of points to satisfy the Threshold requirement under §50.9(f)(4)(A). To receive additional points for this exhibit. Developments must first provide a minimum number of common amenities in relation to the Development size being proposed. The amenities selected must be selected from clause (iii) of this subparagraph and made available for the benefit of all tenants. If fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to complete this exhibit.
- (i) Applications must meet a minimum threshold of points (based on the total number of Units in the Development) prior to accruing actual points for this exhibit, as follows:
- (I) Total Units are less than 40, 3 points are required to meet Threshold;

(II Total Units are between 40 and 76, 6 points are required to

(III Total Units are between 77 and 99, 9 points are required to meet Threshold;

meet Threshold;

(IV) Total Units are between 100 and 149, 12 points are required to meet Threshold;

(V) Total Units are between 150 and 199, 15 points are required to meet Threshold;

(VI) Total Units are more than 200, 18 points are required to meet Threshold.

(ii) Points for additional amenities. Developments providing additional amenities beyond the threshold identified in clause (i) of this subparagraph will be awarded points based on the point structure below, not to exceed 6 points. The Applicant will total its points for amenities and then subtract the threshold requirement in order to come up with the point total. (For example, a 200-unit Development would have to accumulate 24 points in Common Amenities in order to net a score of 6, but a 36-Unit Development would only have to accumulate 9 points in order to net a score of 6.) Developments proposing rehabilitation or proposing Single Room Occupancy will receive double points for each item. (Continued on next page)

Threshold Threshold met met

73	re-	
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	Pre-	
	Application	Application
(iii) Amenities for selection include those items listed in		
subclauses (I) through (XXIII) of this clause. Both Developments designed for	NOTE: Do	NOTE: Do
families and Qualified Elderly Developments can earn points for providing each	NOT include	NOT include
identified amenity unless the item is specifically restricted to one type of	points for	points for
Development. All amenities must meet accessibility standards as further described	Threshold.	Threshold.
in §50.9(f)(4)(D) of this title. An Application can only count an amenity once,	Only include	Only include
therefore combined functions (a library which is part of a community room) only	Points for the	Points for the
count under one category. Spaces for activities must be sized appropriately to	Additional	Additional
serve the anticipated population.	Amenities	Amenities
(I) Full perimeter fencing with controlled gate access (3)	Amemiles	Amenines
· · · · · · · · · · · · · · · · · · ·	BOINTS	DOINTS
points)	<u>POINTS</u>	<u>POINTS</u>
(II) Gazebo w/sitting area (1 point)	6	6
(III) Accessible walking path (1 point)		
(IV) Community gardens (1 point)	C) A S = 7	(1 0 A)
(V) Community laundry room and/or laundry hook-ups in	15502B	a (Monages)
Units (no hook-up fees of any kind may be charged to a tenant for use of the hook-		B (RURE) OTBC LIT
ups (1 point);	7 7	NTAC
(VI) Public telephone(s) available to tenants 24 hours a day (2	00 1	000
points);	1.74	J. T.
(УИ) A service coordinator office (1 point);	100	
(VIII) Barbecue grills and picnic tables – at least one for every		
50 Units (1 point)	7 11	Gressell
(IX) Covered pavilion w/barbecue grills and tables (2 points)	10, 1	(VI COLOCA
(X) Swimming pool (3 points)		
(XI) Furnished fitness center (2 points)		,
(XII) Equipped Business Center (computer and fax machine)	13 11	A-ce
(2 points)		
(XIII) Game/TV/Community room (1 point)	1.00	ward - warder and the same of
(XIV) Library (separate from the community room) (1 point)		^
(XV) Enclosed sun porch or covered community porch/patio	J 52 10	ashin
(2 points)	\$) C2 C 6	(10 × 0× 0,0
(XVI) Service coordinator office in addition to leasing offices	Cala a	
(1 point)	P NO	_
	my Landi	and road
(XVII) Senior Activity Room (Arts and Crafts, Health	rebould)	cath ca
Screening, etc.) – Only Qualified Elderly Developments Eligible (2 points)	Cherry 3	13 es
(XVIII) Secured Entry (elevator buildings only) - (1 point)	- W 17	
(XIX) Horseshoe or Shuffleboard Court - Only Qualified	witra	iokonoge 2582
Elderly Developments Eligible (1 point)	٢٥:	' '> ~
(XX) Community Dining Room w/full or warming kitchen -	2000	V.C.C.
Only Qualified Elderly Developments Eligible (3 points)		
(XXI) Two Children's Playgrounds Equipped for 5 to 12 year		
olds, two Tot Lots, or one of each - Only Family Developments Eligible (2 points)		
(XXII) Sport Court (Tennis, Basketball or Volleyball) - Only		
Family Developments Eligible (2 points)		
(XXIII) Furnished and staffed Children's Activity Center -		
Only Family Developments Eligible (3 points)		

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	Pre- Application	Application
(E) The Development is an existing Residential Development without maximum rent limitations or set-asides for affordable housing and the proposed rehabilitation is part of a community revitalization plan. If maximum rent limitations had existed previously, then the restrictions must have expired at least one year prior to the first day of the Application Acceptance Period (4 points).	()	0
(F) The Development is a mixed-income Development comprised of both market rate Units and qualified tax credit Units. Points will be awarded to Developments with a Unit based Applicable Fraction which is no greater than:  (i) 80% (8 points); or,  (ii) 85% (6 points); or,  (iii) 90% (4 points); or  (iv) 95% (2 points).	2	0
(G) The Development consists of not more than 36 Units and is not a part of, or contiguous to, a larger Development (5 points).	0	0
(8) Sponsor Characteristics. Evidence that a HUB, as certified by the Texas Building and Procurement Commission, has an ownership interest in and materially participates in the development and operation of the Development throughout the Compliance Period. To qualify for these points, the Applicant must submit a certification from the Texas Building and Procurement Commission that the Person is a HUB at the close of the Application Acceptance Period. Evidence will need to be supplemented, either at the time the Application is submitted or at the time a HUB certification renewal is received by the Applicant, confirming that the certification is valid through July 31, 2004 and renewable after that date. (3 points)	2	0
(9) Developments Targeting Tenant Populations of Individuals with Children. The Rent Schedule of the Application must show that 30% or more of the Units in the Development have more than 2 bedrooms (1 point).	1	0
(10) Development Provides Supportive Services to Tenants. Points may be received under both subparagraphs (A) and (B) of this paragraph.  (A) Applicants will receive points for coordinating their tenant services with those services provided through state workforce development and welfare programs as evidenced by execution of a Tenant Supportive Services Certification (2 points).	2	2

Application	Application
6	6

- (B) The Applicant must certify that the Development will provide a combination of special supportive services appropriate for the proposed tenants. The provision of supportive services will be included in the LURA as selected from the list of services identified in this subparagraph. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided (maximum of 6 points).
- (i) Applications will be awarded points for selecting services' listed in clause (ii) of this subparagraph based on the following scoring range:

services; or

services.

- (1) Two points will be awarded for providing one of the
  - (II) Four points will be awarded for providing two of the
- services; or

  (III) Six points will be awarded for providing three of the
- (ii) Service options include child care; transportation; basic adult education; legal assistance; counseling services; GED preparation; English as a second language classes; vocational training; home buyer education; credit counseling; financial planning assistance or courses; health screening services; health and nutritional courses; organized team sports programs, youth programs; scholastic tutoring; social events and activities; senior meal program; home-delivered meal program; community gardens or computer facilities; any other programs described under Title IV-A of the Social Security Act (42 U.S.C. §§ 601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the formation and maintenance of two-parent families; or any other services approved in writing by the Department.

Application

Points Requested by Applicant:

Pre-	
Application	

(11) Tenant Characteristics - Populations with Special Needs. Evidence
that the Development is designed for transitional housing for homeless persons on
a non-transient basis, with supportive services designed to assist the homeless
tenants in locating and retaining permanent housing. For the purpose of this
exhibit, homeless persons are individuals or families that lack a fixed, regular, and
adequate nighttime residence as more fully defined in 24 Code of Federal
Regulations, §91.5, as may be amended from time to time. All of the items
described in subparagraphs (A) through (E) of this paragraph must be submitted.

- (A) a detailed narrative describing the type of proposed housing;
- (B) a referral agreement, not more than 12 months old from the first day of the Application Acceptance Period, with an established organization which provides services to the homeless;

Points will be awarded consistent with subparagraph (F) of this paragraph:

- (C) a marketing plan designed to attract qualified tenants and housing providers;
  - (D) a list of supportive services; and
- (E) adequate additional income source to supplement any anticipated operating and funding gaps
  - (F) Points will be awarded as follows:
- (i) If all Units in the Development are designed solely for transitional housing for homeless persons, 22 points will be awarded; or
- (ii) If at least 25% of the Units in the Development are designed for transitional housing for homeless persons, 15 points will be awarded.

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	Application	Application
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- (12) Low Income Targeting Points for Serving Residents at 40% and 50% of AMGI (up to 8 points). An Application may qualify for points under subparagraph (C) of this paragraph. To qualify for these points, the rents for the rent-restricted Units must not be higher than the allowable tax credit rents at the rent-restricted AMGI level. For Section 8 residents, or other rental assistance tenants, the tenant paid rent plus the utility allowance is compared to the rent limit to determine compliance. The Development Owner, upon making selections for this exhibit will set aside Units at the rent-restricted levels of AMGI and will maintain the percentage of such Units continuously over the compliance and extended use period as specified in the LURA.
- (A) No more than 40% of the total number of low income units (including Units at 60% and 30% of AMGI) will be counted as designated for tenants at or below 50% of the AMGI for purposes of determining the points in the 50% and 40% AMGI categories. No more than 15% of the total number of low income targeted units will be counted as designated for tenants at 40% of the AMGI for purposes of determining the points in the 40% AMGI categories. For purposes of calculating "Total Low Income Targeted Units" for this exhibit, Units at 30% and 60% of AMGI are also included.
- (B) In the table below no Unit may be counted twice in determining point eligibility. Use normal rounding to the hundredth to calculate the percentages, points and "Total Points" for 40% and 50% Units. In calculating the percentages, the denominator includes every low income Unit in the Development, not just the 40% and 50% Units. Normal rounding disregards all digits that are more than one decimal place past the digit rounded; therefore, the thousandths place must not be rounded prior to rounding to the hundredth, e.g. 35.0449% equals 35.04%, not 35.05%. To calculate "Rounded Total Points" disregard the hundredth place in "Total Points" and round normally, eg. 7.50 equals 8 and 7.49 equals 7. The final total points requested must be a whole number consistent with this rounding methodology.
- (C) Developments should be scored based on the structure in the HTC Application Exhibit. Only Developments located in counties whose AMGI is below the statewide AMGI, may use Weight Factor B. All other Applicants are required to use Weight Factor A. (Max 8 points).

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(13) Low Income Targeting Points for Serving Residents at 30% of AMGI (up to
12 points). Applications that propose Units with rents set at 30% AMGI and
reserved for occupancy by extremely low-income (those earning annual gross
incomes of 30% or less of the AGMI) will be awarded up to 12 points.
Developments must have a source of financing for the 30% units. Applicant must
submit evidence that the proposed Development has either received development -
based rental assistance from a governmental or non-governmental entity, which
does not have an identity of interest with the Applicant (with the exception of
Applications involving Public Housing Authorities); or received an allocation of
funds for on-site Development costs from a local unit of government or a nonprofit
organization, which is not related to the Applicant. Such funds can include
Community Development Block Grant funds, HOPE VI, local HOME (not funded
from the Department), a local housing trust, Affordable Housing Program from the
Federal Home Loan Bank or Tax Increment Financing, HUD Section 202, HUD
Section 811 and HUD Section 8, and must be in the form of a grant or a forgivable
loan (with the exception of Applications involving Public Housing Authorities).
Points will be determined on a sliding scale based on the percentage of 30% units.
The Development must have already applied for funding from the funding entity.
Evidence at the application stage shall include a copy of the application to the
funding entity and a letter from the funding entity indicating that the application
was received. No later than 14 days before the date of the Board meeting at which
staff will make their initial recommendations for credit allocation to the Board, the
Applicant or Development Owner must either provide evidence of a commitment
for the required financing to the Department or notify the Department that no
commitment was received. If the required financing commitment has not been
received by that date, the Application will have the points for this item deducted
from its final score and will be reevaluated for financial feasibility. No funds
from TDHCA's HOME (with the exception of non-Participating Jurisdictions) or
Housing Trust Fund sources will qualify under this category. In order to qualify
for these points, the Applicant must provide a 5 year rental assistance contract for
development-based vouchers for each 30% Unit or grant funds of \$12,500 per
30% Unit. Use normal rounding.

(A) 3% to 5% of total Development Units at 30% AMGI receives 8 points; or

(B) 6% to 8% of total Development Units at 30% AMGI receives 10

points; or

(C) 9% to 10% of total Development Units at 30% AMGI receives 12

points

Pre-Application

	Application	Application
(14) Leveraging from local and private resources. An Application may qualify for		
points under only one of subparagraphs (A) or (B) of this paragraph. However, if	9	0
an Applicant has requested points under paragraph (13) of this section, the		

points) [2306.6710(b)(1)(E)](A) Evidence that the proposed Development has received an allocation of funds for on-site development costs from a local unit of government or a nonprofit organization, which is not related to the Applicant. Such funds can include Community Development Block Grant funds, HOPE VI. local HOME (not<sup>5</sup> funded from the Department), a local housing trust, Affordable Housing Program from the Federal Home Loan Bank or Tax Increment Financing, HUD Section 202 , HUD Section 811 and HUD Section 8 and must be in the form of a grant or a forgivable loan. In-kind contributions such as donation of land or waivers of fees such as building permits, water and sewer tap fees, or similar contributions that benefit the Development will be acceptable to qualify for these points. Points will be determined on a sliding scale based on the amount per Unit from outside sources. The Development must have already applied for funding from the funding entity. Evidence to be submitted with the Application must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received. No later than 14 days before the date of the Board meeting at which staff will make their initial recommendations for credit allocation to the Board, the Applicant or Development Owner must either provide evidence of a commitment for the required financing to the Department or notify the Department that no commitment was received. If the required financing commitment has not been received by that date, the Application will have the points for this item deducted from its final score and will be reevaluated for financial feasibility. No funds from the Department's HOME or Housing Trust Fund sources will qualify under this category. Use normal rounding. No funds from TDHCA's HOME (with the exception of non-Participating Jurisdictions) or Housing Trust Fund sources will qualify under this category. (up to 9 points).

Application is not eligible to receive points under this paragraph. (maximum of 9

(i) A contribution of \$500 to \$1,000 per Low Income Unit receives 3 points; or

(ii) A contribution of \$1,001 to \$3,500 per Low Income Unit receives 6 points; or

(iii) A contribution of \$3,501 to \$6,000 per Low Income Unit receives 9 points; or

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Application Application

	Application	Application
(B) Evidence that the proposed Development is partially funded by development-based Housing Choice or rental assistance vouchers from a governmental or non-governmental entity for a minimum of five years. Such entity cannot have an identity of interest with the Applicant with the exception of Applications involving Public Housing Authorities. Evidence at the time the Application is submitted must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received. No later than 14 days before the date of the Board meeting at which staff will make their initial recommendations for credit allocation to the Board, the Applicant or Development Owner must either provide evidence of a commitment for the required financing to the Department or notify the Department that no commitment was received. If the required financing commitment has not been received by that date, the Application will have the points for this item deducted from its final score and will be reevaluated for financial feasibility. No funds from the Department's HOME or Housing Trust Fund sources will qualify under this category. Use normal rounding. (up to 9 points).  (i) Development-Based Vouchers for 6% to 8% of the total Units receives 3 points; or  (ii) Development-Based Vouchers for 9% to 10% of the total Units receives 6 points; or	9	0
(15) Length of Affordability Period. [In accordance with the Code, each Development is required to maintain its affordability for a 15-year compliance period and, subject to certain exceptions, an additional 15-year extended use period. Development Owners that are willing to extend the affordability period for a Development beyond the 30 years required in the Code may receive points as follows:  (A) Add 5 years of affordability after the extended use period for a total affordability period of 35 years (3 points); or  (B) Add 10 years of affordability after the extended use period for a total affordability period of 40 years (6 points)	6	6
(16) Evidence that Development Owner agrees to provide a right of first refusal to purchase the Development upon or following the end of the Compliance Period for the minimum purchase price provided in, and in accordance with the requirements of, §42(i)(7) of the Code (the "Minimum Purchase Price"), to a Qualified Nonprofit Organization, the Department, or either an individual tenant with respect to a single family building, or a tenant cooperative, a resident management corporation in the Development or other association of tenants in the Development with respect to multifamily developments (together, in all such cases, including the tenants of a single family building, a "Tenant Organization"). Development Owner may qualify for these points by providing the right of first refusal in the following terms (5 points).	5	5

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Petats Requested by Applicant:

Pre-

Application	Application

- (17) Pre-Application Points. Applications which submitted a Pre-Application during the Pre-Application Acceptance Period and meet the requirements of this paragraph shall receive 7 points. To be eligible for these points, the Application must:
- Must:

  (A) be for the identical site as the proposed Development in the PreApplication;
  - (B) have met the Pre-Application Threshold Criteria:
- (C) be serving the same target population (family or elderly) as in the Pre-Application in the same Set-Asides; and
- (D) be awarded by the Department an Application score that is not more than 5% greater or less than the number of points awarded by the Department at Pre-Application, with the exclusion of points for support and opposition under subsections (g)(2) and (g)(6)(C) of this title. An Applicant must choose, at the time of Application either clause (i) or (ii) of this subparagraph:
- (i) to request the Pre-Application points and have the Department cap the Application score at no greater than the 5% increase regardless of the total points accumulated in the scoring evaluation. This allows an Applicant to avoid penalty for changing the point structure outside the 5% range from Pre-Application to Application; or
- (ii) to request that the Pre-Application points be forfeited and that the Department evaluate the Application as requested in the self-scoring sheet.

(18) Point Reductions.

(A) Penalties will be imposed on an Application if the Applicant has requested extensions of Department deadlines, and did not meet the original submission deadlines, relating to developments receiving a housing tax credit commitment made in the application round preceding the current round. Extensions that will receive penalties are those extensions related to the submission of the carryover and the closing of the construction loan as identified in §50.21 of this title. For each extension request made, the Applicant will be required to pay a \$2,500 extension fee as provided in §50.21(k) of this title and will receive a 2 point deduction for not meeting the Carryover deadline and a 5 point deduction for not meeting the closing of the construction loan deadline. Subsequent extension requests after the first extension request made for each development from the preceding round for these two deadlines will not result in a further point reduction than already described. No penalty points will be deducted for extensions that were requested on developments that involved rehabilitation or in which the Department is the primary lender.

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Points Requested by Applicant:

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Application	Application

(B) Penalties will be imposed on an Application if the Developer or Principal of the Applicant has been removed by the lender, equity provider, or limited partners in the past five years for its failure to perform its obligations under the loan documents or limited partnership agreement. An affidavit will be provided by the Applicant and the Developer certifying that they have not been removed as described, or requiring that they disclose each instance of removal with a detailed description of the situation. If an Applicant or Developer submits the affidavit, and the Department learns at a later date that a removal did take place as described, then the Application will be terminated and any Allocation made will be rescinded. The Applicant, Developers or Principals of the Applicant that are in court proceedings at the time of Application, must disclose this information and the situation will be evaluated on a case-by-case basis. 3 points will be deducted for each instance of removal.

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TOTAL POINTS REQUESTED

151	145

#### DEVELOPMENT CERTIFICATION FORM - YAB 3A

(Development Owner, or entity having controlling interest in the Development Owner, must complete this form.)
Name of Development: Providence at Edinburg

#### A. Basic Amenities

I (We) certify that we will satisfy at least the minimum point threshold for amenities as further described in §50.9(g)(7)(D) of the QAP and in TAB 4G (Common Amenities). The amenities selected will be made available for the benefit of all tenants. If fees in addition to rent are charged for amenities reserved for an individual tenant's use, then the amenity is not included among those provided to complete this exhibit. I (We) also understand that any future changes in these amenities, or substitution of these amenities, may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met.

#### B. Unit Amenities

I (We) certify that the Development will have all of the following Unit Amenities, I (We) understand that if fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to complete this exhibit. I (We) also understand that any future changes in these amenities, or substitution of these amenities, may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met.

- Computer line/phone jack available in all bedrooms (only one phone line needed)
- Mini blinds or window coverings for all windows
- Dishwasher and Disposal (not required for TX-USDA-RHS Developments)
- Refrigerator
- Oven/Range
- Exhaust/vent fans in bathrooms
- Ceiling fans in living areas and bedrooms
- Be designed in accordance with International Building Code.

#### C. Texas Property Code

I (We) certify that the Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere at a minimum to the International Building Code or other locally adopted building codes.

### D. Compliance with State and Federal Laws

I (We) certify that Applicant is in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.), and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

### E. Attempting to Ensure Involvement of Minority Owned Businesses

I (We) certify that the Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses, and that the Applicant will submit a report at least once in each 90-day period following the date of the Commitment Notice until the Cost Certification is submitted, in a format proscribed by the Department and provided at the time a Commitment Notice is received, on the percentage of businesses with which the Applicant has contracted that qualify as Minority Owned Businesses.

#### F. Units for Persons with Disabilities

I (We) certify that the Development will comply with the accessibility standards that are required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C. This includes that for all Developments, a minimum of five percent of the total dwelling Units or at least one Unit, whichever is greater, shall be made accessible for individuals with mobility impairments. A Unit that is on an accessible route and is adaptable and otherwise compliant with sections 3-8 of the Uniform Federal Accessibility Standards (UFAS), meets this requirement. An additional two percent of the total dwelling Units, or at least one Unit, whichever is greater, shall be accessible for individuals with hearing or visions impairments. Additionally, in Developments where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (ie: one bedroom, two bedroom, three bedroom) must provide an accessible entry level in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. At the construction loan closing, a certification from an accredited architect will be required stating that the Development was designed in conformance with these standards and that all features have been or will be installed to make the Unit accessible for individuals with mobility impairments or individuals with hearing or vision impairments. A similar certification will also be required after the Development is completed. This requirement applies to all Developments including new construction and rehabilitation. Any Developments designed as single family structures must also satisfy the requirements of 2306.514, Texas Government Code.

#### G. Minimum Standard Energy Saving Devices

I (We) certify that the Development will adhere to the 2000 International Energy Conservation Code (IECC) and the Department's Minimum Standard Energy Saving Devices in the construction of each tax credit Unit, historic preservation codes notwithstanding. All Units must be air-conditioned. The measures must be certified by the Development architect as being included in the design of each tax credit Unit prior to the closing of the construction loan and in actual construction upon Cost Certification. Minimum Standard Energy Saving Measures include:

- 1. Insulation values must meet the 2000 International Energy Conservation Code (IECC) for the region in which the development is located. Developments must also include soffit and ridge vents and storm windows;
- 2. If newly installed, Energy Star or equivalently rated air handler and condenser; or heating and cooling systems with minimum SEER 12 A/C and AFUE 90% furnace if using gas; or in dry climates an evaporative cooling system may replace the Energy Star cooling system;
- 3. Water heaters to have an energy factor no less than .93 for electric or greater than .62 for gas;
- 4. Maximum 2.5 gallon/minute showerheads and maximum 1.5 gallon/minute faucet aerators; and
- 5. Installation of ceiling fans in living room and each sleeping room.

#### H. General Contractor Requirement

I. Reserve Account

I (We) certify that the Development will be built by a General Contractor that satisfies the requirements of the General Appropriation Act, Article VII, Rider 7(c) applicable to the Department which requires that the General Contractor hired by the Development Owner or the Applicant, if the Applicant serves as General Contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

I(We)	certify that the Deyclopment Own	er agrees to establish a r	eserve ac	count consistent with §2306.186
Texas	s Government Code and as further do	escribed in Chapter 60 of '	ľAC.	
By:		2/25/04		Vice President of GP
•	Signature of Applicant/Owner	Date		

RELEVANT DEVELOPMENT INFORMATION - TAB 2D (CONT.)
Unit Amenities and Quality. Select All That Apply:
∑ Covered entries (1 point)
Nine foot ceilings (1 point)
Microwave ovens (1 point)
Self-cleaning or continuous cleaning ovens
Ceiling fixtures in all rooms (globe with ceiling fan in all bedrooms)
Refrigerator with icemaker
Laundry connections
Storage room or closet, of approximately 9 square feet or greater, which does not include
bedroom, entryway or linen closets
Laundry equipment (washers and dryers) in units
Thirty year architectural shingle roofing
Covered patios or covered balconies
🔀 Covered parking (including garages) of at least one covered space per Unit
100% masonry on exterior, which can include stucco and comentious board products, excluding
efījs
Greater than 7.5% masonry on exterior, which can include stucco and cementious board products,
excluding effs
Use of energy efficient alternative construction materials (structurally insulated panels) with wall
insulation at a minimum of R-20
R-15 Walls / R-30 Ceilings (rating of wall system)
12 SEER HVAC or evaporative coolers in dry climates
🔀 Energy Star or equivalently rated Kitchen Appliances
Common Amenities, Select All That Apply;
Full perimeter fencing with controlled gate access
Gazebo w/sitting area
Accessible walking path
Community gardens
Community laundry room and/or laundry hook-ups in Units
Public telephone(s) available to tenants 24 hours a day
A service coordinator office
Barbecue grills and picnic tables – at least one for every 50 Units
Covered pavilion w/barbecue grills and tables
Swimming pool
Furnished fitness center
Equipped Business Center (computer and fax machine)
Game/TV/Community room
Library (separate from the community room)
Enclosed sun porch or covered community porch/patio
Service coordinator office in addition to leasing offices
Senior Activity Room (Arts and Crafts, Health Screening, etc.) - Only Qualified Elderly
Developments Eligible
Secured Entry (elevator buildings only)
Horseshoe or Shuffleboard Court - Only Qualified Elderly Developments Eligible
Community Dining Room w/full or warming kitchen - Only Qualified Elderly Developments
Eligible
Two Children's Playgrounds Equipped for 5 to 12 year olds, two Tot Lots, or one of each - Only
Family Developments Eligible
Sport Court (Tennis, Basketball or Volleyball) - Only Family Developments Eligible
Furnished and staffed Children's Activity Center - Only Family Developments Eligible

#### 5. POPULATIONS SERVED

Unless modified by TDHCA, the unit, income, and rent levels to be served as represented by the applicant in this section shall be a condition of the funding award. If applicable, appropriate restrictions shall be incorporated into the funding contract/commitment and land use restriction agreement.

	A. NUMBER OF UNITS OR HOUSEHOLDS TO BE SERVED	#	% of Total
	Low-Income Units/Households	100	100
į	Market Rate Units/Households	<u> </u>	! :
	Tctal Units/Households	100	

B. PROPOSED LOW INCOME LEVELS TO BE SERVED Enter the proposed <u>number</u> of Low Income Households to be served at each Maximum Allowable Household Income Level.

Sc. ved al caeri w	HTC	HOME	Bond	HTF	Bootstrap
0 - 30% AMFID	17	] 	<del></del>	 + <del></del>	ļ 
31 – 40% AMFI	<u> </u>	! 			<u> </u>
41- 50% AMF1		<u> </u>	<u> </u>	! 	
51 – 60% AMFI	. 83	<u> </u>		<u>!</u>	<u> </u>
61 – 80% AMFI	<u>_</u>	<u> </u>	<u> </u>	ļ <u> </u>	<u> </u>
Olher <sup>(2)</sup> %	<u> </u>	<u> </u>	<u> </u>	! 	Ļ
Total income restricted units by Program	100	 	  -  - 		<u> </u>

### C. PROPOSED LOW INCOME RENT LEVELS

X Only multifamily housing construction/rehabilitation applications will complete part "C." Enter the proposed <u>number</u> of Low Income Households to be served at each Maximum Allowable Unit Rent Level.<sup>(2)</sup>

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,	HTC	HOME_	Bond _	n i ř
30% AMFI	17_	: :		
40% AMFI		!	l L	ļ !
50% AMFI			<u> </u>	! +·
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O(her(3)%	. <u></u>	<u> </u>		<u> </u>
Total rent		i	:	i 1
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Program		_,	i	<u> </u>

### D. EXISTING LOW INCOME USE RESTRICTIONS OR EXISTING SUBSIDIES ON HOUSING REHABILITATION ACTIVITIES(4)

Only Applicants requesting funds for multifamily housing renabilitation activities will complete part "D."

Is the existing property subject to low-income use restrictions or receiving subsidies from a local, state or federal source?

No 
Yes

If "Yes." will the continued operation of this property with low-income use restrictions be placed at risk without the award of the requested TDHCA funds?  $\square$  No  $\boxtimes$  Yes

If the answer to either question above is "Yes," then attach a thorough description of the restrictions or subsidies behind Tab 18. At a minimum, describe the source, terms, length of restriction period, and explain how the award of TDHCA funds will help preserve the unit affordability.

is temporary relocation of a current tenant(s) anticipated during the rehabilitation on period?  $\square$  No  $\boxtimes$  Yes

Is permanent relocation of a current tenant(s) anticipated during or after the rehabilitation period?  $\boxtimes$  No  $\square$  Yes

If the answer to either of the previous two questions is "Yes," then a relocation plan must be provided behind Tab 1B.

#### Notes:

- (1) TDHCA is committed to targeting funds towards households earning less than 30 percent of the area median family income. As such, the applicant may receive points for setting such units aside as discussed in the program's rules.
- (2) Do not include market rate units as "Other" units. Typically, this section will be utilized by multifamily bond developments if other rent restrictions are placed on the development. Indicate the % restriction in the space provided.
- (3) In most cases, allowable rents will correspond directly with the income level served. Therefore, the number of households shown for each specific program in the income and rent columns will be identical. However, in some cases, such as multifamily bonds, the income category will not correspond with the allowable rent level and differences should be duly noted.
- (4) Per §2306.008, TDHCA shall support the preservation of affordable housing for individuals with special needs and individuals and families of low income at any location considered necessary by TDHCA.

**************************************		4. FUNI	DING F	REQUEST				······································
A. PROGRAM SET-ASIDE								
Next to the program name, check	k the box to inc	dicate under wh	nich set-a	side or set-a	sides this app	lication will	be made.	<del>-</del>
IDHCA Programs for which this	General	At-Risk/	Non-Pr	1	oo i ∪8	SDA 1	Special	! Housing
Application will be used:	——————————————————————————————————————	Preservation	-		Allo	cation	Needs	Development
HOME			<u></u>		<u> </u>			ļ
Housing Trust Fund	<u>-</u>		<del>_</del>	<u> </u>				<del></del>
Housing Tax Credit				,		<u> </u>	·	<u> </u>
Bootstrap, Tax-Exempt Private A	ctivity Mortgag	e Revenue Bor	nd and 50	)1(c)(3) Tax-l	Exempt Mortg	age Sond d	o not use	Set-Asides
B. PROGRAM ELIGIBLE AC	TIVITIES							
Check the boxes next to the prog	ram name to i	ndicate the acti	ivities this	application v	will <u>fu</u> nd			<u> </u>
TOHCA Programs for which this a	Application will	l     Admin Fu	ınds	Acquisition	New Construction	i	hab. truction	Infrastructure
be used:		\			Consudence	i	7	
HOME					<del> </del>		<del></del>	:
Housing Trust Fund					<u> </u>		<del>-</del> - +	
Low Income Housing Tax Credit					<u> </u> -	_ · <del>'</del> · - <del>- '</del> · - <del>- '</del> · '	≒+	<del></del>
TX Bootstrap Loan Program			<u>-</u>	<u> </u>	ļ <del>-</del>	-+ ;		···
Tax-Exempt Private Activity Mort	gage Rev. Bo	nd		—	<u> </u>			<del></del>
501(c)(3) Tax-Exempt Morigage	<u>Bond</u>				<u> </u>		<u>,</u>	
C. FUNDING REQUEST				Request	ed Funds are			the form of a loan
Complete the table below to des	cribe this appl	ication's fundin	g reques	t in the	form of a:	the	requested	terms are:
TDHCA Programs for which this		1		ļ		Interest	Amortizati	on !
be used:		Request	ed Amour	nt <u>Grant</u>	Loan	Rate (%)	(Vi2)	Term (Yrs)
HOME Activity Funds	:	\$			_	! <del> </del>	<u> </u>	
HOME Administration Funds		<u> </u>					<u> </u>	
HOME CHDO Operating Expe	nses	\$		_		<u>.</u>	.,	_ <del> </del>
Housing Trust Fund		\$			_	! 	ļ	_
Housing Tax Credit (Annual Ar	mount)	\$ 445,8	54 🔭			<u> </u>	·	
TX Bootstrap Loan Program		\$				ļ		_ ↓
Tax-Exempl Private Activity M	ortgage Rev. l	Bond \$				<u> </u>	<u> </u>	<u></u>
501(c)(3) Tax-Exempt Mortgag		\$				İ		
D. PREVIOUSLY AWARD		ND FEDERAL	FUNDI	NG				
Has this site/activity previously								
Has this site/activity previously					Yes			
Will this site/activity receive no	notined fed	erai fundino for	r coals de	scribed in thi	s application?	No □	Yes	
If the answer to any of	the above qu	iestions is "Ye	s," then	include a fur	nding descrip	tion behind	Tab 18 ti	nat at a minimu ~ TDUCA succh
includes the source, amount, should also be provided.	term and any	/ associated re	ental resti	rictions. If the	e award was	trom TDHC	A, then th	e IDHCA NUMB
								nw/39m

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS - MULTIFAMILY RENTAL HOUSING APPLICATION 3

2. LOCATION	& JURISD	ICTION INFO	ORMATIC	N of the A	PPLICA	TION A	CIIAIIĀ
Local Official with Jurisdiction of	ver the Activit	y site is the. 🔯	Mayor 🔲 C	ounty Judge 🗌	Other	<del></del>	
	ard H. Garcia			lurisdiction Nar		of Edinbur	rg
Local Official's Mailing Address	210 Wes	t MoIntyre					
City: Edinburg	Zip:	78541	Phone:	(956) 383 56	61	_ Fax. <u>_(</u>	956) 383.7111
State Senator: Juan	Hinojosa	<u>,                                    </u>			District #	_20	
State Representative: Aaro	n Pena				District #.	40	<del> </del>
U.S. Representative: Rub	en Hinojosa_				District #	15	
County Name(s) of Site or Are	as Served:	Hildalgo	·			:-	
City Name(s) of Site or Areas		Edinburg					·
Name of Colonia(s) Served (if							
Name of School District:			<u>.</u>				
		2 4 671	VITY OVE	DVIEW.			
New Construction, Multifamily  A. MULTIFAMILY RENTA	L DEVELOP	MENT NAME					
	idence at Edir	ibuių_	<u></u>	<u>-</u>		ZIP Code	78541
Address: 201 North 13th At	<u>ле</u>					2 0000	
B. IMPROVEMENT TYPE				r ri ta			
Check all of the boxes below					made.		
Will this development exclusion					Triplex		Fourplex
Building/Unit Configuration:	-	ed Residence	☐ Duple			Room Oc	
		or more/building	<del></del>	home	<del></del> <del>_</del> _	attered site	
Location of Units:		ngie lot or site		ubdivision	_ /=		rally Integrated Panels_
Construction Type:		itional Onsite		ifactured		te Acreage	
Maximum # of Floors:	_8	Elevator-Serve				its per Acri	
# of Residential Buildings:	1	# of Non-Resid	tential Buildii	ngs:	# UN	ns per acri	5. <u>JV</u>

### RENT SCHEDULE (Required for All Rental Development Projects)

The rent and utility limits available at the time the application is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits. The unit mix and net rentable square footages should be consistant with the:
"Populations Served" section of the application, site plan and architectural drawings. Unit types should be entered from smallest to largest based on "# of Bedrooms", then within the same "# of Bedrooms" from lowest to highest "Tenant Paid Rent/Unit".
"Type of Unit" designation should be one or more of the following based on the unit's rent restrictions: Tax Credit (TC50%)

or (TC60%), HOME High (HH) or Low (LH), Housing Trust Fund (HTF), 501 (c) (3) Mortgage Revenue Bond (MRB), Community Developement Block Grant (CDBG), Other (OT) (describe any "Other" restrictions on an attached sheet). For units funded under more than one program, the "Income Level Served" should be the most restrictive - for example a LH and

TC 5004 mould	ha "5004"	in one pro									n Bir ana
Type of Unit	Income Level Served	# of Units	# of Bed rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	1	Gross Rent	Tenant Paid Utility Allow.	Tenant Paid Rent/ Unit (C) - (D) =	Total Monthly Ren
		(A)			(B)	(A) x (B)		(C)	(D)	(E)	(A) x (E)
TC30%	30%	5	. 0	1	400	2,000	\$	216	0	216	1,080
TC40%	40%	0	0	1	400	0	\$	288	0,	288	-
TC50%	50%	0	0	1	400	0	\$	360	0	360	-
TC60%	60%	23	. 0	1	400	9,200	\$	432	31	401	9,223
TC30%	30%	12	1	1	550	6,600	\$	231	0	231	2,772
TC40%	40%	0	1	1.	550	0	\$	309	0	309	-
TC50%	50%	0	1	1	550	0	\$	433	0	433	
TC60%	60%	60	1	1	550	33,000	\$	463	39	424	25,440
TC30%	30%		4	2	1,300	. 0	\$	463		463	- ·
TC40%	40%	0	4	2	1,300	0				0	-
TC50%	60%	0	4	2	1,300	0		554	121	434	-
TC60%	60%	0	4	2	1,300	0				0	
						0				-0	-
						0				0	-
Rent Restrict	ed Total	100				50,800				_	38,515
Market Rate		0	1	. 1	750	0				401	-
Market Rate		0	2	2	950	0				480	
Market Rate		0	3	2	1,100	0		•	• • •	600	-
Market Rate			]	i		0					
Market Rate						0					-
Market Rate						. 0					
Market Rate 1	<del></del>	0				0					-
Employee/Ov	vner Occup	oied <sup>1</sup>				0					
Total Units		100				50,800	l				38.515
+ Non Rental	Income Sou	ırce #1	3	per uni	t/month for:	Laundry					300
+ Non Rental	+ Non Rental Income Source #2 3 per unit/month for: Application, NSF, Late Fees									300	
	+ Non Rental Income Source #3 4 per unit/month for: Cable & Phone									400	
= POTENTIAL				E							39,515
- Provision for	Vacancy &	Collection	n Loss			% of Poter	ıtial	Gross	Income:	7.50%	2,964
- Rental Conc	essions										
= EFFECTIVE											36,551
x 12 = EFFEC	TIVE GROS	SS ANNI	JAL INC	OME							438,617

Page 1011 Ad Number 56559046 01/08/2004 12:57 Printed Valley Morning Star Order Number 56559045 Publication 101 Legal Notices Category "PO Number -First Pub 01/07/2004 83341 - Provident Realty Advisors Customer 01/08/2004 Last Publ Contact Doug 17440 Dallas Parkway Ste 230 Days 1dress1 4 x 3.75, 26 lines Size dress2 Dallas, TX 75287 open Ad Rate ∪itV 331.20 (972) 733-3399 Ad Price ne 331.20 (972) 931-9369 Order Price

Amount Paid

0.00

Amount Due : 331.20

Keywords : NOTICE TO PUBLIC An affiliate of Provident Odyssey Partners, LP, Chicory Court

Printed By: Heather Handy Entered By: Marivel Soto

### NOTICE TO PUBLIC

An affiliate of Provident Odyssey Partners, LP, Chicory Court XXX LP, is making an application for housing tax credits to the Texas Department of Housing and Community Affairs for a renovation development to be known as Providence at Edinburg this development will be located at 13th and Mcintyre, Edinburg, Hidalgo County Texas. This housing development will be an apartment rehabilitation which will have 100 units, of these 100% will have rents affordable to residents with incomes at or below 60% of the area median income. The size of the site is +/-4 acres; the density will be 25 units per acre. The percentage of mix, number of units and proposed rents based upon the 2003 area median income (net of utility allowances) for the subject property units are:

5% 23%	5 23	AMI 30% 60%	Efficiency Efficiency	\$185 \$401	400 SF 400 SF
12%	12	30%	1 bedroom units	\$192	600 SF
60%	60	60%	1 bedroom units	\$424	600 SF

If awarded housing credits and tax-exempt bond financing, this development would be ready for occupancy by spring of 2005. For information about this notice, please contact Saleem Jafar at Provident Odyssey Partners, LP, 975 One Lincoln Center, 5400 LBJ Freeway, Dallas, TX 75240, 972-239-8500 ext 111, or fax 972-239-8373.

### CARRYOVER ALLOCATION AGREEMENT

(The Owner named below must be the actual ownership entity, itself, not a General Partner or an Affiliate)

Development Name:	Providence at Edi	nburg (the ")	Development")			_ TDH	CA#:	04-193	
Development Description of	Address or Location <sup>1</sup> : 201 N	orth 13 <sup>th</sup> A	venue						
City: Edinbu	rg	_ County:	Hidalgo		State:	TX	Zip:	78541	
Development	Type (check only one):	New Cor	nstruction 🛚	Rehabilitation	on 🛛 – A	Acquisi	tion and	Rehabilitati	on 🗌
Building Ident	ification Numbers (	BINs) Res	erved for this [	Development:	TX-04-	19301	throug	sh TX-04-19	399

The Texas Department of Housing and Community Affairs (the "Department") hereby issues you a Carryover Allocation of 2004 tax credit authority in the annual amount of \$357,369² pursuant to Section 42(h)(1)(E)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"). The allocation is subject to the terms and conditions stated in the Commitment Notice and Carryover Allocation Procedures Manual, and all the representations and undertakings indicated in the Application on which the allocation is based, the violation of which shall be cause for the cancellation of the Carryover Allocation. Chicory Court XXX, L.P.³ (the "Owner") hereby certifies that each building for which this allocation is being made is or will be a qualified building as defined in Section 42(h)(1)(E)(ii) of the Code. The Owner hereby certifies that no later than the date that is six months after the date of the Department's execution of this Carryover Allocation, the Owner will have incurred expenditures amounting to more than 10% of \$4,379,523⁴, which is the Owner's reasonably expected basis in the Development as of December 31, 2006, for purposes of Treasury Regulation 1.42-6. The Owner agrees that documentation of expenditures comprising more than 10% of said reasonably expected basis as of December 31, 2006 will be submitted to the Department no later than June 30, 2005.

The Owner understands and agrees that this allocation is subject to the requirement to close the construction loan and provide evidence of such closing not later than June 1, 2005, and to meet the requirement of commencement and continuation of substantial construction no later than November 1, 2005 as discussed in §50.15 of the 2004 Housing Tax Credit Program Qualified Allocation Plan and Rules (QAP). The Owner agrees to submit to the Department a copy of each inspection report conducted by the lender(s) and/or equity investor as the reports become available.

The Owner hereby certifies that each building for which this allocation is made will be placed in service no later than December 31, 2006. For purposes of Section 42 of the Code, a newly constructed building is not "in service" until one unit in such building has been completed and certified by the appropriate local authority or registered architect as ready for occupancy. Notwithstanding the foregoing, if any building in the Development, including a rehabilitation Development, does not have all units completed and certified by the appropriate local authority or registered architect as ready for occupancy by December 31, 2006, this Carryover Allocation with respect to such building will be canceled and no Form 8609 issued with respect thereto. The Department may waive the requirement that all units be certified as ready for occupancy for good cause, but the requirement that at least one unit in each building be certified as ready for occupancy may not be waived. No extension of the deadline to place in service can be made.

. . . . . .

<sup>&</sup>lt;sup>1</sup> If the Development is a scattered site development, attach a list of the addresses of the buildings or a list of descriptions of the locations.

<sup>&</sup>lt;sup>2</sup> The figure entered here should be consistent with the figure reflected in the Tab 7 Worksheet, Box 4H.

<sup>&</sup>lt;sup>3</sup> The Development Owner must be legally formed or the carryover allocation is not valid. DO NOT use the name of a General Partner, Affiliate or any name other than the name of the limited partnership that is the Development Owner.

<sup>&</sup>lt;sup>4</sup> The allocation must be justified by the amount of the reasonably expected basis, the applicable percentage (as underwritten at application or otherwise determined by the Department or as elected in this Carryover Allocation Agreement), the intended applicable fraction and any high cost area adjustment, all as set forth in the Development Cost and Basis Schedule that will be required in association with the 10% test.

### CHICORY COURT-XXX, LP 975 ONE LINCOLN CENTRE 5400 LBJ FREEWAY DALLAS, TX 75240 972.239.8500 FAX 972.239.8373

February 5, 2004

The Honorable Juan Hinojosa Texas State Senator 612 Nolana, Suite 410B McAllen, TX 78504

RE: Public Meeting

Dear Senator Hinojosa,

This letter is to inform you of a Public Meeting to discuss our application made to the Texas Department of Housing and Community Affairs for the renovation of the La Villitas Towers. The meeting is to be held February 12, from 6pm to 8pm at Echo Hotel & Conference Center, 1903 South Closner Boulevard, Edinburg, TX 78539 in the Vista Room. Please feel free to attend, any additional questions or concerns please contact me at (972) 239-8500 x 110.

Sincerely,

Douglas Backes

04082

# LOCKE LORD BISSELL & LIDDELL LLP

ATTORNEYS & COUNSELORS

100 Congress Suite 300 Austin, TX 78701-4042 ATLANTA • AUSTIN • CHICAGO • DALLAS • HOUSTON • LONDON
LOS ANGELES • NEW ORLEANS • NEW YORK • SACRAMENTO
WASHINGTON, D.C.

Phone: (512) 305-4700 Fax: (512) 305-4800 www.lockelord.com

Direct lumber: (512) 305-4707 en Al Con Cockelord.com

October 15, 2007

OCT 1 5 2007

### VIA HAND-DELIVERY

Ms. Robbye Meyer Texas Department of Housing and Community Affairs 221 East 11th Street Austin, TX 78701

Re:

Fenner Square Apartments in Goliad (the "Property")

TDHCA LIHTC No. 04082

Dear Robbye:

We represent Fenner Square, Ltd. (the "Partnership") with respect to the Property. The Partnership seeks issuance of its Forms 8609. However, before those Forms can be issued, the Department wants to resolve certain inconsistencies between the description of the proposed Property in the original application and the actual Property, as completed. The Partnership filed an amendment request to resolve these issues but the Department found the Partnership's submission to be insufficient. This letter, delivered on the Partnership's behalf, is an attempt to resolve the outstanding issues to the Department's satisfaction so that the Forms 8609 can be issued.

### **Background**

The Partnership applied for and received tax credits in the 2004 application round. This was a first attempt by the developer to participate in the tax credit program. The Partnership also pursued and received USDA financing; to our knowledge, this was the first time that USDA financing under the 538 program had been combined with tax credits in Texas. The Partnership experienced cost increases and therefore applied to the Department for, and received, Housing Trust Funds in 2005.

When the Partnership applied for Housing Trust Funds in 2005, the development plan for the Property had evolved. The Property amenities described in the Housing Trust Fund application differed in some respects from those described in the tax credit application. Moreover, in November 2005, the Partnership submitted an amendment request to change the site plan by repositioning certain buildings. The amendment request was approved.

AUSTIN: 0053277.00001: 371714v2

The need for an additional amendment was identified when the Property Management and Compliance Division ("PMC") conducted its final inspection and identified certain deficiencies, as follows:

Dishwashers
Garbage disposals
Service coordinator's office
Refrigerators with icemakers
Self-cleaning ovens
Community garden
Equipped business center
Accessible bathtub seat

In December 2006, PMC indicated that the following deficiencies had been cleared:

Dishwashers
Garbage disposals
Service coordinator's office
Equipped business center
Accessible bathtub seat

See the letter from Kimbal Thompson attached as <u>Exhibit A</u>. This letter indicated that an amendment would be required for the following items that were omitted:

Refrigerators with icemakers Self-cleaning ovens Community garden

### Mr. Thompson's letter further stated:

"Note that any subsequent decisions by the Board regarding requirements relating to the 2005 application, including amendments and awards would supercede any previous agreements, commitments or contracts with the applicant, and 2004 amenity commitments do not apply." [emphasis added]

Based on this direction from Department staff, the Partnership submitted an amendment request, and all PMC deficiencies were cleared in a letter dated January 10, 2007. A copy of this letter is attached as Exhibit B.

However, as the Real Estate Analysis Division ("REA") began working on the cost certification and issuance of Forms 8609, it worked with the Multifamily Finance Production Division ("Multifamily"), and a different list of deficiencies appeared. In July, the Partnership received the draft letter attached as <a href="Exhibit C">Exhibit C</a>. While this letter was not finalized, we believe it reflects the understanding of REA and Multifamily as to the outstanding items to be addressed.

Specifically, the tax credit application and/or Housing Trust Fund application proposed the following amenities, which were omitted in the final construction of the Property.

- 1. Game/Recreation room (separate from the other rooms) in the clubhouse
- 2. Self-cleaning ovens
- 3. Icemakers in refrigerators
- 4. Community garden
- 5. Microwave ovens in units
- 6. Two service coordinator offices
- 7. Dishwashers
- 8. Garbage disposals

This list of outstanding items requiring an amendment differs from the list of outstanding items requiring an amendment received from PMC. Thus, it has been a bit confusing for both the Partnership and the Department to determine what remains outstanding to be addressed. The Partnership has submitted multiple amendment requests, and the Department has reviewed them diligently. Believing that the list of eight items, above, is the one to be addressed, we offer the following.

### The Amendment

With respect to items 1-3, the Partnership proposes the following substitutes:

- The plans originally proposed overhead electricity and telecommunications wires. The Partnership instead placed those wires underground at a cost to the Partnership of \$20,795.00. See the change order, approved by USDA, attached as Exhibit D.
- The original plans called for an asphalt parking lot. The Partnership installed a concrete parking lot instead for a cost of approximately \$50,000. See the change order, approved by USDA, attached as <a href="Exhibit E">Exhibit E</a>, which shows the additional expense for the reinforced rebar but does not show the additional costs for labor.
- The community building is larger than anticipated.
- The Partnership installed an additional playground as shown on the as-built survey previously delivered to the Department. The Partnership also installed an additional barbecue grill, evidenced by the pictures attached as <u>Exhibit F.</u>
- The Property offers free internet services for tenants in the community room, along with cable television. The units were wired for cable television, even though it was not part of the initial plan. This cost approximately \$2,500.

Robbye Meyer October 15, 2007 Page 4

- Three buildings on the Property have a U-shaped design. The Partnership created courtyards for those buildings with planters and crushed granite. The cost for this improvement was \$4,200, as evidenced by the USDA-approved change order attached as Exhibit G.
- The Partnership changed all of the roofs from a 4/12 pitch to a 6/12 pitch to improve the exterior design. See the diagram and pictures attached as <u>Exhibit H</u>.
- The Partnership improved the roofing on three of its buildings from a hip design to a gable design to improve the exterior appearance. See the pictures attached as <a href="Exhibit I">Exhibit I</a>.
- The Partnership installed a second trash receptacle on the Property for the convenience of the residents, at a cost of approximately \$1,500. This is identified on the site plan and evidenced by the picture attached as Exhibit J.
- The Partnership will install a soccer field for the residents on the Property.

With regard to items 4-5, the Partnership believes that the substitutes recited above should be sufficient to accommodate the omission of a community garden and microwaves in the units. However, if the Department indicates that the substitutes described above are not sufficient to accommodate the omission of these items, then the Partnership will agree to install a community garden and microwaves in the units.

With regard to items 6-8, the Department already approved the omission of these items. Please see the letter from Kimbal Thompson dated December 2006 attached as Exhibit A.

Additionally, in the Department summary attached to the letter as <u>Exhibit C</u>, there is a note that the community kitchen has only a warming kitchen. This is not noted in the letter as a deficiency that requires correction or substitution. However, please be aware that there <u>is</u> a large capacity oven with cook top in the community kitchen. See the description at <u>Exhibit K</u>.

### Conclusion

We understand from prior communications with Department staff that points are not an issue and that the Department simply seeks the proposal of acceptable substitutes for the omission of certain amenities. The Partnership hopes this proposal will be sufficient to allow the Department to approve this amendment and issue the Forms 8609. We appreciate your patience in working through the process. If you need additional information, please do not hesitate to contact me.

Sincerely,

Cynthia L. Bast

Enclosures

cc:

Gary Driggers Susan Sheeran



### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhea.state.tx.us

Rick Perry GOVERNOR

Michael Gerber Executive Director December 18, 2006

BOARD MEMBERS Elizabeth Anderson, Chair Shadrick Bogany C. Kent Conine Sonny Flores Gloria Ray Norberto Salinas

Gary Driggers Fenner Square LTD 8814 Rustling Breeze San Antonio TX 78254

RE: November 20, 2006 Deficiency Letter Follow-up Notice

Final Development Inspection conducted on September 28, 2006

Fenner Square - TDHCA HTC File No: 04082 - CMTS: 4116 HTF File No: 1000426

Dear Mr. Driggers:

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 December 9, 2006:

- O Deficiency #1, #2 and #7 Dishwashers, Disposals and Service coordinator's office These deficiencies have been dropped.
- O Deficiency #3, #4, #5, and #7: Refrigerators w/ icemakers, Self-cleaning ovens, Community gardens. If the amenity was not provided and written change approval was not received from the Department, a formal request to amend the 2005 application is required. Instructions for requesting an amendment are attached. Please request the change and submit a copy of the request as corrective action. Note that any subsequent decisions by the Board regarding requirements relating to the 2005 application, including amendments and awards would supercede any previous agreements, commitments or contracts with the applicant, and 2004 amenity commitments do not apply.
- O Deficiency #6 and #8 Equipped business center and Accessible bathtub seat Sufficient documentation was received to clear these deficiencies.

Please submit all outstanding corrective action as a single response as specified in the Department deficiency letter no later than **January 18**, 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

c¢:

Inspection File TDHCA Real Estate Analysis Division

Attachments



### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.sdhca.stase.tx.us

Rick Perry GOVERNOR

Michael Gerber Executive Director

January 10, 2007

BOARO MEMBERS Elizabeth Anderson, Cheir Shadeick Bogany C. Kent Conine Sonny Flores Gloria Ray Norberto Salinas

Gary Driggers
Fenner Square Ltd
8814 Rustling Breeze
San Antonio TX 78254

RE.

Clearance of Final Development Inspection conducted on September 28, 2006

Fenner Square -

TDHCA File No: 04082 - CMTS 4116

HTF File No: 1000426

Dear Mr. Driggers:

The Portfolio Management and Compliance Division (PMC) received corrective action documentation in response to deficiencies identified during the final inspection. The documentation submitted was sufficient to clear those identified issues.

The inspection conducted by the Department was based on a limited scope of review. It is the responsibility of the owner to assure compliance with all program and accessibility requirements. The owner is not absolved from compliance with any deficiencies that were not identified in this review.

A copy of this clearance letter is being provided to the TDHCA Real Estate Analysis Division. The inspection process will not hold up the issuance of 8609(s). If you have any questions regarding the construction inspection process, please feel free to contact me at (512) 475-3887, toll free in Texas at (800) 643-8204 or through email at kimbal.thompson@tdhca.state.tx.us.

Sincerely,

Kimbal Thompson Inspection Specialist

co:

Inspection File

TDHCA Real Estate Analysis Division

221 EAST 11TH • P. O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

Y

June 9, 2007

Mr. Gary Driggers Legacy Renewal, Inc. 8814 Rustling Breeze San Antonio, Texas 78254

Re:

Fenner Square (the Development), Goliad Housing Tax Credit Development No. 04082

Dear Mr. Driggers:

Your letter of April 16, 2007, requested that the Department accept the development as satisfactorily completed despite the absence of certain amenities or features that were proposed in the application. The amenities at issue include the following:

Her we sould see

- 1. Two service coordinators offices
- 2. community gardens
- 3. Self-cleaning ovens
- 4. Icemakers in the refrigerators
- 5. dishwashers
- 6. garbage disposals

Although not proposed in the housing tax credit application, other features that were proposed in the Housing Trust Fund application were similarly omitted from the development. The Housing Trust Fund features that were omitted include the following:

- 1. Microwave ovens in all units
- 2. Game/Recreation room (separate from the other rooms) in the clubhouse

Your request will not be eligible for the Department's consideration until you propose equivalent substitutes for all of the amenities listed.

Sincerely,

Robbye Meyer
Director of Multifamily Finance Production



#### United States Department of Agriculture Rural Development

Alice Local Office

July 6, 2006

Fenner Square, Ltd. Mr. Gary Driggers 8814 Rustling Breeze San Antonio, Texas 78254

Re: Fenner Square Apartments - Change Order # 1

Dear Mr. Driggers:

Change Order # 1 has been reviewed and has been approved provided funds are available.

This change is for overhead service of electricity, telecommunications and street lighting to underground service. The City and Owner have requested this change. The cost of the revision adds \$20,795.00 to the contract price of \$2,200.000.00. The change does not affect the contract time. The amount guaranteed by USDA Rural Development is unaffected.

A copy of the Change Order is to be provided to the Contractor, Consulting Architect, and Lender.

If you have any questions please contact Cynthia Alvarez, Loan Specialist.

Sincerely,

Rural Development Manager

cc: State Director
AD Sheeran

2287 N. Texas Blvd., Suite1, Alice, Texas 78332 Phone: (361) 664-0455 Ext. 4 \* Fax (361) 668-3947 \* TDD: (254) 742-9712 \* Web: http://www.rurdev.usda.gov/tx

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Form RD 1924-7

ORDER N	Ö. ,	
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DATE		
	03/06/06	
STATE		
	Texas	
COUNTY		
	Galiad	

(Rev. 2-97) UNITED STATES DEPARTMENT OF AGI RURAL DEVELOPMENT ANI	RICULTURE	One				
FARM SERVICE AGENCY			DATE 03/06/06			
CONTRACT CHANGE ORDER		STATE				
CONTRACT FOR		COUNT	Texas Y			
Fenner Square Apartments, 555 S. Burke St. Go	liad, TX		Goliad			
Merced Housing Texas, 212 West Laurel, S	an Antonio,	TX 782	12			
To Hoover Construction Co. Inc., PO Box 457, B	Surnet, TX 78	611				
You are hereby requested to comply with the following changes from	m the contract plan	s and spe	cifications:			
Description of Changes (Supplemental Plans and Specifications Attached)	DECREAS in Contract I		INCREASE in Contract Price			
Electric, telephone, and street lighting services changed from overhead service to underground. This was requested by the owner and the City of Goliad.	\$	T 79 wardingstate date of the control of the contro	\$ 20,795.00			
TOTALS <u>NET CHANGE IN CONTRACT PRICE</u>	\$		20,795.00			
JUSTIFICATION: Contract amount was for overhead			•			
The amount of the Contract will be (Decreased) (Increased) By The	Sum Of: Twent	y thou	isand seven hundred			
ninety five	. I	Oollars (\$	20,795.00			
The Contract Total Including this and previous Change Orders Will )						
thousand seven hundred ninety five	r	Oollars (\$	2,220,795,00			
The Contract Period Provided for Completion Will Be (Increased) (E	Deereased) (Unchar	nged):	0 Days.			
This document will become a supplement to the contract and all prov	isions will apply h	ereto.				
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Recommended Just Harbinson — MSA of Sandar  (Owner's Architect/Engine	burs, Tre.	4.	(Date) 27.06 (Date) 27-06			
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OMB control number. The valid OMB control number for this information collection is 0375-01042. The time required to complete this information collection is estimated to average 14 minutes per response, including the time for reviewing instructions, searching existing data sources, gothering and maintaining the data needed, and completing and reviewing the collection of

☐ ORIGINAL-BORROWER'S CASE FOLDER☐ COPY-CONTRACTOR☐ COPY-BORROWER

Form RD 1924-7 (Rev. 2-97)





#### United States Department of Agriculture Rural Development

#### Alice Local Office

July 28, 2006

Fenner Square, Ltd. Mr. Gary Driggers 8814 Rustling Breeze San Antonio, Texas 78254

Dear Mr. Driggers:

Change Order #2 on Fenner Square Apartments in Goliad, Texas has been reviewed and approved provided funds are available.

Three proposals are incorporated into this Change Order. The reinforcing steel in drive and parking areas is to be revised from welded wire mesh to deformed bars according to the first proposal, which adds \$16420.00 to the Contract Sum. This improves the quality of the installation and reduces long term maintenance concerns. The other two proposals, one for transportation and restocking of substandard masonry and the other for repainting to satisfy the owner total \$1800.00, in additional costs. Since neither the return of the brick nor the paint color revision increases the value of the complex, USDA Rural Development recommends that loan funds not be used for this part of the Change Order. Based on the information provided, the total cost of \$18,220.00 is fair and due the contractor for the proposed work. The amount guaranteed by USDA Rural Development is unaffected.

Please provide a copy of the Change Order to the Contractor, Consulting Architect, and Lender.

Should there be additional change orders, five change order forms, each with original signatures are to be provided for Agency concurrence. Unlicensed photocopying of copyrighted documents is unacceptable.

If you have any questions please contact Mari-Ned S. Johnson, State Architect at (254) 742-9755.

Sincerely,

Rural Development Manager

2287 N. Yexas Bivd., Suite1, Alice, Texas 78332 Phone: (361) 664-0455 Ext. 4 \* Fax (361) 668-3947 \* TDD: (254) 742-9712 \* Web: http://www.rurdev.usda.gov/tx

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## CHANGE ORDER

AIA DOCUMENT G701

OWNER ARCHITECT CONTRACTOR PIELD OTHER

PROJECT: Fenner Square Apartments (name, address) 555 S. Burke St., Goliad, TX 77963

TO CONTRACTOR, Hoover Construction Co., Inc. ARCHITECT'S PROJECT NO: PO Box 457, Burnet, TX 74611 (name, address)

CHANGE ORDER NUMBER: two

DATE: May 22, 2006

CONTRACT DATE: October 24, 2005

CONTRACT FOR: New construction of 32 Apts.

The Contract is changed as follows:

- 1. Change paving design details from #10 WWM to #3 rebar @ 16" o.c.e.w. only in drives and parking areas. - \$16,420.00
- 2. Freight and restocking charges to pick up original brick selection which did not pass testing parameters. - \$750.00
- 3. Repaint the exterior trim on three buildings due to an Owner change in trim color. - \$1,050.00

The original (Contract Sum) ( <del>Guarmuced</del>	Maximum-Price) was	\$ 2,200,000.00 .		
Not change by previously authorized Cha	inge Orders	\$ 20,795.00		
The (Contract Sum) (Guaranteed Maximu	m-Price) prior to this Change Order was	s 2,220,795.00		
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	f the date of this Change Order therefore is		•	•
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MSA Architects of San Anaco #1404	CONTRACTOR PO Box 457	Co.  Merced Housing T OWNER 212 West Laurel Address		
MSA Architects of San An ACHITECT 16607 Blanco #1404	CONTRACTOR PO Box 457	Co.  Merced Housing T OWNER 212 West Laurel		
MSA Architects of San An ACHITECT 16607 Blanco #1404	CONTRACTOR PO Box 457 Address Burnets Tx 78611	Co.  Merced Housing T OWNER 212 West Laurel Address San Antonio, Tx	78212 M	

AIA DOCUMENT GTOI • CHANGE ORDER • 1987 EDITION • MA\* • \$1987 • THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, D.G. 20086

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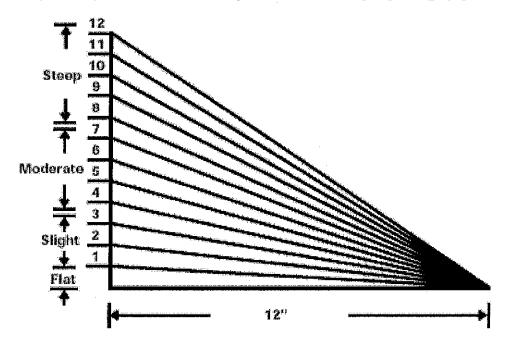
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ORDER NO. Three	ee (3)	04082				
DATE August :	15, 2006	5				
STATE						

Form RD 1924-7 (Rev. 2-97) UNITED STATES DEPARTMENT OF AGI	CONTURE	ORDER	NO. Three	(3)	04082
RURAL DEVELOPMENT AND FARM SERVICE AGENCY		DATE August 15, 2006			
CONTRACT CHANGE ORDER	•	STATE	Texas	***************************************	
CONTRACT FOR		COUNT	Y	***************************************	
Fenner Square Apts., 555 S. Burke St., Coliad	, TX 77963		Goliad		
OWNER Merced Housing Texas, 212 W Laurel, San Anton	io, TX 78212				
To Hoover Construction Co., Inc., PO Box 457,	Burnet, TX 8	7611			
You are hereby requested to comply with the following changes from	n the contract plan	s and spe	cifications:		
Description of Changes (Supplemental Plans and Specifications Attached)	DECREA: in Contract I		INCRE in Contra		
Provide all labor and materials to install	\$		\$ 4	,200.	00
three planters with plants and granite	Manual				
topping at buildings # 5, 8, &9. All work			. •	•	•
will be per the plans drawn by Don Scogin					
and approved by Owner. Each planter is			<del></del>	***************************************	
approx. 20'X27' in size. TOTALS	\$			,200.0	
NET CHANGE IN CONTRACT PRICE USTIFICATION: Owner exceeded his \$25,000.00 lan				,200.0	00
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The amount of the Contract will be (Decreased) (Increased) By The	<del></del>				<u>a</u>
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three thousand two hundred fifteen		Dollars (\$	2,243,21	5.00	_ ).
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decommended See attached 6701					
ccepted Lais Jagman (Owner's Architect/Englin	zer)	8	(Date)	•	
pproved by Agency Mair Help Allarge AZCHITE	or)	<u>ن                                     </u>	(Date) .		**************************************
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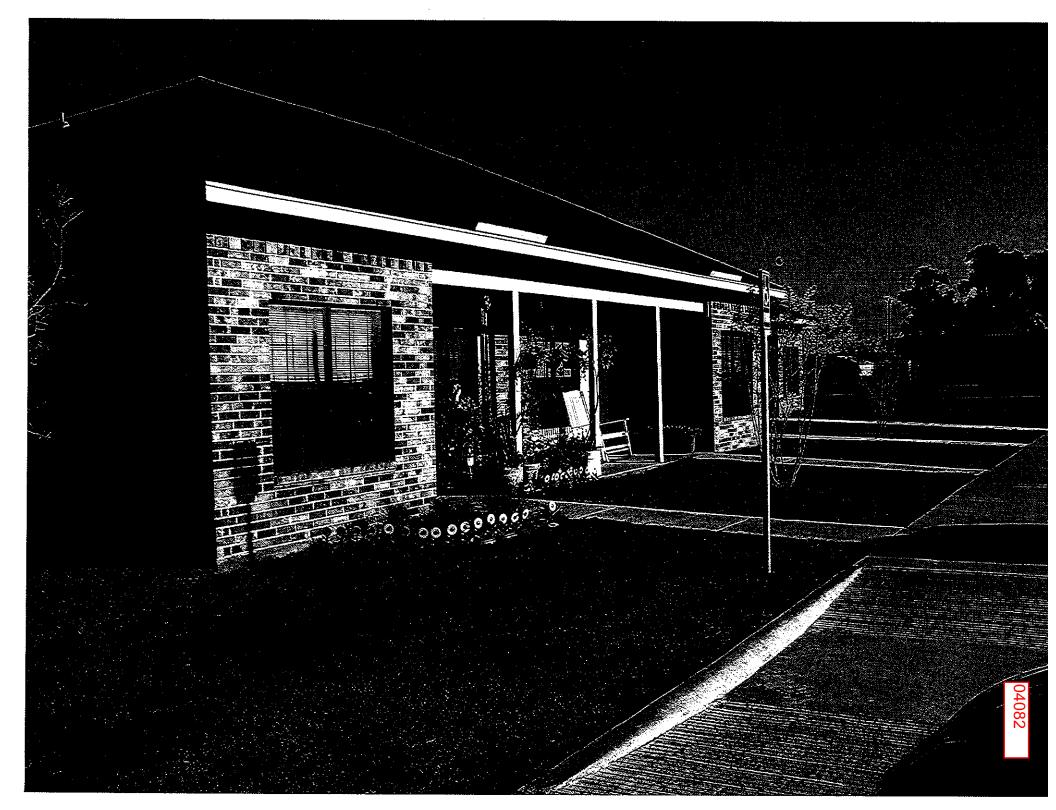
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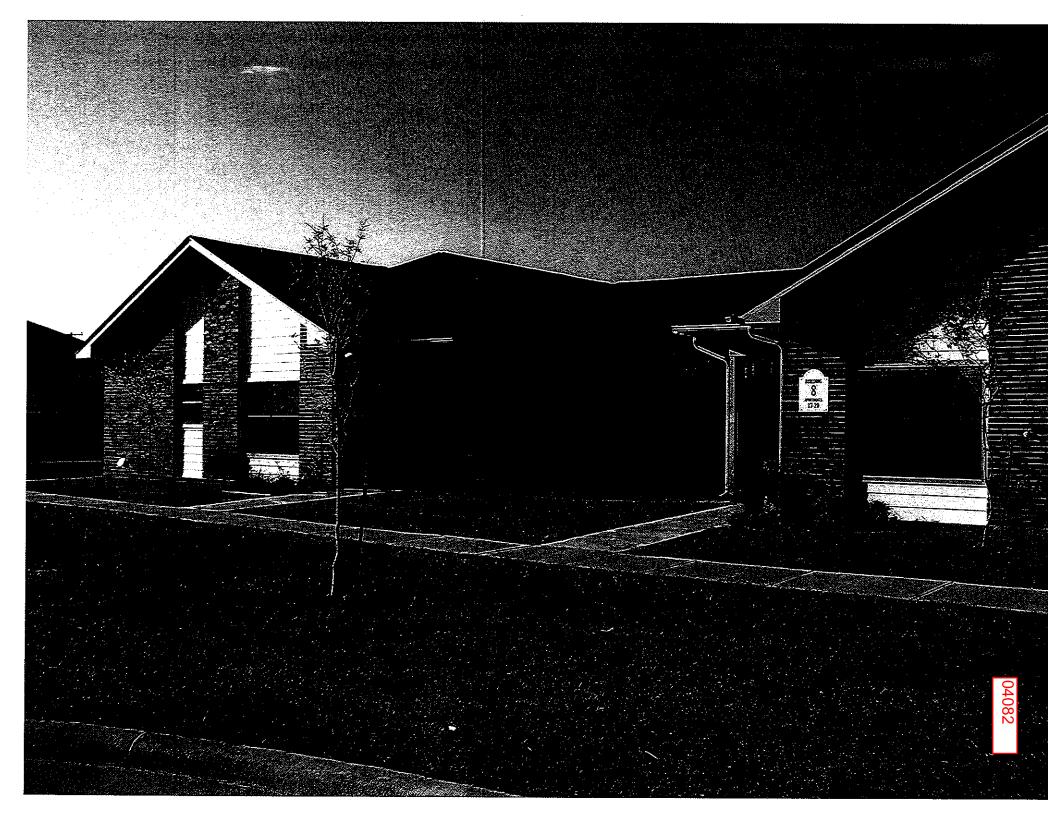


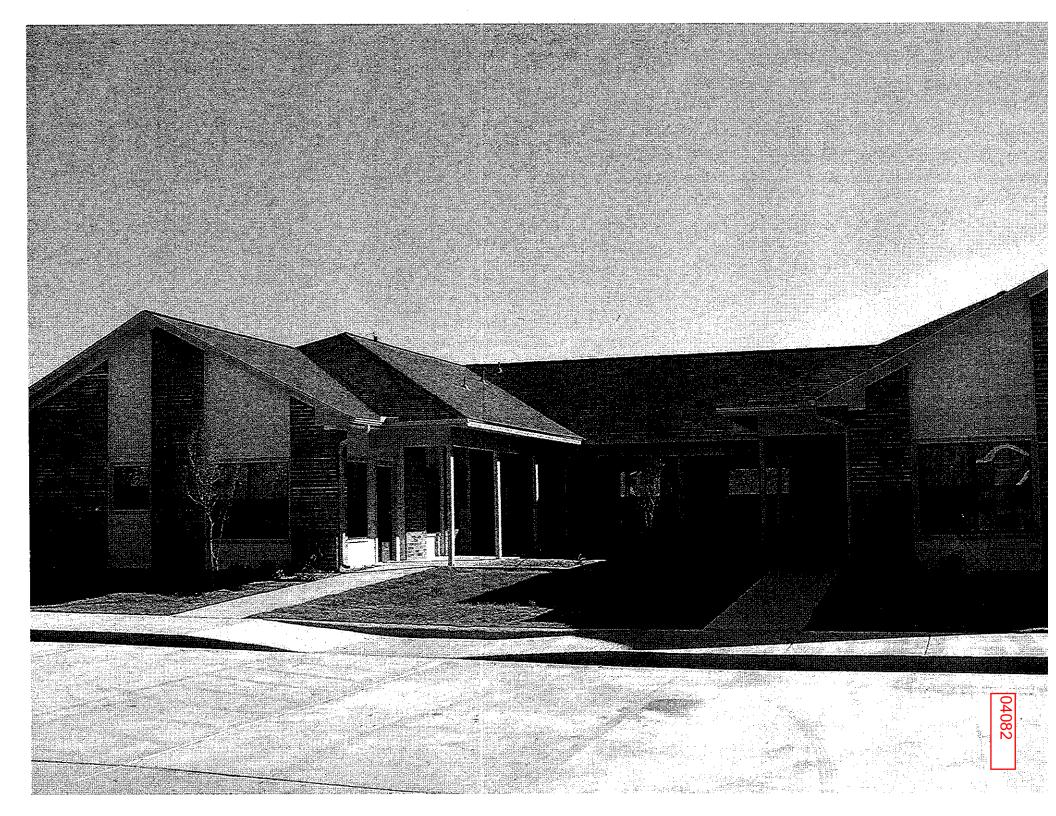
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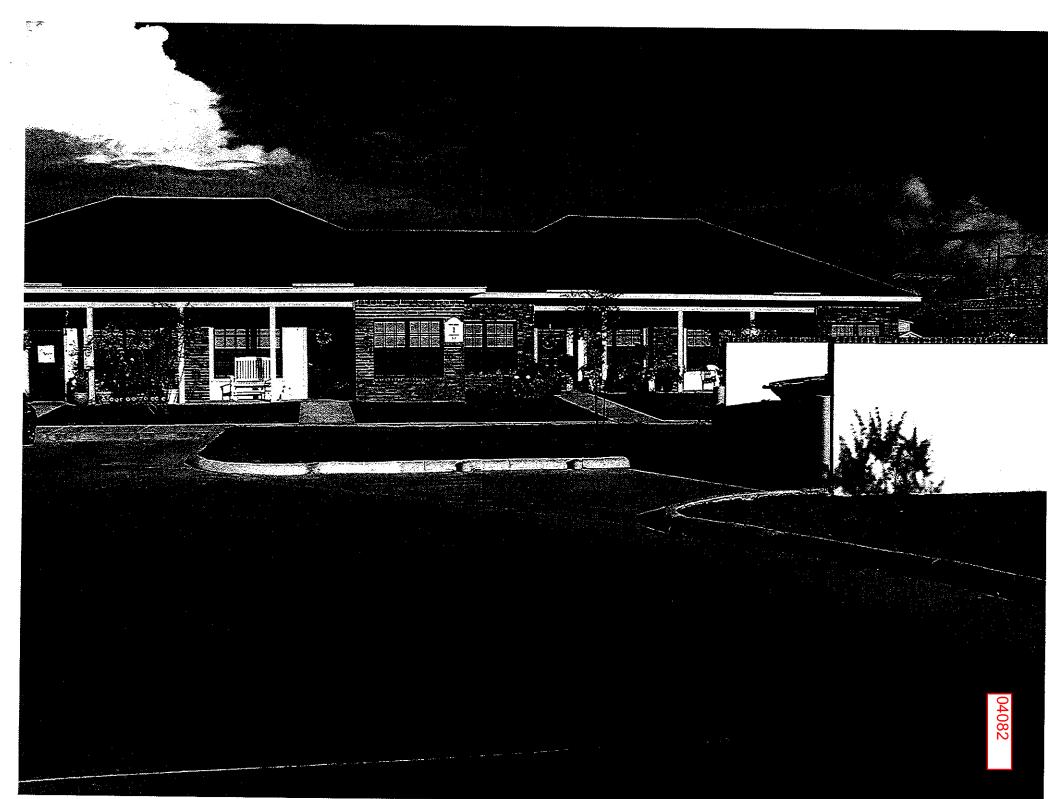


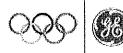












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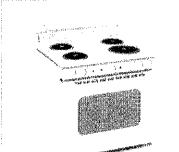
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\$619 Est. Retail Price



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# LOCKE LORD BISSELL & LIDDELL LLP

**ATTORNEYS & COUNSELORS** 

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Direct Number: (512) 305-4707 email: cbast@lockelord.com

October 30, 2007

## VIA EMAIL

Ms. Robbye Meyer Texas Department of Housing and Community Affairs 221 East 11th Street Austin, TX 78701

Re:

Fenner Square Apartments in Goliad (the "Property")

TDHCA LIHTC No. 04082

## Dear Robbye:

We represent Fenner Square, Ltd. (the "Partnership") with respect to the Property and have been assisting the Partnership with its amendment request. We have reviewed the staff summary for this amendment request, posted on the TDHCA website, and we have several questions about the presentation. Please address the following:

- As noted in the amendment request, the Partnership received a communication from the compliance division, indicating that "2004 amenity commitments do not apply." Staff's response to that statement is that "owner was apprised of the error." I would like to see a copy of the communication in which the Partnership was informed of the error, because I do not have it in the various email records I have received.
- You indicate that two service coordinators' offices, dishwashers, and garbage disposals are deficiencies. Yet, you do not acknowledge that those items were specifically waived by the compliance division in December 2006.
- You indicate that lack of tile countertops is a deficiency. I cannot find any correspondence from the compliance division that ever identified this deficiency. Moreover, in the draft letter from the multifamily division that addressed known deficiencies in July 2007, tile countertops were not mentioned.
- We do not understand how 9 proposed substitutes are all deemed unacceptable. Please identify which ones you think were required by local building code, which ones you think do not benefit the property or the tenants, and which ones you think were already included in the tax credit application. Specifically:

AUSTIN: 0053277.00001: 372624v1

- Putting the utility wires underground results in a much more attractive property and avoids the health risks for tenants that have been attributed to overhead utility wires.
- A concrete parking lot is longer-lasting and thus benefits the property.
- The larger community building and free internet service in the community building benefit the tenants.
- An additional playground, an additional barbeque grill, and an additional trash dumpster all make these amenities more accessible for the tenants.
- The gardens in the courtyards clearly provide a better atmosphere for the tenants.
- The improved roof design makes the property more appealing, both for the current tenants and for the long-term marketability of the property.

When the Partnership first tried to reconcile the two applications in 2005 and correspondence ensued, Department staff instructed the Partnership to focus on points and ensure that all points in the application were satisfied. Changes were deemed acceptable, so long as the total points awarded continued to be supported. As these discussions have lingered, the Department has changed its approach to amendments significantly. We accept the Department's new direction, but we hope you will recognize that, while the Partnership has been trying to address these issues, the Department has changed the landscape.

Clearly, the differences between the HTC application and the HTF application have been problematic. With the benefit of hindsight, things might have been done differently. We all want to see this resolved, and our utmost request is for the multifamily, real estate analysis, and compliance divisions to be consistent and coordinated in their findings and responses. We are hopeful this afternoon's meeting will help facilitate that coordination. To assist you further, I will send under separate cover a timeline that describes the various communications between the Partnership and the Department, as the Partnership has tried to address these issues over the last two years.

Thank you for your continued assistance.

Sincerely,

Cynthia L. Bast

Cynthia L. Bast

cc: Gary Driggers
Susan Sheeran
Tom Gouris
Patricia Murphy

# FENNER SQUARE (GOLIAD) HTC NO. 04082

# TIMELINE OF CORRESPONDENCE

October	3.	2005
	-,	

# Owner Letter to David Danenfelzer for Reconciliation of Amenities

- Describes change in plans from HTC application to HTF application.
- Specifically indicates dishwashers and garbage disposals will not be provided.

October 2005

# Owner provides detailed plans to Department

- Plans definitively show what the owner intended to build – including changes to community room and lack of dishwashers and garbage disposals
- Department asks the owner to submit an amendment request.

November 1, 2005

# Owner Letter to Ben Sheppard for Amendment Request

 Requests Department approval of new site plan, which is attached.

**December 14, 2005** 

TDHCA Board approves Amendment Request for Site Plan

April 25, 2006

# TDHCA Letter to Owner from Compliance re: Plan Review

- Refers to plan submitted in October 2005
- Identifies dishwashers as a deficiency and possible certification item
- Identifies service coordinator's office as a deficiency and a possible scoring item.
- Identifies community gardens as a deficiency and a possible scoring item.

May 4, 2006

#### Mid-Construction Review Conducted

June	5.	2	0	0	6

# TDHCA Letter to Owner from Compliance re: Mid-Construction Review

- Identifies the following deficiencies as potential scoring items: barbecue grill and picnic table, community gardens, refrigerator with ice maker, self-cleaning ovens to be resolved by completion.
- Identifies the following deficiencies as potential threshold items: ceiling fans in living rooms and bedrooms, mini blinds or window coverings for all windows, exterior security lighting, smoke alarms, and two locking devices to be resolved by completion.
- Identifies the following deficiencies as potential certification items: carpeting, dishwasher, garbage disposal, uncovered parking spaces, vinyl flooring to be resolved by completion.
- Identifies a square footage issue to be corrected by June 25, 2006.

June 12-13, 2006

**Email Correspondence from Tom Gouris to Owner re:** Square Footage

June 23, 2006

Owner Fax Correspondence to Kimbal Thompson and Gavin Reid, Attaching Tom Gouris Email Correspondence

June 27, 2006

Owner Letter to TDHCA re: Square Footage

June – September, 2006

## **Construction Completed**

- All items identified in the mid-construction review as threshold items are installed.
- All items identified in the mid-construction review as <u>certification</u> items are installed, except for *dishwasher and garbage disposals*, which Owner notified the TDHCA would be omitted in October 2005.

July 21, 2006

TDHCA Letter to Owner from Executive Director Approving Square Footage

**September 21, 2006** 

Owner submits Final Inspection Notification

**September 28, 2006** 

**Final Inspection Review Conducted** 

# November 20, 2006

# TDHCA Letter to Owner from Kimbal Thompson re: Final Inspection Review

Identifies the following deficiencies: dishwashers, garbage disposals, refrigerators with ice makers, self-cleaning ovens, community gardens, equipped business center, and service coordinator office.

## December 9, 2006

# Owner Letter to Kimbal Thompson re: Response to Final Inspection Review

- Explains that TDHCA had been notified of the omission of dishwashers and garbage disposals in October 2005.
- Provides evidence of the equipped business center.
- Addresses all other items with regard to points and indicates that, despite the change in amenities, all points remain supported.

# December 18, 2006

# TDHCA Letter to Owner from Kimbal Thompson re: Final Inspection Review

- <u>Clears</u> the deficiencies for dishwashers, garbage disposals, and service coordinator's office.
- <u>Clears</u> the deficiency for the equipped business center.
- Requests that Owner submit an amendment request for: refrigerators with icemakers, self-cleaning ovens, and community gardens.

# January 10, 2007

# TDHCA Letter to Owner from Kimbal Thompson re: Final Inspection Review

• <u>Clears</u> all issues. (Note that Owner had not submitted the amendment request for the three amenities at this time.)

# February, 2007

# Owner Files Cost Certification with Real Estate Analysis

# March 15, 2007

# TDHCA Letter to Owner from Raquel Morales re: Cost Certification

refrigerators with icemakers, self-cleaning ovens, and community gardens. (Note this is the same list as provided by Kimbal Thompson on December 18, 2006, except it also includes the service coordinator's office, which had already been cleared.)

March 16-17, 2007	Email Correspondence between Owner and Raquel Morales, clarifying need for amendment	
April 9, 2007	Owner Letter to Ben Sheppard for Amendment Request  Focuses on points	
April 15, 2007	Email Correspondence from Ben Sheppard to Owner re: Points are irrelevant	
April 16, 2007	Owner Revised Letter to Ben Sheppard for Amendment Request	
May 31, 2007	Owner Revised Letter to Ben Sheppard for Amendment Request	
July 5, 2007	<ul> <li>Email Correspondence from Ben Sheppard to Owner</li> <li>Contains summary of omitted amenity items</li> <li>Asks for reconciliation</li> </ul>	
July 5, 2007	Email Correspondence from Owner to Ben Sheppard in Response	
July 5, 2007	<ul> <li>Email Correspondence from Ben Sheppard to Robbye Meyer</li> <li>Attaches draft letter, indicating that the following items are deficient: game/recreation room, self-cleaning ovens, icemakers in refrigerators, community garden, microwave ovens, service coordinator's office, dishwashers, garbage disposals.</li> <li>Note this list is more inclusive than the list of omissions requiring amendments that Owner had received from the compliance division.</li> <li>Note this is the list from which we started on our October 15, 2007 letter to try to clarify the amendment request.</li> </ul>	
July 24, 2007	Email Correspondence from Owner to Ben Sheppard Inquiring about status of amendment request.	
July 24, 2007	Email Correspondence from Ben Sheppard to Owner Indicates amendment request is under review and a response is forthcoming.	

August 14, 2007

**Email Correspondence from Owner to Ben Sheppard** 

Inquires about status of amendment request.

August 23, 2007

Email Correspondence from Ben Sheppard to Owner

 Indicates there have been multiple attempts to resolve the request without success.

August 23, 2007

Locke Lord Bissell & Liddell takes the file and begins

efforts to clarify the amendment request.

October 15, 2007

Letter from LLBL to TDHCA

Attempts to clarify amendment request.

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

## **Action Items**

Presentation, Discussion, and Possible Action on Request for Waiver of Nonrefundable Commitment Notice Fee Pursuant to §49.20(f) of the 2007 QAP and Refund of Commitment Notice Fee for 2007 Competitive Housing Tax Credit Applications.

#### **Requested Action**

Approve, Deny, or Approve with Amendments a determination regarding the waiver of §49.20(f) of the 2007 QAP and a full refund of the Commitment Notice Fee for TDHCA # 07153, Los Ebanos Apartments, and TDHCA # 07275, Mansions at Briar Creek.

#### **Background**

Applications 07153, Los Ebanos Apartments, and 07275, Mansions at Briar Creek, received awards of Housing Tax Credits from the 2007 State Housing Credit Ceiling during the July 30, 2007 Board meeting. Subsequent to the award and execution of the commitment notice, the tax credits for each application were rescinded by the Department because the applicant was unable to meet the conditions of the commitment notice. The applicant for each application has requested a full refund of the Commitment Notice Fee. §49.20(f) of the 2007 Qualified Allocation Plan and Rules ("QAP") states that each applicant that receives a Commitment Notice must submit a "non-refundable commitment fee equal to 5% of the annual Housing Credit Allocation Amount... If a Development Owner of an Application... has paid a Commitment Fee and returns the credits by November 1, 2007, the Development Owner will receive a refund of 50% of the Commitment Fee." Therefore, the 100% refund requested by each applicant requires a waiver of §49.20(f) of the 2007 QAP.

#### 07153, Los Ebanos Apartments

Los Ebanos Apartments received an award of Housing Tax Credits because the application was competitive in the USDA Allocation, to which the Department is required by §49.7(a) of the 2007 QAP to allocate 5% of each region's allocation. A Commitment Notice was issued to the applicant on August 6, 2007 and due August 16, 2007. The Commitment Notice was returned as required, with the Commitment Notice Fee, and found by Department staff to be complete. On October 11, 2007, following the complete review of the Commitment Notice by Department staff, the Department received confirmation from the USDA that the application for USDA funding was denied. This denial caused the Los Ebanos Apartments application not to meet the requirements of the USDA Allocation. Subsequently, the tax credits were rescinded. The applicant's appeal to the Executive Director was denied, and the applicant did not pursue an appeal to the Department's Board.

The Commitment Notice and tax credits were rescinded following a complete review of the Commitment Notice.

#### 07275 Mansions at Briar Creek

Mansions at Briar Creek received an award of Housing Tax Credits because the application was competitive within the Region 8 Urban/Exurban Allocation. A Commitment Notice was issued to the applicant on August 6, 2007 and due August 16, 2007. The Commitment Notice was returned as required, with the Commitment Notice Fee, but was found by Department staff to be incomplete. The applicant did not submit the documentation required to substantiate 18 points that were awarded for the commitment of funding from Local Political Subdivisions. This point loss caused the application not to be competitive. Subsequently, the tax credits were rescinded. The applicant's appeals to the Executive Director and the Board were denied.

The Commitment Notice and tax credits were rescinded following a complete review of the Commitment Notice.

The Board has the discretion to waive §49.20(f) of the 2007 QAP and to direct staff to fully refund the Commitment Notice Fee to each applicant if the Board so chooses.

#### Recommendation

Staff recommends the Board adhere to the rules, which provides a 50% refund to each of the applicants, and deny the request for a full refund due to the processing and staff work that occurred on these applications.

# LEGAL SERVICES DIVISION BOARD ACTION REQUEST

November 8, 2007

## **Action Items**

Presentation, Discussion and Possible approval for publication in the *Texas Register* a final order adopting amendments to 10 TAC §1.20, concerning Asset Resolution and Contract Enforcement.

## Required Action

Approve, reject or approve with modifications the publication in the *Texas Register* a final order adopting amendments to 10 TAC §1.20, concerning Asset Resolution and Contract Enforcement.

## **Background**

The proposed amendments are generally non-substantive in that their purpose is to (1) eliminate references to compliance penalties which are now addressed as administrative penalties in Chapter 60, Subchapter C of this title, (2) emphasize that contract enforcement remains an integral part of this rule, and (3) make other miscellaneous changes to improve clarity.

Public hearings on the proposed amendments were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the amendments were accepted by mail, e-mail, and facsimile through October 10, 2007. One comment was received from Rural Rental Housing Association of Texas.

#### **Summary of Comments and Staff Responses**

Public comments on the proposed amendments were received by the Rural Rental Housing Association of Texas ("RRHA").

Comment: RRHA expressed a concern that anytime the Department considers imposing debarments of a year that the Department be sure that the debarment has been well thought out and that there would be no unintended consequences.

Staff Response: The Department agrees with commenter that debarment is a serious consequence that may affect the livelihood of the person referred for debarment. However, Staff believes there are sufficient procedural safeguards in place to protect the rights of persons referred for debarment. The debarment process provides for notice and opportunity for participation by the referred person, at least three levels of review including the division director, the Department Review Committee and the Board, the opportunity for ADR, and for an appeal from the decision of the Review Committee. Accordingly, staff does not recommend any changes to the proposed amendments.

#### Recommendation

Approve for publication in the *Texas Register* a final order adopting amendments to 10 TAC §1.20, concerning Asset Resolution and Contract Enforcement.

# TITLE 10. COMMUNITY DEVELOPMENT PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 1. ADMINISTRATION SUBCHAPTER A. GENERAL POLICIES AND PROCEDURES 10 TAC §1.20

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §1.20, concerning Asset Resolution and Contract Enforcement without changes to the proposed amendments as published in the September 7, 2007 issue of the Texas Register (32 Tex. Reg. 5845). The amendments are generally non-substantive in that the purposes of the amendments are to (1) eliminate references to compliance penalties which are now addressed as administrative penalties in Chapter 60, Subchapter C of this title, (2) emphasize that contract enforcement remains an integral part of this rule, and (3) make other miscellaneous changes to improve clarity.

Public hearings on the proposed amendments were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the amendments were accepted by mail, e-mail, and facsimile through October 10, 2007.

# Summary of Comments and Staff Responses.

Public comments on the proposed amendments were received by the Rural Rental Housing Association of Texas ("RRHA").

**Comment**: RRHA expressed a concern that anytime the Department considers imposing debarments of a year that the Department be sure that the debarment has been well thought out and that there would be no unintended consequences.

Staff Response: The Department agrees with commenter that debarment is a serious consequence that may affect the livelihood of the person referred for debarment. However, Staff believes there are sufficient procedural safeguards in place to protect the rights of persons referred for debarment. The debarment process provides for notice and opportunity for participation by the referred person, at least three levels of review including the division director, the Department Review Committee and the Board, the opportunity for ADR, and for an appeal from the decision of the Review Committee. Accordingly, staff does not recommend any changes to the proposed amendments.

The amendments are adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306; §2306.124 which authorizes the Department to adopt and publish rules regarding the making of mortgage loans, the regulation of borrowers and the resale and disposition of real property, or an interest in the property, that is financed by the Department; and §2306.124 which requires the Board to establish a schedule of fees and penalties relating to the operation of the finance division.

# §1.20. Asset Resolution and Contract Enforcement.

- (a) Purpose. The purposes of this section are
- (1) To provide guidance to interested parties on potential actions available to the Department when a party that has obligated itself to carry out a contract or construct or operate an asset is not performing or operating according to the agreed upon terms and
- (2) To establish appropriate procedures to implement the general policy of requiring compliance with all contractual undertakings made in connection with awards provided by the Department pursuant to the various state and federal programs that it administers.
- (b) Definitions.
- (1) Administrator--The Person responsible for performing under a Contract with the Department.
- (2) Affiliated Party--A Person in a relationship with the Administrator on a Contract with the Department. Does not apply to an Affiliated Party for Application purposes.
- (3) Asset--A property covered by a LURA, Contract, grant agreement, or Commitment or any other property acquired, improved, or subsidized, directly or indirectly, in whole or in part with funds provided by any program(s) administered by the Department.
- (4) Audit--An audit required to be performed by a third party or performed by the Department relating to a Contract.
- (5) Board--The Governing Board of the Department.
- (6) Commitment--A legally binding agreement between the Department and another party providing for funds, tax credits, or other financial support.
- (7) Contract--Any executed written agreement between the Department and an Administrator, Home Owner, Mortgagor, Project Owner, Subrecipient, Subrecipient Organization, or other beneficiary of a Department program.
- (8) Deed-in-lieu of Foreclosure--A deed to a lender given by an owner/borrower conveying mortgaged property to prevent a lender from bringing Foreclosure proceedings or to eliminate the need for Foreclosure.
- (9) Deed of Trust--An instrument used to create a lien or mortgage by which the Mortgagor transfers his or her title to a trustee who holds it as security for the benefit of a lender.
- (10) Default--As defined in a LURA or Contract.
- (11) Delinquent Loan--Any mortgage loan in which the scheduled payment has not been received by the due date.

- (12) Department--The Texas Department of Housing and Community Affairs.
- (13) Development--Any Project that has a construction component, either in the form of new construction or the rehabilitation of residential housing.
- (14) Eligible Household--A household that meets the requirements associated with a Department Contract or LURA and applicable law, as in effect from time to time.
- (15) Event of Default--As defined in a LURA or Contract.
- (16) Executive Director--As defined under Texas Government Code §2306.036 and/or §2306.038.
- (17) Finding--A report or other communication from the Department indicating a need for corrective action by an Administrator, Project Owner, Recipient, Subrecipient or other beneficiary of a Department program.
- (18) Forbearance--The act of agreeing, either conditionally or unconditionally, in reliance upon express representations, to refrain from enforcing one or more legal obligations, such as making scheduled payments on a debt or complying with one or more non-monetary provisions of a Contract. A relief provision that provides for a period of reduced or suspended payments to enable the Mortgagor to cure a delinquency is an example of a forbearance.
- (19) Foreclosure--A legal proceeding, in or out of court, to gain title or to force a sale of a mortgaged property in order to satisfy unpaid amounts due under the debt secured by such mortgaged property on the property.
- (20) Loan Modification--A written agreement to a change in one or more terms of the Contract or contractual documents relating to an existing loan between the Department and Mortgagor.
- (21) LURA--A Land Use Restriction Agreement that has been executed by the Department and a Person related to a specific property or properties and filed with required recording authorities.
- (22) Mortgagor--The party (a "borrower") who borrows the money and uses his or her real property as collateral and security for the payment of the debt.
- (23) Person--Any individual, partnership, corporation, association, trust, unit of government, community action agency, or public or private organization of any character, however organized.
- (24) Real Estate Owned--Property acquired by the Department as the lender, usually through foreclosure or acceptance of a deed-in-lieu.
- (25) Receivership--Legal action as defined in Contract or LURA.

- (26) Responsible Party--The Administrator, Home Owner, Mortgagor, Project Owner, Subrecipient, Subrecipient Organization, or other beneficiary of a Department program subject to this rule for purposes of asset resolution or contract enforcement.
- (27) Review Committee--The committee, chaired by the Executive Director and comprised of the Deputy Executive Director for Programs, the Deputy Executive Director for Administration, the Director of Real Estate Analysis and two additional rotating members appointed by the Chair. The Review Committee will determine asset resolutions and contract enforcement recommendations.
- (28) Workout Program--A written agreement as an alternative to foreclosure that the Department may offer to the Mortgagor of a defaulted mortgage.
- (c) Potential Actions Related to Home Ownership.
- (1) Early Delinquency Intervention. According to the terms of a Contract between the Department and a Mortgagor the Department will provide a loan billing statement to the Mortgagor or Home Owner as payments are due. A Contract will be identified as delinquent unless the mortgage payment is made on the 16th day after the due date. A late fee will be assessed on all identified delinquent loans. A computer generated "Friendly Reminder" notice of default is mailed to the Mortgagor on any loan for which payment has not been received by the 16th day of the month payment was due. A "Late Payment" notice of default is mailed to the Mortgagor on any loan that is past due more than forty-five (45) days. An "Urgent" notice of default is mailed to the Mortgagor on all loans that are more than sixty (60) days past due. The status of all mortgage loans serviced in-house by the Loan Servicing section will be reported monthly to the Credit Bureau through the Department's credit reporting processes, including delinquencies.
- (2) Workout Program. The Department supports delinquent Mortgagors' efforts to meet their mortgage obligations so they can avoid Foreclosure and remain in their homes when feasible. That means, among other things, using available tools that are appropriate under the circumstances to avoid Foreclosure; being judicious in approaching loss mitigation efforts and promoting open and effective communication with Mortgagors, including giving reasonable opportunity to resolve legitimate disputes. The Department after consultation with the Review Committee may, but is not required to, perform one or more of the following alternatives to cure the delinquency:
- (A) Phone Contact. Delinquent Mortgagors identified as more than forty-five (45) days past due may be contacted by phone to determine why the Mortgagor has not made the required payment(s). The Mortgagor is encouraged to contact the Department prior to this call to notify the Department of circumstances for the delinquencies.
- (B) Face-to-Face Interviews. Face-to-face interviews may be conducted when phone contact is not possible with the Mortgagor, and/or the Mortgagor is unresponsive to various attempts by the Department to establish communication and discuss the delinquency. Face-to-face interviews are done to determine the condition of the Department's collateral and discuss workout options

available to the Mortgagor. If the Mortgagor is unavailable at the time a face-to-face interview is attempted, the Department will leave a "Collection Flyer" notice of default, marked "confidential," addressed to the Mortgagor at the property location.

- (C) Written Repayment Agreement. Once a Mortgagor's ability to pay has been assessed, if the period necessary to cure the delinquency will exceed forty-five (45) days from the time contact is made, the Department will require the Mortgagor to enter into a formal written repayment agreement specifying the terms of repayment for the delinquent amount. Only in exceptional cases will a repayment period exceed twelve (12) months. If the Mortgagor abides by the terms of the written repayment agreement, the Department may suspend accrual of late fees for the duration of the agreement.
- (D) Forbearance. The Review Committee may recommend a Forbearance agreement if the Mortgagor is temporarily unable to make any amount of payment due because of documented evidence of illness, death of a co-mortgagor, or loss of employment. Forbearance agreements will not exceed three (3) months. Any suspended payments will be made up as an additional single payment upon maturity. All accrued unpaid principal and interest amounts will be added to the end of the loan as a balloon payment. This will not result in a change of terms, and no recording fees or T-38 Endorsement will be necessary.
- (E) Loan Modification. The Review Committee may recommend a loan modification to alter the terms of the note including, but are not limited to, the interest rate, principal balance, payment amount, and the maturity date. This is a formal change in the original terms of the note. Any principal, escrow shortages, and fees such as recording fees, title policy fees, and pre-foreclosure fees will be included in the new terms.
- (F) Pre-foreclosure Sale. If the Mortgagor is unable to cure its delinquency, and the Mortgagor's desire is to avoid Foreclosure by the Department, the Department may consent to the sale of the property by the Mortgagor to a third (3rd) party buyer within a reasonable time as determined by the Department. If the proceeds from the Pre-foreclosure Sale are insufficient to extinguish the Mortgage Lien, the remaining outstanding balance under the Note secured by the Mortgage Lien will be converted to an Unsecured Note executed by the original Mortgagor payable to the Department unless other provisions are stated in the Note and/or Deed of Trust.
- (G) Deed-in-lieu of Foreclosure. On a seriously delinquent mortgage where other options have been unsuccessful and/or the Mortgagor intends to abandon the property, the Department may consent to a Deed-in-lieu of Foreclosure. As a condition of the Department accepting a Deed-in-lieu of Foreclosure, the property must be free and clear of all encumbrances and liens other than liens of the Department.
- (3) Final Resolution. In the event that a workout as described in paragraph (2) of this subsection is unsuccessful, the Department upon recommendation of the Review Committee may take one or more of the following actions:
- (A) Creditor Claim in Bankruptcy. When a Mortgagor files for bankruptcy, the Department will take all actions that are necessary to protect its interests. All collection efforts outside the

bankruptcy courts by the Department will cease during the bankruptcy period. The Department will file a proof of claim when appropriate. In a bankruptcy case that has been dismissed, all normal collection efforts will resume. In a bankruptcy case that has been Discharged in Bankruptcy, the Mortgagor will either reaffirm the debt in accordance with the bankruptcy or the Department may proceed to foreclose on the mortgage lien.

- (B) Foreclosure. After all workout options have been exhausted, the Review Committee will review the loan for possible recommendation to foreclose on the property used as collateral to secure the Mortgage Lien. If the Department is in an inferior lien position, and the value of the property warrants it, the Department may elect to purchase a superior lien loan in order to proceed with Foreclosure and protect its interest.
- (C) Debt Forgiveness. In exceptional circumstances, the Review Committee may recommend the forgiveness based on hardship conditions. The Committee shall consider the following conditions as hardships: documented long term disability resulting in a permanent inability to pay, and a permanent inability to pay where it would not be in the best interest of the Department to foreclose based on economic conditions of the property and/or continued expenses which are incurred due to escrow responsibilities. The ability to forgive will also be contingent upon the method of funding. All hardship cases will be considered on a case by case basis. In cases where program guidelines allow for forgiveness based on death of borrower(s), the Department will take the appropriate steps to forgive these loans.
- (D) Charge-offs. When the Department determines that all collection efforts have been exhausted on delinquent loans and there is no economic value in foreclosure the loan may be charged off. A charge-off will be reported to the credit bureau through the Department's normal credit reporting processes and to any appropriate agencies including the IRS. When a debt has been charged off, the Mortgagor will be placed on the Department's Debarment list and will not be eligible to apply for future programs.
- (d) Potential Actions Related to Multi-family Properties. Financial Delinquency Issues. Owner/managers who fail to perform under the terms of the loan documents leading to an event of default will be provided timely notice of the default. For purposes of this rule a financial delinquency occurs when the responsible party fails to pay loan payments or fees due in a timely manner, fails to maintain adequate insurance and/or fails to pay taxes on a timely basis. When an event of default occurs, the Department will:
- (1) Notice. The Department will provide notice according to terms of the Loan Documents and or LURA to the obligor that a potential event of default has occurred. For events of default that are curable, the notice will provide a reasonable time period for correction, not to exceed sixty (60) days from the date notice or such longer period as may be required by the Contract.
- (2) Workout. In the event the Responsible Party contacts the Department within the corrective period and provides sufficient evidence of the cause for a failure to pay, the Department may enter into a workout plan that may include: Forbearance of the payment of loans or fees; Loan modification; a payment of taxes or a placement of insurance at additional cost to the Responsible Party. Workouts must address those factors that the Department, in its sole

discretion, deems appropriate to address the cause of the problems that required the workout, such as a requirement of a change of management for a property where multiple events of default occur or a repeated pattern of defaults occur. Only in exceptional cases, approved by the Board on the recommendation of the Review Committee, will a Forbearance period exceed twelve (12) months. Not more than one year of taxes or one year of insurance premium shall be added to the principal amount of the note during the workout period without further corrective action being taken. If a loan modification is recommended by staff, the extension of the note or reduction of the interest to be paid will be consistent with then existing policies of the Department. The Review Committee will approve any modifications to Contract or LURAs.

- (3) Final Resolution. In the event the Responsible Party and the Department cannot agree upon terms of a workout within six (6) months, the Department will consider all legal action available to it at the end of the six months. All legal action includes litigation up to and including placing the property in Receivership or Foreclosure on the property.
- (4) Waiver and Actions Consistent with Other Law. Any failure to act by the Department does not constitute a waiver of this rule. Where applicable, the Department will seek to protect the interests of the Department on behalf of the State of Texas. Nothing in this rule is intended to conflict with the laws of the United States and the State of Texas and where any conflicts arise, the rule will defer to the existing laws.
- (e) Potential Actions Related to Contract Administration on Awarded Funds.
- (1) Contracts Involving Department Awards other than Housing Tax Credit Bonds. The Department is responsible for numerous awards of funds or resources intended to benefit Texans who qualify for programs administered by the Department. Frequently these programs are administered by Subrecipients--some of whom directly perform the work and others who hire others to assist them in service delivery. These rules either repeat or supplement the language included in individual contracts. When a contractor fails to perform adequately, the Department may take any of the following actions:

"Figure 10 TAC \$1.20(e)(1)"

Non-performance contract action	Required action to adequately perform	Potential penalties for non-performance
Failure to correct audit finding	Satisfactorily answer audit finding during timeline provided	Request repayment of funds; limitation of future payments; reduction in administrative fees allowed; implementation of 10 TAC 1.3; termination of current contract; bar of future contracts; added to debarment list
Failure to File required audit report	File audit report prior to deadline	Loss of contract; withholding of payments, implementation of 10 TAC 1.3; bar of future contracts
Failure to meet contract milestones	Development of corrective action and contract amendment	Reduction in administrative fees; termination of contract; withholding of funds requested
Failure to submit necessary Documentation	Submit required documents within 30 days of notification	Department will return faulty submission documents; reduction of administrative fees; withholding of payments; termination of contract; if not submitted bar of future

		contracts
Failure to timely request amendment	Request amendment prior to contract expiration in writing and signed by contract signatory authority made at least 90 days before contract end	Termination of contract; withholding of funds requested; reduction in administrative fees; audit finding; repayment of funds paid for work not under contract
Misappropriation of funds	Repayment of funds	Withholding of funds; criminal referral to District attorney; referral to Attorney General for legal action; termination of contract; inclusion in debarment list;
Loss or removal of Federal Programs from subrecipient	Explanation of reason for loss of program and clearance to continue to receive other funds	Termination of contract; withholding of funds requested; inclusion in debarment list
Failure to execute contract	Execution of contract with 30 days of notice	Removal from contract administration system; termination of contract; withholding of any requested funds
Disallowed costs	Clearance of costs prior to deadline provided	Request of repayment of funds; withholding of funds; audit finding; implementation of 10 TAC 1.3
Failure to provide services contracted	Design corrective action plan and submit for approval	Request repayment of funds; withholding of requested funds; disallowed costs; audit findings; legal action to enforce contract under specific performance; termination of contract; reduction in administrative fees.
Match not submitted in time or in a pro-rata share or insufficient documentation	Submit according to requirements or request amendment	Withholding of request funds; reduction of points on future applications; bar placed on contract monitoring system; limiting payments until pro-rata match is achieved; reduce administrative fees
Failure to request draw within required time	Must submit within the sixty day time frame or request an extension with sufficient justification as to the delay	Allow contract to expire in contract system without issuing payment; close out contract as completed; withholding of requested funds; reduction of administrative fees
Criminal charges filed against key staff	Report and explanation of charges and duties of charged staff	Audit of program related to charged staff; termination of contract; request for development of action plan for correction
Failure to respond to Department Correspondence	Respond with appropriate response prior to deadline provided not to exceed 30 days	Termination of contract; request for repayment of fees; withholding of requested funds; referral to Attorney General for enforcement; inclusion in debarment list.

(2) Special Conditions for Contract Involving Construction Awards. In addition to the contract actions found in paragraph (1) of this subsection, the following are potential actions specifically related to construction related awards:

"Figure 10 TAC §1.20(e)(2)"

Non-performance contract action	Required action to adequately perform	Potential penalties for non-performance
Failure to follow federal laws regarding construction	Request waiver; submit plan for alternatives to reconstruction	Non-issuance of IRS Form 8609 if appropriate; request for repayment of all funds provided; compliance penalty equal to 5% of total award received; included on debarment list; referred to Attorney General for collection; termination of

Poor Construction Quality	Correct non-compliant construction; Develop a plan for corrective action	contract  Request repayment of all funds; Non issuance of IRS Form 8609 if appropriate; refer to Attorney General for collection of funds; termination of contract; include all
Failure to build units according to submitted application	Alter construction to meet plans; prepare alternatives for consideration	parties on debarment list  Non-issuance of IRS Form 8609 if appropriate; request for repayment of all funds provided; compliance penalty equal to 5% of total award received; included on debarment list; referred to Attorney General for collection; termination of contract
Agreement between consultants and Administrators	Submit copy of agreement for review prior to beginning work	Verify that the Department's required clauses involving audit provisions, debarment list penalties, and conflicts of interests are included; limit draws or submission of documents until such contracts are provided; reduction of administrative fees

## (f) Administration of Section.

- (1) Program and Compliance staff will be the first line reviewers for performance with Department policies and procedures related to Contracts and/or LURA's. After providing initial notice to the Responsible Party and time for response, the involved staff will refer non-resolved matters to identified asset resolution and contract enforcement staff. The asset resolution and contract enforcement staff will review and develop a recommended action plan and timeline to the Review Committee, including final resolution if other efforts are not successful. The Review Committee will approve, approve with modifications or reject the submitted plan. The Executive Director will evaluate to determine if Board action is required.
- (2) The asset resolution and contract enforcement staff will implement the approved plan including any required referrals to the Office of the Attorney General or other parties.
- (3) Unless otherwise indicated, Responsible Parties will have access to Department procedures for appealing actions taken under this rule including the provisions under 10 Texas Administrative Code §§1.7, 1.8 and 1.17.
- (4) If the Department has determined that a provision of this rule must be expedited to protect the assets of the State of Texas, any non-statutory timeline may be reduced by the Department.
- (5) Any section of this rule may be waived for just cause by the Executive Director or the Governing Board except for notice provisions and federal and state statutory provisions.
- (g) Debarment for Failure to Perform.
- (1) Any Administrator, Affiliated Party, Person or Responsible Party receiving funds (including Housing Tax Credits) directly or indirectly may be subject to debarment under this section.

- (2) Procedures for Placement in Debarment.
- (A) Recommendation for inclusion on the debarment list is done by referral from Department Division Directors. An Administrator, Affiliated Party, Person or Responsible Party may also submit a referral to a Department Division Director for consideration.
- (B) Once referred the Administrator, Affiliated Party, Person or Responsible Party will be placed in Suspension status. While in Suspension the entity can continue to be reviewed for participation in the application or allocation cycle, but a review by the Review Committee must be completed prior to the award of Department funds (or allocation of Housing Tax Credits). A determination of inclusion on the debarment list will preclude the entity from participation for the term determined by the Review Committee, beginning with any current application or allocation award request. The following actions will be taken by the referring Department Division Director:
- (i) Notice will be provided to the Administrator, Affiliated Party, Person or Responsible Party of the referral to the Department's Review Committee for inclusion on the debarment list.
- (ii) The Administrator, Affiliated Party, Person or Responsible Party will be given an opportunity to provide information for consideration by the Review Committee. This information must be submitted within 14 working days from the date of notice.
- (C) The Department Division Director will present the Review Committee with the following for consideration of the referral:
- (i) Documentation to support the action that the Administrator, Affiliated Party, Person or Responsible Party has taken to warrant referral for placement on the debarment list.
- (ii) A copy of the notice provided to Administrator, Affiliated Party, Person or Responsible Party.
- (iii) A copy of any information provided in response by the Administrator, Affiliated Party, Person or Responsible Party to the notice.
- (D) The Review Committee may determine based on the information provided that the entity does not warrant being placed on the debarment list. The Review Committee may recommend placement on the debarment list and will recommend a term for debarment based on the following structure:

Figure: 10 TAC \$1.20(g)(1)(D)

Action	Potential Debarment Term
Failure to meet Department minimum accessibility standards for rehabilitation act compliance	1-10 years
Continued non-compliance resulting in declaration of no longer participating in program	1-10 Years
Determination of uncorrected material Non-compliance for more than six months	1-5 Years
Failure to correct audit finding	1-5 Years
Failure to File required audit report	1-5 Years

Failure to meet HOME contract milestones	1-5 Years
Failure to submit necessary Documentation	1-5 Years
Misappropriation of funds	In Perpetuity
Loss or removal of Federal Programs from subrecipient	Duration determined by Federal Agency for that Issue
Disallowed costs	Until Cured
Failure to provide services contracted	1-5 Years
Match not submitted in time or in a pro-rata share or insufficient documentation	1-5 Years
Charged with committing criminal actions	In Perpetuity
Failure to respond to Department Correspondence	Until Resolution
Failure to follow federal laws regarding construction	1-5 years
Poor Construction Quality	In Perpetuity
Failure to build units according to submitted application	1-10 Years

- (E) Agreement or Appeal. A Person has 10 days from the date of the notice of the Review Committee recommendation to appeal or invoke the Alternative Dispute Resolution Rule, §1.17.
- (F) The Board of Directors will provide final approval for placement on the Debarment list. The board will review the Review Committees' determination and recommended term of debarment. The Administrator, Affiliated Party, Person or Responsible Party will be given opportunity to appeal during the Board Meeting.
- (G) Once approved by the Department's Board of Directors the entity will be placed on the Debarment List for the determined term.

# LEGAL SERVICES DIVISION BOARD ACTION REQUEST

November 8, 2007

#### **Action Items**

Presentation, Discussion and Possible Approval for publication in the *Texas Register* a final order adopting new 10 TAC §1.22, concerning Providing Current Contact Information to the Department.

## **Required Action**

Approve, reject or approve with modifications the publication in the *Texas Register* a final order adopting new 10 TAC §1.22, concerning Providing Current Contact Information to the Department.

## **Background**

Public hearings were held on this and other proposed rule changes from September 24, 2007 through October 5, 2007, and written comments were accepted through October 10, 2007. No public comments were received with respect to this proposed new section. Moreover, staff proposes no changes from the proposed language published in the *Texas Register* on September 7, 2007.

The new section addresses the problems associated with updating business contact information with the Department. Currently, it is possible for several divisions doing business with the same person to have different contact information on file for that person. This can lead to problems when, for example, a tax credit application deficiency notice with a stated response deadline is delivered late to an applicant's place of business because the Department used an out-dated address, or when the Department sends a notice to an out-dated address notifying a person of a negative ruling from the Department on an issue that has an appeal deadline.

The new section addresses the problem by providing a single point of contact within the Department (by mail, electronic mail and the internet) where all persons doing business with the Department must provide updates to their business contact information. The rule further provides that updating contact information is mandatory for persons doing business with the Department, and that the Department may rely on the most recent contact information on file with the Department. Any person adversely affected by the Department's reliance on the most recent information collected under this rule may appeal under 10 TAC §1.7 (Staff Appeals Process).

## Recommendation

Approve the publication of the adoption of new 10 TAC §1.22, concerning Providing Current Contact Information to the Department

# TITLE 10. COMMUNITY DEVELOPMENT PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 1. ADMINISTRATION SUBCHAPTER A. GENERAL POLICIES AND PROCEDURES 10 TAC §1.22. Providing Current Contact Information to the Department.

The Texas Department of Housing and Community Affairs (the Department) adopts new §1.22 concerning Providing Current Contact Information to the Department, without changes to the proposed text as published in the September 7, 2007 issue of the Texas Register (32 Tex. Reg. 5849).

The new section addresses the problems associated with updating business contact information with the Department. Currently, it is possible for several divisions doing business with the same person to have different contact information on file for that person. This can lead to problems when, for example, a tax credit application deficiency notice with a stated response deadline is delivered late to an applicant's place of business because the Department used an out-dated address, or when the Department sends a notice to an out-dated address notifying a person of a negative ruling from the Department on an issue that has an appeal deadline. The new section addresses the problem by providing a single point of contact within the Department (by mail, electronic mail and the internet) where all persons doing business with the Department must provide updates to their business contact information. The rule further provides that updating is mandatory for persons doing business with the Department may rely on the most recent contact information on file with the Department.

Public hearings on the new rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, e-mail, and facsimile through October 10, 2007.

There were no public comments concerning this new section.

The new section is adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306; §2306.053(b)(10) which gives the Department the authority to administer federal housing, community affairs, or community development programs, including the low income housing tax credit program; and §2306.053(b)(13) which authorizes the Department to obtain, retain, and disseminate records and other documents in electronic form.

# §1.22. Providing Contact Information to the Department.

- (a) Any person doing business with the Department shall notify the Department, of any change in contact information, including names, addresses, telephone numbers, electronic mail addresses and fax numbers. In addition, the notification shall include all Departments contract number's and project numbers of any type. The notification shall be made as follows:
  - (1) by mail: Texas Department of Housing and Community Affairs, Contact Information Update, P.O. Box 13941, Austin, Texas 78711-3941;

- (2) by electronic mail: contactinformationupdate@tdhca.state.tx.us; or
- (3) at the Department's website (www.tdhca.state.tx.us).
- (b) All persons doing business with the Department are responsible for keeping their contact information current pursuant to subsection (a) of this section and as required by other Department rules. The Department is entitled to rely solely on the most recent contact information on file with the Department at the time any notice or other communication is sent. An affected person may appeal the Department's decision to rely on the contact information on file by using the procedure available in §1.7 of this title.
- (c) The notification requirements of this section are in addition to any other change of contact information notification requirements of the Department.

#### REAL ESTATE ANALYSIS

# **BOARD ACTION REQUEST November 11, 2007**

#### **Action Items**

Final 2008 Real Estate Analysis (REA) Rules:

- §1.31 General Provisions
- §1.32 Underwriting Rules and Guidelines
- §1.33 Market Analysis Rules and Guidelines
- §1.34 Appraisal Rules and Guidelines
- §1.35 Environmental Site Assessment Rules and Guidelines
- §1.36 Property Condition Assessment Guidelines
- §1.37 Reserve for Replacement Rules and Guidelines

## **Required Action**

Presentation, Discussion, and Possible Approval for publication in the *Texas Register* a final order adopting amendments to 10 TAC Chapter 1, Subchapter B, Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines

#### **Background**

On September 7, 2007 the Draft 2008 Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines were published in the *Texas Register*. Upon publication a public comment period commenced, ending on October 10, 2007. In addition to publishing the document in the *Texas Register*, a copy was published on the Department's web site and made available to the public upon request. The Department held public hearings in Houston, El Paso, Dallas, Brownsville, Lubbock and Austin. In addition to comments received at the public hearings, the Department received written comments.

Last year staff reorganized and consolidated the financial feasibility section and added a new 65% expense to income ratio criteria to address concerns of deep rent targeting. During the 2007 competitive tax credit cycle staff recognized 15 developments out of the 66 that were fully underwritten and posted, which had an expense to income ratio of over 65%. Only one of these was not being recommended solely for this issue, but was ultimately overturned in an appeal to the Board. Staff believes the criteria added was successful in addressing the deep rent targeting concern. The majority of the proposed changes in the draft 2008 REA Rules involved clarification. However, one new key feasibility criteria was added to address concentration and a combination of small changes were proposed to address flexibility in cases where specific mitigation of feasibility exists.

#### Reasoned Response to Public Comment on the 2008 Draft Real Estate Analysis (REA) Rules

The Department received the majority of comments in writing by email and fax. This document provides the Department's response to all comments received. Comment and responses are presented in the order they appear in the REA Rules. After each comment title, numbers are shown in parentheses. These numbers refer to the person or entity that made the comment as reflected in the Addendum.

The comments and responses are divided into the following two sections:

- I. Substantive comments on the REA Rules and Departmental response. Comment and responses are presented in the order they appear in the REA Rules. The numbers presented in parenthesis refer to the name and organization of the commenter.
- II. Administrative clarifications and corrections. These include administrative changes made to the REA Rules by staff.

As approved in August 2007, language deleted from the 2007 REA Rules is shown with single strikethrough (i.e., 1.10) and new language proposed for the 2008 Draft REA Rules is shown with single underline (i.e., 1.15). Language proposed for deletion from the 2008 Draft REA Rules approved on August 23, 2007 is shown in red with double strikethrough (i.e., 1.30) and new language proposed is shown in red with double underline (i.e., 1.35).

#### I. Substantive comments on the REA RULES AND DEPARTMENTAL RESPONSE

## §1.32(d)(1)(A) Rental Income - (31)

**Comment:** The proposed rule clarifies the manner in which the Underwriter determines the rental income of the property. The commentor contends that for this determination to be accurate, the Underwriter first must be required to update the utility allowance at the time of initial project occupancy of new projects. This requirement should be codified in §1.32(d)(1)(A).

**Department Response:** Determining and using the most current utility allowance at the time of underwriting has been the standard practice with the Department for several years because it provides a more realistic picture of the development's economic future. Obviously the Department can not know at the time of underwriting what the utility allowance or the rent limit will be at the time the project is placed in service two years into the future. Acknowledging the use of the most current information available at underwriting, however, provides notice to the applicant and limits the risk of using outdated information and overstating income to the development. Staff concurs with the suggested language change and recommends the proposed revision below.

```
$1.32(d)(1)(A)
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(A) Rental Income. The <u>Underwriter will update the utility allowance and</u> calculate the appropriate rent on a conservative or Contract Rent basis for comparison to the Applicant's estimate in the Application.

#### §1.32(d)(4)(D) Acceptable Debt Coverage Ratio Range- (58)

**Comment:** Commentor suggests that the Department determine the gap of funds before any local HOME funds are considered.

**Department Response:** The Department has an obligation to ensure that not more funds than are necessary are allocated at the time of the award. If a commitment has been provided or is reasonably anticipated for local HOME funds in order to meet scoring criteria or economic

feasibility, then the Underwriter has the responsibility to evaluate and consider that source of funding. If an analysis of the total sources of funds provides an excess of funds then the amount of government subsidy should be reduced. The Department can only adjust the sources of funds that are within its control and, therefore, the tax credits must be adjusted. Staff recommends no additional change.

## §1.32(e)(1)(B) Identify of Interest Acquisitions -(6)

Comment: Clarification was requested regarding section 1.32(e)(1)(B) of the 2008 proposed REA Rules regarding the allowable property acquisition price and the required documentation regarding a transaction classified as an identity of interest. The commentor requested that the rule confirm that in the event the proposed acquisition price is at or below the substantiated original acquisition cost, no appraisal is necessary, and to confirm that in situations where the outstanding debt on the property is below the original acquisition price, the transferor can provide seller financing.

**Department Response:** Staff agrees and recommended in the draft 2008 REA Rules to clarify this rule and make it consistent with section 50.9(h)(7)(A)(iv) of the QAP. In an identity of interest land transaction an appraisal is not necessary if the proposed acquisition price is at or below the substantiated original acquisition cost. However, any application proposing acquisition credits for existing buildings is required to provide an appraisal in order to make a determination of the appropriate building acquisition value pursuant to §1.32(e)(C). Staff is recommending no additional change to the draft language. With regard to the second comment permanent seller financing is allowed but would be considered an identity of interest and would be required to address the identity of interest requirements in this portion of the rule. For example, if the seller of a property expects the property to repay the seller financing, then they have a continued vested interest in the future performance of the property. If the seller is providing financing that they don't ever expect to get repaid then the true transfer price is less the portion of seller financing and should not be the included in the basis for acquisition credits.

## §1.32(e)(B)(ii)(II)(-b-)(2) Identify of Interest Acquisitions -(31)

**Comment:** Commentor stresses the importance of having up-to-date utility allowances to ensure that rents for a property are accurate and requested that utility allowances be included in the documentation and consideration of an identity of interest transaction. The commentor also suggested that property owners be required to provide a statement that 95% of the units fall within the current allowance.

**Department Response:** Staff believes the need for current utility allowances for all transactions is addressed in section 1.32(d)(1)(A). Further, the underwriting analysis assumes 100% of the affordable units will utilize current utility allowances. Staff recommends no change.

# $\S1.32(g)(3)$ – Supportive Housing – (46)

**Comment:** Allow Single Room Occupancy developments (SROs) to be exempt from the 1.30 maximum DCR underwriting standard, as well as the 65% of income test for expenses. In order for the 1.15 feasibility test to be met, an SRO must have low debt at inception, which would substantially exceed the 1.30 test.

**Department Response:** Staff had already recommended in the August draft of the rules the inclusion of an additional exception for developments characterized as 100% Supportive Housing with evidence of adequate financial support for the long term viability of the Development. Staff believes Single Room Occupancy developments should only be provided this exception when

significant supportive housing services are part of the development plan. Staff recommends no additional change.

# $\S1.32(i)(2)$ – Concentration Rate – (15)

**Comment:** The commenter indicated that the new concentration language proposed may not work in submarkets that are high density markets and should also be tied to the population. No alternative language was provided.

**Department Response:** High density markets proposing new construction will be appropriately impacted because census tracts are defined based on population. Staff recommends no additional change.

# $\S1.32(i)(2)$ – Concentration Rate – (3)

**Comment:** Commenter requested clarification on the data to be used by the Department to determine the number of units in each census tract. Please define where the information on "other known rental developments" will be obtained so that the market analysts and developers have consistent information.

**Department Response:** Section 1.33(d)(9)(A) of the draft 2008 REA Rules requires the Market Analyst to identify the developments and units for the Primary Market Area. The Market Analyst is also expected to be aware of any units under development in the market area. Staff will check information provided in the market study against Census data available on the U.S. Census Bureau website. Staff recommends no change. Please also see comments below for Primary Market Area.

# $\S 1.32(i)(7) - Exceptions - (33)$

**Comment:** Commenter indicated that the policy of allowing Public Housing Authorities to have exceptions to the financial feasibility requirements is unfair and should not be allowed.

**Department Response:** The policy provides exceptions for developments that have ongoing operating subsidy because such developments operate differently than a conventional tax credit development. These developments include project-based Section 8 Rental Assistance, USDA-RD-RHS rental assistance, public housing units and 100% supportive housing units. Public housing units would be treated differently if they were excluded from this exception. Staff recommends no additional change.

## §1.33(a) Market Analysis Rules General Provisions - (31)

**Comment**: Commentor suggests the Department include a requirement that the Market Analyst address the cost of utilities, particularly electricity, and the availability of weatherization measures to make housing more energy efficient and affordable for tenants.

**Department Response:** Information on the energy efficiency of existing developments is difficult for a tenant or Market Analyst to readily obtain. This is a significant change to the proposed rules and would increase the scope and could increase the cost of a market study. If the Board would like this information to be considered by Market Analysts in the future, staff recommends that a workgroup be created prior to the release of the draft 2009 REA Rules to further address these concerns. Staff recommends no change.

# §1.33(d)(8) Primary Market Area - (10)

Comment: Commentor believes that the existing rules do not require a market area sufficiently large enough to determine the realistic market of an area and suggest the inclusion of "adjacent census

tract" data in the primary market area. In addition commentor suggests that langauge be added to clarify that all multifamily dwelling units shall be included in a study, not just TDHCA/tax credit/bond properties.

**Department Response:** The shape and size of the Primary Market Area is generally left to the discretion of the Market Analyst. Staff concurs with the commentor regarding the incorporation of information from census tracts that are partially within the Primary Market Area and the clarification regarding all multifamily units and recommends the following clarification:

- \$1.33(d)(8)
- (8) Primary Market Area. All of the Market Analyst's conclusions specific to the subject Development must be based on only one Primary Market Area definition. The Market Analyst must adhere to the methodology described in this paragraph when determining the market area (\$2306.67055).
- (A) The Primary Market Area will be defined by the Market Analyst with
- (i) size based on a base year population of no more than
- (I) 100,000 people for Developments targeting the general population, and
- (II) 250,000 people for Qualified Elderly Developments or Developments targeting special needs populations,
- (ii) boundaries  $\underline{identifying}$   $\underline{based\ on}$  the most recent Census Tract definitions, as established by the U.S. Census Bureau  $\underline{and\ based\ on}$
- (I) major roads,
- (II) political boundaries, and
- (III) natural boundaries.
- (IV) A radius is prohibited as a boundary definition.
- (B) The Market Analyst's definition of the Primary Market Area must be supported with a detailed description of the methodology used to determine the boundaries. If applicable, the Market Analyst must place special emphasis on data used to determine an irregular shape for the PMA.
- (C) A scaled distance map indicating the Primary Market Area boundaries that clearly identifies the location of the subject Property and the location of all Local Amenities must be included.
- (9) Market Information.
- (A) For each of the defined market areas and all census tracts contained in whole or in part by that area, identify the number of units for each of the categories in clauses (i) (vi) of this subparagraph; the data must be clearly labeled as relating to either the PMA or the Secondary Market, if applicable
- (i) total housing,
- (ii) rental developments (all multi-family),
- (iii) Affordable Housing,
- (iv) Comparable Units,
- (v) Unstabilized Comparable Units, and
- (vi) proposed Comparable Units.

#### $\S1.33(d)(10)(B)(i)$ Comparable Units - (31)

**Comment:** Commentor suggests that data on the costs of utilities, the amount of utility allowances and the use of weatherization measures should be included on the data sheet for each development that is used as a comparable in order to ensure that the analysis includes all the necessary information to determine the affordability of the housing in the area lacking sufficient data.

**Department Response:** Staff agrees with the comment, however, believes the information on weatherization measures may not be readily available to the Market Analyst and could be studied further for the 2009 rules. Staff recommends the following change:

```
$1.33(d)(10)(B)(i)
(i) Comparable Units. Identify developments in the PMA with Comparable Units.
In Primary Market Areas lacking sufficient rent comparables, it may be
necessary for the Market Analyst to collect data from markets with similar
characteristics and make quantifiable location adjustments. Provide a data
sheet for each development consisting of
(I) Development name,
(II) address,
(III) year of construction and year of rehabilitation, if applicable,
(IV) property condition,
(V) population target,
(VI) unit mix specifying number of Bedrooms, number of baths, net rentable
square footage and
(-a-) monthly rent and utility allowance, or
(-b-) sales price with terms, marketing period and date of sale,
(VII) description of concessions,
(VIII) list of unit amenities,
(IX) utility structure,
(X) list of common amenities, and
(XI) for rental developments only
(-a-) occupancy, and
(-b-) turnover.
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## §1.34(d)(7)(D) Description of Improvements - (31)

**Comment:** Commentor suggests that weatherization measures should be considered by the appraiser.

**Department Response:** Staff agrees that any recent weatherization measures or energy efficiency features of a development should be considered in the evaluation by an appraiser. Staff recommends the following change:

```
$1.34(d)(7)(D)
(D) Description of Improvements. Provide a thorough description and analysis of the improvements including size (net rentable area, gross building area, etc.), number of stories, number of buildings, type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, energy efficiency measures, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.
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#### II. ADMINISTRATIVE CLARIFICATIONS AND CORRECTIONS

Staff requests the Board's approval to make administrative changes as needed for consistency within the REA Rules as well as with other Department Rules. These changes would include, but are not limited to correcting references to other rules such as specific sections of the QAP, capitalization of defined terms and correcting typographical mistakes, etc.

At the October 11, 2007 Board meeting the Department's Board heard comments from Darrell Jack, President of Apartment MarketData. Subsequently, Mr. Jack provided comments in writing. Because the 30 day comment period ended on October 10 those comments are not covered in the reasoned response to the rule. However, staff has prepared the following reasoned response to Mr.

Jack's comments in this administrative section to share with the Board. Mr. Jack's comments are often multifaceted for each issue and have been paraphrased here with staff's response directly below each sub-issue. Staff is not recommending any additional changes as a result of these comments.

# Section 1.32 (i)(1) Change of the capture rate for Urban - Senior projects from 75% to 50%.

**Comment**: Based on the 2007 tax credit allocations, there were 18 senior projects allocated (new construction). Of these projects, only 5 of the 16 allocated in urban areas had a capture rate that would comply with the rules proposed for 2008. This represents 72% of the units as infeasible under the 2008 rule change or 1,211 of 1,684 units.

**Department Response**: This comment is misleading in that it is based upon the underwriter's demand and capture rate conclusions and not the Market Analyst's conclusion. Because all of these developments were within the existing capture rate limit, the underwriter's higher capture rate conclusions were not challenged. Thirteen of the 16 urban elderly transactions had a capture rate according to the Market Analyst that was reported to be below 50%. This represents 8 more developments or 921 of the 1211"infeasible" units described above. In other words only 17% of the units (290/1648) that were would have been were at risk of not being approved based on the Market Analysts' conclusions if the proposed 50% capture rate were in place in 2007.

**Comment:** The underwriting model used for senior projects does not reflect where analysts know senior renters come from. By constructing new "affordable" senior housing, new renter demand is generated outside the forecasts provided by demographic models. These models do not accurately reflect home owners converting to renters. The underwriting model also fails to consider those households living within another household.

**Department Response:** Neither the current rule nor the proposed rule prohibit the Market Analyst from deriving demand from these additional or alternative sources as long as such sources can be calculated based upon verified demographics and substantiated assumptions. There is not an underwriting model per se, though the Department's rules provide guidance for the typically used sources of demand. The information provided about other potential sources by the commenter is limited as it is based on only one development and has not been correlated to existing demographic information. The propensity for homeowner's to come from out of town or out of state, for example, is unknown. Therefore any failure to consider homeowners or those living in another household is a function of the lack of institutional information regarding demand from these sources.

**Comment**: Limiting the PMA size to 250,000 people does not reflect the distance seniors are willing to travel for affordable rental housing. In the case of Terrell Senior Estates, Mr. Jack found that only 50% of the residents previously lived within the county in which the project was located (Kaufman County). The other 50% relocated to Terrell from either the adjacent urban county (Dallas County), other Texas counties, or from out of state. While no underwriting model can accurately account for all these demand factors, a higher capture rate provides a margin in which senior projects can be underwritten without having to guess how many residents would come from outside the Primary Market Area.

**Department Response**: A Primary Market Area is defined as the area from which a majority of the prospective residents are expected to come. Data from a single development is somewhat limiting, and the Department has been collecting zip code information from tenant files for the past 10 months. Based upon a 20% random sample of 42 senior only developments located across the state of Texas, 52% of senior tenants come from the same zip code as the tax credit property that they have moved to or from the immediately adjacent zip code. Movement from one zip code away would represent 4 or 5

zip codes or a Primary Market Area of far less than 250,000 people and in fact is more typically likely to be the size of a 100,000 in population or less primary market area. This information suggests the one project study provided in the comment underestimates the percentage of senior households that come from the immediate vicinity of the development.

**Comment**: The perception that senior projects in urban areas are over-supplied is incorrect. Apartment MarketData provided data on this issue to the TDHCA Board at the first July 2007 board meeting. From Mr. Jack's survey of the LIHTC projects in the Houston and Dallas areas, occupancies by unit type and by income served were very high. Most occupancies reported were in excess of 95%.

**Department Response**: While there is insufficient information provided in the commentor's data to validate this occupancy rate, the 9% senior developments approved in 2007 amount to well over an additional ten percent increase in the number of affordable senior units identified in each of these markets.

**Comment**: Lowering the capture rate to 50% affects the financial feasibility of a project. According to SB264, financial feasibility is the first concern. Lowering the number of units a developer can build into a single development increases the operating cost per unit.

**Department Response**: There is no evidence that smaller sized developments are necessarily less financially feasible than larger sized developments and, if this were the case, the Department's 200 affordable unit limit on tax credit developments would also be questioned. Moreover, having an excess supply of units in a market can easily be shown to be economically harmful not only to a newly proposed development but also to the existing developments in the area. The laws of supply and demand would dictate that an over supply of units will drive collectable rents down, which while good for prospective tenants, would reduce gross income for developments and make all developments in the area less financially feasible. It should also be noted that the priority in SB264 is fully addressed in the QAP selection criteria (as directed by the bill).

**Comment:** Senior residents spend more than 40% of their income for rent and utilities. Currently, the underwriting rules limited the income band for seniors to 40% of their income paid for rent and utilities. In fact, seniors spend much more than this amount for lodging. Seniors don't have the same type of demands on their dollar as families or the same number of mouths to feed. Thus, a greater percentage of their income is available for lodging.

**Department Response**: The 40% of gross income standard for seniors is a federal guideline that already is more expansive than the general 30% of income standard for determination of rent overburdened households. Moreover while some tenants may choose to spend more than 40% of their annual income on housing costs, making the financial success of a new affordable housing development dependent on capturing a significant portion of these potentially financially stressed households is not fiscally responsible.

# Section 1.33 (d)(8) Use of Census Tracts as boundaries for the PMA

**Comment**: The boundaries of census tracts have no bearing on where renter demand comes from. Previously, TDHCA prohibited the use of a radius as a boundary definition for this very reason. At the same time, staff determined that major roads, political and natural boundaries were more relevant to defining an area from which a project would draw the majority of its residents. This is certainly more relevant than a census tract boundary. Ordinarily, a potential renter would have no idea where a census tract boundary might lie.

**Department Response**: The boundaries of a Primary Market Area continue to be required to be determined by major roads, and political and natural boundaries. The proposed rule requires that the Market Analyst identify the census tracts included in the Primary Market Area and consider information from those census tracts while not at this time requiring them to be fully within the Primary Market Area.

**Comment**: Including the population of a census tract versus not including a census tract that would put the population of the PMA over the 250,000 limit can be the difference between a project being feasible or infeasible. Some census tracts in urban areas can contain 10,000+ people. This can reflect a 10% difference in the population considered for the underwriting of a project. Many projects are recommended on much less than a 10% margin.

**Department Response**: Including the remaining portion of the census tract that is outside of the Primary Market Area in the new concentration calculation will not cause the Primary Market Area itself to exceed the 100,000 or 250,000 population limits. Moreover, all demographic data is at its most basic level derived from census tract level data. Using market areas that split census tracts requires the use of proportionate estimates of the census tract to be included in the Primary Market Areas demographic data. Wherever possible therefore, using entire census tracts provide more accurate demographic data.

#### Section 1.32 (i)(2) Concentration Policy Changes

**Comment**: The census data that this rule would be based on is compiled from the less accurate "short form" from the US Census Bureau.

**Department Response**: This comment is inaccurate as all decennial census housing and income data including the data for the newly proposed policy comes from SF 3. The SF3 is commonly known as the long form as opposed to the SF 1 data which is commonly known as the short form. The SF 3 data would be considered to be more accurate than the population data in the SF1.

**Comment:** This rule is base on data collected in the 2000 census. When implemented, we would be 8 years away from the data point. The information no longer reflects current market conditions.

**Department Response**: All demographic services use the 2000 census data as their base. It is true that the underwriter would compare to the 2000 census data information, but it is unlikely that the concentration of a census tract would decrease significantly. It would nonetheless be up to the Market Analyst to reflect any and all new development or demolition that would impact the new concentration calculation.

**Comment**: The rule implies that apartment communities automatically lead to slums. This is exactly the argument that neighborhood groups use to oppose "affordable" housing development. **Department Response**: This comment is unfounded as the proposed rule makes no such implication. Rather, the proposed rule addresses a commonly heard concern that the State is willing to over concentrate apartments in areas that already have a substantial number of apartments because it is easier to prove up turnover demand in such areas. The proposed rule provides a uniform measuring stick to address this concern.

**Comment:** The rule overrides local concerns. In most cases, developers are already required to comply with local zoning ordinances and/or consolidated plans. This rule has an effect of telling local authorities that TDHCA knows best where rental housing should be built.

**Department Response**: Again the intent of this rule is to provide a uniform measuring stick for fair comparison across the State. The rule as proposed has a built in capacity for the Executive Director

and/or the Board to consider additional project specific mitigating information and allow for a waiver where warranted.

#### Section 1.33 (d)(9)(E) Use of Turn-Over Rates

Comment: In 2007, the underwriting department began using turn-over rates from other operating "affordable" projects. This information was taken from the TDHCA database, which was not available to the public. The turn-over rates used to underwrite LIHTC applications in 2007 were significantly lower than published "market rate" turn-over rates. The end result was that the capture rate calculation allowed for fewer units to be developed. The error in applying this methodology is that it automatically assumes that a new "affordable" development is going to draw its residents from other "affordable" projects. This is simply not the case. If it were, there would be a fixed number of income qualified residents moving from project to project. And even if you added new "affordable" units, the number of occupied units amongst all the projects would never increase.

Department Response: Currently the only turnover rate information that is widely available is from the Institute for Real Estate Management (IREM). The commonly quoted turnover rate is from conventionally funded properties which include all incomes and tenant types (including students). Higher income residents and students generally have a higher propensity to turnover because of their financial capacity and their temporary location near campus. IREM data for federally assisted developments routinely reflects turnover data that is 20 to 40 percentage points lower than conventionally funded data for the same market. Census data also confirms that senior households have a much lower propensity to move than non-senior households. The Department is in the process of collecting and publishing its own data on this subject and during the 2007 application round utilized location specific data from this study to question the turnover data provided for elderly developments in some market studies where the conventionally funded all apartment IREM data was used by the market analyst.

**Comment:** Due to the available supply, market rate projects naturally have a higher turn-over rate as compared to "affordable" projects. If rents are equal and the market rate project is older and/or less kept, the renter is naturally going to be drawn to the newer "affordable" project. And because there are a limited number of substitutes, the renter is inclined to occupy the unit for a longer period of time.

For a simplified example, take Katy, Texas. A PMA drawn using the Katy ISD is estimated to have 3,609 income qualified renters at 60% AMI. At the same time, the PMA has two family and two senior projects in operation (572 units). These four projects have a total of 333 "affordable" units (60% AMI). If you compare the number of "affordable" units to the number of income qualified renters, you arrive at less than 10% of the renters are housed in an "affordable" unit. Thus, if you build a new project, the vast majority of residents are going to come from market rate projects, not existing "affordable" projects. Senior projects are a special case. Senior renters tend to move for one of two reasons. Either the resident needs care offered by assisted living or nursing homes, or they die. Thus the turn-over rate at all senior projects would be less than a comparable family project. For "affordable" senior projects, turn-over is even less. Again due to the theory of substitutability. With so few "affordable" senior projects in operation, there are few substitutes available for a senior to move to. Additionally, few senior residents would be inclined to move from one "affordable" project to another.

**Department Response**: Where market rent is significantly above the affordable rent there would be an increased tendency for income eligible tenants to move to new affordable housing. While market rents in the majority of Texas markets are not currently significantly above affordable rents, where and when this does occur additional or alternative demand from rent overburdened households can and should be calculated. Similarly, where existing conventional units are substandard, the market analyst should additionally or alternatively develop demand from income eligible households in substandard housing. The correlation of seniors who prefer to move from already affordable developments to senior only affordable developments is hypothetical and has not been studied or documented.

# **Comment Source Reference**

#	
Assigned	ORGANIZATION
	Catellus Development Group (Mueller), Matt Whelan; Scott Marks (Coats Rose); Francie
1	Ferguson (Volunteer)
2	Katy Independent School District, A. Frailey
3	Sanderson Consulting, Sarah Anderson
4	Realtex Development Corporation, Rick Deyoe
5	Community Partnership for the Homeless, Frank Fernandez
6	Viola Salazar
7	Texas Rio Grande Legal Aid, Inc, Fred Fuchs
8	TAAHP, Jim Brown
9	Katy Area Economic Development Council, Lance LaCour
10	Greater Greenspoint Management District, James Currie, Jack Drake
11	Foundation Communities, Walter Moreau
12	Mark-Dana Corporation, David Koogler
13	Flores Residential, LC, Apolonio Flores
14	Housing Authority of the City of Pharr
15	Locke Lord Bissell & Liddell LLP, Cynthia L. Bast
16	Shackelford Melton & McKinley, Benjamin Halpern
17	La Joya Housing Authority, J.J. Garza
18	Texas NAHRO, James Hargrove
19	H.A.V.E. Association, Daisy Flores
20	DoubleKaye Corp., Gary Kersch
22	Housing Authority of the City of Kingsville, Cory Hinojosa  Housing Authority of the City of Texarkana, Richard Herrington
23	Leslie Holleman & Associates
24	Hance Financial, Aubrea Hance
25	Hon. Eddie Rodriguez (Rep. 51st District)
26	Kelly Hunt & Associates
27	Doak Brown
28	Ginger McGuire
29	RRHA of Texas, Jeff Crosier
30	McAllen Housing Authority, Joe Saenz
31	Texas Legal Services Center, Carrie Tournillon, Randall Chapman
32	Housing Authority of the City of Donna, Liz Hernandez for Bob Gonzalez
33	Tropicana Building Corporation, Bobby Bowling
34	Alamo Housing Authority, Mary Vela
35	Harris Co. MUD 71, Kathi Zollinger
36	Hon. Representative Bill Callegari, Gracie Espinoza
37	Barry Kahn
38	Diana McIver [COMMENT NOT TO BE INCLUDED PER AUDREY]
39	Don Youngs
40	USDA, Scooter Brockette
41	Mike Sugrue [COMMENT NOT TO BE INCLUDED PER AUDREY]
42	MRA, Jackie Martin (via Hollis Fitch, Land Mark Development)
43	San Antonio Housing Authority, Henry Alvarez
44	City of Brownsville Planning Department, Lucy Garza

#	
Assigned	ORGANIZATION
45	Charter Builders, RJ Collins
46	Churchill Residential, Anthony Sisk
47	Coats Rose, Barry Palmer
48	CSH, Kelly Kent
49	City of Fort Worth, Charlie Price
50	Captstone Real Estate Services, Lisa Williams [COMMENT WITHDRAWN!]
51	City of El Paso, Bill Lilly
52	El Paso Coalition for the Homeless, Susan Austin
53	Jane E. Polk Sinski
54	NPR Group, Debra Gurrero
55	Apartment MarketData, Darrell Jack
56	Langford Community Management Svcs, Judy Langford; Robin Sisco
57	Jim Walker
58	City of Brownsville Planning Department, Ben Medina
59	Hamilton Valley, Dennis Hoover
60	Advocacy Incorporated, Sarah Mills
61	Hunter & Hunter Consultants, Michael Hunter

#### TITLE 10. COMMUNITY DEVELOPMENT

#### Part 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Subchapter B. UNDERWRITING, MARKET ANALYSIS, APPRAISAL, ENVIRONMENTAL SITE ASSESSMENT, PROPERTY CONDITION ASSESSMENT, AND RESERVE FOR REPLACEMENT RULES AND GUIDELINES

10 TAC §§1.31 - 1.37

The Texas Department of Housing and Community Affairs (the Department) adopts amendments to §§1.31 - 1.37, concerning the Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment and Reserve for Replacement Rules and Guidelines, with changes to the proposed amendments as published in the September 7, 2007 issue of the *Texas Register* (32 Tex. Reg. 5849). These sections are amended to improve guidelines for underwriting, market analysis, appraisal, environmental site assessment and property condition assessment performed in response to requests submitted to the Department. The amendments also effect requirements for reserve for replacement and provide for the subsequent monitoring of those reserves.

Public hearings on the amended rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, e-mail, and facsimile through October 10, 2007.

### Summary of Comments, Staff Response and Board Action

Public comments and the Department's responses are presented in the order in which the sections appear in the QAP, starting with general comments on Subchapter B as a whole, and ending with comments on §1.37. Following the section number is the title of the section as it appears in the rule. Following the title is a parenthetical containing a number or series of numbers. Each number corresponds to a person who commented on the particular rule section. Following the identification of the section and related commenters is a summary of the comment and staff's response, including the reasons why the agency agreed or disagreed with the comment and a statement of the factual basis for the new section.

### §1.32(d)(1)(A) Rental Income - (31)

**Comment:** The proposed rule revises the manner in which the Underwriter determines the rental income of the property. The commentor contends that for this determination to be accurate, the Underwriter first must be required to update the utility allowance at the time of initial project occupancy of new projects. This requirement should be codified in §1.32(d)(1)(A).

**Department Response:** Determining and using the most current utility allowance at the time of underwriting has been the standard practice with the Department for several years because it provides a more realistic picture of the development's economic future. Obviously the Department can not know at the time of underwriting what the utility allowance or the rent limit will be at the time the project is placed in service two years into the future. Acknowledging the use of the most current information available at underwriting, however, provides notice to the applicant and limits the risk of using outdated information and overstating income to the development. Staff concurs with the suggested language change and recommends the proposed revision below.

(A) Rental Income. The <u>Underwriter will update the utility allowance and calculate the appropriate rent</u> on a conservative or Contract Rent basis for comparison to the Applicant's estimate in the Application.

# §1.32(d)(4)(D) Acceptable Debt Coverage Ratio Range- (58)

**Comment:** Commentor suggests that the Department determine the gap of funds before any local HOME funds are considered.

**Department Response:** The Department has an obligation to ensure that not more funds than are necessary are allocated at the time of the award. If a commitment has been provided or is reasonably anticipated for local HOME funds in order to meet scoring criteria or economic feasibility, then the Underwriter has the responsibility to evaluate and consider that source of funding. If an analysis of the total sources of funds provides an excess of funds then the amount of government subsidy should be reduced. The Department can only adjust the sources of funds that are within its control and, therefore, the tax credits must be adjusted. Staff recommends no additional change.

# §1.32(e)(1)(B) Identify of Interest Acquisitions -(6)

Comment: Clarification was requested regarding section 1.32(e)(1)(B) of the 2008 proposed REA Rules regarding the allowable property acquisition price and the required documentation regarding a transaction classified as an identity of interest. The commentor requested that the rule confirm that in the event the proposed acquisition price is at or below the substantiated original acquisition cost, no appraisal is necessary, and to confirm that in situations where the outstanding debt on the property is below the original acquisition price, the transferor can provide seller financing.

Department Response: Staff agrees and recommended in the draft 2008 REA Rules to clarify this rule and make it consistent with section 50.9(h)(7)(A)(iv) of the QAP. In an identity of interest land transaction an appraisal is not necessary if the proposed acquisition price is at or below the substantiated original acquisition cost. However, any application proposing acquisition credits for existing buildings is required to provide an appraisal in order to make a determination of the appropriate building acquisition value pursuant to §1.32(e)(C). Staff is recommending no additional change to the draft language. With regard to the second comment permanent seller financing is allowed but would be considered an identity of interest and would be required to address the identity of interest requirements in this portion of the rule. For example, if the seller of a property expects the property to repay the seller financing, then they have a continued vested interest in the future performance of the property. If the seller is providing financing that they don't ever expect to get repaid then the true transfer price is less the portion of seller financing and should not be the included in the basis for acquisition credits.

# §1.32(e)(B)(ii)(II)(-b-)(2) Identify of Interest Acquisitions -(31)

**Comment:** Commentor stresses the importance of having up-to-date utility allowances to ensure that rents for a property are accurate and requested that utility allowances be included in the documentation and consideration of an identity of interest transaction. The commentor also suggested that property owners be required to provide a statement that 95% of the units fall within the current allowance.

**Department Response:** Staff believes the need for current utility allowances for all transactions in addressed in section 1.32(d)(1)(A). Further, the underwriting analysis assumes 100% of the affordable units will utilize current utility allowances. Staff recommends no change.

### $\S1.32(g)(3)$ – Supportive Housing – (46)

**Comment:** Allow Single Room Occupancy developments (SROs) to be exempt from the 1.30 maximum DCR underwriting standard, as well as the 65% of income test for expenses. In order for the 1.15 feasibility test to be met, an SRO must have low debt at inception, which would substantially exceed the 1.30 test.

**Department Response:** Staff had already recommended in the August draft of the rules the inclusion of an additional exception for developments characterized as 100% Supportive Housing with evidence of adequate financial support for the long term viability of the Development. Staff believes Single Room Occupancy developments should only be provided this exception when significant supportive housing services are part of the development plan. Staff recommends no additional change.

### $\S1.32(i)(2)$ – Concentration Rate – (15)

**Comment:** The commentor indicated that the new concentration language proposed may not work in submarkets that are high density markets and should also be tied to the population. No alternative language was provided.

**Department Response:** High density markets proposing new construction will be impacted appropriately because census tracts are defined based on population. Staff recommends no additional change.

# $\S 1.32(i)(2)$ – Concentration Rate – (3)

**Comment:** Commentor requested clarification on the data to be used by the Department to determine the number of units in each census tract. Please define where the information on "other known rental developments" will be obtained so that the market analysts and developers have consistent information.

**Department Response:** Section 1.33(d)(9)(A) of the draft 2008 REA Rules requires the market analyst to identify the developments and units for the primary market area. The market analyst is also expected to be aware of any units under development in the market area. Staff will check information provided in the market study against Census data available on the U.S. Census Bureau website. Staff recommends no change. Please also see comments below for Primary Market Area.

### $\S1.32(i)(7) - Exceptions - (33)$

**Comment:** Commentor indicated that the policy of allowing Public Housing Authorities to have exceptions to the financial feasibility requirements is unfair and should not be allowed.

**Department Response:** The policy provides exceptions for developments that have ongoing operating subsidy because such developments operate differently than a conventional tax credit development. These developments include project-based Section 8 Rental Assistance, USDA-RD-RHS rental assistance, public housing units and 100% supportive housing units. Public housing units would be treated differently if they were excluded from this exception. Staff recommends no additional change.

# §1.33(a) Market Analysis Rules General Provisions - (31)

**Comment**: Commentor suggests the Department include a requirement that the market analyst address the cost of utilities, particularly electricity, and the availability of weatherization measures to make housing more energy efficient and affordable for tenants.

**Department Response:** This is a significant change to the proposed rules and would increase the scope and could increase the cost of a market study. Information on the energy efficiency of existing developments is difficult for a tenant or market analyst to readily obtain. If the Board would like this

information to be considered by market analysts in the future, staff recommends that a workgroup be created prior to the release of the draft 2009 REA Rules to further address these concerns. Staff recommends no change.

### §1.33(d)(8) Primary Market Area - (10)

**Comment:** Commentor believes that the existing rules do not require a market area sufficiently large enough to determine the realistic market of an area and suggest the inclusion of "adjacent census tract" data in the primary market area. In addition commentor suggests that language be added to clarify that all multifamily dwelling units shall be included in a study, not just TDHCA/tax credit/bond properties.

**Department Response:** Staff concurs and recommends the following clarification:

### §1.33(d)(8)

- (8) Primary Market Area. All of the Market Analyst's conclusions specific to the subject Development must be based on only one Primary Market Area definition. The Market Analyst must adhere to the methodology described in this paragraph when determining the market area (§2306.67055).
- (A) The Primary Market Area will be defined by the Market Analyst with
- (i) size based on a base year population of no more than
- (I) 100,000 people for Developments targeting the general population, and
- (II) 250,000 people for Qualified Elderly Developments or Developments targeting special needs populations,
- (ii) boundaries <u>identifying</u> <del>based on</del> <u>the most recent Census Tract definitions</u>, as established by the U.S. Census Bureau <u>and based on</u>
- (I) major roads,
- (II) political boundaries, and
- (III) natural boundaries.
- (IV) A radius is prohibited as a boundary definition.

### $\S1.33(d)(10)(B)(i)$ Comparable Units - (31)

**Comment:** Commentor suggests that data on the costs of utilities, the amount of utility allowances and the use of weatherization measures should be included on the data sheet for each development that is used as a comparable in order to ensure that the analysis includes all the necessary information to determine the affordability of the housing in the area lacking sufficient data.

**Department Response:** Staff agrees with the comment however believes the information on weatherization measures may not be readily available to the market analyst and could be studied further for the 2009 rules. Staff recommends the following change:

#### §1.33(d)(10)(B)(i)

- (i) Comparable Units. Identify developments in the PMA with Comparable Units. In Primary Market Areas lacking sufficient rent comparables, it may be necessary for the Market Analyst to collect data from markets with similar characteristics and make quantifiable location adjustments. Provide a data sheet for each development consisting of
- (I) Development name.
- (II) address,
- (III) year of construction and year of rehabilitation, if applicable,
- (IV) property condition,
- (V) population target,

- (VI) unit mix specifying number of Bedrooms, number of baths, net rentable square footage and
- (-a-) monthly rent and utility allowance, or
- (-b-) sales price with terms, marketing period and date of sale,
- (VII) description of concessions,
- (VIII) list of unit amenities,
- (IX) utility structure,
- (X) list of common amenities, and
- (XI) for rental developments only
- (-a-) occupancy, and
- (-b-) turnover.

# §1.34(d)(7)(D) Description of Improvements - (31)

**Comment:** Commentor suggests that weatherization measures should be considered by the appraiser. **Department Response:** Staff agrees that any recent weatherization measures or energy efficiency features of a development should be considered in the evaluation by an appraiser. Staff recommends the following change:

### $\S1.34(d)(7)(D)$

(D) Description of Improvements. Provide a thorough description and analysis of the improvements including size (net rentable area, gross building area, etc.), number of stories, number of buildings, type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, <u>energy efficiency measures</u>, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.

### II. ADMINISTRATIVE CLARIFICATIONS AND CORRECTIONS

Staff requests the Board's approval to make administrative changes as needed for consistency within the REA Rules as well as with other Department Rules. These changes would include, but are not limited to correcting references to other rules such as specific sections of the QAP, capitalization of defined terms and correcting typographical mistakes, etc.

The new sections are adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306; §2306.148 which authorizes the Board to adopt underwriting standards for loans made or financed by the Department, §2306.186, which requires the establisment of reserve accounts for certain rental housing to fund necessary repairs; §2306.150, which requires the Department to adopt minimum property standards for housing developments; §2306.150, which requires the Department to evaluate market analyses and §2306.150 which requires the Department to use uniform threshold requirements for environmental reports.

# §1.31.General Provisions.

(a) Purpose. The Rules in this subchapter apply to the underwriting, market analysis, appraisal, environmental site assessment, property condition assessment, and reserve for replacement standards employed by the Texas Department of Housing and Community Affairs (the "Department" or

- "TDHCA"). This chapter provides rules for the underwriting review of an affordable housing development's financial feasibility and economic viability that ensures the most efficient allocation of resources while promoting and preserving the public interest in ensuring the long-term health of the Department's portfolio. In addition, this chapter guides the underwriting staff in making recommendations to the Executive Award and Review Advisory Committee "the Committee"), Executive Director, and TDHCA Governing Board ("the Board") to help ensure procedural consistency in the determination of Development feasibility (§2306.0661(f) and §2306.6710(d), Texas Government Code). Due to the unique characteristics of each development the interpretation of the rules and guidelines described in this subchapter is subject to the discretion of the Department and final determination by the Board.
- (b) Definitions. Terms [Many of the terms-] used in this subchapter that are also defined in Chapter 50 of this title (the Department's Housing Tax Credit Program Qualified Allocation Plan and Rules, known as the "QAP" have the same meaning as in the QAP [proposed-]. Those terms that are not defined in the QAP or which may have another meaning when used in Subchapter [subchapter] B of this chapter [title-], shall have the meanings set forth in this subchapter [subsection unless the context clearly indicates otherwise-].
- (1) Affordable Housing--Housing that has been funded through one or more of the Department's programs or other local, state or federal programs or has at least one unit that is restricted in the rent that can be charged either by a Land Use Restriction Agreement or other form of Deed Restriction.
- (2) Bank Trustee--A bank authorized to do business in this state, with the power to act as trustee.
- (3) Cash Flow--The funds available from operations after all expenses and debt service required to be paid has been considered.
- (4) Credit Underwriting Analysis Report--Sometimes referred to as the "Report." A decision making tool used by the Department and Board containing a synopsis and reconciliation of the application information submitted by the Applicant.
- (5) Comparable Unit--A Unit, when compared to the subject Unit, similar in overall condition, unit amenities, utility structure, and common amenities, and
- (A) for purposes of calculating the inclusive capture rate targets the same population and is likely to draw from the same demand pool;
- (B) for purposes of estimating the Restricted Market Rent targets the same population and is similar in net rentable square footage and number of bedrooms; or
- (C) for purposes of estimating the subject Unit market rent does not have any income or rent restrictions and is similar in net rentable square footage and number of bedrooms.
- (6) Contract Rent--Maximum <u>rent limits</u> [ Rent Limits ] based upon current and executed rental assistance contract(s), typically with a federal, state or local governmental agency.
- (7) DCR--Debt Coverage Ratio. Sometimes referred to as the "Debt Coverage" or "Debt Service Coverage." A measure of the number of times loan principal and interest are covered by Net Operating Income.

- (8) Development--Sometimes referred to as the "Subject Development." Multi-unit residential housing that meets the affordability requirements for and requests or has received funds from one or more of the Department's sources of funds.
- (9) EGI--Effective Gross Income. The sum total of all sources of anticipated or actual income for a rental Development less vacancy and collection loss, leasing concessions, and rental income from employee-occupied units that is not anticipated to be charged or collected.
- (10) ESA--Environmental Site Assessment. An environmental report that conforms with the Standard Practice for Environmental Site Assessments: Phase I Assessment Process (ASTM Standard Designation: E 1527) and conducted in accordance with the Department's Environmental Site Assessment Rules and Guidelines in §1.35 of this subchapter as it relates to a specific Development.
- (11) First Lien Lender--A lender whose lien has first priority.
- (12) Gross Program Rent--Sometimes called the "Program Rents." Maximum <u>rent limits</u> [ Rent Limits ] based upon the tables promulgated by the Department's division responsible for compliance by program and by county or Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA").
- (13) Market Analysis--Sometimes referred to as "Market Study." An evaluation of the economic conditions of supply, demand and rental rates or pricing conducted in accordance with the Department's Market Analysis Rules and Guidelines in §1.33 of this subchapter as it relates to a specific Development.
- (14) Market Analyst--Any person who prepares a market study.
- (15) [ (14)-] Market Rent--The unrestricted rent concluded by the Market Analyst for a particular unit type and size after adjustments are made to rents charged by owners of Comparable Units.
- (16) [ (15) ] NOI--Net Operating Income. The income remaining after all operating expenses, including replacement reserves and taxes have been paid.
- (17) [ (16)-] Primary Market--Sometimes referred to as "Primary Market Area" or "Submarket" or "PMA". The area defined by the Qualified Market Analyst as described in §1.33(d)(8) of this title from which a proposed or existing Development is most likely to draw the majority of its prospective tenants or homebuyers.
- (18) [ (17)-] PCA--Property Condition Assessment. Sometimes referred to as "Physical Needs Assessment," "Project Capital Needs Assessments," "Property Condition Report," or "Property Work Write-Up." An evaluation of the physical condition of the existing property and evaluation of the cost of rehabilitation conducted in accordance with the Department's Property Condition Assessment Rules and Guidelines in §1.36 of this <a href="subchapter">subchapter</a> [ <a href="title-">title-</a>] as it relates to a specific Development.
- (19) Qualified Market Analyst--A real estate appraiser certified or licensed by the Texas Appraiser Licensing and Certification Board, a real estate consultant, or other professional currently active in the subject property's market area who demonstrates competency, expertise, and the ability to render a high quality written report. The individual's performance, experience, and educational background will provide the general basis for determining competency as a Market Analyst. Competency will be

- determined by the Department, in its sole discretion. The Qualified Market Analyst must be a Third Party.
- (20) [ (18)-] Rent Over-Burdened Households--Non-elderly households paying more than 35% of gross income towards total housing expenses (unit rent plus utilities) and elderly households paying more than 40% of gross income towards total housing expenses.
- (21) [ (19) ] Reserve Account--An individual account:
- (A) Created to fund any necessary repairs for a multifamily rental housing development; and
- (B) Maintained by a First Lien Lender or Bank Trustee.
- (22) [ (20)-] Restricted Market Rent--The restricted rent concluded by the Market Analyst for a particular unit type and size after adjustments are made to rents charged by owners of Comparable Units with the same rent and income restrictions.
- (23) [(21)] Secondary Market--Sometimes referred to as "Secondary Market Area". The area defined by the Qualified Market Analyst as described in §1.33(d)(7) of this title.
- (24) [ (22)-]Supportive Housing--Sometimes referred to as "Transitional Housing." Rental housing intended solely for occupancy by individuals or households transitioning from homelessness or abusive situations to permanent housing and typically consisting primarily of efficiency units.
- (25) [ (23)-] Sustaining Occupancy--The occupancy level at which rental income plus secondary income is equal to all operating expenses and mandatory debt service requirements for a Development.
- (26) [ (24)-] TDHCA Operating Expense Database--Sometimes referred to as "TDHCA Database." A consolidation of recent actual operating expense information collected through the Department's Annual Owner Financial Certification process, as required and described in Subchapter A of Chapter 60 of this title, [ process-] and published on the Department's web site.
- (27) [ (25)-] Underwriter--The author(s), as evidenced by signature, of the Credit Underwriting Analysis Report.
- (28) [ (26)-] Unstabilized Development--A Development with Comparable Units that has been approved for funding by the TDHCA Board or is currently under construction or has not maintained a 90% occupancy level for at least 12 consecutive months following construction completion.
- (29) [ (27)-] Utility Allowance--The estimate of tenant-paid utilities, based either on the most current HUD Form 52667, "Section 8, Existing Housing Allowance for Tenant-Furnished Utilities and Other Services," provided by the local entity responsible for administering the HUD Section 8 program with most direct jurisdiction over the majority of the buildings existing ,[ or-] a documented estimate from the utility provider proposed in the Application , or for an existing development an allowance calculated by the Department pursuant to §60.109 of this title. Documentation from the local utility provider to support an alternative calculation can be used to justify alternative Utility Allowance conclusions but must be specific to the subject development [ Subject Development-] and consistent with the building plans provided.

- (30) [(28)] Work Out Development--A financially distressed Development seeking a change in the terms of Department funding or program restrictions based upon market changes.
- (c) Appeals. Certain programs contain express appeal options. Where not indicated, [ 10 Tex. Admin. Code-] §1.7 and §1.8 of this chapter include general appeal procedures. In addition, the Department encourages the use of Alternative Dispute Resolution methods as outlined in [ 10 TAC-] §1.17 of this chapter .

### §1.32.Underwriting Rules and Guidelines.

- (a) General Provisions. The Department Governing Board has authorized the development of these rules under its authority under §2306.148, Texas Government Code. The rules provide a mechanism to produce consistent information in the form of an Underwriting Report to provide interested parties information the Board relies upon in balancing the desire to assist as many Texans as possible by providing no more financing than necessary and have independent verification that Developments are economically feasible. The Report should consider all information timely provided by the Applicant. The Report generated in no way guarantees or purports to warrant the actual performance, feasibility, or viability of the Development by the Department.
- (b) Report Contents. The Report provides an organized and consistent synopsis and reconciliation of the application information submitted by the Applicant. The Report should consider only information that is provided in accordance with the time frames provided in the current QAP, Program Rules or Notice of Funds Availability as appropriate. The Report should also identify the number of revisions and date of most current revision to any information deemed to be relevant by the Underwriter.
- (c) Recommendations in the Report. The conclusion of the Report includes a recommended award of funds or allocation of Tax Credits based on the lesser amount calculated by the program limit method (if applicable), gap/DCR method, or the amount requested by the Applicant as further described in paragraphs (1) (3) of this subsection, and states any feasibility conditions to be placed on the award.
- (1) Program Limit Method. For Developments requesting Housing Tax Credits, this method is based upon calculation of Eligible Basis after applying all cost verification measures and program limits as described in this section. The Applicable Percentage used is as defined in the QAP. For Developments requesting funding through a Department program other than Housing Tax Credits, this method is based upon calculation of the funding limit based on current program rules at the time of underwriting.
- (2) Gap/DCR Method. This method evaluates the amount of funds needed to fill the gap created by total development cost less total non-Department-sourced funds or Tax Credits. In making this determination, the Underwriter resizes any anticipated deferred developer fee down to zero before reducing the amount of Department funds or Tax Credits. In the case of Housing Tax Credits, the syndication proceeds needed to fill the gap in permanent funds are divided by the syndication rate to determine the amount of Tax Credits. In making this determination, the Department adjusts the permanent loan amount and/or any Department-sourced loans, as necessary, such that it conforms to the DCR standards described in this section.
- (3) The Amount Requested. The amount of funds that is requested by the Applicant as reflected in the <u>Application</u> [ <u>application</u> ] documentation.

- (d) Operating Feasibility. The operating financial feasibility of Developments funded by the Department is tested by adding total income sources and subtracting vacancy and collection losses and operating expenses to determine Net Operating Income. This Net Operating Income is divided by the annual debt service to determine the Debt Coverage Ratio. The Underwriter characterizes a Development as infeasible from an operational standpoint when the Debt Coverage Ratio does not meet the minimum standard set forth in paragraph (4)(D) of this subsection. The Underwriter may choose to make adjustments to the financing structure, such as lowering the debt and increasing the deferred developer fee that could result in a re-characterization of the Development as feasible based upon specific conditions set forth in the Report.
- (1) Income. In determining the Year 1 proforma, the [The-] Underwriter evaluates the reasonableness of the Applicant's income estimate by determining the appropriate rental rate per unit based on contract, program and market factors. Miscellaneous income and vacancy and collection loss limits as set forth in subparagraphs (B) and (C) of this paragraph, respectively, are applied unless well-documented support is provided.
- (A) Rental Income. The <u>Underwriter will update the utility allowance and calculate the appropriate rent on a conservative or Contract Rent basis for comparison to the Applicant's estimate in the Application. The conservative basis for a restricted unit is the lesser of the Gross Program Rent less Utility Allowances ("Net <u>Program Rent [ program rent-]")</u> or [ <u>Market Rent or ]</u> Restricted Market Rent. <u>The conservative basis for an unrestricted unit is the lesser of the Market Rent or Applicant's projected rent.</u> [ <u>or Contract Rent is utilized by the Underwriter in calculating the rental income for comparison to the Applicant's estimate in the application.</u>] Where [ <u>multiple programs are funding the same units, ]</u> Contract Rents are <u>included, they will be used regardless of the conservative basis derived rent. [ used, if applicable. If Contract Rents do not apply, the lowest Program Rents less Utility Allowance ("net Program Rent") or Market Rents or Restricted Market Rent, as determined by the Market Analysis that are lower than the net Program Rents, are utilized.]</u></u>
- (i) Market Rents. The Underwriter reviews the attribute adjustment matrix of Comparable Units by unit size provided by the Market Analyst and determines if the adjustments and conclusions made are reasoned and well documented. The Underwriter uses the Market Analyst's conclusion of adjusted Market Rent by unit, as long as the proposed Market Rent is reasonably justified and does not exceed the highest existing unadjusted market comparable rent. Random checks of the validity of the Market Rents may include direct contact with the comparable properties. The Market Analyst's attribute adjustment matrix should include, at a minimum, adjustments for location, size, amenities, and concessions as more fully described in §1.33 of this subchapter [ title-].
- (ii) Restricted Market Rent. The Underwriter reviews the attribute adjustment matrix of Comparable Units by unit size and income and rent restrictions provided by the Market Analyst and determines if the adjustments and conclusions made are reasoned and well documented. The Underwriter uses the Market Analyst's conclusion of adjusted Restricted Market Rent by unit, as long as the proposed Restricted Market Rent is reasonably justified and does not exceed the highest existing unadjusted market comparable restricted rent. Random checks of the validity of the Restricted Market Rents may include direct contact with the comparable properties. The Market Analyst's <u>attribute adjustment matrix</u> [ <u>Attribute Adjustment Matrix</u> ] should include, at a minimum, adjustments for location, size, amenities, and concessions as more fully described in §1.33 of this <u>subchapter</u> [ <u>title</u> ].

- (iii) <u>Gross Program Rents less Utility Allowance or Net Program Rents</u>. The Underwriter reviews the Applicant's proposed rent schedule and determines if it is consistent with the representations made in the remainder of the <u>Application [application-]</u>. The Underwriter uses the <u>Gross Program Rents</u> as promulgated by the Department's division responsible for compliance for the year that is most current at the time the underwriting begins. When underwriting for a simultaneously funded competitive round, all of the <u>Application [applications-]</u> are underwritten with the rents promulgated for the same year. <u>Gross Program Rents</u> are reduced by the Utility Allowance. The Utility Allowance figures used are determined based upon what is identified in the <u>Application [application-]</u> by the Applicant as being a utility cost paid by the tenant and upon other consistent documentation provided in the <u>Application [application-]</u>.
- (I) Units must be individually metered for all utility costs to be paid by the tenant.
- (II) Gas utilities are verified on the building plans and elsewhere in the <u>Application [ application ]</u> when applicable.
- (III) Trash allowances paid by the tenant are rare and only considered when the building plans allow for individual exterior receptacles.
- (IV) Refrigerator and range allowances are not considered part of the tenant-paid utilities unless the tenant is expected to provide their own appliances, and no eligible appliance costs are included in the development cost breakdown.
- (iv) Contract Rents. The Underwriter reviews submitted rental assistance contracts to determine the Contract Rents currently applicable to the Development. Documentation supporting the likelihood of continued rental assistance is also reviewed. The underwriting analysis will take into consideration the Applicant's intent to request a Contract Rent increase. At the discretion of the Underwriter, the Applicant's proposed rents may be used in the underwriting analysis with the recommendations of the Report conditioned upon receipt of final approval of such increase.
- (B) Miscellaneous Income. All ancillary fees and miscellaneous secondary income, including but not limited to late fees, storage fees, laundry income, interest on deposits, carport rent, washer and dryer rent, telecommunications fees, and other miscellaneous income, are anticipated to be included in a \$5 to \$15 per unit per month range. Exceptions may be made at the discretion of the Underwriter for garage income, pass-through utility payments, pass-through water, sewer and trash payments, cable fees, congregate care/assisted living/elderly facilities, and child care facilities.
- (i) Exceptions must be justified by operating history of existing comparable properties.
- (ii) The Applicant must show that the tenant will not be required to pay the additional fee or charge as a condition of renting an apartment unit and must show that the tenant has a reasonable alternative.
- (iii) The Applicant's operating expense schedule should reflect an offsetting cost associated with income derived from pass-through utility payments, pass-through water, sewer and trash payments, and cable fees.
- (iv) Collection rates of exceptional fee items will generally be heavily discounted.

- (v) If the total secondary income is over the maximum per unit per month limit, any cost associated with the construction, acquisition, or development of the hard assets needed to produce an additional fee may also need to be reduced from Eligible Basis for Tax Credit Developments as they may, in that case, be considered to be a commercial cost rather than an incidental to the housing cost of the Development.
- (C) Vacancy and Collection Loss. The Underwriter uses a vacancy rate of 7.5% (5% vacancy plus 2.5% for collection loss) unless the Market Analysis reflects a higher or lower established vacancy rate for the area. Elderly and 100% project-based rental subsidy Developments and other well documented cases may be underwritten at a combined 5% at the discretion of the Underwriter if the historical performance reflected in the Market Analysis is consistently higher than a 95% occupancy rate.
- (D) Effective Gross Income. The Underwriter independently calculates EGI. If the EGI figure provided by the Applicant is within 5% of the EGI figure calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating DCR the Underwriter will maintain and use its independent calculation unless the Applicant's proforma meets the requirements of paragraph (3) of this subsection.
- (2) Expenses. In determining the Year 1 proforma, the Underwriter evaluates the reasonableness of the Applicant's expense estimate by line item comparisons based upon the specifics of each transaction, including the type of Development, the size of the units, and the Applicant's expectations as reflected in their proforma. Historical stabilized certified or audited financial statements of the Development or Third Party quotes specific to the Development will reflect the strongest data points to predict future performance. The Department's database of property in the same location or region as the proposed Development also provides heavily relied upon data points; the Department's database summary is available on the TDHCA website. Data from the Institute of Real Estate Management's (IREM) most recent Conventional Apartments-Income/Expense Analysis book for the proposed Development's property type and specific location or region may be referenced. In some cases local or project-specific data such as Public Housing Authority ("PHA") Utility Allowances and property tax rates are also given significant weight in determining the appropriate line item expense estimate. Finally, well documented information provided in the Market Analysis, the Application [ application ], and other sources may be considered.
- (A) General and Administrative Expense. General and Administrative Expense includes all accounting fees, legal fees, advertising and marketing expenses, office operation, supplies, and equipment expenses. The underwriting tolerance level for this line item is 20%.
- (B) Management Fee. Management Fee is paid to the property management company to oversee the effective operation of the property and is most often based upon a percentage of Effective Gross Income as documented in the management agreement contract. Typically, 5% of the Effective Gross Income is used, though higher percentages for rural transactions that are consistent with the TDHCA Database can be concluded. Percentages as low as 3% may be utilized if documented by a fully executed management contract agreement with an acceptable management company. The Underwriter will require documentation for any percentage difference from the 5% of the Effective Gross Income standard.
- (C) Payroll and Payroll Expense. Payroll and Payroll Expense includes all direct staff payroll, insurance benefits, and payroll taxes including payroll expenses for repairs and maintenance typical of

- a conventional development. It does not, however, include direct security payroll or additional supportive services payroll. The underwriting tolerance level for this line item is 10%.
- (D) Repairs and Maintenance Expense. Repairs and Maintenance Expense includes all repairs and maintenance contracts and supplies. It should not include extraordinary capitalized expenses that would result from major renovations. Direct payroll for repairs and maintenance activities are included in payroll expense. The underwriting tolerance level for this line item is 20%.
- (E) Utilities Expense (Gas & Electric). Utilities Expense includes all gas and electric energy expenses paid by the owner. It includes any pass-through energy expense that is reflected in the EGI. The underwriting tolerance level for this line item is 30%.
- (F) Water, Sewer and Trash Expense. Water, Sewer and Trash Expense includes all water, sewer and trash expenses paid by the owner. It would also include any pass-through water, sewer and trash expense that is reflected in the EGI. The underwriting tolerance level for this line item is 30%.
- (G) Insurance Expense. Insurance Expense includes any insurance for the buildings, contents, and liability but not health or workman's compensation insurance. The underwriting tolerance level for this line item is 30%.
- (H) Property Tax. Property Tax includes all real and personal property taxes but not payroll taxes. The underwriting tolerance level for this line item is 10%.
- (i) The per unit assessed value will be calculated based on the capitalization rate published on the county taxing authority's website. If the county taxing authority does not publish a capitalization rate on the internet, a capitalization rate of 10% will be used or comparable assessed values may be used in evaluating this line item expense.
- (ii) Property tax exemptions or proposed payment in lieu of tax agreement (PILOT) must be documented as being reasonably achievable if they are to be considered by the Underwriter. At the discretion of the Underwriter, a property tax exemption that meets known federal, state and local laws may be applied based on the tax-exempt status of the Development Owner and its Affiliates.
- (I) Reserves. Reserves include annual reserve for replacements of future capitalizable expenses as well as any ongoing additional operating reserve requirements. The Underwriter includes minimum reserves of \$250 per unit for new construction and \$300 per unit for all other Developments. The Underwriter may require an amount above \$300 for Developments other than new construction based on information provided in the PCA. Higher levels of reserves also may be used if they are documented in the financing commitment letters.
- (J) Other Expenses. The Underwriter will include other reasonable and documented expenses, not including depreciation, interest expense, lender or syndicator's asset management fees, or other ongoing partnership fees. Lender or syndicator's asset management fees or other ongoing partnership fees also are not considered in the Department's calculation of debt coverage. The most common other expenses are described in more detail in clauses (i) (iv) of this subparagraph.
- (i) Supportive Services Expense. Supportive Services Expense includes the documented cost to the owner of any non-traditional tenant benefit such as payroll for instruction or activities personnel. The Underwriter will not evaluate any selection points for this item. The Underwriter's verification will be

limited to assuring any anticipated costs are included. For all transactions supportive services expenses are considered in calculating the Debt Coverage Ratio.

- (ii) Security Expense. Security Expense includes contract or direct payroll expense for policing the premises of the Development. The Applicant's amount is typically accepted as provided. The Underwriter will require documentation of the need for security expenses that exceed 50% of the anticipated payroll expense estimate discussed in subparagraph (C) of this paragraph.
- (iii) Compliance Fees. Compliance fees include only compliance fees charged by TDHCA. The Department's charge for a specific program may vary over time; however, the Underwriter uses the current charge per unit per year at the time of underwriting. For all transactions compliance fees are considered in calculating the Debt Coverage Ratio.
- (iv) Cable Television Expense. Cable Television Expense includes fees charged directly to the owner of the Development to provide cable services to all units. The expense will be considered only if a contract for such services with terms is provided and income derived from cable television fees is included in the projected EGI. Cost of providing cable television in only the community building should be included in General and Administrative Expense as described in subparagraph (A) of this paragraph.
- (K) The Department will communicate with and allow for clarification by the Applicant when the overall expense estimate is over 5% greater or less than the Underwriter's estimate. In such a case, the Underwriter will inform the Applicant of the line items that exceed the tolerance levels indicated in this paragraph, but may request additional documentation supporting some, none or all expense line items. If an acceptable rationale for the difference is not provided, the discrepancy is documented in the Report and the justification provided by the Applicant and the countervailing evidence supporting the Underwriter's determination is noted. If the Applicant's total expense estimate is within 5% of the final total expense figure calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating DCR the Underwriter will maintain and use its independent calculation unless the Applicant's Year 1 proforma meets the requirements of paragraph (3) of this subsection.
- (3) Net Operating Income. NOI is the difference between the EGI and total operating expenses. If the Year 1 NOI figure provided by the Applicant is within 5% of the Year 1 NOI figure calculated by the Underwriter, the Applicant's figure is characterized as reasonable in the Report; however, for purposes of calculating the Year 1 DCR the Underwriter will maintain and use his independent calculation of NOI unless the Applicant's Year 1 EGI, Year 1 total expenses, and Year 1 NOI are each within 5% of the Underwriter's estimates.
- (4) Debt Coverage Ratio. Debt Coverage Ratio is calculated by dividing Net Operating Income by the sum of loan principal and interest for all permanent sources of funds. Loan principal and interest, or "Debt Service," is calculated based on the terms indicated in the submitted commitments for financing. Terms generally include the amount of initial principal, the interest rate, amortization period, and repayment period. Unusual financing structures and their effect on Debt Service will also be taken into consideration.
- (A) Interest Rate. The interest rate used should be the rate documented in the commitment letter.

- (i) Commitments indicating a variable rate must provide a detailed breakdown of the component rates comprising the all-in rate. The commitment must also state the lender's underwriting interest rate, or the Applicant must submit a separate statement executed by the lender with an estimate of the interest rate as of the date of the statement.
- (ii) The maximum rate allowed for a competitive application cycle is evaluated by the Director of the Department's division responsible for Credit Underwriting Analysis Reports and posted to the Department's web site prior to the close of the <u>Application Acceptance Period</u> [ application acceptance period-]. Historically this maximum acceptable rate has been at or below the average rate for 30-year U.S. Treasury Bonds plus 400 basis points.
- (B) Amortization Period. The Department generally requires an amortization of not less than 30 years and not more than 50 years or an adjustment to the amortization structure is evaluated and recommended. In non-Tax Credit transactions a lesser amortization period may be used if the Department's funds are fully amortized over the same period.
- (C) Repayment Period. For purposes of projecting the DCR over a 30-year period for Developments with permanent financing structures with balloon payments in less than 30 years, the Underwriter will carry forward Debt Service calculated based on a full amortization and the interest rate stated in the commitment.
- (D) Acceptable Debt Coverage Ratio Range. The acceptable Year 1 DCR range for all priority or foreclosable lien financing plus the Department's proposed financing falls between a minimum of 1.15 to a maximum of 1.35. HOPE VI and USDA Rural Development transactions may underwrite to a DCR less than 1.15 based upon documentation of acceptance from the lender.
- (i) For Developments other than HOPE VI and USDA Rural Development transactions, if the DCR is less than the minimum, the recommendations of the Report are conditioned upon a reduced debt service and the Underwriter will make adjustments to the assumed financing structure in the order presented in subclauses (I) (III) of this clause.
- (I) A reduction of the interest rate or an increase in the amortization period for TDHCA funded loans;
- (II) A reclassification of TDHCA funded loans to reflect grants, if permitted by program rules;
- (III) A reduction in the permanent loan amount for non-TDHCA funded loans based upon the rates and terms in the permanent loan commitment letter as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.
- (ii) If the DCR is greater than the maximum, the recommendations of the Report are conditioned upon an increase in the debt service and the Underwriter will make adjustments to the assumed financing structure in the order presented in subclauses (I) (III) of this clause.
- (I) A reclassification of TDHCA funded grants to reflect loans, if permitted by program rules;
- (II) An increase in the interest rate or a decrease in the amortization period for TDHCA funded loans;
- (III) An increase in the permanent loan amount for non-TDHCA funded loans based upon the rates and terms in the permanent loan commitment letter as long as they are within the ranges in subparagraphs (A) and (B) of this paragraph.

- (iii) For Housing Tax Credit Developments, a reduction in the recommended Tax Credit allocation may be made based on the gap/DCR method described in subsection (c)(2) of this section.
- (iv) Although adjustments in Debt Service may become a condition of the Report, future changes in income, expenses, and financing terms could allow for an acceptable DCR.
- (5) Long Term Proforma. The Underwriter will create a 30-year operating proforma[-]
- (A) The base year projection utilized is the Underwriter's Year 1 EGI, Year 1 operating expenses, and Year 1 NOI unless the Applicant's Year 1 EGI, Year 1 total operating expenses, and Year 1 NOI are each within 5% of the Underwriter's estimates.
- (B) A 3% annual growth factor is utilized for income and a 4% annual growth factor is utilized for expenses.
- (C) Adjustments may be made to the Long Term Proforma if sufficient support documentation is provided by the Applicant. Support may include
- (i) documentation with terms for <u>project</u> [ <u>Project</u> ]-based <u>rental assistance</u> [ <u>Rental Assistance</u> ] or <u>operating subsidy</u> [ <u>Operating Subsidy</u> ];
- (ii) a fully executed management contract with clear terms;
- (iii) documentation prepared and signed by the Central Appraisal District (CAD) with jurisdiction over the Development indicating the appraisal methodology consistently employed by the CAD and a tenyear history, beginning with the Application year, of tax rates for each taxing district with jurisdiction over the Development; and
- (iv) required reserve for replacement schedule prepared and signed by the proposed permanent lender or equity provider. In no instance will the reserve for replacement figure included in the Long Term Proforma be less than the minimum requirements as described in §1.37 of this <u>subchapter</u> [ title-].
- (e) Development Costs. The Development's need for permanent funds and, when applicable, the Development's Eligible Basis is based upon the projected total development costs. The Department's estimate of the total development cost will be based on the Applicant's project cost schedule to the extent that it can be verified to a reasonable degree of certainty with documentation from the Applicant and tools available to the Underwriter. For new construction Developments, the Underwriter's total cost estimate will be used unless the Applicant's total development cost is within 5% of the Underwriter's estimate. In the case of a rehabilitation Development, the Underwriter may use a lower tolerance level due to the reliance upon the PCA. If the Applicant's total development cost is utilized and the Applicant's line item costs are inconsistent with documentation provided in the Application or program rules, the Underwriter may make adjustments to the Applicant's total cost estimate.
- (1) Acquisition Costs. The proposed acquisition price is verified with the fully executed site control document(s) for the entire proposed site.
- (A) Excess Land Acquisition. Where more land is being acquired than will be utilized for the site and the remaining acreage is not being utilized as permanent green space, the value ascribed to the proposed Development will be prorated from the total cost reflected in the site control document(s). An appraisal or tax assessment value may be tools that are used in making this determination; however,

the Underwriter will not utilize a prorated value greater than the total amount in the site control document(s).

- (B) Identity of Interest Acquisitions.
- (i) The acquisition will be considered an identity of interest transaction when an Affiliate of, a Related Party to, or any owner at any level of the Development Team
- (I) is the current owner in whole or in part of the proposed property, or
- (II) was the owner in whole or in part of the proposed property during any period within the 36 months prior to the first day of the Application Acceptance Period.
- (ii) In all identity of interest transactions the Applicant is required to provide <u>subclauses (I) and (II) of this clause:</u> [ the additional documentation identified in §50.9(h)(7)(A) of this title to support the transfer price to be used in the underwriting analysis.
- [ (iii) In no instance will the acquisition cost utilitized by the Underwriter exceed the lesser of: ]
- (I) the original acquisition cost listed in the submitted settlement statement or, if a settlement statement is not available, the original asset value listed in the most current audited financial statement for the identity of interest owner, and [or-]
- (II) if the original acquisition cost evidenced by subclause (I) of this clause is less than the acquisition cost claimed in the application, [ the "as-is" value conclusion in the submitted appraisal.
- (-a-) an appraisal that meets the requirements of §1.34 of this chapter, and
- (-b-) any other verifiable costs of owning, holding, or improving the Property, excluding seller financing, that when added to the value from subclause (I) of this clause justifies the Applicant's proposed acquisition amount.
- (-1-) For land-only transactions, documentation of owning, holding or improving costs since the original acquisition date may include Property taxes, interest expense, a calculated return on equity at a rate consistent with the historical returns of similar risks, the cost of any physical improvements made to the Property, the cost of rezoning, replatting or developing the Property, or any costs to provide or improve access to the Property.
- (-2-) For transactions which include existing buildings that will be rehabilitated or otherwise maintained as part of the Development, documentation of owning, holding, or improving costs since the original acquisition date may include capitalized costs of improvements to the Property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure.
- (iii) in no instance will the acquisition cost utilized by the Underwriter exceed the lesser of the original acquisition cost evidenced by clause (ii)(I) of this subparagraph plus costs identified in clause (ii)(II)(-b-) of this subparagraph, or the "as-is" value conclusion evidenced by clause (ii)(II)(-a-) of this subparagraph.

- (C) Acquisition of Buildings for Tax Credit Properties. In order to make a determination of the appropriate building acquisition value, the Applicant will provide and the Underwriter will utilize an appraisal that meets the Department's Appraisal Rules and Guidelines as described in §1.34 of this subchapter [title]. [The value of the improvements are the result of the difference between the as-is appraised value less the land value.] The Underwriter will [may alternatively] prorate the actual or identity of interest sales price based upon a [lower]calculated "as-is" improvement value over the total "as-is" value provided in the appraisal, so long as the resulting land value utilized by the Underwriter is not less than the land value indicated in the appraisal or tax assessment. In the case where the land value indicated by either the appraisal or tax assessment is greater than the prorata land value attributed to the sales price as described above, the greater of the land value in the appraisal or tax assessment is deducted from the sales price to determine the acquisition basis.
- (2) Off-Site Costs. Off-Site costs are costs of development up to the site itself such as the cost of roads, water, sewer and other utilities to provide the site with access. All off-site costs must be well documented and certified by a Third Party engineer on the required application form.
- (3) Site Work Costs. Project site work costs exceeding \$9,000 per Unit must be well documented and certified by a Third Party engineer on the required application form. In addition, for Applicants seeking Tax Credits, documentation in keeping with §49.9(h)(6)(G) of this title will be utilized in calculating eligible basis.
- (4) Direct Construction Costs. Direct construction costs are the costs of materials and labor required for the building or rehabilitation of a Development.
- (A) New Construction. The Underwriter will use the Marshall and Swift Residential Cost Handbook and historical final cost certifications of all previous Housing Tax Credit [housing tax credit] allocations to estimate the direct construction cost for a new construction Development. If the Applicant's estimate is more than 5% greater or less than the Underwriter's estimate, the Underwriter will attempt to reconcile this concern and ultimately identify this as a cost concern in the Report.
- (i) The "Average Quality" multiple, townhouse, or single family costs, as appropriate, from the Marshall and Swift Residential Cost Handbook, based upon the details provided in the application and particularly site and building plans and elevations will be used to estimate direct construction costs. If the Development contains amenities not included in the Average Quality standard, the Department will take into account the costs of the amenities as designed in the Development.
- (ii) If the difference in the Applicant's direct cost estimate and the direct construction cost estimate detailed in clause (i) of this subparagraph is more than 5%, the Underwriter shall also evaluate the direct construction cost of the Development based on acceptable cost parameters as adjusted for inflation and as established by historical final cost certifications of all previous housing tax credit allocations for:
- (I) the county in which the Development is to be located, or
- (II) if cost certifications are unavailable under subclause (I) of this clause, the uniform state service region in which the Development is to be located.
- (B) Rehabilitation <u>including Reconstruction</u> Costs. In the case where the Applicant has provided a PCA which is inconsistent with the Applicant's figures as proposed in the development cost schedule,

the Underwriter may request a supplement executed by the PCA provider supporting the Applicant's estimate and detailing the difference in costs. If said supplement is not provided or the Underwriter determines that the reasons for the initial difference in costs are not well-documented, the Underwriter utilizes the initial PCA estimations in lieu of the Applicant's estimates.

- (5) Contingency. All contingencies identified in the Applicant project cost schedule will be added to Contingency with the total limited to the guidelines detailed in this paragraph. Contingency is limited to a maximum of 5% of direct costs plus site work for new construction Developments and 10% of direct costs plus site work for rehabilitation Developments. For Housing Tax Credit [tax credit-] Developments, the percentage is applied to the sum of the eligible direct construction costs plus eligible site work costs in calculating the eligible contingency cost. The Applicant's figure is used by the Underwriter if the figure is less than 5%.
- (6) Contractor Fee. Contractor fees are limited at a total of 14%. The percentage is applied to the sum of the direct construction costs plus site work costs. For tax credit Developments, the percentages are applied to the sum of the eligible direct construction costs plus eligible site work costs in calculating the eligible contractor fees. For Developments also receiving financing from TX-USDA-RHS, the combination of builder's general requirements, builder's overhead, and builder's profit should not exceed the lower of TDHCA or TX-USDA-RHS requirements.
- (7) Developer Fee. Developer fee claimed must be proportionate to the work for which it is earned and consistent with §49.9(d)(6) of this title.
- (A) For Tax Credit Developments, the development cost associated with developer fees and Development Consultant (also known as Housing Consultant) fees included in Eligible Basis cannot exceed 15% of the project's Total Eligible Basis less developer fees for developments proposing 50 units or more and 20% of the project's Total Eligible Basis less developer fees for developments proposing 49 units or less, as defined in the QAP.
- (B) In the case of a transaction requesting acquisition Tax Credits
- (i) the allocation of eligible developer fee in calculating rehabilitation/new construction Tax Credits will not exceed 15% of the rehabilitation/new construction basis less developer fees for developments proposing 50 units or more and 20% of the rehabilitation/new construction basis less developer fees for developments proposing 49 units or less, and
- (ii) no developer fee attributable to an identity of interest acquisition of the Development will be included in Eligible Basis.
- (C) For non-Tax Credit Developments, the percentage can be up to 15% but is based upon total development costs less the sum of the fee itself, land costs, the costs of permanent financing, excessive construction period financing described in paragraph (8) of this subsection, reserves, and any other identity of interest acquisition cost.
- (8) Financing Costs. Eligible construction period financing is limited to not more than one year's fully drawn construction loan funds at the construction loan interest rate indicated in the commitment. Any excess over this amount is removed to ineligible cost and will not be considered in the determination of developer fee.

- (9) Reserves. The Department will utilize the terms proposed by the syndicator or lender as described in the commitment letter(s) or the amount described in the Applicant's project cost schedule if it is within the range of two to six months of stabilized operating expenses less management fees plus debt service.
- (10) Other Soft Costs. For Tax Credit Developments all other soft costs are divided into eligible and ineligible costs. Eligible costs are defined by Internal Revenue Code but generally are costs that can be capitalized in the basis of the Development for tax purposes. Ineligible costs are those that tend to fund future operating activities. The Underwriter will evaluate and accept the allocation of these soft costs in accordance with the Department's prevailing interpretation of the Internal Revenue Code. If the Underwriter questions the eligibility of any soft costs, the Applicant is given an opportunity to clarify and address the concern prior to removal from Eligible Basis.
- (f) Developer Capacity. The Underwriter will evaluate the capacity of the Person(s) accountable for the role of the Developer to determine their ability to secure financing and successfully complete the Development. The Department will review financial statements, and personal credit reports for those individuals anticipated to guarantee the completion of the Development.
- (1) Credit Reports. The Underwriter will characterize the Development as "high risk" if the Applicant, General Partner, Developer, anticipated Guarantor or Principals thereof have a credit score which reflects a 40% or higher potential default rate.
- (2) Financial Statements of Principals. The Applicant, Developer, any principals of the Applicant, General Partner, and Developer and any Person who will be required to guarantee the Development will be required to provide a signed and dated financial statement and authorization to release credit information in accordance with the Department's program rules.
- (A) Individuals. The Underwriter will evaluate and discuss financial statements for individuals in a confidential portion of the Report. The Development may be characterized as "high risk" if the Developer, anticipated Guarantor or Principals thereof is determined to have limited net worth or significant lack of liquidity.
- (B) Partnerships and Corporations. The Underwriter will evaluate and discuss financial statements for partnerships and corporations in the Report. The Development may be characterized as "high risk" if the Developer, anticipated Guarantor or Principals thereof is determined to have limited net worth or significant lack of liquidity.
- (C) If the Development is characterized as a high risk for either lack of previous experience as determined by the TDHCA division responsible for compliance or a higher potential default rate is identified as described in paragraph (1) or (2) of this subsection, the Report must condition any potential award upon the identification and inclusion of additional Development partners who can meet the Department's guidelines.
- (g) Other Underwriting Considerations. The Underwriter will evaluate numerous additional elements as described in subsection (b) of this section and those that require further elaboration are identified in this subsection.
- (1) Floodplains. The Underwriter evaluates the site plan, floodplain map, survey and other information provided to determine if any of the buildings, drives, or parking areas reside within the 100-year

floodplain. If such a determination is made by the Underwriter, the Report will include a condition that:

- (A) The Applicant must pursue and receive a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR-F); or
- (B) The Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain; or
- (C) The Development must be designed to comply with the QAP, as proposed.
- (2) The Underwriter will identify in the report any Developments funded or known and anticipated to be eligible for funding within one linear mile of the subject.
- (3) Supportive Housing. The unique development and operating characteristics of Supportive Housing Developments may require special consideration in the following areas:
- (A) Operating Income. The extremely-low-income tenant population typically targeted by a Supportive Housing Development may include deep-skewing of rents to well below the 50% AMI level or other maximum rent limits established by the Department. The Underwriter should utilize the Applicant's proposed rents in the Report as long as such rents are at or below the maximum rent limit proposed for the units and equal to any project based rental subsidy rent to be utilized for the Development.
- (B) Operating Expenses. A Supportive Housing Development may have significantly higher expenses for payroll, management fee, security, resident support services, or other items than typical Affordable Housing Developments. The Underwriter will rely heavily upon the historical operating expenses of other Supportive Housing Developments provided by the Applicant or otherwise available to the Underwriter.
- (C) DCR and Long Term Feasibility. Supportive Housing Developments may be exempted from the DCR requirements of subsection (d)(4)(D) of this section if the Development is anticipated to operate without conventional debt. Applicants must provide evidence of sufficient financial resources to offset any projected 15-year cumulative negative cash flows. Such evidence will be evaluated by the Underwriter on a case-by-case basis to satisfy the Department's long term feasibility requirements and may take the form of one or a combination of the following: executed subsidy commitment(s), set-aside of Applicant's financial resources, to be substantiated by an audited financial statement evidencing sufficient resources, and/or proof of annual fundraising success sufficient to fill anticipated operating losses. If either a set aside of financial resources or annual fundraising are used to evidence the long term feasibility of a Supportive Housing Development, a resolution from the Applicant's governing board must be provided confirming their irrevocable commitment to the provision of these funds and activities.
- (D) Development Costs. For Supportive Housing that is styled as efficiencies, the Underwriter may use "Average Quality" dormitory costs from the Marshall & Swift Valuation Service, with adjustments for amenities and/or quality as evidenced in the application, as a base cost in evaluating the reasonableness of the Applicant's direct construction cost estimate for new construction Developments.
- (h) Work Out Development. Developments that are underwritten subsequent to Board approval in order to refinance or gain relief from restrictions may be considered infeasible based on the guidelines

in this section, but may be characterized as "the best available option" or "acceptable available option" depending on the circumstances and subject to the discretion of the Underwriter as long as the option analyzed and recommended is more likely to achieve a better financial outcome for the property and the Department than the status quo.

- (i) Feasibility Conclusion. An infeasible Development will not be recommended for funding or allocation unless the Underwriter can determine a plausible alternative feasible financing structure and conditions the recommendations of the report upon receipt of documentation supporting the alternative feasible financing structure. A development will be characterized as infeasible if paragraph (1)  $\underline{\ }$  [  $\underline{\text{or}}$  ] (2)  $\underline{\text{or}}$  (3) of this subsection applies. The Development will be characterized as infeasible if one or more of paragraphs  $\underline{(4)}$   $\underline{(6)}$  [  $\underline{(3)}$   $\underline{(5)}$ -] of this subsection applies unless paragraph  $\underline{(7)}$  [  $\underline{(6)}$ -] of this subsection also applies.
- (1) Inclusive Capture Rate. The method for determining the inclusive capture rate for a Development is defined [Defined] in §1.33 (d)(10)(E) of this subchapter [title]. The Underwriter will independently verify all components and conclusions of the inclusive capture rate and may at their discretion use independently aquired demographic data to calculate demand. The Development
- (A) is characterized as Rural[, Elderly-] or Special Needs and the inclusive capture rate is above 75% for the total proposed units; or
- (B) is characterized as Elderly in an urban area and the inclusive capture rate is above 50% for the total proposed units; or
- (C) [(B)] is not characterized as Rural, Elderly or Special Needs and the inclusive capture rate is above 25% for the total proposed units.
- (D) [ (C) ] Developments meeting the requirements of subparagraph (A) , [ or ] (B) or (C) of this subparagraph [ paragraph ] may avoid being characterized as infeasible if clause (i) or (ii) of this subparagraph [ paragraph ] apply.
- (i) Replacement Housing. The Development is comprised of Affordable Housing which replaces previously existing substandard Affordable Housing within the Primary Market Area as defined in §1.33 of this <u>subchapter</u> [ title-] on a Unit for Unit basis, and gives the displaced tenants of the previously existing substandard Affordable Housing a leasing preference.
- (ii) Existing Housing. The Development is comprised of existing Affordable Housing which is at least 80% occupied and gives displaced existing tenants a leasing preference as stated in the submitted relocation plan.
- (2) Concentration Rate. The Underwriter will independently verify the number of rental units in multiunit buildings based on the most recent Census data and the completion of Department funded or other known rental Developments in the area.
- (A) The Development is in a Census Tract(s), as established by the U.S. Census Bureau, where the total number of rental units in buildings with three or more units exceeds the ratio of 1,432 units per square mile.

- (B) The Primary Market Area is contained in Census Tract(s), as established by the U.S. Census Bureau, where the total number of rental units in buildings with three or more units exceeds the ratio of 1,000 units per square mile.
- (C) Development's in areas which exceed the limits in subparagraph (A) or (B) of this paragraph may avoid being characterized as infeasible if paragraph (1)(D)(i) or (ii) of this subsection applies.
- (3) [(2)] Deferred Developer Fee. Development requesting an allocation of tax credits cannot repay the estimated deferred developer fee, based on the Underwriter's recommended financing structure, from cashflow within the first 15 years of the long term proforma as described in subsection (d)(5) of this section.
- (4) [(3)] Restricted Market Rent. The Restricted Market Rent for units with rents restricted at 60% of AMGI is less than both the Net [net-] Program Rent and Market Rent for units with rents restricted at or below 50% of AMGI unless the development proposes all restricted units with rents restricted at or below the 50% of AMGI level. [The requirement in this section may be waived by the Executive Director of the Department on appeal if documentation is submitted by the Applicant to support unique eircumstances of the market that would provide mitigation.]
- (5) [ (4)-] Initial Feasibility. The Year 1 annual total operating expense divided by the Year 1 Effective Gross Income is greater than 65%.
- (6) [(5)] Long Term Feasibility. Any year in the first 15 years of the Long Term Proforma, as defined in subsection (d)(5) of this section, reflects
- (A) negative Cash Flow; or
- (B) a Debt Coverage Ratio below 1.15.
- (7) [ (6)-] Exceptions. The infeasibility conclusions may be excepted where either of the following apply. [ Developments meeting the requirements of one or more of paragraphs (3) (5) of this subsection may be re-characterized as feasible if one or more of subparagraphs (A) (C) of this paragraph and subparagraph (D) of this paragraph apply. ]
- (A) The requirements in this subsection may be waived by the Executive Director of the Department on appeal if documentation is submitted by the Applicant to support unique circumstances that would provide mitigation.
- (B) Developments meeting the requirements of one or more of paragraphs (4) (6) of this subsection will be re-characterized as feasible if one or more of clauses (i) (vi) of this subparagraph apply.
- (i) [(A)-] The Development will receive Project-based Section 8 Rental Assistance and a firm commitment with terms including contract rent and number of units is submitted at application.
- (ii) [(B)] The Development will receive rental assistance in association with USDA-RD-RHS financing.
- (iii) [<del>(C)</del>] The Development will be characterized as public housing as defined by HUD.

- (iv) The Development will be characterized as 100% Supportive Housing and evidence of adequate financial support for the long term viability of the Development is provided.
- (v) The Development has other long term project based restrictions on rents that allow rents to increase based upon expenses and those rents are currently more than 10% lower than both the Net Program Rent and Restricted Market Rent.
- (vi) [ (D)-] The units not receiving Project-based Section 8 Rental Assistance or rental assistance in association with USDA-RD-RHS financing, or not characterized as public housing do not propose rents that are less than the Project-based Section 8, USDA-RD-RHS financing, or public housing units.

# §1.33.Market Analysis Rules and Guidelines.

- (a) General Provision. A Market Analysis prepared for the Department must evaluate the need for decent, safe, and sanitary housing at rental rates or sales prices that eligible tenants can afford. The analysis must determine the feasibility of the subject Property rental rates or sales price and state conclusions as to the impact of the Property with respect to the determined housing needs. The Market Analysis must include a statement that the report preparer has read and understood the requirements of this section.
- (b) Self-Contained. A Market Analysis prepared for the Department must allow the reader to understand the market data presented, the analysis of the data, and the conclusions derived from such data. All data presented should reflect the most current information available and the report must provide a parenthetical (in-text) citation or footnote describing the data source. The analysis must clearly lead the reader to the same or similar conclusions reached by the Market Analyst. All steps leading to a calculated figure must be presented in the body of the report.
- (c) Market Analyst Qualifications. A Market Analysis submitted to the Department must be prepared and certified by an approved Qualified Market Analyst (§2306.67055). The Department will maintain an approved Market Analyst list based on the guidelines set forth in paragraphs (1) (3) of this subsection.
- (1) If not listed as approved by the Department, Market Analysts must submit subparagraphs (A) (F) of this paragraph at least thirty days prior to the first day of the Application Acceptance Period for which the Market Analyst must be approved. To maintain status as an approved Qualified Market Analyst, updates to the items described in subparagraphs (A) (C) of this paragraph must be submitted annually on the first Monday in February for review by the Department.
- (A) Documentation of good standing in the State of Texas.
- (B) A current organization chart or list reflecting all members of the firm who may author or sign the Market Analysis.
- (C) Resumes for all members of the firm or subcontractors who may author or sign the Market Analysis.
- (D) General information regarding the firm's experience including references, the number of previous similar assignments and time frames in which previous assignments were completed.

- (E) Certification from an authorized representative of the firm that the services to be provided will conform to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the application round in which each Market Analysis is submitted.
- (F) A sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the sample Market Analysis is submitted.
- (2) During the underwriting process each Market Analysis will be reviewed and any discrepancies with the rules and guidelines set forth in this section may be identified and require timely correction. Subsequent to the completion of the application round and as time permits, staff or a review appraiser will re-review a sample set of submitted market analyses to ensure that the Department's Market Analysis Rules and Guidelines are met. If it is found that a Market Analyst has not conformed to the Department's Market Analysis Rules and Guidelines, as certified to, the Market Analyst will be notified of the discrepancies in the Market Analysis and will be removed from the approved Qualified Market Analyst list.
- (A) In and of itself, removal from the list of approved Market Analysts will not invalidate a Market Analysis commissioned prior to the removal date and at least 90 days prior to the first day of the applicable Application Acceptance Period.
- (B) To be reinstated as an approved Qualified Market Analyst, the Market Analyst must amend the previous report to remove all discrepancies or submit a new sample Market Analysis that conforms to the Department's Market Analysis Rules and Guidelines, as described in this section, in effect for the year in which the updated or new sample Market Analysis is submitted.
- (3) The list of approved Qualified Market Analysts is posted on the Department's web site and updated within 72 hours of a change in the status of a Market Analyst.
- (d) Market Analysis Contents. A Market Analysis for a rental Development prepared for the Department must be organized in a format that follows a logical progression and must include, at minimum, items addressed in paragraphs (1) (12) of this subsection.
- (1) Title Page. Include Property address or location, effective date of analysis, date report completed, name and address of person authorizing report, and name and address of Market Analyst.
- (2) Letter of Transmittal. The date of the letter must be the date the report was completed. Include Property address or location, description of Property, statement as to purpose and scope of analysis, reference to accompanying Market Analysis report with effective date of analysis and summary of conclusions, date of Property inspection, name of persons inspecting subject Property, and signatures of all Market Analysts authorized to work on the assignment. Include a statement that the report preparer has read and understood the requirements of this section.
- (3) Table of Contents. Number the exhibits included with the report for easy reference.
- (4) Assumptions and Limiting Conditions. Include a description of all assumptions, both general and specific, made by the Market Analyst concerning the Property.

- (5) Identification of the Property. Provide a statement to acquaint the reader with the Development. Such information includes street address, tax assessor's parcel number(s), and Development characteristics.
- (6) Statement of Ownership. Disclose the current owners of record and provide a three year history of ownership for the subject Property.
- (7) Secondary Market Area. All of the Market Analyst's conclusions specific to the subject Development must be based on only one Secondary Market Area definition. The entire PMA, as described in paragraph (8) of this subsection, must be contained within the Secondary Market boundaries. The Market Analyst must adhere to the methodology described in this paragraph when determining the secondary market area (§2306.67055).
- (A) The Secondary Market Area will be defined by the Market Analyst with
- (i) size based on a base year population of no more than 250,000 people for Developments targeting families, and
- (ii) boundaries based on
- (I) major roads,
- (II) political boundaries, and
- (III) natural boundaries.
- (IV) A radius is prohibited as a boundary definition.
- (B) The Market Analyst's definition of the Secondary Market Area must be supported with a detailed description of the methodology used to determine the boundaries. If applicable, the Market Analyst must place special emphasis on data used to determine an irregular shape for the Secondary Market.
- (C) A scaled distance map indicating the Secondary Market Area boundaries that clearly identifies the location of the subject Property must be included.
- (8) Primary Market Area. All of the Market Analyst's conclusions specific to the subject Development must be based on only one Primary Market Area definition. The Market Analyst must adhere to the methodology described in this paragraph when determining the market area (§2306.67055).
- (A) The Primary Market Area will be defined by the Market Analyst with
- (i) size based on a base year population of no more than
- (I) 100,000 people for Developments targeting the general population, and
- (II) 250,000 people for Qualified Elderly Developments or Developments targeting special needs populations,
- (ii) boundaries <u>identifying based on the most recent Census Tract definitions</u>, as established by the U.S. Census Bureau <u>and based on</u>

- (I) major roads,
- (II) political boundaries, and
- (III) natural boundaries.
- (IV) A radius is prohibited as a boundary definition.
- (B) The Market Analyst's definition of the Primary Market Area must be supported with a detailed description of the methodology used to determine the boundaries. If applicable, the Market Analyst must place special emphasis on data used to determine an irregular shape for the PMA.
- (C) A scaled distance map indicating the Primary Market Area boundaries that clearly identifies the location of the subject Property and the location of all Local Amenities must be included.
- (9) Market Information.
- (A) For each of the defined market areas and all census tracts contained in whole or in part by that area, identify the number of units for each of the categories in clauses (i) (vi) of this subparagraph; the data must be clearly labeled as relating to either the PMA or the Secondary Market, if applicable
- (i) total housing,
- (ii) rental developments (all multi-family),
- (iii) Affordable Housing,
- (iv) Comparable Units,
- (v) Unstabilized Comparable Units, and
- (vi) proposed Comparable Units.
- (B) Occupancy. The occupancy rate indicated in the Market Analysis may be used to support both the overall demand conclusion for the proposed Development and the vacancy rate assumption used in underwriting the Development (§1.32(d)(1)(C) of this subchapter). State the overall physical occupancy rate for the proposed housing tenure (renter or owner) within the defined market areas by
- (i) number of Bedrooms,
- (ii) quality of construction (class),
- (iii) Targeted Population, and
- (iv) Comparable Units.
- (C) Absorption. State the absorption trends by quality of construction (class) and absorption rates for Comparable Units.
- (D) Turnover. The turnover rate should be specific to the Targeted Population. The data supporting the turnover rate must originate from documented turnover rates from at least one of the following

- (i) Comparable Units,
- (ii) the defined PMA,
- (iii) the defined Secondary Market, and
- (iv) a Third Party data collection agency or demographer.
- (E) Demand. Provide a comprehensive evaluation of the need for the proposed housing for <u>the Development as a whole and each Unit type</u> by number of Bedrooms proposed and rent restriction category within the defined market areas using the most current census and demographic data available.
- (i) Demographics.
- (I) Population. Provide population and household figures, supported by actual demographics, for a five-year period with the year of application as the base year.
- (II) Target. If applicable, adjust the household projections for the Qualified Elderly or special needs population targeted by the proposed Development. State the target adjustment rate.
- (III) Household Size-Appropriate. Adjust the household projections or target household projections, as applicable, for the appropriate household size for the proposed Unit type by number of Bedrooms proposed and rent restriction category based on 1.5 persons per Bedroom (round up). State the Household Size-Appropriate adjustment rate.
- (IV) Income Eligible. Adjust the household size appropriate projections for income eligibility based on the income bands for the proposed Unit type by number of Bedrooms proposed and rent restriction category with
- (-a-) the lower end of each income band calculated based on the lowest gross rent proposed divided by 35% for the general population and 40% for Qualified Elderly households, and
- (-b-) the upper end of each income band equal to the applicable gross median income limit for the largest appropriate household size based on 1.5 persons per Bedroom (round up).
- (-c-) State the Income Eligible adjustment rate.
- (V) Tenure-Appropriate. Adjust the income-eligible household projections for tenure (renter or owner). State the Tenure-Appropriate adjustment rate.
- (ii) Demand from Turnover. Apply the turnover rate as described in subparagraph (D) of this paragraph to the target, income-eligible, size-appropriate and tenure-appropriate households in the PMA projected at the proposed placed in service date.
- (iii) Demand from Population Growth. Calculate the target, income-eligible, size-appropriate and tenure-appropriate household growth in the PMA for the twelve month period following the proposed placed in service date.
- (iv) Demand from Secondary Market Area.

- (I) Apply the turnover rate as described in subparagraph (D) of this paragraph to the target, incomeeligible, size-appropriate and tenure-appropriate households in the Secondary Market Area projected at the proposed placed in service date.
- (II) Not more than [Only] 25% of the demand can come from outside the PMA as calculated in subclause (I) of this clause and [may] be included in the calculation of demand as described in paragraph (10)(D) of this subsection and for use in calculation of inclusive capture rate as described in paragraph (10)(E) of this subsection. In addition, 25% of the Comparable Units from Unstabilized Developments within the Secondary Market Area must be included in the calculation of inclusive capture rate.
- (v) Demand from Other Sources. The source of additional demand and the methodology used to calculate the additional demand must be clearly stated. Calculation of additional demand must factor in the adjustments described in clause (i) of this subparagraph.
- (10) Conclusions. Include a comprehensive evaluation of the subject Property, separately addressing each housing type and specific population to be served by the Development in terms of items in subparagraphs (A) (G) of this paragraph. All conclusions must be consistent with the data and analysis presented throughout the Market Analysis.
- (A) Unit Mix. Provide a best possible unit mix conclusion based on the occupancy rates by Bedroom type within the PMA and target, income-eligible, size-appropriate and tenure-appropriate household demand within the PMA.
- (B) Rents. Provide a separate Market Rent [ market rent-] and Restricted Market Rent conclusion for each proposed Unit type by number of Bedrooms and rent restriction category. Conclusions of Market Rent or Restricted Market Rent below the maximum Net [ net-] Program Rent limit must be well documented as the conclusions may impact the feasibility of the Development under §1.32(i) of this subchapter [ title-].
- (i) Comparable Units. Identify developments in the PMA with Comparable Units. In Primary Market Areas lacking sufficient rent comparables, it may be necessary for the Market Analyst to collect data from markets with similar characteristics and make quantifiable location adjustments. Provide a data sheet for each development consisting of
- (I) Development name,
- (II) address,
- (III) year of construction and year of rehabilitation, if applicable,
- (IV) property condition,
- (V) population target,
- (VI) unit mix specifying number of Bedrooms, number of baths, net rentable square footage and
- (-a-) monthly rent<u>and utility allowance</u>, or
- (-b-) sales price with terms, marketing period and date of sale,

- (VII) description of concessions,
- (VIII) list of unit amenities,
- (IX) utility structure,
- (X) list of common amenities, and
- (XI) for rental developments only
- (-a-) occupancy, and
- (-b-) turnover.
- (ii) Provide a scaled distance map indicating the Primary Market Area boundaries that clearly identifies the location of the subject Property and the location of the identified developments with Comparable Units.
- (iii) Rent Adjustments. In support of the Market Rent and Restricted Market Rent conclusions, provide a separate attribute adjustment matrix for each proposed unit type by number of Bedrooms and rental restriction category.
- (I) The Department recommends use of HUD Form 92273.
- (II) A minimum of three developments must be represented on each attribute adjustment matrix.
- (III) Adjustments for concessions must be included, if applicable.
- (IV) Total adjustments in excess of 15% must be supported with additional narrative.
- (V) Total adjustments in excess of 25% indicate the Units are not comparable for the purposes of determining Market Rent and Restricted Market Rent conclusions.
- (C) Effective Gross Income. Provide rental income, secondary income, and vacancy and collection loss projections for the subject derived independent of the Applicant's estimates.
- (D) Demand. State the target, income-eligible, size-appropriate and tenure-appropriate household demand by Unit type by number of Bedrooms proposed and rent restriction category (e.g. one-Bedroom units restricted at 50% of AMFI; two-Bedroom units restricted at 60% of AMFI) by summing the demand components applicable to the subject Development discussed in paragraph (9)(E)(ii) (v) of this subsection. State the total target, income-eligible, size-appropriate and tenure-appropriate household demand by summing the demand components applicable to the subject Development discussed in paragraph (9)(E)(ii) (v) of this subsection.
- (E) Inclusive Capture Rate. The Market Analyst must calculate inclusive capture rates for the subject Development's proposed Unit types by number of Bedrooms and rent restriction categories, market rate Units, if applicable, and total Units. The Underwriter will adjust the inclusive capture rates to take into account any errors or omissions. To calculate an inclusive capture rate
- (i) total

- (I) the proposed subject Units,
- (II) Comparable Units with priority, as defined in §49.9(d)(2) of this title, over the subject that have made application to TDHCA and have not been presented to the TDHCA Board for decision and
- (III) Comparable Units in previously approved but Unstabilized Developments, and
- (ii) divide by the total target, income-eligible, size-appropriate and tenure-appropriate household demand stated in subparagraph (D) of this paragraph.
- (iii) Refer to §1.32(i) of this subchapter for feasibility criteria.
- (F) Absorption. Project an absorption period for the subject Development to achieve Sustaining Occupancy. State the absorption rate.
- (G) Market Impact. Provide an assessment of the impact the subject Development, as completed, will have on existing [program-] Developments supported by Housing Tax Credits in the Primary Market (§2306.67055).
- (11) Photographs. Provide labeled color photographs of the subject Property, the neighborhood, street scenes, and comparables. An aerial photograph is desirable but not mandatory.
- (12) Appendices. Any Third Party reports including demographics relied upon by the Market Analyst must be provided in appendix form. A list of works cited including personal communications also must be provided, and the Modern Language Association (MLA) format is suggested.
- (e) The Department reserves the right to require the Market Analyst to address such other issues as may be relevant to the Department's evaluation of the need for the subject Development and the provisions of the particular program guidelines.
- (f) All Applicants shall acknowledge, by virtue of filing an application, that the Department shall not be bound by any such opinion or Market Analysis, and may substitute its own analysis and underwriting conclusions for those submitted by the Market Analyst.
- *§1.34.Appraisal Rules and Guidelines.*
- (a) General Provision. An appraisal prepared for the Department must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation. The appraisal must include a statement that the report preparer has read and understood the requirements of this section.
- (b) Self-Contained. An appraisal prepared for the Department must describe sufficient and adequate data and analyses to support the final opinion of value. The final value(s) must be reasonable, based on the information included. Any Third Party reports relied upon by the appraiser must be verified by the appraiser as to the validity of the data and the conclusions.
- (c) Appraiser Qualifications. The qualifications of each appraiser are determined on a case-by-case basis by the Director of Real Estate Analysis or review appraiser, based upon the quality of the report itself and the experience and educational background of the appraiser. At minimum, a qualified

appraiser must be appropriately certified or licensed by the Texas Appraiser Licensing and Certification Board.

- (d) Appraisal Contents. An appraisal prepared for the Department must be organized in a format that follows a logical progression. In addition to the contents described in USPAP Standards Rule 2, the appraisal must include items addressed in paragraphs (1) (12) of this subsection.
- (1) Title Page. Include a statement identifying the Department as the client, acknowledging that the Department is granted full authority to rely on the findings of the report, and name and address of person authorizing report.
- (2) Letter of Transmittal. Include reference to accompanying appraisal report, reference to all person(s) that provided significant assistance in the preparation of the report, date of report, effective date of appraisal, date of property inspection, name of person(s) inspecting the property, tax assessor's parcel number(s) of the site, estimate of marketing period, and signatures of all appraisers authorized to work on the assignment including the appraiser who inspected the property. Include a statement indicating the report preparer has read and understood the requirements of this section.
- (3) Table of Contents. Number the exhibits included with the report for easy reference.
- (4) Disclosure of Competency. Include appraiser's qualifications, detailing education and experience.
- (5) Statement of Ownership of the Subject Property. Discuss all prior sales of the subject property which occurred within the past three years. Any pending agreements of sale, options to buy, or listing of the subject property must be disclosed in the appraisal report.
- (6) Property Rights Appraised. Include a statement as to the property rights (e.g., fee simple interest, leased fee interest, leasehold, etc.) being considered. The appropriate interest must be defined in terms of current appraisal terminology with the source cited.
- (7) Site/Improvement Description. Discuss the site characteristics including subparagraphs (A) (E) of this paragraph.
- (A) Physical Site Characteristics. Describe dimensions, size (square footage, acreage, etc.), shape, topography, corner influence, frontage, access, ingress-egress, etc. associated with the site. Include a plat map and/or survey.
- (B) Floodplain. Discuss floodplain (including flood map panel number) and include a floodplain map with the subject clearly identified.
- (C) Zoning. Report the current zoning and description of the zoning restrictions and/or deed restrictions, where applicable, and type of Development permitted. Any probability of change in zoning should be discussed. A statement as to whether or not the improvements conform to the current zoning should be included. A statement addressing whether or not the improvements could be rebuilt if damaged or destroyed, should be included. If current zoning is not consistent with the highest and best use, and zoning changes are reasonable to expect, time and expense associated with the proposed zoning change should be considered and documented. A zoning map should be included.
- (D) Description of Improvements. Provide a thorough description and analysis of the improvements including size (net rentable area, gross building area, etc.), number of stories, number of buildings,

type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, <u>energy efficiency measures</u>, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.

- (E) Environmental Hazards. It is recognized appraisers are not experts in such matters and the impact of such deficiencies may not be quantified; however; the report should disclose any potential environmental hazards (e.g., discolored vegetation, oil residue, asbestos-containing materials, lead-based paint etc.) noted during the inspection.
- (8) Highest and Best Use. Market Analysis and feasibility study is required as part of the highest and best use. The highest and best use analysis should consider paragraph (7)(A) (E) of this subsection as well as a supply and demand analysis.
- (A) The appraisal must inform the reader of any positive or negative market trends which could influence the value of the appraised property. Detailed data must be included to support the appraiser's estimate of stabilized income, absorption, and occupancy.
- (B) The highest and best use section must contain a separate analysis "as if vacant" and "as improved" (or "as proposed to be improved/renovated"). All four elements (legally permissible, physically possible, feasible, and maximally productive) must be considered.
- (9) Appraisal Process. It is mandatory that all three approaches, Cost Approach, Sales Comparison Approach and Income Approach, are considered in valuing the property. If an approach is not applicable to a particular property an adequate explanation must be provided. A land value estimate must be provided if the cost approach is not applicable.
- (A) Cost Approach. This approach should give a clear and concise estimate of the cost to construct the subject improvements. The source(s) of the cost data should be reported.
- (i) Cost comparables are desirable; however, alternative cost information may be obtained from Marshall & Swift Valuation Service or similar publications. The section, class, page, etc. should be referenced. All soft costs and entrepreneurial profit must be addressed and documented.
- (ii) All applicable forms of depreciation must be discussed and analyzed. Such discussion must be consistent with the description of the improvements.
- (iii) The land value estimate should include a sufficient number of sales which are current, comparable, and similar to the subject in terms of highest and best use. Comparable sales information should include address, legal description, tax assessor's parcel number(s), sales price, date of sale, grantor, grantee, three year sales history, and adequate description of property transferred. The final value estimate should fall within the adjusted and unadjusted value ranges. Consideration and appropriate cash equivalent adjustments to the comparable sales price for subclauses (I) (VII) of this clause should be made when applicable.
- (I) Property rights conveyed.
- (II) Financing terms.
- (III) Conditions of sale.

- (IV) Location.
- (V) Highest and best use.
- (VI) Physical characteristics (e.g., topography, size, shape, etc.).
- (VII) Other characteristics (e.g., existing/proposed entitlements, special assessments, etc.).
- (B) Sales Comparison Approach. This section should contain an adequate number of sales to provide the reader with a description of the current market conditions concerning this property type. Sales data should be recent and specific for the property type being appraised. The sales must be confirmed with buyer, seller, or an individual knowledgeable of the transaction.
- (i) Sales information should include address, legal description, tax assessor's parcel number(s), sales price, financing considerations and adjustment for cash equivalency, date of sale, recordation of the instrument, parties to the transaction, three year sale history, complete description of the property and property rights conveyed, and discussion of marketing time. A scaled distance map clearly identifying the subject and the comparable sales must be included.
- (ii) The method(s) used in the Sales Comparison Approach must be reflective of actual market activity and market participants.
- (I) Sale Price/Unit of Comparison. The analysis of the sale comparables must identify, relate, and evaluate the individual adjustments applicable for property rights, terms of sale, conditions of sale, market conditions, and physical features. Sufficient narrative must be included to permit the reader to understand the direction and magnitude of the individual adjustments, as well as a unit of comparison value indicator for each comparable.
- (II) Net Operating Income/Unit of Comparison. The net operating income statistics for the comparables must be calculated in the same manner. It should be disclosed if reserves for replacement have been included in this method of analysis. At least one other method should accompany this method of analysis.
- (C) Income Approach. This section must contain an analysis of both the actual historical and projected income and expense aspects of the subject property.
- (i) Market Rent Estimate/Comparable Rental Analysis. This section of the report should include an adequate number of actual market transactions to inform the reader of current market conditions concerning rental units. The comparables must indicate current research for this specific property type. The comparables must be confirmed with the landlord, tenant or agent and individual data sheets must be included. The individual data sheets should include property address, lease terms, description of the property (e.g., unit type, unit size, unit mix, interior amenities, exterior amenities, etc.), physical characteristics of the property, and location of the comparables. Analysis of the Market Rents should be sufficiently detailed to permit the reader to understand the appraiser's logic and rationale. Adjustment for lease rights, condition of the lease, location, physical characteristics of the property, etc. must be considered.
- (ii) Comparison of Market Rent to Contract Rent. Actual income for the subject along with the owner's current budget projections must be reported, summarized, and analyzed. If such data is unavailable, a

statement to this effect is required and appropriate assumptions and limiting conditions should be made. The contract rents should be compared to the market-derived rents. A determination should be made as to whether the contract rents are below, equal to, or in excess of market rates. If there is a difference, its impact on value must be qualified.

- (iii) Vacancy/Collection Loss. Historical occupancy data and current occupancy level for the subject should be reported and compared to occupancy data from the rental comparables and overall occupancy data for the subject's Primary Market.
- (iv) Expense Analysis. Actual expenses for the subject, along with the owner's projected budget, must be reported, summarized, and analyzed. If such data is unavailable, a statement to this effect is required and appropriate assumptions and limiting conditions should be made. Historical expenses should be compared to comparables expenses of similar property types or published survey data (e.g., IREM, BOMA, etc.). Any expense differences should be reconciled. Include historical data regarding the subject's assessment and tax rates and a statement as to whether or not any delinquent taxes exist.
- (v) Capitalization. The appraiser should present the capitalization method(s) reflective of the subject market and explain the omission of any method not considered in the report.
- (I) Direct Capitalization. The primary method of deriving an overall rate (OAR) is through market extraction. If a band of investment or mortgage equity technique is utilized, the assumptions must be fully disclosed and discussed.
- (II) Yield Capitalization (Discounted Cash Flow Analysis). This method of analysis should include a detailed and supportive discussion of the projected holding/investment period, income and income growth projections, occupancy projections, expense and expense growth projections, reversionary value and support for the discount rate.
- (10) Value Estimates. Reconciliation final value estimate is required.
- (A) All appraisals shall contain a separate estimate of the "as vacant" market value of the underlying land, based upon current sales comparables. The appraiser should consider the fee simple or leased fee interest as appropriate.
- (B) Appraisal assignments for new construction are required to provide an "as completed" value of the proposed structures. These reports shall provide an "as restricted with favorable financing" value as well as an "unrestricted market" value.
- (C) Reports on Properties to be rehabilitated shall address the "as restricted with favorable financing" value as well as both an "as is" value and an "as completed" value. The appraiser should consider the fee simple or leased fee interest as appropriate.
- (D) If required the appraiser must include a separate assessment of personal property, furniture, fixtures, and equipment (FF&E) and/or intangible items. If personal property, FF&E, or intangible items are not part of the transaction or value estimate, a statement to such effect should be included.
- (11) Marketing Time. Given property characteristics and current market conditions, the appraiser(s) should employ a reasonable marketing period. The report should detail existing market conditions and assumptions considered relevant.

- (12) Photographs. Provide good quality color photographs of the subject property (front, rear, and side elevations, on-site amenities, interior of typical units if available). Photographs should be properly labeled. Photographs of the neighborhood, street scenes, and comparables should be included. An aerial photograph is desirable but not mandatory.
- (e) Additional Appraisal Concerns. The appraiser(s) must be aware of Department program rules and guidelines and the appraisal must include analysis of any impact to the subject's value.

### §1.35.Environmental Site Assessment Rules and Guidelines.

- (a) General Provisions. The Environmental Site Assessments (ESA) prepared for the Department should be conducted and reported in conformity with the standards of the American Society for Testing and Materials. The initial report should conform with the Standard Practice for Environmental Site Assessments: Phase I Assessment Process (ASTM Standard Designation: E1527-05). Any subsequent reports should also conform to ASTM standards and such other recognized industry standards as a reasonable person would deem relevant in view of the Property's anticipated use for human habitation. The environmental assessment shall be conducted by a Third Party environmental professional at the expense of the Applicant, and addressed to TDHCA as a User of the report (as defined by ASTM standards). Copies of reports provided to TDHCA which were commissioned by other financial institutions should address TDHCA as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to TDHCA. The ESA report should also include a statement that the person or company preparing the ESA report will not materially benefit from the Development in any other way than receiving a fee for performing the Environmental Site Assessment, and that the fee is in no way contingent upon the outcome of the assessment. The ESA report must contain a statement indicating the report preparer has read and understood the requirements of this section.
- (b) In addition to ASTM requirements, the report must
- (1) State if a noise study is recommended for a property in accordance with current HUD guidelines and identify its proximity to industrial zones, major highways, active rail lines, civil and military airfields, or other potential sources of excessive noise;
- (2) Provide a copy of a current survey, if available, or other drawing of the site reflecting the boundaries and adjacent streets, all improvements on the site, and any items of concern described in the body of the environmental site assessment or identified during the physical inspection;
- (3) Provide a copy of the current FEMA Flood Insurance Rate Map showing the panel number and encompassing the site with the site boundaries precisely identified and superimposed on the map.
- (4) If the subject site includes any improvements or debris from pre-existing improvements, state if testing for asbestos containing materials (ACMs) would be required pursuant to local, state, and federal laws, or recommended due to any other consideration;
- (5) If the subject site includes any improvements or debris from pre-existing improvements, state if testing for Lead Based Paint would be required pursuant to local, state, and federal laws, or recommended due to any other consideration;

- (6) State if testing for lead in the drinking water would be required pursuant to local, state, and federal laws, or recommended due to any other consideration such as the age of pipes and solder in existing improvements; and
- (7) Assess the potential for the presence of Radon on the property, and recommend specific testing if necessary.
- (c) If the report recommends further studies or establishes that environmental hazards currently exist on the Property, or are originating off-site but would nonetheless affect the Property, the Development Owner must act on such a recommendation or provide a plan for either the abatement or elimination of the hazard. Evidence of action or a plan for the abatement or elimination of the hazard must be presented upon Application submittal.
- (d) For Developments in programs that allow a waiver of the Phase I ESA such as a TX-USDA-RHS funded Development, the Development Owners are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.
- (e) Those Developments which have or are to receive first lien financing from HUD may submit HUD's environmental assessment report, provided that it conforms to the requirements of this subsection. [Guidelines-]

### §1.36.Property Condition Assessment Guidelines.

- (a) General Provisions. The objective of the Property Condition Assessment (the PCA) is to provide cost estimates for repairs, replacements, or new construction which are: immediately necessary; proposed by the developer; and expected to be required throughout the term of the regulatory period and not less than 30 years. The PCA prepared for the Department should be conducted and reported in conformity with the American Society for Testing and Materials "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process (ASTM Standard Designation: E 2018" except as provided for in subsections (b) and (c) of this section. The PCA report must contain a statement indicating the report preparer has read and understood the requirements of this section. The PCA must include discussion and analysis of the following:
- (1) Useful Life Estimates. For each system and component of the property the PCA should assess the condition of the system or component, and estimate its remaining useful life, citing the basis or the source from which such estimate is derived.
- (2) Code Compliance. The PCA should review and document any known violations of any applicable federal, state, or local codes. In developing the cost estimates specified herein, it is the responsibility of the Housing Sponsor or Applicant to ensure that the PCA adequately considers any and all applicable federal, state, and local laws and regulations which may govern any work performed to the subject property.
- (3) Program Rules. The PCA should assess the extent to which any systems or components must be modified, repaired, or replaced in order to comply with any specific requirements of the housing program under which the Development is proposed to be financed, particular consideration being given to accessibility requirements, the Department's Housing Quality Standards, and any scoring criteria for which the Applicant may claim points.

- (4) Cost Estimates for Repair and Replacement. It is the responsibility of the Housing Sponsor or Applicant to ensure that the PCA provider is apprised of all development activities associated with the proposed transaction and consistency of the total immediately necessary and proposed repair and replacement cost estimates with the development cost schedule submitted as an exhibit of the Application.
- (A) Immediately Necessary Repairs and Replacement. Systems or components which are expected to have a remaining useful life of less than one year, which are found to be in violation of any applicable codes, which must be modified, repaired or replaced in order to satisfy program rules, or which are otherwise in a state of deferred maintenance or pose health and safety hazards should be considered immediately necessary repair and replacement. The PCA must provide a separate estimate of the costs associated with the repair, replacement, or maintenance of each system or component which is identified as being an immediate need, citing the basis or the source from which such cost estimate is derived.
- (B) Proposed Repair, Replacement, or New Construction. If the development plan calls for additional repair, replacement, or new construction above and beyond the immediate repair and replacement described in subparagraph (A) of this paragraph, such items must be identified and the nature or source of obsolescence or improvement to the operations of the Property discussed. The PCA must provide a separate estimate of the costs associated with the repair, replacement, or new construction which is identified as being above and beyond the immediate need, citing the basis or the source from which such cost estimate is derived.
- (C) Expected Repair and Replacement Over Time. The term during which the PCA should estimate the cost of expected repair and replacement over time must equal the longest term of any land use or regulatory restrictions which are, or will be, associated with the provision of housing on the property. The PCA must estimate the periodic costs which are expected to arise for repairing or replacing each system or component or the property, based on the estimated remaining useful life of such system or component as described in paragraph (1) of this subsection adjusted for completion of repair and replacement immediately necessary and proposed as described in subparagraphs (A) and (B) of this paragraph. The PCA must include a separate table of the estimated long term costs which identifies in each line the individual component of the property being examined, and in each column the year during the term in which the costs are estimated to be incurred and no less than 15 years. The estimated costs for future years should be given in both present dollar values and anticipated future dollar values assuming a reasonable inflation factor of not less than 2.5% per annum.
- (b) If a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied, the Department will also accept copies of reports commissioned or required by the primary lender for a proposed transaction, which have been prepared in accordance with:
- (1) Fannie Mae's criteria for Physical Needs Assessments,
- (2) Federal Housing Administration's criteria for Project Capital Needs Assessments,
- (3) Freddie Mac's guidelines for Engineering and Property Condition Reports,
- (4) TX-USDA-RHS guidelines for Capital Needs Assessment, or

- (5) Standard and Poor's Property Condition Assessment Criteria: Guidelines for Conducting Property Condition Assessments, Multifamily Buildings.
- (c) The Department may consider for acceptance reports prepared according to other standards which are not specifically named above in subsection (b) of this section, if a copy of such standards or a sample report have been provided for the Department's review, if such standards are widely used, and if all other criteria and requirements described in this section are satisfied.
- (d) The PCA shall be conducted by a Third Party at the expense of the Applicant, and addressed to TDHCA as the client. Copies of reports provided to TDHCA which were commissioned by other financial institutions should address TDHCA as a co-recipient of the report, or letters from both the provider and the recipient of the report should be submitted extending reliance on the report to TDHCA. The PCA report should also include a statement that the person or company preparing the PCA report will not materially benefit from the Development in any other way than receiving a fee for performing the PCA. The PCA report must contain a statement indicating the report preparer has read and understood the requirements of this section. The PCA should be signed and dated by the Third Party report provider not more than six months prior to the date of the application.

### §1.37.Reserve for Replacement Rules and Guidelines.

- (a) General Provisions. The Department will require Developments to provide regular maintenance to keep housing sanitary, safe and decent by maintaining a reserve for replacement in accordance with §2306.186. The reserve must be established for each unit in a Development of 25 or more rental units, regardless of the amount of rent charged for the unit. The Department shall, through cooperation of its divisions responsible for asset management and compliance, ensure compliance with this section.
- (b) The First Lien Lender shall maintain the reserve account through an escrow agent acceptable to the First Lien Lender to hold reserve funds in accordance with an executed escrow agreement and the rules set forth in this section and §2306.186.
- (1) Where there is a First Lien Lender other than the Department or a Bank Trustee as a result of a bond indenture or tax credit syndication, the Department shall
- (A) Be a required signatory party in all escrow agreements for the maintenance of reserve funds;
- (B) Be given notice of any asset management findings or reports, transfer of money in reserve accounts to fund necessary repairs, and any financial data and other information pursuant to the oversight of the Reserve Account within 30 days of any receipt or determination thereof;
- (C) Subordinate its rights and responsibilities under the escrow agreement, including those described in this subsection, to the First Lien Lender or Bank Trustee through a subordination agreement subject to its ability to do so under the law and normal and customary limitations for fraud and other conditions contained in the Department's standard subordination clause agreements as modified from time to time, to include subsection (c) of this section.
- (2) The escrow agreement and subordination agreement, if applicable, shall further specify the time and circumstances under which the Department can exercise its rights under the escrow agreement in order to fulfill its obligations under §2306.186 and as described in this section.

- (3) Where the Department is the First Lien Lender and there is no Bank Trustee as a result of a bond indenture or tax credit syndication or where there is no First Lien Lender but the allocation of funds by the Department and §2306.186 requires that the Department oversee a Reserve Account, the Owner shall provide at their sole expense for appointment of an escrow agent acceptable to the Department to act as Bank Trustee as necessary under this section. The Department shall retain the right to replace the escrow agent with another Bank Trustee or act as escrow agent at a cost plus fee payable by the Owner due to breach of the escrow agent's responsibilities or otherwise with 30 days prior notice of all parties to the escrow agreement.
- (c) If the Department is not the First Lien Lender with respect to the Development, each Owner receiving Department assistance for multifamily rental housing shall submit on an annual basis within the Department's required Owner's Financial Certification packet a signed certification by the First Lien Lender including:
- (1) Reserve for replacement requirements under the first lien loan agreement;
- (2) Monitoring standards established by the First Lien Lender to ensure compliance with the established reserve for replacement requirements; and
- (3) A statement by the First Lien Lender
- (A) That the Development has met all established reserve for replacement requirements; or
- (B) Of the plan of action to bring the Development in compliance with all established reserve for replacement requirements, if necessary.
- (d) If the Development meets the minimum unit size described in subsection (a) of this section and the establishment of a Reserve Account for repairs has not been required by the First Lien Lender or Bank Trustee, each Owner receiving Department assistance for multifamily rental housing shall set aside the repair reserve amount as described in subsection (e)(1) (3) of this section through the date described in subsection (f)(2) of this section through the appointment of an escrow agent as further described in subsection (b)(3) of this section.
- (e) If the Department is the First Lien Lender with respect to the Development, each Owner receiving Department assistance for multifamily rental housing shall deposit annually into a Reserve Account through the date described in subsection (f)(2) of this section:
- (1) For new construction Developments:
- (A) Not less than \$150 per unit per year for units one to five years old; and
- (B) Not less than \$200 per unit per year for units six or more years old.
- (2) For rehabilitation Developments:
- (A) An amount per unit per year established by the Department's division responsible for credit underwriting based on the information presented in a Property Condition Assessment in conformance with §1.36 of this <u>subchapter</u> [ title-]; and
- (B) Not less than \$300 per unit per year.

- (3) For either new construction or rehabilitation Developments, the Owner of a multifamily rental housing Development shall contract for a third-party Property Condition Assessment meeting the requirements of §1.36 of this <u>subchapter</u> and the Department will reanalyze the annual reserve requirement based on the findings and other support documentation.
- (A) A Property Condition Assessment will be conducted:
- (i) At appropriate intervals that are consistent with requirements of the First Lien Lender, other than the Department; or
- (ii) At least once during each five-year period beginning with the 11th year after the awarding of any financial assistance for the Development by the Department, if the Department is the First Lien Lender or the First Lien Lender does not require a third-party Property Condition Assessment.
- (B) Submission by the Owner to the Department will occur within 30 days of completion of the Property Condition Assessment and must include:
- (i) The complete Property Condition Assessment;
- (ii) First Lien Lender and/or Owner response to the findings of the Property Condition Assessment;
- (iii) Documentation of repairs made as a result of the Property Condition Assessment; and
- (iv) Documentation of adjustments to the amounts held in the replacement Reserve Account based upon the Property Condition Assessment.
- (f) A Land Use Restriction Agreement or restrictive covenant between the Owner and the Department must require:
- (1) The Owner to begin making annual deposits to the reserve account on the later of:
- (A) The date that occupancy of the Development stabilizes as defined by the First Lien Lender or in the absence of a First Lien Lender other than the Department, the date the property is at least 90% occupied; or
- (B) The date that permanent financing for the Development is completely in place as defined by the First Lien Lender or in the absence of a First Lien Lender other than the Department, the date when the permanent loan is executed and funded.
- (2) The Owner to continue making deposits until the earliest of the following dates:
- (A) The date on which the Owner suffers a total casualty loss with respect to the Development;
- (B) The date on which the Development becomes functionally obsolete, if the Development cannot be or is not restored;
- (C) The date on which the Development is demolished;
- (D) The date on which the Development ceases to be used as a multifamily rental property; or
- (E) The later of

- (i) The end of the affordability period specified by the Land Use Restriction Agreement or restrictive covenant; or
- (ii) The end of the repayment period of the first lien loan.
- (g) The duties of the Owner of a multifamily rental housing Development under this section cease on the date of a change in ownership of the Development; however, the subsequent Owner of the Development is subject to the requirements of this section.
- (h) If the Department is the First Lien Lender with respect to the Development or the First Lien Lender does not require establishment of a Reserve Account, the Owner receiving Department assistance for multifamily rental housing shall submit on an annual basis within the Department's required Owner's Financial Certification packet:
- (1) Financial statements, audited if available, with clear identification of the replacement Reserve Account balance and all capital improvements to the Development within the fiscal year;
- (2) Identification of costs other than capital improvements funded by the replacement Reserve Account; and
- (3) Signed statement of cause for:
- (A) Use of replacement Reserve Account for expenses other than necessary repairs, including property taxes or insurance;
- (B) Deposits to the replacement Reserve Account below the Department's or First Lien Lender's mandatory levels as defined in subsections (c), (d) and (e) of this section; and
- (C) Failure to make a required deposit.
- (i) If a request for extension or waiver is not approved by the Department, Department action, including a penalty of up to \$200 per dwelling unit in the Development and/or characterization of the Development as Materially Non-Compliant, as defined in §60.1 of this title, may be taken when:
- (1) A Reserve Account, as described in this section, has not been established for the Development;
- (2) The Department is not a party to the escrow agreement for the Reserve Account;
- (3) Money in the Reserve Account
- (A) Is used for expenses other than necessary repairs, including property taxes or insurance; or
- (B) Falls below mandatory deposit levels;
- (4) Owner fails to make a required deposit;
- (5) Owner fails to contract for the third party Property Condition Assessment as required under subsection (e)(3) of this section; or
- (6) Owner fails to make necessary repairs, as defined in subsection (k) of this section.

- (j) On a case by case basis, the Department may determine that the money in the Reserve Account may:
- (1) Be used for expenses other than necessary repairs, including property taxes or insurance, if:
- (A) Development income before payment of return to Owner or deferred developer fee is insufficient to meet operating expense and debt service requirements; and
- (B) The funds withdrawn from the Reserve Account are replaced as cashflow after payment of expenses, but before payment of return to Owner or developer fee is available.
- (2) Fall below mandatory deposit levels without resulting in Department action, if:
- (A) Development income after payment of operating expenses, but before payment of return to Owner or deferred developer fee is insufficient to fund the mandatory deposit levels; and
- (B) Subsequent deposits to the Reserve Account exceed mandatory deposit levels as cashflow after payment of operating expenses, but before payment of return to Owner or deferred developer fee is available until the Reserve Account has been replenished to the mandatory deposit level less capital expenses to date.
- (k) The Department or its agent may make repairs to the Development if the Owner fails to complete necessary repairs indicated in the submitted Property Condition Assessment or identified by physical inspection. Repairs may be deemed necessary if the Development is notified of the Owner's failure to comply with federal, state and/or local health, safety, or building code.
- (1) Payment for necessary repairs must be made directly by the Owner or through a replacement Reserve Account established for the Development under this section.
- (2) The Department or its agent will produce a Request for Bids to hire a contractor to complete and oversee necessary repairs.
- (l) This section does not apply to a Development for which the Owner is required to maintain a Reserve Account under any other provision of federal or state law.

SENT VIA EMAIL: 2008rulecomments@tdhca.state.tx.us
Texas Department of Housing & Community Affairs
2008 Rule Comments
P.O. Box 13941
Austin, Texas 78711-3941

RE: Comments on Proposed 10 TAC §§ 1.31 – 1.37

To Whom It May Concern:

Texas Legal Service Center ("TLSC") files these comments on the Texas Department of Housing & Community Affairs ("TDHCA" or "the Department") proposed amendments to 10 TAC §§ 1.31 – 1.37, regarding the Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines. Comments were to be received by October 10, 2007; thus, these comments are timely submitted.

### §1.32(d)(1)(A) Rental Income

The proposed rule revises the manner in which the Underwriter determines the rental income of the property. TLSC contend that for this determination to be accurate, the Underwriter first must be required to update the utility allowance at the time of initial project occupancy of new projects. Thus, §1.32(d)(1)(A) should be revised to read:

(A) Rental Income. The <u>Underwriter</u> will update the utility allowance and calculate the appropriate rent on a conservative or Contract Rent basis for comparison to the Applicant's estimate in the Application. The conservative basis for a restricted unit is the lesser of the Gross Program Rent less Utility Allowances ("Net Program Rent") or Market Rent or Restricted Market Rent. The conservative basis for an unrestricted unit is the lesser of the Market Rent or Applicant's projected rent. or Contract Rent is utilized by the Underwriter in calculating the rental income for

comparison to the Applicant's estimate in the application. Where multiple programs are funding the same units, Contract Rents are included, they will be used regardless of the conservative basis derived rentused, if applicable. If Contract Rents do not apply, the lowest Program Rents less Utility Allowance (""net Program Rent"") or Market Rents or Restricted Market Rent, as determined by the Market Analysis that are lower than the net Program Rents, are utilized.

### $\S1.32(e)(b)(ii)(II)(B)(2)$

TLSC stresses the importance of having up-to-date utility allowances to ensure that rents for a property are accurate. Performing annual calculations is a verifiable cost of owning a property. Thus, for existing developments, documentation should be submitted to TDHCA to support such costs. Further, the owner should be required to provide either a statement that 95% of the units fall within the allowance. TLSC recommends that this subsection should read:

(-2-) For transactions which include existing buildings that will be rehabilitated or otherwise maintained as part of the Development, documentation of owning, holding, or improving costs, including annual updates of utility allowances, since the original acquisition date may include capitalized costs of improvements to the Property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Property and avoid foreclosure. The seller shall provide documentation of the utility allowance updates to the Underwriter and shall provide a statement that at least 95% of all units in the buildings fall within the current allowance.

### §1.33(a) General Provisions

The rules require a Market Analysis to be prepared to evaluate "the need for decent, safe, and sanitary housing at rental rates or sales prices that eligible tenants can afford." While TLSC supports such an analysis, TLSC urges the Department to include the cost of utilities, particularly electricity, and the availability of weatherization measures to make housing more energy efficient and affordable for tenants. Whether housing is affordable often hinges on whether the person living in the housing can afford to pay for utilities. Further, as the costs of utilities continue to rise, measures have become available to mitigate those costs, such as weatherization. Thus, any evaluation of the market and the affordability of housing must consider the cost of utilities, whether utility allowances accurately reflect those costs and if weatherization measures are available to make the housing more energy efficient and thus more affordable. TLSC recommends that §1.33(a) be amended to read:

(a) General Provision. A Market Analysis prepared for the Department must evaluate the need for decent, safe, energy

<sup>&</sup>lt;sup>1</sup> 10 TAC 1.33(a).

efficient and sanitary housing at rental rates or sales prices that eligible tenants can afford. The analysis must determine the feasibility of the subject Property rental rates or sales price and state conclusions as to the impact of the Property with respect to the determined housing needs. Such determination must include an analysis of current utility costs, whether utility allowances accurately reflect current costs and whether weatherization measures are available to make the housing market more affordable. The Market Analysis must include a statement that the report preparer has read and understood the requirements of this section.

### §1.33(d)(10)(B)(i) Comparable Units

TLSC agrees that when Primary Market Areas lack sufficient rent comparables, that the Market Analyst should collect data from markets with similar characteristics. However, data on the costs of utilities, the amount of utility allowances and the use of weatherization measures should be included on the data sheet for each development that is used as a comparable in order to ensure that the analysis includes all the necessary information to determine the affordability of the housing in the area lacking sufficient data. Thus, TLSC recommends that the following additional items be added the subsection "(XI) for rental developments only":

(XI) for rental developments only

(-a-) occupancy, and

(-b-) turnover-,

(-c-) utility allowances per type of unit, and

(-d-) weatherization measures performed in last five years.

### §1.34(d)(7)(D) Description of Improvements

TLSC contend that weatherization measure added to housing units in a development should be considered an improvement as it provides great financial benefit to the tenant and to the environment. Thus, this section should be expanded to require the appraiser to provide a description and analysis of all energy efficiency measures added to the development to make the units more energy efficient. TLSC recommends:

(D) **Description of Improvements.** Provide a thorough description and analysis of the improvements including size (net rentable area, gross building area, etc.), number of stories, number of buildings, type/quality of construction, condition, actual age, effective age, exterior and interior amenities, items of deferred maintenance, energy efficiency measures, etc. All applicable forms of depreciation should be addressed along with the remaining economic life.

TLSC appreciates the opportunity to comment on the proposed amendments.

## Respectfully Submitted:

### TEXAS LEGAL SERVICES CENTER

Randall Chapman Carrie R. Tournillon 815 Brazos, Ste. 1100 Austin, Texas 78701 Tel: 512/477-6000

Fax: 512/477-6576

Ву:		
•	Carrie R. Tournillon	

Housing Tax Credit funding must include housing needs characteristics, the State Auditor's Office and sunset findings that call for the use of objective need based criteria to award TDHCA's funding.

The score provides a comparative assessment of each place's level of need relative to the other places within the state service region. The score encourages applicants to request funding to serve communities that have a high level of need.

Are there any comments on this item?
(No response.)

MS. CONTRERAS: Hearing none, we'll proceed to the next item.

Housing program rules. The Housing Tax Credit Qualified Allocation Plan and Rule, this document establishes the 2008 rules for HTC program. The HTC program uses federal tax credits to finance the development of high quality rental housing for income eligible households and is available statewide.

Are there any comments on this item?
(No response.)

MS. CONTRERAS: Hearing none -- oh, sir?

Ma'am?



MS. GARZA: Hi. My name is Lucy Garza. I'm

with the City of Brownsville Planning Department. And my question would be -- or statement would be on the Housing Tax Credits. When we do -- we've been doing multifamily projects, layer with HOME funds and TDHCA tax credits.

When a project is being qualified to be awarded -- to see how many points they're going to be awarded, and you receive a letter from the city, or the agency, and in this example it would be from the city, is a QAP analysis -- well, I would suggest that the QAP analysis be figured out first before considering the commitment from the city.

Do I -- I mean, did I make myself clear?

MR. GERBER: Ma'am, could you clarify that just
a little bit more?

MS. GARZA: Oh. When awarding the tax credits, there's a gap analysis, and we had one instance where the gap analysis was figured out according -- based on the letter of commitment that was received from the city.

So we -- from our point of view, in order for us to spend our HOME funds more efficiently, we would like for TDHCA to consider making the gap first before putting that other component, which is the HOME funds, into the analysis for the gap.

MR. MEDINA: I may add too -- my name is Ben

Medina, I'm the Planning Committee Development Director for the City of Brownsville.

And what Ms. Garza is alluding to is that we're a city that is first engaging in tax credits using HOME dollars. We've had two of our first projects done, and we're really thankful for TDHCA of awarding those credits to the City of Brownsville.

But what we learned in this new business is that we lacked some tax credits on the table, your tax credits, and we utilized more HOME dollars, that we could have utilized locally for other projects. And that was done because when the application for -- by the developer was that he needed to score enough points, so we issued a letter of commitment for a certain amount of HOME dollars, city HOME dollars.

And you all took that HOME dollars and utilized that, and that discounting the credits to the developer. So that's what happened. And what we would like is that maybe it could be a better working relationship where we can -- when the applicant submits an application, that we say we know how much the maximum credit is, and then we develop the gap after that.

If the application could be changed to where the scoring is different, where the gap comes in second.

That's what we're trying to explain.

MR. GERBER: I appreciate that. And that clarifies. And what we'll do is we'll take your comment back and share that with the staff that work in those respective areas and then we'll report back to you with an answer from the Department.

But if afterwards you see me and give me your business cards --

MR. MEDINA: Yes, we will.

MR. GERBER: -- we'll try to get a response to you quickly. But thank you --

MS. GARZA: Thank you.

MR. GERBER: -- for those comments.

MS. CONTRERAS: Are there any other comments on this issue?

(No response.)

MS. CONTRERAS: Hearing none, we'll proceed to the next issue, Multifamily Bond program rules. This document establishes the 2008 rules for the multifamily bond program. This program issues tax exempt and taxable bonds to fund loans to non-profit and for-profit developers.

Are there any comments on this item?
(No response.)



TDHCA, 2008 Rule Comments P.O. Box 13941 Austin, TX 78711-3941

Dear TDHCA Professional:

I am seeking clarification of section 50.9(h)(7)(A)(iv) of the 2008 proposed QAP and section 1.32(e)(1)(B) of the 2008 proposed Real Estate Analysis Rules regarding the allowable property acquisition price and the required documentation regarding a transaction classified as an identity of interest. Please confirm that in the event the proposed acquisition price is at or below the substantiated original acquisition cost, no appraisal is necessary. Also please confirm that in situations where the outstanding debt on the property is below the original acquisition price, the transferor can provide seller financing.

Regarding section 50.9(h)(4)(B) please explain the acronym SRO. Also regarding this same section, as a resident and manager of multi-family developments in a rural area, many times 911 access is not available in the area. This threshold item would thereby bar development in such an area. Also requiring new dishwashers, ovens, refrigerators and ceiling fans is excessive and in many situations wasteful for rehab developments especially in rural areas.

Thank you for the opportunity to comment on the draft documents and I look forward to your response.

Viola Salazar

### Raquel Morales

(40)

From:

Misael Arroyo

Sent:

Thursday, October 11, 2007 10:32 AM

To:

Tom Gouris; Raquel Morales

Cc:

Audrey Martin

Subject:

FW: public comments on QAP draft related to SRO development with tax credits

Importance:

High

Here is the E-mail. Please let me know if this is the correct one.

Thanks,
Misael Arroyo
Executive Assistant
Multifamily Finance Division
(512) 475-2596 Phone
(512) 475-0764 Fax

----Original Message----

From: Robbye Meyer

Sent: Tuesday, October 09, 2007 1:11 PM

To: Audrey Martin

Subject: FW: public comments on QAP draft related to SRO development with tax credits

Thanks Erin.

Robbye G. Meyer Director of Multifamily Finance Texas Department of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701 (512) 475-2213 (voice) (512) 475-0764 (fax)

----Original Message----

From: Erin Ferris [mailto:erin.ferris@tdhca.state.tx.us]

Sent: Tuesday, October 09, 2007 1:06 PM

To: 'Robbye Meyer' Cc: Brooke Boston

Subject: FW: public comments on QAP draft related to SRO development with tax credits

Hi Robbye and Brooke,

Here are Tony Sisk's public comments on the draft QAP. Please let me know if you need any additional info for the formal submission - I think this is all that's necessary, but if I'm missing anything, just let me know.

Thank you,

Erin K. Ferris
Policy and Public Affairs Advisor
TX Dept of Housing & Community Affairs erin.ferris@tdhca.state.tx.us
(512) 463-7961

----Original Message----

From: Tony Sisk [mailto:tsisk@cri.bz] Sent: Monday, October 08, 2007 5:26 PM To: erin.ferris@tdhca.state.tx.us

Cc: mari.moen@csh.org

Subject: public comments, on QAP draft related to SRO development with tax credits

#### Erin-

These are my comments related to the draft QAP, with issues affecting tax credit financing for SRO-Permanent Supportive Housing.

1-Allow tax credits to be used for specific targeted groups. Example-single mothers SRO in Austin. 2-Selection Criteria Section 11. SRO units are typically very small. In reconstruction/rehab it is usually required that spaces by retrofitted to have more units and to substantially rebuild spaces to create the "state of the art" units. Specifically, allow all SRO redevelopments to be classified as "rehab" for the 6 points if any existing residential or commercial property is involved. Clarify wording in Section 13 for the same issue. As long as rehab/reconstruction is involved in revitalization area, grant the 6 points for SRO projects. There needs to be maximum flexibility for SRO development 3-Selection Criteria for max cost per SF. Exempt SRO developments from the \$85 SF. The rentable SF of small SRO units should not be subjected to the \$85 SF maximum cost. Grant 10 points for all SRO deals to encourage new state of the art construction/rehab. Underwriting SRO deals need to be exempt from the 1.30 maximum DSC underwriting standard, as well as the 65% of income test for expenses. In order for the 1.15 feasibility test to be met, an SRO must have low debt at inception, which would, substantially exceed the 1.30 test.

These are my comments. I would appreciate your advocacy for the Supportive Housing developers in Texas.

### Tony Sisk

J. Anthony Sisk
Director of Development
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WRITER DIRECT Cynthia L. Bast Phone: (512) 305-4707 Fax: (512) 391-4707 Email: cbast@lockelord.com

# **MEMORANDUM**

TO:

Michael Gerber

Texas Department of Housing and Community Affairs

FROM: Cynthia L. Bast

DATE:

October 10, 2007

RE:

Public Comment for Proposed Rules

On behalf of our clients, including the Texas Affiliation of Affordable Housing Providers, we submit the following comments to proposed TDHCA rules:

### Compliance Monitoring Rules.

- As projects age, additional issues related to property condition arise. Therefore, we recommend that, in the definition of "Material Noncompliance," the score be increased to 40 for properties that are in years 10 through 15 of the compliance period and increased to 50 for properties that are in the extended use period after the compliance period.
- 2. Defining "Substantial Construction" as 80% of framing for new construction projects and 50% of the scope of work for rehabilitation projects is much more stringent than defining "Substantial Construction" as having expended 10% of the overall construction budget. The latter is more realistic, given the deadline being imposed. Please delete the former standards and simply use 10% of the overall construction budget utilize the standards recommended by the Texas Affiliation of Affordable Housing Providers, in a letter that is being sent to you separately.
- 3. Section 60.105(c). While project owners strive to have their audits completed in the first quarter of each year, in the real world, audits are often late. It will be very difficult or impossible for some owners to comply with this requirement. Moreover, some owners may not be required to perform audits by their syndicators or lenders. If audits are not otherwise required, an owner should not be required to purchase one merely to file with TDHCA.
- 4. Section 60.109(e)(2)(B) and (C). In some cases, data can be available from third party billing entities. For instance, on water metering, the third party that reads the meters has the actual usage for that unit, the rates for the city and calculates the monthly consumption/cost for each unit. In those cases, it would appear that such data - while not coming from a "utility provider" - would be sufficient to document actual usage/cost. I suggest adding "or third party billing service" after "utility provider" in both Item (B) and (C) as well as anywhere else in this section that is appropriate.

AUSTIN: 0910000.30000: 371507v2

October 10, 2007 Page 2

Accessibility Rules. Our client believes it would be beneficial to specify the requirements of item 4.342(15)(3) of UFAS in the rules.

<u>Underwriting Rules and Guidelines.</u> Our client is concerned that the new language regarding concentration rate may not work in submarkets that are high density markets. The concentration rate needs to also be tied to the population.

cc:

Patricia Murphy

Tom Gouris



## 2008 QAP and REA Comments

### **QAP**

### I. §50.3. Definitions

The addition of "Adaptive Reuse" as a category under rehabilitation requires adding a definition. Suggested language:

Adaptive Reuse – The reconstruction or rehabilitation of an existing nonresidential structure (e.g., a school, warehouse, hospital, etc.) into a residential development.

Also, please clarify whether the original building can increase in size.

# 2. §50.9(i)(2)(A)(vi) Quantifiable Community Support/Certification that Neighborhood Organization was not formed by Applicant/Developer.

This year, TDHCA has inserted the following additional sentence to already burdensome requirements: "Applicants may not request Neighborhood Organizations to change their boundaries to include the Development Site."

The sentence should be stricken. The inclusion of a development into an existing neighborhood organization promotes interaction, cooperation, and dialogue -- all things that should be encouraged.

3. §50.9(i)(5)(A)(iv) - Selection Criteria/ The Commitment of Development Funding by Local Political Subdivisions. This year staff has increased the minimum term of the loan from a Local Political Subdivision from 1 to 5 years.

Would like to keep the language from 2007 and keep the loan term to a minimum of one year. In addition to the fact that the current economic climate make it hard for local governments to provide mid- and long-term loans, please note that PHAs must get the Attorney General's approval for loans that are longer than a year.

# 4. §50.9(i)(10) - Selection: Declared Disaster Areas

Clarification is needed on which disaster areas will be eligible. For instance, The Governor declared a statewide disaster area on March 17, 2006, for all 254 counties as a result of fire hazards caused by severe drought. The two-year period would make all counties eligible for these 7 points.

Additionally, entities declare disaster areas in different ways, with some having finite beginning and ending dates. Does the two-year clock begin only at the declaration of the disaster? What if the declaring entity keeps the area open for disaster assistance longer than two years from declaration, thus still considering it to be a disaster area?

5. §50.9(i)(15)(3) - Selection Criteria: Economic Development Initiatives.

Would like to get some clarification regarding how the geography will be defined/determined for this item. Will it be the location of the organization that receives the funds, their service area, or the location of where the individual resides who receives the services?

- 6. §50.9(i)(22) (B) Selection Criteria: Negative Site Features.
   (vii) "Flight path": needs to be defined and the information to determine flight paths as defined needs to be a source that is readily available to the public.
- 7. §49.6 (d) Credit Amount.



The Department will limit the allocation of tax credits to no more than \$1.2 million per Development....Tax-Exempt Bond Development Applications are not subject to these Housing Tax Credit limitations, and Tax-Exempt Bond Developments will not count towards the total limit on tax credits per Applicant.

The \$1.2 million per deal cap was instituted presumably to ensure that 9% tax credits are spread among the most deals possible. Unfortunately, as written, the cap does not delineate between the scarce/limited 9% credits and 4% credits which a property **may** qualify for. To encourage rehabilitation/reconstruction activities the \$1.2 million cap should only apply to the 9% credits that an application would be eligible for.

### **REA**

### Concentration Rate.

Please outline specifically what data will be used to determine the number of units in each census tract. The rules state, "The Underwriter will independently verify the number of rental units in multi-unit buildings based on the most recent Census data and the completion of Department funded or other known rental developments in the area." Please define where the information on "other known rental developments" will be obtained so that the market analysts and developers have consistent information.

Pre-Application Market Area.

Consider allowing an applicant to voluntarily submit a preliminary market area at Preapp, which REA would review with any suggested changes and/or the addition of certain properties. This market area would not be binding, but would be intended as a guide to the applicant of what REA considers to be an appropriate approximation of a market area and what exiting tax credit properties should be included in the market area.

October 15, 2007

Robbye Meyer TDHCA VIA e-mail

RE: COMMENTS ON PROPOSED 2008 QAP AND PROPOSED 2008 UNDERWRITNG RULES

Dear Robbye,

Following are our comments on the Draft 2008 QAP:

- 1. <u>50.9(h)(4)(A)(ii)(XXV) Green Building:</u> Please include evaporative cooling in this item. Evaporative coolers are accepted as a green building technique by the EPA, the IRS, and RESNET in the federal energy tax credit, so we believe it should be included in this point item also.
- 2. <u>50.9(i)(3)(B) Income Levels of Tenants of the Development:</u> Along the Texas border, where the 4 poorest counties in the United States are located, it will be extremely difficult (if not impossible) to reach this level of income targeting. The prior criterion from the 2007 QAP is much more reasonable for our area and other areas along the border, and insures that feasible projects are done. For example, a family of 3 in El Paso County must make below \$23,280 to qualify for a 60% unit, while that same family could easily qualify for a 40% unit in many other areas of the state.

We request that the 2007 language for this item be reinstated, at least for counties along the Texas-Mexico border.

Further, we request that PHA applicants who are subsidizing rent and operating expenses with HUD money be excluded from these points. PHAs are also exempt from property, sales and income taxes, allowing them an unfair advantage over the private sector and an ability to build and operate less efficiently than private sector developments. We feel that it is the responsibility of TDHCA to provide a level playing field for all applicants and exempting PHAs from these points would do this.

3. <u>50.9(i)(5)(A)(v) In-Kind Contributions:</u> We support this language change. Tax exemptions and abatements already provide a tremendous advantage to non-tax paying entities over tax paying private entities.

# TROPICANA BUILDING CORPORATION

4655COHEN AVE • 915-821-3550 • EL PASO, TEXAS 79924

- 4. <u>50.9(i)(8) The Cost of Development by Square Foot:</u> We request that language be added allowing the cost per square foot numbers be increased each year, commensurate with the CPI or some other inflation index. The change we request is consistent with the language that you have added this year for section <u>50.6 (d) Credit Amount</u>, language that we also support.
- 5. <u>50.9(i)(18) Demonstration of Community Support other than Quantifiable Community Participation:</u> We support the language change in this section. We have observed what we feel are some NIMBY-type actions by leaders of some of these organizations who let personal issues get in the way of their mandated government functions.
- 6. <u>50.16(k) Return of Credits</u>: We support this additional language which heavily penalizes the return of credits by a developer. The return of credits not only negatively affects the community in which the award was made, but also affects future amounts of credits received by TDHCA from the national pool.

This concludes our comments on the proposed 2008 Draft QAP.

We also submit the following comments on the proposed 2008 Draft Real Estate Analysis Rules and Guidelines:

 Regarding "Operating Feasibility" we request that the policy of allowing PHAs to violate all requirements of providing revenue and expense projections which fall within the bounds of the well-established guidelines of Real Estate Analysis by effectively allowing PHAs to state "HUD monies will make up the difference," is wrong and should not be allowed.

The tax credit program has been the most successful affordable housing program ever instituted by the Federal Government, and the vast majority of that success is due to strict underwriting standards by the state agencies and diligent work of private developers. We understand that HUD is cutting back on development money to PHAs around the country, and encouraging PHAs to get involved in the tax credit business. We feel this public policy decision is flawed, however if PHAs are going to start directly competing for tax credits every year, then they should be held to the same Net Operating Income and Debt Coverage Ratio standards as every other tax credit developer.

PHAs already have a decided advantage in not having to account for operating expenses they are exempt from paying, such as property taxes. To further allow PHAs to call a "Kings X" and ignore the underwriting standards for operating feasibility is wrong and should not be allowed.

# TROPICANA BUILDING CORPORATION

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This concludes our comments for the 2008 draft rules regarding the LIHTC program. Thank you in advance for considering our comments.

Sincerely,

R. L. "Bobby" Bowling IV President



Chairman JAMES CURRY Hines

Vice Chairman
MICHELLE WOGAN
Transwestern Commercial Services

Treasurer TOM WUSSOW Founder of the District

Secretary CHARLES LOPEZ Swift Energy Company

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GEORGE W. LUNNON, JR. State Farm Insurance

KAREN MARSHALL Metropolitan Transit Authority

ROSARIO MARTINEZ C., PH.D. North Harris Montgomery Community College District

PAMELA A. MINICH Minich Strategic Services

ANNE MUNOZ
Continental Airlines

ADAM RUIZ, JR. ALPC - Maintenance Services

MICHELLE YBARRA GFI Management Services, Inc.

JACK DRAKE President

# Greater Greenspoint District

October 9, 2007

RECEIVED

Mr. Michael Gerber
Executive Director
Texas Department of Houston and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Re: Public Comments on TDHCA Rules & Policy Statements

Dear Mr. Gerber:

This letter is to officially document our suggested changes to TDHCA's 2008 rules & policy statements, addressing our specific concerns regarding the Housing Tax Credit and Multifamily Bond Programs' notification practices, appropriate market studies and an increased focus on rehabilitation projects. The Greenspoint District is a political subdivision of the state of Texas with responsibility for promoting economic development and quality of life in Greenspoint, an activity center in north Houston.

As we discussed in a September 6, 2007, meeting, our requested changes to the 2008 rules and policies are as follows:

- Include **notification to all Special Districts** in which the applicant's site is located.
- The REA regulations, as proposed, do not require a market area sufficiently large enough to determine the realistic market of an area. Inclusion of "adjacent census tract" data would create a more accurate picture of the market.
- Existing Market Study language should be made clearer so it is understood that ALL multi-family dwelling units shall be included in a study, not just TDHCA/tax credit/bond properties.
- More aggressive incentives should be considered for a development applying for "refurbishment" funds (as opposed to new-build funds) to encourage revitalization within the areas most-eligible for TDHCA developments.
- All of the changes made to the rules and policies should be consistent throughout the Qualified Application Plan, the Quantifiable Community Participation guidelines, and all other appropriate guidelines and regulations for TDHCA's programs.

Attached is the original set of recommendations submitted as wording for HB 1167 in past legislative sessions. It is provides more detail, but all its points have been previously submitted and discussed with your department. We chose to summarize the points above.





Thank you for your consideration of these issues. As always, we are your partners in accomplishing the best for those needing housing and for the Greenspoint area.

Very truly yours,

James Curry

Chairman, Board of Directors

Greenspoint District

Jack Drake

President

Greenspoint District

Attachment: 1

c. Rep

Representative Kevin Bailey; Chairman, Urban Affairs Committee Jeff Smith, Executive Director, Houston Housing Finance Corp.

# HB 1167 – Suggested language changes

### Notification Process:

• The "Elected Officials" section (Sec. 2306.6718) should be changed to read "Public Officials." Additional language should be added within the body of that section, as follows: "(2) the chief executive of the political subdivision containing the development described in the application, including School Districts, College Districts, Business Improvements Districts, Municipal Management Districts, Tax Increment Reinvestment Zones, and all other political subdivisions and special districts."

### Scoring Process

"Special districts" are included in the definition of "Local Government" (Sec. 2306.004) and are exempted from counting towards official scoring in the development's application process. Continuing the term "special districts" throughout the bill would increase awareness and participation by these entities whom carry that information out to their constituents—the surrounding community.

### Market Study Requirements:

- Language must be added to include information on MARKET-RATE dwellings located within the defined market study area. Market-rate information will "include data from recognized sources regarding the number of existing rental units, their most current rental rates and the percentage of vacant 'market-rate' units." (Currently, the law only requires studies to include the number of low-income qualifying developments, which is not an adequate reflection of the area as a whole.)
- Clearer guidelines need to be made as to what needs to be included in the Market Study and how that area is defined. Market Studies should be based on the census tract the proposed development resides in as well as data from all adjacent census tracts. Current TDHCA-approved methodology for determining market areas leads to gerrymandered market study areas, (i.e. one side of a street will be included, but the opposite side of the street with 3 apartment complexes is excluded...)
- "Priority for certain communities" (Sec. 2306.127) is granted to urban enterprise communities, urban enhanced enterprise communities, and economically distressed areas or colonias. Language should be added to exclude those areas, as defined above, which have accommodated a certain number of TDHCA developments within the past 5 years.

#### Other:

• Greater emphasis should be placed on awarding funds to a development who is applying for "refurbishment" dollars (as opposed to new-build dollars) from

TDHCA to encourage revitalization within the areas most-eligible to TDHCA developments.

• Greater importance should be given to "placement of qualifying low-income persons into already existing low-income developments" (Sec. 2306.171.)

Additional language should be added to that, as follows: "placement of ... low-income developments as well as market-rate properties where rental rates are comparable to those of existing low-income developments." Adding this language would to ensure that units built in a certain area do not become "surplus" units when others are not yet filled to capacity.

### **APARTMENT**

# MARKETDATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

October 15, 2007

Ms Brooke Boston Texas Dept. of Housing and Community Affairs 221 East 11th Street Austin, Texas 78701

RE: Public Comment -

2008 Real Estate Analysis Rules

### Dear Brooke:

I submit the following public comments in regards to the draft 2008 Real Estate Analysis Rules and the underwriting of "affordable" housing projects.

### 1. Change of the capture rate for Urban - Senior projects from 75% to 50%.

This rule change was previously submitted for the THDCA Board to consider in the 2007 Real Estate Analysis Rules. In late 2006, Craig Young (O'Connor and Associates) and myself discussed with staff and some board members the impact lowering the capture rate would have on senior affordable housing.

Based on the 2007 LIHTC allocations, the were 18 senior projects allocated (new construction). Of these projects, only 5 of the 16 allocated in <u>urban areas</u> had a capture rate that would comply with the rules proposed for 2008. This represents 72% of the units as infeasible under the 2008 rule change (1211 / 1684 units).

### Projects with a Capture Rate Less than 50%

	Cap Rate	Development Name	Project City	LIHTC Units
Urban	13.79%	Morningstar Villas	Texas City	36
Urban	32.16%	Mansions at Briar Creek	Bryan	171
Urban	33.00%	Gibraltar	Clute	48
Urban	39.00%	Wentworth Apartments	Atascocita	90
Urban	42.48%	Woodchase Senior Comm.	El Paso	128



Projects with a Capture Rate More than 50%

	Cap			LIHTC
	Rate	Development Name	Project City	Units
Urban	50.40%	Notting Hill Gate	Missouri City	108
Urban	51.48%	Zion Village Apartments	Houston	50
Rural	54.91%	Hamilton Senior Village	Hamilton	36
Urban	58.14%	Oak Tree Village	Dickinson	36
Urban	63.01%	Jeremiah Seniors	Hurst	135
		Gardens at Friendswood		
Urban	65.00%	Lakes	Friendswood	114
Urban	66.00%	Melbourne Apartments	Alvin	110
Urban	67.10%	Peachtree Seniors	Balch Springs	144
Rural	68.00%	Trinity Garden Apt Homes	Liberty	76
		Evergreen at Farmers	Farmers	
Urban	70.97%	Branch	Branch	90
		Bluffs Landing Senior		
Urban	71.61%	Village	Round Rock	144
Urban	72.86%	Villa Estella Trevino	Edinburg	168
Urban	73.46%	Oak Timbers-Caplin Dr	Arlington	112

My objection to this rule change is multifaceted. First, the underwriting model used for senior projects does not reflect where analysts know senior renters come from. In the lease audit of Terrell Senior Estates previously documented to the TDHCA, we compiled the following data.

Owned	33%
Rented	51%
Transferred	4%
Lived in other HH	12%

From the table above, we see that one-third of the residents owned their own home immediately prior to moving into Terrell Senior Estates. It is unlikely that these senior households would have chosen to rent without the construction of the project studied.

By constructing new "affordable" senior housing, new renter demand is generated outside the forecasts provided by demographic models.

These models do not accurately reflect home owners converting to renters. The underwriting model also fails to consider those households living within another household.

Second, limiting the PMA size to 250,000 people does not reflect the distance seniors are willing to travel for affordable rental housing. In the case of Terrell Senior Estates, we found that only 50% of the residents previously lived within the county in which the project was located (Kaufman County). The other 50% relocated to Terrell from either the adjacent urban county (Dallas County), other Texas counties, or from out of state.

Out of State	4%
Texas - Out of Area	30%
Dallas County	16%
Kaufman County	6%
Terrell	44%

While no underwriting model can accurately account for all these demand factors, a higher capture rate provides a margin in which senior projects can be underwritten without having to guess how many residents would come from outside the PMA.

Third, the perception that senior projects in urban area are over-supplied is incorrect. Apartment MarketData provided data on this issue to the TDHCA Board at the first July 2007 board meeting (see attached). From our survey of the LIHTC projects in the Houston and Dallas areas, occupancies by unit type and by income severed were very high. Most occupancies reported were in excess of 95%.

Fourth, lowering the capture rate to 50% affects the financial feasibility of a project. According to SB264, financial feasibility is the first concern.

Lowering the number of units a developer can build into a single development increases the operating cost per unit. Next to property taxes, the largest expense in operating a property is labor. Whether you build 80 units or 180 units, you still need a manager, assistant manager and maintenance superintendent.

Fifth, senior residents spend more than 40% of their income for rent and utilities. Currently, the underwriting rules limited the income band for seniors to 40% of their income paid for rent and utilities. In fact, seniors spend much more than this amount for lodging. Seniors don't have the same type of demands on their dollar as families or the same number of mouths to feed. Thus, a greater percentage of their income is available for lodging.

With the underwriting model already under estimating the number of senior households that would rent at an "affordable" senior project. There is no reason to further limit the number units that can be developed by decreasing the capture rate to 50%.

### Recommendation - No Change

Keep the capture rate for urban senior projects at 75%

#### 2. Use of Census Tracts as boundaries for the PMA

The boundaries of census tracts have no bearing on where renter demand comes from. Previously, TDHCA prohibited the use of a radius as a boundary definition for this very reason.

At the same time, staff determined that major roads, political and natural boundaries were more relevant to defining an area from which a project would draw the majority of its residents. This is certainly more relevant than a census tract boundary. Ordinarily, a potential renter would have no idea where a census tract boundary might lie.

Additionally, the population of including a census tract versus not including a census tract that would put the population of the PMA over the 250,000 limit can be the difference between a project being feasible or infeasible. Some census tracts in urban areas can contain 10,000+ people. This can reflect a 10%+ difference in the population considered for the underwriting of a project. Many projects are recommended on much less than a 10% margin.

#### Recommendation - No Change

Continue to use major roads, political and natural boundaries as relevant boundaries to defining the PMA.

### 3. Concentration Policy Changes

• First, the census data that this rule would be based on is compiled from the less accurate "short form" from the US Census Bureau.

- Second, this rule is base on data collected in the 2000 census. When implemented, we would be 8 years away from the data point. The information no longer reflects current market conditions.
- Third, the rule implies that apartment communities automatically lead to slums. This is exactly the argument that neighborhood groups use to oppose "affordable" housing development.

Additionally, in today's market most "affordable" developments require that a large number of units achieve rent levels at or near the maximum 60% AMI level. People earning a 60% AMI incomes are generally classified as the working poor, not people without jobs.

In a great many cases, a new "affordable" project lets this type of resident move from an older, less maintained unit to a fresh new unit with modern amenities. Affordable projects also provide supportive services designed to better the life of the resident. Older projects simply can not afford to provide similar supportive services.

 Fourth, the rule overrides local concerns. In most cases, developers are already required to comply with local zoning ordinances and/or consolidated plans.

This rule has an affect of telling local authorities that TDHCA knows best where rental housing should be built.

This rule also fails to consider demand, rent levels, availability of vacant land, market conditions, and other factors that result in a financially feasible development.

### Recommendation - No Change

- Let demand in the marketplace determine the need for more rental and/or "affordable" rental housing.
- Remove barriers to entry in cities without qualified reasons for opposing "affordable" housing (i.e. Katy and McKinney, Texas)

### 4. Use of Turn-Over Rates

28

In 2007, the underwriting department began using turn-over rates from other operating "affordable" projects. This information was taken from the TDHCA database, which was not available to the public.

The turn-over rates used to underwrite LIHTC applications in 2007 were significantly lower than published "market rate" turn-over rates. The end result was that the capture rate calculation allowed for fewer units to be developed.

The error in applying this methodology is that it automatically assumes that a new "affordable" development is going to draw its residents from other "affordable" projects. This is simply not the case. If it were, there would be a fixed number of income qualified residents moving from project to project. And even if you added new "affordable" units, the number of occupied units amongst all the projects would never increase.

Due to the available supply, market rate projects naturally have a higher turn-over rate as compared to "affordable" projects. If rents are equal and the market rate project is older and/or less kept, the renter is naturally going to be drawn to the newer "affordable" project. And because there are a limited number of substitutes, the renter is inclined to occupy the unit for a longer period of time.

For a simplified example, take Katy, Texas. A PMA drawn using the Katy ISD is estimated to have 3,609 income qualified renters at 60% AMI. At the same time, the PMA has two family and two senior projects in operation (572 units). These four projects have a total of 333 "affordable" units (60% AMI). If you compare the number of "affordable" units to the number of income qualified renters, you arrive at less than 10% of the renters are housed in an "affordable" unit. Thus, if you build a new project, the vast majority of residents are going to come from market rate projects, not existing "affordable" projects.

Senior projects are a special case. Senior renters tend to move for one of two reasons. Either the resident needs care offered by assisted living or nursing homes, or they die. Thus the turn-over rate at all senior projects would be less than a comparable family project.

For "affordable" senior projects, turn-over is even less. Again due to the theory of substitutability. With so few "affordable" senior projects in operation, there are few substitutes available for a senior to move to. Additionally, few senior residents would be inclined to move from one "affordable" project to another.

# Recommendation - Use either documented or published turn-over rates from market rate projects.

At the same time, a reasonable turn-over rate for calculating senior demand might be 10% to 15% lower than a family project in the same area.

The senior turn-over rates of 16% to 38% that the underwriting department used in 2007 are too low and do not reflect the demand analysts find in the market place.

I appreciate the opportunity to present these comments for consideration to the TDHCA staff and Board Members. Should you have any questions about my comments herein, please fell free to contact me directly.

Sincerely,

Darrell G. Jack

President

Apartment MarketData, LLC

Dallas Market				With/out Projects in Lease-up					
Unit Type	Unit Desc.	# of Units	# Occupied	Vacant	% Occupied	# of Units	# Occupied	Vacant	% Occupied
1's	30%	48	48	0	100.0%	42	42	0	100.0%
1's	40%	86	86	0	100.0%	84	84	0	100.0%
l's	50%	633	629	4	99.4%	496	492	4	99.2%
1's	60%	976	934	42	95.7%	863	841	22	97.5%
1's	MKT	108	105	3	97.2%	108	105	3	97.2%
2's	30%	35	31	4	88.6%	27	23	4	85.2%
2's	40%	66	66	0	100.0%	58	58	0	100.0%
2's	50%	381	369	12	96.9%	307	302	5	98.4%
2's	60%	1,249	1,115	134	89.3%	1,109	1,075	34	96.9%
2's	MKT	180	151	29	83.9%	150	147	3	98.0%
Overall	30%	83	79	4	95.2%	69	65	4	94.2%
Overall	40%	152	152	0	100.0%	142	142	0	100.0%
Overall	50%	1,014	998	16	98.4%	803	794	9	98.9%
Overall	60%	2,225	2,049	176	92.1%	1,972	1,916	56	97.2%
Overall	MKT	288	256	32	88.9%	258	252	6	97.7%
Total Units		3,762				3,244			
# of Projects		25				22			

Houston Market						With/out Projects in Lease-up				
Unit Type	Unit Desc.	# of Units # 0	Occupied	Vacant	% Occupied	# of Units	# Occupied	Vacant	% Occupied	
1's	30%	84	80	4	95.2%	79	75	4	94.9%	
1's	40%	96	95	1	99.0%	95	94	1	98.9%	
1's	50%	851	751	100	88.2%	642	599	43	93.3%	
1's	60%	1,579	1,427	152	90.4%	1,355	1,303	52	96.2%	
1's	MKT	276	262	14	94.9%	266	253	13	95.1%	
2's	30%	49	45	4	91.8%	44	41	3	93.2%	
2's	40%	92	91	1	98.9%	91	90	1	98.9%	
2's	50%	806	690	116	85.6%	537	493	44	91.8%	
2's	60%	1,378	1,154	224	83.7%	1,068	986	82	92.3%	
2's	MKT	242	227	15	93.8%	232	222	10	95.7%	
Overall	30%	133	125	8	94.0%	123	116	7	94.3%	
Overall	40%	188	186	2	98.9%	186	184	2	98.9%	
Overall	50%	1,657	1,441	216	87.0%	1,179	1,092	87	92.6%	
Overall	60%	2,957	2,581	376	87.3%	2,423	2,289	134	94.5%	
Overall	MKT	518	489	29	94.4%	498	475	23	95.4%	
Total Units 5,453					4,409					
# of Projects		33				28				

### TEXAS HOMEOWNERSHIP DIVISION

### BOARD ACTION REQUEST NOVEMBER 8, 2007

### **Action Items**

Presentation, Discussion and Possible approval of the 2007 Texas First Time Homebuyer Program Rule, Title 10 Texas Administrative Code, Chapter 7.

### **Required Action**

Adoption of the 2007 Texas First Time Homebuyer Program Rule, Title 10 Texas Administrative Code, Chapter 7.

### **Background and Recommendations**

#### Summary

The new chapter implements Subchapter MM of the Texas Government Code, Chapter 2306, as amended by H.B. 1637 and S.B. 1908 in the 80<sup>th</sup> regular legislative session, and other provisions of Texas Government Code, Chapter 2306, authorizing the Department to administer federal housing programs. The chapter relates to the Department's operation and administration of the Texas First Time Homebuyer Program which facilitates the origination of single family mortgage loans for eligible first-time homebuyers, down payment and closing cost assistance and the issuance of mortgage credit certificates.

The major components of the rule include Section 7.3 which relates to the program eligibility requirements; including the availability of downpayment and closing cost assistance for borrowers whose income does not exceed 80% of the area median family income, the application procedures applicable on applications filed on or after January 1, 2008 and the application fees that may be charged by participating mortgage lenders. Section 7.4 outlines the criteria for approving participating mortgage lenders. Occupancy and use requirements are addressed in Section 7.6 and Section 7.7 relates to the Department's contract requirements with the participating mortgage lenders.

No public comment was received regarding this rule. Therefore, no changes are recommended from the draft presented to the Board in August 2007.

### Recommendation

Staff recommends approval of the 2007 Texas First Time Homebuyer Program Rule, Title 10 Texas Administrative Code, Chapter 7.

### MULTIFAMILY FINANCE PRODUCTION

### **BOARD ACTION REQUEST**

**November 8, 2007** 

### **Action Item**

Presentation, Discussion, and Possible Approval for publication in the *Texas Register* of a final order adopting repeal of 10 TAC Chapter 50, concerning 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules, and final order adopting new 10 TAC Chapter 50, concerning 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules.

### **Requested Action**

- 1. Adoption of Repeal of Title 10 Texas Administrative Code, Part 1, Chapter 50 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules
- 2. Adoption of New Title 10 Texas Administrative Code, Part 1, Chapter 50 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules

### **Background and Recommendations**

On August 23, 2007, the Board approved the Draft 2008 Housing Tax Credit Program Qualified Allocation Plan and Rules ("Draft 2008 QAP") to be published in the *Texas Register* and on the Department's website for public comment. Public comment was accepted regarding the Draft 2008 QAP from September 10 to October 10, 2007. In addition to accepting written public comment, the Department held six public hearings throughout the state to solicit additional public comment. All written comment received during the public comment period and during public hearings has been summarized and responded to in the attached document.

### Recommendation

- 1. Adoption of Repeal of Title 10 Texas Administrative Code, Part 1, Chapter 50 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules
- 2. Adoption of Staff's Recommendations for the New Title 10 Texas Administrative Code, Part 1, Chapter 50 2008 Final Housing Tax Credit Program Qualified Allocation Plan and Rules

#### Reasoned Response to Public Comment on the 2008 Draft Qualified Allocation Plan and Rules

The Texas Department of Housing and Community Affairs (the "Department") received the majority of comments to the 2008 Draft Qualified Allocation Plan and Rules (QAP) in writing by email, fax and mail. This document provides the Department's response to all comments received. The comments and responses include both administrative clarifications and corrections made to the QAP by staff, as well as substantive comments on the QAP and the corresponding Departmental response. Comments and responses are presented in the order they appear in the QAP. After each comment title, numbers are shown in parentheses. These numbers refer to the person or entity that made the comment as reflected in the Addendum. If comment resulted in recommended language changes to the Draft QAP as presented to the Board in August, those new language changes are highlighted. Copies of the exact comment letters provided are available on the Department's website.

# §50 – General (no specific section of the QAP provided in comment) (3, 11, 14, 19, 21, 27, 28, 29, 30, 37, 44)

### **Administrative Changes:**

Staff has made administrative revisions throughout the QAP to correct spelling, punctuation, and spacing errors; to consistently capitalize defined terms; and to consistently utilize defined terms. In cases where administrative changes propose revisions other than those outlined here, the proposed change will be addressed in the applicable QAP section.

#### **Comment:**

Comment commended Department staff for its incorporation of previously expressed comments and concerns of the development community into the 2008 Draft QAP (44).

### **Staff Response:**

Staff appreciates the commendation relating to Department efforts to address the comments and concerns of the development community. No change to the QAP is applicable.

#### **Comment:**

Comments suggested that the Housing Tax Credit ("HTC") program be modified to provide for compensation to school districts to offset the cost to accommodate new students who enroll as a result of the development of new HTC developments, and the loss of tax revenue as a result of lower property valuations for HTC developments (29, 30). Additional comment suggested mixed-use developments as a way to compensate the school districts and Municipal Utility Districts ("MUD") for the loss of tax revenue from HTC developments, and to provide increased quality of life to residents (28).

### **Staff Response:**

The tax credit program is not federally structured in a way that provides compensation for school districts or other government entities that believe they are being fiscally impacted by the siting of tax credit properties. School districts are tasked with educating all children, regardless of their residence or income, and indicating that "compensation" is necessary to educate the children of tax credit property tenants is not consistent with that mission. No change is recommended.

#### **Comment:**

Comment suggested that strong sanctions should be applied to developers that misrepresent themselves or their development plan to members of the public and to the Department. The commenter cited a 2007 application as an example (28).

#### **Staff Response:**

The current rules do apply sanctions to developer misrepresentations and staff continues to work with the Board on generating policies that strongly discourage and penalize misrepresentations. To the extent

necessary further research is being conducted into the specific allegation noted. No change is recommended.

#### **Comment:**

Comment suggested that the application process be streamlined so that documents and submissions are not missed by Department staff in the review process (28).

### **Staff Response:**

The Multifamily Division handles large volumes of documents and submissions and has altered the program each year to balance the development process with an application process. While those alterations have reduced the submissions necessary, there still remain a variety of deadlines for varying documents. The Division is continuing to make process improvements to its handling of documents to reduce the risk of missing any submissions. No change is recommended.

#### **Comment:**

Comment was received that asserted that the majority of the proposed changes in the 2008 QAP are detrimental to the production of affordable housing and to low-income citizens of the City of Fort Worth. Comment asserted that the City of Fort Worth opposes any changes to the QAP from 2007 (11).

### **Staff Response:**

Specific comments from this commenter have been summarized and responded to in the applicable QAP sections. While staff appreciates the feedback regarding the effect of proposed changes on the City of Fort Worth, the Department is charged with creating rules that address the affordable housing needs of the entire state. No change is recommended.

#### **Comment:**

Comment encouraged the Department to continue to invest in supportive services. Additionally, comment supported the Department's efforts to develop quality housing for households at 30% of AMGI, and commented that the Department has helped develop enough housing at the 60% of AMGI level to meet the need in many parts of Texas. Comment also supported the Department's incorporation of green building practices. (19).

### **Staff Response:**

The Department currently requires the provision of supportive services in Tax-Exempt Bond Developments and offers incentives for the provision of supportive services in Competitive Housing Tax Credit developments. Staff appreciates the feedback regarding the continuation of the effort to bring supportive services to the residents of affordable housing. No change is recommended.

The Department seeks to provide incentives to serve persons at various levels of AMGI throughout the state, and to diversify the income levels of those being served to minimize saturation at any particular income level. Further discussion of staff's efforts to provide these incentives may be found in the response to comment regarding §50.9(i)(3), Income Levels of Tenants. No change is recommended.

Staff appreciates the commendations regarding the incorporation of green building practices. Staff understands the need to have energy efficiencies and green building incorporated in developments. Staff will continue to research green building initiatives and have appropriate recommendations for the 2009 QAP.

#### **Comment:**

Comment suggested that more aggressive incentives should be considered by the Department for developments that apply for rehabilitation funding to encourage revitalization within the areas most eligible for Department funding. Additionally, comment suggested that greater emphasis should be placed on placing qualifying low-income persons in existing housing tax credit developments, and in

market rate developments where rental rates are comparable to those of existing tax credit developments in the area (21).

### **Staff Response:**

The Department currently offers several incentives for the use of existing housing in the development of affordable housing. It is not the role of the Department to direct qualifying low-income persons to live in certain developments; low-income persons are, and should be, able to choose to live in housing that most closely meets their unique needs. No change is recommended.

#### **Comment:**

Comment provided general support for the Mueller Airport redevelopment in Austin and encouraged the Department to adopt rule changes that allow for the success of the tax credit portion of the redevelopment, so that other housing of this kind can be replicated in the future (27, 3). Other comment provided support for mixed-income developments throughout the state, as a way to deconcentrate affordable housing (14,3). Comment also provided support for urban infill developments (37).

### **Staff Response:**

To the extent that specific rule changes are proposed relating to the Mueller redevelopment and other developments of its type, they are addressed in each specific QAP section below. No change is recommended.

# §50.3(1) – Definitions – Adaptive Reuse (4, 13, 33, 34, 36, 39, 40, 42, 44), Pages 2-3 of 85 Comment:

Comment was received indicating that the category "adaptive reuse" under the Rehabilitation definition should be defined separately from the Rehabilitation definition (4, 33, 34, 36, 39, 40, 44). Commenters suggested the addition of the following definition of adaptive reuse: "The reconstruction or rehabilitation of an existing nonresidential development (e.g., a school, warehouse, hospital, etc.) into a residential development" (33, 36, 40, 44). Other comment suggested the same language, but instead of the reconstruction or rehabilitation of an existing nonresidential development, "nonresidential structure" should instead be used. The commenter stated that the reuse of land without a structure should not be called adaptive reuse. The commenter also requested clarification as to whether the original building may increase in size (42). Another commenter suggested that adaptive reuse be defined as "The transformation of an existing nonresidential development (e.g. school, warehouse, airport) into a residential development" (4, 13, 39). Comment suggested that an airport runway is something that could be considered a structure because of the significant demolition, cleanup, and infrastructure costs associated with making the non-residential runway into a residential development (13).

### **Staff Response:**

Staff agrees the QAP should include a definition for adaptive reuse. Staff suggests that any units built outside the original building footprint, will be considered new construction. Staff proposes the following language:

(1) Adaptive Reuse--The renovation or rehabilitation of an existing non-residential building or structure (e.g., school, warehouse, office, hospital, etc...), including physical alterations that modify the building's previous or original intended use. If any Units are built outside the original building footprint, the Development will be considered New Construction.

# §50.3(14) Definitions – At-Risk Development (1, 6, 14, 18, 22, 23, 24, 25, 31, 35, 41, 46), Page 4 of 85 Comment:

Significant comment was received that suggested that the definition of an At-Risk Development should be revised to include Section 9 of the National Housing Act. Comment asserted that these properties are at risk of losing their affordability due to continuing reductions in federal funds, and a current capital needs backlog for public housing properties (1, 18, 22, 23, 24, 25, 31, 35, 46). Comment also suggested that the definition of At-Risk Development be revised to include Section 8 certificates and/or vouchers

administered by local Housing Authorities (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). Other comment suggested that projects developed pursuant to the U.S. Housing Act of 1937, 42 U.S.C.A. 1437 should be eligible under the At-Risk Set-Aside (41). Additional comment suggested that Section 8 Moderate Rehabilitation Single Room Occupancy Program be added to the definition of At-Risk Development. Comment asserted that sustaining developments financed under this program is crucial to ending long-term homelessness (14, 6).

#### **Staff Response:**

The sources of funding that qualify under the At-Risk set-aside are established in statute §2306.6702. The Department is unable to make additions to that statutory definition. Staff recommends no change.

# §50.3(30) – Definitions – Determination Notice, Page 5 of 85 Administrative Change:

Staff proposes the following administrative revision to clarify the period during which the Development will remain rent restricted:

(2930) Determination Notice--A notice issued by the Department to the Development Owner of a Tax-Exempt Bond Development which states that the Development may be eligible to claim Housing Tax Credits without receiving an allocation of Housing Tax Credits from the State Housing Credit Ceiling because it satisfies the requirements of this QAP; sets forth conditions which must be met by the Development before the Department will issue the IRS Form(s) 8609 to the Development Owner; and specifies the Department's determination as to the amount of tax credits necessary for the financial feasibility of the Development and its viability as a rent restricted Development throughout the extended use affordability period. (§42(m)(1)(D))

### $\S50.3(32)$ – Definitions – Development, Page 6 of 85

### **Administrative Change:**

Staff proposes the following administrative revision to incorporate the new Adaptive Reuse definition, and the deletion of the Reconstruction definition:

(32+) Development--A proposed qualified and/or approved low-income housing project, as defined by the Code, §42(g), for <u>Adaptive Reuse</u>, New Construction, <u>r</u>econstruction, or Rehabilitation...

### §50.3(35) – Definitions – Development Owner, Page 6 of 85

### **Administrative Change:**

Staff proposes the following administrative revision to clarify the type of Control required for a Development Owner:

(353) Development Owner--Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract or ground lease approved by the Department. (§2306.6702)

### $\S50.3(38)$ – Definitions – Disaster Areas (32), Page 6 of 85

### **Comment:**

Comment suggested that the definition of a Disaster Area should contain a reference to applicable state or federal statute to add clarity to areas that qualify (32).

#### **Staff Response:**

Staff believes there should be clarification and proposes the following:

(387) Disaster Area--aAn area that has experienced a disaster and has been declared as a federal or state-disaster pursuant to §418.014 of Texas Government Code, or has been identified by the Governor as requiring disaster assistance.

# §50.3(56)(C) – Definitions – Ineligible Building Types (1, 18, 22, 23, 24, 25, 31, 35, 41, 46), Page 7 of 85

#### **Comment:**

Significant comment was received that suggested that Qualified Elderly Developments be allowed to include units with more than two bedrooms if the units with more than two bedrooms are occupied by a property manager or maintenance employee (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

### **Staff Response:**

Staff believes this is a reasonable request and proposes the following:

(C) Any Qualified Elderly Development or age restricted buildings in Intergenerational Housing Developments with any Units having more than two bedrooms with the exception of up to three employee Units reserved for the use of the manager, maintenance and/or security officer. These employee Units must be specifically designated as such.

# §50.3(56)(G) – Definitions – Ineligible Building Types, Page 8 of 85 Administrative Change:

Staff recommends the following revision to clarify the applicability of the definition to Adaptive Reuse:

(G) Any Development located in an Urban Area involving any New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) of additional Units...

### §50.3(56)(I) – Definitions – Ineligible Building Types (7), Page 8 of 85

#### **Comment:**

Comment suggested that tax credits should be allowed to be used to target specific groups such as single mothers (7).

### **Staff Response:**

There is clear federal guidance from the Internal Revenue Service that all tax credit properties must be made available for general public use. The targeting of specific groups or populations is specifically prohibited by the general public use provision in the IRS Code. Staff recommends no change.

### §50.3(63) – Definitions – Neighborhood Organization (1, 18, 22, 23, 24, 25, 31, 35, 41, 46), Page 8 of 85

#### **Comment:**

Significant comment was received from Housing Authorities that suggested that the definition of Neighborhood Organization should be revised to include Resident Councils (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

#### **Staff Response:**

The definition for Neighborhood Organization is statutorily defined in §2306.004. The Department is unable to change that definition. However, it should be noted that resident councils may be eligible to the extent that they meet the definition as provided. Staff recommends no change.

### §50.3(71) – Definitions – Principal (32), Page 9 of 85

#### **Comment:**

Comment asserted that, by law, no limited partner may control a partnership (32).

#### **Staff Response:**

The definition of Principal is designed to address not only matters of law, but also what happens in fact. The Department's Counsel feels that the definition, as drafted, effectively addresses matters of law and fact. Staff recommends no change.

# §50.3(79) – Definitions – Qualified Nonprofit Development (17), Page 10 of 85 Comment:

Comment requested clarification as to whether the requirements cited in the definition should be connected by "and" or "or" (17).

### **Staff Response:**

§2306.6729 of the Texas Government Code requires that a qualified nonprofit organization must have controlling interest in the development if the application is submitted for the nonprofit set-aside. §42 of the IRS Code requires an ownership interest (directly or through a partnership) and material participation in the development operations. Staff recommends the following clarification:

(7948) Qualified Nonprofit Development--A Development in which a Qualified Nonprofit Organization (directly or through a partnership or wholly-owned subsidiary):

(A) holds a controlling interest, in the Development proposed to be financed from the nonprofit allocation pool (§2306.6729); and

(B) owns an interest in the Development and materially participates (within the meaning of the Code, §469(h), as it may be amended from time to time) in its development and operation throughout the Compliance Period, and otherwise meets the requirements of the Code, §42(h)(5). (§2306.6729)

# §50.3(81) – Definitions – Rehabilitation (1, 18, 22, 23, 24, 25, 31, 35, 36, 41, 46), Pages 10-11 of 85 Comment:

Significant comment was received that suggested that reconstruction should allow for demolished units to be reconstructed on a new site if the original site has negative environmental features, is located in a floodplain, has factors that make the site unsuitable for housing or the feasible operation of he project, if another location is in the best interest of the residents or for any other reasons acceptable to the Department. Comment also suggested that the definition allow reconstruction developments to exceed the original number of units that were demolished if the site is large enough for the additional units and if the additional units will be restricted to occupancy by renters at 50% of AMGI (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). Additional comment requested clarification regarding the difference between rehabilitation and reconstruction (36).

### **Staff Response:**

Although staff understands the need for replacement of obsolete housing units, staff believes these requested changes create inequity in the competitive process. Housing Authorities may use the HTC program to create new units however they should not have a point advantage for Rehabilitation or reconstruction when they are not actually rehabilitating or reconstructing a development on the same site. Rehabilitation and reconstruction are defined in §50.3 of this chapter. Staff recommends no change.

# §50.3(82) – Definitions – Related Party, (41), Page 11 of 85 Comment:

Comment suggested that the definition of Related Party be clarified to indicate that individuals who serve as Housing Authority commissioners do not count against the \$2 million credit limitation for an entity related to a Housing Authority (41).

#### **Staff Response:**

The Department's General Counsel has opined that the \$2 million limitation does statutorily apply to housing authority board members. Staff recommends no change.

### §50.3(84) – Definitions – Rural Area (16, 20), Pages 11-12 of 85 Comment:

Comment suggested that this definition not be changed as proposed, but that the 2007 definition be used (16, 20). Commerters asserted that the definition, as proposed, would cause a substantial percentage of

existing USDA 515s not to be considered to be rural developments because of the 50,000 population maximum (16, 20, 40).

### **Staff Response:**

The definition of Rural Area is statutorily defined in §2306.004. The Department is unable to change that definition. Staff recommends no change.

### §50.3(85) – Definitions – Rural Development (16, 20), Page 12 of 85 Comment:

Comment suggested that if the Rural Area definition is not changed, many existing USDA 515s would not be considered to be rural developments (16, 20).

#### **Staff Response:**

Staff believes the Department has conformed to the definition as defined in statute, §2306.004. Staff recommends no change.

### §50.5(a) – Ineligibility (1, 18, 22, 23, 24, 25, 31, 35, 41, 46), Pages 13-15 of 85 Comment:

Significant comment was received that suggested that an application should be considered ineligible if there is participation by a governmental entity that is not legally authorized to operate in the area where the proposed project is located. Comment also suggested that a similar provision should be made for nonprofit organizations when their bylaws and articles of incorporation do not allow participation in a certain area (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

### **Staff Response:**

Staff believes that it is not the role of the Department to limit the areas of the state in which an organization or governmental entity may operate. Additionally, the suggestion would warrant greater staff scrutiny and public input prior to any rule change being recommended by staff. Staff recommends no change.

# §50.5(a)(8) – Ineligibility – One-Mile Three-Year Restriction (1, 11, 18, 22, 23, 24, 25, 31, 35, 41, 46), Pages 14-15 of 85

### **Comment:**

Comment suggested that an application should not be ineligible under the "one-mile three-year" rule if the proposed development receives funding from the Housing Authority Capital Fund (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). Other comment asserted that the one-mile limitation affects local communities' ability to encourage redevelopment in downtown and central city areas. Comment suggested that this rule be waived for inner-city areas (11).

#### **Staff Response:**

The one-mile, three-year restriction is a statutory requirement in §2306.6703 of the Texas Government Code. The parameters of the restriction are specifically identified in the statute. Staff recommends no change in response to comments received.

### **Administrative Change:**

Staff recommends the following revision to clarify the applicability of the restriction to Adaptive Reuse Developments:

(8) The Applicant proposes to construct a new dDevelopment proposing New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) that is located one linear mile (measured by a straight line on a map) or less from a Development that: (§2306.6703(a)(3))...

# $\S 50.5(b)(2)$ and (3) – Disqualification and Debarment (32), Page 15 of 85 Comment:

Comment pointed out that the parties identified in the two cited paragraphs are inconsistent, and should be revised for consistency (32).

### **Staff Response:**

Staff agrees with comment received. Staff recommends the parties identified in both subparagraphs be combined and included in both subparagraphs. Staff recommends the following:

- (2) The Applicant, Development Owner, Developer, Guarantor, anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more...
- (4<u>3</u>) The Applicant, Development Owner, Developer, or any Guarantor, <u>anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entity <u>that is active in the ownership or Control</u>...</u>

### §50.5(b)(4) – Disqualification and Debarment (32), Page 15 of 85 Comment:

Comment suggested that the requirement in the QAP that any outstanding fees be paid within 30 days is problematic because the timeframes for penalty payment under the Compliance rules are different (32).

### **Staff Response:**

Staff in both the Multifamily and Compliance Divisions believes that the 30-day due date requirement, for both fees and penalties, is sufficient and does not pose inconsistencies. Staff recommends no change.

### §50.6(a) – Floodplain, Page 17 of 85

### **Administrative Change:**

Staff recommends the following revision to clarify the applicability of the restriction to Adaptive Reuse Developments:

(a) Floodplain... No buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established in this subsection for New Construction.

# §50.6(d) – Credit Limit - \$1.2 Million Limitation per Development (2, 6, 14, 33, 42, 47), Pages 17-18 of 85

#### **Comment:**

In conjunction with comment that suggested additional credits be available for the cost of green building materials, comment also suggested that the \$1.2 million limitation on tax credits to a single development be increased for the amount of additional tax credits awarded for green building materials (2). Other comment supported the addition of language allowing the adjustment of the \$1.2 million limitation by CPI (47). Additional comment suggested that in order to encourage rehabilitation and reconstruction, the \$1.2 million limitation should apply only to 9% housing tax credits, and not 4% acquisition tax credits (33, 42). Other comment suggested that the \$1.2 million limitation on developments should not apply when the proposed development is a permanent supportive housing project and supports a city's 10-year plan to end homelessness. Comment asserted that the \$1.2 million limitation severely restricts the financing options available to these types of developments (6, 14).

#### **Staff Response:**

Staff believes allowing additional tax credits for green building may be a reasonable request. However, it would require further research and input for staff to establish an appropriate recommendation for this year's QAP and would warrant additional public comment. Staff proposes this suggestion be incorporated into the 2009 QAP and commits to further research this issue. Staff recommends no change.

The current draft of the QAP approved by the Board in August addresses the CPI adjustment which staff will include in the 2008 Application Reference Manual. Staff recommends no change.

The \$1.2 million limit currently only applies to Applications in the Competitive Application Round awarded from the State Housing Credit Ceiling and does not affect Tax-Exempt Bond Development Applications. The limit is designed to ensure that the Department can allocate Housing Tax Credits from the State Housing Credit Ceiling in a way that aids the maximum number of low-income Texans. Developments in the Competitive Application Round may receive only 4% tax credits for the acquisition of existing buildings even though the Application is in the Competitive Application Round. These 4% acquisition tax credits for Competitive Housing Tax Credit Applications are allocated from the State Housing Credit Ceiling just as 9% tax credits for Competitive Housing Tax Credit Applications are. Therefore, these 4% acquisition credits are included in the \$1.2 million limitation. Staff recommends no change.

Although the Department strongly supports the mission and efforts of supportive housing providers, staff believes that excluding any group of Applicants from the \$1.2 million limitation will produce inconsistencies in the competitive process. Staff recommends no change.

# §50.6(d) - Credit Limit - \$2 Million Limitation to any Applicant, Developer, Related Party or Guarantor (1, 18, 22, 23, 24, 25, 31, 35, 41, 46), Pages 17-18 of 85

Significant comment was received that asserted that it is unfair to evaluate Housing Authorities and nonprofit organizations for the \$2 million limitation based on the participation of executive directors and individual board members (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). Comment suggested that applications by unrelated entities or applicants do not count against the \$2 million limitation. Also, comment suggested that the \$2 million limitation should not apply to consultants unless the consultant has an ownership interest in the development or will be paid a portion of the developer fee (1, 18, 22, 23, 24, 25, 31, 35, 46). Other comment suggested that a per unit credit limitation be placed on developments. The comment asserted that this kind of limitation could greatly increase the amount of quality housing that is built and provide a necessary cutoff for developments that are extremely expensive (19).

### **Staff Response:**

The Department's General Counsel is of the opinion that the statutory \$2 million limitation does apply to nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors. Staff recommends no change.

Regarding the comment that the limit should not apply to consultants, consultants are already excluded from the \$2 million limit, provided the consultant fee does not exceed 10% of the fee paid to the Developer or \$150,000. Staff recommends no change.

Regarding the comment suggesting a per Unit tax credit limit, Competitive Housing Tax Credit Applications are already encouraged to limit the costs on which the amount of the tax credit allocation is based under §50.9(i)(8), Cost of the Development By Square Foot. 4% tax credits associated with Tax-Exempt Bond Developments are not allocated from the State Housing Tax Credit Ceiling, and do not affect the amount of tax credits available to other developments. Therefore, the QAP currently provides adequate incentives to encourage applicants to control the costs of developments. Staff recommends no change.

### §50.6(d)(4) – Credit Amount – Development Consultant Fee (36), Page 18 of 85 Comment:

Comment suggested that the allowable developer fee for Qualified Nonprofit Developments be 20% of the developer fee, as was allowed in the 2007 QAP (36).

#### **Staff Response:**

Staff believes that reducing the percentage paid to Consultants to 10% from 20% for Qualified Nonprofit Developments may reduce the number of Qualified Nonprofit Developments applying for tax credits and may jeopardize the Department's ability to meet the federal requirement that at least 10% of the Credit Ceiling be allocate to Qualified Nonprofit Developments. Staff therefore concurs with the comment and recommends the following revision that reflects the 2007 QAP language:

(4) To a Development Consultant with respect to the provision of consulting services, provided the Development Consultant fee received for such services does not exceed 10% of the fee to be paid to the Developer <u>(or 20% for Qualified Nonprofit Developments)</u>, or \$150,000, whichever is greater.

# §50.6(e)(2) — Limitations on the Size of Developments, Rural Developments Involving New Construction (33, 36, 40, 44), Page 18 of 85 Comment:

Comment was received that suggested that Tax-Exempt Bond Developments in Rural Areas be allowed to exceed the 80 Unit new construction limit (33, 36, 40, 44). The commenters asserted that the number of Units should be determined by market demand rather than an arbitrary number (33, 36, 44). Other comment suggested that some rural communities demand greater amounts of affordable housing and that this need should be allowed to be met using Tax-Exempt Bond financing. The commenter asserted that rural communities near MSAs may need larger developments, and that, as a compromise, if the market study supports the need for a larger Tax-Exempt Bond development and the development is proposed within 30 or 50 miles of an MSA, the size limitation should not apply (40). Additional comment requested that Rural Developments involving reconstruction do not have a size limitation (33).

#### **Staff Response:**

§2306.004, Texas Government Code, specifically defines a Rural Development and imposes a maximum limit of 80 Units for Developments proposed in Rural Areas. The Department has applied this restriction consistently to all Department programs. However, §1372 of the Texas Government Code, which governs the Tax-Exempt Bond program, allows for multiple site Applications (or pooled transactions). Pursuant to multiple site Applications, a rural site that exceeds 80 Units will be allowable.

### **Administrative Change:**

Staff recommends the following revision to clarify the applicability of this limitation to Adaptive Reuse:

(2) Rural Developments involving any New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) will be limited to 7680 Units...

# \$50.6(e)(3) – Limitations on the Size of Developments, Urban Developments Involving New Construction (36), Page 18 of 85

#### **Comment:**

Comment requested clarification as to whether Tax-Exempt Bond Developments are restricted to 200 Department administered units (36).

### **Staff Response:**

Staff agrees that clarification would be appropriate and proposes the following clarification:

(3)<u>Urban</u> Developments involving any New Construction (excluding New Construction of non-residential buildings), that are not Tax Exempt Bond Developments, in the Competitive

Housing Tax Credit Application Round will be limited to 252 \*\*Total Units, wherein the maximum Department administered Units will be limited to 200 Units. Tax-Exempt Bond Developments will be limited to 252 \*\*Total Units. These maximum Unit limitations also apply to those Developments which involve a combination of Rehabilitation, Reconstruction, and New

Construction. Only Developments that consist solely of acquisition/Rehabilitation or Rehabilitation only may exceed the maximum Unit restrictions.

### **Administrative Change:**

Staff recommends the following revision to clarify the applicability of this limitation to Adaptive Reuse:

(3) Urban Developments involving any New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings)...

# §50.6(e)(4) – Limitations on the Size of Developments, Second Phase Developments (36), Pages 18-19 of 85

#### **Comment:**

Comment requested clarification as to whether the maximum Department administered unit restriction applies to the combined total of the first and second phases of the development, and whether this paragraph applies to Developments that involve Rehabilitation or Reconstruction and exceed the maximum allowable Development size. Comment also requested clarification on the definition of Sustaining Occupancy, and requested clarification regarding the language required for the resolution from the local political authority (36).

### **Staff Response:**

Staff concurs with the need for clarification in this regard and recommends the following:

(4) For Applications that are proposing an additional phase to an existing tax credit

Development those Developments which are a second phase or that are otherwise adjacent to an existing tax credit Development unless such proposed Development is being constructed to provide replacement of previously existing affordable multifamily units on its site (in a number not to exceed the original units being replaced, unless a market study supports the absorption of additional units) or that were originally located within a one mile radius from the proposed Development, the combined Unit total for the existing and proposed Developments may not exceed the maximum allowable Development size set forth in this subsection; unless:

(A) the first phase of the Development has been completed and has attained Sustaining Occupancy (as defined in §1.31 of this title) for at least six months: or

(B) a resolution from the governing body of the city or county in which the proposed Development is located, dated on or before the date the Application is submitted, is submitted with the Application. From the local political authority Such resolution must stateing that there is an additional need for additional Units and that the governing body has reviewed a and the market study, the conclusion of which supports the need for additional Units; or

(C) the proposed Development is intended to provide replacement of previously existing affordable Units on the Development Site or that were originally located within a one mile radius from the Development Site; provided, however, the combined number of Units in the proposed Development may not exceed the number of Units being replaced. Documentation of such replacement units must be provided.

### §50.6(f) – Limitations on the Location of Developments (17, 11), Page 19 of 85 Comment:

Comment was received that suggested that the Department's concentration policies may be intended to deal with development in Houston. Comment suggested that if a property is zoned for multifamily development, no additional restrictions should be placed on the development. The commenter asserted that Houston's lack of zoning should not be an issue for the rest of the state (17). Other comment asserted that the one-mile limitation affects local communities' ability to encourage redevelopment in downtown and central city areas. Comment suggested that this rule be waived for inner-city areas (11).

### **Staff Response:**

The one-mile rule is a statutory requirement in §§2306.6711 and 2306.67021. The Department does not have the authority to waive statute. The one-mile rule only applies in counties over one million in population. Staff agrees with comments that zoning with local authorities is important. However, the Department has a responsibility to ensure that areas are not over-concentrated with affordable housing. The additional concentration concerns will be addressed in the agenda item for the Department's Real Estate Analysis Rules. Staff recommends no change.

# §50.6(g) – Limitations on Development in Certain Census Tracts (17), Page 19 of 85 Comment:

As noted in the prior comment, it is suggested that the Department's concentration policies may be intended to deal with development in Houston. Comment suggested that if a property is zoned for multifamily development, no additional restrictions should be placed on the development. The commenter asserted that Houston's lack of zoning should not be an issue for the rest of the state (17).

#### **Staff Response:**

Staff was directed by the Board in 2007 to establish additional requirements related to concentration to reduce oversaturation and promote greater geographic dispersion. The limitation in this section was developed to address the Board concerns. The additional concentration concerns will be addressed in the agenda item for the Department's Real Estate Analysis Rules. Staff recommends no change.

# §50.6(h) – Limitations on Developments Proposing to Qualify for a 30% Increase in Eligible Basis (1, 18, 22, 23, 24, 25, 31, 35, 46), Pages 19-20 of 85 Comment:

Comment suggested that the limitation on the 30% increase in eligible basis should not apply to rehabilitation and reconstruction developments (1, 18, 22, 23, 24, 25, 31, 35, 46). Additional comment suggested that staff or the Board have discretion to release the limitation on the 30% increase in eligible basis when there is HOPE VI funding involved or when the local jurisdiction or city request the waiver for the de-concentration of public housing (25).

#### **Staff Response:**

Staff was directed by the Board in 2007 to establish additional requirements related to concentration. This limitation is recommended to address Board concerns. Additionally, the Board currently has the discretion to waive this requirement. The additional concentration concerns will be addressed in the agenda item for the Department's Real Estate Analysis Rules. Staff recommends no change.

# §50.7(b) Set-Asides (10), Pages 20-21 of 85 Comment:

Comment was received that the Department does not have many set-asides. Comment asserted that other states have set-asides for targeting distressed areas and incentivizing neighborhood revitalization strategies. The commenter stated that it would be appropriate to set-aside funding for housing in those areas (10).

#### **Staff Response:**

It has been the Department's policy in recent years to equalize the availability of credits by not creating any set-asides other than those required by state or federal statute. However, the QAP provides multiple incentives in the selection criteria for developments located in areas that target revitalization, such as points under §50.9(i)(13) for existing housing in areas that are part of a community revitalization plan, points under §50.9(i)(15) for developments in areas targeted for economic development, and points under §50.9(i)(24) for developments in qualified census tracts that are targeted by community revitalization plans. Staff recommends no change.

# §50.7(b)(2) – Regional Allocation Formula – USDA Set-Aside (16, 40), Page 21 of 85 Comment:

Comment asserted that the language regarding the exclusion of developments with USDA 538 funding, and the inclusion of developments with USDA 515 funding, regardless of other funding used, in the USDA Set-Aside is unclear. Comment asserted that the language as stated makes it unclear whether a development with both USDA 515 and 538 funding would be included or excluded, and requested clarification (16, 40).

### **Staff Response:**

§2306.111 states that any development financed wholly or in part with §538 funding from TRDO-USDA is not eligible under the At-Risk or USDA set-asides. Staff concurs with the need for clarification in the QAP and recommends the following language to ensure the statute is clearly reflected:

(2)... Developments financed through TRDO-USDA's 538 Guaranteed Rural Rental Housing Program, in whole or in part, will not be considered under this Set-Aside. Any Rehabilitation or Reconstruction of an existing 515 Development that retains the 515 loan and restrictions, regardless of the source or nature of additional financing will be considered under the At-Risk Development and TRDO-USDA Set-Asides, unless such Development is also financed through TRDO-USDA's 538 Guaranteed Rural Rental Housing Program. Commitments of 2008 Competitive Housing Tax Credits issued by the Board in 2008 will be applied to each Set-Aside, Rural Regional Allocation, Urban Regional Allocation and/or TRDO-USDA Set-Aside Allocation—for the 2008 Application Round as appropriate.

# §50.7(b)(3) – Regional Allocation Formula – At-Risk Set-Aside (1, 17, 18, 22, 23, 24, 25, 31, 35, 46), Page 21 of 85

#### **Comment:**

Comment stated that the 15% At-Risk Set-Aside is correctly reflected in the proposed 2008 QAP (1, 18, 22, 23, 24, 25, 31, 35, 46). Additional comment suggested that Section 8 vouchers and Section 8 vouchers awarded under HUD's SHP program be eligible under the At-Risk Set-Aside (17).

### **Staff Response:**

Staff concurs that the Set-Aside is correctly reflected and appreciates the comment. As noted earlier in this document, statute restricts the funding sources that are eligible under the At-Risk Set-Aside; therefore staff recommends no change.

# §50.9(a) Application Submission, Page 24 of 85 Administrative Change:

Staff proposes the following revision to clarify that required copies are a part of the Application that must be submitted to the Department:

(a) Application Submission. Any Applicant requesting a Housing Credit Allocation or a Determination Notice must submit an Application, and the required Application fee as described in §50.20 of this title, to the Department during the Application Acceptance Period. Only complete Applications will be accepted. All required volumes must be appropriately bound as required by the Application Submission Procedures Manual and fully complete for submission with all required copies and received by the Department not later than 5:00 p.m. on the date the Application is due...

# §§50.9(b)(1) and (2), Ex Parte Communications, Page 25 of 85 Administrative Change:

Staff proposes the following revisions to clarify the dates and parties to which these requirements apply:

(1) During the period beginning on the first date of the Application Acceptance Period date project applications are filed in an application eyele and ending on the date the board makes a

final decision with respect to the approval of any #Application in that-eyele Application Round, a member of the Board may not communicate with the following Persons:

- (A) an Applicant or <u>Related</u> practy, as defined by state law, including board rules, and federal law; and
  - (B) any ₱Person who is:
- (i) active in the construction, rehabilitation, ownership, or <u>eC</u>ontrol of the proposed <u>project Development</u>, including:
  - (I) a <u>eC</u>ontractor; and
  - (II) a Developer; and
  - (II) a General Partner, Principal or Affiliate of a General Prartner or General

### **e**Contractor: or

- (ii) employed as a consultant, lobbyist, or attorney by an Applicant or a Related Party.
- (2) During the period beginning on the first date of the Application Acceptance Period project applications are filed in an application cycle—and ending on the date the Board makes a final decision with respect to the approval of any Application—in the cycle that Application Round, an employee of the Department may communicate about the application with the following pressure.
- (A) the Applicant or a <u>Related</u> <u>Party</u> arty, as defined by state law, including board rules, and <u>federal law</u>; and
  - (B) any <del>p</del>erson who is:
- (i) active in the construction, rehabilitation, ownership, or <u>eControl</u> of the proposed <u>project Development</u>, including:
  - (I) a <u>€General</u> <u>Partner or General</u> <u>€Contractor; and</u>
  - (II) a Developer; and
  - (II) a perincipal or Affiliate of a General Perincipal or Affiliate of A
- (ii) employed <u>a=s</u> a consultant, lobbyist or attorney by the Applicant or a <u>\*R</u>elated <u>\*P</u>arty.

# §50.9(c) – Adherence to Obligations (1, 12, 18, 22, 23, 24, 25, 31, 32, 33, 35, 36, 37, 40, 44, 46), Page 26 of 85

#### **Comment:**

Significant comment was received related to this subsection. In general, comment suggested that penalties be consistent with the seriousness of the offense (12, 32, 33, 36, 40, 44), that penalties only be levied when the changes impact the development negatively (37), that the severity of the penalty increase with each subsequent offense (1, 12, 18, 22, 23, 24, 25, 31, 32, 35, 46), and that substitution of amenities be allowed (12). Some comment pointed out that the local jurisdiction may require a developer to make a change, and that going to the Department for approval may cost the development 30-60 days of construction; in addition, in many cases, these changes are value added features with no negative effect (37). Some specific suggestions are that the Development Owner's application should lose points when necessary evidence of points was not received by the required timeline (12); no penalties should be assessed if an amendment is submitted to and approved by the Department before placement in service (32); penalties should only be assessed if an amendment request is submitted after placement in service, threshold criteria are not met, or there is a loss of points for a selection criteria that is not remedied by a substitution of similar items for points (32); an applicant must provide amenities as alternatives to nonconforming components that represent a decrease to the development cost (12, 32); a monetary penalty should be imposed for the first violation in a five-year period (12, 32), \$25,000 for example (12); a \$25,000 penalty should be imposed for the first violation, without consideration for the time period (1, 18, 22, 23, 24, 25, 31, 35, 46); a monetary penalty should be imposed for the second violation in a five-year period (12, 32), \$50,000 for example (12); a \$50,000 penalty should be imposed for the first violation, without consideration for the time period (1, 18, 22, 23, 24, 25, 31, 35, 46); for the first two instances of

violations within a five (5) year period where a penalty is caused by a failure to provide one or more amenities promised in the Application, the Board may impose an alternate penalty of a fine equal to the value of the amenities that were promised but not provided, less the value of alternate amenities provided and approved by Department staff (12, 32); for third and subsequent violations within five years, the application could be terminated and tax credits rescinded (12, 32); third and subsequent violations should trigger the penalties currently outlined in the QAP (1, 18, 22, 23, 24, 25, 31, 35, 46); the penalty related to participation in the Tax-Exempt Bond program should be limited to 12 months rather than 24 (1, 12, 18, 22, 23, 24, 25, 31, 32, 35, 46); the dates used to determine the period of penalties should be revised (12, 32); the penalty of \$1,000 per day should be stricken (1, 18, 22, 24, 25, 31, 35, 46); for amendments that may be approved by the Executive Director, a fine of \$5,000 should be imposed if the amendment has been implemented prior to Department approval (12);

### **Staff Response:**

Staff appreciates all the public comment and input received. The draft language presented to the Board in August gives the Board flexibility in the administration of penalties. Currently, the draft allows the Board to impose a penalty of "up to" ten (10) points for the next two (2) consecutive competitive application rounds and/or exclude a Developer or Applicant from participation in the tax-exempt bond/housing tax credit program for "up to" twenty-four (24) months. Additionally, the current draft allows the Board to impose a monetary administrative penalty of "up to" \$1,000 per day from the date the non-compliance is identified by the Department. Staff believes the intent of all the suggestions are covered in the current proposed language. The current proposed language does provide the Board the discretion to penalize Applicants for not building the Development as represented in the Application. Therefore, staff recommends no change.

### §50.9(d)(6) – Underwriting Evaluation and Criteria (2), Page 29 of 85 Comment:

Comment suggested that in order to encourage green building, applicants should be allowed to request and receive additional tax credits to recover the portion of the cost of green building items that are eligible for energy tax credits, but which are not covered by the energy tax credit (2).

#### **Staff Response:**

Applicants already have the ability to request tax credits for costs associated with green building materials as long as those costs can be substantiated. Staff recommends no change.

# §50.9(d)(6)(B)(ii) – Underwriting Evaluation and Criteria – Acquisition Developer Fee, Page 29 of 85

#### **Administrative Change:**

Staff proposes the following revision to clarify the maximum Developer fee that can be claimed for Developments of different sizes:

(ii) Acquisition/rehabilitation Developments that are eligible for acquisition credits pursuant to §42(b)(1)(B) U.S.C, the acquisition portion of the Developer fee cannot exceed 15% of the existing structures acquisition basis, less Developer fee if the Development proposes 50 total Units or more, or 20% of the project's Total Eligible Basis, less Developer fees if the Development proposes 49 total Units or less, and will be limited to 4% credits. The rehabilitation portion of the Development proposes 50 total Units or more, or 20% of the project's Total Eligible Basis, less Developer fees if the Development proposes 50 total Units or more, or 20% of the project's Total Eligible Basis, less Developer fees if the Development proposes 49 total Units or less.

# §50.9(h)(4)(A)(ii)(IX) – Threshold Criteria – Threshold Amenities, Fitness Center (33, 36, 40, 44), Page 35 of 85

### **Comment:**

Comment suggested that the number of fitness machines required for threshold amenity points be dependent on the number of Units in a Development because a large number of machines is not justifiable for smaller developments. Comment proposed one fitness machine for every forty (40) Units with a minimum of two (2) machines (33, 36, 40, 44).

### **Staff Response:**

Staff concurs and recommends the following language:

(IX) Furnished fitness center equipped with at least five a minimum of two of the following fitness equipment options with at least one option per every 40 Units or partial increment of 40 Units: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multi-functional weight bench, sauna, stair climber, etc. The maximum number of equipment options required for any Development, regardless of number of Units, shall be five (2 points);

# §50.9(h)(4)(A)(ii)(XXV) – Threshold Criteria – Threshold Amenities, Green Building (33, 36, 40, 44, 47), Page 35 of 85

#### **Comment:**

Comment requested clarification regarding which features may qualify for green building and suggested that a test of monetary equivalency be applied so that only those features with similar cost be allowed to receive the same amount of points (33, 36, 40, 44). Additional comment suggested that evaporative coolers be included in this item. The commenter asserted that evaporative coolers are accepted by the EPA, IRS, and RESNET in the federal energy credit (47).

#### **Staff Response:**

Staff concurs that a test of monetary equivalency is reasonable; however, the development of such a test would involve considerable research by staff and additional public comment. Therefore, staff recommends this issue be addressed for the 2009 QAP, giving the applicant community and staff ample time to conduct the necessary research, and give all parties an opportunity to comment prior to the adoption of the rule. Staff recommends no change.

Staff concurs that evaporative coolers should be included in this item and recommends the following revision:

(XXV) Green Building (for example, evaporative coolers, passive solar heating/cooling,...

### §50.9(h)(4)(B) – Threshold Criteria – Threshold Amenities (45), Pages 35-36 of 85 Comment:

Comment suggested that the amenities provided to tenants free of charge as a part of threshold criteria serve the needs of the disabled. Comment suggested that in developments serving family and elderly populations 10% of units be compliant with the Americans with Disabilities Act of 1990 and that for developments serving elderly populations 20% of units be compliant with the Americans with Disabilities Act of 1990. Comment also suggested that a minimum of 15% of Units should be fully accessible (wheel chair accessible) to those with limited mobility (45).

### **Staff Response:**

Staff agrees that all Developments be compliant with ADA requirements, and the QAP currently requires applicants to comply with the Americans with Disabilities Act of 1990 to the extent it applies to residential properties. The QAP also requires that 5% of the Units be accessible. Staff recommends no change.

# §50.9(h)(4)(B)(iii) – Threshold Criteria – Threshold Amenities, Dishwasher and Disposal (33, 36, 40, 44, 49), Page 36 of 85

### **Comment:**

Comment stated that requiring new dishwashers is excessive and wasteful for rehabilitation development, particularly in rural areas (49). Additional comment asserted that disposals do not have energy star ratings and requested clarification on this requirement (33, 36, 40, 44).

### **Staff Response:**

The QAP does not require new dishwashers, but rather requires Energy Star or equivalently rated dishwashers. Staff believes that energy efficient dishwashers are a desirable amenity to all tenants, even those in rehabilitation and rural developments and encourages energy efficiency. Staff concurs with the attestation that garbage disposals do not have Energy Star or equivalent ratings. Staff recommends the following language:

(iii) <u>Disposal and Energy-Star or equivalently rated <del>Dd</del> Ddishwasher and Disposal (not required for TX USDA-RHSTRDO-USDA or SRO Developments);</u>

### §50.9(h)(4)(B)(iv) – Threshold Criteria – Threshold Amenities, Refrigerator (49), Page 36 of 85 Comment:

Comment stated that requiring new refrigerators is excessive and wasteful for rehabilitation development, particularly in rural areas (49).

### **Staff Response:**

The QAP does not require new refrigerators, but rather requires Energy Star or equivalently rated refrigerators. Staff believes that energy efficient refrigerators are a desirable amenity to all tenants, even those in rehabilitation and rural developments and encourages energy efficiency. Staff recommends no change.

### §50.9(h)(4)(B)(v) – Threshold Criteria – Threshold Amenities, Oven (49), Page 36 of 85 Comment:

Comment stated that requiring new ovens is excessive and wasteful for rehabilitation development, particularly in rural areas (49).

### **Staff Response:**

The QAP does not require new ovens, but rather requires Energy Star or equivalently rated ovens. Staff believes that energy efficient ovens are a desirable amenity to all tenants, even those in rehabilitation and rural developments and encourages energy efficiency. Staff recommends no change.

# §50.9(h)(4)(B)(vii) – Threshold Criteria – Threshold Amenities, Ceiling Fans (49, 19), Page 36 of 85 Comment:

Comment stated that requiring new ceiling fans is excessive and wasteful for rehabilitation development, particularly in rural areas (49). Additional comment suggested that flexibility be allowed for rehabilitation and renovation developments with regard to the ceiling fan requirement (19).

### **Staff Response:**

The QAP does not require new ceiling fans, but rather requires Energy Star or equivalently rated ceiling fans. Staff believes that energy efficient ceiling fans are a desirable amenity to all tenants, even those in rehabilitation and rural developments and encourages energy efficiency. Staff recommends no change.

# §50.9(h)(4)(B)(ix) – Threshold Criteria – Threshold Amenities, Emergency 911 Telephones (49), Page 36 of 85

#### **Comment:**

The comment asserted that requiring 911 telephones could bar development in some rural areas because 911 access is often not available in rural areas (49).

### **Staff Response:**

day.

Staff understands the problem with 911 access; however, staff believes that either a public phone or an emergency phone is a necessary amenity. Staff recommends the following change:

(xi) Emergency 911 or public telephone accessible and available to tenants 24 hours a

# §50.9(h)(5)(A)(ii) – Threshold Criteria – Building Floor Plans and Elevations (34), Page 37 of 85 Comment:

Comment suggested that the requirements for adaptive reuse developments should be modified to accommodate the unique nature of adaptive reuse floor plans. Comment suggested the addition of the following requirements for adaptive reuse developments: "building plans delineating each unit by number, type, and area consistent with those in the Rent Schedule and provide photos of each elevation of the existing building depicting the height of each floor and percentage estimate of the exterior composition." (34).

### **Staff Response:**

Staff concurs with the commenter. Staff has already incorporated this language into the draft QAP that was approved by the Board in August. Staff recommends no change.

# §50.9(h)(5)(A)(iii) – Threshold Criteria – Unit Floor Plans (34), Page 37 of 85 Comment:

Comment suggested that the definition of "each unit type" be modified to accommodate adaptive reuse developments, which typically have multiple, distinct unit types. Comment suggested that the QAP require "unit floor plans for each distinct type of unit (1 Bedroom, 1 Bath; Two Bedroom, One Bath; Two Bedroom, Two Bath; etc.) and for all units that vary in area by 10% (or 50 sf, etc.) from the typical unit." (34).

### **Staff Response:**

Staff concurs with the commenter. Staff has already incorporated this language into the draft QAP that was approved by the Board in August. Staff recommends no change.

# §50.9(h)(7)(A)(iii) – Threshold Criteria – Evidence of Property Control, Page 38 of 85 Administrative Change:

Staff proposes the following revision to clarify the types of documentation acceptable for evidence of property control, and the time period during which the control must be effective:

(iii) A contract for sale, <u>or</u> an exclusive option to purchase <u>or lease</u> which is valid for the entire period the Development is under consideration for tax credits. For Tax Exempt Bond Developments <u>Applications</u>, site control must be valid through December 1, <u>20062007</u> with option to extend through March 1, <u>20072008</u> (Applications submitted for lottery) or 90 days from the date of the bond reservation with the option to extend through the scheduled TDHCA Board meeting at which the award of Housing Tax Credits will be considered.

# §50.9(h)(7)(A)(iv)(III) – Threshold Criteria – Evidence of Property Control (1, 18, 22, 23, 24, 25, 31, 33, 35, 36, 40, 41, 44, 46), Page 39 of 85

### **Comment:**

Comment suggested that acquisition costs be allowed to exceed the lesser of the original acquisition cost plus holding costs or the "as is" value identified in the appraisal if the applicant has owned the land for at least five years. In that case, the applicant should be allowed to use the appraised value to substantiate acquisition cost. The commenter assert that this requirement will prevent "flipping" while providing a reasonable alternative to providing years of invoices to substantiate holding costs (33, 36, 40, 44). Additional comment suggested that the appraised value should be used to substantiate acquisition costs,

without placing additional limitations with regard to the period of time an owner has owned the property. Comment asserted that the current requirement places an undue burden on housing authorities that are trying to rebuild dilapidated housing that may have been constructed 60 years ago (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

### **Staff Response:**

Staff does not believe that the fact that a property has been held for five years provides any assurance against the practice of "flipping"; a period of five years holds no particular significance with regard to the value of a property. The purpose of the identity of interest requirements in the QAP is to ensure that an identity of interest transaction does not result in a profit for the seller. Without documentation of holding costs, in addition to an appraisal, the Department cannot evaluate whether the transaction will result in a profit. The period of time that the property has been owned is not relevant in this evaluation. In addition, the proposed language does not represent a new Department requirement, but rather formalizes a process that has been historically used by the Department to evaluate the feasibility of a proposed development. Staff recommends no change.

# \$50.9(h)(7)(B)(i)(I) - (III) - Threshold Criteria - Zoning (36), Page 39 of 85 Comment:

Comment requests clarification regarding how a letter relating to land use can be required when no zoning exists (36).

### **Staff Response:**

Many jurisdictions that do not have zoning ordinances do have comprehensive plans that address issues such as affordable housing and other land uses. In the absence of zoning ordinances, the requirement for a letter of consistency with a consolidated plan or other planning document, or statement of the need for affordable housing allows the Department a level of assurance that the development is consistent with the goals of the local jurisdiction. Staff recommends no change.

# §50.9(h)(7)(C) – Threshold Criteria – Evidence of Interim and Permanent Financing (1, 18, 22, 23, 24, 25, 31, 35, 46), Pages 40-41 of 85

#### **Comment:**

Comment suggested that if a commitment for development funding is provided by a governmental entity, a governmental instrumentality, or an affiliate of such, that the governmental entity, governmental instrumentality, or affiliate of such must provide evidence that the organization is legally authorized to operate in the area where the development is proposed (1, 18, 22, 23, 24, 25, 31, 35, 46).

#### **Staff Response:**

Staff feels that it is not the role of the Department to limit the areas of the state in which an organization or governmental entity may operate. This suggestion would warrant greater staff scrutiny and public input prior to any rule change being recommended by staff. Staff recommends no change.

# §50.9(h)(8)(A)(ii) – Threshold Criteria – Notifications (12, 38), Page 42 of 85 Comment:

Comment suggested that applicants should be required to mail written notifications to directors of Municipal Utility Districts ("MUD"). The commenter asserted that omitting MUD directors from required notifications negatively affects areas outside of the corporate boundaries of a municipality (38). Additional comment suggested that notifications should be made to all special districts, such as school districts, college districts, business improvement districts, municipal management districts, tax increment reinvestment zones, in which the applicant's site is located (21).

### **Staff Response:**

Notifications required in the QAP are consistent with statute. Beginning in January 2008, the Department will implement an electronic mailing system that allows notification to any email address registered with that system for tax credit applications proposed in any specified zip code. Staff suggests the special

management and utility districts subscribe to this service once it is available and will be notifying those districts of the availability of the new system. Staff recommends no change.

# §50.9(h)(8)(B) – Threshold Criteria – Signage on Property or Alternative (1, 18, 22, 23, 24, 25, 31, 35, 36, 41, 46), Page 43 of 85

#### **Comment:**

Comment requested that the proposed language requiring a sign to be posted unless prohibited by local ordinance be stricken. The commenter asserts that the applicant should be able to choose between posting a sign and mailing notifications, and that written notifications ensure that those most affected by the proposed development are notified (36). Additional comment suggested that the requirement to post public hearing information should be deleted, or should be revised so that the hearing information must be posted once it is released by the Department. Comment asserted that the public hearing information will not be known by the application deadline (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

#### **Staff Response:**

It is the Department's position that the public is better served by the posting of a public sign, as opposed to mailed notifications. A sign provides true public notification. The Department has historically released public hearing information approximately a month in advance of the signage posting date for the Competitive Housing Tax Credit Round, allowing ample time for applicants to include this information on the required posted signage by March 1. The Department will adopt a similar timeline for the release of public hearing information in 2008 so that applicants will have the information needed to meet Department notification requirements by the application submission deadline. Staff recommends no change.

### **Administrative Change:**

Staff recommends the following revision to clarify the evidence required when local ordinance prohibits the posting of a sign:

(B)... If the option in clause (i) of this subparagraph is used, then If a Public Notification Sign is prohibited by local ordinance or code, existing of the applicable ordinance or code must be provided affirming the signage violation to the local code and the local zoning notification requirements submitted in the Application.

# §50.9(h)(8)(C) – Threshold Criteria – Notifications for Developments with Occupied Units, Page 43 of 85

### **Administrative Change:**

Staff proposes the following revision to clarify the information that must be provided to current tenants of a Development:

(C) If any of the Units in the Development are occupied at the time of Application, then the Applicant must certify that—they have it has notified each tenant at the Development of all the information otherwise required on the sign, including and let the tenants know of the Department's public hearing schedule for comment on submitted Applications.

# §50.9(h)(9) – Threshold Criteria – Evidence of the Development's Proposed Ownership Structure (1, 18, 22, 23, 24, 25, 31, 35, 41, 46), Pages 43-44 of 85 Comment:

Comment suggested that if the proposed structure of the owner or developer includes a governmental entity, a governmental instrumentality, or an affiliate of such, that the governmental entity, governmental instrumentality, or affiliate of such must provide evidence that the organization is legally authorized to operate in the area where the development is proposed. Similarly, comment suggested that nonprofit entities included in the structure of the owner or developer provide evidence in the form of bylaws or articles of incorporation to show that they are authorized to operate in the area where the development is proposed (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

### **Staff Response:**

Staff believes that it is not the role of the Department to limit the areas of the state in which an organization or governmental entity may operate. This suggestion would warrant greater staff scrutiny and public input prior to any rule change being recommended by staff. Staff recommends no change.

# §50.9(i) – Selection Criteria, General (29, 30, 38, 48), Pages 48-63 of 85 Comment:

Comment suggested that all input by community stakeholders should impact the score for a development, so that comment is evaluated in the final determination of an award for any particular development (29, 30). Additional comment suggested that input from MUD directors should impact the score for a development. The commenter asserted that MUD directors represent small constituencies and because of this they are able to provide meaningful input regarding proposed developments (38). Comment suggested the addition of incentive points for applicants using USDA's 538 Guaranteed Rural Rental Housing Program who submit all required information in order for USDA to receive applications by June 1st. Comment asserted that the timing of application submissions to USDA can be challenging for USDA and that having applications two months earlier would allow USDA to fund more developments (48).

### **Staff Response:**

Statute clearly requires that the Department award points for input received from neighborhood organizations and State Representatives and Senators. Staff is sensitive to the needs of the communities and districts impacted by proposed developments and currently offers extensive opportunities for public comment, in the form of public hearings, public comment at monthly board meetings, and written comment. An additional scoring item to allow all community stakeholders to impact scoring would be excessive, considering the existing opportunities for public comment. In addition, such a scoring item may have a disproportionately greater impact on the outcome of awards than the actual merits of a development, as well as increase the ability for communities to prevent the provision of very needed affordable housing in their community. Staff recommends no change.

Staff does not feel that providing incentive points for timely submissions of application materials to other agencies is an appropriate use of selection criteria. If applicants want funding from another agency they should proactively follow that agency's process and should need no incentive from the Department to do so. Staff recommends no change.

# §50.9(i)(2) – Selection Criteria – Quantifiable Community Participation (1, 18, 22, 23, 24, 25, 31, 32, 33, 35, 36, 38, 40, 41, 42, 44, 46), Pages 48-51 of 85 Comment:

Comment suggested deleting the proposed requirement that applicants may not request that a Neighborhood Organization expand their boundaries to include the development site (32, 33, 36, 40, 42, 44,). Commenters asserted that the dialog that must happen for a development to be added to the boundaries of a neighborhood organization promotes exactly the type of interaction the scoring criteria was designed for (32, 33, 42). Additional comment suggested that Neighborhood Organizations located within two to three miles of a proposed development be allowed to provide comment for points under this paragraph. The commenter asserted that multifamily developments may affect the quality of life in communities located miles from the site, and allowing Neighborhood Organizations located two to three miles from a proposed site provides the opportunity for affected members of the community to provide meaningful input (38). Other comment suggested that resident councils should be able to comment not only on rehabilitation or reconstruction, but also on new construction if the proposed new construction is within the boundaries of the property in which they reside, or within the boundaries of their organization (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). The commenters asserted that the Department should not penalize a resident council because they reside in public housing (1, 18, 22, 23, 24, 25, 31, 35, 46).

### **Staff Response:**

Staff concurs with the comment regarding the ability for an applicant to request that a Neighborhood Organization to expand its boundaries and recommends the following revision to §50.9(i)(2)(A)(vi):

(vi) ... Applicants may not provide any "production" assistance to meet these requirements for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, or assistance drafting a letter for the purposes of this subparagraph). Applicants may not request Neighborhood Organizations to change their boundaries to include the Development site.

Statute is clear that the Department must award points on the basis of written statements from any neighborhood organizations whose boundaries contain the proposed development; therefore Neighborhood Organizations located two to three miles from a proposed development, whose boundaries do not include the proposed development site are prohibited from providing comment under this scoring item. These organizations may still make comment regarding any proposed Development; such comment will be summarized and presented to the Department's Board. Staff recommends no change.

As noted earlier, resident councils may be eligible to the extent that they meet the definition as provided. Staff recommends no change.

### **Administrative Change:**

Staff recommends the following revision to §50.9(i)(2)(B)(iv) to clarify the methodology used to establish the score for an Application that receives more than one eligible letter:

(iv) <u>If an Applications for which there are receives</u> multiple eligible letters received, and the average score of all eligible letters will be applied to the Application.

### §50.9(i)(3)(B) – Selection Criteria – Income Levels of Tenants (6, 14, 19, 36, 47), Page 51 of 85 Comment:

Comment suggested that the new language that provided greater incentive to do units at 50% and 30% of AMGI be deleted, and that language from the 2007 QAP be retained. The commenters requested that instead of allowing 22 points for having 40% of Units at or below a combination of 50% and 30% of AMGI with 5% at or below 30% of AMGI, the points be allowed for having 10% of Units at or below 30% of AMGI (36, 47). Comment suggested that this reversion to 2007 QAP language be instituted for counties along the Texas-Mexico border at the least. Further, comment suggested that Housing Authority applicants who are subsidizing rent and operating expenses with HUD money be excluded from these points. The commenter asserted that Housing Authorities already receive other benefits that give them unfair advantages over the private sector, and an ability to operate less efficiently than private sector developments (47). Comment applauded the Departments efforts to create housing for households at 30% of AMGI, and asserted that the tax credit program has produced enough housing to meet the needs of households at 60% of AMGI (19). Other comment applauded the Department's efforts to increase mixed income development through the revision of this subparagraph, but asked for an increase in the percentage of units that must serve households at 30% of AMGI (6, 14). Comment suggested that 10% of units be set aside for households at 30% of AMGI, rather than 5% (14).

### **Staff Response:**

Staff appreciates the comment related to the reversion to the 2007 QAP language; however, the relatively small number of commenters indicates a general satisfaction with the revised language. In addition, the Department seeks to provide incentives to serve persons at various levels of AMGI throughout the state. Furthermore, there is indication that in some markets, units for persons at the 60% AMGI level, are becoming saturated and this shift of the highest points away from that income level range will hopefully diversify the income levels of those being served to minimize saturation. Staff does not recommend different standards for certain counties as the median income level varies by county and already accounts for geographic variances.

Regarding the request to increase the percentage of units serving households at 30% of AMGI to a level greater than that in the draft rule, staff believes this would be a significant change that would warrant additional comment prior to implementation. Staff recommends no change to the 2008 QAP, but will explore the possibility of revising the 2009 QAP to incorporate this comment.

Regarding the request to exclude Housing Authorities from eligibility for this scoring item, statute requires the Department to award points based on the income levels of tenants without limitation. Staff recommends no change.

# §50.9(i)(4)(B) – Selection Criteria – Quality of Units, Page 52 of 85 Administrative Change:

Staff proposes the following revision to clarify how many points certain development types may receive under this scoring item:

(B)... Applications involving Rehabilitation (excluding reconstruction) or single room occupancy may receive 1.5 points for each point item, not to exceed 14 points in total.

# §50.9(i)(4)(B)(xvii) – Selection Criteria – Quality of Units, Page 52 of 85 Administrative Change:

Staff recommends the following revision to clarify the applicability of this item to Adaptive Reuse:

(xvii) 14 SEER HVAC or evaporative coolers in dry climates for New Construction.

<u>Adaptive Reuse</u>, and <u>Reconstruction</u> or radiant barrier in the attic for Rehabilitation (excluding <u>Pereconstruction</u>) (3 points); (WG)

§50.9(i)(5) — Selection Criteria — Commitment of Development Funding by Local Political Subdivisions (1, 8, 9, 16, 18, 21, 22, 23, 24, 25, 31, 32, 33, 35, 36, 40, 41, 42, 44, 46, 47), Pages 52-54 of 85

#### **Comment:**

Loan Terms: Comment suggested that the proposed requirement that a loan be for a minimum term of five years be deleted (32, 33, 36, 40, 42, 44). Commenters instead suggested that either a minimum one-year term, or the greater of one year or placement in service dated be required (33, 36, 40, 44). Commenters asserted that local governments cannot make mid- and long-term loans in today's climate, and that a five-year term has no role in the tax credit financing because it is too long to be short-term construction financing, and is too short to be permanent financing (33, 36, 40, 42, 44). Other comment asserted that the San Antonio HUD Office has instructed participating jurisdictions to limit HOME loans made in connection with tax credit developments be limited to one year, meaning that applicants who get HOME loans from participating jurisdictions will not be able to receive points under this paragraph (32). Other comment asserted that Housing Authorities must get the Attorney General's permission for loans with terms longer than one year (42). Additional comment suggested that the requirement that a loan must be at or below the Applicable Federal Rate ("AFR") at the time of application is problematic, and that the language should be revised so that the loan is at or below AFR on the date of funding (32).

In-Kind contributions: Further comment requested clarification as to whether the value of an in-kind contribution of the leasehold value of land is restricted to the value between August 1, 2008 and placement in service, rather than the entire value of the leasehold. The commenters asserted that if this is the case, the restriction is unfair and needs to be deleted. Comment instead suggested that the entire value of the contribution of land on a lease value should be allowed to count for points under this paragraph (1, 18, 22, 24, 23, 25, 31, 35, 46). Other comment suggested that the new language restricting the time period for which an in-kind contribution can count for points is unnecessary and the full value of a contribution should be used (41). Additional comment stated support for the addition of language clarifying that the value of in-kind contributions can only be claimed for the period between August 1, 2008 and placement in service (47).

USDA and HOME Funds: Other comment suggested that developments that receive a combination of USDA 515 and 538 financing should be allowed to receive points under this paragraph for the USDA funding (16). Other comment suggested that USDA 538 funding, without being combined with USDA 515 funding, should be eligible for points under this paragraph (40). The commenters asserted that this would provide a benefit to these developments to make up for the fact that they are potentially excluded from the USDA Set-Aside (16, 40). Additional comment suggested that the Department allow the amount of city HOME funds used for points under this item to be determined using a gap method that determines the tax credit amount first (8, 9).

Other Comments: Additional comment pointed out that "special districts" are included in the definition of "Local Government" in §2306 of Texas Government Code, and should be allowed to be involved in the scoring process of an application (21). Additional comment requested the deletion of this scoring item altogether. The commenter asserted that if a project is feasible without community funding, the criteria should not be imposed (33).

### **Staff Response:**

Statute requires the Department to award points for funding from local political subdivisions; therefore this scoring item cannot be deleted.

Staff feels that a change in language to require minimum loan terms of the later of one year or placement in service is reasonable. The Department cannot create policy based on the practices of other agencies; therefore no change is recommended related to HUD's practices for awarding HOME funds. Staff feels that requiring that a loan be at or below AFR at the time of funding is reasonable. Staff recommends the following language related to these comments:

(iv) A loan does not qualify as an eligible source unless it has a minimum 1-year term of the later of 1-year or the Placed in Service date, and the interest rate must be at the Applicable Federal Rate (AFR) or below (at the time of application loan closing)

In-kind contributions that result in a quantifiable reduction in Total Development Cost may count for points under this paragraph. The limit on the value of contributions between August 1, 2008 and placement in service is a reasonable guideline by which the Department may evaluate the actual impact on Total Housing Development Cost, because this time period is a reasonable estimate of the construction period for a development. Staff recommends no change.

In-kind contributions of land produce a quantifiable reduction in Total Housing Development Cost; therefore, the Department considers the full value of in-kind contributions of land, whether in the form of donation or ground lease, for points under this paragraph. Staff recommends the following language revision to provide additional clarification:

(vi) ... The quantified value of the Total Housing Development Cost reduction may only include the value during the period the contribution or waiver is received and/or assessed. Donations of land must be under the control of the Applicant, pursuant to §4950.9(h)(7) of this title to qualify. The value of in-kind contribution may only include the time period between award, or August 1, 2008, and the Development's Placed in Service date, with the exception of contributions of land. The full value of land contributions, as established by the appraisal required pursuant to clause (viii) of this subparagraph, will be used for the purpose of awarding points under this paragraph. Contributions in the form of tax exemptions or abatements may only count for points if the contribution is in addition to any tax exemption or abatement required under statute.

While the Department seeks to encourage developments that use USDA funding, statute specifically requires the Department to award points to developments that receive funding from local political

subdivisions; therefore, allowing federal funds not administered by a local political subdivision would represent a violation of statute. Staff recommends no change.

The comment related to the determination of the amount of the tax credit relates to underwriting and will be addressed in the agenda item relating to the Real Estate Analysis Rules.

In reference to the request that "special districts" be allowed to affect the Application selection, "special districts" may already participate if they meet the definition of Local Political Subdivision or Governmental Instrumentality, and can provide evidence to that effect. Staff recommends no change.

### **Administrative Change:**

Staff recommends the following revision to clarify the eligibility of Department HOME funds for this scoring item:

(vii) To the extent that a Notice of Funding Availability (NOFA) is released and funds are available, funds from TDHCA's HOME Investment Partnerships (HOME) Program will qualify if a resolution, dated on or before the date the Application Acceptance Period ends deadline, is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application. TDHCA's HOME funds may be substituted for a source originally submitted with the Application, provided the HOME funds substituted are from a NOFA released after the Application Acceptance Period ends and a resolution is submitted with the substitution documentation from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular Application.

# §50.9(i)(6) – Selection Criteria – Support from State Representative or State Senator (1, 18, 22, 23, 24, 25, 31, 35, 36, 41, 46), Page 54 of 85

#### **Comment:**

Comment suggested that in cases where one letter of support and one letter of opposition are received from the State Representative and State Senator, the letters should not cancel each other out and result in a score of zero, but that seven points should be awarded instead (36). Additional comment requested the addition of language that clarifies that the maximum negative points an application can receive are -14 (1, 18, 22, 23, 24, 25, 31, 35, 41, 46).

### **Staff Response:**

All comment from State Representatives and State Senators are highly valued by the Department. Giving more weight to comments of support than to opposition does not fairly account for all input from State Representatives and State Senators; therefore staff recommends no language change with regard to this comment. Staff concurs that the maximum negative points should be explicitly stated and recommends the following change:

(6) The Level of Community Support from State Elected OfficialsRepresentative or State Senator...Letters from State of Texas Representative or Senator: support letters are 7 points each for a maximum of ±14 points; opposition letters are 7 points each for a maximum of -14 points for a maximum of either 14 or -14 points...

# §50.9(i)(7) – Selection Criteria – Rent Levels of Units (11), Pages 54-55 of 85 Comment:

Comment suggested that the emphasis on 100% rent-restricted developments is often in conflict with the local jurisdiction's initiatives, is harmful to downtown revitalization and contributes to the concentration of affordable housing in certain neighborhoods. Comment suggested that the Department award points to mixed-income developments equal to the points awarded for 100% rent-restricted developments (11).

#### **Staff Response:**

Staff appreciates the comment regarding the encouragement of mixed-income developments. A revision to this item to provide a new point structure is a material change that would require additional public comment. The Department will explore the possibility of providing additional incentives for mixed-income developments for the 2009 QAP. Staff recommends no change.

# §50.9(i)(8) – Selection Criteria – Cost of the Development by Square Foot (2, 3, 4, 5, 7, 13, 36, 37, 39, 47), Page 55 of 85

### **Comment:**

Comment requested that the maximum cost per square foot be increased for all developments and areas of the state to address rising construction costs (36). Other comment suggested that the limit for elderly, transitional, and single room occupancy ("SRO") developments be increased to \$88 from \$85; the limit for elderly, transitional, and single room occupancy ("SRO") developments in First Tier Counties be increased to \$90 from \$87; the limit for all other developments, unless located in a First Tier County, be increased to \$78 from \$75; and the limit for all other developments located in a First Tier County be increased to \$80 from \$77 (5). Additional comment suggested that cost per square foot maximums be increased each year commensurate with CPI or some other inflation index, similar to the new language regarding §50.6(d) Credit Amount (47). Other comment suggested that maximum cost per square foot figures should not apply to parking structures, including parking garages and underground parking. The commenter asserts that applying the maximums to parking structures negatively affects urban developments that seek to provide dense, pedestrian-friendly development, and to combat urban sprawl (3, 4, 13, 37, 39). Comment also suggested that the applicant not be allowed to claim tax credits for the cost of the parking structure, but in exchange there should not be a point penalty associated with the cost (13). Additional comment requested that cost per square foot maximums for single family construction be the same as those of elderly developments (2). Other comment requested that SRO developments be exempt from the \$85 per square foot limit, and should qualify for the points under this paragraph automatically to encourage state of the art construction and rehabilitation (7).

### **Staff Response:**

This scoring item is designed to provide an incentive for the efficient construction of developments, so that the Department can allocate housing tax credits in a way that aids the maximum number of low-income Texans. The Department increased the cost per square foot by over 6% for 2007 and costs appear to have stabilized. Staff does not believe there is a need to adjust costs at this time. In addition, staff believes that all developments should be encouraged to be built in a cost-effective manner, and does not feel that exempting a particular development type from cost per square foot limits is consistent with this goal. Staff recommends no change.

Regarding the suggestion to exclude the cost of parking structures from this scoring item, this suggestion is inconsistent with the purpose of this scoring item, which is to provide an incentive for the cost-effective construction of Development. The costs of all of the buildings in a development, regardless of their inclusion in eligible basis, impact the total costs of a Development and should be included in the calculation of development cost for this scoring item. Staff recommends no change.

Staff agrees that single family design should be the same as elderly developments and has already incorporated this change into the draft 2008 QAP approved by the Board in August. Staff recommends no change.

# §50.9(i)(9) – Selection Criteria – Services to be Provided to Tenants (17, 41), Pages 55-56 of 85 Comment:

Comment suggested that the Department create a mechanism to ensure that applicants who receive points under this paragraph follow through and provide the services they commit to in the application (17).

Comment requested clarification as to why notary public services are deemed more important to tenants than the other services under this paragraph (41).

### **Staff Response:**

The Compliance Monitoring Division of the Department already actively monitor for the services committed to in the application and as provided in the Land Use Restriction Agreement. The state legislature specifically directed the Department to provide points for "free notary public services" in addition to other supportive services; therefore, the QAP places a greater importance for these services than other services. Staff recommends no change.

### §50.9(i)(10) – Selection Criteria – Declared Disaster Areas (33, 36, 40, 42, 44), Page 56 of 85 Comment:

Comment requested clarification regarding which disaster areas will be eligible under this paragraph because, depending on the disaster declarations used, all 254 Texas counties may be eligible for these points (33, 36, 40, 42, 44). Additional comment requested clarification as to whether a disaster must have been declared within the two-year period before application submission, or whether disaster declarations not declared within this two-year period, but for which the time period covered by the declaration is within this two-year period count for points under this paragraph (42).

### **Staff Response:**

As defined in the newly revised §50.3(38), a Disaster Area is an area that has been declared as a federal or state disaster and has specifically experienced the disaster identified in the declaration. The Applicant will be required to provide a copy of the declaration under which the Applicant is seeking to receive points. If proposed location of the Development has not actually experienced the disaster stated in the declaration, the Application will not be eligible for the points. Staff recommends no change.

# §50.9(i)(11) – Selection Criteria – Rehabilitation (which includes Reconstruction) or Adaptive Reuse (4, 7, 13, 32, 39), Page 56 of 85 Comment:

Comment suggested that this paragraph be clarified to include adaptive reuse developments in the development types that may qualify for points (4, 13, 32, 39). Comment asserted that the exclusion of "New Construction of non-residential buildings" may exclude adaptive reuse from this item because this description is used for adaptive reuse elsewhere in the QAP (32). Additional comment requested that all single room occupancy ("SRO") developments be allowed to qualify for points under this paragraph. The commenter asserted that SRO developments typically are required to build more units and to substantially rebuild spaces to create "state of the art" units (7). Other comment requested that New Construction be allowed for points under this item with respect to Adaptive Reuse (33).

#### **Staff Response:**

Staff concurs that the paragraph should clarify that adaptive reuse developments are eligible to receive the points; this clarification will also address the language that restricts "New Construction of non-residential buildings". This criterion is designed to promote the use of existing housing or structures in the development of housing tax credit developments; therefore a revision to allow new construction SRO developments to qualify under this item would not be consistent with the intent of the scoring item. SRO developments may qualify for points to the extent that they meet the requirements of this paragraph. Staff recommends no change related to this comment. Staff recommends the following language revisions for Adaptive Reuse:

(4011) Rehabilitation, or (which includes Reconstruction) or Adaptive Reuse. Applications may qualify to receive 76 points. Applications proposing to build solely Rehabilitation (excluding New Construction of non-residential buildings), or solely Adaptive Reuse qualify for points.

# §50.9(i)(13) – Selection Criteria – Development Includes the Use of Existing Housing as Part of a Community Revitalization Plan (4, 7, 13, 39), Page 56 of 85 Comment:

The commenter asserted that adaptive reuse development encourage rebuilding in targeted community revitalization zones, just like existing housing does, and that adaptive reuse developments should qualify for points under this paragraph (4, 13, 39). Other comment supported the addition of Adaptive Reuse to this paragraph (33). Additional comment suggested that single room occupancy ("SRO") developments be allowed to qualify for points under this paragraph if rehabilitation or reconstruction is involved in the revitalization area (7).

### **Staff Response:**

This selection criterion addresses a federal selection criteria requirement and was developed specifically to provide incentives for the use of existing housing in conjunction with revitalization. Adaptive reuse, by definition, is not existing housing; therefore the addition of that class of development would be inconsistent with the intent of this scoring item. A SRO development can already qualify under this paragraph, as long as it meets the definition of Existing Residential Development. SRO developments that propose the adaptive use of non-residential buildings do not meet the requirement of the scoring item. Staff recommends no change.

# §50.9(i)(15) – Selection Criteria – Economic Development Initiatives (3, 4, 13, 32, 33, 36, 37, 39, 40, 42, 44), Pages 56-57 of 85

#### **Comment:**

Comment suggested that points should not be prohibited if more than three Housing Tax Credit developments have been awarded in the area in the past seven years, but that a limitation that considers the size of the developments and the size of the community be used. Some comment suggested that the same tests used in §§50.6(g) and (h) be used, limiting points to developments in census tracts with less than 30% or 40% Housing Tax Credit units per total households (33, 36, 40, 44). Other comment opposed the new scoring criteria because it will be difficult to receive points under this paragraph and §50.9(i)(16), Development Location (36). Additional comment requested that tax increment reinvestment zones, pursuant to Chapter 311 of the Texas Tax Code, be added to the list of areas that are eligible for points under this paragraph (3, 4, 13, 37, 39). Other comment requested clarification as to how the area will be defined (33, 42), for example, will the area be the location of the organization that receives funding, the service area of an organization that receives funding, or the location of the residence of the individual that receives services (42). Further comment pointed out that this new scoring item does not require the types of evidence of funding required under §50.9(i)(5) of the QAP. The commenter suggested that additional language be added to clarify evidence required regarding the amount and type of funding in order to substantiate the points awarded (32).

### **Staff Response:**

Regarding the limitation for areas with existing Housing Tax Credit Developments, staff feels that limiting points to areas in which more than three tax credit awards have not been made in the past seven years is reasonable. The limitations in §§50.6(g) and (h) are already applied to all Developments, and would therefore offer no meaningful additional limitations, and would be duplicative in nature. Staff recommends no change.

While staff appreciates that Applicants desire to qualify under as many scoring items as possible, challenges related to the ability to qualify under multiple items do not provide sufficient basis for the inclusion or exclusion of any particular scoring item. Staff recommends no change.

This scoring item was designed to provide incentives for the development of housing in the areas targeted for economic development by the state and federal funding sources. Tax increment reinvestment zones are designated at the local level and are not consistent with the intent of this item to provide incentives for development in areas targeted at the state and federal levels. Staff recommends no change.

Staff concurs that additional clarification regarding the interpretation of "area" for this scoring item is needed and recommends the following revision:

(15) Economic Development Initiatives. A Development that is located in one of the following two areas may qualify to receive 4 points. For the purpose of this paragraph, "area" shall mean the boundaries of any zone or community in subparagraph (A) or the area in which funds in subparagraph (B) must be used:

Staff concurs that additional clarification regarding the evidence required for this item is needed. Specific requirements will be included in the 2008 application materials. In addition, staff recommends the following revision:

(C) Points under subparagraphs (A) and (B) of this subparagraph will not be granted if more than 3 tax credit Developments have been awarded in that area in the last 7 years. The Applicant must provide evidence of the boundaries of the area, as required in the Application and Application Submission Procedures Manual.

# §50.9(i)(16)(F) – Selection Criteria – Development Location (15, 32, 43), Page 57 of 85 Comment:

Comment suggested that the use of the word "area" to describe the locations eligible for points under this subparagraph is not sufficiently descriptive. Comment suggested that a more specific description such as "city," "census tract," or "zip code" be used (15). Other comment suggested that this subparagraph be deleted so that Qualified Elderly Developments eligible for points under this subparagraph are instead eligible for points under §50.9(i)(19) (43). Further comment asserted that this subparagraph contemplates the same concept as §50.9(i)(19) (32).

#### **Staff Response:**

Staff concurs with comment that suggested that this subparagraph contemplates the same concept as  $\S50.9(i)(19)$ . In addition, staff concurs that a better description of area is needed. Staff recommends the deletion of this subparagraph in conjunction with the recommended language change to  $\S50.9(i)(19)$ . Deleting  $\S50.9(16)(F)$  and revising  $\S50.9(i)(19)$  resolves the issue of a broad description of area by using census tracts as the defined location; and eliminates scoring criteria that are conceptually duplicative. Staff recommends the following revision to  $\S50.9(16)(F)$ :

(F) The proposed Qualified Elderly Development will be located in an area with no other existing Qualified Elderly Developments supported by housing tax credits.

§50.9(i)(17) – Selection Criteria – Development Location in Non-Urban Areas (1, 18, 22, 23, 24, 25, 31, 35, 41, 46, 47), Page 58 of 85

#### **Comment:**

Comment requested clarification regarding the reason for the decrease in point value from 7 point in 2007 to 6 points in 2008 (47). Comment asserted that there is no justifiable basis for awarding six points merely because a development is in a location with a population less than 100,000 (1, 18, 22, 23, 24, 25, 31, 35, 41, 46). Comment suggested that this scoring item be deleted from the QAP, or be lowered to three points (1, 18, 22, 23, 24, 25, 31, 35, 46).

### **Staff Response:**

The Department's governing statute requires the use of ten scoring criteria, which must be given point values in specific descending order. In the 80<sup>th</sup> legislative session, the tenth of these items was added making it necessary to adjust the point value of some of the criteria that had ranked below the initial first nine of the ten items to make "room" for the insertion of the tenth highest item. In an effort to geographically disperse developments within the Urban area of regions, the Department has created a selection criteria to encourage locations in non-rural areas with populations less than 100,000. Staff recommends no change.

# §50.9(i)(18) – Selection Criteria – Demonstration of Community Support Other than Quantifiable Community Participation (47), Page 58 of 85 Comment:

Comment provided support for the language additions in this paragraph. Comment also requested clarification regarding the reason for the decrease in point value from 7 point in 2007 to 6 points in 2008 (47).

#### **Staff Response:**

The Department's governing statute requires the use of ten scoring criteria, which must be given point values in specific descending order. In the 80<sup>th</sup> legislative session, the tenth of these items was added making it necessary to adjust the point value of some of the criteria that had ranked below the initial first nine of the ten items to make "room" for the insertion of the tenth highest item. Staff appreciates the feedback regarding the revised language.

# §50.9(i)(19) – Selection Criteria – Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits (43, 47), Page 58 of 85 Comment:

Comment requested clarification regarding the reason for the decrease in point value from 7 points in 2007 to 6 points in 2008 (47). Additional comment suggested that language be revised so that points are awarded under this paragraph if there are no other housing tax credit developments in the census tract or if there are no other housing tax credit developments in the area that serve the same population (43). Further comment asserted that this paragraph contemplates the same concept as §50.9(i)(16)(F) (32).

#### **Staff Response:**

The reasoning for the reduction in points has been described on each of the prior comments. Awarding points based on the presence of other developments that serve the same population is reasonable. Staff recommends the following language:

(1719) Developments in Census Tracts with No Other Existing Same Type Developments Supported by Tax Credits: The Application may receive 76 points if the proposed Development is located in a census tract in which there are no other existing developments supported by housing tax credits that serve the same type of household, regardless of whether the development serves families, or elderly individuals (Intergenerational Housing is not a type of household as it relates to this paragraph)...

### §50.9(i)(22)(B) – Selection Criteria – Negative Site Features (26, 33), Pages 59-60 of 85 Comment:

Comment expressed concern over the location of a proposed 2007 development across the street from a county jail. The commenter suggested that the location of a development in close proximity to a jail is not consistent with the Department's mission to provide safe housing (26). Additional comment suggested that the distance from the development to the negative feature be measured from the closest residential building, rather than site boundary. The commenter asserted that the current language penalizes developments on large sites (33).

### **Staff Response:**

The Department appreciates the comment regarding proximity to criminal justice facilities, and the safety of potential tenants. Although staff understands the concern, it is important to consider that proximity to a criminal justice facility may also be seen as a positive in providing needed housing for workers in the facility. Regarding the location from which measurements should be made, staff feels that measuring from the development site's boundaries is more reasonable. The entire development site is available for use by tenants, and it is therefore reasonable to consider the site boundaries, rather than the closest building's boundaries, proximity to negative features. Staff recommends no change.

# §50.9(i)(22)(B)(vi) – Selection Criteria – Negative Site Features, Sexually Oriented Businesses (33, 36, 40, 44), Page 60 of 85

#### **Comment:**

Comment requested clarification of what constitutes a sexually oriented business (33, 36, 40, 44).

#### **Staff Response:**

Staff concurs and proposes the following language which utilizes the legislative definition for a sexually oriented business:

(vi) Developments where the buildings are located adjacent to or within 300 feet of a sexually oriented business will have 1 point deducted from their score. For the purpose of this clause, sexually oriented business shall be defined as stated in §243.002 of the Texas Government Code.

# §50.9(i)(22)(B)(vii) – Selection Criteria – Negative Site Features, Accident Zones or Flight Paths of Airports (4, 13, 33, 36, 39, 40, 42, 44), Page 60 of 85 Comment:

Comment suggested that "flight path" is too broad a term and that a development's location in an airport "clear zone" should trigger a point deduction under negative site features (33, 36, 40, 44). Additional comment suggested that point deductions for location in a "flight path" be deleted from the QAP, and pointed out that flight path maps are not available to the public, (4, 13, 39, 42) or as an alternative, that a definition for flight path be established (42). The commenter asserted that sites within flight paths, but far from active airports are not at risk of accidents and excessive noise. Further comment asserts that the environmental assessment required by the Department includes a noise study that is a good indicator of the impact of noise, and is more appropriate than deducting points (4, 39). Other comment suggested that the term "flight path" lacks specificity and that some FAA standard should be used. Comment suggested that a limitation on the location of a development in the flight patch closest to the airport, for example within a 1 mile radius, in urban areas. Comment also suggested that if there is existing residential development near the development proposed in a flight path, the development should be permitted (32).

#### **Staff Response:**

The Department has conducted research regarding a definition for "flight path" and concurs with comment that a clear definition or list of such areas is not readily available from any agency that regulates air traffic or local airports. Therefore, staff recommends the following revision:

(vii) Developments where the buildings are located within the accident zones or clear zones or flight paths for commercial or military airports.

# §50.9(i)(25)(B) – Selection Criteria, Sponsor Characteristics (32), Page 60 of 85 Comment:

Comment expressed concern about the requirement that a Historically Underutilized Business ("HUB") materially participate in the development throughout the compliance period. The commenter asserted that a HUB should be allowed to sell its general partner interest in year 10 if it so desires. The commenter also asserted that requiring a HUB to stay in a deal or sell its interest to another HUB restricts the pool of purchasers of the general partner interest (32).

#### **Staff Response:**

Although staff appreciates the comment, the participation of a HUB is not a threshold requirement and may be selected at the option of the applicant. However, once selected the Department wants to ensure that the participation of a HUD continues for the development. It is the goal of the Department to encourage meaningful participation by HUBs, not to award points for participation that may easily be terminated. Staff recommends no change.

# §50.9(i)(29)(B) – Selection Criteria – Scoring Imposing Penalties (2, 32), Pages 62-63 of 85 Comment:

Comment suggested that penalty points with regard to removal by a lender, equity provider, or limited partners be limited to removals occurring within six years of an allocation of tax credits (2, 32). Comment asserted that flat rents, increasing utility allowances, increasing operating expense, and other uncontrollable market conditions may cause good, qualified developers to be in default on an older property. The commenter suggested that the penalty period should correspond to the typical guarantee period (2). Additional comment suggested that the language be revised to assess the penalty on the Applicant and that in order for the penalty to be imposed, a party must have served as the general partner or managing member of a limited partnership or limited liability company owning a tax credit property (32).

#### **Staff Response:**

The requirement to apply this penalty is statutory and statute does not provide for a limitation on the time during which a removal may have occurred to warrant the penalty, nor does it limit penalties only to those with a certain level of participation. Staff recommends no change.

### §50.9(j)(1)(A) – Tie Breaker Factors, Page 63 of 85

#### **Administrative Change:**

Staff recommends the following revision to clarify the applicability of this subparagraph to Adaptive Reuse:

(A) Applications involving any Rehabilitation or Reconstruction of existing Units will win this first tier tie breaker over Applications involving solely New Construction or Adaptive Reuse.

### §50.11(a)(4) – Public Hearings (28), Page 67 of 85 Comment:

Comment suggested that public hearings should be held in locations that are more convenient for members of the community that are impacted by proposed developments. The commenter asserted that a large number of community members were present at a meeting regarding a 2007 development that was held in the community, but that a smaller group attended the Department's public hearing because the location was less convenient (28).

#### **Staff Response:**

Staff is sensitive to the needs of the communities impacted by proposed developments and the Department currently offers extensive opportunities for public input, in the form of public hearings, public comment at monthly board meetings, and written comment. The Department does hold public hearings near the proposed development site for specific Tax-Exempt Bond Developments that use the Department as the bond issuer. In an effort to make public hearings more accessible to the public, the Department holds a greater number of public hearings than is required by statute for Competitive Housing Tax Credit applications. Due to the large number of applications and the variety of locations covered by these applications, it is infeasible for staff to hold public hearings near every location that could be impacted by a housing tax credit development. Staff recommends no change.

# §50.12(b) – Applicability of Rules for Tax-Exempt Bond Developments (36), Pages 68-69 of 85 Comment:

Comment requested clarification as to whether a letter of consistency with the local consolidated plan, or a statement affirming the need for affordable housing is required in the 2008 QAP (36).

#### **Staff Response:**

To be consistent with this requirement under the Competitive Housing Tax Credit program the letter of consistency with the local consolidated plan, or a statement affirming the need for affordable housing will only be required in instances where the development is located within the boundaries of a political

subdivision that does not have a zoning ordinance. This requirement is already outlined in §50.9(h)(7)(B) of the QAP. Staff recommends no change.

#### §§50.14(a)(1) and (3) – Carryover, Page 72 of 85

#### **Administrative Change:**

Staff recommends the following revisions to clarify the applicability of these paragraphs to Adaptive Reuse:

- (1) The Development Owner for all New Construction <u>and Adaptive Reuse</u> Developments must have purchased the property for the Development <u>Site</u>.
- (3) For all Developments involving New Construction or Adaptive Reuse, evidence of the availability of all necessary utilities/services to the Development site must be provided...

### §50.15(b)(4) – Cost Certification (2, 33, 36, 44), Page 74 of 85

#### **Comment:**

Comment suggested that IRS Forms 8609 should not be withheld for a development for which the applicant is in material noncompliance on other properties. Commenters assert that this penalty would ultimately affect the investor community, possibly resulting in a decrease in the number of investors willing to do business in Texas (2, 33, 36, 44).

#### **Staff Response:**

Staff appreciates the comment with regard to the issuance of IRS Forms 8609. The QAP does not state that IRS Forms 8609 will be withheld as a result of the compliance evaluation, but merely that the evaluation will be performed. It is the intent of staff that should an event such as this occur, the information would be shared with the Executive Director and possibly the Board prior to issuance of the IRS Forms 8609. Staff recommends no change.

#### §50.16(k) Return of Credits (47), Page 76 of 85

#### **Comment:**

Comment provided support for the new language penalizing applicants who return tax credits after the Carryover deadline. Comment asserted that returns negatively affect the community in which the award was made, and affects future tax credits that the Department is able to receive from National Pool (47).

#### **Staff Response:**

Staff concurs and appreciates the feedback regarding the revised language.

#### §50.17(c) – Challenges (33, 36, 40, 44), Pages 77-78 of 85

#### **Comment:**

Comment supported the imposition of submission deadlines for challenges to active applications (33, 36, 40, 44).

#### **Staff Response:**

Staff concurs and appreciates the feedback regarding the revised language.

#### §50.17(d) – Amendment of Applications (32), Pages 78-79 of 85

#### Comment:

Comment asserted that it is imperative that this paragraph be revised to accommodate changes to §50.9(c), Adherence to Obligations (32).

#### **Staff Response:**

See Staff Response for §50.9(c). Staff recommends no change at this time.

# §50.20(h) – Building Inspection Fees (40), Page 83 of 85 Comment:

Comment requested that the language from the 2006 QAP be reinstated. The commenter requested that developments that receive financing through USDA not have construction inspections performed by the Department, and as a result, not be required to pay a building inspection fee (40).

#### **Staff Response:**

Although it may be more efficient to use the same inspections, the two agencies tend to inspect for different items. Therefore, to ensure that the Development is being completed as presented, the Department does require construction inspections. The 2006 QAP language provided that "Developments receiving financing through TX-USDA-RHS that will not have construction inspections performed through the Department will be exempt from the payment of an inspection fee" (emphasis added). The 2006 language is no longer applicable because the Department does perform construction inspections for all developments financed through USDA. Staff recommends no change.

## §50.20(l) – Extension and Amendment Requests (32), Page 83 of 85 Comment:

Comment suggested that the fees required under this paragraph be examined to provide relief to applicants who, because of recent requirements to submit amendment requests in advance of the action for which the amendment is being requested, may be subject to multiple amendment fees. The commenter suggested that perhaps amendments that must go before the Board are subject to a higher fee than those that may be processed administratively; or amendments requested in advance are subject to a lower fee than those not requested in advance; or that the first amendment be subject to a higher fee than subsequent amendments (32).

#### **Staff Response:**

Staff appreciates the comment related to the issue of multiple amendment fee payments. However, the Department is committed to processes that ensure that applicants adhere to those obligations made in the application. Providing relief to applicants that repeatedly deviate from the representations made in the application is not consistent with the goal of minimizing those deviations. Staff recommends no change.

### **Comment Source Reference**

Comment Source Reference					
Comment #	Commenter				
1	Alamo Housing Authority, Mary Vela				
2	Barry Kahn, Hettig/Kahn Holdings, Inc				
3	Catellus Development Group, Francie Ferguson				
4	Catellus Development Group, Matt Whelan				
5	Charter Builders, R.J. Collins				
6	CHS, Kelly Kent				
7	Churchill Residential, Inc., Tony Sisk				
8	City of Brownsville Planning Department, Lucy Garza				
9	City of Brownsville, Ben Medina, Planning Committee Development Director				
10	City of El Paso, Department of Community Development, Bill Lilly				
11	City of Fort Worth, Charlie Price, Housing Program Manager				
12	Coats   Rose, Barry Palmer				
13	Coats   Rose, Scott Marks				
14	Community Partnership for the Homeless, Frank Fernandez				
15	Don Youngs, The Youngs Company				
16	Doublekaye Corp., Gary Kersch				
17	El Paso Coalition for the Homeless, Susan Austin				
18	Flores Residential, LC, Apolonio Flores				
19	Foundation Communities, Walter Moreau				
20	Ginger McGuire, Lancaster Pollard				
21	Greater Greenspoint District, James Curry and Jack Drake				
22	H.A.V.E. Association, Daisy Flores				
23	Housing Authority of the City of Kingsville, Cory Hinojosa				
24	Housing Authority of the City of Pharr, Janie Martinez				
25	Housing Authority of the City of Texarkana, Richard Herrington, Jr.				
26	Jane Polk Sinski, Individual				
27	Jim Walker, Individual				
28	Kathi Zollinger, Individual				
29	Katy Area Economic Development Council, Lance LaCour				
30	Katy Independent School District, Superintendent Alton Frailey				
31	La Joya Housing Authority, J.J. Garza				
32	Locke Lord Bissell & Liddell LLP, Cynthia Bast				
33	Mark-Dana Corporation, David Koogler				
34	Martin Riley Associates - Architects, P.C., Jackie Martin, and Hollis Fitch				
35	McAllen Housing Authority, Joe Saenz				
36	NRP Group, Debra Guerrero				
37	Realtex Development Corporation, Rick Deyoe				
38	Representative Bill Callegari				
39	Representative Eddie Rodriguez				
40	Rural Rental Housing Association of Texas ("RRHA"), Jeff Crozier				
41	San Antonio Housing Authority, Henry Alvarez				
42	S.Anderson Consulting, Sarah Anderson				
43	Shackelford Melton & McKinley, Benjamin Halpern				

Comment #	Commenter		
44	Texas Affiliation of Affordable Housing Providers ("TAAHP"), Jim Brown		
45	Texas Legal Services Center ("TLSC"), Randall Chapman and Carrie Tournillion		
46	Texas National Association of Housing and Redevelopment Officials ("Texas NAHRO"), James Hargrove		
47	Tropicana Building Corporation, R.L. "Bobby" Bowling IV		
48	United States Department of Agriculture Rural Development, Scooter Brockette		
49	Viola Salazar, Individual		

Scoring Breakdown in Descending Order of Points for the Draft 2008 QAP

QAP		Total	Order of Points for	<b>Legislative Citation - Compare to</b>
Para. #	Topic	Points	Notes	QAP
1	Financial Feasibility	28	N/A	2306.6710(b)(1)(A)
2	QCP from Neighborhood	24 Max	Range of +24 to 0	2306.6710(b)(1)(B); 2306.6725(a)(2)
	Organizations		S	
3	Income Levels of the Tenants	22	N/A	2306.6710(b)(1)(C) and (e);
				2306.111(g)(3)(B) and (E);
				42(m)(1)(B)(ii)(I)
4	Size and Quality of the Units	20	N/A	2306.6710(b)(1)(D);
				42(m)(1)(C)(iii)
5	Commit. of Funds by LPS	18	N/A	2306.6710(b)(1)(E)
6	State Rep. or Senator	14 Max	Range of +14 to -14	2306.6710(b)(1)(F) and (g);
	Support/Opposition			2306.6725(a)(2)
7	Rent Levels of the Units	12	N/A	2306.6710(b)(1)(G)
8	Cost Per Square Foot	10	N/A	2306.6710(b)(1)(H); 42(m)(1)(C)(iii)
9	Services Provided to Tenants	8	N/A	2306.6710(b)(1)(I); Rider 7;
				2306.254; 2306.6725(a)(1)
10	Declared Disaster Areas	7	N/A	2306.6710(b)(1)
11	Rehabilitation, Reconstruction or	6	N/A	N/A
	Adaptive Reuse			
12	Housing Needs	6	N/A	42(m)(1)(C)(ii)
13	Existing Housing with Revitalization	6	N/A	42(m)(1)(C)(iii)
14	Pre-Application	6	N/A	2306.6704
15	Economic Development Initiative	4	N/A	2306.127
16	Development Location	4	N/A	2306.6725(a)(4) and (b)(2);
				2306.127; Rider 6
				42(m)(1)(C)(i) and (vii)
17	Location in Non-Urban Areas	6	N/A	2306.6725(a)(4); 42(m)(1)(C)(i)
18	Community Support Other Than QCP	6	Range of 6 to 0	N/A
19	Census Tracts with No Other Existing	6	N/A	2306.6725(b)(2)
	Developments Supported by Tax			
	Credits			
20	Special Housing Needs Populations	4	N/A	42(m)(1)(C)(v)
21	Length of Affordability	4	N/A	2306.6725(a)(5); 2306.111(g)(3)(C);
	-			2306.185(a)(1) and (c);
				2306.6710(e)(2); 42(m)(1)(B)(ii)(II)
22	Site Characteristics	4	Up to 4 points for	N/A
	Sitt Siminatorious		positive amenities	1471
			and -5 points for	
			negative features.	
23	Development Size	3	N/A	N/A
24	Location in QCT with Revitalization	1	N/A	42(m)(1)(B)(ii)(III)
25	Sponsor Characteristics	2	N/A	42(m)(1)(C)(iv)
26	Right of First Refusal	1	N/A	2306.6725(b); 42(m)(1)(C)(viii)
27	Leveraging of Private, State and	1	N/A	2306.6725(a)(3)
21	Federal Funds	1	IN/A	2300.0723(a)(3)
28	Third Party Commit. Outside of QCT	1	N/A	2306.6710(e)(1)
				1/1/
29	Penalties  Mumber of Points Possibles	N/A	Range	2306.6710(b)(2)

**Maximum Number of Points Possible:** 

228

### **Multifamily Finance Production Division**

### **DRAFT 2007**2008 Housing Tax Credit Program

### **Qualified Allocation Plan and Rules**

	AND AUTHORITY; PROGRAM STATE		
	ATION WITH RURAL AGENCIES		
\$49 <u>50</u> .3. DEFINITION	ONS		2
	DUSING CREDIT CEILING		13
	LITY; DISQUALIFICATION AND DEBAR		
DEVELOPMENT STA	ANDARDS; REPRESENTATION BY FOR	MER BOARD MEMBER OR OTHER PE	RSON; DUE
DILIGENCE, SWORN	N AFFIDAVIT; APPEALS AND ADMINIST	TRATIVE DEFICIENCIES FOR INELIGIE	3ILITY,
DISQUALIFICATION	AND DEBARMENT		13
§4950.6. SITE AND	<b>DEVELOPMENT RESTRICTIONS: FLO</b>	ODPLAIN; INELIGIBLE BUILDING TYP	ES;
SCATTERED SITE L	IMITATIONS; CREDIT AMOUNT; LIMITA	ATIONS ON THE SIZE OF DEVELOPM	ENTS;
	EHABILITATION COSTS; UNACCEPTAE		
<b>DEFICIENCIES FOR</b>	SITE AND DEVELOPMENT RESTRICTION	ONS	17
§49 <u>50</u> .7. REGIONA	L ALLOCATION FORMULA; SET-ASIDE	S; REDISTRIBUTION OF CREDITS	17
\$49 <mark>50</mark> .8. PRE-APPI	LICATIONS FOR COMPETITIVE HOUSIN	IG TAX CREDITS: SUBMISSION;	
COMMUNICATION V	WITH DEPARTMENTS STAFF; EVALUA	TION PROCESS; THRESHOLD CRITER	RIA AND
REVIEW; RESULTS.	(\$2306.6704)		19
§49 <u>50</u> .9. APPLICAT	TION: SUBMISSION; COMMUNICATION	WITH DEPARTMENT EMPLOYEES; A	DHERENCE
	EVALUATION PROCESS FOR COMPETI		ATE
	EILING; EVALUATION PROCESS FOR		
	ALUATION PROCESS FOR RURAL RES		
	ICE PRE-CERTIFICATION PROCEDURE		
CRITERIA; TIEBREA	KER FACTORS; STAFF RECOMMENDA	TIONS	21
	ECISIONS; WAITING LIST; FORWARD		
	ED APPLICATION NOTIFICATIONS, RE		<b>AEETINGS</b>
	; VIEWING OF PRE-APPLICATIONS AN		
	EMPT BOND DEVELOPMENTS: FILING		
	CES; FINANCIAL FEASIBILITY EVALUA		
	MENT AND DETERMINATION NOTICES		
DOCUMENTATION S	SUBMISSION REQUIREMENTS		69
§49 <u>50</u> .14. CARRYC	OVER; 10% TEST; COMMENCEMENT O	F SUBSTANTIAL CONSTRUCTION	70
§49 <u>50</u> .15. LURA, C	COST CERTIFICATION		71
	G CREDIT ALLOCATIONS		
	REEVALUATION, APPEALS PROCESS; F		
	CATIONS; AMENDMENTS; HOUSING TA		
	OPERTIES; WITHDRAWALS; CANCELL		
			75
	ANCE MONITORING AND MATERIAL N		
§49 <u>50</u> .19. DEPART	MENT RECORDS; APPLICATION LOG;	IRS FILINGS	79
	AM FEES; REFUNDS; PUBLIC INFORMA		
NOTIFICATION OF	FEES; EXTENSIONS; PENALTIES		80
	R AND PLACE OF FILING ALL REQUIRE		
	AND AMENDMENT OF RULES		
§49 <u>50</u> .23. DEADLIN	NES FOR ALLOCATION OF HOUSING T	AX CREDITS. (§2306.6724)	83

#### §4950.1. Purpose and Authority; Program Statement; Allocation Goals.

- (a) Purpose and Authority. The Rules in this chapter apply to the allocation by the Texas Department of Housing and Community Affairs (the Department) of Housing Tax Credits authorized by applicable federal income tax laws. The Internal Revenue Code of 1986, \$42, (the "Code") as amended, provides for credits against federal income taxes for owners of qualified low-income rental housing Developments. That section provides for the allocation of the available tax credit amount by state housing credit agencies. Pursuant to Chapter 2306, Subchapter DD, Texas Government Code, the Department is authorized to make Housing Credit Allocations for the State of Texas. As required by the Internal Revenue Code, \$42(m)(1), the Department developed this Qualified Allocation Plan (QAP) which is set forth in \$\$4950.1 4950.23 of this title. Sections in this chapter establish procedures for applying for and obtaining an allocation of Housing Tax Credits, along with ensuring that the proper threshold criteria, selection criteria, priorities and preferences are followed in making such allocations.
- **(b) Program Statement.** The Department shall administer the program to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, affordable rental housing in the private marketplace; maximize the number of suitable, accessible, affordable residential rental units added to the state's housing supply; prevent losses for any reason to the state's supply of suitable, accessible, affordable residential rental units by enabling the Rehabilitation of rental housing or by providing other preventive financial support; and provide for the participation of for-profit organizations and provide for and encourage the participation of nonprofit organizations in the acquisition, development and operation of accessible affordable housing developments in rural and urban communities. (\$2306.6701)
- (c) Allocation Goals. It shall be the goal of this Department and the Board, through these provisions, to encourage diversity through broad geographic allocation of tax credits within the state, and in accordance with the regional allocation formula; to promote maximum utilization of the available tax credit amount; and to allocate credits among as many different entities as practicable without diminishing the quality of the housing that is being built. The processes and criteria utilized to realize this goal are described in §\$50.7, \$4950.8 and \$4950.9 of this title, without in any way limiting the effect or applicability of all other provisions of this title. (General Appropriation Act, Article VII, Rider 8(e))

#### §49<u>50</u>.2.Coordination with Rural Agencies.

To ensure maximum utilization and optimum geographic distribution of tax credits in rural areas, and to provide for sharing of information, efficient procedures, and fulfillment of Development compliance requirements in rural areas, the Department will enter into a Memorandum of Understanding (MOU) or other agreement with the TX-USDA-RHS to coordinate on existing, Rehabilitation, and New Construction housing Developments financed by TX-USDA-RHSTRDO-USDA; and will jointly administer the Rural Regional Allocation with the Texas Office of Rural Community Affairs (ORCA). Through participation in hearings and meetings, ORCA will assist in developing all Threshold, Selection and Underwriting Criteria applied to Applications eligible for the Rural Regional Allocation. The Criteria will be approved by that Agency. To ensure that the Rural Regional Allocation receives a sufficient volume of eligible Applications, the Department and ORCA shall jointly implement outreach, training, and rural area capacity building efforts. (§2306.6723)

#### **§**49<u>50</u>.3. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Adaptive Reuse--The renovation or rehabilitation of an existing non-residential building or structure (e.g., school, warehouse, office, hospital, etc...), including physical alterations that modify

the building's previous or original intended use. If any Units are built outside the original building footprint, the Development will be considered New Construction.

- (42) Administrative Deficiencies--The absence of information or inconsistent information a document from in the Application as is required under  $\$\$49\underline{50}.5$ ,  $49\underline{50}.6$ ,  $49\underline{50}.8$ (d) and  $49\underline{50}.9$ (g) (j) of this title, unless determined by the Department as unable to be corrected.
- (23) Affiliate--An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include all General Partners, Special Limited Partners and Principals with an ownership interest unless the entity is an experienced dDeveloper as described in \$49.9(i)(21)(B)50.9(h)(9)(D) of this title.
- (34) Agreement and Election Statement--A document in which the Development Owner elects, irrevocably, to fix the Applicable Percentage with respect to a building or buildings, as that in effect for the month in which the Department and the Development Owner enter into a binding agreement as to the housing credit dollar amount to be allocated to such building or buildings.
- (45) Applicable Fraction--The fraction used to determine the Qualified Basis of the qualified low-income building, which is the smaller of the Unit fraction or the floor space fraction, all determined as provided in the Code, \$42(c)(1).
- (56) Applicable Percentage--The percentage used to determine the amount of the Housing Tax Credit for any Development (New Construction, Reconstruction, and/or Rehabilitation), as defined more fully in the Code, \$42(b).
  - (A) For purposes of the Application, the Applicable Percentage will be projected at:
- (i) 40 basis points over the current applicable percentage for 70 percent present value credits, pursuant to \$42(b) of the Code for the month in which the Application is submitted to the Department, or
- (ii) 15 basis points over the current applicable percentage for 30 percent present value credits, pursuant to \$42(b) of the Code for the month in which the Application is submitted to the Department.
  - (B) For purposes of making a credit recommendation at any other time, the Applicable Percentage will be based in order of priority on:
    - (i) The percentage indicated in the Agreement and Election Statement, if executed; or
- (ii) The actual applicable percentage as determined by the Code, \$42(b), if all or part of the Development has been placed in service and for any buildings not placed in service the percentage will be the actual percentage as determined by the Code, \$42(b) for the most current month; or
- (iii) The percentage as calculated in subparagraph (A) of this paragraph if the Agreement and Election Statement has not been executed and no buildings have been placed in service.
- (67) **Applicant--**Any Person or Affiliate of a Person who files a Pre-Application or an Application with the Department requesting a Housing Credit Allocation. (\$2306.6702)
- (78) Application--An application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material. (\$2306.6702)
- (89) Application Acceptance Period--That period of time during which Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department, December 3, 2007 through February 29, 2008, as more fully described in §49.9(a)50.8 andthrough §49.2150.12 of this title. For Tax-Exempt Bond Developments this period is the date the Volumes 1 and 2 are submitted or the date the reservation is issued by the Texas Bond Review Board, whichever is earlier, and for Rural Rescue Applications this is that period of time stated in the Rural Rescue Policy.
- (910) Application Round--The period beginning on the date the Department begins accepting Applications for the State Housing Credit Ceiling and continuing until all available Housing Tax Credits from the State Housing Credit Ceiling (as stipulated by the Department) are allocated, but not extending past the last day of the calendar year. (\$2306.6702)

(119) **Application Submission Procedures Manual--**The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for the filing of Pre-Applications and Applications for Housing Tax Credits.

#### (124) Area--

- (A) The geographic area contained within the boundaries of:
  - (i) An incorporated place or
- (ii) Census Designated Place (CDP) as established by the U.S. Census Bureau for the most recent Decennial Census.
- (B) For Developments located outside the boundaries of an incorporated place or CDP, the Development shall take up the Area characteristics of the incorporated place or CDP whose boundary is nearest to the Development site.
- (132) Area Median Gross Income (AMGI)--Area median gross household income, as determined for all purposes under and in accordance with the requirements of the Code, \$42.
  - (143) At-Risk Development--aA Development that: (\$2306.6702)
- (A) has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under at least one of the following federal laws, as applicable:
  - (i) Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. §17151);
  - (ii) Section 236, National Housing Act (12 U.S.C. §1715z-1);
  - (iii) Section 202, Housing Act of 1959 (12 U.S.C. §1701g);
  - (iv) Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. §1701s);
- (v) The Section 8 Additional Assistance Program for housing Developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing and Urban Development;
- (vi) The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development;
- (vii) Sections 514, 515, and 516, Housing Act of 1949 (§42U.S.C.42 U.S.C. §§1484, 1485, and 1486); or
  - (viii) Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. §42), and
  - (B) Is subject to the following conditions:
- (i) The stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (expiration will occur within two calendar years of July 31 of the year the Application is submitted); or
- (ii) The federally insured mortgage on the Development is eligible for prepayment or is nearing the end of its mortgage term (the term will end within two calendar years of July 31 of the year the Application is submitted).
- (C) An Application for a Development that includes the demolition of the existing Units which have received the financial benefit described in subparagraph (A) of this paragraph will not qualify as an At-Risk Development unless the redevelopment will include the same site.
- (D) Developments must be at risk of losing all affordability from all of the financial benefits available on the Development, provided such benefit constitutes a subsidy, described in subparagraph (A) of this paragraph on the site. However, Developments that have an opportunity to retain or renew any of the financial benefit described in subparagraph (A) of this paragraph must retain or renew all possible financial benefit to qualify as an At-Risk Development.
- (E) Nearing expiration on a requirement to maintain affordability includes Developments eligible to request a qualified contract under \$42 of the Code. Evidence must be provided in the form of a copy of the recorded LURA, the first years' IRS Forms 8609 for all buildings showing Part II completed and, if applicable, documentation from the original application regarding the right of first refusal.
- (154) **Bedroom--**A portion of a Unit which is no less than 100 square feet; has no width or length less than 8 feet; has at least one window that provides exterior access; and has at least one closet that is not less than 2 feet deep and 3 feet wide and high enough to accommodate 5 feet of

hanging space. A den, study or other similar space that could reasonably function as a bedroom and meets this definition is considered a bedroom.

- (165) Board--The governing Board of the Department. (\$2306.004)
- (176) Carryover Allocation--An allocation of current year tax credit authority by the Department pursuant to the provisions of the Code, \$42(h)(1)(C) and Treasury Regulations, \$1.42-6.
- (1<u>8</u>7) Carryover Allocation Document--A document issued by the Department, and executed by the Development Owner, pursuant to §49<u>50</u>.14(a) of this title.
- (198) Carryover Allocation Procedures Manual--The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for filing Carryover Allocation requests.
- (1920) Code--The Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued thereunder by the United States Department of the Treasury or the Internal Revenue Service.
- (210) Colonia--A geographic Area  $\underline{\text{that is}}$  located in a county some part of which is within 150 miles of the international border of this state, and that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that (2306.581):
- (A) Has a majority population composed of individuals and families of low-income and very low-income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed Area under §17.921, Water Code; or
- (B) Has the physical and economic characteristics of a colonia, as determined by the <del>Texas</del> Water Development Board Department.
- (224) **Commitment Notice--**A notice issued by the Department to a Development Owner pursuant to \$4950.13 of this title and also referred to as the "commitment."
- (2<u>3</u>2) Community Revitalization Plan--A published document under any name, approved and adopted by the local governing body by ordinance or resolution, that targets specific geographic areas for revitalization and development of residential developments.
- (2<u>4</u>3) Competitive Housing Tax Credits--Tax credits available from the State Housing Credit Ceiling.
- (254) Compliance Period--With respect to a building, the period of 15 taxable years, beginning with the first taxable year of the Credit Period pursuant to the Code, \$42(i)(1).
- (265) Control--(including the terms "Controlling," "Controlled by", and/or "under common Control with") the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise, including specifically ownership of more than 50% of the General Partner interest in a limited partnership, or designation as a managing General Partner of a limited liability company.
- (276) Cost Certification Procedures Manual--The manual produced, and amended from time to time, by the Department which sets forth procedures, forms, and guidelines for filing requests for IRS Form(s) 8609 for Developments placed in service under the Housing Tax Credit Program.
- (287) Credit Period--With respect to a building within a Development, the period of ten taxable years beginning with the taxable year the building is placed in service or, at the election of the Development Owner, the succeeding taxable year, as more fully defined in the Code, \$42(f)(1).
- (298) **Department--**The Texas Department of Housing and Community Affairs, an agency of the State of Texas, established by Chapter 2306, Texas Government Code, including Department employees and/or the Board. (\$2306.004)
- (2930) Determination Notice--A notice issued by the Department to the Development Owner of a Tax-Exempt Bond Development which states that the Development may be eligible to claim Housing Tax Credits without receiving an allocation of Housing Tax Credits from the State Housing Credit Ceiling because it satisfies the requirements of this QAP; sets forth conditions which must be met by the Development before the Department will issue the IRS Form(s) 8609 to the Development Owner; and specifies the Department's determination as to the amount of tax credits necessary for the financial feasibility of the Development and its viability as a rent restricted Development throughout the extended use affordability period. (\$42(m)(1)(D))

- (310) **Developer--**Any Person entering into a contract with the Development Owner to provide development services with respect to the Development and receiving a fee for such services (which fee cannot exceed the limits identified in \$4950.9(d)(6)(B) of this title) and any other Person receiving any portion of such fee, whether by subcontract or otherwise.
- (324) **Development--**A proposed qualified and/or approved low-income housing project, as defined by the Code, \$42(g), for <u>Adaptive Reuse</u>, New Construction, <u>Rreconstruction</u>, or Rehabilitation, that consists of one or more buildings containing multiple Units, and that, if the Development shall consist of multiple buildings, is financed under a common plan and is owned by the same Person for federal tax purposes, and the buildings of which are either:
  - (A) Located on a single site or contiguous site; or
  - (B) Located on scattered sites and contain only rent-restricted units. (\$2306.6702)
- (332) **Development Consultant--**Any Person (with or without ownership interest in the Development) who provides professional services relating to the filing of an Application, Carryover Allocation Document, and/or cost certification documents.
  - (34) Development Funding--Means:
    - (A) a loan or grant; or
- (B) an in-kind contribution, including a donation of real property, a fee waiver for a building permit or for water or sewer service, or a similar contribution that:
  - (i) provides an economic benefit; and
- (ii) results in a quantifiable cost reduction for the applicable Development. (2306.004(4-a))
- (3<u>5</u>3) **Development Owner--**Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract<u>or ground lease</u> approved by the Department. (\$2306.6702)
- (364) **Development Site--**The area, or if scattered site areas, for which the Development is proposed to be located and is to be under control pursuant to 4950.9(h)(7)(A) of this title.
- (375) **Development Team--**All Persons or Affiliates thereof that play a role in the Development, construction, Rehabilitation, management and/or continuing operation of the subject Property, which will include any Development Consultant and Guarantor.
- (38) Disaster Area--An area that has been declared as a disaster pursuant to \$418.004 of Texas Government Code.
- (3<u>96</u>) **Economically Distressed Area--**Consistent with §17.921 of Texas Water Code, an Area in which:
- (A) Water supply or sewer services are inadequate to meet minimal needs of residential users as defined by Texas Water Development Board rules;
- (B) Financial resources are inadequate to provide water supply or sewer services that will satisfy those needs; and
- (C) An established residential subdivision was located on June 1, 1989, as determined by the Texas Water Development Board.
- (3740) Eligible Basis--With respect to a building within a Development, the building's Eligible Basis as defined in the Code, \$42(d).
- (3841) Executive Award and Review Advisory Committee ("The Committee")--A Departmental committee that will develop funding priorities and make funding and allocation recommendations to the Board based upon the evaluation of an Application in accordance with the housing priorities as set forth in Chapter 2306 of the Texas Government Code, and as set forth herein, and the ability of an Applicant to meet those priorities. (§2306.1112)
- (3942) Existing Residential Development--Any Development Site which contains 4 or more existing residential Units at the time the Volume I is submitted to the Department.
- (430) Extended Housing Commitment--An agreement between the Department, the Development Owner and all successors in interest to the Development Owner concerning the extended housing use of buildings within the Development throughout the extended use period as provided in the Code, \$42(h)(6). The Extended Housing Commitment with respect to a Development is expressed in the LURA applicable to the Development.
- (4<u>4</u>1) **General Contractor-**-One who contracts for the construction or Rehabilitation of an entire Development, rather than a portion of the work. The General Contractor hires subcontractors,

such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. This party may also be referred to as the "contractor."

- (452) **General Partner--**That partner, or collective of partners, identified as the general partner of the partnership that is the Development Owner and that has general liability for the partnership. In addition, unless the context shall clearly indicate the contrary, if the Development Owner in question is a limited liability company, the term "General Partner" shall also mean the managing member or other party with management responsibility for the limited liability company.
- (4<u>6</u>3) **Governmental Entity--**Includes federal or state agencies, departments, boards, bureaus, commissions, authorities, and political subdivisions, special districts and other similar entities.
- (474) Governmental Instrumentality--A legal entity such as a housing authority of a city or county, a housing finance corporation, or a municipal utility, which is created by a local political subdivision under statutory authority and which instrumentality is authorized to transact business for the political subdivision.
- (48) Grant--Financial assistance that is awarded in the form of money to a housing sponsor or Development for a specific purpose and that is not required to be repaid. A Grant includes a forgivable loan. (2306.004)
- (495) **Guarantor--**Means aAny Person that provides, or is anticipated to provide, a guaranty for the equity or debt financing for the Development.
- (4650) Historically Underutilized Businesses (HUB)--Any entity defined as a historically underutilized business with its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code.
- (4751) Housing Credit Agency--A Governmental Entity charged with the responsibility of allocating Housing Tax Credits pursuant to the Code, §42. For the purposes of this title, the Department is the sole "Housing Credit Agency" of the State of Texas.
- (4852) Housing Credit Allocation--An allocation by the Department to a Development Owner for a specific Application of Housing Tax Credits in accordance with the provisions of this title.
- (4953) Housing Credit Allocation Amount--With respect to a Development or a building within a Development, that amount the Department determines to be necessary for the financial feasibility of the Development and its viability as a Development throughout the affordability period and which it allocates to the Development.
- (540) **Housing Tax Credit ("tax credits")--**A tax credit allocated, or for which a Development may qualify, under the Housing Tax Credit Program, pursuant to the Code, §42. (§2306.6702)
  - (554) HUD--The United States Department of Housing and Urban Development, or its successor.
- ( $5\overline{62}$ ) Ineligible Building Types--Those Developments which are ineligible, pursuant to this QAP, for funding under the Housing Tax Credit Program, as follows:
- (A) Hospitals, nursing homes, trailer parks, dormitories (or other buildings that will be predominantly occupied by students) or other facilities which are usually classified as transient housing (other than certain specific types of transitional housing for the homeless and single room occupancy units, as provided in the Code, \$42(i)(3)(B)(iii) and (iv)) are not eligible. However, structures formerly used as hospitals, nursing homes or dormitories are eligible for Housing Tax Credits if the Development involves the conversion of the building to a non-transient multifamily residential Development. Refer to IRS Revenue Ruling 98-47 for clarification of assisted living.
- (B) Any Qualified Elderly Development or age restricted buildings in Intergenerational Housing Developments of two stories or more that does not include elevator service for any Units or living space above the first floor.
- (C) Any Qualified Elderly Development or age restricted buildings in Intergenerational Housing Developments with any Units having more than two bedrooms with the exception of up to three employee Units reserved for the use of the manager, maintenance, and/or security officer. These employee Units must be specifically designated as such.
- (D) Any Development with building(s) with four or more stories that does not include an elevator.
- (E) Any Qualified Elderly Development or age restricted buildings in Intergenerational Housing Developments proposing more than 70% two-bedroom Units.
- (E<u>F</u>) Any Development that violates the Integrated Housing Rule of the Department, §1.15 of this title.

- (FG) Any Development located in an Urban/Exurban Area involving any New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) of additional Units (other than a Qualified Elderly Development, a Development composed entirely of single family dwellings, and certain specific types of transitional housing for the homeless and single room occupancy units, as provided in the Code, \$42(i)(3)(B)(iii) and (iv)) in which any of the designs in clauses (i) (iv) of this subparagraph are proposed. For Applications involving a combination of single family detached dwellings and multifamily dwellings, the percentages in this subparagraph do not apply to the single family detached dwellings. For Intergenerational Housing Applications, the percentages in this subparagraph do not apply to buildings that are restricted by the age requirements of a Qualified Elderly Development. An Application may reflect a total of Units for a given bedroom size greater than the percentages stated belowin clauses (i) (iv) of this subparagraph to the extent that the increase is only to reach the next highest number divisible by four.
  - (i) More than 30% of the total Units are one bedroom Units; or
  - (ii) More than 55% of the total Units are two bedroom Units; or
  - (iii) More than 40% of the total Units are three bedroom Units; or
  - (iv) More than 5% of the total Units in the Development with four or more bedrooms.
- (GH) Any Development that includes age restricted units that are not consistent with the Intergenerational Housing definition and policy or the definition of a Qualified Elderly Development.
- (I) Any Development that contains residential Units either designated for a single occupational group, or through a preference for a single occupational group, violates the general public use requirement under Treasury Regulation §1.42-9.
- (573) Intergenerational Housing--Housing that includes specific uunits that are restricted to the age requirements of a Qualified Elderly Development and specific uunits that are not age restricted in the same Development that:
  - (A) Have separate and specific buildings exclusively for the age restricted uunits,
- (B) Have separate and specific leasing offices and leasing personnel exclusively for the age restricted <u>uUnits</u>,
- (C) Have separate and specific entrances, and other appropriate security measures for the age restricted uUnits,
- (D) Provide shared social service programs that encourage intergenerational activities but also provide separate amenities for each age group,
  - (E) Share the same Development ssite,
- (F) Are developed and financed under a common plan and owned by the same Person for federal tax purposes; and
  - (G) Meet the requirements of the federal Fair Housing Act.
  - (584) IRS--The Internal Revenue Service, or its successor.
- (595) Land Use Restriction Agreement (LURA)--An agreement between the Department and the Development Owner which is binding upon the Development Owner's successors in interest, that encumbers the Development with respect to the requirements of this chapter, Chapter 2306, Texas Government Code, and the requirements of the Code, §42. (§2306.6702)
- (5660) Local Political Subdivision--A county or municipality (city) in Texas. For purposes of \$4950.9(i)(5) of this title, a local political subdivision may act through a Government Instrumentality such as a housing authority, housing finance corporation, or municipal utility even if the Government Instrumentality's creating statute states that the entity is not itself a "political subdivision."
  - (5761) Material Noncompliance--As defined in Schapter 60, Subchapter A of this title.
- (5862) Minority Owned Business--A business entity at least 51% of which is owned by members of a minority group or, in the case of a corporation, at least 51% of the shares of which are owned by members of a minority group, and that is managed and Controlled by members of a minority group in its daily operations. Minority group includes women, African Americans, American Indians, Asian Americans, and Mexican Americans and other Americans of Hispanic origin. (\$2306.6734)
- (63) Neighborhood Organization--An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association. (\$2306.001(23-a))

- (5964) New Construction--Any <u>construction of a Development or a portion of the a</u> Development that does not meet the definition of Rehabilitation or (which includes Reconstruction).
- $(6\underline{50})$  ORCA--Office of Rural Community Affairs, as established by Chapter 487 of Texas Government Code.  $(\underline{\$2306.6702})$
- (661) **Person--Means**, wwithout limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality or other organization or entity of any nature whatsoever and shall include any group of Persons acting in concert toward a common goal, including the individual members of the group.
  - (672) Persons with Disabilities--A person who:

conditions,

- (A) Has a physical, mental or emotional impairment that:
  - (i) Is expected to be of a long, continued and indefinite duration,
  - (ii) Substantially impedes his or her ability to live independently, and
- (iii) Is of such a nature that the disability could be improved by more suitable housing
- (B) Has a developmental disability, as defined in the Developmental Disabilities Assistance and Bill of Rights Act (\$42\_U.S.C. \$15002), or
  - (C) Has a disability, as defined in 24 CFR §5.403.
- (683) **Persons with Special Needs--**Persons with alcohol and/or drug addictions, Colonia residents, Persons with Disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers.
- (694) **Pre-Application--**A preliminary application, in a form prescribed by the Department, filed with the Department by an Applicant prior to submission of the Application, including any required exhibits or other supporting material, as more fully described in this title. (\$2306.6704)
- (6570) **Pre-Application Acceptance Period--**That period of time during which Competitive Housing Tax Credit Pre-Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department.
- (6671) **Principal-**-the term Principal is defined as Persons that will exercise Control over a partnership, corporation, limited liability company, trust, or any other private entity. In the case of:
- (A) Partnerships, Principals include all General Partners, Special Limited Partners and Principals with ownership interest;
- (B) Corporations, Principals include any officer authorized by the board of directors to act on behalf of the corporation, including the president, vice president, secretary, treasurer and all other executive officers, and each stock holder having a ten percent 10% or more interest in the corporation; and
- (C) Limited liability companies, Principals include all managing members, members having a ten percent 10% or more interest in the limited liability company or any officer authorized to act on behalf of the limited liability company.
- (6772) **Property--**The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether currently existing or proposed to be built thereon in connection with the Application.
  - (6873) Qualified Allocation Plan (QAP)--
- (A) As defined in the Code, \$42(m)(1)(B): Any plan which sets forth selection criteria to be used to determine housing priorities of the housing credit agency which are appropriate to local conditions; which also gives preference in allocating housing credit dollar amounts among selected projects to projects serving the lowest-income tenants, projects obligated to serve qualified tenants for the longest periods, and projects which are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan; and which provides a procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of the Code, \$42 and in notifying the Internal Revenue Service of such noncompliance which such agency becomes aware of and in monitoring for noncompliance with habitability standards through regular site visits.
- (B) As defined in \$2306.6702, Texas Government Code: A plan adopted by the board that provides the threshold, scoring, and underwriting criteria based on housing priorities of the Department that are appropriate to local conditions; provides a procedure for the Department, the

Department's agent, or another private contractor of the Department to use in monitoring compliance with the qualified allocation plan and this subchapter; and consistent with \$2306.6710(e), gives preference in  $\frac{1}{2}$  ax  $\frac{1}{2}$  ax

- (i) When practicable and feasible based on documented, committed, and available third-party funding sources, serve the lowest-income tenants per helpousing tax ecredit; and
- (ii) Produce for the longest economically feasible period the greatest number of high quality units committed to remaining affordable to any tenants who are income-eligible under the low-income housing tax credit program.
- (6974) Qualified Basis--With respect to a building within a Development, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of the Code, \$42(c)(1).
- (750) Qualified Census Tract--Any census tract which is so designated by the Secretary of HUD in accordance with the Code, \$42(d)(5)(C)(ii).
- (764) Qualified Elderly Development--A Development which meets the requirements of the federal Fair Housing Act and:
  - (A) Is intended for, and solely occupied by, individuals 62 years of age or older; or
- (B) Is intended and operated for occupancy by at least one individual 55 years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one individual who is 55 years of age or older; and where the Development Owner publishes and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for individuals 55 years of age or older. (See §42U.S.C.42 U.S.C. §3607(b)).
- (772) Qualified Market Analyst--A real estate appraiser certified or licensed by the Texas Appraiser Licensing and Certification Board, a real estate consultant, or other professional currently active in the subject property's market area who demonstrates competency, expertise, and the ability to render a high quality written report. The individual's performance, experience, and educational background will provide the general basis for determining competency as a Market Analyst. Competency will be determined by the Department, in its sole discretion. The Qualified Market Analyst must be a Third Party.
- (783) Qualified Nonprofit Organization--An organization that is described in the Code, \$501(c)(3) or (4), as these cited provisions may be amended from time to time, that is exempt from federal income taxation under the Code, \$501(a), that is not affiliated with or Controlled by a for profit organization, and includes as one of its exempt purposes the fostering of low-income housing within the meaning of the Code, \$42(h)(5)(C). A Qualified Nonprofit Organization may select to compete in one or more of the Set-Asides, including, but not limited to, the nonprofit Set-Aside, the At-Risk Development Set-Aside and the TX-USDA-RHSTRDO-USDA Allocation. (\$2306.6729)
- (794) Qualified Nonprofit Development--A Development in which a Qualified Nonprofit Organization (directly or through a partnership or wholly-owned subsidiary):
- (A) holds a controlling interest, in the Development proposed to be financed from the nonprofit allocation pool (\$2306.6729); and
- (B) owns an interest in the Development and materially participates (within the meaning of the Code, \$469(h), as it may be amended from time to time) in its development and operation throughout the Compliance Period, and otherwise meets the requirements of the Code, \$42(h)(5). (\$2306.6729)
- (75) Reconstruction—The demolition of one or more residential buildings in an Existing Residential Development and the re-construction of the Units on the Development Site. Developments proposing adaptive re-use or proposing to increase the total number of Units in the Existing Residential Development are not considered Reconstruction.
- (7680) **Reference Manual--**That certain manual, and any amendments thereto, produced by the Department which sets forth reference material pertaining to the Housing Tax Credit Program.
- (7781) Rehabilitation--The improvement or modification of an Existing Residential Development through an alterations, incidental additions or enhancements. The term includes the demolition of an Existing Residential Development and the Reconstruction of any dDevelopment on the Development Site—units, but does not include the improvement or modification of an Existing Residential Development for the purposes of an addaptive rReuse of the Development. Rehabilitation includes repairs necessary to correct the results of deferred maintenance, the replacement of principal

fixtures and components, improvements to increase the efficient use of energy, and installation of security devices. Reconstruction, for these purposes, includes the demolition of one or more residential buildings in an Existing Residential Development and the re-construction of the Units on the Development Site. Developments proposing aAdaptive rRe-use or proposing to increase the total number of Units in the Existing Residential Development are not considered Reconstruction. Rehabilitation may include demolition within the existing walls of a structure to increase or decrease the number of Units or Bedrooms, but does not include demolition or adaptive reuse.

#### (<del>7882</del>) **Related Party--**As defined, (§2306.6702)

- (A) The following individuals or entities:
- (i) The brothers, sisters, spouse, ancestors, and descendants of a person within the third degree of consanguinity, as determined by Chapter 573, Texas Government Code;
- (ii) A person and a corporation, if the person owns more than 50-percent\u00e5 of the outstanding stock of the corporation;
- (iii) Two or more corporations that are connected through stock ownership with a common parent possessing more than 50-percent% of:
- (I) The total combined voting power of all classes of stock of each of the corporations that can vote;
  - (II) The total value of shares of all classes of stock of each of the corporations;
- (III) The total value of shares of all classes of stock of at least one of the corporations, excluding, in computing that voting power or value, stock owned directly by the other corporation;
  - (iv) A grantor and fiduciary of any trust;
- (v) A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
  - (vi) A fiduciary of a trust and a beneficiary of the trust;
- (vii) A fiduciary of a trust and a corporation if more than 50 percent of the outstanding stock of the corporation is owned by or for:
  - (I) The trust; or

or

- (II) A person who is a grantor of the trust;
- (viii) A person or organization and an organization that is tax-exempt under the Code, \$501(a), and that is controlled by that person or the person's family members or by that organization;
- (ix) A corporation and a partnership or joint venture if the same persons own more than:
  - (I) 50-percent\( \frac{1}{2} \) of the outstanding stock of the corporation; and
- (II) 50 percent of the capital interest or the profits' interest in the partnership or joint venture;
- (x) An S corporation and another S corporation if the same persons own more than 50 percent% of the outstanding stock of each corporation;
- (xi) An S corporation and a C corporation if the same persons own more than 50 percent% of the outstanding stock of each corporation;
- (xii) A partnership and a person or organization owning more than 50-percent\u00e5 of the capital interest or the profits' interest in that partnership; or
- (xiii) Two partnerships, if the same person or organization owns more than 50  $\frac{1}{2}$  of the capital interests or profits' interests.
- (B) Nothing in this definition is intended to constitute the Department's determination as to what relationship might cause entities to be considered "related" for various purposes under the Code.
- (7983) Rules--The Department's Housing Tax Credit Program Qualified Allocation Plan and Rules as presented in this title.
  - (840) Rural Area--An aArea that is located:
- (A) Outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
- (B) Within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 205,000 or less and does not share a boundary with an  $\frac{1}{20}$  with an  $\frac{1}{20}$  rea; or

- (C) In an Area that is eligible for New Construction funding by <u>Texas Rural Development</u> <u>Office or the United States Department of Agriculture (TXTRDO</u>-USDA-RHS), other than an Area that is located in a municipality with a population of more than 50,000; or
- (D) On a specific Development Site eligible for Rehabilitation funding by TX-USDA-RHS as evidenced by an executed TX-USDA-RHS letter indicating TX-USDA-RHS has received a Consent Request, also referred to as a Preliminary Submittal, as described in 7 CFR 3560.406. (\$2306.6702004)
- (851) Rural Development--A Development or proposed Development that is located within a Rural Area, other than rural New Construction Developments with more than 80 Units. A Rural Development may not exceed 76 Units if involving any New Construction (excluding New Construction of non-residential buildings).
- (8<u>6</u>2) **Selection Criteria--**Criteria used to determine housing priorities of the State under the Housing Tax Credit Program as specifically defined in §4950.9(i) of this title.
- (873) **Set-Aside-**-A reservation of a portion of the available Housing Tax Credits under the State Housing Credit Ceiling to provide financial support for specific types of housing or geographic locations or serve specific types of Applications or Applicants as permitted by the Qualified Allocation Plan on a priority basis. (\$2306.6702)
- (884) State Housing Credit Ceiling--The limitation on the aggregate amount of Housing Credit Allocations that may be made by the Department during any calendar year, as determined from time to time by the Department in accordance with the Code, \$42(h)(3)(C).
- (895) **Student Eligibility--**Per the Code, \$42(i)(3)(D), A  $\underbrace{uU}$ nit shall not fail to be treated as a low-income  $\underbrace{uU}$ nit merely because it is occupied:
  - (A) By an individual who is:
- (i) A student and receiving assistance under Title IV of the Social Security Act (42U.S.c.42 U.S.C. 642U.S.c.
- (ii) Enrolled in a job training program receiving assistance under the Job Training Partnership Act (29 USCS §§1501 et seq., generally; for full classification, consult USCS Tables volumes) or under other similar Federal, State, or local laws, or
  - (B) Entirely by full-time students if such students are:
- (i) Single parents and their children and such parents and children are not dependents (as defined inby the Code §152) of another individual, or
  - (ii) Married and file a joint return.
- (8690) Tax-Exempt Bond Development--A Development requesting or having been awarded helpousing tax ecredits and which receives a portion of its financing from the proceeds of tax-exempt bonds which are subject to the state volume cap as described in the Code, \$42(h)(4), such that the Development does not receive an allocation of tax credit authority from the State Housing Credit Ceiling.
  - (8791) Third Party--A Third Party is a Person who is not-an:
    - (A) An Applicant, General Partner, Developer, or General Contractor, or
- (B) An Affiliate or a Related Party to the Applicant, General Partner, Developer or General Contractor, or
  - (C) Person(s) receiving any portion of the contractor fee or developer fee.
- (8892) Threshold Criteria--Criteria used to determine whether the Development satisfies the minimum level of acceptability for consideration as specifically defined in \$4950.9(h) of this title. (\$2306.6702)
- (8993) Total Housing Development Cost--The total of all costs incurred or to be incurred by the Development Owner in acquiring, constructing, rehabilitating and financing a Development, as determined by the Department based on the information contained in the Application. Such costs include reserves and any expenses attributable to commercial areas. Costs associated with the sale or use of Housing Tax Credits to raise equity capital shall also be included in the Total Housing Development Cost. Such costs include but are not limited to syndication and partnership organization costs and fees, filing fees, broker commissions, related attorney and accounting fees, appraisal, engineering, and the environmental site assessment.
- (940) TXTRDO-USDA-RHS--The Rural Housing Services (RHS)Texas Rural Development Office (TRDO) of the United States Department of Agriculture (USDA) serving the State of Texas (also known as USDA Rural Development and formerly known as TxFmHA) or its successor.

- (954) Unit--Any residential rental unit consisting of an accommodation including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking (such as a microwave), and sanitation. (\$2306.6702) For purposes of completing the Rent Schedule for loft or studio type Units (which still must meet the definition of Bedroom), a Unit with 649 square feet or less is considered an efficiency Unit, a Unit with 650 to 899 square feet is considered not more than a one-bedroom Unit, a Unit with 900 to 999 square feet is considered not more than a two-bedroom Unit, a Unit with 1000 to 1199 square feet is considered not more than a three-bedroom Unit, and a Unit with 1200 square feet or more is considered a four bedroom Unit.
- (962) **Urban/Exurban Area-**-Non-Rural Areas located within the boundaries of a metropolitan Area as designated by the US Office of Management and Budget as of November 1, 2006, or for Tax-Exempt Bond Developments or other Applications not applying for Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.), the date Volume III is submitted to the Department. The Area that is located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area other than an Area described in paragraph (84)(B) or eligible for funding as described in paragraph (84)(C) of this subsection.

#### §4950.4. State Housing Credit Ceiling.

The Department shall determine the State Housing Credit Ceiling for each calendar year as provided in the Code, \$42(h)(3)(C), using such information and guidance as may be made available by the Internal Revenue Service. The Department shall publish each such determination in the Texas Register within 30 days after the receipt of such information as is required for that purpose by the Internal Revenue Service. The aggregate amount of commitments of Housing Credit Allocations made by the Department during any calendar year shall not exceed the State Housing Credit Ceiling for such year as provided in the Code, \$42. As permitted by the Code, \$42(h)(4), Housing Credit Allocations made to Tax-Exempt Bond Developments are not included in the State Housing Credit Ceiling.

§49<u>50</u>.5.Ineligibility; Disqualification and Debarment; Certain Applicant and Development Standards; Representation by Former Board Member or Other Person; Due Diligence, Sworn Affidavit; Appeals and Administrative Deficiencies for Ineligibility, Disqualification and Debarment.

- (a) Ineligibility. An Application is ineligible if:
- (1) The Applicant, Development Owner, Developer or Guarantor has been or is barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs; or (§2306.6721(c)(2))
- (2) The Applicant, Development Owner, Developer or Guarantor has been convicted of a state or federal <u>felony</u> crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline; or
- (3) The Applicant, Development Owner, Developer or Guarantor at the time of Application is: subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; or is the subject of an enforcement proceeding with any Governmental Entity; or
- (4) The Applicant, Development Owner, Developer or Guarantor with any past due audits has not submitted those past due audits to the Department in a satisfactory format. A Person is not eligible to receive a commitment of Housing Tax Credits from the Department if any audit finding or questioned or disallowed cost is unresolved as of June 1 of each year, or for Tax-Exempt Bond Developments or other Applications not applying for Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) no later than 30 days after Volume III of the application is submitted; or
- (5) (§2306.6703(a)(1)) At the time of Application or at any time during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time

during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is or has been:

- (A) A member of the Board; or
- (B) The Executive Director, a Deputy Executive Director, the Director of Multifamily Finance Production, the Director of Portfolio Management and Compliance, the Director of Real Estate Analysis, or a manager over housing trace Credits employed by the Department.
- (6) (\$2306.6703(a)(2)) The Applicant proposes to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless:
- (A) The Applicant proposes to maintain for a period of 30 years or more 100 <u>percent</u> of the Development Units supported by Housing Tax Credits as rent\_restricted and exclusively for occupancy by individuals and families earning not more than 50 <u>percent</u> of the Area Median Gross Income, adjusted for family size; and
- (B) At least one-third of all the units in the Development are public housing units or Section 8 Development-based units; or,
- (7) The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (\$2306.6703(a)(4))
- (A) Has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development; and
- (B) Has included in the Application a written statement of support from that governing body. This statement must referenceing this rule and authorizeing an allocation of hHousing tTax eCredits for the Development;
- (C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) of this paragraph must be received by the Department no later than April 2, 2007 April 1, 2008 (or for Tax-Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered) and may not be more than one year old from the date the Volume 1 is submitted to the Department; or
- (8) The Applicant proposes to construct a new <u>dD</u>evelopment proposing New Construction <u>or Adaptive Reuse</u> (excluding New Construction of non-residential buildings) that is located one linear mile (measured by a straight line on a map) or less from a Development that: (§2306.6703(a)(3))
- (A) Serves the same type of household as the new <u>dD</u>evelopment, regardless of whether the <u>dD</u>evelopment serves families, elderly individuals, or another type of household (Intergenerational Housing is not a type of household as it relates to this restriction); <u>and</u>
- (B) Has received an allocation of Housing Tax Credits (including Tax-Exempt Bond Developments) for any New Construction at any time during the three-year period preceding the date the Application FRound begins (or for Tax-Exempt Bond Developments the three-year period preceding the date the Volume I is submitted); and
  - (C) Has not been withdrawn or terminated from the Housing Tax Credit Program.
  - (D) An Application is not ineligible under this paragraph if:
- (i) The Development is using federal HOPE VI funds received through the United States Department of Housing and Urban Development; locally approved funds received from a public improvement district or a tax increment financing district; funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (§42U.S.C.42 U.S.C. §\$12701 et seq.); or funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (§42U.S.C.42 U.S.C. §\$5301 et seq.); or
  - (ii) The Development is located in a county with a population of less than one

million; or

(iii) The Development is located outside of a metro

(iii) The Development is located outside of a metropolitan statistical area; or (iv) The local government where the Development is to be located has by vote

specifically allowed the construction of a new Development located within one linear mile or less from a Development described under subparagraphs (A) - (C) of this paragraph. For purposes of this clause, evidence of the local government vote or evidence required by subparagraph (D) of this paragraph must be received by the Department no later than April 2, 2007April 1, 2008 (or for Tax-Exempt Bond

Developments no later than 14 days before the Board meeting where the credits will be committed) and may not be more than one year old.

- (E) In determining the age of an existing Development as it relates to the application of the three-year period, the Development will be considered from the date the Board took action on approving the allocation of tax credits. In dealing with ties between two or more Developments as it relates to this rule, refer to \$49<u>50</u>.9(j) of this title.
- (9) 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 can not 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. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibly will be included in the Ftermination letter to the Applicant.
- (b) **Disqualification and Debarment.** The Department will disqualify an Application, and/or debar a Person-(see §2306.6721, Texas Government Code), if it is determined by the Department that any issues identified in the paragraphs of this subsection exist. The Department may debar a Person for one year from the date of debarment, or until the violation causing the debarment has been remedied, whichever term is longer, if the Department determines the facts warrant it. Causes for disqualification and debarment include: (§2306.6721)
- (1) The provision of fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation in the Application or other information submitted to the Department at any stage of the evaluation or approval process; or
- (2) The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in \$60 of this title on May 1, 20072008 for Competitive Housing Tax Credit Applications or for Tax-Exempt Bond Developments Applications or other Applications not applying for Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) no later than 30 days after Volume III of the Application is submitted; (\$2306.6721(c)(3)) or
- (3) The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor that is active in the ownership or Control of one or more other rent restricted rental housing properties outside of the state of Texas has an incidence of Material Noncompliance with the LURA or the program rules in effect for such tax credit property as further described in \$60 of this title on May 1, 2007 or for Tax-Exempt Bond Developments or other Applications not applying for Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) no later than 30 days after Volume III of the application is submitted; or
- (43) The Applicant, Development Owner, Developer, or any Guarantor, <u>anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor,</u> or any Affiliate of such entity <u>that is active in the ownership or Control</u> has been a Principal of any entity that failed to make all loan payments to the Department in accordance with the terms of the loan, as amended, or was otherwise in default with any provisions of any loans from the Department—; or
- (54) The Applicant or the Development Owner that is active in the ownership or Control of one or more tax credit properties in the state of Texas has failed to pay in full any fees or penalties within 30 days of when they were billed by the Department, as further described in \$4950.20 of this title; or
- (65) The An Applicant or a Related Party and any Person who is active in the construction, Rehabilitation, ownership, or Control of the proposed Development, including a General Partner or contractor, and a Principal or Affiliate of a General Partner or contractor, or an individual employed as a consultant, lobbyist or attorney by the an Applicant or a Related Party, communicates with any Board member during the period of time beginning on the date an Applications is filed in an Application

Round and ending on the date the Board makes a final decision with respect to any the approval of that Application in that Application Round, unless the communication takes place at any board meeting or public hearing held with respect to that Application but not during a recess or other non-record portion of the meeting or hearing. Communication with Department staff must be in accordance with \$4950.9(b) of this title; violation of the communication restrictions of \$4950.9(b) is also a basis for disqualification and/or debarment. (\$2306.1113)

- (76) It is determined by the Department's General Counsel that there is evidence that establishes probable cause to believe that an Applicant, Development Owner, Developer, or any of their employees or agents has violated a state revolving door or other standard of conduct or conflict of interest statute, including \$2306.6733, Texas Government Code, or a section of Chapter 572, Texas Government Code, in making, advancing, or supporting the Application.
  - (87) Applicants may be ineligible as further described in §49.17(d)(8)50.5 of this title.
- (98) The Applicant, Development Owner, Developer, Guarantor, or any Affiliate of such entity whose previous funding contracts or commitments have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the applications.
- (109) The Applicant, Development Owner, Developer, Guarantor, or any Affiliate of such entity whose pre-development award from the Department has not been repaid for the Development at the time of Carryover Allocation or Bond closing.
- (c) **Certain Applicant and Development Standards.** Notwithstanding any other provision of this section, the Department may not allocate tax credits to a Development proposed by an Applicant if the Department determines that: (§2306.223)
- (1) The Development is not necessary to provide needed decent, safe, and sanitary housing at rental prices that individuals or families of low and very low-income or families of moderate income can afford:
- (2) The Development Owner undertaking the proposed Development will not supply well-planned and well-designed housing for individuals or families of low and very low-income or families of moderate income;
  - (3) The Development Owner is not financially responsible;
- (4) The Development Owner has contracted, or will contract for the proposed Development with, a Developer that:
- (A) Is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development;
  - (B) Has breached a contract with a public agency and failed to cure that breach; or
- (C) Misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency;
- (5) The financing of the housing Development is not a public purpose and will not provide a public benefit; and/or
- (6) The Development will be undertaken outside the authority granted by this chapter to the Department and the Development Owner.

#### (d) Representation by Former Board Member or Other Person. (\$2306.6733)

- (1) A former Board member or a former executive director, deputy executive director, director of multifamily finance production, director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance, director of real estate analysis or manager over head over the director of portfolio management and compliance over head over the director of portfolio management and compliance over head over the director of portfolio management and compliance over head over the director of portfolio management and compliance over head over the director of portfolio management and compliance over head over the director of portfolio management and director over the director of portfolio management and director over the director of portfolio management and director over the director over
- (A) For compensation, represent an Applicant or one of its Related Parties for an allocation of tax credits before the second anniversary of the date that the Board member's, director's, or manager's service in office or employment with the Department ceased;
- (B) Represent any Applicant or a Related Party of an Applicant or receive compensation for services rendered on behalf of any Applicant or Related Party regarding the consideration of an Application in which the former board member, director, or manager participated

during the period of service in office or employment with the Department, either through personal involvement or because the matter was within the scope of the board member's, director's, or manager's official responsibility; or for compensation, communicate directly with a member of the legislative branch to influence legislation on behalf of an Applicant or Related Party before the second anniversary of the date that the board member's, director's, or manager's service in office or employment with the Department ceased.

- (2) A Person commits a criminal offense if the Person violates \$2306.6733. An offense under this section is a Class A misdemeanor.
- (e) **Due Diligence, Sworn Affidavit.** In exercising due diligence in considering information of possible ineligibility, possible grounds for disqualification and debarment, Applicant and Development standards, possible improper representation or compensation, or similar matters, the Department may request a sworn affidavit or affidavits from the Applicant, Development Owner, Developer, Guarantor, or other ppersons addressing the matter. If an affidavit determined to be sufficient by the Department is not received by the Department within seven business days of the date of the request by the Department, the Department may terminate the Application.
- (f) Appeals and Administrative Deficiencies for Ineligibility, Disqualification and Debarment. An Applicant or Person found ineligible, disqualified, debarred or otherwise terminated under subsections (a) (e) of this section will be notified in accordance with the Administrative Deficiency process described in \$4950.9(d)(4) of this title. They may also utilize the appeals process described in \$4950.17(b) of this title. (\$2306.6721(d))
- §49<u>50</u>.6. Site and Development Restrictions: Floodplain; Ineligible Building Types; Scattered Site Limitations; Credit Amount; Limitations on the Size of Developments; Limitations on Rehabilitation Costs; Unacceptable Sites; Appeals and Administrative Deficiencies for Site and Development Restrictions.
- (a) Floodplain. Any Development proposing New Construction or Reconstruction and located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain. No buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established in this subsection for New Construction.
- (b) **Ineligible Building Types.** Applications involving Ineligible Building Types as defined in \$49<u>50</u>.3(<u>5256</u>) of this title will not be considered for allocation of tax credits.
- (c) **Scattered Site Limitations.** Consistent with §49<u>50</u>.3(3<u>2</u>1) of this title, a Development must be financed under a common plan, be owned by the same Person for federal tax purposes, and the buildings may be either located on a single site or contiguous site, or be located on scattered sites and contain only rent-restricted units. <u>Tax-Exempt Bond Developments are permitted to be located on multiple sites consistent with Chapter 1372, <u>Texas Government Code and as further clarified by the Texas Bond Review Board.</u></u>
- (d) **Credit Amount.** The Department shall issue tax credits only in the amount needed for the financial feasibility and viability of a Development throughout the affordability period. The issuance of tax credits or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the Development by the Department, or that the Development will qualify for and be able to claim Housing Tax Credits. The Department will limit the allocation of tax credits to no more than \$1.2 million per Development, adjusted annually for CPI (consumer price index) and

published once each year in the Application Reference Manual prior to the Application Round. The Department shall not allocate more than \$2 million of tax credits in any given Application Round to any Applicant, Developer, Related Party or Guarantor; Competitive\_Housing Tax Credits approved by the Board during the 20072008 calendar year, including commitments from the 20072008 Credit Ceiling and forward commitments from the 20082009 Credit Ceiling, are applied to the credit cap limitation for the 20072008 Application Round. In order to evaluate this \$2 million limitation, Nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors must provide the documentation required in the Application with regard to this requirement. In order to encourage the capacity enhancement of <u>inexperienced dD</u>evelopers in rural areas, the Department will prorate the credit amount allocated in situations where an Application is submitted in the either the Rural Regional Allocation or the Urban Regional Allocationand the Development has 76 Units or less. The Department will prorate the credits based on the percentage ownership, if there is an ownership interest, or the proportional percentage of the dDeveloper fee received, if this applies to a Developer without an ownership interest. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced dDevelopers is required. Tax-Exempt Bond Development Applications are not subject to these Housing Tax Credit limitations, and Tax-Exempt Bond Developments Applications will not count towards the total limit on tax credits per Applicant. The limitation does not apply (§2306.6711(b)):

- (1) To an entity which raises or provides equity for one or more Developments, solely with respect to its actions in raising or providing equity for such Developments (including syndication related activities as agent on behalf of investors);
- (2) To the provision by an entity of "qualified commercial financing" within the meaning of the Code (without regard to the 80% limitation thereof);
- (3) To a Qualified Nonprofit Organization or other not-for-profit entity, to the extent that the participation in a Development by such organization consists only of the provision of loan funds, grants or social services; and
- (4) To a Development Consultant with respect to the provision of consulting services, provided the Development Consultant fee received for such services does not exceed 10% of the fee to be paid to the Developer (or 20% for Qualified Nonprofit Developments), or \$150,000, whichever is greater.

#### (e) Limitations on the Size of Developments.

- (1) The minimum Development size will be 16 Units if the Development involves Housing Tax Credits. The minimum Development size will be 4 Units if the funding source only involves the Housing Trust Fund or HOME Program.
- (2) Rural Developments involving any New Construction or Adaptive Reuse (excluding New Construction of non-residential buildings) will be limited to 7680 Units (this includes individual Tax-Exempt Bond Developments). Rural Developments involving only Rehabilitation (excluding reconstruction) do not have a size limitation.
- (3) <u>Urban</u> Developments involving any New Construction <u>or Adaptive Reuse</u> (excluding New Construction of non-residential buildings), <u>that are not Tax-Exempt Bond Developments</u>, <u>in the Competitive Housing Tax Credit Application Round</u> will be limited to 252 <u>Ttotal Units</u>, wherein the maximum Department administered Units will be limited to 200 Units. Tax-Exempt Bond Developments will be limited to 252 <u>restricted and Tt</u>otal Units. These maximum Unit limitations also apply to those Developments which involve a combination of Rehabilitation, Reconstruction, and New Construction. <u>Only</u> Developments that consist solely of acquisition/Rehabilitation or Rehabilitation <u>only</u> may exceed the maximum Unit restrictions.
- (4) For Applications that are proposing an additional phase to an existing tax credit Development those Developments which are a second phase or that are otherwise adjacent to an existing tax credit Development unless such proposed Development is being constructed to provide replacement of previously existing affordable multifamily units on its site (in a number not to exceed the original units being replaced, unless a market study supports the absorption of additional units) or that were originally located within a one mile radius from the proposed Development, the combined Unit total for the existing and proposed Developments may not exceed the maximum allowable Development size set forth in this subsection, unless:

- (A) the first phase of the Development has been completed and has attained Sustaining Occupancy (as defined in §1.31 of this title) for at least six months; or
- (B) a resolution from the governing body of the city or county in which the proposed Development is located, dated on or before the date the Application is submitted, is submitted with the Application. Such resolution must state that there is a need for additional Units and that the governing body has reviewed a market study, the conclusion of which supports the need for additional Units; or
- (C) the proposed Development is intended to provide replacement of previously existing affordable Units on the Development Site or that were originally located within a one mile radius from the Development Site; provided, however, the combined number of Units in the proposed Development may not exceed the number of Units being replaced. Documentation of such replacement units must be provided.
- (f) Limitations on the Location of Developments. Staff will only recommend, and the Board may only allocate, hHousing tTax eCredits from the State Housing Credit Ceiling to more than one Development from the State Housing Credit Ceiling in the same calendar year if the Developments are, or will be, located more than one linear mile apart as determined by the Department. If the Board forward commits credits from the following year's allocation of credits State Housing Credit Ceiling, the Development is considered to be in the calendar year in which the Board votes, not in the year of the State Housing Credit Ceiling. This limitation applies only to communities contained within counties with populations exceeding one million (which for calendar year 20072008 are Harris, Dallas, Tarrant and Bexar Counties). For purposes of this rule, any two sites not more than one linear mile apart are deemed to be "in a single community." (\$2306.6711(f)) This restriction does not apply to the allocation of hHousing tTax eCredits to Developments financed through the Tax-Exempt Bond program, including the Tax-Exempt Bond Developments Applications under review and existing Tax-Exempt Bond Developments in the Department's portfolio. (\$2306.67021)
- (g) Limitations of Development in Certain Census Tracts. Staff will not recommend and the Board will not allocate hyposing trax ecredits for a Competitive Housing Tax Credit or Tax-Exempt Bond Development located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract as established by the U.S. Census Bureau for the most recent Decennial Census unless the Applicant:
  - (1) In an aArea whose population is less than 100,000;
- (2) Proposes only Reconstruction or Rehabilitation (excluding New Construction of non-residential buildings); or,
- (3) Submits to the Department an approval of the Development referencing this rule in the form of a resolution from the governing body of the appropriate municipality or county containing the Development. For purposes of this paragraph, evidence of the local government approval must be received by the Department no later than April 21, 20072008 for Competitive Housing Tax Credit Applications (or for Tax-Exempt Bond Developments Applications no later than 14 days before the Board meeting where the credits will be committed). These ineligible census tracts are outlined in the 20072008 Housing Tax Credit Site Demographic Characteristics Report.
- (h) Limitations on Developments Proposing to Qualify for a 30% increase in Eligible Basis. Staff will only recommend a 30% increase in Eligible Basis:
- (1) If the Development proposing to build in a Hurricane Rita Gulf Opportunity Zone (Rita GO Zone), which was designated as a Difficult to Develop Area as determined by HB\_4440, is able to be placed in service by December 31, 20082010 (or date as revised by the Internal Revenue Service) as certified in the Application; or,
- (2) The Development is located in a Qualified Census Tract that has less than 40% Housing Tax Credit Units per households in the tract as established by the U.S. Census Bureau for the most recent Decennial Census. Developments located in a Qualified Census Tract that has in excess of 40% Housing Tax Credit Units per households in the tract are not eligible to qualify for a 30% increase in Eligible Basis, which would otherwise be available for the Development scitte pursuant to the Code, \$42(d)(5)(C), unless the Development is proposing only Reconstruction or Rehabilitation (excluding New

Construction of non-residential buildings). These ineligible Qualified Census Tracts are outlined in the 2007-2008 Housing Tax Credit Site Demographic Characteristics Report.

- (i) **Rehabilitation Costs.** 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 (including site work, contingency, contractor profit, overhead and general requirements) unless financed with TX-USDA-RHSTRDO-USDA in which case the minimum is \$6,000.
- (j) **Unacceptable Sites.** Developments will be ineligible if the Development is located on a site that is determined to be unacceptable by the Department.
- (k) Appeals and Administrative Deficiencies for Site and Development Restrictions. An Application or Development found to be in violation under subsections (a)  $(h\underline{k}\underline{i})$  of this section will be notified in accordance with the Administrative Deficiency process described in  $49\underline{50}$ .9(d)(4) of this title. They may also utilize the appeals process described in  $49\underline{50}$ .17(b) of this title.

#### §49<u>50</u>.7. Regional Allocation Formula; Set-Asides; Redistribution of Credits.

- (a) Regional Allocation Formula. \$2306.1115 Aas required by \$2306.111(d), Texas Government Code, the Department uses a regional distribution formula developed by the Department and commented on by the public to distribute credits from the State Housing Credit Ceiling to all uUrban/exurban aAreas and rRural aAreas. The formula is based on the need for housing assistance. and the availability of housing resources in those urban/exurban areas and rural areas, and the Department uses the information contained in the Department's annual state low income housing plan and other appropriate data to develop the formula. This formula establishes separate targeted tax credit amounts for FRural aAreas and uUrban/exurban aAreas within each of the Uniform State Service Regions. Each Uniform State Service Region's targeted tax credit amount will be published on the Department's web site. The regional allocation for FRural aAreas is referred to as the Rural Regional Allocation and the regional allocation for uUrban/exurban aAreas is referred to as the Urban/Exurban Regional Allocation. Developments qualifying for the Rural Regional Allocation must meet the Rural Development definition. The Regional Allocation target will reflect that at least 20% of the State Housing Credit Ceiling for each calendar year shall be allocated to Developments in Rural Areas with a minimum of \$500,000 for each Uniform State Service Region. (\$2306.111(d)(3) At least 5% of each region's allocation for each calendar year shall be allocated to Developments which are financed through TX-USDA-RHS, that meet the definition of a Rural Development, do not exceed 76 Units if proposing any New Construction (excluding New Construction of non-residential buildings), and have filed an "Intent to Request 2007 Housing Tax Credits" form by the Pre-Application submission deadline. These Developments will be attributed to the Rural Regional Allocation in each region where they are located. Developments financed through TX-USDA-RHS's 538 Guaranteed Rural Rental Housing Program will be considered under this set-aside. Any Rehabilitation or Reconstruction of an existing 515 development that retains the 515 loan and restrictions, regardless of the source or nature of additional financing, will be considered under this set-aside. Commitments of 2007 Housing Tax Credits issued by the Board in 2006 will be applied to each Set-Aside, Rural Regional Allocation, Urban/Exurban Regional Allocation and TX-USDA-RHS Allocation for the 2007 Application Round as appropriate.
- (b) **Set-Asides.** An Applicant may elect to compete in as many of the following Set-Asides for which the proposed Development qualifies: (\$2306.111(d))
- (1) At least 10% of the State Housing Credit Ceiling for each calendar year shall be allocated to Qualified Nonprofit Developments which meet the requirements of the Code, §42(h)(5). Qualified Nonprofit Organizations must have the Controlling interest in the Qualified Nonprofit Development applying for this Set-Aside. If the organization's Application is filed on behalf of a limited partnership, the Qualified Nonprofit Organization must be the controlling managing General Partner. If the organization's Application is filed on behalf of a limited liability company, the Qualified Nonprofit Organization must be the controlling Managing Member. Additionally, a Qualified Nonprofit Development submitting an Application in the nonprofit s§et-aAside must have the nonprofit entity or

its nonprofit <u>aA</u>ffiliate or subsidiary be the Developer or a co-Developer as evidenced in the development agreement. (§2306.6729 and §2306.6706(b))

- (2) At least 5% of the State Housing Credit Ceiling for each calendar year shall be allocated to Developments which are financed through TRDO-USDA, that meet the definition of a Rural Development, do not exceed 80 Units if proposing any New Construction (excluding New Construction of non-residential buildings), and have filed an "Intent to Request 2008 Housing Tax Credits" form by the Pre-Application submission deadline. (\$2306.111(d)(2) If an Application in this Set-Aside involves Rehabilitation it will be attributed to, and come from the, At-Risk Development Set-Aside; if an Application in this Set-Aside involves New Construction it will be attributed to and come from the applicable Uniform State Service Region. Developments financed through TRDO-USDA's 538 Guaranteed Rural Rental Housing Program, in whole or in part, will not be considered under this Set-Aside. Any Rehabilitation or Reconstruction of an existing 515 Development that retains the 515 loan and restrictions will be considered under the At-Risk Development and TRDO-USDA Set-Asides, unless such Development is also financed through TRDO-USDA's 538 Guaranteed Rural Rental Housing Program. Commitments of 2008 Competitive Housing Tax Credits issued by the Board in 2008 will be applied to each Set-Aside, Rural Regional Allocation, Urban Regional Allocation and/or TRDO-USDA Set-Aside for the 2008 Application Round as appropriate.
- (23) At least 15% of the allocation to each Uniform State Service Region State Housing Credit Ceiling for each calendar year will be set aside for allocatedion under the At-Risk Development Set-Aside and will be deducted from the State Housing Credit Ceiling prior to the application of the regional formula required under subsection (a) of this section. Through this Set-Aside, the Department, to the extent possible, shall allocate credits to Applications involving the preservation of Developments designated as At-Risk Developments as defined in \$4950.3(143) of this title. (\$2306.6714). To qualify as an At-Risk Development, the Applicant must provide evidence that it either is not eligible to renew, retain or preserve any portion of the financial benefit described in \$4950.3(143)(A) of this title, or provide evidence that it will renew, retain or preserve the financial benefit described in \$4950.3(143)(A) of this title; and must have filed an "Intent to Request 20072008 Housing Tax Credits" form by the Pre-Application submission deadline. Up to 5% of the State Credit Ceiling associated with this Set-Aside may be given priority to Rehabilitation Developments funded with TRDO.
- (c) Redistribution of Credits. (\$2306.111(d)) If any amount of Housing tax ccredits remain after the initial commitment of hHousing tTax cCredits among the Set-Asides, Rural Regional Allocation and Urban/Exurban Regional Allocation-within each Uniform State Service Region and among the Set-Asides, the Department may redistribute the credits amongst the different regions and Set-Asides depending on the quality of Applications submitted as evaluated under the factors described in \$4950.9(d) of this title, the need to most closely achieve regional allocation goals and then the level of demand exhibited in the Uniform State Service Regions during the Allocation Application Round. except that, if there are any tax credits set aside for Developments in a Rural Area in a specific Uniform State Service Region that remain after the allocation under \$50.9(d)(5)(C), those tax credits shall be made available in any other Rural Area in the state, first, and then to Developments in Urban areas of any uniform state service region. (2306.111(d)(3)) However aAs described in subsection (b)(1) and (2) of this section, no more than 90% of the State's Housing Credit Ceiling for the calendar year may go to Developments which are not Qualified Nonprofit Developments. If credits will be transferred from a Uniform State Service Region which does not have enough qualified Applications to meet its regional credit distribution amount, then those credits will be apportioned to the other Uniform State Service Regions.

§49<u>50</u>.8.Pre-Applications for Competitive Housing Tax Credits: Submission; Communication with Departments Staff; Evaluation Process; Threshold Criteria and Review; Results (§2306.6704).

(a) **Pre-Application Submission.** Any Applicant requesting a Housing Credit Allocation may submit a Pre-Application to the Department during the Pre-Application Acceptance Period along with

the required Pre-Application Fee as described in §4950.20 of this title. Only one Pre-Application may be submitted by an Applicant for each site under the State Housing Credit Ceiling. The Pre-Application submission is a voluntary process. While the Pre-Application Acceptance Period is open, Applicants may withdraw their Pre-Application and subsequently file a new Pre-Application utilizing the original Pre-Application Fee that was paid as long as no evaluation was performed by the Department. The Department is authorized though not required to request the Applicant to provide additional information it deems relevant to clarify information contained in the Pre-Application or to submit documentation for items it considers to be Administrative Deficiencies. The rejection of a Pre-Application shall not preclude an Applicant from submitting an Application with respect to a particular Development or site at the appropriate time.

- (b) **Communication with the Department.** Applicants that submit a Pre-Application are restricted from communication with Department staff as provided in §49<u>50</u>.9(b) of this title. (§2306.1113)
- (c) **Pre-Application Evaluation Process.** Eligible Pre-Applications will be evaluated for Pre-Application Threshold Criteria. Applications that are associated with a TX-USDA-RHSTRDO-USDA Development are not exempt from Pre-Application and are eligible to compete for the Pre-Application points further outlined in \$4950.9(i)(14) of this title. Pre-Applications that are found to have Administrative Deficiencies will be handled in accordance with \$4950.9(d)(4) of this title. Department review at this stage is limited and not all issues of eligibility and threshold are reviewed at Pre-Application. Acceptance by staff of a Pre-Application does not ensure that an Applicant satisfies all Application eligibility, Threshold or documentation requirements. The Department is not responsible for notifying an Applicant of potential areas of ineligibility or threshold deficiencies at the time of Pre-Application.
- (d) **Pre-Application Threshold Criteria and Review.** Applicants submitting a Pre-Application will be required to submit information demonstrating their satisfaction of the Pre-Application Threshold Criteria. The Pre-Applications not meeting the Pre-Application Threshold Criteria will be terminated and the Applicant will receive a written notice to the effect that the Pre-Application Threshold Criteria have not been met. The Department shall not be responsible for the Applicant's failure to meet the Pre-Application Threshold Criteria and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Pre-Application Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. The Pre-Application Threshold Criteria include:
- (1) Submission of a "Pre-Application Submission Form" and "Certification of Pre-Application Itemized Self-Score". The <u>aApplicant</u> may not change the Self-Score unless requested by the Department in a Deficiency Notice; and
- (2) Evidence of property control through March 1, 2007 February 29, 2008 as evidenced by the documentation required under \$4950.9(h)(7)(A) of this title; and
- (3) Evidence in the form of a certification that all of the notifications required under this paragraph have been made. Requests for Neighborhood Organizations under subparagraph (A) of this paragraph must be made by the deadlines described in that clause; notifications under subparagraph (C) of this paragraph must be made prior to the close of the Pre-Application Acceptance Period. (§2306.6704) Evidence of notification must meet the requirements identified in subparagraph (B) of this paragraph to all of the individuals and entities identified in subparagraph (CB) of this paragraph. (§2306.6704)
- (A) The Applicant must request <u>a list of Neighborhood Organizations</u> on record with the county and state whose boundaries include the proposed Development Site as follows:
- (i) No later than December  $\frac{8}{20067}$ ,  $\frac{2007}{2007}$ , the Applicant must e-mail, fax or mail with registered receipt a completed, "Neighborhood Organization Request" letter as provided in the Pre-Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located

an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request an Neighborhood eOrganizations from that source in the same format.

(ii) If no reply letter is received from the local elected officials by January 1, 20072008, then the Applicant must certify to that fact in the "Pre-Application Notification Certification Form" provided in the Pre-Application.

(iii) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as <u>outlined\_provided</u> by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.

(B) Not later than the date the Pre-Application is submitted, notification must be sent to all of the following individuals and entities by e-mail, fax or mail with registered receipt return or similar tracking mechanism in the format required in the "Pre-Application Notification Template" provided in the Pre-Application. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are not required to notify city officials. Evidence of Notification is required in the form of a certification in the "Pre-Application Notification Certification Form" provided in the Pre-Application, although it is encouraged that Applicants retain proof of notifications in the event that the Department requires proof of Notification. Officials to be notified are those officials in office at the time the Pre-Application is submitted.

(i) Neighborhood Organizations on record with the city, state or county whose boundaries include the proposed Development Site as identified in subparagraph (A)(iii) of this paragraph:

(ii) Superintendent of the school district containing the Development;

(iii) Presiding officer of the board of trustees of the school district containing

the Development;

(iv) Mayor of any municipality containing the Development;

(v) All elected members of the governing body of any municipality containing

the Development;

(vi) Presiding officer of the governing body of the county containing the

Development;

(vii) All elected members of the governing body of the county containing the

Development;

(viii) State senator of the district containing the Development; and

(ix) State representative of the district containing the Development.

(C) Each such notice must include, at a minimum, all of the following:

- (i) The Applicant's name, address, individual contact name and phone number;
- (ii) The Development name, address, city and county;

(iii) A statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(iv) Statement of whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;

(v) The type of Development being proposed (single family homes, duplex, apartments, townhomes, highrise etc.) and population being served (family, Intergenerational Housing, or elderly);

(vi) The approximate total number of Units and approximate total number of

low-income Units;

(vii) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the <u>approximate</u> percentage of Units that are market rate;

(viii) The number of Units and proposed rents (less utility allowances) for the low-income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Pre-Application, which are subject to change as annual changes in the area median income occur; and

- (ix) The expected completion date if credits are awarded.
- (e) **Pre-Application Results.** Only Pre-Applications which have satisfied all of the Pre-Application Threshold Criteria requirements set forth in subsection (d) of this section and \$4950.9(i)(1314) of this title, will be eligible for Pre-Application points. The order and scores of those Developments released on the Pre-Application Submission Log do not represent a commitment on the part of the Department or the Board to allocate tax credits to any Development and the Department bears no liability for decisions made by Applicants based on the results of the Pre-Application Submission Log. Inclusion of a Development on the Pre-Application Submission Log does not ensure that an Applicant will receive points for a Pre-Application.
- §49<u>50</u>.9.Application: Submission; <u>Ex Parte</u> Communications <u>with Department Employees</u>; Adherence to Obligations; Evaluation Process for Competitive Applications Under the State Housing Credit Ceiling; Evaluation Process for Tax-Exempt Bond Development Applications; Evaluation Process for Rural Rescue Applications Under the <u>20082009</u> Credit Ceiling; Experience Pre-Certification Procedures; Threshold Criteria; Selection Criteria; Tiebreaker Factors; Staff Recommendations.
- (a) Application Submission. Any Applicant requesting a Housing Credit Allocation or a Determination Notice must submit an Application, and the required Application fee as described in \$4950.20 of this title, to the Department during the Application Acceptance Period. Only complete Applications will be accepted. All required volumes must be appropriately bound as required by the Application Submission Procedures Manual and fully complete for submission with all required copies and received by the Department not later than 5:00 p.m. on the date the Application is due. A searchable electronic copy of all required volumes and exhibits, unless otherwise indicated in the Application Submission Procedures Manual, must be submitted in the format of a single file presented in the order they appear in the hard copy of the complete Application on a CD-R clearly labeled with the report type, Development name, and Development location is required for submission and must be received by the Department not later than 5:00 p.m. on the date the Application is due. Only one Application may be submitted for a site in an Application Round. While the Application Acceptance Period is open, an Applicants may withdraw their a Application and subsequently file a new Application utilizing the original Pre-Application Fee that was paid as long as no evaluation was performed by the Department. The Department is authorized, but not required, to request the Applicant to provide additional information it deems relevant to clarify information contained in the Application or to submit documentation for items it considers to be an Administrative Deficiency, including ineligibility criteria, site and development restrictions, and threshold and selection criteria documentation. (\$2306.6708) An Applicant may not change or supplement any part of an Application in any manner after the filing deadline, and may not add any sSet-aAsides, increase their the requested credit amount, or revise their uUnit mix (both income levels and bedroom mixes), except in response to a direct request from the Department to remedy an Administrative Deficiency as further described in \$4950.3(42) of this title or by amendment of an Application after a commitment or allocation of tax credits as further described in \$4950.17(d) of this title.
- (b) Communication with Department Employees. Communication with Department staff by Applicants that submit a Pre-Application or Application must follow the following requirements. During the period beginning on the date a Development Pre-Application or Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person that is active in the construction, rehabilitation, ownership or Control of the proposed Development including a General Partner or contractor and a Principal or Affiliate of a General Partner or contractor, or individual employed as a lobbyist by the Applicant or a Related Party, may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet, so long as that communication satisfies the conditions established under paragraphs (1)-(3) of this subsection. Section 49.5(b)(6) of this title applies to all communication with Board members.

Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.

- (1) The communication must be restricted to technical or administrative matters directly affecting the Application;
- (2) The communication must occur or be received on the premises of the Department during established business hours (emails may be sent and received after business hours);
- (3) A record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication. (§2306.1113)

#### (b) Ex Parte Communications.

- (1) During the period beginning on the first date of the Application Acceptance Period date project applications are filed in an application cycle and ending on the date the bBoard makes a final decision with respect to the approval of any Application in that Application Round, a member of the bBoard may not communicate with the following Persons:
  - (A) an Applicant or Related Party; and
  - (B) any Person who is:
- <u>(i) active in the construction, rehabilitation, ownership, or Control of the proposed</u>

  Development, including:
  - (I) a General Contractor; and
  - (II) a Developer; and
  - (II) a General Partner, Principal or Affiliate of a General Partner or General

#### Contractor; or

- (ii) employed as a consultant, lobbyist, or attorney by an Applicant or a Related Party.
- (2) During the period beginning on the first date of the Application Acceptance Period and ending on the date the Board makes a final decision with respect to the approval of any Application in that Application Round, an employee of the Department may communicate about any Application with the following Persons:
  - (A) the Applicant or a Related Party; and
  - (B) any Person who is:
- <u>(i) active in the construction, rehabilitation, ownership, or eControl of the proposed Development, including:</u>
  - (I) a General Partner or General Contractor; and
  - (II) a Developer; and
  - (II) a Principal or Affiliate of a General Partner or General Contractor; or
  - (ii) employed as a consultant, lobbyist or attorney by the Applicant or a Related

#### Party.

- (3) A communication under paragraph (2) of this subsection may be oral or in any written form, including electronic communication through the Internet, and must satisfy the following conditions:
- (A) the communication must be restricted to technical or administrative matters directly affecting the Application;
- (B) the communication must occur or be received on the premises of the Department during established business hours; and
- (C) a record of the communication must be maintained and included with the Application for purposes of Board review and must contain the following information:
  - (i) the date, time, and means of communication;
- (ii) the names and position titles of the Persons involved in the communication and, if applicable, the Person's relationship to the Applicant;
  - (iii) the subject matter of the communication; and
  - (iv) a summary of any action taken as a result of the communication.
- (4) Notwithstanding paragraphs (1) or (2) of this subsection, a Board member or Department employee may communicate without restriction with a pPerson listed in paragraphs (1) or

- (2) during any Board meeting or public hearing held with respect to the Application, but not during a recess or other non-record portion of the meeting or hearing.
- (5) Paragraph (1) of this subsection does not prohibit the Board from participating in social events at which a Person with whom communications are prohibited may or will be present, provided that all matters related to Applications to be considered by the Board will not be discussed.
- (c) Adherence to Obligations. (\$2306.6720, General Appropriation Act, Article VII, Rider 8(a)) All representations, undertakings and commitments made by an Applicant in the Application process for a Development, whether with respect to Threshold Criteria, Selection Criteria or otherwise, shall be deemed to be a condition to any Commitment Notice, Determination Notice, or Carryover Allocation for such Development, the violation of which shall be cause for cancellation of such Commitment Notice, Determination Notice, or Carryover Allocation by the Department, and if concerning the ongoing features or operation of the Development, shall be enforceable even if not reflected in the LURA. All such representations are enforceable by the Department and the tenants of the Development, including enforcement by administrative penalties for failure to perform, as stated in the representations and in accordance with the LURA. Effective December 1, 2006, ilf a Development Owner does not produce the Development as represented in the Application and in any amendments approved; does not receive approval for an amendment to the Application by the Department subsequent to the Applicationprior to implementation of such amendment; 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 <u>Competitive Housing tax</u> ecredits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by <u>up to</u> ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was <u>identified recognized</u> by the Department of the need for the amendment; and the placed in service date; or the date the amendment is accepted by the Board.
- (B) Prohibit eligibility to apply for <u>Housing tTax eCredits</u> 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 <u>up to 1224</u> months from the date that the non-conforming aspect, or lack of financing, was <u>identified recognized</u> by the <u>Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.</u>
- (C) In addition to, or in lieu of, the penalty in subparagraph A or B of this paragraph, the Board may assess a penalty fee of up to \$1,000 per day for each violation.
- (3) For amendments approved administratively by the Executive Director, the penalties in paragraph (2) of this subsection will not be imposed, except if the amendment has been implemented prior to the date of the notice granting the request.
- (d) Evaluation Process for Competitive Applications Under the State Housing Credit Ceiling. Applications submitted for competitive consideration under the State Housing Credit Ceiling will be reviewed according to the process outlined in this subsection. An Application, during any of these stages of review, may be determined to be ineligible as further described in §4950.5 of this chapter; Applicants will be promptly notified in these instances.
- (1) Set-Aside and Selection Criteria Review. All Applications will first be reviewed as described in this paragraph. Applications will be confirmed for eligibility for Set-Asides. Then, each Application will be preliminarily scored according to the Selection Criteria listed in subsection (i) of this section. When a particular scoring criterion involves multiple points, the Department will award points to the proportionate degree, in its determination, to which a proposed Development complied with that criterion. As necessary to complete this process only, Administrative Deficiencies may be

issued to the Applicant. This process will generate a preliminary Department score for every <u>aApplication</u>.

- (2) <u>Priority Application</u> Review Assessment. Each Application will be assessed based on either the Applicant's self-score or the Department's preliminary score, region, and any Set-Asides that the Application indicates it is eligible for, consistent with paragraph (5) of this subsection. Those Applications that appear to be most competitive will be <u>designated as "priority" Applications. Applications that do not appear to be competitive may not be reviewed in detail for Eligibility and Threshold Criteria during the Application Round. The <u>designation of priority is not a stage of the application pursuant to \$49.11(a)(7) of this title, and the designations will not be posted to the Department's website until final scoring notices are issued.</u></u>
- (3) Eligibility and Threshold Criteria Review. Applications that are designated as "priority" from the Priority Review Assessmentappear to be most competitive will be evaluated for eligibility under  $\$\$49\underline{50}.5(a)(7) - (9)$ , (e), and (b) - (f), and  $49\underline{50}.6$  of this title. The remaining portions of the Eligibility Review under \$4950.5 of this chapter will be performed in the Compliance Evaluation and Eligibility Review as described under paragraph (7) of this subsection. Priority—The most competitive Applications will also be evaluated against the Threshold Criteria under subsection (h)(1) - (4), (7)(A) and (B), (8), (9), (11), and (15) of this section, at minimum. The remaining same portions of the Threshold Criteria review may be performed in the Underwriting Evaluation and Criteria review for financial feasibility by the Department's Real Estate Analysis Division as described under paragraph (6) of this subsection. Applications not meeting Threshold Criteria will be notified of any Administrative Deficiencies, in which each event the Applicant is will be given an opportunity to correct such deficiencies. Applications not meeting Threshold Criteria after receipt and review of the Administrative Deficiency response will be terminated and the Applicant will be provided a written notice to that effect. The Department shall not be responsible for the Applicant's failure to meet the Threshold Criteria, and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. Not all Applications will be reviewed in detail for Threshold Criteria. To the extent that the review of Threshold Criteria documentation, or submission of Administrative Deficiency documentation, alters the score assigned to the Application, an Applicants will be notified of their its final score. As Applications are evaluated under this Review process, a final score by the Department may remove the Application from "priority" status at which point other Applications may be designated as "priority" and reviewed under this paragraph.
- (4) Administrative Deficiencies. If an Application contains Administrative Deficiencies pursuant to \$4950.3(42) of this title which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies. Because the review for Eligibility, Selection, Threshold Criteria, and review for financial feasibility by the Department's Real Estate Analysis Division may occur separately, Administrative Deficiency requests may be made several times. The Department staff will request clarification or correction in a deficiency notice in the form of an email, or if an e-mail address is not provided in the Application, by facsimile, and a telephone call to the Applicant and one other party identified by the Applicant in the Application advising that such a request has been transmitted. If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department withinby 5:00 p.m. on the fivefifth business days following the date of the deficiency notice date, then for competitive Applications under the State Housing Credit Ceiling, five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If Administrative 4Deficiencies are not clarified or corrected withinby 5:00 p.m. on the seventh business days following the date offrom the deficiency notice-date, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. This Administrative Deficiency process applies to requests for information made by the Real Estate Analysis Division review.
- (5) Subsequent Evaluation of Prioritized—Applications and Methodology for Award Recommendations to the Board. The Department will assign, as herein described, Developments for review for financial feasibility by the Department's Real Estate Analysis Division--in general these will

be those aApplications identified as "priority" most competitive and that meet the requirements of Eligibility and Threshold. This prioritization order procedure will also be used in making recommendations to the Board as follows:

- (A) Assignments will be determined by <u>first\_separately</u> selecting the Applications with the highest scores in the At-Risk Set-Aside <u>Statewide</u> and <u>TX-USDA-RHS</u> <u>Allocation within each Uniform State Service Region</u> until the minimum requirements stated in §4950.7(b) of this title are attained.
- (B) Assignments will then be determined by selecting the Applications with the highest scores in the TRDO-USDA Allocation until the minimum requirements stated in \$50.7(b) of this title are attained. If an Application in this Set-Aside involves Rehabilitation it will be attributed to, and come from the, At-Risk Set-Aside; if an Application in this Set-Aside involves New Construction it will be attributed to and come from the applicable Uniform State Service Region.
- (BC) Remaining funds within each Uniform State Service Region will then be selected based on the highest scoring Developments in each of the 26 sub-regions, regardless of Set-Aside, in accordance with the requirements under \$4950.7(a) of this title, without exceeding the credit amounts available for a Rural Regional Allocation and Urban/Exurban Regional Allocation in each region. To the extent that Applications in the At-Risk and TRDO-USDA Set-Asides are not competitive enough within their respective Set-Asides, they will also be able to compete, with no Set-Aside preference, within their appropriate sub-region.
- (CD) Funds for the Rural Regional Allocation or Urban/Exurban Regional Allocation for which there are more requests for credits than remaining credits available will be combined in each Uniform State Service Regions. If the next eligible application in the Rural Allocation or Urban/Exurban for a given Uniform State Service Region is less than the remaining credits in a region, then that application is selected; however, if both Rural and Urban/Exurban areas in the region have Applications that are requesting less than the remaining credits in that Uniform State Service Region, then the Application in the sub-region whose shortfall of credits being recommended would have been the most significant portion of their targeted sub-regional allocation will be selected. All credits still remaining will be combined with the remaining credits from all other regions and will be allocated to an Application in the sub-region whose shortfall of credits being recommended would have been the most significant portion of their targeted sub-regional allocation. However, once a region's awarded credits exceeds the total allocation for that region no other applications will be selected. If there are any tax credits set-aside for Developments in a Rural Area in a specific Uniform State Service Region that remain after allocation under subparagraph (C) of this paragraph those tax credits shall then be made available in any other Rural Area in the state to the Application in the most underserved Rural subregion as compared to the Region's Rural Allocation. (\$2306.111(d)(3)). This will be referred to as the Rural collapse.
- (E) If there are any tax credits remaining in any sub-region after the Rural collapse, in the Rural Regional Allocation or Urban Regional Allocation, they then will be combined and made available to the Application in the most underserved sub-region as compared to the sub-region's allocation. This will be referred to as the statewide collapse.
- (DF) After this priority review has occurred, sStaff will review priority applications to ensure that at least 10% of the priority applications are State Housing Credit Ceiling is allocated to qQualified Nonprofits Organizations to satisfy the Nonprofit Set-Aside. If 10% is not met, then the Department will add the highest scoring Application by a Qualified Nonprofits Organization statewide until the 10% Nonprofit Set-Aside is met. Staff will ensure that at least 20% of the State Housing Credit Ceiling is allocated to Rural Developments. If this 20% minimum is not met, then the Department will add the highest scoring Rural Development Application statewide until the 20% Rural Development Set-Aside is met. Selection for each of the Set-Asides will take precedence over selection for the Rural Regional Allocation and Urban/Exurban Regional Allocation. Funds for the Rural Regional Allocation or Urban/Exurban Regional Allocation within a region, for which there are no eligible feasible applications, will be redistributed as provided in \$4950.7(c) of this title, Redistribution of Credits. If the Department determines that an allocation recommendation would cause a violation of the \$2 million limit described in \$4950.6(d) of this title, the Department will make its recommendation by selecting the Development(s) that most effectively satisfies(y) the Department's goals in meeting setaAside and regional allocation goals. Based on Application rankings, the Department shall continue to underwrite Applications until the Department has processed enough Applications satisfying the

Department's underwriting criteria to enable the allocation of all available hhousing tax ecredits according to regional allocation goals and Set-Aside categories. To enable the Board to establish a Waiting List, the Department shall underwrite as many additional Applications as necessary to ensure that all available Competitive hhousing tax ecredits are allocated within the period required by law. (\$2306.6710(a), (b) and (df); \$2306.111)

- (6) Underwriting Evaluation and Criteria. The Department shall underwrite an Application to determine the financial feasibility of the Development and an appropriate level of helpousing tax cCredits. In determining an appropriate level of housing tTax cCredits, the Department shall, at a minimum, evaluate the cost of the Development based on acceptable cost parameters as adjusted for inflation and as established by historical final cost certifications of all previous #Housing #Tax eCredit allocations for the county in which the Development is to be located; if certifications are unavailable for the county, then the metropolitan statistical area in which the Development is to be located; or if certifications are unavailable under the county or the metropolitan statistical area, then the Uniform State Service Region in which the Development is to be located. Underwriting of a Development will include a determination by the Department, pursuant to the Code, \$42, that the amount of Housing Tax «Credits recommended for commitment to a Development is necessary for the financial feasibility of the Development and its long-term viability as a qualified rent restricted housing property. In making this determination, the Department will use the Underwriting Rules and Guidelines, \$1.32 of this title. An Applicant may not change or supplement any part of an Application in any manner after the filing deadline, and may not add any set-asides, increase their credit amount, or revise their unit mix (both income levels and bedroom mixes), except in response to a direct request from the Real Estate Analysis Division to remedy an Administrative Deficiency as further described in §50.3(2) of this title or by amendment of an Application after a commitment or allocation of tax credits as further described in §50.17(d) of this title. To the extent that the review of Administrative Deficiency documentation during this review alters the score assigned to the Application, Applicants will be re-notified of their final score. Receipt of feasibility points under §4950.9(i)(1) of this title does not ensure that an Application will be considered feasible during the feasibility evaluation by the Real Estate Analysis Division and conversely, a Development may be found feasible during the feasibility evaluation by the Real Estate Analysis Division even if it did not receive points under subsection (i)(1) of this section. (\$2306.6711(b): \$2306.6710(d))(\$2306.6710 and \$2306.11)
- (A) The Department may have an external party perform the underwriting evaluation to the extent it determines appropriate. The expense of any external underwriting evaluation shall be paid by the Applicant prior to the commencement of the aforementioned evaluation.
- (B) The Department will reduce the Applicant's estimate of Developer's and/or General Contractor fees in instances where these exceed the fee limits determined by the Department. In the instance where the General Contractor is an Affiliate of the Development Owner and both parties are claiming fees, General Contractor's overhead, profit, and general requirements, the Department shall be authorized to reduce the total fees estimated to a level that it determines to be reasonable under the circumstances. Further, the Department shall deny or reduce the amount of Housing Tax Credits allocated with respect to any portion of costs which it deems excessive or unreasonable. Excessive or unreasonable costs may include dDeveloper fee attributable to Related Party acquisition costs. The Department also may require bids or Third Party estimates in support of the costs proposed by any Applicant. The Developer's fee limits will be calculated as follows:
- (i) New construction pursuant to \$42(b)(1)(A) U.S.C, the dDeveloper fee cannot exceed 15% of the project's Total Eligible Basis, less dDeveloper fees, or 20% of the project's Total Eligible Basis, less dDeveloper fees if the Development proposes 49 total Units or less; and
- (ii) Acquisition/rehabilitation delevelopments that are eligible for acquisition credits pursuant to \$42(b)(1)(B) U.S.C, the acquisition portion of the deleveloper fee cannot exceed 15% of the existing structures acquisition basis, less deleveloper fee if the Development proposes 50 total Units or more, or 20% of the project's Total Eligible Basis, less deleveloper fees if the Development proposes 49 total Units or less, and will be limited to 4% credits. The rehabilitation portion of the deleveloper fee cannot exceed 15% of the total rehabilitation basis, less deleveloper fee if the Development proposes 50 total Units or more, or 20% of the project's Total Eligible Basis, less deleveloper fees if the Development proposes 49 total Units or less.

- (7) Compliance Evaluation and Eligibility Review. After the Department has determined which Developments will be reviewed for financial feasibility, those same Developments will be reviewed for evaluation of the compliance status by the Department's Portfolio Management and Compliance Division, in accordance with Chapter  $\S60$  of this title, and will be evaluated in detail for eligibility under  $\S84950.5(a)(1) (5)$ , (b), and g(f) of this title.
- (8) Site Evaluation. Site conditions shall be evaluated through a physical site inspection by the Department or its assigns. Such inspection will evaluate the <u>Development sSite</u> based upon the criteria set forth in the Site Evaluation form provided in the Application and the inspector shall provide a written report of such site evaluation. The evaluations shall be based on the condition of the surrounding neighborhood, including appropriate environmental and aesthetic conditions and proximity to retail, medical, recreational, and educational facilities, and employment centers. The site's appearance to prospective tenants and its accessibility via the existing transportation infrastructure and public transportation systems shall be considered. "Unacceptable" sites include, without limitation, those containing a non-mitigable environmental factor that may adversely affect the health and safety of the residents. For Developments applying under the <u>TX-USDA-RHSTRDO-USDA</u> Set-Aside, the Department may rely on the physical site inspection performed by <u>TX-USDA-RHSTRDO-USDA</u>.
- (e) Evaluation Process for Tax-Exempt Bond Development Applications. Applications submitted for consideration as Tax-Exempt Bond Developments will be reviewed according to the process outlined in this subsection. An Application, during any of these stages of review, may be determined to be ineligible as further described in §4950.5 of this title; Applicants will be promptly notified in these instances.
- (1) Eligibility and Threshold Criteria Review. All Tax-Exempt Bond Development Applications will first be reviewed as described in this paragraph. Tax-Exempt Bond Development Applications will be confirmed for eligibility under §4950.5 and §4950.6 of this title and Applications will be evaluated in detail against the Threshold Criteria. Tax-Exempt Bond Development Applications found to be ineligible and/or not meeting Threshold Criteria will be notified of any Administrative Deficiencies, in <a href="whicheach">whicheach</a> event the Applicant <a href="iswill be">iswill be</a> given an opportunity to correct such deficiencies. Applications not meeting <a href="the-">the-</a> Threshold Criteria after receipt and review of the Administrative Deficiency response will be terminated and the Applicant will be provided a written notice to that effect. The Department shall not be responsible for the Applicant of such inability to satisfy the Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. Not all Applications will be reviewed in detail for Threshold Criteria.
- (2) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies. Because the review for Eligibility, Threshold Criteria, and review for financial feasibility by the Department's Real Estate Analysis Division may occur separately, Administrative Deficiency requests may be made several times. The Department staff will request clarification or correction in a deficiency notice in the form of an e-mail, or if an e-mail address is not provided in the Application, by facsimile, and a telephone call to the Applicant and one other party identified by the Applicant in the Application advising that such a request has been transmitted. All Administrative Deficiencies shall be clarified or corrected to the satisfaction of the Department within five business days. Failure to resolve all outstanding deficiencies withinby 5:00 p.m. on the 5fifth business days following the date offrom the deficiency notice-date will result in a penalty fee of \$500 for each business day the deficiency remains unresolved. Applications with unresolved deficiencies after 5:00 p.m. on the 40tenth day following the date offrom the issuance of the deficiency notice will be terminated. The Applicant will be responsible for the payment of fees accrued pursuant to this section regardless of any termination pursuant to \$50.5(b)(4) of this sectiontitle. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. The Application will not be presented to the Board for consideration until all outstanding fees have been paid. This Administrative Deficiency process applies equally to the Real

<u>Estate Analysis Division review and feasibility evaluation and the same penalty and termination will be</u> assessed.

- (3) Underwriting and Compliance Evaluation and Criteria. The Department will assign all eligible Tax-Exempt Bond Development Applications meeting the eligibility and threshold requirements for review for financial feasibility by the Department's Real Estate Analysis Division, or the Department may have an external party perform the underwriting evaluation to the extent it determines appropriate. The expense of any external underwriting evaluation shall be paid by the Applicant prior to the commencement of the aforementioned evaluation. The Department or external party shall underwrite an Application to determine the financial feasibility of the Development and an appropriate level of hHousing tax ecredits as further described in subsection (d)(6) of this section. Tax-Exempt Bond Development Applications will also be reviewed for evaluation of the compliance status by the Department's Portfolio Management and Compliance Division in accordance with Chapter 60. Subchapter A of this title.
- (4) Site Evaluation. Site conditions shall be evaluated through a physical site inspection by the Department or its assigns as further described in subsection (d)(8) of this section.
- (f) Evaluation Process for Rural Rescue Applications Under the 20082009 Credit Ceiling. Applications submitted for consideration as Rural Rescue Applications pursuant to \$4950.10(c) of this title under the 20082009 Credit Ceiling will be reviewed according to the process outlined in this subsection. A Rural Rescue Application, during any of these stages of review, may be determined to be ineligible as further described in \$4950.5 of this title; Applicants will be promptly notified in these instances.
- \_(1) Eligibility and Threshold Criteria Review. All Rural Rescue Applications will first be reviewed as described in this paragraph. Rural Rescue Applications will be confirmed for eligibility under \$49.5 and \$49.6 of this title, Set-Aside and Rural Rescue eligibility will be confirmed, and Applications will be evaluated in detail against the Threshold Criteria. Applications found to be ineligible and/or not meeting Threshold Criteria will be notified of any Administrative Deficiencies, in which event the Applicant is given an opportunity to correct such deficiencies. Applications not meeting Threshold Criteria after receipt and review of the Administrative Deficiency response will be terminated and the Applicant will be provided a written notice to that effect. The Department shall not be responsible for the Applicant's failure to meet the Threshold Criteria, and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. Not all Applications will be reviewed in detail for Threshold Criteria.

## (1) Procedures for Intake and Review.

- (A) Applications for Rural Rescue deals may be submitted between March 2, 2008 and November 15, 2008 and must be submitted in accordance with \$50.21 of this title. A complete Application must be submitted at least 40 days prior to the date of the Board meeting at which the Applicant would like the Board to act on the proposed Development. Applications must include the full Application Fee as further described in \$50.20(c) of this title. Applicants must submit documents in accordance with the procedures set out in the 2008 Application Submission Procedures Manual for Volumes I, II, III and IV. Volume IV, evidencing Selection Criteria, MUST be submitted.
- (B) Applicants do not need to participate in the Pre-Application process outlined in §50.8 of this title, nor will they need to submit pre-certification documents identified in §50.9(g) of this title.
- (C) Applications will be processed on a first-come, first-served basis. Applications unable to meet all deficiency and underwriting requirements within 30 days of the request by the Department, will remain under consideration, but will lose their submission status and the next Application in line will be moved ahead in order to expedite those Applications most able to proceed. Applications for Rural Rescue will be processed and evaluated as described in this paragraph. Applications will be reviewed to ensure that the Application is eligible as a rural "rescue" Development as described in paragraph (2) of this subsection.
- (D) Prior to the Development being recommended to the Board, TRDO-USDA must provide the Department with a copy of the physical site inspection report performed by TRDO-USDA, as provided in \$50.9(d)(8) of this title.

- (2) Eligibility Review. All Rural Rescue Applications will first be reviewed as described in this paragraph and eligibility will be confirmed pursuant to \$50.5 and \$50.6 of this title and the criteria listed in subparagraphs (A-C) of this paragraph. Applications found to be ineligible will be notified.
  - (A) Applications must be funded through TRDO-USDA;
  - (B) Applications must able to provide evidence that the loan:
    - (i) has been foreclosed and is in the TRDO-USDA inventory; or
    - (ii) is being foreclosed; or
    - (iii) is being accelerated; or
    - (iv) is in imminent danger of foreclosure or acceleration; or
- (v) is for an Application in which two adjacent parcels are involved, of which at least one parcel qualifies under clauses (i) through (iv) of this subparagraph and for which the Application is submitted under one ownership structure, one financing plan an for which there are no market rate units. and
  - (C) Applicants must be identified as in compliance with TRDO-USDA regulations.
- (3) Threshold Review. Applications will be evaluated in detail against the Threshold Criteria. Applications found to be ineligible and/or not meeting Threshold Criteria will be notified of any Administrative Deficiencies, in which event the Applicant is given an opportunity to correct such deficiencies. Applications not meeting Threshold Criteria after receipt and review of the Administrative Deficiency response will be terminated and the Applicant will be provided a written notice to that effect. The Department shall not be responsible for the Applicant's failure to meet the Threshold Criteria, and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. Not all Applications will be reviewed in detail for Threshold Criteria.
- (24) Selection Criteria Review. All Rural Rescue Applications will be evaluated against the Selection Criteria and a score will be assigned to the Application. The minimum score for Selection Criteria is not required to be achieved to be eligible.
- (35) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies as further described in subsection (d)(4) of this section.
- (46) Underwriting and Compliance Evaluation and Criteria. The Department will assign all eligible Rural Rescue Applications meeting the eligibility and threshold requirements for review for financial feasibility by the Department's Real Estate Analysis Division, or the Department may have an external party perform the underwriting evaluation to the extent it determines appropriate. The expense of any external underwriting evaluation shall be paid by the Applicant prior to the commencement of the aforementioned evaluation. The Department or external party shall underwrite an Application to determine the financial feasibility of the Development and an appropriate level of helpousing tax ecredits as further described in subsection (d)(6) of this section. Rural Rescue Development Applications will also be reviewed for evaluation of the previous participation by the Department's Portfolio Management and Compliance Division in accordance with Chapter 60 of this title.
- (57) Site Evaluation. Site conditions shall be evaluated through a physical site inspection by the Department or its assigns as further described in subsection (d)(8) of this section.
- (78) Credit Ceiling and Applicability of this title. All Rural Rescue Applicants will receive their credit allocation out of the 2009 Credit Ceiling and therefore, will be required to follow the rules and guidelines identified in the 2009 Qualified Allocation Plan and Rules (QAP). However, because the 2009 QAP will not be in effect during the time period that the Rural Rescue Applications can be submitted, Applications submitted and eligible under the Rural Rescue Set-Aside will be considered by the Board to have satisfied the requirements of the 2009 QAP and are waived from 2009 QAP requirements that are changes from the 2008 QAP, to the extent permitted by statute.
- (89) Procedures for Recommendation to the Board. Consistent with subsection (k) of this section, staff will make its recommendation to the Committee. The Committee will make commitment recommendations to the Board. Staff will provide the Board with a written, documented recommendation which will address at a minimum the financial and programmatic viability of each Application and a breakdown of which Selection Criteria were met by the Applicant. The Board will

make its decision based on \$50.10(a) of this title. Any award made to a Rural Rescue Development will be credited against the TRDO-USDA Set-Aside for the 2009 Application Round, as required under \$50.9(d)(5).

(910) Limitation on Allocation. No more than \$350,000 in credits will be forward committed from the 2009 State Housing Credit Ceiling. To the extent Applications are received that exceed the maximum limitation, staff will prepare the award for Board consideration noting for the Board that the award would require a waiver of this limitation.

- (g) Experience Pre-Certification Procedures. No later than 14 days prior to the close of the Application Acceptance Period for Competitive Housing Tax Credit Applications, an Applicant must submit the documents required in this subsection to obtain the required pre-certification. For Applications submitted for Tax-Exempt Bond Developments Applications or Applications not applying for Competitive Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) all of the documents in this section must be submitted with the Application. Upon receipt of the evidence required under this section, a certification from the Department will be provided to the Applicant for inclusion in their its Application(s). Evidence must show that one of the Development Owner's General Partners, the Developer or their Principals have a record of successfully constructing or developing residential units (single family or multifamily) in the capacity of owner, General Partner or Developer. If a Public Housing Authority organized an entity for the purpose of developing residential units the Public Housing Authority shall be considered a pPrincipal for the purpose of this requirement. If the individual requesting the certification was not the Development Owner, General Partner or Developer, but was the individual within one of those entities doing the work associated with the development of the uUnits (responsibility for work associated with the development of Units includes, but is not limited to, application submission, third-party engagement, post award activities, construction, cost certification, etc.), the individual must show that the units were successfully developed as required below in paragraphs (1) and (2) of this subsection, and also provide written confirmation from the entity involved stating that the individual was the person responsible for the development. If rehabilitation experience is being claimed to qualify for an Application involving a New Construction, then the rehabilitation must have been substantial and involved at least \$\frac{6}{12}.000 of direct hard cost per unit.
- (1) The term "successfully" is defined as acting in a capacity as the owner, General Partner, or Developer of:
- (A) At least 100 residential units or, if less than 100 residential units, 80 percent of the total number of Units the Applicant is applying to build (e.g. you must have 40 units successfully built to apply for 50 Units); or
  - (B) At least 36 residential units if the Development is a Rural Development; or
  - (C) At least 25 residential units if the Development has 36 or fewer total Units.
- (2) One or more of the following documents must be submitted: American Institute of Architects (AIA) Document A111 Standard Form of Agreement Between Owner & Contractor, AIA Document G704 Certificate of Substantial Completion, IRS Form 8609, HUD Form 9822, development agreements, partnership agreements, or other documentation satisfactory to the Department verifying that the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals have the required experience. If submitting the IRS Form 8609, only one form per Development is required. The evidence must clearly indicate:
- (A) That the Development has been completed (i.e. Development Agreements, Partnership Agreements, etc. must be accompanied by certificates of completion);
- (B) That the names on the forms and agreements tie back to the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals as listed in the Application; and
  - (C) The number of units completed or substantially completed.
- (h) **Threshold Criteria.** The following Threshold Criteria listed in this subsection are mandatory requirements <u>that must be submitted</u> at the time of Application submission unless specifically indicated otherwise:

- (1) Completion and submission of the Application, which includes the entire Uniform Application and any other supplemental forms which may be required by the Department. (\$2306.1111)
  - (2) Completion and submission of the Site Packet as provided in the Application.
- (3) Set-Aside Eligibility. Documentation must be provided that confirms eligibility for all Set-Asides under which the Application is seeking funding as required in the Application.
- (4) Certifications. The "Certification Form" provided in the Application confirming the following items:
- (A) A certification of the basic amenities selected for the Development. All Developments, must meet at least the minimum threshold of points. These points are not associated with the selection criteria points in subsection (i) of this section. The amenities selected must be made available for the benefit of all tenants. If fees in addition to rent are charged for amenities reserved for an individual tenant's use, then the amenity may not be included among those provided to satisfy this requirement. Developments must provide a minimum number of common amenities in relation to the Development size being proposed. The amenities selected must be selected from clause (ii) of this subparagraph and made available for the benefit of all tenants. Developments proposing Rehabilitation (excluding Reconstruction) or proposing Single Room Occupancy will receive 1.5 points for each point item. Applications for non-contiguous scattered site housing, including New Construction, Reconstruction, Adaptive Reuse Rehabilitation, and single-family design, will have the threshold test applied based on the number of Units per individual site, and must submit a separate certification for each individual site under control by the Applicant. Any future changes in these amenities, or substitution of these amenities, must be approved by the Department in accordance with \$4950.17(d) of this title and may result in a decrease in awarded credits if the substitution or change includes a decrease in cost, or in the cancellation of a Commitment Notice or Carryover Allocation if all of the Common Amenities claimed are no longer met.
- (i) Applications must meet a minimum threshold of points (based on the total number of Units in the Development) as follows:
- (I) Total Units are less than 13, 0 points are required to meet Threshold for Single Room Occupancy and 1 point is required to meet threshold for all other Developments;
  - (II) Total Units are between 13 and 24, 1 point is required to meet

Threshold;

(III) Total Units are between 25 and 40, 3 points are required to meet

Threshold;

(IV) Total Units are between 41 and 76, 6 points are required to meet

Threshold;

(V) Total Units are between 77 and 99, 9 points are required to meet

Threshold;

(VI) Total Units are between 100 and 149, 12 points are required to meet

Threshold;

(VII) Total Units are between 150 and 199, 15 points are required to meet

Threshold;

(VIII) Total Units are 200 or more, 18 points are required to meet

Threshold.

(ii) Amenities for selection include those items listed in subclauses (I) - (XXIVXXVI) of this clause. Both Developments designed for families and Qualified Elderly Developments can earn points for providing each identified amenity unless the item is specifically restricted to one type of Development. All amenities must meet accessibility standards as further described in subparagraphs (D) and (F) of this paragraph. An Application can only count an amenity once, therefore combined functions (a library which is part of a community room) only count under one category. Spaces for activities must be sized appropriately to serve the anticipated population.

- (I) Full perimeter fencing (2 points);
- (II) Controlled gate access (1 point);
- (III) Gazebo w/sitting area (1 point);
- (IV) Accessible walking/jogging path separate from a sidewalk (1 point);
- (V) Community laundry room with at least one front loading washer (1

point);

(VI) Emergency 911 telephones accessible and available to tenants 24 hours a day (2 points); (\forall \forall VI) Barbecue grill and picnic table-at least one of each for every 50 Units (1 point); (VIIIVII) Covered pavilion that includes barbecue grills and tables (2 points); (IXVIII) Swimming pool (3 points); (IX) Furnished fitness center equipped with a minimum of two of the following fitness equipment options with at least one option per every 40 Units or partial increment of 40 Units: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multifunctional weight bench, sauna, stair climber, etc. The maximum number of equipment options required for any Development, regardless of number of Units, shall be five (2 points); (XI) Equipped and functioning business center or equipped computer learning center with 1 computer for every 30 Units proposed in the Application, 1 printer for every 3 computers (with minimum of one printer), and 1 fax machine (2 points); (XII) Furnished Community room (1 point); (XIII) Library with an accessible sitting area (separate from the community room) (1 point); (XIVIII) Enclosed sun porch or covered community porch/patio (2 points); (XIV) Service coordinator office in addition to leasing offices (1 point); (XVI) Senior Activity Room (Arts and Crafts, etc.)-Only Qualified Elderly Developments Eligible (2 points); (XVIII) Health Screening Room (1 point); (XVIII) Secured Entry (elevator buildings only)(1 point); (XIXVIII) Horseshoe pit, putting green or shuffleboard court-Only Qualified Elderly Developments Eligible (1 point); (XIX) Community Dining Room w/full or warming kitchen-Only Qualified Elderly Developments Eligible (3 points); (XXI) One Children's Playscape Equipped for 5 to 12 year olds, or one Tot Lot--Only Family Developments Eligible (1 Point); (XXII) Two Children's Playscapes Equipped for 5 to 12 year olds, two Tot Lots, or one of each-Only Family Developments Eligible (2 points); (XXIII) Sport Court (Tennis, Basketball or Volleyball)-Only Family Developments Eligible (2 points); or (XXIVIII) Furnished and staffed Children's Activity Center-Only Family Developments Eligible (3 points).; (XXIV) Community Theater Room equipped with a 52 inch or larger screen with surround sound equipment; DVD player; and theater seating (3 points); (XXVI) Green Building (for example, evaporative coolers, passive solar heating/cooling, water conserving fixtures, collected water (at least 50%) for irrigation purposes, submetered electric meters, exceed Energy Star standards, photovoltaic panels for electricity and design and wiring for the use of such panels, construction waste management, provide recycle service, water permeable walkways and parking areas, or other Department approved items). (3 points); or (XXVII) Hot Tub/Jacuzzi Spa (1 point). (B) A certification that the Development will have all of the following Unit-Amenities (not required for Single Room Occupancy Developments) at no charge to the tenants. If fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to satisfy this requirement. Any future changes in these amenities, or substitution of these amenities, may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met. All New Construction or Reconstruction Units must provide the amenities in clauses (i)-(ix) of this subparagraph. Rehabilitation (excluding Reconstruction) and Adaptive Reuse must provide the amenities in clauses (ii)-(ix) of this subparagraph unless expressly identified as not required.

(§2306.187)

- (i) All New Construction Units must be wired with 6 pair CAT5e wiring or better to provide phone and data service to each unit and wired with COAX cable to provide TV and high speed internet data service to each unit:
  - (ii) Blinds or window coverings for all windows;
- (iii) <u>Disposal and Energy-Star or equivalently rated</u> <u>Pd</u>ishwasher <del>and Disposal</del> (not required for <u>TX-USDA-RHSTRDO-USDA</u> or <u>SRO</u> Developments);
  - (iv) Energy-Star or equivalently rated (not required for SRO Developments)

Refrigerator;

(v) Energy-Star or equivalently rated Oven/Range (not required for SRO

**Developments**);

(vi) Exhaust/vent fans in bathrooms; and

(vii) Energy-Star or equivalently rated Cceiling fans in living areas and

bedrooms:

(viii) Energy-Star or equivalently rated lighting in all Units;

(ix) Emergency 911 or public telephone accessible and available to tenants 24

hours a day.

- (C) A certification that the Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or if no local building codes are in place then to the most recent version of the International Building Code.
- (D) A certification that the Applicant is in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (\$42U.S.C.42 U.S.C. \$3601 et seq.), and the Fair Housing Amendments Act of 1988 (\$42U.S.C.42 U.S.C. \$3601 et seq.); the Civil Rights Act of 1964 (\$42U.S.C.42 U.S.C. \$2000a et seq.); the Americans with Disabilities Act of 1990 (\$42U.S.C.42 U.S.C. \$12101 et seq.); the Rehabilitation Act of 1973 (29 U.S.C. \$701 et seq.); Fair Housing Accessibility; the Texas Fair Housing Act; and that the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, the Code Requirements for Housing Accessibility 2000 (or as amended from time to time) produced by the International Code Council and the Texas Accessibility Standards. (\$2306.257; \$2306.6705(7))
- (E) A certification that the Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses, and that the Applicant will submit a report at least once in each 90-day period following the date of the Commitment Notice until the Cost Certification is submitted, in a format prescribed by the Department and provided at the time a Commitment Notice is received, on the percentage of businesses with which the Applicant has contracted that qualify as Minority Owned Businesses. (\$2306.6734)
- (F) Pursuant to \$2306.6722, any Development supported with a hHousing tTax cCredit allocation shall comply with the accessibility standards that are required under \$504, Rehabilitation Act of 1973 (29 U.S.C. \$794), and specified under 24 C.F.R. Part 8, Subpart C. The Applicant must provide a certification from the Development engineer, an accredited architect or Department-approved third party accessibility specialist, that the Development will comply with the accessibility standards that are required under \$504, Rehabilitation Act of 1973 (29 U.S.C. \$794), and specified under 24 C.F.R. Part 8, Subpart C and this subparagraph. (\$\$2306.6722 and \$2306.6730)
- (G) <u>For</u> Developments involving New Construction (excluding New Construction of non-residential buildings) where some Units are two-stories <u>or single family design</u> 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 similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist. <u>Any Developments designed as single family structures must also satisfy the requirements of \$2306.514, Texas Government Code.</u>
- (H) A certification that the Development will be equipped with energy saving devices that meet the standard statewide energy code adopted by the state energy conservation office, unless

historic preservation codes permit otherwise for a Development involving historic preservation. All Units must be air-conditioned. The measures must be certified by the Development architect as being included in the design of each tax credit Unit at the time the 10% Test Documentation is submitted and in actual construction upon Cost Certification. (§2306.6725(b)(1))

- (I) A certification that the Development will be built by a General Contractor that satisfies the requirements of the General Appropriation Act, Article VII, Rider 8(c) applicable to the Department which requires that the General Contractor hired by the Development Owner or the Applicant, if the Applicant serves as General Contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.
- (J) A certification that the Development Owner agrees to establish a reserve account consistent with \$2306.186 Texas Government Code and as further described in \$1.37 of this title.
- (K) A certification that the Applicant, Developer, or any employee or agent of the Applicant has not formed a  $\underline{\mathtt{nN}}$ eighborhood  $\underline{\mathtt{oO}}$ rganization for purposes of subsection (i)(2) of this section, has not given money or a gift to cause the  $\underline{\mathtt{nN}}$ eighborhood  $\underline{\mathtt{oO}}$ rganization to take its position of support or opposition, nor has provided any assistance to a  $\underline{\mathtt{nN}}$ eighborhood  $\underline{\mathtt{oO}}$ rganization to meet the requirements under subsection (i)(2) of this section which are not allowed under that subsection, as it relates to the Applicant's Application or any other Application under consideration in  $\underline{\mathtt{20072008}}$ .
- (L) A certification that the Development Owner will cooperate with the local public housing authority, to the extent there are any, in accepting tenants from their waiting lists (\$42(m)(1)(C)(vi))Operate in accordance with the requirements pertaining to rental assistance in \$60 of this title.
- (M) A certification that the Development Owner will contract with a Management Company through-out the Compliance Period that will perform criminal background checks on all adult tenants, head and co head of households.
  - (5) Design Items. This exhibit will provide:
- (A) All of the architectural drawings identified in clauses (i) (iii) of this subparagraph. While full size design or construction documents are not required, the drawings must have an accurate and legible scale and show the dimensions. All Developments involving New Construction, or conversion of existing buildings not configured in the Unit pattern proposed in the Application, must provide all of the items identified in clauses (i) (iii) of this subparagraph. For Developments involving Rehabilitation for which the Unit configurations are not being altered, only the items identified in clauses (i) and (iii) of this subparagraph are required:
  - (i) A site plan which:
- (I) Is consistent with the number of Units and Unit mix specified in the "Rent Schedule" provided in the Application;
  - (II) Identifies all residential and common buildings and amenities; and
  - (III) Clearly delineates the flood plain boundary lines and all easements

shown in the site survey;

- (ii) Floor plans and elevations for each type of residential building and each common area building clearly depicting the height of each floor and a percentage estimate of the exterior composition. Adaptive Reuse Developments, are only required to provide building plans delineating each unit by number, type and area consistent with those in the "Rent Schedule" and pictures of each elevation of the existing building depicting the height of each floor and percentage estimate of the exterior composition; and
- (iii) Unit floor plans for each type of Unit showing special accessibility and energy features. The net rentable areas these Unit floor plans represent should be consistent with those shown in the "Rent Schedule" provided in the <u>aApplication. Adaptive Reuse Developments, are only required to provide Unit floor plans for each distinct typical Unit type (i.e. one-bedroom, two-bedroom) and for all Units types that vary in area by 10% from the typical Unit; and</u>
- (B) A boundary survey of the proposed Development <u>sSite</u> and of the property to be purchased. In cases where more property is purchased than the proposed <u>site of the Development Site</u>, the survey or plat must show the survey calls for both the larger site and the <u>subject Development SSite</u>. The survey does not have to be recent; but it must show the property purchased and the property proposed for <u>the Development Site</u>. In cases where the <u>site of the Development Site</u> is only a

part of the site being purchased, the depiction or drawing of the Development <u>Site</u> portion may be professionally compiled and drawn by an architect, engineer or surveyor.

- (6) Evidence of the Development's development costs and corresponding credit request and syndication information as described in subparagraphs (A) (G) of this paragraph.
- (A) A written narrative describing the financing plan for the Development, including any non-traditional financing arrangements; the use of funds with respect to the Development; the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and the commitment status of the funding sources for the Development. This information must be consistent with the information provided throughout the Application. (§2306.6705(1))
- (B) All Developments must submit the "Development Cost Schedule" provided in the Application. This exhibit must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period.
- (C) Provide a letter of commitment from a syndicator that, at a minimum, provides an estimate of the amount of equity dollars expected to be raised for the Development in conjunction with the amount of hhousing trax credits requested for allocation to the Development Owner, including pay-in schedules, syndicator consulting fees and other syndication costs. No syndication costs should be included in the Eligible Basis. (\$2306.6705(2) and (3))
- (D) For Developments located in a Qualified Census Tract (QCT) as determined by the Secretary of HUD and qualifying for a 30% increase in Eligible Basis, pursuant to the Code, \$42(d)(5)(C), if permitted under \$4950.6(h) of this title, Applicants must submit a copy of the census map clearly showing that the proposed Development is located within a QCT. Census tract numbers must be clearly marked on the map, and must be identical to the QCT number stated in the Department's Reference Manual.
- (E) Rehabilitation Developments must submit a Property Condition Assessment meeting the requirements of paragraph (14)(C) of this subsection.
- (F) If offsite costs are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then the supplemental form "Off Site Cost Breakdown" must be provided.
- (G) If projected site work costs include unusual or extraordinary items or exceed \$9,000 per Unit, then the Applicant must provide a detailed cost breakdown prepared by a Third Party engineer or architect, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.
- (7) Evidence of readiness to proceed as evidenced by at least one of the items under each of subparagraphs (A) (D) of this paragraph:
- (A) Evidence of Property control in the name of the Development Owner. If the evidence is not in the name of the Development Owner, then the documentation should reflect an expressed ability to transfer the rights to the Development Owner. All of the sellers of the proposed Property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development team must be identified at the time of Application (not required at Pre-Application). One of the following items described in clauses (i) (iii) of this subparagraph must be provided, and if the acquisition can be characterized as an identity of interest transaction as described in §1.32(e)(1)(B) of this title, items described in clause (iv) of this subparagraph must also be provided:
- (i) A recorded warranty deed with corresponding executed settlement statement, unless required to submit items under clause (iv) of this subparagraph; or
- (ii) A contract for lease (the minimum term of the lease must be at least 45 years) which is valid for the entire period the Development is under consideration for tax credits; or
- (iii) A contract for sale, <u>or</u> an exclusive option to purchase <u>or lease</u> which is valid for the entire period the Development is under consideration for tax credits. For Tax Exempt Bond Developments <u>Applications</u>, site control must be valid through December 1, <u>20062007</u> with option to extend through March 1, <u>20072008</u> (Applications submitted for lottery) or 90 days from the date of the bond reservation with the option to extend through the scheduled TDHCA Board meeting <u>at which the award of Housing Tax Credits will be considered</u>. The potential expiration of site control does not warrant the Application being presented to the TDHCA Board prior to the scheduled meeting.

- (iv) If the acquisition can be characterized as an identity of interest transaction as described in §1.32(e)(1)(B) of this title, subclauses (I) and (III) of this clause must be providedwill be required (not required at Pre-Application):
- (I) Documentation of the original acquisition cost in the form of a settlement statement or, if a settlement statement is not available, the seller's most recent audited financial statement indicating the asset value for the <u>proposed Property Development Site</u>, and
- (II) If the original acquisition cost evidenced by subclause (I) of this clause is less than the acquisition cost claimed in the application,
- (-a-) An appraisal meeting the requirements of paragraph (14)(D) of this subsection, and
- (-b-) Any other verifiable costs of owning, holding, or improving the Property that when added to the value from subclause (I) of this clause justifies the Applicant's proposed acquisition amount.
- (-1-) For land-only transactions, documentation of owning, holding or improving costs since the original acquisition date may include Pproperty taxes, interest expense, a calculated return on equity at a rate consistent with the historical returns of similar risks, the cost of any physical improvements made to the Pproperty, the cost of rezoning, replatting or developing the Pproperty, or any costs to provide or improve access to the Pproperty.
- (-2-) For transactions which include existing buildings that will be rehabilitated or otherwise maintained as part of the Development, documentation of owning, holding, or improving costs since the original acquisition date may include capitalized costs of improvements to the Pproperty, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the Pproperty and avoid foreclosure.
- (III) In no instance will the acquisition cost utilized by the underwriter exceed the lesser of the original acquisition cost evidenced by subclause (I) of this clause plus costs identified in subclause (II)(-b-) of this clause, or the "as-is" value conclusion evidenced by subclause (II)(-a-) of this clause.
- (v) As described in clauses (ii) and (iii) of this subparagraph, Pproperty control must be continuous. Closing on the Pproperty is acceptable, as long as evidence is provided that there was no period in which control was not retained.
- (B) Evidence from the appropriate local municipal authority that satisfies one of clauses (i) (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period. (§2306.6705(5))
- (i) <u>For New Construction or reconstruction Developments, Aa</u> letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that:
- <u>(I)</u> <u>tT</u>he Development is located within the boundaries of a political subdivision which does not have a zoning ordinance; and either subclauses (II) or (III) of this clause;
- (II) <u>t</u>The letter must <u>also</u>-state that the Development <u>fulfills a need for additional affordable rental housing as evidenced in <u>is consistent with</u> a local consolidated plan, comprehensive plan, or other local planning document that addresses affordable housing; or</u>
- (III) The letter must state that there is a need for affordable housing, if no such planning document exists, then the letter from the local municipal authority must state that there is a need for affordable housing.
- (ii) <u>For New Construction or reconstruction Developments</u>, <u>Aa</u> letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that:
- (I) The Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development; or
- (II) The Applicant is in the process of seeking the appropriate zoning and has signed and provided to the political subdivision a release agreeing to hold the political subdivision and all other parties harmless in the event that the appropriate zoning is denied, and a time schedule for completion of appropriate zoning. The Applicant must also provide at the time of Application a

copy of the application for appropriate zoning filed with the local entity responsible for zoning approval and proof of delivery of that application in the form of a signed certified mail receipt, signed overnight mail receipt, or confirmation letter from said official. Final approval of appropriate zoning must be achieved and documentation of acceptable zoning for the Development, as proposed in the Application, must be provided to the Department at the time the Commitment Fee, or Determination Notice Fee, is paid. If this evidence is not provided with the Commitment Fee, any commitment of credits will be rescinded. No extensions may be requested for the deadline for submitting evidence of final approval of appropriate zoning.

(iii) In the case of a For Rehabilitation Developments, if the property is currently a non-conforming use as presently zoned, a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction which discusses addresses the items in subclauses (I) - (IV) of this clause:

- (I) A detailed narrative of the nature of non-conformance;
- (II) The applicable destruction threshold;
- (III) Owner's rights to reconstruct in the event of damage; and
- (IV) Penalties for noncompliance.
- (C) Evidence of interim and permanent financing sufficient to fund the proposed Total Housing Development Cost less any other funds requested from the Department and any other sources documented in the Application. Any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with \$42(g) of , Internal Revenue Code. The income and corresponding rent restrictions will be imposed by the Housing Tax Credit LURA and monitored throughout the extended use period continuously maintained over the compliance and extended use period as specified in the LURA. Such evidence must be consistent with the sources and uses of funds represented in the Application and shall be provided in one or more of the following forms described in clauses (i) (iv) of this subparagraph:
  - (i) Bona fide financing in place as evidenced by:
    - (I) A valid and binding loan agreement;
- (II) Deed(s) of trust in the name of the Development Owner expressly allowing transfer to the Development Owner; and
- (III) For <u>TX-USDA-RHSTRDO-USDA</u> 515 Developments involving Rehabilitation, an executed <u>TX-USDA-RHSTRDO-USDA</u> letter indicating <u>TX-USDA-RHSTRDO-USDA</u> has received a Consent Request, also referred to as a Preliminary Submittal, as described in 7 CFR 3560.406 and a copy of the original loan documents; or,
- (ii) Bona fide commitment or term sheet for the interim and permanent loans issued by a lending institution or mortgage company that is actively and regularly engaged in the business of lending money which is addressed to the Development Owner and which has been executed by the lender (the term of the loan must be for a minimum of 15 years with at least a 30 year amortization). The commitment must state an expiration date and all the terms and conditions applicable to the financing including the mechanism for determining the interest rate, if applicable, and the anticipated interest rate and any required Guarantors. Such a commitment may be conditional upon the completion of specified due diligence by the lender and upon the award of tax credits; or,
- (iii) Any Federal, State or local gap financing, whether of soft or hard debt, must be identified at the time of Application as evidenced by:
- (I) Evidence from the lending agency that an application for funding has been made or from the Applicant indicating an intent to apply for funding; and
- (II) A term sheet which clearly describes the amount and terms of the funding, and the date by which the funding determination will be made and any commitment issued, must be submitted; and
- (III) Evidence of application for funding from another Department program is not required except as indicated on the Uniform Application, as long as the Department funding is on a concurrent funding period with the Application submitted and the Applicant clearly indicates that such an Application has been filed as required by the Application Submission Procedures Manual; and

- (IV) If the commitment from any funding source identified in this subparagraph has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the funding source, the Commitment Notice may be rescinded; or
- (iv) If the Development will be financed through more than 5% of Development Owner contributions, provide a letter from an Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed together with a letter from the Development Owner's bank or banks confirming that sufficient funds are available to the Development Owner. Documentation must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period.
  - (D) Provide the documents in clauses (i) (iii) of this subparagraph:
    - (i) A copy of the full legal description for the Development Site; and
- (ii) A current valuation report from the county tax appraisal district and documentation of the current total property tax rate for the <u>proposed Property Development Site</u>, and (iii) A copy of:
- (I) The current title policy which shows that the ownership (or leasehold) of the land/Development <u>Site</u> is vested in the exact name of the Development Owner; or
- (II) a current title commitment with the proposed insured matching exactly the name of the Development Owner and the title of the <u>Property/Development Site</u> vested in the exact name of the seller or lessor as indicated on the sales contract, <u>option</u> or lease.
- (III) If the title policy or commitment is more than six months old as of the day the Application Acceptance Period closes, then a letter from the title company indicating that nothing further has transpired on the policy or commitment.
- (8) Evidence in the form of a certification of all of the notifications described in the subparagraphs of this paragraph. Such notices must be prepared in accordance with the "Public Notifications" certification provided in the Application.
- (A) Evidence in the form of a certification that the Applicant met the requirements and deadlines identified in clauses (i) (iii) of this subparagraph. Notification must not be older than three months from the first day of the Application Acceptance Period. (§2306.6705(9)) If evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, then no additional notification is required at Application, except that re-notification is required by tax credit Applicants who have submitted a change in the Application, whether from Pre-Application to Application or as a result of an Administrative dDeficiency that reflects a total Unit increase of greater than 10%, a total increase of greater than 10% for any given level of AMGI, or a change to the population being served (elderly, Intergenerational Housing or family). For Applications submitted for Tax-Exempt Bond Developments or Applications not applying for Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.), notifications and proof thereof must not be older than three months prior to the date the Volume III of the Application is submitted.
- (i) The Applicant must request <u>a list of Neighborhood</u> Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:
- (I) No later than January 15, 20072008 for Competitive Housing Tax Credit Applications (or for Tax-Exempt Bond Applications, Rural Rescue, or Applications not applying for Tax Credits, but applying only for other Multifamily Programs such as HOME, Housing Trust Fund, etc., not later than 21 days prior to submission of the Threshold documentation), the Applicant must e-mail, fax or mail with registered receipt a completed, "Neighborhood Organization Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local

elected officials refer the Applicant to another source, the Applicant must request  $\frac{nN}{n}$  eighborhood  $\frac{nN}{n}$  eighborhood  $\frac{nN}{n}$  eighborhood.

(II) If no reply letter is received from the local elected officials by February 25, 200721, 2008, (or For Tax-Exempt Bond Developments or Applications not applying for Tax Credits, but applying only for other Multifamily Programs such as HOME, Housing Trust Fund, etc., by 7 days prior to the submission of the Application), then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application.

(III) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.

(ii) Not later than the date the Application is submitted, notification must be sent to all of the following individuals and entities by e-mail, fax or mail with registered receipt return or similar tracking mechanism e-mail, fax or mail with registered receipt in the format required in the "Application Notification Template" provided in the Application. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are not required to notify city officials. Evidence of Notification is required in the form of a certification in the "Application Notification Certification Form" provided in the Application, although it is encouraged that Applicants retain proof of notifications in the event that the Department requires proof of Notification. Officials to be notified are those officials in office at the time the Application is submitted.

(I) Neighborhood Organizations on record with the state or county whose boundaries include the proposed Development Site as identified in clause (i)(III) of this subparagraph.

(II) Superintendent of the school district containing the Development;

(III) Presiding officer of the board of trustees of the school district containing the Development;

(IV) Mayor of the governing body of any municipality containing the

Development;

(V) All elected members of the governing body of any municipality containing the Development;

(VI) Presiding officer of the governing body of the county containing the

Development;

(VII) All elected members of the governing body of the county containing

the Development;

of low-income Units;

(VIII) State senator of the district containing the Development; and (IX) State representative of the district containing the Development.

(iii) Each such notice must include, at a minimum, all of the following:

(I) The Applicant's name, address, individual contact name and phone

number;

(II) The Development name, address, city and county;

(III) A statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(IV) Statement of whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;

(V) The type of Development being proposed (single family homes, duplex, apartments, townhomes, highrise etc.) and population being served (family, Intergenerational Housing or elderly);

(VI) The approximate total number of Units and approximate total number

(VII) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the approximate percentage of Units that are market rate;

(VIII) The number of Units and proposed rents (less utility allowances) for the low-income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Application, which are subject to change as annual changes in the area median income occur; and

(IX) The expected completion date if credits are awarded.

(B) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development Site prior to the date the Application is submitted unless prohibited by local ordinance or code. Scattered site Developments must install a sign on each Development Site. For Competitive Housing Tax Credit Applications the date, time and location of the public hearing, as published by the Department and closest to the Development sSite, must be included on the sign. For Tax-Exempt Bond Developments, regardless of the Priority of the Application or the Issuer, the sign must be installed within thirty (30) days of the Department's receipt of Volumes I and II. The date, time and location of the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing must be included on the sign no later than thirty (30) days prior to the scheduled public hearing. Evidence submitted with the Application must include photographs of the site with the installed sign. The sign must be at least 4 feet by 8 feet in size and located within twenty feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the Development. The information and lettering on the sign must meet the requirements identified in the Application. For Tax-Exempt Bond Developments, regardless of the issuer, the Applicant must certify to the fact that the sign was installed within 30 days of submission and the date, time and location of the bond hearing is indicated on the sign at least 30 days prior to the date of the scheduled hearing. As In areas where the Public Notification Sign is prohibited by local ordinance or code, an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's optionshall, mail written notification to those addresses described in either clause (i) or (ii) of this subparagraph. This written notification must include the information otherwise required for the sign as provided in the Application. If the Applicant chooses to provide this mailed notice in lieu of signage, tThe final Application must include a map of the proposed Development Site and mark the distance required by clause (i) or (ii) of this subparagraph, up to 1,000 feet, showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. If the option in clause (i) of this subparagraph is used, then If Public Notification Sign is prohibited by local ordinance or code, evidence of the applicable ordinance or code must be provided affirming the local zoning notification requirements submitted in the Application.

- (i) All addresses required for notification by local zoning notification requirements. For example, if the local zoning notification requirement is notification to all those addresses within 200 feet, then that would be the distance used for this purpose; or
- (ii) For Developments located in communities that do not have zoning, communities that do not require a zoning notification, or those located outside of a municipality, all addresses located within 1,000 feet of any part of the proposed Development ssite.
- (C) If any of the Units in the Development are occupied at the time of Application, then the Applicant must certify that they have it has notified each tenant at the Development of all the information otherwise required on the sign, including and let the tenants know of the Department's public hearing schedule for comment on submitted Applications.
- (9) Evidence of the Development's proposed ownership structure and the Applicant's previous experience as described in subparagraphs (A) (D) of this paragraph.
- (A) Chart which clearly illustrates the complete organizational structure of the final proposed Development Owner and of any Developer or Guarantor, providing the names and ownership percentages of all Persons having an ownership interest in the Development Owner or the Developer or Guarantor, as applicable, whether directly or through one or more subsidiaries. Nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors must be included in this exhibit.
- (B) Each Applicant, Development Owner, Developer or Guarantor, or any entity shown on an organizational chart as described in subparagraph (A) of this paragraph that has ownership interest in the Development Owner, Developer or Guarantor, shall provide the following documentation, as applicable:
- (i) For entities that are not yet formed but are to be formed either in or outside of the state of Texas, a certificate of reservation of the entity name from the Texas Secretary of State; or

- (ii) For existing entities whether formed in or outside of the state of Texas, evidence that the entity has the authority to do business in Texas or has applied for such authority.
- (C) Evidence that each entity shown on the organizational chart described in subparagraph (A) of this paragraph that has ownership interest in the Development Owner, Developer or Guarantor, has provided a copy of the completed and executed Previous Participation and Background Certification Form to the Department. Nonprofit entities, public housing authorities and publicly traded corporations are required to submit documentation for the entities involved; documentation for individual board members and executive directors is required for this exhibit. Any Person receiving more than 10% of the Developer fee will also be required to submit documents for this exhibit. The 20072008 versions of these forms, as required in the Uniform Application, must be submitted. Units of local government are also required to submit this document. The form must include a list of all developments that are, or were, previously under ownership or Control of the Person. All participation in any TDHCA funded or monitored activity, including non-housing activities, must be disclosed.
- (D) Evidence, in the form of a certification, that one of the Development Owner's General Partners, the Developer or their Principals have a record of successfully constructing or developing residential units in the capacity of owner, General Partner or Developer. Evidence must be a certification from the Department that the Person with the experience satisfies this exhibit, as further described under subsection (g)(1) of this section. Applicants must request this certification at least fourteen days prior to the close of the Application Acceptance Period. Applicants must ensure that the Person whose name is on the certification appears in the organizational chart provided in subparagraph (A) of this paragraph.
- (10) Evidence of the Development's projected income and operating expenses as described in subparagraphs (A) (D) of this paragraph:
- (A) All Developments must provide a 30-year proforma estimate of operating expenses and supporting documentation used to generate projections (operating statements from comparable properties).
- (B) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development, any related contract or other agreement securing those funds or proof of Aapplication for such funds must be provided, which at a minimum identifies the source and annual amount of the funds, the number of Units receiving the funds, and the term and expiration date of the contract or other agreement. (§2306.6705(4))
- (C) Applicant must provide documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate. If there is more than one entity (Section 8 administrator, public housing authority) responsible for setting the utility allowance(s) in the area of the Development location, then the Utility Allowance selected must be the one that most closely reflects the actual utility costs in that Development area. In this case, documentation from the local utility provider supporting the selection must be provided.
- (D) Occupied Developments undergoing Rehabilitation must also submit the items described in clauses (i) (iv) of this subparagraph.
- (i) The items in subclauses (I) and (II) of this clause are required unless the current property owner is unwilling to provide the required documentation. In that case, submit a signed statement as to-its the Applicant's inability to provide all documentation as described.
  - (I) Submit at least one of the following:

summaries;

- (-a-) Historical monthly operating statements of the subject Development for 12 consecutive months ending not more than 3 months from the first day of the Application Acceptance Period;
  - (-b-) The two most recent consecutive annual operating statement
- (-c-) The most recent consecutive six months of operating statements and the most recent available annual operating summary;
- (-d-) All monthly or annual operating summaries available and a written statement from the seller refusing to supply any other summaries or expressing the inability to supply

any other summaries, and any other supporting documentation used to generate projections may be provided; and

- (II) A rent roll not more than 6 months old as of the first day the Application Acceptance Period, that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, tenant names or vacancy, and dates of first occupancy and expiration of lease.
- (ii) A written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6))
- (iii) For Intergenerational <u>Housing</u> Applications or Qualified Elderly Developments, identification of the number of existing tenants qualified under the target population elected under this title;
- (iv) A relocation plan outlining relocation requirements and a budget with an identified funding source; and (\$2306.6705(6))
- (v) If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. (\$2306.6705(6))
- (11) Applications involving Nonprofit General Partners and Qualified Nonprofit Developments.
- (A) All Applications involving a nonprofit General Partner, regardless of the Set-Aside applied under, in which the Development will receive some financial or tax benefit for the involvement of the nonprofit General Partner, must submit all of the documents described in clauses (i) and (ii) of this subparagraph and indicate the nonprofit status on the carryover documentation and IRS Forms 8609: (\$2306.6706)
- (i) An IRS determination letter which states that the nonprofit organization is a  $\underline{\$}501(c)(3)$  or (4) entity or; and
  - (ii) The "Nonprofit Participation Exhibit."
- (B) Additionally, all Applications applying under the Nonprofit Set-Aside, established under §4950.7(b)(1) of this title, must also provide the following information with respect to the Qualified Nonprofit Organization as described in clauses (i) (iii) of this subparagraph.
  - (i) A Third Party legal opinion stating:
- (I) That the nonprofit organization is not affiliated with or Controlled by a forprofit organization and the basis for that opinion, and
- (II) That the nonprofit organization is eligible, as further described, for a Housing Credit Allocation from the Nonprofit Set\_Aside and the basis for that opinion. Eligibility is contingent upon the non-profit organization Controlling the Development, or if the organization's Application is filed on behalf of a limited partnership, or limited liability company, the Qualified Nonprofit Organization must be the controlling Managing Member; and otherwise meet the requirements of the Code, §42(h)(5),
- (III) That one of the exempt purposes of the nonprofit organization is to provide low-income housing, and
- (IV) That the nonprofit organization prohibits a member of its board of directors, other than a chief staff member serving concurrently as a member of the board, from receiving material compensation for service on the board, and
- (V) That the Qualified Nonprofit Development will have the nonprofit entity or its nonprofit aAffiliate or subsidiary be the Developer or co-Developer as evidenced in the development agreement; and
- (ii) A copy of the nonprofit organization's most recent audited financial statement; and
- (iii) Evidence in the form of a certification that a majority of the members of the nonprofit organization's board of directors principally reside:
  - (I) In this state, if the Development is located in a Rural Area; or
- (II) Not more than 90 miles from the Development, if the Development is not located in a Rural Area.
  - (12) Applicants applying for acquisition credits must provide must provide

and

(A) An appraisal meeting the requirements of subparagraph (14)(D) of this subsection,

- (B) An "Acquisition of Existing Buildings Form."
- (13) Evidence of Financial Statement and Authorization to Release Credit Information. The financial statements and authorization to release credit information must be unbound and clearly labeled. A "Financial Statement and Authorization to Release Credit Information" must be completed and signed for any General Partner, Developer or Guarantor and any Person that has an ownership interest of ten <a href="mailto:percent%">percent%</a> or more in the Development Owner, General Partner, Developer, or Guarantor. Nonprofit entities, public housing authorities and publicly traded corporations are only required to submit documentation for the entities involved; documentation for individual board members and executive directors is not required for this exhibit.
- (A) Financial statements for an individual must not be older than 90 days from the first day of the Application Acceptance Period.
- (B) Financial statements for partnerships or corporations should be for the most recent fiscal year ended 90 days from the first day of the Application Acceptance Period. An audited financial statement should be provided, if available, and all partnership or corporate financials must be certified. Financial statements are required for an entity even if the entity is wholly-owned by a Person who has submitted this document as an individual.
- (C) Entities that have not yet been formed and entities that have been formed recently but have no assets, liabilities, or net worth are not required to submit this documentation, but must submit a statement with their Application that this is the case.
- (14) Supplemental Threshold Reports. All Applications must include documents under subparagraphs (A) and (B) of this paragraph. If required under paragraph (6) of this subsection, a Property Condition Assessment as described in subparagraph (C) of this paragraph must be submitted. If required under paragraph (7) or (12) of this subsection, an appraisal as described in subparagraph (D) of this paragraph must be submitted. All submissions must meet the requirements stated in subparagraphs (E) (G) of this paragraph.
  - (A) A Phase I Environmental Site Assessment (ESA) report:
    - (i) Prepared by a qualified Third Party;
- (ii) Dated not more than 12 months prior to the first day of the Application Acceptance Period. In the event that a Phase I Environmental Site Assessment on the Development is more than 12 months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated letter or updated report dated not more than three months prior to the first day of the Application Acceptance Period from the Person or organization which prepared the initial assessment confirming that the site has been re-inspected and reaffirming the conclusions of the initial report or identifying the changes since the initial report; and
- (iii) Prepared in accordance with the Department's Environmental Site Assessment Rules and Guidelines, \$1.35 of this title.
- (iv) Developments whose funds have been obligated by TX-USDA-RHSTRDO-USDA will not be required to supply this information; however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.
  - (B) A comprehensive Market Analysis report:
- (i) Prepared by a Third Party Qualified Market Analyst approved by the Department in accordance with the approval process outlined in the Market Analysis Rules and Guidelines, §1.33 of this title;
- (ii) Dated not more than 6 months prior to the first day of the Application Acceptance Period. In the event that a Market Analysis is more than 6 months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated Market Analysis from the Person or organization which prepared the initial report; however the Department will not accept any Market Analysis which is more than 12 months old as of the first day of the Application Acceptance Period; and
- (iii) Prepared in accordance with the methodology prescribed in the Department's Market Analysis Rules and Guidelines, §1.33 of this title.
- (iv) For Applications in the <u>TX-USDA-RHSTRDO-USDA</u> Set-Aside proposing acquisition and Rehabilitation with residential structures at or above 80% occupancy at the time of Application Submission, the appraisal, required under paragraphs (7) or (12) of this subsection and

prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Department's Appraisal Rules and Guidelines, \$1.34 of this title, will satisfy the requirement for a Market Analysis; however the Department may request additional information as needed. (\$2306.67055) (\$42(m)(1)(A)(iii))

- (C) A Property Condition Assessment (PCA) report:
  - (i) Prepared by a qualified Third Party;
- (ii) Dated not more than 6 months prior to the first day of the Application Acceptance Period; and
- (iii) Prepared in accordance with the Department's Property Condition and Assessment Rules and Guidelines, \$1.36 of this title.
- (iv) For Developments which require a capital needs assessment from TX-USDA-RHSTRDO-USDA, the capital needs assessment may be substituted and may be more than 6 months old, as long as TX-USDA-RHSTRDO-USDA has confirmed in writing that the existing capital needs assessment is still acceptable.
  - (D) An appraisal report:
    - (i) Prepared by a qualified Third Party;
- (ii) Dated not more than 6 months prior to the first day of the Application Acceptance Period. In the event that an appraisal is more than 6 months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated appraisal from the Person or organization which prepared the initial report; however the Department will not accept any appraisal which is more than 12 months old as of the first day of the Application Acceptance Period; and
- (iii) Prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Department's Appraisal Rules and Guidelines, §1.34 of this title.
- (iv) For Developments that require an appraisal from TX-USDA-RHSTRDO-USDA, the appraisal may be more than 6 months old, as long as TX-USDA-RHSTRDO-USDA has confirmed in writing that the existing appraisal is still acceptable.
- (E) Inserted at the front of each of these reports must be a transmittal letter from the individual preparing the report that states that the Department is granted full authority to rely on the findings and conclusions of the report. The transmittal letter must also state the report preparer has read and understood the Department rules specific to the report found at §§1.33 1.36 of this title.
- (F) All Applicants acknowledge by virtue of filing an Application that the Department is not bound by any opinion expressed in the report. The Department may determine from time to time that information not required in the Department's Rules and Guidelines will be relevant to the Department's evaluation of the need for the Development and the allocation of the requested Housing Credit Allocation Amount. The Department may request additional information from the report provider or revisions to the report to meet this need. In instances of non-response by the report provider, the Department may substitute in-house analysis.
- (G) The requirements for each of the reports identified in subparagraphs (A) (C) of this paragraph can be satisfied in either of the methods identified in clause (i) or (ii) of this subparagraph and meet the requirements of clause (iii) of this subparagraph.
- (i) Upon Application submission, the documentation for each of these exhibits may be submitted in its entirety; or
- (ii) Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 21, 20072008. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00 p.m. CST, April 21, 20072008. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration.
- (iii) A single hard copy of the report and a searchable soft copy in the format of a single file containing all information and exhibits in the hard copy report, presented in the order they appear in the hard copy report on a CD-R clearly labeled with the report type, Development name, and Development location are required.

- (15) Self-Scoring. Applicant's self-score must be completed on the "Application Self-Scoring Form." An Applicant may not adjust the Application Self Scoring Form without a request from the Department as a result of an Administrative Deficiency.
- (i) **Selection Criteria.** All Applications will be scored and ranked using the point system identified in this subsection. Unless otherwise stated, use normal rounding. Points other than paragraphs (2) and (6) of this subsection will not be awarded unless requested in the Self Scoring Form. All Applications, with the exception of TX-USDA-RHSTRDO-USDA Applications, must receive a final score totaling a minimum of 405111, not including any points awarded or deducted pursuant to paragraphs (2) and (6) of this subsection to be eligible for an allocation of Housing Tax Credits. Maximum Total Points: 215228.
- (1) Financial Feasibility of the Development. Financial Feasibility of the Development based on the supporting financial data required in the Application that will include a Development underwriting pro forma from the permanent or construction lender. (\$2306.6710(b)(1)(A)) Applications may qualify to receive 28 points for this item. No partial points will be awarded. Evidence will include the documentation required for this exhibit, as reflected in the Application submitted, in addition to the commitment letter required under subsection (h)(7)(C) of this section. The supporting financial data shall include:
  - (A) A fifteen year pro forma prepared by the permanent or construction lender:
    - (i) Specifically identifying each of the first five years and every fifth year

thereafter;

- (ii) Specifically identifying underlying assumptions including, but not limited to general growth factor applied to income and expense; and
- (iii) Indicating that the Development maintains a minimum 1.15 debt coverage ratio throughout the initial fifteen years proposed for all third party lenders that require scheduled repayment; and
- (B) A statement in the commitment letter, or other form deemed acceptable by the <u>Department</u>, indicating that the lender's assessment finds that the Development will be feasible for fifteen years.
- (C) For Developments receiving financing from TX-USDA-RHSTRDO-USDA, the form entitled "Sources and Uses Comprehensive Evaluation for Multi-Family Housing Loans" or other form deemed acceptable by the Department shall meet the requirements of this section.
- (2) Quantifiable Community Participation from Neighborhood Organizations on Record with the State or County and Whose Boundaries Contain the Proposed Development Site. Points will be awarded based on written statements of support or opposition from neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site. (§2306.6710(b)(1)(B); §2306.6725(a)(2)). It is possible for points to be awarded or deducted based on written statements from organizations that were not identified by the process utilized for notification purposes under subsection (h)(8)(A)(ii)(H) of this section if the organization provides the information and documentation required belowing subparagraphs (A) (C) of this paragraph. It is also possible that neighborhood organizations that were initially identified as appropriate organizations for purposes of the notification requirements will subsequently be determined by the Department not to meet the requirements for scoring.
- (A) Basic Submission Requirements for Scoring. Each \*Neighborhood \*Organization may submit one letter (and enclosures) that represents the organization's input. In order to receive a point score, the letter (and enclosures) must be received or postmarked (or similar tracking system) by the Department no later than \*March1, 2007\*February 29, 2008\*, for letters relating to Applications that submitted a Pre-Application, or \*April 2, 2007\*April 1, 2008\* if a Pre-Application was not submitted. Letters should be addressed to the Texas Department of Housing and Community Affairs, "Attention: Executive Director (Neighborhood Input)." Letters received after the applicable deadline will be summarized for the Board's information and consideration, but will not affect the score for the Application. The organization's letter (and enclosures) must:
- (i) State the name and location of the proposed <u>single</u> Development—on which input is provided. A letter may provide input on only one proposed Development; if an organization is

eligible to provide input on additional Developments, each Development must be addressed in a separate letter:

(ii) Certify that the letter is signed by the person with the authority to sign on behalf of the neighborhood organization, and provide:

(I) the street and/or mailing addresses;

(II) day and evening phone numbers;

(III) and e-mail addresses and/or facsimile numbers for the signer of the

letter; and

(IV) for one additional contact including their contact information for the

organization;

(iii) Certify that the organization has boundaries, and that the boundaries in effect December 1, 2006February 29, 2008 contain the proposed Development sSite;

(iv) Certify that the organization is ameets the definition of "nNeighborhood Organization as defined in \$50.3(63) of this title." For the purposes of this section, a "ANeighborhood Organization is defined as an organization of persons living near one another within the organization's defined boundaries in effect December 1, 2006February 29, 2008 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood oogrganizations" include homeowners associations, property owners associations, and resident councils in which the council is commenting on the Rehabilitation or Reconstruction of the property occupied by the residents. "Neighborhood eOrganizations" do not include broader based "community" organizations.; organizations that have no members other than board members; chambers of commerce; community development corporations; churches; school related organizations; Lions, Rotary, Kiwanis, and similar organizations; Habitat for Humanity; Boys and Girls Clubs; charities; public housing authorities; or any governmental entity. Organizations whose boundaries include an entire county or larger area are not "neighborhood organizations", unless the large organization is a parent organization of smaller organizations whose purpose, and composition would otherwise meet the requirements of this definition. Organizations whose boundaries include an entire city are generally not "neighborhood organizations", unless the city organization is a parent organization of smaller organizations whose purpose, and composition would otherwise meet the requirements of this definition.

(v) Include documentation showing that the organization is on record as of December 1, 2006 February 29, 2008 with the state or county in which the Development is proposed to be located. The receipt of a QCAP letter, by the Department on or before February 29, 2008, that meets the requirements outlined in the QCP neighborhood information packet and the 2008 QAP, will constitute being on record with the State. A record from the Secretary of State showing that the organization is incorporated or from the county clerk showing that the organization is on record with the county is sufficient. For a property owners association, a record from the county showing that the organization's management certificate is on record is sufficient. The documentation must be from the state or county and be current. If an organization's status with the Secretary of State is shown as "forfeited," "dissolved," or any similar status in the documentation provided by the organization, the organization will not be considered on record with the state, unless corrected in a deficiency response. It is insufficient to be "on record" to provide only a request to the county or a state entity to be placed on record or to show that the organization has corresponded with such an entity or used its services or programs. There are two options to be considered on record with the Department (and thereby the state):

(I) The neighborhood organization may submit a letter from the city showing that the organization was on record with a city as of December 1, 2006 may be submitted with the QCP Package to place the organization on record with the state effective December 1, 2006; or

(II)—The nNeighborhood oOrganization may—must include in its\_submit\_a letter,\_\_including\_a contact name with a mailing address and phone number; and a written description and map of the organization's geographical boundaries, as well as proof that the boundaries described were in effect as of December 1, 2006February 29, 2008. Under this option, a certification will not suffice. This request must be received no later than February 15, 2007February 29, 2008. Acceptance of this documentation will be subject to by the Department approval will be effective December 1, 2006 and will satisfy the "on record with the state" requirement, but is not a determination that the

organization is a "neighborhood organization" or that other requirements are met. The Department is permitted to issue a deficiency notice for this registration process and if satisfied, the organization will still be deemed to be timely placed on record with the state.

(vi) Accurately certify that the nNeighborhood organization was not formed by any Applicant, Developer, or any employee or agent of any Applicant (the seller of land is not considered, with the exception of an identity of interest, to be an agent of the Application) in the 20072008 Competitive Housing Tax Credit Application Round, that the organization and any member did not accept money or a gift to cause the nNeighborhood organization to take its position of support or opposition, and has not provided any assistance other than education and information sharing to the nNeighborhood organization to meet the requirements of this subparagraph for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the nNeighborhood organization, or referring the nNeighborhood organization to TDHCA staff for guidance). Applicants may not provide any "production" assistance to meet these requirements for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, or assistance drafting a letter for the purposes of this subparagraph).

(vii) While not required, the organization is encouraged to hold a meeting to which all the members of the organization are invited to consider whether the organization should support, oppose, or be neutral on the proposed Development, and to have the membership vote on whether the organization should support, oppose, or be neutral on the proposed Development. The organization is also encouraged to invite the <u>dDeveloper or Applicant</u> to this meeting.

(viii) The organization must accurately certify that the boundaries in effect December 1, 2006 include the proposed Development Site and acknowledge in the certification that annexations occurring after that time to include a Development site will not be considered eligible. A Development site must be entirely contained within the boundaries of the organization to satisfy eligibility for this item; a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

(ixviii) Letters from <u>Neighborhood oOrganizations</u>, and subsequent correspondence from <u>Neighborhood oOrganizations</u>, may not be provided via the Applicant which includes facsimile and email communication.

(B) Scoring of Letters (and Enclosures). The input must clearly and concisely state each reason for the  $\underline{\text{Neighborhood}}$   $\underline{\text{eQ}}$ rganization's support for or opposition to the proposed Development.

(i) The score awarded for each letter for this exhibit will range from a maximum of +24 for the position support to +12 for the neutral position to 0 for a position of opposition. The number of points to be allocated to each organization's letter will be based on the organization's letter and evidence enclosed with the letter. The final score will be determined by the Executive Director. The Department may investigate a matter and contact the Applicant and nNeighborhood organizations for more information. The Department may consider any relevant information specified in letters from other nNeighborhood organizations regarding a Development in determining a score.

(ii) The Department highly values quality public input addressed to the merits of a Development. Input that points out matters that are specific to the neighborhood, the proposed site, the proposed Development, or Developer are valued. If a proposed Development is permitted by the existing or pending zoning or absence of zoning, concerns addressed by the allowable land use that are related to any multifamily development may generally be considered to have been addressed at the local level through the land use planning process. Input concerning positive efforts or the lack of efforts by the Applicant to inform and communicate with the neighborhood about the proposed Development is highly valued. If the nNeighborhood of operanization refuses to communicate with the Applicant the efforts of the Applicant will not be considered negative. Input that evidences unlawful discrimination against classes of persons protected by Fair Housing law or the scoring of which the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered.

(iii) In general, letters that meet the requirements of this paragraph and:

- (I) Establish at least one reason for support or opposition will be scored the maximum points for either support (+24 points) or opposition (zero);
- (II) That do not establish a reason for support or opposition or that are unclear will be considered ineligible and scored as neutral (+12 points).
- (iv) <u>If an Applications for which there are receives</u> multiple eligible letters received, an the average score of all eligible letters will be applied to the Application.
- (v) Applications for which no letters from <u>AN</u>eighborhood <u>O</u>rganizations are scored will receive a neutral score of +12 points.
- (C) Basic Submission Deficiencies. The Department is authorized but not required to request that the nNeighborhood organization provide additional information or documentation the Department deems relevant to clarify information contained in the organization's letter (and enclosures). If the Department determines to request additional information from an organization, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within seven business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised. This potential deficiency process does not extend any deadline required above for the "Quantifiable Community Participation" process. An organization may not submit additional information or documentation after the applicable deadlines deadline except in response to an e-mail or facsimile from the Department specifically requesting additional information.
- (3) The Income Levels of Tenants of the Development. Applications may qualify to receive up to 22 points for qualifying under only one of subparagraphs (A) (F) of this paragraph. To qualify for these points, the household incomes must not be higher than permitted by the AMGI level The Development Owner, upon making selections for this exhibit, will set aside Units at the levels of AMGI and will maintain the percentage of such Units continuously over the compliance and extended use period as specified in the LURA. These income levels require corresponding rent levels that do not exceed 30% of the income limitation in accordance with \$42(g), Internal Revenue Code. (\$2306.6710(b)(1)(C); \$2306.111(g)(3)(B); \$2306.6710(e); \$42(m)(1)(B)(ii)(I); \$2306.111(g)(3)(E))
- (A) 22 points if at least 80% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- (B) 22 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Total Units are at or below 30% of AMGI; or
- (B) 22 points if at least 10% of the Total Units in the Development are set-aside with incomes at or below 30% of AMGI; or
- (C) 20 points if at least 60% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- (D) 18 points if at least 10% of the Total Units in the Development are set-aside with incomes at or below 30% of AMGI; or
- (D) 18 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Total Units are at or below 30% of AMGI; or
- (E) 16 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or
- (F) 14 points if at least 35% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI.
- (4) The Size and Quality of the Units (Development Characteristics). Applications may qualify to receive up to 20 points. Applications may qualify for points under both subparagraphs (A) and (B) of this paragraph. (\$2306.6710(b)(1)(D); \$42(m)(1)(C)(iii))
- (A) Size of the Units. Applications may qualify to receive 6 points. The Development must meet the minimum requirements identified in this subparagraph to qualify for points. Six points for this item will be automatically granted for Applications involving Rehabilitation (excluding Reconstruction), Developments receiving funding from TX-USDA-RHSTRDO-USDA, or Developments proposing single room occupancy without meeting these square footage minimums if requested in the Self Scoring Form. The square feet of all of the Units in the Development, for each type of Unit, must

be at least the minimum noted belowin clauses (i) - (v) of this subparagraph. Changes to an Application during any phase of the review process that decreases the square footage below the minimums noted in clause (i) - (v) of this subparagraph, will be re-evaluated and may result in a reduction of the Application score.

- (i) 500 square feet for an efficiency Unit;
- (ii) 650 square feet for a non-elderly one Bedroom Unit; 550 square feet for an elderly one Bedroom Unit;
- (iii) 900 square feet for a non-elderly two Bedroom Unit; 750 square feet for an elderly two Bedroom Unit;
  - (iv) 1,000 square feet for a three Bedroom Unit; and
  - (v) 1,200 square feet for a four Bedroom Unit.
- (B) Quality of the Units. Applications may qualify to receive up to 14 points. Applications in which Developments provide specific amenity and quality features in every Unit at no extra charge to the tenant will be awarded points based on the point structure provided in clauses (i)  $(x\underline{i}x)$  of this subparagraph, not to exceed 14 points in total. Applications involving scattered site Developments must have all of the Units located with a specific amenity to count for points. Applications involving Rehabilitation (excluding reconstruction) or single room occupancy may receive 1.5 points for each point item, not to exceed 14 points in total.
  - (i) Covered entries (1 point);
  - (ii) Nine foot ceilings in living room and all bedrooms (at minimum) (1 point);
  - (iii) Microwave ovens (1 point);
  - (iv) Self-cleaning or continuous cleaning ovens (1 point);
  - (v) Ceiling fixtures in all rooms (light with ceiling fan in living area and all
  - (vi) Refrigerator with icemaker (1 point);
  - (vii) Laundry connections (2 points);
- (viii) Storage room or closet, of approximately 9 square feet or greater, which does not include bedroom, entryway or linen closets does not need to be in the Unit but must be on the property site (1 point);
- (ix) Laundry equipment (washers and dryers) for each individual unit including a front loading washer and dryer in required UFAS compliant Units (3 points);
  - (x) Thirty year architectural shingle roofing (1 point);
  - (xi) Covered patios or covered balconies (1 point);
  - (xii) Covered parking (including garages) of at least one covered space per Unit

(2 points);

bedrooms) (1 point);

(xiii) 100% masonry on exterior, which can include stucco, cementitious board products, concrete brick and mortarless concrete masonry, but not EIFS synthetic stucco (3 points);

(xiv) Greater than 75% masonry on exterior, which can include stucco and cementitious board products, concrete brick and mortarless concrete masonry, but not EIFS synthetic stucco (1 points);

(xv) Use of energy efficient alternative construction materials (for example, Structural Insulated Panel construction) with wall insulation at a minimum of R-20 (3 points).

(xvi) R-15 Walls / R-30 Ceilings (rating of wall system) (3 points);

(xvii) 14 SEER HVAC or evaporative coolers in dry climates for New Construction, Adaptive Reuse, and reconstruction or radiant barrier in the attic for Rehabilitation (excluding reconstruction) (3 points); (WG)

(xviii) Energy Star rated refrigerators and dishwashers (2 points); or

(xixviii) High Speed Internet service to all Units at no cost to residents (2

points)-; or

(xix) Fire sprinklers in all Units (2 points).

- (5) The Commitment of Development Funding by Local Political Subdivisions. Applications may qualify to receive up to 18 points for qualifying under this paragraph <u>provided for under Development Funding</u>. (\$2306.6710(b)(1)(E))
- (A) Basic Submission Requirements for Scoring. Evidence of the following must be submitted in accordance with the Application Submission Procedures Manual (ASPM).

(i) Evidence must be submitted in the Application that the proposed Development has received or will receive qualifying loan(s), grants or in-kind contributions from a Local Political Subdivision, as defined in this title.

(ii) The loans, grant(s) or in-kind contribution(s) must be attributed to the Total Housing Development Costs, as defined in this title, unless otherwise stipulated in this section.

(iii) An Applicant may only submit enough sources to substantiate the point request, and all sources must be included in the Sources and Uses form. For example, if an Applicant is requesting 18 points, five sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost. However, five sources may not be submitted if each source is for an amount equal to 5% of the Total Housing Development Cost.

(iiiv) An Applicant may substitute any source in response to a Deficiency Notice or after the Application has been submitted to the Department.

(<u>iv</u>) A loan does not qualify as an eligible source unless it has a minimum <del>1-year</del> term <u>of the later of 1-year or the Placed in Service date,</u> and the interest rate must be at the Applicable Federal Rate (AFR) or below (at the time of <del>application</del> loan closing)

(vi) In-kind contributions such as donation of land, tax exemptions, or waivers of fees such as building permits, water and sewer tap fees, or similar contributions are only eligible for points if the in-kind contribution provides a tangible economic benefit that results in a quantifiable Total Housing Development Cost reduction to benefit the Development will be acceptable to qualify for these points. The quantified value of the Total Housing Development Cost reduction may only include the value during the period the contribution or waiver is received and/or assessed. Donations of land must be under the control of the Applicant, pursuant to \$4950.9(h)(7) of this title to qualify. The value of in-kind contributions may only include the time period between award, or August 1, 2008 and the Development's Placed in Service date, with the exception of contributions of land. The full value of land contributions, as established by the appraisal required pursuant to clause (viii) of this subparagraph. Contributions in the form of tax exemptions or abatements may only count for points if the contribution is in addition to any tax exemption or abatement required under statute.

(vii) To the extent that a Notice of Funding Availability (NOFA) is released and funds are available, funds from TDHCA's HOME Investment Partnerships (HOME) Program will qualify if a resolution, dated on or before the date the Application Acceptance Period ends, is submitted with the Application from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular application. TDHCA's HOME funds may be substituted for a source originally submitted with the Application, provided the HOME funds substituted are from a NOFA released after the Application Acceptance Period ends and a resolution is submitted with the substitution documentation from the Local Political Subdivision authorizing the Applicant to act on behalf of the Local Political Subdivision in applying for HOME Funds from TDHCA for the particular application.

(viii) Development based rental subsidies may qualify under this section if evidence of the remaining value of the contract is submitted from the Local Political Subdivision. The value of the contract does not include past subsidies.

(viiix) Evidence to be submitted with the Application must include a copy of the commitment of funds; a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received; or a certification of intent to apply for funding that indicates the funding entity and program to which the application will be submitted, the loan amount to be applied for and the specific proposed terms. For in-kind contributions, evidence must be submitted in the Application from Local Political Subdivision substantiating the value of the in-kind contributions. For in-kind contributions of land, evidence of the value of the contribution must be in the form of an appraisal.

(ix) If not already provided, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of the Local Political Subdivision for the sufficient local Development frunding to the Department. If the funding commitment from the Local Political Subdivision has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application

noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the Local Political Subdivision's <u>Development Fundings</u>, the Commitment Notice will be rescinded and the credits reallocated.

- (xi) Funding commitments from a Local Political Subdivision will not be considered final unless the Local Political Subdivision attests to the fact that any funds committed were not first provided to the Local Political Subdivision by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision or subsidiary.
- (B) Scoring. Points will be determined on a sliding scale based on the percentage of the Total Housing Development Costs of the Development, as reflected in the in the Development Cost Schedule. If a revised Development Cost Schedule is submitted to the Department in response to a deficiency notice at anytime during the review process, the Revised Development Cost Schedule will be utilized for this calculation, and Applicants will be notified of the revised score, consistent with \$4950.9(e) of this title. Do not round for the following calculations. The "total contribution" is the total combined value of qualifying loan(s), grants or in-kind contributions from a Local Political Subdivision pursuant to subparagraph (A) of this subsection.
- (i) A total contribution equal to or greater than 1% of the Total Housing Development Cost of the Development receives 6 points; or
- (ii) A total contribution equal to or greater than 2.5% of the Total Housing Development Cost of the Development receives 12 points; or
- (iii) A total <u>contribution</u> equal to or greater than 5% of the Total Housing Development Cost of the Development receives 18 points.
- (6) The Level of Community Support from State Elected Officials Representative or State Senator. The level of community support for the aApplication, evaluated on the basis of written statements received from the sState-elected officials Representative or State Senator that represents the district containing the proposed Development Site. (\$2306.6710(b)(1)(F) and (f) and (g); \$2306.6725(a)(2)) Applications may qualify to receive up to 14 points for this item. Points will be awarded based on the written statements of support or opposition from state elected officials representing constituents in areas that include the location of the Development. Letters of support must identify the specific Development and must clearly state support for or opposition to the specific Development. This documentation will be accepted with the Application or through delivery to the Department from the Applicant or official the State Representative or Senator by April 21, 20072008. Officials-State Representatives or Senators to be considered are those officials-State Representatives or Senaotrs in office at the time the Application is submitted. Letters of support from state officialsState Representatives or Senators that do not represent constituents in areas that include the location of the the district containing the proposed Development Site will not qualify for points under this Exhibit. Neutral letters, or letters that do not specifically refer to the Development, will receive neither positive nor negative points. Letters from State of Texas Representative or Senator: support letters are 7 points each for a maximum of ±14 points; opposition letters are -7 points each for a maximum of ±14 points for a maximum of either 14 or -14 points. If one letter is received in support and one letter is received in opposition the score would be 0 points.
- (7) The Rent Levels of the Units. Applications may qualify to receive up to 12 points for qualifying under this exhibit. (\$2306.6710(b)(1)(G)) If 80% or fewer of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 7 points. If between 81% and 85% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 8 points. If between 86% and 90% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 10 points. If greater than 95% of

the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 12 points.

- (8) The Cost of the Development by Square Foot (Development Characteristics). Applications may qualify to receive 10 points for this item. (\$2306.6710(b)(1)(H); \$42(m)(1)(C)(iii)) For this exhibit, costs shall be defined as construction costs, including site work, direct hard costs, contingency, contractor profit, overhead and general requirements, as represented in the Development Cost Schedule. This calculation does not include indirect construction costs. The calculation will be costs per square foot of net rentable area (NRA). For the purposes of this subparagraph only, if the proposed Development is an elevator building serving elderly or a high rise building serving any population, the NRA may include elevator served interior corridors. The calculations will be based on the cost listed in the Development Cost Schedule and NRA shown in the Rent Schedule of the Application. Developments qualify for 10 points if their costs do not exceed \$85 per square foot for Qualified Elderly, single family design, transitional, and single room occupancy Developments (transitional housing for the homeless and single room occupancy units as provided in the Code, §42(i)(3)(B)(iii) and (iv)), unless located in a "First Tier County" in which case their costs do not exceed \$87 per square foot; and \$75 for all other Developments, unless designated as "First Tier" by the Texas Department of Insurance, in which case their costs do not exceed \$77 per square foot. For 20062007, the First Tier counties are Aransas, Brazoria, Calhoun, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, San Patricio, and Willacy. There are also specifically designated First Tier communities in Harris County that are east of State Highway 146, and evidence in the Application must include a map with the Development site designated clearly within the community. These communities are Pasadena, Morgan's Point, Shoreacres, Seabrook and La Porte. Intergenerational dDevelopments will receive 10 points if costs described above do not exceed the square footage limit for elderly and non-elderly units as determined by using the NRA attributable to the respective elderly and non-elderly units. The Department will determine if points will be awarded by multiplying the NRA for elderly units by the applicable square footage limit for the elderly units and adding that total to the result of the multiplication of the NRA for family units by the applicable non-elderly square footage limit. If this maximum cost amount is equal to, or greater than the total of the costs identified above for the aApplication, points will be awarded (10 points).
- (9) The Services to be Provided to Tenants of the Development. Applications may qualify to receive up to 8 points. Applications may qualify for points under both subparagraphs (A) and (B) of this paragraph. (\$2306.6710(b)(1)(I); \$2306.254; \$2306.6725(a)(1); General Appropriation Act, Article VII, Rider 7)
- (A) Applicants will receive points for coordinating their tenant services with those services provided through state workforce development and welfare programs as evidenced by execution of a Tenant Supportive Services Certification (2 points).
- (B)—The Applicant must certify that the Development will provide a combination of special supportive services appropriate for the proposed tenants. The provision of supportive services will be included in the LURA as selected from the list of services identified in this subparagraph. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided (maximum of 6 points).
- (i) Applications will be awarded points for selecting services listed in clause (ii) of this subparagraph based on the following scoring range:
  - (I) Two points will be awarded for providing two of the services; or
  - (II) Four points will be awarded for providing four of the services; or
  - (III) Six points will be awarded for providing six of the services.
- (ii) Service options include child care; transportation; basic adult education; legal assistance; counseling services; GED preparation; English as a second language classes; vocational training; home buyer education; credit counseling; financial planning assistance or courses; health screening services; health and nutritional courses; organized team sports programs or youth programs; scholastic tutoring; any other programs described under Title IV-A of the Social Security Act (§42 (§42 U.S.C. §§601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the

formation and maintenance of two-parent families; any services addressed by \$2306.254 Texas Government Code; or any other services approved in writing by the Department.

- (iii) In addition, Applications will receive 2 points for providing Notary Public Services to tenants at no cost to the tenant. This will be included in the LURA.
- (10) <u>Declared Disaster Areas.</u> <u>Applications may receive 7 points, if at time the complete Application is submitted or at any time within the two-year period preceding the date of submission, the proposed Development site is located in a <u>Disaster Area as defined in \$50.3 of this chapter.</u></u>
- (1011) Rehabilitation, or (which includes Reconstruction) or Adaptive Reuse. Applications may qualify to receive 76 points. Applications proposing to build solely Rehabilitation (excluding New Construction of non-residential buildings), or solely Reconstruction (excluding New Construction of non-residential buildings), or solely Adaptive Reuse qualify for points.
- (4112) Housing Needs Characteristics. (§42(m)(1)(C)(ii)) Applications may qualify to receive up to 76 points. Each Application may receive a score if correctly requested in the self score form based on objective measures of housing need in the Area where the Development is located. This Affordable Housing Need Score for each Area will be published in a Site Demographic Characteristics table in the Reference Manual.
- (1213) Development Includes the Use of Existing Housing as part of a Community Revitalization Plan (Development Characteristics). Applications may qualify to receive 76 points for this item. (§42(m)(1)(C)(iii)) The Development is an Existing Residential Development and proposed any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. Evidence of the Community Revitalization Plan and a letter from the governing body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted.
- (1314) Pre-Application Participation Incentive Points. (§2306.6704) Applications that submitted a Pre-Application during the Pre-Application Acceptance Period and meet the requirements of this paragraph will qualify to receive 6 points for this item. To be eligible for these points, the Application must:
- (A) Be for the identical Development Site, or reduced portion of the Development Site as the proposed Development Site under control in the Pre-Application;
  - (B) Have met the Pre-Application Threshold Criteria;
- (C) Be serving the same target population (family, Intergenerational Housing, or elderly) as in the Pre-Application;
- (D) Be serving the same target Set-Asides as indicated in the Pre-Application (Set-Asides can be dropped between Pre-Application and Application, but no Set-Asides can be added); and
- (E) Be awarded by the Department an Application score that is not more than 5% greater or less than the number of points awarded by the Department at Pre-Application, with the exclusion of points for support and opposition under paragraphs (2), (6), and (4618) of this subsection. The Application score used to determine whether the Application score is 5% greater or less than the number of points awarded at Pre-Application will also include all point losses under subsection 50.9(d)(4) of this section. An Applicant must choose, at the time of Application either clause (i) or (ii) of this subparagraph:
- (i) To request the Pre-Application points and have the Department cap the Application score at no greater than the 5% increase regardless of the total points accumulated in the scoring evaluation. This allows an Applicant to avoid penalty for increasing the point structure outside the 5% range from Pre-Application to Application; or
- (ii) To request that the Pre-Application points be forfeited and that the Department evaluate the Application as requested in the self-scoring sheet.
- (15) Economic Development Initiatives. A Development that is located in one of the following two areas may qualify to receive 4 points. For the purpose of this paragraph, "area" shall mean the boundaries of any zone or community in subparagraph (A) or the area in which funds in subparagraph (B) must be used:
- (A) a Designated State or Federal Empowerment/Enterprise Zone, Urban Enterprise Community, or Urban Enhanced Enterprise Community. To be eligible for these points, Applicants must submit a letter and a map from a city/county official stating that the proposed Development is located within such a designated zone or area; is eligible to receive the state or federal economic development

grants or loans; and the city/county still has available funds. The letter should be no older than 6 months from the first day of the Application Acceptance Period. (VII, Rider 6; §2306.127); or

- (B) an area that has received an award as of November 1, 2007, within the past three years from the Texas Capital Fund, Texas or Federal Enterprise Zone Fund, Texas Leverage Fund, Industrial Revenue Bond Program, Emerging Technologies, Skills Development, Rural Business Enterprise Grants, Certified Development Company Loans, or Micro Loan Program. Grants that qualify in these areas are included in the Application Reference Manual.
- (C) Points under subparagraphs (A) and (B) of this subparagraph will not be granted if more than 3 tax credit Developments have been awarded in that area in the last 7 years. The Applicant must provide evidence of the boundaries of the area, as required in the Application and Application Submission Procedures Manual.
- (1416) Development Location. (\$2306.6725(a)(4)); \$42(m)(1)(C)(i)) Applications may qualify to receive 4 points. Evidence, not more than 6 months old from the first day of the Application Acceptance Period, that the <u>subject Property Development Site</u> is located within one of the geographical areas described in subparagraphs (A) (GE) of this paragraph. Areas qualifying under any one of the subparagraphs (A) (GE) of this paragraph will receive 4 points. An Application may only receive points under one of the subparagraphs (A) (GE) of this paragraph.
- (A) A geographical Area which is an Economically Distressed Area; a Colonia; or a Difficult Development Area (DDA) as specifically designated by the Secretary of HUD at the time of Application submission (\$2306.127).
- (B) A designated state or federal empowerment/enterprise zone, urban enterprise community, or urban enhanced enterprise community. Such Developments must submit a letter and a map from a city/county official verifying that the proposed Development is located within such a designated zone. Letter should be no older than 6 months from the first day of the Application Acceptance Period. (General Appropriation Act, Article VII, Rider 6; \$2306.127)
- (CB) The Development is located in a county that has received an award as of November 15, 2006 November 1, 2007, within the past three years, from the Texas Department of Agriculture's Rural Municipal Finance Program or Real Estate Development and Infrastructure Program. Cities which have received one of these awards are categorized as awards to the county as a whole so Developments located in a different city than the city awarded, but in the same county, will still be eligible for these points.
- (MFI), as published by the United States Bureau of the Census (U.S. Census), that is higher than the median family income for the county in which the census tract is located. This comparison shall be made using the most recent data available as of the date the Application Round opens the year preceding the applicable program year. Developments eligible for these points must submit evidence documenting the median income for both the census tract and the county. These Census Tracts are outlined in the 2007 Housing Tax Credit Site Demographic Characteristics Report.
- (ED) The proposed Development will serve families with children (at least 70% of the Units must have an eligible bedroom mix of two bedrooms or more) and is proposed to be located in an elementary school attendance zone of an elementary school that has an academic rating of "Exemplary" or "Recognized," or comparable rating if the rating system changes. The date for consideration of the attendance zone is that in existence as of the opening date of the Application Round and the academic rating is the most current rating determined by the Texas Education Agency as of that same date. (§42(m)(1)(C)(vii))
- (FE) The proposed Development will expand affordable housing opportunities for low-income families with children outside of poverty areas. This must be demonstrated by showing that the Development will serve families with children (at least 70% of the Units must have an eligible bedroom mix of two bedrooms or more) and that the census tract in which the Development is proposed to be located has no greater than 10% poverty population according to the most recent census data. Intergenerational Developments may qualify for points if 70% of the non-elderly Units in the Development have an eligible bedroom mix of two bedrooms or more. (\$42(m)(1)(C)(vii)) These Census Tracts are outlined in the 2007-2008 Housing Tax Credit Site Demographic Characteristics Report.

(1517) Exurban Developments (Development characteristicsLocation in non-urban Areas). (\$2306.6725(a)(4); \$42(m)(1)(C)(i)) Applications may qualify to receive 76 points if the Development is not located in a Rural Area and has a population less than 100,000 based on the most current Decennial Census.

(1618) Demonstration of Community Support other than Quantifiable Community Participation: If an Applicant requests these points on the self scoring form and correctly certifies to the Department that there are no nNeighborhood organizations that meet the Department's definition of Neighborhood Organization pursuant to 4950.9(i)(2)(A)(iv)3(63) of this title and 12 points were awarded under paragraph (2) of this subsection, then that Applicant may receive two points for each letter of support submitted from a community or civic organization that serves the community in which the site is located. Letters of support must identify the specific Development and must state support of the specific Development at the proposed location. The community or civic organization must provide some documentation of its existence in the community in which the Development is located to include, but not be limited to, listing of services and/or members, brochures, annual reports, etc. Letters of support from organizations that are not active in the area that includes the location of the Development will not be counted. For purposes of this item, community and civic organizations do not include neighborhood organizations, governmental entities, taxing entities or educational activities. Organizations that were created by a governmental entity or derive their source of creation from a governmental entity do not qualify under this item. For purposes of this item, educational activities include school districts, trade and vocational schools, charter schools and depending on how characterized could include day care centers; it would not include a PTA or PTO as that is a service organization even though it supports an educational activity. Letters of support received after March 1, 2007 February 29, 2008, will not be accepted for this item. Two points will be awarded for each letter of support submitted in the Application, not to exceed  $\frac{76}{2}$  points. Should an Applicant elect this option and the Application receives letters in opposition by March 1, 2007 February 29, 2008, then two points will be subtracted from the score for each letter in opposition, provided that the letter is from an organization serving the community. At no time will the Application, however, receive a score lower than zero for this item.

(4719) Developments in Census Tracts with No Other Existing <u>Same Type</u> Developments Supported by Tax Credits: The Application may receive <u>76</u> points if the proposed Development is located in a census tract in which there are no other existing <u>dDevelopments</u> supported by <u>hHousing</u> <u>tTax eCredits</u> that serve the same type of household, regardless of whether the development serves <u>families</u>, or <u>elderly individuals</u> (<u>Intergenerational Housing is not a type of household as it relates to this <u>paragraph</u>). Applicant must provide evidence of the census tract in which the Development is located. (§2306.6725(b)(2)) These Census Tracts are outlined in the <u>20072008</u> Housing Tax Credit Site Demographic Characteristics Report.</u>

(1820) Tenant Populations with Special Housing Needs. Applications may qualify to receive 4 points for this item. (\$42(m)(1)(C)(v)) The Department will award these points to Applications in which at least 10% of the Units are set aside for Persons with Special Needs. Throughout the Compliance Period, unless otherwise permitted by the Department, the Development equiver a grees to affirmatively market Units to Persons with Special needs. In addition, the Department will require a minimum 12 month period during which equinits must either be occupied by persons with Special Needs or held vacant. The 12 month period will begin on the date each building receives its certificate of occupancy. For buildings that do not receive a Certificate of Occupancy, the 12 month period will begin on the placed in service date as provided in the Cost Certification manual. After the 12 month period, the owner will no longer be required to hold equinits vacant for households with special needs, but will be required to continue to affirmatively market equinits to household with special needs.

(1921) Length of Affordability Period. Applications may qualify to receive up to 4 points. (\$2306.6725(a)(5); \$2306.111(g)(3)(C); \$2306.185(a)(1) and (c); \$2306.6710(e)(2); \$42(m)(1)(B)(ii)(II)) In accordance with the Code, each Development is required to maintain its affordability for a 15-year compliance period and, subject to certain exceptions, an additional 15-year extended use period. Development Owners that are willing to extend the affordability period for a Development beyond the 30 years required in the Code may receive points as follows:

(A) Add 5 years of affordability after the extended use period for a total affordability period of 35 years (2 points); or

(B) Add 10 years of affordability after the extended use period for a total affordability period of 40 years (4 points)

(2022) Site Characteristics. Development Sites, including scattered sites, will be evaluated based on proximity to amenities, the presence of positive site features and the absence of negative site features. Sites will be rated based on the criteria belowin subparagraphs (A) and (B) of this paragraph.

(A) Proximity of site to amenities. Developments Sites located within a one mile radius (two-mile radius for Developments competing for a Rural Regional Allocation) of at least three services appropriate to the target population will receive four points. A site located within one-quarter mile of public transportation that is accessible to all residents including Persons With Disabilities and/or located within a community that has "on demand" transportation, special transit service, or specialized elderly transportation for Qualified Elderly Developments, will receive full points regardless of the proximity to amenities, as long as the Applicant provides appropriate evidence of the transportation services used to satisfy this requirement. If a Development is providing its own specialized van or on demand service, then this will be a requirement of the LURA. Only one service of each type listed below in clauses (i) - (xiv) of this subparagraph will count towards the points. A map must be included identifying the Development sSite and the location of the services. The services must be identified by name on the map. If the services are not identified by name, points will not be awarded. All services must exist or, if under construction, must be at least 50% complete by the date the Application is submitted. (4 points)

- (i) Full service grocery store or supermarket.
- (ii) Pharmacy.
- (iii) Convenience Store/Mini-market.
- (iv) Department or Retail Merchandise Store.
- (v) Bank/Credit Union.
- (vi) Restaurant (including fast food).
- (vii) Indoor public recreation facilities, such as civic centers, community

centers, and libraries.

(viii) Outdoor public recreation facilities such as parks, golf courses, and

swimming pools.

- (ix) Hospital/medical clinic.
- (x) Doctor's Medical offices (medical physician, dentistry, optometry).
- (xi) Public Schools (only eligible for Developments that are not Qualified

Elderly Developments).

(xii) Senior Center (only eligible for Qualified Elderly Developments).

(xiii) Dry cleaners.

(xiv) Family video rental (Blockbuster, Hollywood Video, Movie Gallery).

- (B) Negative Site Features. Development Sites with the following negative characteristics will have points deducted from their score. For purpose of this exhibit, the term 'adjacent' is interpreted as sharing a boundary with the Development SSite. The distances are to be measured from all boundaries of the Development sSite to all boundaries of the property containing the negative site feature. If an Applicant negligently fails to note a negative feature, double points will be deducted from the score or the Application may be terminated. If none of these negative features exist, the Applicant must sign a certification to that effect. (-5 points)
- (i) Developments located adjacent to or within 300 feet of junkyards will have 1 point deducted from their score.
- (ii) Developments located adjacent to or within 300 feet of active railroad tracks will have 1 point deducted from their score, unless the applicant provides evidence that the city/community has adopted a Railroad Quiet Zone or the railroad in question is commuter or light rail. Rural Developments funded through TX-USDA-RHSTRDO-USDA are exempt from this point deduction.
- (iii) Developments located adjacent to or within 300 feet of heavy industrial uses such as manufacturing plants will have 1 point deducted from their score.
- (iv) Developments located adjacent to or within 300 feet of a solid waste or sanitary landfills will have 1 point deducted from their score.

(v) Developments where the buildings are located within the "fall line" of high voltage transmission power lines will have 1 point deducted from their score.

(vi) Developments where the buildings are located adjacent to or within 300 feet of a sexually oriented business will have 1 point deducted from their score. For the purpose of this clause, sexually oriented business shall be defined as stated in §243.002 of the Texas Government Code.

<u>(vii) Developments where the buildings are located within the accident zones or clear zones for commercial or military airports.</u>

(2123) Development Size. The Development consists of not more than 36 Units (3 points).

(2224) Qualified Census Tracts with Revitalization. Applications may qualify to receive 1 point for this item. (\$42(m)(1)(B)(ii)(III)) Applications will receive the points for this item if the Development is located within a Qualified Census Tract and contributes to a concerted Community Revitalization Plan. Evidence of the Community Revitalization Plan and a letter from the governing body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted.

(2325) Sponsor Characteristics. Applications may qualify to receive a maximum of 2 points for this item for qualifying under either subparagraph (A) or (B) of this paragraph. (§42(m)(1)(C)(iv))

(A) An Application will receive these two points for submitting a plan to use Historically Underutilized Businesses in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Applicant will be required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609.

(B) An Application will receive these points if there is evidence that a HUB that does not meet the experience requirements under subsection (g) of this section, as certified by the Texas Building and ProcurementFacilities Commission, has at least 51% ownership interest in the General Partner and materially participates in the Development and operation of the Development throughout the Compliance Period. To qualify for these points, the Applicant must submit a certification from the Texas Building and ProcurementFacilities Commission that the Person is a HUB at the close of the Application Acceptance Period. The HUB will be disqualified from receiving these points if any Principal of the HUB has developed, and received 8609's for, more than two Developments involving tax credits. Additionally, to qualify for these points, the HUB must partner with an experienced dDeveloper (as defined by \$4950.9 of this title); the experienced dDeveloper, as an Affiliate, will not be subject to the credit limit described under \$4950.6(d) of this title for one aApplication per Application Round. For purposes of this section the experienced dDeveloper may not be a Related Party to the HUB.

(2426) Developments Intended for Eventual Tenant Ownership - Right of First Refusal. Applications may qualify to receive 1 point for this item. (\$2306.6725(b)(1)) (\$42(m)(1)(C)(viii)) Evidence that Development Owner agrees to provide a right of first refusal to purchase the Development upon or following the end of the Compliance Period for the minimum purchase price provided in, and in accordance with the requirements of, \$42(i)(7) of the Code (the "Minimum Purchase Price"), to a Qualified Nonprofit Organization, the Department, or either an individual tenant with respect to a single family building, or a tenant cooperative, a resident management corporation in the Development or other association of tenants in the Development with respect to multifamily developments (together, in all such cases, including the tenants of a single family building, a "Tenant Organization"). Development Owner may qualify for these points by providing the right of first refusal in the following terms.

(A) Upon the earlier to occur of:

(i) The Development Owner's determination to sell the Development; or

(ii) The Development Owner's request to the Department, pursuant to \$42(h)(6)(E)(II) of the Code, to find a buyer who will purchase the Development pursuant to a "qualified contract" within the meaning of \$42(h)(6)(F) of the Code, the Development Owner shall provide a notice of intent to sell the Development ("Notice of Intent") to the Department and to such other parties as the Department may direct at that time. If the Development Owner determines that it will sell the Development at the end of the Compliance Period, the Notice of Intent shall be given no later than two years prior to expiration of the Compliance Period. If the Development Owner determines that it will sell the Development at some point later than the end of the Compliance Period, the Notice

of Intent shall be given no later than two years prior to date upon which the Development Owner intends to sell the Development.

- (B) During the two years following the giving of Notice of Intent, the Sponsor may enter into an agreement to sell the Development only in accordance with a right of first refusal for sale at the Minimum Purchase Price with parties in the following order of priority:
- (i) During the first six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization that is also a community housing development organization, as defined for purposes of the federal HOME Investment Partnerships Program at 24 C.F.R. §92.1 (a "CHDO") and is approved by the Department,
- (ii) During the second six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization or a Tenant Organization; and
- (iii) During the second year after the Notice of Intent, only with the Department or with a Qualified Nonprofit Organization approved by the Department or a Tenant Organization approved by the Department.
- (iv) If, during such two-year period, the Development Owner shall receive an offer to purchase the Development at the Minimum Purchase Price from one of the organizations designated in clauses (i) (iii) of this subparagraph (within the period(s) appropriate to such organization), the Development Owner shall sell the Development at the Minimum Purchase Price to such organization. If, during such period, the Development Owner shall receive more than one offer to purchase the Development at the Minimum Purchase Price from one or more of the organizations designated in clauses (i) (iii) of this subparagraph (within the period(s) appropriate to such organizations), the Development Owner shall sell the Development at the Minimum Purchase Price to whichever of such organizations it shall choose.
  - (C) After whichever occurs the later of:
    - (i) The end of the Compliance Period; or
- (ii) Two years from delivery of a Notice of Intent, the Development Owner may sell the Development without regard to any right of first refusal established by the LURA if no offer to purchase the Development at or above the Minimum Purchase Price has been made by a Qualified Nonprofit Organization, a Tenant Organization or the Department, or a period of 120 days has expired from the date of acceptance of all such offers as shall have been received without the sale having occurred, provided that the failure(s) to close within any such 120-day period shall not have been caused by the Development Owner or matters related to the title for the Development.
- (D) At any time prior to the giving of the Notice of Intent, the Development Owner may enter into an agreement with one or more specific Qualified Nonprofit Organizations and/or Tenant Organizations to provide a right of first refusal to purchase the Development for the Minimum Purchase Price, but any such agreement shall only permit purchase of the Development by such organization in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.
- (E) The Department shall, at the request of the Development Owner, identify in the LURA a Qualified Nonprofit Organization or Tenant Organization which shall hold a limited priority in exercising a right of first refusal to purchase the Development at the Minimum Purchase Price, in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.
- (F) The Department shall have the right to enforce the Development Owner's obligation to sell the Development as herein contemplated by obtaining a power-of-attorney from the Development Owner to execute such a sale or by obtaining an order for specific performance of such obligation or by such other means or remedy as shall be, in the Department's discretion, appropriate.
- (2527) Leveraging of Private, State, and Federal Resources. Applications may qualify to receive 1 point for this item. (\$2306.6725(a)(3)) <u>Funding sources used for points under subsection (i)(5)</u> of this section, may not be used for this point item.
- (A) Evidence must be submitted in the Application that the proposed Development has received or will receive loan(s), grant(s) or in-kind contributions from a private, state or federal resource, which include Capital Grant Funds and HOPE VI funds, that is equal to or greater than 2% (not using normal rounding) of the Total Housing Development Costs reflected in the Application.
- (B) For in-kind contributions, evidence must be submitted in the Application from a private, state or federal resource which substantiates the value of the in-kind contributions.

Development based rental subsidies from private, state or federal resource may qualify under this section if evidence of the remaining value of the contract is submitted from the source. The value of the contract does not include past subsidies.

- (C) Qualifying funds awarded through local entities may qualify for points if the original source of the funds is from a private, state or federal source. If qualifying funds awarded through local entities are used for this item, a statement from the local entity must be provided that identifies the original source of funds.
- (D) Applicants may only submit enough sources to substantiate the point request, and all sources must be included in the Sources and Uses form. For example, two sources may be submitted if each is for an amount equal to 1% of the Total Housing Development Cost. However, two sources may not be submitted if each source is for an amount equal to 2% of the Total Housing Development Cost.
- (E) The funding must be in addition to the primary funding (construction and permanent loans) that is proposed to be utilized and cannot be issued from the same primary funding source or an affiliated source. The provider of the funds must attest to the fact that they are not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and attest that none of the funds committed were first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application, unless the Applicant itself is a Local Political Subdivision.
- (F) The Development must have already applied for funding from the funding entity. Evidence to be submitted with the Application must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received. At the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of the entity for the sufficient financing to the Department. If the funding commitment from the private, state or federal source, or qualifying substitute source, has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the commitment from the private, state or federal source, the Commitment Notice will be rescinded and the credits reallocated. Funds from the Department's HOME and Housing Trust Fund sources will only qualify under this category if there is a Notice of Funding Availability (NOFA) out for available funds and the Applicant is eligible under that NOFA.
- (G) To qualify for this point, the Rent Schedule must show that at least 3% (not using normal rounding) of all low-income Units are designated to serve individuals or families with incomes at or below 30% of AMGI.
- (2628) Third-Party Funding Commitment Outside of Qualified Census Tracts. Applications may qualify to receive 1 point for this item. (\$2306.6710(e)(1)) Evidence that the proposed Development has documented and committed third-pParty funding sources and the Development is located outside of a Qualified Census Tract. The provider of the funds must attest to the fact that they are not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and attest that none of the funds committed were first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application. The commitment of funds (an application alone will not suffice) must already have been received from the third-pParty funding source and must be equal to or greater than 2% (not using normal rounding) of the Total Development content of qualify under this category. The third-pParty funding source cannot be a loan from a commercial lender.

(2729) Scoring Criteria Imposing Penalties. (\$2306.6710(b)(2))

(A) Penalties will be imposed on an Application if the Applicant has requested an extension of a <u>Department\_the Carryover</u> or 10% <u>Test\_deadline</u>, and did not meet the original submission deadline, relating to Developments receiving a <u>Housing to Ecredit</u> commitment made in the Application Round preceding the current round. The extension that will receive a penalty is an

extension related to the submission of the Carryover Allocation Agreement or the 10% Test pursuant to \$49.14 of this title. For each extension request made, the Applicant will receive a 5 point deduction. for not meeting the Carryover deadline. Subsequent extension requests for carryover after the first extension request made for each Development from the preceding round will not result in a further point reduction than already described. No penalty points or fees will be deducted for extensions that were requested on Developments that involved Rehabilitation when the Department is the primary lender, or for Developments that involve TX-USDA-RHSTRDO-USDA as a lender if TX-USDA-RHSTRDO-USDA or the Department is the cause for the Applicant not meeting the deadline.

- (B) Penalties will be imposed on an Application if the Developer or Principal of the Applicant has been removed by the lender, equity provider, or limited partners in the past five years for failure to perform its obligations under the loan documents or limited partnership agreement. An affidavit will be provided by the Applicant and the Developer certifying that they have not been removed as described, or requiring that they disclose each instance of removal with a detailed description of the situation. If an Applicant or Developer submits the affidavit, and the Department learns at a later date that a removal did take place as described, then the Application will be terminated and any Allocation made will be rescinded. The Applicant, Developers or Principals of the Applicant that are in court proceedings at the time of Application must disclose this information and the situation will be evaluated on a case-by-case basis. 3 points will be deducted for each instance of removal.
- (C) Penalties will be imposed on an Application if Developer or Principal of the Applicant violates the Adherence to Obligations pursuant to subsection (c) of this section.

## (j) Tie Breaker Factors.

- (1) In the event that two or more Applications receive the same number of points in any given Set-Aside category, Rural Regional Allocation or Urban/Exurban Regional Allocation, or Uniform State Service Region, and are both practicable and economically feasible, the Department will utilize the factors in this paragraph, in the order they are presented, to determine which Development will receive a preference in consideration for a tax credit commitment.
- (A) Applications involving any Rehabilitation or Reconstruction of existing Units will win this first tier tie breaker over Applications involving solely New Construction or Adaptive Reuse.
- (B) The Application located in the municipality or, if located outside a municipality, the county that has the lowest state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins as reflected in the Reference Manual will win this second tier tie breaker.
- (C) The amount of requested tax credits per net rentable square foot  $\frac{\text{requested}}{\text{result}}$  (the lower credits per square foot has preference).
- (D) Projects that are intended for eventual tenant ownership. Such Developments must utilize a detached single family site plan and building design and have a business plan describing how the project will convert to tenant ownership at the end of the 15-year compliance period.
- (2) This <u>clause\_paragraph</u> identifies how ties will be handled when dealing with the restrictions on location identified in §4950.5(a)(8) of this title, and in dealing with any issues relating to capture rate calculation. When two Tax-Exempt Bond Developments would violate one of these restrictions, and only one Development can be selected, the Department will utilize the reservation docket number issued by the Texas Bond Review Board in making its determination. When two ecompetitive Housing Tax Credits Applications in the Application Round would violate one of these restrictions, and only one Development can be selected, the Department will utilize the tie breakers identified in paragraph (1) of this subsection. When a Tax-Exempt Bond Development and a ecompetitive Housing Tax Credit Application in the Application Round would both violate a restriction, the following determination will be used:
- (A) Tax-Exempt Bond Developments that receive their reservation from the Bond Review Board on or before April 30, 20072008 will take precedence over the Housing Tax Credit Applications in the 20072008 Application Round;
- (B) Housing Tax Credit Applications approved by the Board for tax credits in July 20072008 will take precedence over the Tax-Exempt Bond Developments that received their reservation from the Bond Review Board on or between May 1, 20072008 and July 31, 20072008; and

- (C) After July 31, 20072008, a Tax-Exempt Bond Development with a reservation from the Bond Review Board will take precedence over any Housing Tax Credit Application from the 20072008 Application Round on the Waiting List. However, if no reservation has been issued by the date the Board approves an allocation to a Development from the Waiting List of Applications in the 20072008 Application Round or a forward commitment, then the Waiting List Application or forward commitment will be eligible for its allocation.
- (k) Staff Recommendations. (§2306.1112 and §2306.6731) After eligible Applications have been evaluated, ranked and underwritten in accordance with the QAP and the Rules, the Department staff shall make its recommendations to the Executive Award and Review Advisory Committee. The Committee will develop funding priorities and shall make commitment recommendations to the Board. Such recommendations and supporting documentation shall be made in advance of the meeting at which the issuance of Commitment Notices or Determination Notices shall be discussed. The Committee will provide written, documented recommendations to the Board which will address at a minimum the financial or programmatic viability of each Application and a list of all submitted Applications which enumerates the reason(s) for the Development's proposed selection or denial, including all factors provided in subsection §4950.10(a) of this section chapter that were used in making this determination. §49.10

## §4950.10.Board Decisions; Waiting List; Forward Commitments

- (a) **Board Decisions.** The Board's decisions shall be based upon the Department's and the Board's evaluation of the proposed Developments' consistency with the criteria and requirements set forth in this QAP and Rules.
- (1) On awarding tax credits, the Board shall document the reasons for each Application's selection, including any discretionary factors used in making its determination, and the reasons for any decision that conflicts with the recommendations made by Department staff. The Board may not make, without good cause, a commitment decision that conflicts with the recommendations of Department staff. Good cause includes the Board's decision to apply discretionary factors. (§2306.6725(c); §42(m)(1)(A)(iv); §2306.6731)
- (2) In making a determination to allocate tax credits, the Board shall be authorized to not rely solely on the number of points scored by an Application. It shall in addition, be entitled to take into account, as it deems appropriate, the discretionary factors listed in this paragraph. The Board may also apply these discretionary factors to its consideration of Tax-Exempt Bond Developments. If the Board disapproves or fails to act upon an Application, the Department shall issue to the Applicant a written notice stating the reason(s) for the Board's disapproval or failure to act. In making tax credit decisions (including those related to Tax-Exempt Bond Developments), the Board, in its discretion, may evaluate, consider and apply any one or more of the following discretionary factors: (§2306.111(g)(3)); §2306.0661(f))
  - (A) The dDeveloper market study;
  - (B) The location;
  - (C) The compliance history of the Developer;
  - (D) The financial feasibility;
- (E) The appropriateness of the Development's size and configuration in relation to the housing needs of the community in which the Development is located;
  - (F) The Development's proximity to other low-income housing dDevelopments;
  - (G) The availability of adequate public facilities and services;
  - (H) The anticipated impact on local school districts;
  - (I) Zoning and other land use considerations;
- (J) Any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes; and
  - (K) Other good cause as determined by the Board.
- (3) Before the Board approves any Application, the Department shall assess the compliance history of the Applicant with respect to all applicable requirements; and the compliance issues associated with the proposed Development, including compliance information provided by the Texas

State Affordable Housing Corporation. The Committee shall provide to the Board a written report regarding the results of the assessments. The written report will be included in the appropriate Development file for Board and Department review. The Board shall fully document and disclose any instances in which the Board approves a Development Application despite any noncompliance associated with the Development or Applicant. (§2306.057)

- (b) Waiting List. (\$2306.6711(c) and (d)) If the entire State Housing Credit Ceiling for the applicable calendar year has been committed or allocated in accordance with this chapter, the Board shall generate, concurrently with the issuance of commitments, a waiting list of additional Applications ranked by score in descending order of priority based on Set-Aside categories and regional allocation goals. The Board may also apply discretionary factors in determining the Waiting List. If at any time prior to the end of the Application Round, one or more Commitment Notices expire and a sufficient amount of the State Housing Credit Ceiling becomes available, the Board shall issue a Commitment Notice to Applications on the waiting list subject to the amount of returned credits, the regional allocation goals and the Set-Aside categories, including the 10% Nonprofit Set-Aside allocation and 15% At-Risk Set-Aside allocation and 5% TRDO-USDA Set-Aside required under the Code, \$42(h)(5). At the end of each calendar year, all Applications which have not received a Commitment Notice shall be deemed terminated. The Applicant may re-apply to the Department during the next Application Acceptance Period.
- (c) Forward Commitments. The Board may determine to issue commitments of tax credit authority with respect to Applications from the State Housing Credit Ceiling for the calendar year following the year of issuance (each a "forward commitment") to Applications submitted in accordance with the rules and timelines required under this rule and the Application Submission Procedures Manual. The Board will utilize its discretion in determining the amount of credits to be allocated as forward commitments and the reasons for those commitments considering score and discretionary factors. The Board may utilize the forward commitment authority to allocate credits to TX-USDA-RHSTRDO-USDA Developments which are experiencing foreclosure or loan acceleration at any time during the 20072008 calendar year, also referred to as Rural Rescue Developments. Applications that are submitted under the 20072008 QAP and granted a Forward Commitment of 20082009 Housing Tax Credits are considered by the Board to comply with the 20082009 QAP by having satisfied the requirements of this 20072008 QAP, except for statutorily required QAP changes.
- (1) Unless otherwise provided in the Commitment Notice with respect to a Development selected to receive a forward commitment, actions which are required to be performed under this chapter by a particular date within a calendar year shall be performed by such date in the calendar year of the Credit Ceiling from which the credits are allocated.
- (2) Any forward commitment made pursuant to this section shall be made subject to the availability of State Housing Credit Ceiling in the calendar year with respect to which the forward commitment is made. If a forward commitment shall be made with respect to a Development placed in service in the year of such commitment, the forward commitment shall be a "binding commitment" to allocate the applicable credit dollar amount within the meaning of the Code, §42(h)(1)(C).
- (3) If tax credit authority shall become available to the Department in a calendar year in which forward commitments have been awarded, the Department may allocate such tax credit authority to any eligible Development which received a forward commitment, in which event the forward commitment shall be canceled with respect to such Development.
- §49<u>50</u>.11.Required Application Notifications, Receipt of Public Comment, and Meetings with Applicants; Viewing of Pre-Applications and Applications; Confidential Information.
- (a) Required Application Notifications, Receipt of Public Comment, and Meetings with Applicants.
- (1) Within approximately <u>seven business14</u> days after the close of the Pre-Application Acceptance Period, the Department shall publish a Pre-Application Submission Log on its web site. Such log shall contain the Development name, address, Set-Aside, number of <u>uU</u>nits, requested credits, owner contact name and phone number. (§2306.6717(a)(1))

- (2) Approximately 30 days before the close of the Application Acceptance Period, the Department will release the evaluation and assessment of the Pre-Applications on its web site.
- (3) Not later than 14 days after the close of the Pre-Application Acceptance Period, or Application Acceptance Period for Applications for which no Pre-Application was submitted, the Department shall: (§2306.1114)
  - (A) Publish an Application submission log on its web site.
- (B) Give notice of a proposed Development in writing that provides the information required under clause (i) of this subparagraph to all of the individuals and entities described in clauses (ii) (x) of this subparagraph. (§2306.6718(a) (c))
  - (i) The following information will be provided in these notifications:
- (I) The relevant dates affecting the Application including the date on which the Application was filed, the date or dates on which any hearings on the Application will be held and the date by which a decision on the Application will be made;
  - (II) A summary of relevant facts associated with the Development;
- (III) A summary of any public benefits provided as a result of the Development, including rent subsidies and tenant services; and
- (IV) The name and contact information of the employee of the Department designated by the director to act as the information officer and liaison with the public regarding the Application.
- (ii) Presiding officer of the governing body of the political subdivision containing the Development (mayor or county judge) to advise such individual that the Development, or a part thereof, will be located in his/her jurisdiction and request any comments which such individual may have concerning such Development.
- (iii) If the Department receives a letter from the mayor or county judge of an affected city or county that expresses opposition to the Development, the Department will give consideration to the objections raised and will offer to visit the proposed site or Development with the mayor or county judge or their designated representative within 30 days of notification. The site visit must occur before the Housing Tax Credit can be approved by the Board. The Department will obtain reimbursement from the Applicant for the necessary travel and expenses at rates consistent with the state authorized rate (General Appropriation Act, Article VII, Rider 5) (§42(m)(1));
- (iv) Any member of the governing body of a political subdivision who represents the Area containing the Development. If the governing body has single-member districts, then only that member of the governing body for that district will be notified, however if the governing body has atlarge districts, then all members of the governing body will be notified;
- (v) State representative and state senator who represent the community where the Development is proposed to be located. If the state representative or senator host a community meeting, the Department, if timely notified, will ensure staff are in attendance to provide information regarding the Housing Tax Credit Program; (General Appropriation Act, Article VII, Rider 8(d))
  - (vi) United States representative who represents the community containing the

Development;

- (vii) Superintendent of the school district containing the Development;
- (viii) Presiding officer of the board of trustees of the school district containing

the Development;

- (ix) Any Neighborhood Organizations on record with the city or county in which the Development is to be located and whose boundaries contain the proposed Development site or otherwise known to the Applicant or Department and on record with the state or county; and
- (x) Advocacy organizations, social service agencies, civil rights organizations, tenant organizations, or others who may have an interest in securing the development of affordable housing that are registered on the Department's email list service.
- (C) The Department shall maintain an electronic mail notification service that will notify a subscriber, by zip code, of: (§2306.67171)
  - (i) The receipt of a Pre-Application or Application within 14 days of receipt;
  - (ii) The publication of materials to be presented to the Board for the Pre-

Application or Application referred to in subsection (i) of this section; and

(iii) Any public hearing for the Pre-Application or Application referred to in subsection (i) of this section.

- ( $\subseteq$ ) The elected officials identified in subparagraph (B) of this paragraph will be provided an opportunity to comment on the Application during the Application evaluation process. (\$42(m)(1))
- (4) The Department shall hold at least three public hearings in different Uniform State Service Regions of the state to receive comment on the submitted Applications and on other issues relating to the Housing Tax Credit Program for competitive Applications under the State Housing Credit Ceiling. (§2306.6717(c))
- (5) The Department shall make available on the Department's website information regarding the Housing Tax Credit Program including notice of public hearings, meetings, Application Round opening and closing dates, submitted Applications, and Applications approved for underwriting and recommended to the Board, and shall provide that information to locally affected community groups, local and state elected officials, local housing departments, any appropriate newspapers of general or limited circulation that serve the community in which a proposed Development is to be located, nonprofit and for-profit organizations, on-site property managers of occupied Developments that are the subject of Applications for posting in prominent locations at those Developments, and any other interested persons including community groups, who request the information. (§2306.6717(b))
- (6) Approximately forty days prior to the date of the July Board meeting at which the issuance of Commitment Notices shall be discussed, the Department will notify each Applicant of the receipt of any opposition received by the Department relating to his or her Development at that time.
- (7) Not later than the third working day after the date of completion of each stage of the Application process, including the results of the Application scoring and underwriting phases and the commitment phase, the results will be posted to the Department's web site. (\$2306.6717(a)(3))
- (8) At least thirty days prior to the date of the July Board meeting at which the issuance of Commitment Notices shall be discussed, the Department will:
  - (A) Provide the Application scores to the Board; (§2306.6711(a))
- (B) If feasible, post to the Department's web site the entire Application, including all supporting documents and exhibits, the Application Log as further described in §4950.19(b) of this title, a scoring sheet providing details of the Application score, and any other documents relating to the processing of the Application. (§2306.6717(a)(1) and (2))
- (9) A summary of comments received by the Department on specific Applications shall be part of the documents required to be reviewed by the Board under this subsection if it is received 30 business days prior to the date of the Board Meeting at which the issuance of Commitment Notices or Determination Notices shall be discussed. Comments received after this deadline will not be part of the documentation submitted to the Board. However, a public comment period will be available prior to the Board's decision, at the Board meeting where tax credit commitment decisions will be made.
- (10) Not later than the 120th day after the date of the initial issuance of Commitment Notices for helpousing tax ecredits, the Department shall provide an Applicant who did not receive a commitment for helpousing tax ecredits with an opportunity to meet and discuss with the Department the Application's deficiencies, scoring and underwriting. (\$2306.6711(e))
- (b) Viewing of Pre-Applications and Applications. Pre-Applications and Applications for tax credits are public information and are available upon request after the Pre-Application and Application Acceptance Periods close, respectively. All Pre-Applications and Applications, including all exhibits and other supporting materials, except Personal Financial Statements and Social Security numbers, will be made available for public disclosure after the Pre-Application and Application periods close, respectively. The content of Personal Financial Statements may still be made available for public disclosure upon request if the Attorney General's office deems it is not protected from disclosure by the Texas Public Information Act.
- (c) **Confidential Information.** The Department may treat the financial statements of any Applicant as confidential and may elect not to disclose those statements to the public. A request for such information shall be processed in accordance with §552.305 of the Government Code. (§2306.6717(d))

- §49<u>50</u>.12.Tax-Exempt Bond Developments: Filing of Applications; Applicability of Rules; Supportive Services; Financial Feasibility Evaluation; Satisfaction of Requirements.
- (a) Filing of Applications for Tax-Exempt Bond Developments. Applications for a Tax-Exempt Bond Development may be submitted to the Department as described in paragraphs (1) and (2) of this subsection:
- (1) Applicants which receive advance notice of a Program Year 20072008 reservation as a result of the Texas Bond Review Board's (TBRB) lottery for the private activity volume cap must file a complete Application not later than 12:00 p.m. on December 28, 20062007. Such filing must be accompanied by the Application fee described in \$4950.20 of this title.
- (2) Applicants which receive advance notice of a Program Year 20072008 reservation after being placed on the waiting list as a result of the TBRB lottery for private activity volume cap must submit Volume 1 and Volume 2 of the Application and the Application fee described in \$4950.20 of this title prior to the Applicant's bond reservation date as assigned by the TBRB. Those applications designated as Priority 3 by the TBRB must submit Volumes I and II within 14 days of the bond reservation date if the Applicant intends to apply for tax credits regardless of the Issuer. Any outstanding documentation required under this section regardless of Priority must be submitted to the Department at least 60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made unless a waiver is being requested by the Applicant. The Department staff will have limited discretion to recommend an Application with appropriate justification of the late submission.
- (3) Applications involving multiple sites must submit the required information as outlined in the Application Submission Procedures Manual. The Application will be considered to be one Application as identified in Chapter 1372, Texas Government Code.
- (b) Applicability of Rules for Tax-Exempt Bond Developments. Tax-Exempt Bond Development Applications are subject to all rules in this title, with the only exceptions being the following sections: \$4950.4 of this title (regarding State Housing Credit Ceiling), \$4950.7 of this title (regarding Regional Allocation and Set-Asides). \$4950.8 of this title (regarding Pre-Application). \$4950.9(d) and (f) of this title (regarding Evaluation Processes for Competitive Applications and Rural Rescue Applications), \$4950.9(i) of this title (regarding Selection Criteria), \$4950.10(b) and (c) of this title (regarding Waiting List and Forward Commitments), and \$4950.14(a) and (b) of this title (regarding Carryover and 10% Test). Such Developments requesting a Determination Notice in the current calendar year must meet all Threshold Criteria requirements stipulated in §4950.9(h) of this title. Such Developments which received a Determination Notice in a prior calendar year must meet all Threshold Criteria requirements stipulated in the QAP and Rules in effect for the calendar year in which the Determination Notice was issued; provided, however, that such Developments shall comply with all procedural requirements for obtaining Department action in the current QAP and Rules; and such other requirements of the QAP and Rules as the Department determines applicable. Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan. If no such planning document exists then the Applicant must submit a letter from the local municipal authority stating such and that there is a need for affordable housing. This documentation must be submitted no later than 14 days before the Board meeting where the credits will be considered. Applicants will be required to meet all conditions of the Determination Notice by the time the construction loan is closed unless otherwise specified in the Determination Notice. Applicants must meet the requirements identified in \$4950.15 of this title. No later than 60 days following closing of the bonds, the Development Owner must also submit a Management Plan and an Affirmative Marketing Plan ( as further described in the Carryover Allocation Procedures Manual), and evidence must be provided at this time of attendance of the Development Owner or management company at Department-approved Fair Housing training relating to leasing and management issues for at least five hours and the Development architect at Department-approved Fair Housing training relating to design issues for at least five hours. Certifications must not be older than two years. Applications that receive a reservation from the Bond Review Board on or before December 31, 20062007 will be required to satisfy the requirements of the 20062007 QAP; Applications that

receive a reservation from the Bond Review Board on or after January 1, 20072008 will be required to satisfy the requirements of the 20072008 QAP.

- (c) Supportive Services for Tax-Exempt Bond Developments. (\$2306.254)—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. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided. The provision of these services will be included in the LURA. Acceptable services as described in paragraphs (1) (3) of this subsection include:
- (1) The services must be in at least one of the following categories: child care, transportation, <u>notary public service</u>, basic adult education, legal assistance, counseling services, GED preparation, English as a second language classes, vocational training, home buyer education, credit counseling, financial planning assistance or courses, health screening services, health and nutritional courses, organized team sports programs, youth programs, scholastic tutoring, social events and activities, community gardens or computer facilities;
- (2) Any other program described under Title IV-A of the Social Security Act (§42U.S.C.42 U.S.C. §\$601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the formation and maintenance of two-parent families, or
- (3) Any other services approved in writing by the Issuer. The plan for tenant supportive services submitted for review and approval of the Issuer must contain a plan for coordination of services with state workforce development and welfare programs. The coordinated effort will vary depending upon the needs of the tenant profile at any given time as outlined in the plan.
- (d) Financial Feasibility Evaluation for Tax-Exempt Bond Developments. Code \$42(m)(2)(D) requires the bond issuer (if other than the Department) to ensure that a Tax-Exempt Bond Development does not receive more tax credits than the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period. Treasury Regulations prescribe the occasions upon which this determination must be made. In light of the requirement, issuers may either elect to underwrite the Development for this purpose in accordance with the QAP and the Underwriting Rules and Guidelines, \$1.32 of this title or request that the Department perform the function. If the issuer underwrites the Development, the Department will, nonetheless, review the underwriting report and may make such changes in the amount of credits which the Development may be allowed as are appropriate under the Department's guidelines. The Determination Notice issued by the Department and any subsequent IRS Form(s) 8609 will reflect the amount of tax credits for which the Development is determined to be eligible in accordance with this subsection, and the amount of tax credits reflected in the IRS Form 8609 may be greater or less than the amount set forth in the Determination Notice, based upon the Department's and the bond issuer's determination as of each building's placement in service. Any increase of tax credits, from the amount specified in the Determination Notice, at the time of each building's placement in service will only be permitted if it is determined by the Department, as required by Code \$42(m)(2)(D), that the Tax-Exempt Bond Development does not receive more tax credits than the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period. Increases to the amount of tax credits that exceed 110% of the amount of credits reflected in the Determination Notice are contingent upon approval by the Board. Increases to the amount of tax credits that do not exceed 110% of the amount of credits reflected in the Determination Notice may be approved administratively by the Executive Director.
- (e) Satisfaction of Requirements for Tax-Exempt Bond Developments. If the Department staff determines that all requirements of this QAP and Rules have been met, the Department will recommend that the Board authorize the issuance of a Determination Notice. The Board, however, may utilize the discretionary factors identified in §4950.10(a) of this title in determining if they will authorize the Department to issue a Determination Notice to the Development Owner. The Determination Notice, if authorized by the Board, will confirm that the Development satisfies the requirements of the QAP and Rules in accordance with the Code, §42(m)(1)(D).

- (f) Certification of Tax Exempt Applications with New Docket Numbers. Applications that are processed through the Department review and evaluation process and receive an affirmative Board Determination, but do not close the bonds prior to the bond reservation expiration date, and subsequently have that docket number withdrawn from the Bond Review Board, may have their Determination Notice reinstated. The Applicant would need to receive a new docket number from the Texas Bond Review Board. One of the following must apply:
- (1) The new docket number must be issued in the same program year as the original docket number and must not be more than four months from the date the original application was withdrawn from the BRB. The application must remain unchanged. This means that at a minimum, the following can not have changed: site control, total number of units, unit mix (bedroom sizes and income restrictions), design/site plan documents, financial structure including bond and housing tTax cCredit amounts, development costs, rent schedule, operating expenses, sources and uses, ad valorem tax exemption status, target population, scoring criteria (TDHCA issues) or BRB priority status including the effect on the inclusive capture rate. Note that the entities involved in the applicant entity and Developer can not change; however, the certification can be submitted even if the lender, syndicator or issuer changes, as long as the financing structure and terms remain unchanged. Notifications under \$4950.9(h)(8) of this title are not required to be reissued. In the event that the Department's Board has already approved the application for tax credits, the application is not required to be presented to the Board again (unless there is public opposition) and a revised Determination Notice will be issued once notice of the assignment of a new docket number has been provided to the Department and the Department has confirmed that the capture rate and market demand remain acceptable. This certification must be submitted no later than thirty days after the date the Bond Review Board issues the new docket number and no later than thirty days before the anticipated closing. In the event that the Department's Board has not yet approved the application, the application will continue to be processed and ultimately provided to the Board for consideration. This certification must be submitted no later than thirty days after the date the Bond Review Board issues the new docket number and no later than forty-five days before the anticipated Department's Board meeting date.
- (2) If there are changing to the Application as referenced in paragraph (1) of this subsection, the Application will be required to submit a new Application in full, along with the applicable fees, to be reviewed and evaluated in its entirety for a new determination notice to be issued.
- §49<u>50</u>.13.Commitment and Determination Notices; Agreement and Election Statement; Documentation Submission Requirements.
- (a) **Commitment and Determination Notices.** If the Board approves an Application the Department will:
- (1) If the Application is for a commitment from the State Housing Credit Ceiling, issue a Commitment Notice to the Development Owner which shall:
  - (A) Confirm that the Board has approved the Application; and
- (B) State the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described in \$4950.16 of this title, and compliance by the Development Owner with the remaining requirements of this chapter and any other terms and conditions set forth therein by the Department. This commitment shall expire on the date specified therein unless the Development Owner indicates acceptance of the commitment by executing the Commitment Notice or Determination Notice, pays the required fee specified in \$4950.20 of this title, and satisfies any other conditions set forth therein by the Department. A Development Owner may request an extension of the Commitment Notice expiration date by submitting an extension request and associated extension fee as described in \$49.20 of this title. In no event shall the expiration date of a Commitment Notice be extended beyond the last business day of the applicable calendar year. The Commitment Notice expiration date may not be extended.
- (2) If the Application regards a Tax-Exempt Bond Development, issue a Determination Notice to the Development Owner which shall:

- (A) Confirm the Board's determination that the Development satisfies the requirements of this QAP; and
- (B) State the Department's commitment to issue IRS Form(s) 8609 to the Development Owner in a specified amount, subject to the requirements set forth in \$4950.12 of this title and compliance by the Development Owner with all applicable requirements of this title and any other terms and conditions set forth therein by the Department. The Determination Notice shall expire on the date specified therein unless the Development Owner indicates acceptance by executing the Determination Notice and paying the required fee specified in \$4950.20 of this title. The Determination Notice shall also expire unless the Development Owner satisfies any conditions set forth therein by the Department within the applicable time period.
- (3) Notify, in writing, the mayor or other equivalent chief executive officer of the municipality in which the Property is located informing him/her of the Board's issuance of a Commitment Notice or Determination Notice, as applicable.
- (4) A Commitment or Determination Notice shall not be issued with respect to any Development for an unnecessary amount or where the cost for the total development, acquisition, construction or Rehabilitation exceeds the limitations established from time to time by the Department and the Board, unless the Department staff make a recommendation to the Board based on the need to fulfill the goals of the Housing Tax Credit Program as expressed in this QAP and Rules, and the Board accepts the recommendation. The Department's recommendation to the Board shall be clearly documented.
- (5) A Commitment or Determination Notice shall not be issued with respect to the Applicant, the Development Owner, the General Contractor, or any Affiliate of the General Contractor that is active in the ownership or Control of one or more other low-income rental housing properties in the state of Texas administered by the Department, or outside the state of Texas, that is in Material Noncompliance with the LURA (or any other document containing an Extended Low-income Housing Commitment) or the program rules in effect for such property, as described in §60 of this title.
- (6) The executed Commitment or Determination Notice must be returned to the Department on the date specified with the Commitment Notice or Determination Notice, which shall be no earlier than ten days of the effective date of the Notice.
- (b) Agreement and Election Statement. Together with the Development Owner's acceptance of the Carryover Allocation, the Development Owner may execute an Agreement and Election Statement, in the form prescribed by the Department, for the purpose of fixing the Applicable Percentage for the Development as that for the month in which the Carryover Allocation was accepted (or the month the bonds were issued for Tax-Exempt Bond Developments), as provided in the Code, \$42(b)(2). Current Treasury Regulations, \$1.42-8(a)(1)(v), suggest that in order to permit a Development Owner to make an effective election to fix the Applicable Percentage for a Development, the Carryover Allocation Document must be executed by the Department and the Development Owner within the same month. The Department staff will cooperate with a Development Owner, as possible or reasonable, to assure that the Carryover Allocation Document can be so executed.
- (c) **Documentation Submission Requirements at Commitment of Funds.** No later than the date the Commitment Notice or Determination Notice is executed by the Applicant and returned to the Department with the appropriate Commitment Fee as further described in §4950.20(f) of this title, the following documents must also be provided to the Department. Failure to provide these documents may cause the Commitment to be rescinded. For each Applicant all of the following must be provided:
  - (1) Evidence that the entity has the authority to do business in Texas;
- (2) A Certificate of Account Status from the Texas Comptroller of Public Accounts or, if such a Certificate is not available because the entity is newly formed, a statement to such effect; and a Certificate of Organization from the Secretary of State;
- (3) Copies of the entity's governing documents, including, but not limited to, its Articles of Incorporation, Articles of Organization, Certificate of Limited Partnership, Bylaws, Regulations and/or Partnership Agreement; and
- (4) Evidence that the signer(s) of the Application have the authority to sign on behalf of the Applicant in the form of a corporate resolution or by-laws which indicate same from the sub-entity

in Control and that those Persons signing the Application constitute all Persons required to sign or submit such documents.

### §49<u>50</u>.14.Carryover; 10% Test; Commencement of Substantial Construction.

- (a) Carryover. All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 1 of the year in which the Commitment Notice is issued pursuant to \$42(h)(l)(c) IRC. Commitments for credits will be terminated if the Carryover documentation, or an approved extension, has not been received by this deadline. In the event that a Development Owner intends to submit the Carryover documentation in any month preceding November of the year in which the Commitment Notice is issued, in order to fix the Applicable Percentage for the Development in that month, it must be submitted no later than the first Friday in the preceding month. If the financing structure, syndication rate, amount of debt or syndication proceeds are revised at the time of Carryover from what was proposed in the original Application, applicable documentation of such changes must be provided and the Development may be reevaluated by the Department. The Carryover Allocation format must be properly completed and delivered to the Department as prescribed by the Carryover Allocation Procedures Manual. All Carryover Allocations will be contingent upon the following, in addition to all other conditions placed upon the Application in the Commitment Notice:
- (1) The Development Owner for all New Construction <u>and Adaptive Reuse</u> Developments must have purchased the property for the Development <u>Site</u>.
- (2) A current original plat or survey of the land, prepared by a duly licensed Texas Registered Professional Land Surveyor. Such survey shall conform to standards prescribed in the Manual of Practice for Land Surveying in Texas as promulgated and amended from time to time by the Texas Surveyors Association as more fully described in the Carryover Procedures Manual.
- (3) For all Developments involving New Construction or Adaptive Reuse, evidence of the availability of all necessary utilities/services to the Development site must be provided. Necessary utilities include natural gas (if applicable), electric, trash, water, and sewer. Such evidence must be a letter or a monthly utility bill from the appropriate municipal/local service provider. If utilities are not already accessible, then the letter must clearly state: an estimated time frame for provision of the utilities, an estimate of the infrastructure cost, and an estimate of any portion of that cost that will be borne by the Development Owner. Letters must be from an authorized individual representing the organization which actually provides the services. Such documentation should clearly indicate the Development property. If utilities are not already accessible (undeveloped areas), then the letter should not be older than three months from the first day of the Application Acceptance Period.
- (4) The Department will not execute a Carryover Allocation Agreement with any Owner in Material Noncompliance on October 1, 20072008.
- (b) 10% Test. No later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner's reasonably expected basis must have been incurred pursuant to \$42(h)(1)(E)(i) and (ii) of the Internal Revenue Code and Treasury Regulations, \$1.42-6. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than June 30 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department. At the time of submission of the documentation, the Development Owner must also submit a Management Plan and an Affirmative Marketing Plan as further described in the Carryover Allocation Procedures Manual. Evidence must be provided at this time of attendance of the Development Owner or management company at Department-approved Fair Housing training relating to leasing and management issues for at least five hours and the Development architect and engineer at Department-approved Fair Housing training relating to design issues for at least five hours on or before the time the 10% Test Documentation is submitted. Certifications must not be older than two years.
- (c) Commencement of Substantial Construction. The Development Owner must submit evidence of having commenced and continued substantial construction activities as defined in §60 of

<u>this title</u>. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with the possibility of an extension as described in §49<u>50</u>.20 of this title.

#### §4950.15.LURA, Cost Certification.

- (a) Land Use Restriction Agreement (LURA). The Development Owner must request a LURA from the Department no later than the date specified in §60 of this title, the Department's Compliance Monitoring Policies and ProceduresRules. The Development Owner must date, sign and acknowledge before a notary public the LURA and send the original to the Department for execution. The initial compliance and monitoring fee must be accompanied by a statement, signed by the Owner, indicating the start of the Development's Credit Period and the earliest placed in service date for the Development buildings. After receipt of the signed LURA from the Department, the Development Owner shall then record the LURA, along with any and all exhibits attached thereto, in the real property records of the county where the Development is located and return the original document, duly certified as to recordation by the appropriate county official, to the Department no later than the date that the Cost Certification Documentation is submitted to the Department. If any liens (other than mechanics' or materialmen's liens) shall have been recorded against the Development and/or the Property prior to the recording of the LURA, the Development Owner shall obtain the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA, which are required by \$42(h)(6)(E)(ii) of the Code to remain in effect following the foreclosure of any such lien. Receipt of such certified recorded original LURA by the Department is required prior to issuance of IRS Form 8609. A representative of the Department, or assigns, shall physically inspect the Development for compliance with the Application and the representations, warranties, covenants, agreements and undertakings contained therein. Such inspection will be conducted before the IRS Form 8609 is issued for a building, but it shall be conducted in no event later than the end of the second calendar year following the year the last building in the Development is placed in service. The Development Owner for Tax-Exempt Bond Developments shall obtain a subordination agreement wherein the lien of the mortgage is subordinated to the LURA. The LURA shall not contain any provision which requires the Development Owner to restrict rents and incomes at any AMGI level, other than the AMGI levels reflected in the final Application (at the time of Board approval) or amendments to the Application made pursuant to \$49.17(d) of this title, regardless of the underwriting methodology utilized in determining feasibility. as approved by the Board. The restricted gross rents for any AMGI level outlined in the LURA will be calculated in accordance with \$42(g)(2)(A), Internal Revenue Code.
- (b) **Cost Certification.** The Cost Certification Procedures Manual sets forth the documentation required for the Department to perform a feasibility analysis in accordance with \$42(m)(2)(C)(i)(II), Internal Revenue Code, and determine the final Credit to be allocated to the Development.
  - (1) To request IRS Forms 8609, Developments must have:
- (A) Placed in Service by December 31 of the year the Commitment Notice was issued if a Carryover Allocation was not requested and received; or December 31 of the second year following the year the Carryover Allocation Agreement was executed;
- (B) Scheduled a final construction inspection in accordance with §60 of this title, the Department's Compliance Monitoring Policies and Procedures;
- (C) Informed the Department of and received written approval for all Development amendments in accordance with 4950.17(c) of this title;
- (D) Submitted to the Department the LURA in accordance with <u>subsection</u> §49<u>50</u>.15(a) of this <u>titlesection</u>;
  - (E) Paid all applicable Department fees; and
- (F) Prepared all Cost Certification documentation <u>as more fully described</u> in the <u>format prescribed by the Cost Certification Procedures Manual including:</u>
  - (i) Carryover Allocation Agreement/Determination Notice and Election

**Statement**;

(ii) Owner's Statement of Certification;

(iii) Owner Summary;

(iv) Evidence of Nonprofit and CHDO Participation;

(v) Evidence of Historically Underutilized Business (HUB) Participation;

(vi) Development Summary;

(vii) As-Built Survey;

(viii) Closing Statement;

(ix) Title Policy;

(x) Evidence of Placement in Service;

(xi) Independent Auditor's Reports;

(xii) Total Development Cost Schedule;

(xiii) AIA Form G702 and G703, Application and Certificate for Payment;

(xiv) Rent Schedule;

(xv) Utility Allowance;

(xvi) Annual Estimated Operating Expenses and 15-Year Proforma;

(xvii) Current Annual Operating Statement and Rent Roll;

(xviii) Final Sources of Funds;

(xix) Executed Limited Partnership Agreement;

(xx) Loan Agreement or Firm Commitment;

(xxi) Architect's Certification of Fair Housing Requirements; and

(xxii) TDHCA Compliance Workshop Certificate.

- (2) Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins. Any Developments issued a Commitment Notice or Determination Notice that fails to submit its Cost Certification documentation by this deadline will be reported to the IRS and the Owner will be required to submit a request for extension consistent with \$4950.20(l) of this title.
- (3) The Department will perform an initial evaluation of the Cost Certification documentation within 45 days from the date of receipt and notify the Owner in a deficiency letter of all additional required documentation. Any deficiency letters issued to the Owner pertaining to the Cost Certification documentation will also be copied to the syndicator. The Department will issue IRS Forms 8609 no later than 90 days from the date that all required documents have been received.
- (4) The Department will perform an evaluation to determine if the Applicant, the Development Owner, the General Contractor, or any Affiliate of the General Contractor that is active in the ownership or Control of the Development to determine if any entity is in Material Noncompliance with the LURA (or any other document containing an Extended Low-income Housing Commitment) or the program rules in effect for suchthe subject property, as described in Schapter 60 of the Department's Compliance Monitoring Policies and Procedures Rules prior to issuance of IRS Forms 8609.

#### §49<u>50</u>.16. Housing Credit Allocations.

- (a) In making a commitment of a Housing Credit Allocation under this chapter, the Department shall rely upon information contained in the Application to determine whether a building is eligible for the credit under the Code, §42. The Development Owner shall bear full responsibility for claiming the credit and assuring that the Development complies with the requirements of the Code, §42. The Department shall have no responsibility for ensuring that a Development Owner who receives a Housing Credit Allocation from the Department will qualify for the housing tax credit.
- (b) The Housing Credit Allocation Amount shall not exceed the dollar amount the Department determines is necessary for the financial feasibility and the long term viability of the Development throughout the affordability period. (§2306.6711(b)) Such determination shall be made by the Department at the time of issuance of the Commitment Notice or Determination Notice; at the time the Department makes a Housing Credit Allocation; and as of the date each building in a Development is placed in service. Any Housing Credit Allocation Amount specified in a Commitment Notice, Determination Notice or Carryover Allocation Document is subject to change by the Department based upon such determination. Such a determination shall be made by the Department based on its evaluation and procedures, considering the items specified in the Code, §42(m)(2)(B), and the

department in no way or manner represents or warrants to any Applicant, sponsor, investor, lender or other entity that the Development is, in fact, feasible or viable.

- (c) The General Contractor hired by the Development Owner must meet specific criteria as defined by the General Appropriation Act, Article VII, Rider 8(c). A General Contractor hired by a Development Owner or a Development Owner, if the Development Owner serves as General Contractor must demonstrate a history of constructing similar types of housing without the use of federal tax credits. Evidence must be submitted to the Department, in accordance with \$4950.9(h)(4)(HI) of this title, which sufficiently documents that the General Contractor has constructed some housing without the use of Housing Tax Credits. This documentation will be required as a condition of the ecommitment and the construction and at cost certification and final allocation of credits.
- (d) An allocation will be made in the name of the Development Owner identified in the related Commitment Notice or Determination Notice. If an allocation is made to a member or Affiliate of the ownership entity proposed at the time of Application, the Department will transfer the allocation to the ownership entity as consistent with the intention of the Board when the Development was selected for an award of tax credits. Any other transfer of an allocation will be subject to review and approval by the Department consistent with \$4950.17(c) of this title. The approval of any such transfer does not constitute a representation to the effect that such transfer is permissible under \$42 of the Code or without adverse consequences thereunder, and the Department may condition its approval upon receipt and approval of complete current documentation regarding the owner including documentation to show consistency with all the criteria for scoring, evaluation and underwriting, among others, which were applicable to the original Applicant.
- (e) The Department shall make a Housing Credit Allocation, either in the form of IRS Form 8609, with respect to current year allocations for buildings placed in service, or in the Carryover Allocation Document, for buildings not yet placed in service, to any Development Owner who holds a Commitment Notice which has not expired, and for which all fees as specified in \$4950.20 of this title have been received by the Department and with respect to which all applicable requirements, terms and conditions have been met. For Tax-Exempt Bond Developments, the Housing Credit Allocation shall be made in the form of a Determination Notice. For an IRS Form 8609 to be issued with respect to a building in a Development with a Housing Credit Allocation, satisfactory evidence must be received by the Department that such building is completed and has been placed in service in accordance with the provisions of the Department's Cost Certification Procedures Manual. The Cost Certification documentation requirements will include a certification and inspection report prepared by a Third-Party accredited accessibility inspector specialist to certify that the Development meets all required accessibility standards. IRS Form 8609 will not be issued until the certifications are received by the Department. The Department shall mail or deliver IRS Form 8609 (or any successor form adopted by the Internal Revenue Service) to the Development Owner, with Part I thereof completed in all respects and signed by an authorized official of the Department. The delivery of the IRS Form 8609 will occur only after the Development Owner has complied with all procedures and requirements listed within the Cost Certification Procedures Manual. Regardless of the year of Application to the Department for Housing Tax Credits, the current year's Cost Certification Procedures Manual must be utilized when filing all cost certification materials. A separate Housing Credit Allocation shall be made with respect to each building within a Development which is eligible for a housing tax credit; provided, however, that where an allocation is made pursuant to a Carryover Allocation Document on a Development basis in accordance with the Code, \$42(h)(1)(F), a housing credit dollar amount shall not be assigned to particular buildings in the Development until the issuance of IRS Form 8609s with respect to such buildings. The Department may delay the issuance of IRS Form 8609 if any Development violates the representations of the Application.
- (f) In making a Housing Credit Allocation, the Department shall specify a maximum Applicable Percentage, not to exceed the Applicable Percentage for the building permitted by the Code, \$42(b), and a maximum Qualified Basis amount. In specifying the maximum Applicable Percentage and the

maximum Qualified Basis amount, the Department shall disregard the first-year conventions described in the Code, \$42(f)(2)(A) and \$42(f)(3)(B). The Housing Credit Allocation made by the Department shall not exceed the amount necessary to support the extended low-income housing commitment as required by the Code, \$42(h)(6)(C)(i).

- (g) Development inspections shall be required to show that the Development is built or rehabilitated according to construction threshold criteria and Development characteristics identified at application. At a minimum, all Development inspections must meet Uniform Physical Condition Standards (UPCS) as referenced in Treasury Regulation §1.42-5 (d)(2)(ii) and include an inspection for quality during the construction process while defects can reasonably be corrected and a final inspection at the time the Development is placed in service. All such Development inspections shall be performed by the Department or by an independent Third Party inspector acceptable to the Department. The Development Owner shall pay all fees and costs of said inspections as described in \$4950.20 of this title. Details regarding the construction inspection process are set forth in the Department Rule \$60 of this title, the Department's Compliance Monitoring Policies and Procedures (\$2306.081; General Appropriation Act, Article VII, Rider 8(b)).
- (h) After the entire Development is placed in service, which must occur prior to the deadline specified in the Carryover Allocation Document and as further outlined in \$4950.15 of this title, the Development Owner shall be responsible for furnishing the Department with documentation which satisfies the requirements set forth in the Cost Certification Procedures Manual. For purposes of this title, and consistent with IRS Notice 88-116, the placed in service date for a new or existing building used as residential rental property is the date on which the building is ready and available for its specifically assigned function and more specifically when the first Unit in the building is certified as being suitable for occupancy in accordance with state and local law and as certified by the appropriate local authority or registered architect as ready for occupancy. The Cost Certification must be submitted for the entire Development; therefore partial Cost Certifications are not allowed. The Department may require copies of invoices and receipts and statements for materials and labor utilized for the New Construction or Rehabilitation and, if applicable, a closing statement for the acquisition of the Development as well as for the closing of all interim and permanent financing for the Development. If the Development Owner does not fulfill all representations and commitments made in the Application, the Department may make reasonable reductions to the tax credit amount allocated via the IRS Form 8609, may withhold issuance of the IRS Form 8609s until these representations and commitments are met, and/or may terminate the allocation, if appropriate corrective action is not taken by the Development Owner.
- (i) The Board at its sole discretion may allocate credits to a Development Owner in addition to those awarded at the time of the initial Carryover Allocation in instances where there is bona fide substantiation of cost overruns and the Department has made a determination that the allocation is needed to maintain the Development's financial viability.
- (j) 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.
- (k) If an Applicant returns a full credit allocation after the Carryover Allocation deadline required for that allocation, the Department will impose a penalty on the score for any Competitive Housing Tax Credit Applications submitted by that Applicant or any Affiliate of that Applicant for any Application in an Application Round occurring concurrent to the return of credits or if no Application Round is pending the Round immediately following the return of credits. The penalty will be assessed in an amount that reduces the Applicant's final awarded score by an additional 20%.
- §49<u>50</u>.17.Board Reevaluation, Appeals Process; Provision of Information or Challenges Regarding Applications; Amendments; Housing Tax Credit and Ownership Transfers; Sale of Tax Credit Properties; Withdrawals; Cancellations; Alternative Dispute Resolution.

- (a) **Board Reevaluation.** (\$2306.6731(b)) Regardless of development stage, the Board shall reevaluate a Development that undergoes a substantial change between the time of initial Board approval of the Development and the time of issuance of a Commitment Notice or Determination Notice for the Development. For the purposes of this subsection, substantial change shall be those items identified in subsection (d)(4) of this section. The Board may revoke any Commitment Notice or Determination Notice issued for a Development that has been unfavorably reevaluated by the Board.
- (b) **Appeals Process.** (§2306.6715) An Applicant may appeal decisions made by the Department as follows.
- (1) The decisions that may be appealed are identified in subparagraphs (A) (D) of this paragraph.
  - (A) A determination regarding the Application's satisfaction of:
    - (i) Eligibility Requirements;
    - (ii) Disqualification or debarment criteria;
    - (iii) Pre-Application or Application Threshold Criteria;
    - (iv) Underwriting Criteria;
  - (B) The scoring of the Application under the Application Selection Criteria; and
- (C) A recommendation as to the amount of hHousing t ax t ax t and t be allocated to the Application.
  - (D) Any Department decision that results in termination of an Application.
- (2) An Applicant may not appeal a decision made regarding an Application filed by another Applicant.
- (3) An Applicant must file its appeal in writing with the Department not later than the seventh day after the date the Department publishes the results of any stage of the Application evaluation process identified in §4950.9 of this title. In the appeal, the Applicant must specifically identify the Applicant's grounds for appeal, based on the original Application and additional documentation filed with the original Application. If the appeal relates to the amount of hhousing trax ecredits recommended to be allocated, the Department will provide the Applicant with the underwriting report upon request.
- (4) The Executive Director of the Department shall respond in writing to the appeal not later than the 14th day after the date of receipt of the appeal. If the Applicant is not satisfied with the Executive Director's response to the appeal, the Applicant may appeal directly in writing to the Board, provided that an appeal filed with the Board under this subsection must be received by the Board before:
- (A) The seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made; or
- (B) The third day preceding the date of the Board meeting described by subparagraph (A) of this paragraph, if the Executive Director does not respond to the appeal before the date described by subparagraph (A) of this paragraph.
- (5) Board review of an appeal under paragraph (4) of this subsection is based on the original Application and additional documentation filed with the original Application. The Board may not review any information not contained in or filed with the original Application. The decision of the Board regarding the appeal is final.
- (6) The Department will post to its web site an appeal filed with the Department or Board and any other document relating to the processing of the appeal. (§2306.6717(a)(5))
- (c) Provision of Information or Challenges Regarding Applications from Unrelated Entities to the Application. The Department will address information or challenges received from unrelated entities to a specific 20072008 active Application, utilizing a preponderance of the evidence standard, in the following manneras stated in paragraph (1)-(3) of this subsection, provided the information or challenge includes a contact name, telephone number, fax number and e-mail address of the person providing the information or challenge and must be received by the Department no later than June 15, 2008:

- (1) Within 14 business days of the receipt of the information or challenge, the Department will post all information and challenges received (including any identifying information) to the Department's website.
- (2) Within seven business days of the receipt of the information or challenge, the Department will notify the Applicant related to the information or challenge. The Applicant will then have seven business days to respond to all information and challenges provided to the Department.
- (3) Within 14 business days of the receipt of the response from the Applicant, the Department will evaluate all information submitted and other relevant documentation related to the investigation. This information may include information requested by the Department relating to this evaluation. The Department will post its determination summary to its website. Any determinations made by the Department cannot be appealed by any party unrelated to the Applicant.
- (d) Amendment of Application Subsequent to Allocation by Board. (§2306.6712 and §2306.6717(a)(4))
- (1) If a proposed modification would materially alter a Development approved for an allocation of a hHousing tTax eCredit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application.
- (2) The Executive Director of the Department shall require the Department staff assigned to underwrite Applications to evaluate the amendment and provide an analysis and written recommendation to the Board. The appropriate party monitoring compliance during construction in accordance with \$4950.18 of this title shall also provide to the Board an analysis and written recommendation regarding the amendment. For amendments which require Board approval, the amendment request must be received by the Department at least 30 days prior to the Board meeting where the amendment will be considered.
- (3) The Board must vote on whether to approve an amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of heliousing trace redits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment:
  - (A) would materially alter the Development in a negative manner; or
  - (B) would have adversely affected the selection of the Application in the Application

Round.

- (4) Material alteration of a Development includes, but is not limited to:
  - (A) a significant modification of the site plan;
  - (B) a modification of the number of units or bedroom mix of units;
  - (C) a substantive modification of the scope of tenant services;
- (D) a reduction of three percent3% or more in the square footage of the units or common areas;
  - (E) a significant modification of the architectural design of the Development;
  - (F) a modification of the residential density of the Development of at least  ${\color{black} {\text{five}}}$

percent5%;

- (G) an increase or decrease in the site acreage of greater than 10% from the original site under control and proposed in the Application; and
  - (H) any other modification considered significant by the Board.
- (5) In evaluating the amendment under this subsection, the Department staff shall consider whether the need for the modification proposed in the amendment was:
- (A) Reasonably foreseeable by the Applicant at the time the Application was submitted; or
  - (B) Preventable by the Applicant.
  - (6) This section shall be administered in a manner that is consistent with the Code, §42.
- (7) Before the 15th day preceding the date of Board action on the amendment, notice of an amendment and the recommendation of the Executive Director and monitor regarding the amendment will be posted to the Department's web site.
- (8) In the event that an Applicant or Developer seeks to be released from the commitment to serve the income level of tenants targeted in the <u>original ApplicationReal Estate Analysis Report at</u>

the time of the Commitment Notice issuance, as approved by the Board, the following procedure will apply. For amendments that involve a reduction in the total number of low-income Units being served, or a reduction in the number of low-income Units at any level of AMGI, as approved by the Board represented at the time of Application, evidence must be presented to the Department that includes written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in Units. The Board may or may not approve the amendment request, however, any affirmative recommendation to the Board is contingent upon concurrence from the Real Estate Analysis Division that the Unit adjustment (or an alternative Unit adjustment) is necessary for the continued feasibility of the Development. Additionally, if it is determined by the Department that the allocation of credits would not have been made in the year of allocation because the loss of low-income targeting points would have resulted in the Application not receiving an allocation, and the amendment is approved by the Board, the approved amendment will carry a penalty that prohibits the Applicant and all persons or entities with any ownership interest in the Application (excluding any tax credit purchaser/syndicator), from participation in the Housing Tax Credit Program (for both the Competitive Housing Tax Credit Developments and Tax-Exempt Bond Developments) for 24 months from the time that the amendment is approved.

- (e) Housing Tax Credit and Ownership Transfers. (§2306.6713) A Development Owner may not transfer an allocation of helpousing tax careful to any Person other than an Affiliate of the Development Owner unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer.
- (1) Transfers will not be approved prior to the issuance of IRS Forms 8609 unless the Development Owner can provide evidence that a hardship is creating the need for the transfer (potential bankruptcy, removal by a partner, etc.). A Development Owner seeking Executive Director approval of a transfer and the proposed transferee must provide to the Department a copy of any applicable agreement between the parties to the transfer, including any third-party agreement with the Department.
- (2) A Development Owner seeking Executive Director approval of a transfer must provide the Department with documentation requested by the Department, including but not limited to, a list of the names of transferees and Related Parties; and detailed information describing the experience and financial capacity of transferees and related parties. All transfer requests must disclose the reason for the request. The Development Owner shall certify to the Executive Director that the tenants in the Development have been notified in writing of the transfer before the 30th day preceding the date of submission of the transfer request to the Department. Not later than the fifth working day after the date the Department receives all necessary information under this section, the Department shall conduct a qualifications review of a transferee to determine the transferee's past compliance with all aspects of the Housing Tax Credit Program, LURAs; and the sufficiency of the transferee's experience with Developments supported with Housing Credit Allocations. If the viable operation of the Development is deemed to be in jeopardy by the Department, the Department may authorize changes that were not contemplated in the Application.
- (3) As it relates to the Credit Cap further described in  $$49\underline{50}.6$ (d) of this title, the credit cap will not be applied in the following circumstances:
- (A) In cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or
- (B) In cases where the <u>gGeneral pPartner</u> is being replaced if the award of credits was made at least five years prior to the transfer request date.
- (f) Sale of Certain Tax Credit Properties. Consistent with \$2306.6726, Texas Government Code, not later than two years before the expiration of the Compliance Period, a Development Owner who agreed to provide a right of first refusal under \$2306.6725(b)(1), Texas Government Code and who intends to sell the property shall notify the Department of its intent to sell.
- (1) The Development Owner shall notify Qualified Nonprofit Organizations and tenant organizations of the opportunity to purchase the Development. The Development Owner may:

- (A) During the first six-month period after notifying the Department, negotiate or enter into a purchase agreement only with a Qualified Nonprofit Organization that is also a community housing development organization as defined by the Federal Home Investment Partnership Program (HOME);
- (B) During the second six-month period after notifying the Department, negotiate or enter into a purchase agreement with any Qualified Nonprofit Organization or tenant organization; and
- (C) During the year before the expiration of the compliance period, negotiate or enter into a purchase agreement with the Department or any Qualified Nonprofit Organization or tenant organization approved by the Department.
- (2) Notwithstanding items for which points were received consistent with §4950.9(i) of this title, a Development Owner may sell the Development to any purchaser after the expiration of the compliance period if a Qualified Nonprofit Organization or tenant organization does not offer to purchase the Development at the minimum price provided by §42(i)(7), Internal Revenue Code of 1986 (26 U.S.C. §42(i)(7)), and the Department declines to purchase the Development.
- (g) Withdrawals. An Applicant may withdraw an Application prior to receiving a Commitment Notice, Determination Notice, Carryover Allocation Document or Housing Credit Allocation, or may cancel a Commitment Notice or Determination Notice by submitting to the Department a notice, as applicable, of withdrawal or cancellation, and making any required statements as to the return of any tax credits allocated to the Development at issue.
- (h) Cancellations. The Department may cancel a Commitment Notice, Determination Notice or Carryover Allocation prior to the issuance of IRS Form 8609 with respect to a Development if:
- (1) The Applicant or the Development Owner, or the Development, as applicable, fails to meet any of the conditions of such Commitment Notice or Carryover Allocation or any of the undertakings and commitments made by the Development Owner in the Applications process for the Development;
- (2) Any statement or representation made by the Development Owner or made with respect to the Development Owner or the Development is untrue or misleading;
- (3) An event occurs with respect to the Applicant or the Development Owner which would have made the Development's Application ineligible for funding pursuant to \$49<u>50</u>.5 of this title if such event had occurred prior to issuance of the Commitment Notice or Carryover Allocation; or
- (4) The Applicant or the Development Owner or the Development, as applicable, fails to comply with these Rules or the procedures or requirements of the Department.
- (i) Alternative Dispute Resolution Policy. In accordance with \$2306.082, Texas Government Code, 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 §1.17 of this title.

#### §4950.18. Compliance Monitoring and Material Noncompliance.

The Code, \$42(m)(1)(B)(iii), requires the Department as the housing credit agency to include in its QAP a procedure that the Department will follow in monitoring Developments for compliance with the provisions of the Code, \$42 and in notifying the IRS of any noncompliance of which the Department

becomes aware. Detailed compliance rules and procedures for monitoring are set forth in Department Rule SChapter 60 of this title.

#### §4950.19.Department Records; Application Log; IRS Filings.

- (a) **Department Records.** At all times during each calendar year the Department shall maintain a record of the following:
- (1) The cumulative amount of the State Housing Credit Ceiling that has been committed pursuant to Commitment Notices during such calendar year;
- (2) The cumulative amount of the State Housing Credit Ceiling that has been committed pursuant to Carryover Allocation Documents during such calendar year;
- (3) The cumulative amount of Housing Credit Allocations made during such calendar year; and
- (4) The remaining unused portion of the State Housing Credit Ceiling for such calendar year.
- (b) **Application Log.** (\$2306.6702(a)(3) and \$2306.6709) The Department shall maintain for each Application an Application Log that tracks the Application from the date of its submission. The Application Log will contain, at a minimum, the information identified in paragraphs (1) (9) of this subsection.
- (1) The names of the Applicant and all General Partners of the Development Owner, the owner contact name and phone number, and full contact information for all members of the Development Team;
- (2) The name, physical location, and address of the Development, including the relevant Uniform State Service Region of the state;
- (3) The number of Units and the amount of  $h\underline{H}$ ousing  $\underline{t}\underline{T}$ ax  $\underline{c}\underline{C}$ redits requested for allocation by the Department to the Applicant;
  - (4) Any Set-Aside category under which the Application is filed;
- (5) The requested and awarded score of the Application in each scoring category adopted by the Department under the Qualified Allocation Plan;
- (6) Any decision made by the Department or Board regarding the Application, including the Department's decision regarding whether to underwrite the Application and the Board's decision regarding whether to allocate housing tax cCredits to the Development;
- (7) The names of individuals making the decisions described by paragraph (6) of this subsection, including the names of Department staff scoring and underwriting the Application, to be recorded next to the description of the applicable decision;
  - (8) The amount of hence to the Development; and
- (9) A dated record and summary of any contact between the Department staff, the Board, and the Applicant or any Related Parties.
- (c) IRS Filings. The Department shall mail to the Internal Revenue Service, not later than the 28th day of the second calendar month after the close of each calendar year during which the Department makes Housing Credit Allocations, a copy of each completed (as to Part I) IRS Form 8609, the original of which was mailed or delivered by the Department to a Development Owner during such calendar year, along with a single completed IRS Form 8610, Annual Low-income Housing Credit Agencies Report. When a Carryover Allocation is made by the Department, a copy of the Carryover Allocation Agreement will be mailed or faxed to the Development Owner by the Department. The original of the Carryover Allocation Document will be retained by the Department and IRS Form 8610 Schedule A will be filed by the Department with IRS Form 8610 for the year in which the allocation is made. The Department shall be authorized to vary from the requirements of this section to the extent required to adapt to changes in IRS requirements.
- §49<u>50</u>.20.Program Fees; Refunds; Public Information Requests; Adjustments of Fees and Notification of Fees; Extensions; Penalties.

- (a) **Timely Payment of Fees.** All fees must be paid as stated in this section, unless the Executive Director has granted a waiver for specific extenuating and extraordinary circumstances. To be eligible for a waiver, the Applicant must submit a request for a waiver no later than 10 business days prior to the deadlines as stated in this section. Any fees, as further described in this section, that are not timely paid will cause an Applicant to be ineligible to apply for tax credits and additional tax credits and ineligible to submit extension requests, ownership changes and Application amendments. Payments made by check, for which insufficient funds are available, may cause the Application, commitment or allocation to be terminated.
- (b) **Pre-Application Fee.** Each Applicant that submits a Pre-Application shall submit to the Department, along with such Pre-Application, a non refundable Pre-Application fee, in the amount of \$10 per Unit. Units for the calculation of the Pre-Application Fee include all Units within the Development, including tax credit, market rate and owner-occupied Units. Pre-Applications without the specified Pre-Application Fee in the form of a check will not be accepted. Pre-Applications in which a CHDO or Qualified Nonprofit Organization intends to serve as the managing General Partner of the Development Owner, or Control the managing General Partner of the Development Owner, will receive a discount of 10% off the calculated Pre-Application fee. (General Appropriation Act, Article VII, Rider 7; \$2306.6716(d))\_For Tax Exempt Bond Developments with the Department as the issuer, the Applicant shall submit the following fees: \$1,000 (payable to TDHCA), \$1,500 (payable to Vincent Vinson & Elkins, Bond Counsel), and \$5,000 (payable to the Texas Bond Review Board).
- (c) Application Fee. Each Applicant that submits an Application shall submit to the Department, along with such Application, an Application fee. For Applicants having submitted a Pre-Application which met Pre-Application Threshold and for which a Pre-Application fee was paid, the Application fee will be \$20 per Unit. For Applicants not having submitted a Pre-Application, the Application fee will be \$30 per Unit. Units for the calculation of the Application Fee include all Units within the Development, including tax credit, market rate and owner-occupied Units. Applications without the specified Application Fee in the form of a check will not be accepted. Applications in which a CHDO or Qualified Nonprofit Organization intends to serve as he managing General Partner of the Development Owner, or Control the managing General Partner of the Development Owner, will receive a discount of 10% off the calculated Application fee. (General Appropriation Act, Article VII, Rider 7; \$2306.6716(d)) For Tax Exempt Bond dDevelopments with the Department as the Issuer the Applicant shall submit a tax credit application fee of \$30 per unit and bond application fee of \$10,000. Those applications utilizing a local issuer only need to submit the tax credit application fee.
- (d) Refunds of Pre-Application or Application Fees. (§2306.6716(c)) Upon written request from the Applicant, the Department shall refund the balance of any fees collected for a Pre-Application or Application that is withdrawn by the Applicant or that is not fully processed by the Department. The amount of refund on Pre-Applications not fully processed by the Department will be commensurate with the level of review completed. Intake and data entry will constitute 50% of the review, and Threshold review prior to a deficiency issued will constitute 30% of the review. Deficiencies submitted and reviewed constitute 20% of the review. The amount of refund on Applications not fully processed by the Department will be commensurate with the level of review completed. Intake and data entry will constitute 20% of the review, the site visit will constitute 20% of the review, Eligibility and Selection review will constitute 20%, and Threshold review will constitute 20% of the review, and underwriting review will constitute 20%. The Department must provide the refund to the Applicant not later than the 30th day after the date of request.
- (e) Third Party Underwriting Fee. Applicants will be notified in writing prior to the evaluation of a Development by an independent external underwriter in accordance with \$\$4950.9(d)(6), (e)(3), and (f)(46) of this title if such a review is required. The fee must be received by the Department prior to the engagement of the underwriter. The fees paid by the Development Owner to the Department for the external underwriting will be credited against the commitment fee established in subsection (f) of this section, in the event that a Commitment Notice or Determination Notice is issued by the Department to the Development Owner.

- (f) Commitment or Determination Notice Fee. Each Development Owner that receives a Commitment Notice or Determination Notice shall submit to the Department, not later than the expiration date on the Commitment or Determination notice, a non-refundable commitment fee equal to 5% of the annual Housing Credit Allocation amount. The commitment fee shall be paid by check. If a Development Owner of an Application awarded Competitive Housing Tax Credits has paid a Commitment Fee and returns the credits by November 1, 20072008, the Development Owner will receive a refund of 50% of the Commitment Fee.
- (g) **Compliance Monitoring Fee.** Upon receipt of the cost certification, the Department will invoice the Development Owner for compliance monitoring fees. The amount due will equal \$40 per tax credit unit. The fee will be collected, retroactively if applicable, beginning with the first year of the credit period. The invoice must be paid prior to the issuance of form 8609. Subsequent anniversary dates on which the compliance monitoring fee payments are due shall be determined by the-<u>month the first building is placed in service-beginning month of the compliance period.</u>
- (h) **Building Inspection Fee.** The Building Inspection Fee must be paid at the time the Commitment Fee is paid. The Building Inspection Fee for all Developments is \$750. Inspection fees in excess of \$750 may be charged to the Development Owner not to exceed an additional \$250 per Development.
- (i) Tax-Exempt Bond Credit Increase Request Fee. As further described in §4950.12 of this title, requests for increases to the credit amounts to be issued on IRS Forms 8609 for Tax-Exempt Bond Developments must be submitted with a request fee equal to five percent of the amount of the credit increase for one year.
- (j) **Public Information Requests.** Public information requests are processed by the Department in accordance with the provisions of the Government Code, Chapter 552. The Department uses the guidelines promulgated by The Texas <u>Building and Procurement Facilities</u> Commission to determine the cost of copying, and other costs of production.
- (k) Periodic Adjustment of Fees by the Department and Notification of Fees. (\$2306.6716(b)) All fees charged by the Department in the administration of the tax credit program will be revised by the Department from time to time as necessary to ensure that such fees compensate the Department for its administrative costs and expenses. The Department shall publish each year an updated schedule of Application fees that specifies the amount to be charged at each stage of the Application process. Unless otherwise determined by the Department, all revised fees shall apply to all Applications in process and all Developments in operation at the time of such revisions.
- (I) Extension and Amendment Requests. All extension requests relating to the Commitment Notice, Carryover, Documentation for 10% Test, Substantial Construction Commencement, Placed in Service or Cost Certification requirements and amendment requests shall be submitted to the Department in writing and be accompanied by a mandatory non-refundable extension fee in the form of a check in the amount of \$2,500. Such requests must be submitted to the Department no later than the date for which an extension is being requested. All requests for extensions totaling less than 6 months may be approved by the Executive Director and are not required to have Board approval. For extensions that require Board approval, the extension request must be received by the Department at least 15 business days prior to the Board meeting where the extension will be considered. The extension request shall specify a requested extension date and the reason why such an extension is required. Carryover extension requests shall not request an extended deadline later than December 1st of the year the Commitment Notice was issued. The Department, in its sole discretion, may consider and grant such extension requests for all items. If an extension is required at Cost Certification, the fee of \$2,500 must be received by the Department to qualify for issuance of Forms 8609. Amendment requests must be submitted consistent with \$4950.17(d) of this title. The Board may waive related fees for good cause.

(m) Penalties. Development Owners who have more tax credits allocated to them than they can substantiate through Cost Certification will return those excess tax credits prior to issuance of 8609's. For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credits are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period. This penalty fee may be waived without further Board action if the Department recaptures and re-issues the returned tax credits in accordance with \$42, Internal Revenue Code.

### §4950.21. Manner and Place of Filing All Required Documentation.

- (a) All Applications, letters, documents, or other papers filed with the Department must be received only between the hours of 8:00 a.m. and 5:00 p.m. on any day which is not a Saturday, Sunday or a holiday established by law for state employees.
- (b) All notices, information, correspondence and other communications under this title shall be deemed to be duly given if delivered or sent and effective in accordance with this subsection. Such correspondence must reference that the subject matter is pursuant to the Tax Credit Program and must be addressed to the Housing Tax Credit Program, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, TX 78711-3941 or for hand delivery or courier to 221 East 11th Street, Austin, Texas 78701 or more current address of the Department as released on the Department's website. Every such correspondence required or contemplated by this title to be given, delivered or sent by any party may be delivered in person or may be sent by courier, telecopy, express mail, telex, telegraph or postage prepaid certified or registered air mail (or its equivalent under the laws of the country where mailed), addressed to the party for whom it is intended, at the address specified in this subsection. Regardless of method of delivery, documents must be received by the Department no later than 5:00 p.m. for the given deadline date. Notice by courier, express mail, certified mail, or registered mail will be considered received on the date it is officially recorded as delivered by return receipt or equivalent. Notice by telex or telegraph will be deemed given at the time it is recorded by the carrier in the ordinary course of business as having been delivered, but in any event not later than one business day after dispatch. Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the Department.
- (c) If required by the Department, Development Owners must comply with all requirements to use the Department's web site to provide necessary data to the Department.

#### §4950.22. Waiver and Amendment of Rules.

- (a) The Board, in its discretion, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as determined by the Board.
- (b) Section 1.13 of this title may be waived for any person seeking any action by filing a request with the Board.
- (c) The Department may amend this chapter and the Rules contained herein at any time in accordance with the Government Code, Chapter 2001.

#### §4950.23. Deadlines for Allocation of Housing Tax Credits. (§2306.6724)

- (a) Not later than September 30 of each year, the Department shall prepare and submit to the Board for adoption the draft QAP required by federal law for use by the Department in setting criteria and priorities for the allocation of tax credits under the Housing Tax Credit program.
- (b) The Board shall adopt and submit to the Governor the QAP not later than November 15 of each year.

- (c) The Governor shall approve, reject, or modify and approve the QAP not later than December 1 of each year. (\$2306.67022)(\$42(m)(1))
- (d) The Board shall annually adopt a manual, corresponding to the QAP, to provide information on how to apply for helpousing text to
- (e) Applications for Housing Tax Credits to be issued a Commitment Notice during the Application Round in a calendar year must be submitted to the Department not later than March 1.
- (f) The Board shall review the recommendations of Department staff regarding Applications and shall issue a list of approved Applications each year in accordance with the Qualified Allocation Plan not later than June 30.
- (g) The Board shall approve final commitments for allocations of heliousing tax ecredits each year in accordance with the Qualified Allocation Plan not later than July 31, unless unforeseen circumstances prohibit action by that date. In any event, the Board shall approve final commitments for allocations of heliousing tax ecredits each year in accordance with the Qualified Allocation Plan not later than September 30. Department staff will subsequently issue Commitment Notices based on the Board's approval. Final commitments may be conditioned on various factors approved by the Board, including resolution of contested matters in litigation.

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

**November 8, 2007** 

### **Action Item**

Presentation, Discussion and Possible Adoption of the Proposed Repeal of 10 Texas Administrative Code Chapter 33, 2006 Multifamily Housing Revenue Bond Rules and Proposed Adoption of 10 Texas Administrative Code Chapter 33, 2008 Final Multifamily Housing Revenue Bond Rules.

### **Required Action**

- 1. Adoption of Repeal of Title 10, Part 1, Chapter 33- 2006 Final Multifamily Housing Revenue Bond Rules
- 2. Adoption of New Title 10, Part 1, Chapter 33 2008 Final Multifamily Housing Revenue Bond Rules

#### **Background**

At the August 23, 2007, Board Meeting, the Board approved the Proposed New Title 10 Texas Administrative Code, Part 1, Chapter 33 - 2008 Draft Multifamily Housing Revenue Bond Rules and the proposed repeal of the Title 10 Texas Administrative Code, Part 1, Chapter 33 - 2006 Multifamily Housing Revenue Bond Rules for public comment. The proposals were published in the *Texas Register* on September 7, 2007, for the public to provide comments. In order to receive additional comments on all proposed rules, the Texas Department of Housing and Community Affairs staff held public hearings in the cities of El Paso, Lubbock, Brownsville, Houston, Dallas and Austin. Forty-nine (49) people attended these hearings.

Staff notes that there were some administrative changes made to this rule since this draft was approved by the Board at the August 23, 2007 Board Meeting. Specifically the changes were made to the amenities so that the language was consistent with the Draft 2008 Qualified Allocation Plan which the Board approved at this same Board meeting.

The Department has not received any public comment specific to the 2008 Multifamily Housing Revenue Bond Rules or the Repeal; however there was comment to the Draft 2008 Qualified Allocation Plan and Rules that impacts this rule as well. Comment responses are included in the QAP agenda item which precedes this presentation. Below is a summary of that comment.

# §33.3 (28) – Definitions – Rural Area (16,20,40) Page 4 of 18 Comment:

Comment suggested that this definition not be changed as proposed, but that the 2007 definition be used (16,20). Commerters asserted that the definition, as proposed, would cause a substantial percentage of existing USDA 515s not to be considered to be rural developments because of the 50,000 population maximum (16,20,40).

### **Staff Response:**

The definition of Rural Area reflects the definition established in statute (§2306.004) and is applied consistently to all Department programs. Staff recommends no change.

# §33.6(d)(14) – Pre-Application Threshold Requirements (45) Page 6 of 18 Comment:

Comment requested that the utility allowance documentation from the local housing authority approving the utility allowance be no more than 12 months old (45).

### **Staff Response:**

The utility allowances submitted with the application should be the most current. Staff will use the most current utility allowances that are available even if it is after the application has been submitted. Staff recommends the following change to the language in the Bond Rule:

<u>Current</u> utility allowance documented from the appropriate Local Housing Authority. <u>If updated utility allowances become available after the application is submitted then it is the responsibility of the Applicant to submit the documentation to the Department.</u>

# §33.6(d) Pre-Application Threshold Criteria – Threshold Amenities (45), Page 8 of 18 Comment:

Comment suggested that the amenities provided as a part of threshold criteria serve the needs of the disabled. Comment suggested that 10% of units serving family populations and 20% of units serving elderly populations be compliant with the Americans with Disabilities Act of 1990 (45).

# **Staff Response:**

Staff agrees that all Developments be compliant with ADA requirements. Staff recommends no change.

# §33.6(d)(17)(C) Pre-Application Threshold Criteria – Amenities, Dishwasher and Disposal (33,36,40,44,49), Page 8 of 18

#### **Comment:**

Comment stated that requiring new dishwashers is excessive and wasteful for rehabilitation development, particularly in rural areas (49). Additional comment asserted that disposals do not have energy star ratings and requested clarification on this requirement (33,36,40,44)

# **Staff Response:**

The Bond rule does not require new dishwashers, but rather requires Energy Star or equivalently rated dishwashers. Staff feels that energy efficient dishwashers are a desirable amenity to all tenants, even those in rehabilitation and rural developments.

Staff concurs with the attestation that garbage disposals do not have Energy Star or equivalent ratings. Staff recommends the following language:

(17)(C) <u>Disposal and Energy-Star or equivalently rated</u> <u>Dd</u>ishwasher <del>and Disposal (not required for TX-USDA-RHSTRDO-USDA or SRO Developments);</del>

# §33.6(d)(17)(D) Pre-Application Threshold Criteria – Amenities, Refrigerator (49), Page 8 of 18 Comment:

Comment stated that requiring new refrigerators is excessive and wasteful for rehabilitation development, particularly in rural areas.

### **Staff Response:**

The Bond rule does not require new refrigerators, but rather requires Energy Star or equivalently rated refrigerators. Staff feels that energy efficient refrigerators are a desirable amenity to all tenants, including those in rehabilitation and rural developments.

# §33.6(d)(17)(E) Pre-Application Threshold Criteria – Amenities, Oven (49) Page 8 of 18 Comment:

Comment stated that requiring new ovens is excessive and wasteful for rehabilitation development, particularly in rural areas.

# **Staff Response:**

The Bond rule does not require new ovens, but rather requires Energy Star or equivalently rated ovens. Staff feels that energy efficient ovens are a desirable amenity to all tenants, including those in rehabilitation and rural developments.

# §33.6(d)(17)(G) Pre-Application Threshold Criteria – Amenities, Ceiling Fans (19, 49) Page 8 of 18 Comment:

Comment stated that requiring new ceiling fans is excessive and wasteful for rehabilitation development, particularly in rural areas (49). Additional comment suggested that flexibility be allowed for rehabilitation and renovation developments with regard to the ceiling fan requirement (19).

# **Staff Response:**

The Bond rule does not require new ceiling fans, but rather requires Energy Star or equivalently rated ceiling fans. Staff feels that energy efficient ceiling fans are a desirable amenity to all tenants, including those in rehabilitation and rural developments. Staff recommends no change.

# §33.6(d)(17)(I) Pre-Application Threshold Criteria – Amenities, Emergency 911 Telephones (49), Page 8 of 18

### **Comment:**

The comment asserted that requiring 911 telephones could bar development in some rural areas because 911 access is often not available in rural areas (49).

#### **Staff Response:**

Staff understands the problem with 911 access; however, staff believes that a public phone is a necessary amenity. Staff recommends the following change:

(I)"Emergency 911 or public telephone accessible and available to tenants 24 hours a day."

### §33.6(e)(L) Pre-Application Scoring Criteria – Amenities, Ceiling Fans, Page 8 of 18

Staff deleted ceiling fans as a scoring item in this section since it is now a required threshold unit amenity.

# §33.6(e)(DD) Pre-Application Scoring Criteria – Amenities, Fitness Center (49) Page 9 of 18 Comment:

Comment suggested that the number of fitness machines required be dependent on the number of Units in a Development because a large number of machines is not justifiable for smaller developments

#### **Staff Response:**

Staff concurs and recommends the following language:

(DD)"Furnished fitness center equipped with at least five a minimum of two of the following fitness equipment options with at least one option per every 40 Units or partial increment of 40 Units: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, multifunctional weight bench, sauna, stair climber, etc.) The maximum number of equipment options required for any Development, regardless of number of Units, shall be five (2 points);"

# §33.6(e)(QQ) Pre-Application Scoring Criteria – Amenities, Green Building, (33,36,44,47)Page 9 of 18

#### **Comment:**

Comment requested clarification regarding which features may qualify for this item and suggested that a test of monetary equivalency be applied so that only those features with similar cost be allowed to receive the same amount of points (33,36,44). Additional comment suggested that evaporative coolers be included in this item. The commenter asserted that evaporative coolers are accepted by the EPA, IRS, and RESNET in the federal energy credit (47).

### **Staff Response:**

Staff concurs that a test of monetary equivalency is reasonable; however, the development of such a test would involve considerable research by staff. Within the time frame for approval of the final 2008 QAP, sufficient research could not be conducted, nor all issues vetted. Therefore, staff recommends this issue be addressed for the 2009 QAP, giving the applicant community and staff ample time to conduct the necessary research, and giving all parties an opportunity to comment prior to the adoption of the rule. Staff does concur with the addition of evaporative coolers to the list of green building items allowed for threshold points. Staff recommends the following change:

(QQ) Green Building (for example, passive solar heating/cooling, water conserving fixtures, collected water (at least 50%) for irrigation purposes, sub-metered electric meters, exceed energy star standards, photovoltaic panels for electricity and design and wiring for the use of such panels, construction waste management, provide recycle service, water permeable walkways, evaporative coolers, and parking areas, or other Department approved items) (3 points);

# §33.6(e)(11)(F) Pre-Application Scoring Criteria – Negative Site Features, Sexually Oriented Businesses (33,36,40,44), Page 11 of 18

#### **Comment:**

Comment requested clarification of what constitutes a sexually oriented business (33,36,40,44).

#### **Staff Response:**

Staff concurs and proposes the following language:

(F)"Developments where the buildings are located adjacent to or within 300 feet of a sexually oriented business will have 1 point deducted from their score. For the purpose of this clause, sexually oriented business shall be defined as stated in §243.002 of the Texas Government Code"

# §33.6(e)(11)(G) Pre-Application Scoring Criteria – Negative Site Features, Accident Zones or Flight Paths of Airports (4,13,32,33,36,39,40,42,44), Page 11 of 18

Comment suggested that "flight path" is too broad a term and that a development's location in an airport "clear zone" should trigger a point deduction under negative site features (33,36,40,44). Additional comment suggested that point deductions for location in a "flight path" be deleted from the QAP, and pointed out that flight path maps are not available to the public, (4,13,39,42) or as an alternative, that a definition for flight path be established (42). The commenter asserted that sites within flight paths but far from active airports are not at risk of accidents and excessive noise. Further comment asserts that the environmental assessment required by the Department includes a noise study that is a good indicator of the impact of noise, and is more appropriate than deducting points (4,39). Other comment suggested that the term "flight path" lacks specificity and that some FAA standard should be used. Comment suggested that a limitation on the location of a development in the flight patch closest to the airport, for example within a 1 mile radius, in urban areas. Comment also suggested that if there is existing residential development near the development proposed in a flight path, the development should be permitted (32).

### **Staff Response:**

The Department has conducted research regarding a definition for "flight path" and concurs with comment that a clear definition or list of such areas is not readily available from any agency that regulates air traffic or from local airports. Therefore, staff recommends the following revision:

(G)"Developments where the buildings are located within the accident zones or clear zones or cle

# §33.6(h)(1) – Final Application – Public Notification Signage (36) Page 11 of 18 Comment:

Comment requested that the proposed language requiring a sign to be posted unless prohibited by local ordinance be stricken. The commenter asserts that the applicant should be able to choose between posting a sign and mailing notifications, and that written notifications ensure that those most affected by the proposed development are notified (36).

### **Staff Response:**

It is the Department's position that the public is better served by the posting of a public sign, as opposed to mailed notifications. A sign provides truly public notification, while mailed notifications may be used to reduce public knowledge of a development and circumvent the public nature of the required notification. Staff recommends no change.

# Recommendation

Staff recommends the Board adopt the Repeal 10 Texas Administrative Code Chapter 33 and Adopt the New 10 Texas Administrative Code Chapter 33 for the 2008 Multifamily Housing Revenue Bond Rules as presented and allow staff to make changes to these rules, where applicable, to be consistent with other rules being approved at this Board meeting.

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# **Multifamily Finance Production Division**

# $\frac{20072008}{1}$ MULTIFAMILY HOUSING REVENUE BOND RULES TITLE 10, PART 1, CHAPTER $\frac{35}{3}$ , TEXAS ADMINISTRATIVE CODE

\$3533.1 INTRODUCTION	<u>2</u> 2
\$3533.2 AUTHORITY	
\$ <del>35</del> 33.3 DEFINITIONS	<u>2</u> 2
\$3533.4 POLICY OBJECTIVES & ELIGIBLE DEVELOPMENTS	<u>4</u> 4
\$3533.5 BOND RATING AND INVESTMENT LETTER	<u>4</u> 4
\$3533.6 APPLICATION PROCEDURES, EVALUATION AND APPROVAL	<u>5</u> 4
§3533.7 REGULATORY AND LAND USE RESTRICTIONS	<u>16</u> 13
\$ <del>35</del> 33.8 FEES	<u>17</u> <del>15</del>
\$ <del>35</del> 33.9 WAIVER OF RULES	<u>17<del>15</del></u>
\$3533.10 NO DISCRIMINATION	<u>17<del>15</del></u>

TITLE 10. COMMUNITY DEVELOPMENT PART I. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 3533. MULTIFAMILY HOUSING REVENUE BOND RULES 10 TAC \$\$3533.1 - 3533.10

#### §3533.1. Introduction

The purpose of this Chapter \$533 is to state the Texas Department of Housing and Community Affairs (the "Department") requirements for issuing Bonds, the procedures for applying for multifamily housing revenue Bond financing, and the regulatory and land use restrictions imposed upon Developments financed with the issuance of Bonds for the 20087 Private Activity Bond Program Year. The rules and provisions contained in Chapter \$533, of this title are separate from the rules relating to the Department's administration of the Housing Tax Credit Program. Applicants seeking a housing tax credit allocation should consult the Department's Qualified Allocation Plan and Rules ("QAP"), in effect for the program year for which the Housing Tax Credit application will be submitted. If the applicable QAP contradicts rules set forth in this chapter, the applicable QAP will take precedence over the rules in the chapter. The Department encourages the participation in the Multifamily Bond programs by working directly with Applicants, lenders, trustees, legal counsels, local and state officials and the general pubic to conduct business in an open, transparent and straightforward manner. The Department has simplified the process, within the limitation of statute, to affirmatively support and create affordable housing throughout the State of Texas.

#### §3533.2. Authority

The Department receives its authority to issue Bonds from Chapter 2306 of the Texas Government Code. All Bonds issued by the Department must conform to the requirements of the Act. Notwithstanding anything herein to the contrary, tax-exempt Bonds which are issued to finance the Development of multifamily rental housing are specifically subject to the requirements of the laws of the State of Texas, including but not limited to Chapter 2306 and Chapter 1372 of the Texas Government Code relating to Private Activity Bonds, and to the requirements of the Code (as defined in this chapter).

#### §3533.3. Definitions

The following words and terms, when used in the chapter, shall have the following meaning, unless context clearly indicates otherwise.

- (1) Administrative Deficiency--aAs defined in \$4950.3(1) of this title.
- (2) Applicant--aAs defined in \$4950.3(6) of this title.
- (3) Application--aAs defined in \$4950.3(7) of this title.
- (4) Board--+The Governing Board of the Department.
- (5) Bond--aAn evidence of indebtedness or other obligation, regardless of the sources of payment, issued by the Department under the Act, including a bond, note, or bond or revenue anticipation note, regardless of whether the obligation is general or special, negotiable, or nonnegotiable, in bearer or registered form, in certified or book entry form, in temporary or permanent form, or with or without interest coupons.
- (6) Code-- $\pm$ The U. S. Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued by the United States Department of the Treasury or the Internal Revenue Service.
  - (7) Development--aAs defined in \$4950.3(31) of this title.
  - (8) Development Owner---aAs defined in §49.3(33)50.3(34) of this title.
  - (9) Eligible Tenants--means
    - (A) individuals and families of Extremely Low, Very Low and Low Income,
- (B) Families of Moderate Income (in each case in the foregoing subparagraphs (A) and (B) of this paragraph as such terms are defined by the Issuer under the Act); and

- (C) Persons with Special Needs, in each case, with an Anticipated Annual Income not in excess of 140% of the area median income for a four-person household in the applicable standard metropolitan statistical area; provided that all Low-Income Tenants shall count as Eligible Tenants.
- (10) Extremely Low Income--t<u>T</u>he income received by an individual or family whose income does not exceed thirty percent (30%) of the area median income or applicable federal poverty line, as determined by the Act.
  - (11) Family of Moderate Income--aA family:
    - (A) that is determined by the Board to require assistance taking into account:
      - (i) the amount of total income available for the housing needs of the individuals and family,
      - (ii) the size of the family,;
      - (iii) the cost and condition of available housing facilities;
- (iv) the ability of the individuals and family to compete successfully in the private housing market and to pay the amounts required by private enterprise for sanitary, decent, and safe housing; and
- (v) standards established for various federal programs determining eligibility based on income; and
  - (B) that does not qualify as a family of Low Income.
  - (12) Ineligible Building Type---aAs defined in \$4950.3(52) of this title.
  - (13) Institutional Buyer--means
- (A) <u>aAn</u> accredited investor as defined in Regulation D promulgated under the Securities Act of 1933, as amended (17 CFR §230.501(a)), but excluding any natural person or any director or executive officer of the Department (17 CFR §\$230.501(a)(4) (6)); or
- (B) <u>aA</u> qualified institutional buyer as defined by Rule 144A promulgated under the Securities Act of 1935, as amended (17 CFR §230.144A).
  - (14) Intergenerational Housing--aAs defined in \$49.3(53)50.3(55) of this title.
- (15) Low Income--ŧThe income received by an individual or family whose income does not exceed eighty percent (80%) of the area median income or applicable federal poverty line, as determined by the Act.
- (16) Land Use Restriction Agreement (LURA)--<u>aA</u>n agreement between the Department and the Development Owner which is binding upon the Development Owner's successors in interest that encumbers the Development with respect to the requirements of law, including this title, the Act and Section 42 of the Code.
  - (17) New Construction--aAs defined in §49.3(59)50.3(63) of this title.
- (18) Owner--aAn Applicant that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a Development subject to the regulatory powers of the Department and other terms and conditions required by the Department and the Act.
  - (19) Persons with Special Needs--pPersons who:
    - (A)  $\frac{1}{2}$ Are considered to be disabled under a state or federal law;
- (B)  $\frac{AA}{B}$  re elderly, meaning 60 years of age or older or of an age specified by an applicable federal program;
- (C)  $\frac{\Delta}{\Delta}$  re designated by the Board as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise; or
- (D) <u>aAre</u> legally responsible for caring for an individual described by subparagraph (A), (B) or (C) of this paragraph <del>above</del> and meet the income guidelines established by the Board.
  - (20) Private Activity Bonds--aAny Bonds described by \$141(a) of the Code.
- (21) Private Activity Bond Program Scoring Criteria--\(\xi\)The scoring criteria established by the Department for the Department's Multifamily Housing Revenue Bond Program, \(\xi\)3533.6(\(\delta\)e) of this \(\text{title}\)chapter.
- (22) Private Activity Bond Program Threshold Requirements--\(\xi\)The threshold requirements established by the Department for the Department's Multifamily Housing Revenue Bond Program, \(\xi\)3533.6(ed) of this title.
  - (23) Program--‡The Department's Multifamily Housing Revenue Bond Program.
- (24) Proper Site Control--Regarding the legal control of the land to be used for the Development, means the earnest money contract is in the name of the Applicant (principal or member of the General Partner); fully executed by all parties and escrowed by the title company.

- (25) Property- $+\pm \underline{T}$ he real estate and all improvements thereon, whether currently existing or proposed to be built thereon in connection with the Development, and including all items of personal property affixed or related thereto.
  - (26) Qualified 501(c)(3) Bonds--aAny Bonds described by \$145(a) of the Code.
  - (27) Reconstruction--as defined in §49.9(75) of this title.
  - (2827) Rehabilitation--aAs defined in \$49.9(77)50.3(81) of this title.
  - (28) Rural Area--means aAn area that is located:
  - (A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;
- (B) Within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
- (C) In an Area that is eligible for funding by Texas Rural Development Office of the United States Department of Agriculture (TRDO-USDA), other than an area that is located in a municipality with a population of more than 50,000.
- (29) Rural Development--means a Development or proposed Development that is located in a Rural Area, other than rural new construction Developments with more than 80 units.
- $(\underline{3029})$  Tenant Income Certification--aA certification as to income and other matters executed by the household members of each tenant in the Development, in such form as reasonably may be required by the Department in satisfaction of the criteria prescribed by the Secretary of Housing and Urban Development under \$8(f)(3) of the Housing Act of 1937 ("the Housing Act") (42 U.S.C. 1437f) for purposes of determining whether a family is a lower income family within the meaning of the \$8(f)(1) of the Housing Act.
- (310) Tenant Services--<u>sSocial</u> services, including child care, transportation, and basic adult education, that are provided to individuals residing in low income housing under Title IV-A, Social Security Act (42 U.S.C. §601 et seq.), and other similar services.
- (324) Tenant Services Program Plan- $\pm T$ he plan, subject to approval by the Department, which describes the Tenant Services to be provided by the Development Owner in a Development.
- $(3\underline{32})$  Trustee-- $\underline{aA}$  national banking association organized and existing under the laws of the United States, as trustee (together with its successors and assigns and any successor trustee).
  - (34) TRDO-USDA---aAs defined in §50.3(94) of this title.
  - (353) Unit--aAs defined in 949.9(91)50.3(95) of this title.
- (364) Very Low Income- $\pm$ The income received by an individual or family whose income does not exceed sixty percent (60%) of the area median income or applicable federal poverty line as determined under the Act.

#### §3533.4. Policy Objectives & and Eligible Developments

The Department will issue Bonds to finance the rehabilitation, preservation or construction of decent, safe and affordable housing throughout the State of Texas. Eligible Developments may include those which are constructed, acquired, or rehabilitated and which provide housing for individuals and families of Low Income, Very Low Income, or Extremely Low Income, and Families of Moderate Income.

### §3533.5. Bond Rating and Investment Letter

- (a) Bond Ratings. All publicly offered Bonds issued by the Department to finance Developments shall have and be required to maintain a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. If such rating is based upon credit enhancement provided by an institution other than the Applicant or Development Owner, the form and substance of such credit enhancement shall be subject to approval by the Board, which approval shall be evidenced by adoption by the Board of a resolution authorizing the issuance of the credit-enhanced Bonds. Remedies relating to failure to maintain appropriate credit ratings shall be provided in the financing documents relating to the Development.
- (b) Investment Letters. Bonds rated less than "A," or Bonds which are unrated must be placed with one or more Institutional Buyers and must be accompanied by an investment letter acceptable to the Department.

Subsequent purchasers of such Bonds shall also be qualified as Institutional Buyers and shall sign and deliver to the Department an investment letter in a form acceptable to the Department. Bonds rated less than "A" and Bonds which are unrated shall be issued in physical form, in minimum denominations of one hundred thousand dollars (\$100,000), and shall carry a legend requiring any purchasers of the Bonds to sign and deliver to the Department an investment letter in a form acceptable to the Department.

### §3533.6. Application Procedures, Evaluation and Approval

- (a) Application Costs, Costs of Issuance, Responsibility and Disclaimer. The Applicant shall pay all costs associated with the preparation and submission of the Application--including costs associated with the publication and posting of required public notices--and all costs and expenses associated with the issuance of the Bonds, regardless of whether the Application is ultimately approved or whether Bonds are ultimately issued. At any stage during the Application process, the Applicant is solely responsible for determining whether to proceed with the Application, and the Department disclaims any and all responsibility and liability in this regard.
- (b) Pre-application. An Applicant who requests financing from the Department for a Development shall submit a pre-application in a format prescribed by the Department. Within fourteen (14) days of the Department's receipt of the pre-application, the Department will be responsible for federal, state, and local community notifications of the proposed Development. Upon review of the pre-application, if the Development is determined to be ineligible for Bond financing by the Department, the Department will send a letter to the Applicant explaining the reason for the ineligibility. If the Development is determined to be eligible for Bond financing by the Department, the Department will score and rank the pre-application based on the Private Activity Bond Program Scoring Criteria as described in subsection (d) of this section. The Department will rank the pre-application with higher scores ranking higher within each priority defined by \$1372.0321, Texas Government Code. All Priority 1 Applications will be ranked above all Priority 2 Applications which will be ranked above all Priority 3 Applications, regardless of score, reflecting a priority structure which gives consideration to the income levels of the tenants and the rent levels of the units consistent with Section-\$2306.359. This priority ranking will be used throughout the calendar year. In the event two or more Applications receive the same score, the Department will use, as a tie-breaking mechanism, a priority first for Applications involving rehabilitation; then if a tie still exists, the Application with the greatest number of points awarded for Quality and Amenities for the Development; then if a tie still exists, the Department will grant preference to the preapplication with the lower number of net rentable square feet per bond amount requested. Pre-Applications must meet the threshold requirements as stated in the Private Activity Bond Program Threshold Requirements as set out in subsection (c) of this section. After scoring and ranking, the Development and the proposed financing structure will be presented to the Department's Board for consideration of a resolution declaring the Department's initial intent to issue Bonds (the "inducement resolution") with respect to the Development. Approval of the inducement resolution does not guarantee final Board approval of the Bond Application. Department staff, for good cause, may recommend that the Board not approve an inducement resolution for an Application. After Board approval of the inducement resolution, the induced Applications will be submitted to the Texas Bond Review Board for its lottery, waiting list or carryforward processing in rank order. The Texas Bond Review Board will draw the number of lottery numbers that equates to the number of eligible Applications submitted by the Department for participation in lottery. The lottery numbers drawn will not equate to a specific Development. The Texas Bond Review Board will thereafter assign the lowest lottery number drawn to the highest ranked Application as previously determined by the Department. The Texas Bond Review Board will issue reservations of allocation for Applications submitted for the waiting list or carryforward in the order provided by the Department based on rank. The criteria by which a Development may be deemed to be eligible or ineligible are explained below-in subsection (jg) of this section, entitled Eligibility Criteria. The Private Activity Bond Program Scoring Criteria will be posted on the Department's website.
- (c) Approval of the inducement resolution does not guarantee final Board approval of the Bond Application. Department staff, for good cause, may recommend that the Board not approve an inducement resolution for an Application. The TDHCA Board reviews the Development as a whole for adherence to timelines and notification rules in the Qualified Allocation Plan and Rules, the need for the Development, compliance with local government rules and procedures, financial feasibility and the input of local and state officials and interested community members. These factors and others will be used to make the final determination at the appropriate time. Because each Development is unique, making the final determination is often dependent on the issues presented at the time the Application is presented to the Board.

- (ed) Pre-Application Threshold Requirements.
- (1) As the Department reviews the Application, the Department will use the following assumptions, even if not reflected by the Applicant in the Application. Pregualification Assumptions:
  - (A) Development Feasibility:
    - (i) Debt Coverage Ratio must be greater than or equal to 1.15;
    - (ii) Deferred Developer Fees are limited to 80% of Developer's Fees;
- (iii) Contractor Fee, Overhead and General Requirements are limited to 14% of direct costs plus site work cost; and
  - (iv) Developer Fees cannot exceed 15% of the project's Total Eligible Basis.
- (B) Construction Costs Per Unit Assumption. Costs not to exceed \$75 per Unit for general population developments and \$85 for elderly developments (Acquisition / Rehab developments are exempt from this requirement);
- (C) Anticipated Interest Rate and Term. As stated in the <u>Summary of Financing Participants in the pre-application</u> preliminary financing commitment from the <u>Application</u>;
  - (D) Size of Units (Acquisition / Rehab developments are exempt from this requirement);:
- (i) One bedroom Unit must be greater than or equal to 650 square feet for family and 550 square feet for senior Units.
- (ii) Two bedroom Unit must be greater that or equal to 900 square feet for family and 750 square feet for senior Units.
  - (iii) Three bedroom Unit must be greater than or equal to 1,000 square feet for family.
  - (iv) Four bedroom Unit must be greater than or equal to 1200 square feet for family.
- (2) Appropriate Zoning. Evidence of appropriate zoning for the proposed use or evidence of application made and pending decision;
- (3) Executed Site Control. Properly executed and escrow receipted site control through December 1, 20062007 with option to extend through March 1, 20072008 for lottery Applications or 90 days from the date of the bond reservation with the option to extend through the scheduled TDHCA Board meeting for waiting list and carryforward Applications. The potential expiration of site control does not warrant the application being presented to the TDHCA Board prior to the scheduled meeting;
- (4) Previous Participation and Authorization to Release Credit Information (located in the uniform application);
  - (45) Current Market Information (must support affordable rents);
  - (56) Completed current TDHCA Bond Pre-Application-and application exhibits;
  - (67) Completed Multifamily Rental Worksheets;
- (<u>78</u>) Certification of Local Elected Official request for neighborhood organization information and Public Notification Information (see application package);
- (9) Relevant Development Information and Public Notification Information Form (see application package);
  - (810) Completed 20087 Bond Review Board Residential Rental Attachment;
  - (911) Signed letter of Responsibility for All Costs Incurred;
  - (102) Signed Mortgage Revenue Bond Program Certification Letter;
- $(1\underline{13})$  Evidence of Paid Application Fees (\$1,000 to TDHCA, \$1,500 to Vinson and Elkins and \$5,000 to Bond Review Board);
  - (124) Boundary Survey or Plat clearly identifying the location and boundaries of the subject property;
- (135) Local Area map showing the location of the Property and Community Services / Amenities within a three (3) mile radius;
- (1<u>46</u>) <u>Current</u> <u>Uutility</u> Allowance documented from the Appropriate Local Housing Authority. <u>If updated</u> <u>utility allowances become available after the application is submitted then it is the responsibility of the Applicant to submit the documentation to the Department;</u>
- (1<u>5</u>7) Organization Chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant with evidence of Entity Registration or Reservation with the Secretary of State; and
- (168) Required Notification. Evidence of notifications shall include a copy of the exact letter and other materials that were sent to the individual or entity, a sworn affidavit stating that they made all the required notifications prior to the deadlines and a copy of the entire mailing list (including names and complete addresses) of all the recipients. Proof of notification must not be older than three months prior to the date of Application submission date. Notification must be sent to all the following individuals and entities (If the QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted reflect a notification process that is different from the process listed belowin subparagraphs (A) (F) of this paragraph, then the QAP and Rules will override the notification process listed in subparagraphs (A) (F) of this paragraphbelow):

- (A) State Senator and Representative that represents the community containing the development;
- (B) Presiding Officer of the governing body of any municipality containing the development and all elected members of that body (Mayor, City Council members);
- (C) Presiding Officer of the governing body of the county containing the development and all elected members of that body (County Judge and/or Commissioners);
  - (D) School District Superintendent of the school district containing the development;
- (E) Presiding Officer of the School Board of Trustees of the school district containing the development; and
- (F) Evidence in the form of a certification that all of the notifications required under this paragraph have been made. Requests for Neighborhood Organizations under <u>subparagraph clause</u> (i) of this <u>subparagraph</u> must be made by the deadlines described in that clause. Evidence of notification must meet the requirements identified in <u>subparagraph clause</u> (ii) of this <u>subparagraph</u> to all of the individuals and entities identified in <u>subparagraph clause</u>(iii) of this <u>subparagraph</u>.
- (i) The Applicant must request Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site as follows:
- (I) No later than twenty-one (21) days prior to the date the Application is submitted, the Applicant must e-mail, fax or mail with registered receipt a completed, "Neighborhood Organization Request" letter as provided in the Pre-Application materials to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request neighborhood organizations from that source in the same format.
- (II) If no reply letter is received from the local elected officials by seven (7) days prior to the Application submission, then the Applicant must certify to that fact with the "Pre-Application Notification Certification Form" provided in the Pre-Application materials.
- (III) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.
- (ii) No later than the date the Pre-Application is submitted, Notification must be sent to all of the following individuals and entities by e-mail, fax or mail with registered receipt in the format required in the "Pre-Application Notification Template" provided in the Pre-Application materials. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are not required to notify city officials. Evidence of Notification is required in the form of a certification in the "Pre-Application Notification Certification Form" provided in the Pre-Application materials. It is strongly encouraged that Applicants retain proof of notifications in the event the Department requires proof of Notification. Officials to be notified are those officials in office at the time the Pre-Application is submitted.
- (I) Neighborhood Organizations on record with the city, state or county whose boundaries include the proposed Development Site as identified in subsectionsubclause (i)(III) of this subparagraph-;
  - (II) Superintendent of the school district containing the Development;
  - (III) Presiding officer of the board of trustees of the school district containing the
  - (IV) Mayor of any municipality containing the Development;
  - (V) All elected members of the governing body of any municipality containing the

# Development;

Development;

- (VI) Presiding officer of the governing body of the county containing the Development;
- (VII) All elected members of the governing body of the county containing the Development;
- (VIII) State representative of the district containing the Development; and
- (IX) State senator of the district containing the Development.
- (iii) Each such notice must include, at a minimum, all of the following:
  - (I) The Applicant's name, address, individual contact name and phone number;
  - (II) The Development name, address, city and county;
- (III) A statement informing the entity or individual being notified that the Applicant is submitting a request for Private Activity Bonds and Housing Tax Credits with the Texas Department of Housing and Community Affairs;

- (IV) Statement of whether the Development proposes New Construction or Rehabilitation;
- (V) The type of Development being proposed (single family homes, duplex, apartments, townhomes, highrise etc.) and population being served (family, Intergenerational Housing, or elderly);
  - (VI) The approximate total number of Units and approximate total number of low-income

Units;

- (VII) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the percentage of Units that are market rate; and
- (VIII) The number of Units and proposed rents (less utility allowances) for the low-income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Pre-Application, which are subject to change as annual changes in the area median income occur.
- (17) All New Construction or Reconstruction units must provide the amenities in subparagraphs (A)-(I) of this paragraph. Rehabilitation (excluding Reconstruction) must provide the amenities in subparagraphs (B)-(I) of this paragraph unless expressly identified as not required (\$2306.187).
- (A) All new construction units must be wired with 6 pair CAT5e wiring or better to provide phone and data service to each unit and wired with COAX cable to provide TV and high speed internet data service to each unit;
  - (B) Blinds or window coverings for all windows;
- (C) Disposal and Energy-Star or equivalently rated dishwasher (not required for TRDO-USDA Developments);
  - (D) Energy-Star or equivalently rated Refrigerator;
  - (E) Energy-Star or equivalently rated Oven/Range;
  - (F) Exhaust/vent fans in bathrooms;
  - (G) Energy-Star or equivalently rated ceiling fans in living areas and bedrooms;
  - (H) Energy-Star or equivalently rated lighting in all Units; and
  - (I) Emergency 911 or public telephone accessible and available to tenants 24 hours a day.
  - (de) Pre-Application Scoring Criteria.
- (1) Income and rent levels of the tenants: Priority 1 applications will receive 10 points, Priority 2 applications will receive 7 points and Priority 3 applications will receive 5 points.
- (<u>2</u>4) Construction Cost Per Unit includes: direct hard costs, site work, contractor profit, overhead, general requirements and contingency. Calculation will be hard costs per square foot of net rentable area. Must be greater than or equal to <u>\$75 per square foot for general population Developments and \$85 per square foot for elderly Developments (1 point)</u> (Acquisition / Rehab will automatically receive (1 point)).
- (<u>32</u>) Size of Units. Average size of all Units combined in the development must be greater than or equal to 950 square foot for family and must be greater than or equal to 750 square foot for elderly (5 points). (Acquisition / Rehab developments will automatically receive (5 points)).
- $(\underline{43})$  Period of Guaranteed Affordability for Low Income Tenants. Add 10 years of affordability after the extended use period for a total affordability period of 40 years (1 point).
- (<u>5</u>4) Quality and Amenities Substitutions in amenities will be allowed as long as the overall score is not affected. Applications in which Developments provide specific qualities and amenities at no extra charge to the tenant will be awarded points as follows: Acquisition/Rehab developments will receive 1.5 points for each item.
  - (A) Laundry Connections (2 points);
  - (B) Self-cleaning or continuous cleaning ovens (1 point);
  - (C) Microwave Ovens (in each Unit) (1 point);
  - (D) Refrigerator with icemaker (1 point);
  - (E) Laundry equipment (washer and dryers) for each <u>individual Unit including a front loading washer</u> <u>and dryer in required UFAS compliant Units</u> (3 points);
- (F) Storage Room of approximately nine (9) square feet or greater which does not include bedroom, entryway or linen closets (does not have to be in the unit but must be on the property site) (1 point);
  - (G) Covered entries (1 point);
  - (H) Nine foot ceilings in living room and all bedrooms (at minimum) (1 point);
  - (I) Covered patios or covered balconies (1 point);
- (J) Covered Parking (<u>including garages</u>) of at least one covered space per Unit (at least one per Unit) (23 points);
  - (K) Garages (equal to at least 35% of Units) (5 points);
  - (L) Ceiling Fans in all rooms except bathrooms and kitchens (light with ceiling fan in all bedrooms) (1

point);

(M) High speed internet service to all Units at no cost to residents (2 points);

(N) Fire sprinklers in all Units (2 points);

- (O) 100% masonry on exterior, which can include stucco, cementitious board products, concrete brick and mortarless concrete masonry; excludes EIFS synthetic stucco (3 points);
- (A) Greater than 75% or Greater Masonry on exterior, which can include stucco and cementitious board products, concrete brick and mortarless concrete masonry (includes rock, stone, brick, stucco and cementious board product; excludes EIFS synthetic stucco) (15 points);
  - (N) Thirty year architectural shingle roofing (1 point);
- (O) Use of energy efficient alternative construction materials (structurally insulated panels) with wall insulation at a minimum of R-20 (3 points);
  - (P) R-15 Walls / R-30 Ceilings (rating of wall system) (3 points);
- (Q) 14 SEER HVAC or evaporative coolers in dry climates for new construction or radiant barrier in the attic for the rehabilitation (3 points);

(R) Energy Star or equivalently rated kitchen appliances (2 points);

- (S) One Children's Playscape Equipped for 5 to 12 years olds, or one Tot Lot<del>--Only Family Developments Eligible</del> (1 point);
- (T) Two Children's Playscapes Equipped for 5 to 12 year olds, two Tot Lots, or one of each—Only Family Developments Eligible (2 points);
  - (U) Sport Court (Tennis, Basketball or Volleyball)--Only Family Developments Eligible (2 points);
  - (V) Enclosed sun porch or covered community porch/patio (2 points);
  - (W) BBQ Grills and Tables (at least one each per 50 Units) (1 point);
  - (X) Accessible walking path/jogging path separate from a sidewalk (1 point);
  - (Y) Full Perimeter Fencing (2 points);
  - (Z) Controlled access gate (1 point);
- (AA) Equipped and functioning business center or equipped computer learning center with 1 computer—and 1 fax machine for every 3025 Units proposed in the Application, and 1 printer for every 32 computers (with a minimum of one printer), and 1 fax machine (2 points);

(BB) Game Room or TV Lounge (2 points);

(BBCC) Furnished and staffed children's activity center—Only Family Developments Eligible (3

points);

point);

(<u>CC</u><del>DD</del>) -Horseshoe pit, putting green or shuffleboard court (only qualified elderly developments)</del> (1

(<u>DD</u>EE) Furnished Fitness Center equipped with a minimum of two of the following fitness equipment options with at least one per every 40 Units or partial increment of 40 Units: stationary bicycle, elliptical trainer, treadmill, rowing machine, universal gym, stationary weight bench, sauna, stair climber, etc. The maximum number of equipment options required for any Development, regardless of number of Units, shall be five (2 points);

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

(FFGG) Gazebo with sitting area (1 point);

(HH) Emergency 911 telephones accessible and available to tenants 24 hours a day (2 points);

(GGH) Covered Pavilion that includes barbeque grills and tables (2 points);

(HH<del>JJ</del>) Swimming pool (3 points);

(IIKK) Community laundry room (with at least one front loeading washer (1 point);

(JJ<del>LL</del>) Furnished Community room (1 point);

(KKMM) Service coordinator office in addition to leasing offices (1 point);

(<u>LL</u>NN) Senior Activity Room (Arts and Crafts, etc.)—Only Qualified Elderly Developments Eligible (2 points);

(MM<del>OO</del>) Health Screening Room (1 point);

(NNPP) Secured Entry (elevator buildings only)-- (1 point);

(<u>OOQQ</u>) Community Dining Room with full or warming kitchen-- <del>Only Qualified Elderly Developments</del> <del>Eligible</del> (3 points);

(PP) Community Theatre Room equipped with a 52 inch or larger screen with surround sound equipment, DVD player; and theatre seating (3 points).

(QQ) Green Building (for example, passive solar heating/cooling, water conserving fixtures, collected water (at least 50%) for irrigation purposes, sub-metered electric meters, exceed energy star standards, photovoltaic panels for electricity and design and wiring for the use of such panels, construction waste management, provide recycle service, water permeable walkways, evaporative coolers, and parking areas, or other Department approved items) (3 points);

(RR) Jacuzzi/Hot Tub(1 point).

- (<u>6</u>5) Tenant Services (Tenant Services shall include only direct costs (tenant services contract amount, supplies for services, internet connections, initial cost of computer equipment, etc.). Indirect costs such as overhead and utility allocations may not be included);
  - (A) \$10.00 per Unit per month (10 points);
  - (B) \$7.00 per Unit per month (5 points);
  - (C) \$4.00 per Unit per month (3 points).
- $(\underline{76})$  Zoning appropriate for the proposed use or no zoning required appropriate zoning for the intended use must be in place at the time of Application submission date, September  $\underline{45}$ ,  $\underline{20062007}$  (Applications submitted for lottery) or the submission dates listed on the Department's website for Applications submitted for waiting list and carryforward, in order to receive points (5 points).
- (87) Proper Site Control (as defined in \$3533.3(24) of this title control through December 1, 20062007 with option to extend through March 1, 20072008 (Applications submitted for lottery) or 90 days from the date of the bond reservation with the option to extend through the scheduled TDHCA Board meeting. The potential expiration of site control does not warrant the application being presented to the TDHCA Board prior to the scheduled meeting. For Applications submitted for waiting list and carryforward all information must be correct at the time of the Application submission date, September 45, 20062007 for Applications submitted for lottery or the submission dates listed on the Department's website for Applications submitted for waiting list or carryforward, in order to receive points (5 points).
- (98) Development Support / Opposition Maximum net points of +24 to -24. Each letter will receive a maximum of +3 to -3. All letters received by 5:00 PM, OctoberSeptember 129, 20062007 for Applications submitted for lottery or fourteen (14) days prior to the date of the Board meeting at which the Application will be considered for Applications submitted for waiting list and carryforward will be used in scoring. The letter must specifically indicate support or opposition otherwise the letter will be considered neutral.
  - (A) Texas State Senator and Texas State Representative (maximum +3 to -3 points per official);
- (B) Presiding officer of the governing body of any municipality containing the Development and the elected district member of the governing body of the municipality containing the Development (maximum +3 to -3 points per official);
- (C) Presiding officer of the governing body of the county containing the Development and the elected district member of the governing body of the county containing the Development (if the site is not in a municipality, these points will be doubled) (maximum +3 to -3 points per official);
- (D) Local School District Superintendent and Presiding Officer of the Board of Trustees for the School district containing the Development (maximum +3 to -3 points per official).
- (9) Penalties for Missed Deadlines in the Previous Year's Bond and / or Tax Credit program year. This includes approved and used extensions (-1 point per missed deadline).
- (10) Local Political Subdivision Development Funding Commitment that enables additional Units for the Very Low Income (CDBG, HOME or other funds through local political subdivisions) Must be greater than or equal to 2% of the bond amount requested and must provide at least 5% of the total Development Units at or below 30% AMFI or an additional 5% of the total Development Units if the Applicant has chosen category Priority 1B on the residential rental attachment (2 points).
- (104) Proximity to Community Services / Amenities Community services / amenities within three (3) miles of the site. A map must be included with the Application showing a three (3) mile radius notating where the services / amenities are located. (maximum 13 points) (Acquisition/Rehab developments will receive 1.5 points for each item in subparagraphs (A) (O) of this paragraph).
  - (A) Full service grocery store or supermarket (1 point);
  - (B) Pharmacy (1 point);
  - (C) Convenience store / mini-market (1 point);
- (D) <u>Department or Retail Merchandise Store Facilities</u> (Target, Wal-Mart, Home Depot, <u>Bookstores</u>, etc.) (1 point);
  - (E) Bank / Credit UnionFinancial Institution (1 point);
  - (F) Restaurant (including fast food) (1 point);
  - (G) Indoor public recreation facilities (community center, civic center, YMCA, museum) (1 point);
  - (H) Outdoor public recreation facilities (park, golf course, public swimming pool) (1 point);
  - (I) Fire / Police Station (1 point);
- (J) Medical Offices Facilities (physician, dentistry, optometry hospitals, minor emergency, medical offices doctor or dentist offices) (1 point);
  - (K) Hospital/Medical Clinic (1 point);
  - (LK) Public Library (1 point);
  - (M) Senior Center (1 point);

- (NL) Public Transportation (1/2 mile from site) (1 point);
- (OM) Public School (only one school required for point and only eligible with general population developments) (1 point):
  - (P) Dry Cleaners (1 point);
  - (Q) Family Video Rental (i.e. Blockbuster, Hollywood Video, Movie Gallery) (1 point).
- (112) Proximity to Negative Features adjacent to or within 300 feet of any part of the Development site boundaries. A map must be included with the application showing where the feature is located. Developer must provide a letter stating there are none of the negative features listed belowin subparagraphs (A) (G) of this paragraph within the stated area if that is correct. (maximum negative 720 points)
  - (A) Junkyards (15 points deducted);
  - (B) Active Railways (excluding light rail) (15 points deducted);
  - (C) Heavy industrial / manufacturing plants (15 points deducted);
  - (D) Solid Waste / Sanitary Landfills (15 points deducted);
  - (E) High Voltage Transmission Towers within 100 feet (15 points deducted);-
- (F) Sexually Oriented Business (for the purpose of this clause, sexually oriented business shall be defined as stated in \$243.002 of the Texas Government Code) (1 point deducted);
- (G) Developments where the buildings are located within the accident zones or clear zones for commercial or military airports (1 point deducted).
- (123) Acquisition / Rehabilitation Developments will receive thirty (30) points. This will include the demolition of old buildings and new construction of the same number of units if allowed by local codes or less units to comply with local codes (not to exceed 252 total units).
- (134) Preservation Developments will receive ten (10) points. This includes rehabilitation proposals on properties which are nearing expiration of an existing affordability requirement within the next two years or for which the there has been a rent restriction requirement in the past ten years. Evidence must be provided.
- (14) Declared Disaster Areas. Applications will receive 7 points, if at the time the complete preapplication is submitted or at any time within the two-year period preceding the date of submission, the proposed Development site is located in an area declared to be a disaster under §418.014 of the Texas Government Code. This includes Federal, State and Governor declared disaster areas.
- (15) Developments in Census Tracts with No Other Existing Developments Supported by Tax Credits. Applications will receive 6 points if the proposed Development is located in a census tract in which there are no other existing developments that were awarded housing tax credits in the last 5 years and 3 points if there are no other existing developments that were awarded housing tax credits in the last 3 years. The applicant must provide evidence of the census tract in which the Development is located. These census tracts are outlined in the 2008 Housing Tax Credit Site Demographic Characteristics Report.
- (16) Notary Public Services for Tenants. Applications will receive 1 point for this item (\$2306.6710(b)(3)) To receive this point, the Applicant must submit a certification that the Development will provide notary public services to the tenants at no cost to the tenant. This provision will be included in the Land Use Restriction Agreement and Regulatory Agreement.
- (f) Multiple Site Applications. For the purposes of scoring, applicants must submit the required information as outlined in the Pre-Application Submission Manual. Each individual property will be scored on its own merits and the final score will be determined based on an average of all of the individual scores.
- (ge) Financing Commitments. After approval by the Board of the inducement resolution, and before submission of a final application, the Applicant will be solely responsible for making appropriate arrangements with financial institutions which are to be involved with the issuance of the Bonds or the financing of the Development, and to begin the process of obtaining firm commitments for financing from each of the financial institutions involved.
- (hf) Final Application. An Applicant who elects to proceed with submitting a final Application to the Department must submit the Volumes I and II of the Application, for Priority 1 and 2, prior to receipt of a reservation of allocation from the Texas Bond Review Board. For Priority 3 Applications the Volumes I and II must be submitted within fourteen (14) days of the reservation date from the Texas Bond Review Board. The Volume III of the Application and such supporting material as is required by the Department must be submitted at least sixty (60) days prior to the scheduled meeting of the Board at which the Development and the Bond issuance are to be considered, unless the Department directs the Applicant otherwise in writing. If the Applicant is applying for other Department funding then refer to the Rules for that program for Application submission requirements. The final application must adhere to the Department's QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted. The Department may determine that supporting materials listed in the full application paragraphs (1) (42) of this subsection shall be provided

subsequent to the final Application deadline in accordance with a schedule approved by the Department. Failure to provide any supporting materials in accordance with the approved schedule may be grounds for terminating the Application and returning the reservation to the Texas Bond Review Board.

(1) A Public Notification Sign shall be installed on the proposed Development site, regardless of Priority, within thirty (30) days of the Department's receipt of Volumes I and II unless prohibited by local ordinance or code. The applicant must certify to the fact that the sign was installed within thirty (30) days of Volume I and II submission and the date, time and location of the Bond Tax Exempt Fiscal Responsibility Act (TEFRA) Public Hearing must be included on the sign at least thirty (30) days prior to the hearing date. The sign must be at least four (4) feet by eight (8) feet in size and be located within twenty (20) feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day the TDHCA Board takes final action on the Application for the development. The information and lettering on the sign must meet the requirements identified in the Application. In areas where the Public Notification Sign is prohibited by local ordinance or code, As an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's Option, shall mail written notification to all addresses located within the footage distance required by the local municipality zoning ordinance or 1,000 feet, if there is no local zoning ordinance or if the zoning ordinance does not require notification, of any part of the proposed Development site. This written notification must include the information otherwise required for the sign. If the Applicant chooses to provide this mailed notice in lieu of signage, The final Application must include a map of the proposed Development site and mark the 1,000 foot or local ordinance area showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. Evidence must be provided affirming the signage violation to the local code and the local zoning notification requirements. The Applicant must mail notice to any public official that changed from the submission of the pre-application to the submission of the final application and any neighborhood organization that is known and was not notified at the time of the pre-application submission. No additional notification is required unless the Applicant submitted a change in the Application that reflects a total Unit increase greater than 10%, an increase greater than 10% for any given AMFI, a decrease in the number of market rate units, or a change in the population being served (elderly, general population or transitional);

(2) Completed Uniform Application and Multifamily Rental Worksheets in the format required by the Department as posted to the Department's website.

(i) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies. Because the review for Eligibility, Threshold Criteria, and review for financial feasibility by the Department's Real Estate Analysis Division may occur separately, Administrative Deficiency requests may be made several times. The Department staff will request clarification or correction in a deficiency notice in the form of an e-mail, or if an e-mail address is not provided in the Application, by facsimile, and a telephone call to the Applicant and one other party identified by the Applicant in the Application advising that such a request has been transmitted. All Administrative Deficiencies shall be clarified or corrected to the satisfaction of the Department within five business days. Failure to resolve all outstanding deficiencies within five business days will result in a penalty fee of \$500 for each day the deficiency remains unresolved. Any Application with unresolved deficiencies after the 10<sup>th</sup> day from the issuance of the deficiency notice will be terminated. The Applicant will be responsible for the payment of any fees accrued pursuant to this section regardless of any termination pursuant to this section. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period. The Application will not be presented to the Board for consideration until all outstanding fees have been paid. The final application and supporting material shall consist of the following information:

\_(1) A Public Notification Sign shall be installed on the proposed Development site, regardless of Priority, within thirty (30) days of the Department's receipt of Volumes I and II. The applicant must certify to the fact that the sign was installed within (thirty) 30 days of Volume I and II submission and the date, time and location of the Bond Public Hearing must be included on the sign at least (thirty) 30 days prior to the hearing date. The sign must be at least four (4) feet by eight (8) feet in size and be located within twenty (20) feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day the TDHCA Board takes final action on the Application for the development. The information and lettering on the sign must meet the requirements identified in the Application. As an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's Option, mail written notification to all addresses located within the footage distance required by the local municipality

zoning ordinance or 1,000 feet, if there is no local zoning ordinance or if the zoning ordinance does not require notification, of any part of the proposed Development site. This written notification must include the information otherwise required for the sign. If the Applicant chooses to provide this mailed notice in lieu of signage, the final Application must include a map of the proposed Development site and mark the 1,000 foot or local ordinance area showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. The Applicant must mail notice to any public official that changed from the submission of the pre-application to the submission of the final application and any neighborhood organization that is known and was not notified at the time of the pre-application submission. No additional notification is required unless the Applicant submitted a change in the Application that reflects a total Unit increase greater than 10%, an increase greater than 10% for any given AMFI, or a change in the population being served (elderly, general population or transitional);

- (2) Completed Uniform Application and Multifamily Rental Worksheets in the format required by the Department;
- (3) Certification of no changes from the pre-application to the final application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the application being placed below another application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points);
  - (4) Certification and agreement to comply with the Department's rules;
  - (5) A narrative description of the Development;
  - (6) A narrative description of the proposed financing;
- (7) Firm letters of commitment from any lenders, credit providers, and equity providers involved in the transaction;
  - (8) Documentation of local Section 8 utility allowances;
  - (9) Site plan;
  - (10) Unit and building floor plans and elevations;
  - (11) Complete construction plans and specifications;
  - (12) General contractor's contract;
  - (13) Completion schedule;
- (14) Copy of a recorded warranty deed if the Applicant already owns the Property, or a copy of an executed earnest money contract between the Applicant and the seller of the Property if the Property is to be purchased:
  - (15) A local map showing the location of the Property;
  - (16) Photographs of the Site;
  - (17) Survey with legal description;
  - (18) Flood plain map;
- (19) Evidence of zoning appropriate for the proposed use from the appropriate local municipality that satisfies one of these subparagraphs (A) (C) of this paragraph:
- (A) written evidence that the local entity responsible for initial approval of zoning has approved the appropriate zoning and that they will recommend approval of the appropriate zoning to the entity responsible for final approval of zoning decisions;
- (B) provide a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance;
- (C) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating the Development is permitted under the provision of the zoning ordinance that apply to the location of the Development.
  - (20) Evidence of the availability of utilities;
  - (21) Copies of any deed restrictions which may encumber the Property;
- (22) A Phase I Environmental Site Assessment performed in accordance with the Department's Environmental Site Assessment Rules and Guidelines (§1.35 of this title);
  - (23) Title search or title commitment;
  - (24) Current tax assessor's valuation or tax bill;
  - (25) For existing Developments, current insurance bills;
  - (26) For existing Developments, past two (2) fiscal year end development operating statements;
  - (27) For existing Developments, current rent rolls;
- (28) For existing Developments, substantiation that income-based tenancy requirements will be met prior to closing;

- (29) A market study performed in accordance with the Department's Market Analysis Rules and Guidelines (\$1.33 of this title);
- (30) Appraisal of the existing or proposed Development performed in accordance with the Department's Underwriting Rules and Guidelines (§1.32 of this title);
- (31) Statement that the Development Owner will accept tenants with Section 8 or other government housing assistance;
- (32) An organizational chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant;
- (33) Evidence that the Applicant and principals are registered with the Texas Secretary of State, as applicable;
- (34) Organizational documents such as partnership agreements and articles of incorporation, as applicable, for the Applicant and its principals;
  - (35) Documentation of non-profit status if applicable;
- (36) Evidence of good standing from the Comptroller of Public Accounts of the State of Texas for the Applicant and its principals;
  - (37) Corporate resumes and individual resumes of the Applicant and any principals;
- (38) Latest two (2) annual financial/operating statements and current interim financial statement for the Applicant and its principals;
  - (39) Latest income tax filings for the Applicant and its principals;
- (40) Resolutions or other documentation indicating that the transaction has been approved by the general partner;
  - (41) Resumes of the general contractor's and the property manager's experience; and
  - (42) Such other items deemed necessary by the Department per individual application.
- (jg) Eligibility Criteria. The Department will evaluate the Development for eligibility at the time of preapplication, and at the time of final Application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points). The Development and the Applicant must satisfy the conditions set out in paragraphs (1) (6) of this subsection in order for a Development to be considered eligible:
- (1) The proposed Development must further meet the public purposes of the Department as identified in the Code.
- (2) The proposed Development and the Applicant and its principals must satisfy the Department's Underwriting Rules and Guidelines (§1.32 of this title). The pre-application must include sufficient information for the Department to establish that the Underwriting Guidelines can be satisfied. The final Application will be thoroughly underwritten according to the Underwriting Rules and Guidelines (§1.32 of this title).
- (3) The Development must not be located on a site determined to be unacceptable for the intended use by the Department.
- (4) Any Development in which the Applicant or principals of the Applicant have an ownership interest must be found not to be in Material Non-Compliance under the compliance Rules in effect at the time of preapplication submission. Any corrective action documentation affecting the Material Non-compliance status score must be submitted to the Department no later than thirty (30) days prior to final application submission.
  - (5) Neither the Applicant nor any principals of the Applicant is, at the time of Application:
- (A) barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs; or
- (B) has been convicted of a state or federal crime involving fraud, bribery, theft, misrepresentation, misappropriation of funds, or other similar criminal offenses within fifteen (15) years; or
- (C) is subject to enforcement action under state or federal securities law, action by the NASD, subject to a federal tax lien, or the subject of an enforcement proceeding with any governmental entity; or
- (D) neither applicant nor any principals of the applicant have a development under their ownership or control with a Material Non-compliance score as set out in the Department's Compliance Monitoring Policies and Procedures (§60 of this title); or
  - (E) otherwise disqualified or debarred from participation in any of the Department's programs.
- (6) Neither the Applicant nor any of its principals may have provided any fraudulent information, knowingly false documentation or other intentional or negligent misrepresentation in the Application or other information submitted to the Department.
- (7) An application may include either the rehabilitation or new construction, or both the rehabilitation and new construction, of qualified residential rental facilities located at multiple sites and with respect to which 51 percent or more of the residential units are located:

- (A) in a county with a population of less than 75,000; or
- (B) in a county in which the median income is less than the median income for the state, provided that the units are located in that portion of the county that is not included in a metropolitan statistical area containing one or more projects that are proposed to be financed, in whole or in part, by an issuance of bonds.
  - The number of sites may be reduced as needed without affecting their status as a project for purposes of the application, provided that the final application for a reservation contains at least two sites (\$1372.002)
- (<u>k</u>h) Bond Documents. After receipt of the final Application, bond counsel for the Department shall draft Bond documents which conform to the state and federal laws and regulations which apply to the transaction.
- (Li) Public Hearings; Board Decisions. For every Bond issuance, the Department will hold a public hearing in accordance with \$2306.0661, Texas Government Code and \$147(f) of the Code, in order to receive comments from the public pertaining to the Development and the issuance of the Bonds. The Applicant or member of the Development team must be present and will be responsible for conducting a brief presentation on the proposed Development and providing handouts at the hearing that should contain at a minimum, a description of the Development, maximum rents and income restrictions. If the proposed Development is an acquisition/rehabilitation then the presentation should include the scope of work that will be done to the property. All handouts must be submitted to the Department for review at least two (2) days prior to the public hearing. Publication of all notices required for the public hearing shall be at the sole expense of the Applicant. The Board's decisions on approvals of proposed Developments will consider all relevant matters. Any topics or matters, alone or in combination, may or may not determine the Board's decision. The Department's Board will consider the following topics in relation to the approval of a proposed Development:
  - (1) The developer market study;
  - (2) The location;
  - (3) The compliance history of the developer;
  - (4) The financial feasibility;
- (5) The appropriateness of the Development's size and configuration in relation to the housing needs of the community in which the Development is located;
  - (6) The Development's proximity to other low income Developments;
  - (7) The availability of adequate public facilities and services;
  - (8) The anticipated impact on local school districts;
  - (9) Zoning and other land use considerations;
- (10) Any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes; and
  - (11) Other good cause as determined by the Board.
  - (mj) Approval of the Bonds.
- (1) Subject to the timely receipt and approval of commitments for financing, an acceptable evaluation for eligibility, the satisfactory negotiation of Bond documents, and the completion of a public hearing, the Board, upon presentation by the Department's staff, will consider the approval of the Bond issuance, final Bond documents and, in the instance of privately placed Bonds, the pricing of the Bonds. The process for appeals and grounds for appeals may be found under §§1.7 and §1.8 of this title. The Department's conduit housing transactions will be processed in accordance with the Texas Bond Review Board rules Title-34 TAC, Part 9, Chapter 181, Subchapter A and Chapter 1372, Texas Government Code. The Bond issuance must receive an approving opinion from the Department's bond counsel with respect to the legality and validity of the Bonds and the security therefore, and in the case of tax-exempt Bonds, with respect to the excludability from gross income for federal income tax purposes of interest on the Bonds.
- (2) Alternative Dispute Resolution Policy. The Department encourages use of Alternative Dispute Resolution methods as outlined in \$1.17 of this title.
- $(\underline{n}k)$  Local Permits. Prior to the closing of the Bonds, all necessary approvals, including building permits, from local municipalities, counties, or other jurisdictions with authority over the Development must have been obtained or evidence that the permits are obtainable subject only to payment of certain fees must be provided to the Department.
- $(\underline{ol})$  Closing. If there are changes to the Application prior to closing that have an adverse affect on the score and ranking order that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review

Board (with the exception of changes to deferred developer's fees and support or opposition points). Once all approvals have been obtained and Bond documents have been finalized to the respective parties' satisfaction, the Bond transaction will close. Any outstanding Housing Trust Fund Pre-Development loans for the proposed Development site must be paid in full at the time the bond transaction is closed. All Applicants are subject to \$1.131.20(g) of this title. Upon satisfaction of all conditions precedent to closing, the Department will issue Bonds in exchange for payment thereof. The Department will then loan the proceeds of the Bonds to the Applicant and disbursements of the proceeds may begin.

#### §3533.7 Regulatory and Land Use Restrictions

- (a) Filing and Term of LURA. A Regulatory and Land Use Restriction Agreement or other similar instrument (the "LURA"), will be filed in the property records of the county in which the Development is located for each Development financed from the proceeds of Bonds issued by the Department. For Developments involving new construction, the term of the LURA will be the longer of 30 years, the period of guaranteed affordability or the period for which Bonds are outstanding. For the financing of an existing Development, the term of the LURA will be the longer of the longest period which is economically feasible in accordance with the Act, or the period for which Bonds are outstanding.
- (b) Development Occupancy. The LURA will specify occupancy restrictions for each Development based on the income of its tenants, and will restrict the rents that may be charged for Units occupied by tenants who satisfy the specified income requirements. Pursuant to \$2306.269, Texas Government Code, the LURA will prohibit a Development Owner from excluding an individual or family from admission to the Development because the individual or family participates in the housing choice voucher program under Section 8, United States Housing Act of 1937 (the "Housing Act"), and from using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than two and one half (2.5) times the individual's or family's share of the total monthly rent payable to the Development Owner of the Development. Development occupancy requirements must be met on or prior to the date on which Bonds are issued unless the Development is under construction. Adequate substantiation that the occupancy requirements have been met, in the sole discretion of the Department, must be provided prior to closing. Occupancy requirements exclude Units for managers and maintenance personnel that are reasonably required by the Development.

#### (c) Set Asides.

- (1) Developments which are financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds must be restricted under one of the following two minimum set-asides:
- (A) at least twenty percent (20%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed fifty percent (50%) of the area median income, or
- (B) at least forty percent (40%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed sixty percent (60%) of the area median income.
- (2) The Development Owner must designate at the time of Application which of the two set-asides will apply to the Development and must also designate the selected priority for the Development in accordance with \$1372.0321, Texas Government Code. Units intended to satisfy set-aside requirements must be distributed evenly throughout the Development, and must include a reasonably proportionate amount of each type of Unit available in the Development.
- (3) No tenant qualifying under either of the set-asides shall be denied continued occupancy of a Unit in the Development because, after commencement of such occupancy, such tenant's income increases to exceed the qualifying limit; provided, however, that, should a tenant's income, as of the most recent determination thereof, exceed 140% of the then applicable income limit and such tenant constitutes a portion of the set-aside requirement of this section, then such tenant shall only continue to qualify for so long as no Unit of comparable or smaller size is rented to a tenant that does not qualify as a Low-Income Tenant. (Required federal set-aside requirements)
- (d) Global Income Requirement. All of the Units that are available for occupancy in Developments financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds shall be occupied or held vacant (in the case of new construction) and available for occupancy at all times by persons or families whose income does not exceed one hundred and forty percent (140%) of the area median income for a four-person household.

- (e) Qualified 501(c)(3) Bonds. Developments which are financed from the proceeds of Qualified 501(c)(3) Bonds are further subject to the restriction that at least seventy-five percent (75%) of the Units within the Development that are available for occupancy shall be occupied (or, in the case of new construction, held vacant and available for occupancy until such time as initial lease-up is complete) at all times by individuals and families of Low Income (less than or equal to 80% of AMFI).
- (f) Taxable Bonds. The occupancy requirements for Developments financed from the issuance of taxable Bonds will be negotiated, considered and approved by the Department on a case by case basis.
- (g) Fair Housing. All Developments financed by the Department must comply with the Fair Housing Act which prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, religion, sex, national origin, familial status, and disability. The Fair Housing Act also mandates specific design and construction requirements for multifamily housing built for first occupancy after March 13, 1991, in order to provide accessible housing for individuals with disabilities.
- (h) Tenant Services. The LURA will require that the Development Owner offer a variety of services for residents of the Development through a Tenant Services Program Plan which is subject to annual approval by the Department.
  - (i) Land Use Restriction Agreement. Requirements as defined in Chapter 60, Subchapter A<del>§60</del> of this title.

#### §3533.8 Fees

- (a) Application and Issuance Fees. The Applicant is required to submit, at the time of pre-application, the following fees: \$1,000 (payable to TDHCA), \$1,500 (payable to Vinson & Elkins, the Department's Bond Counsel) and \$5,000 (payable to the Texas Bond Review Board (BRB)) These fees cover the costs of pre-application review and filing fees to the BRB. The Department shall set fees to be paid by the Applicant in order to cover the costs of pre-application review, Application and Development review, the Department's expenses in connection with providing financing for a Development, and as required by law. (\$1372.006(a), Texas Government Code). At the time of full application the Applicant is required to submit a tax credit application fee of \$30/unit and \$10,000 for the bond application fee (for multiple site Applications \$10,000 or \$30/unit, whichever is greater, for the bond application fee. At the closing of the bonds the following fees are required, an issuance fee equal to 50 basis points (0.005) of the issued bond amount, administration fee equal to 20 basis points (0.002) and a compliance fee equal to \$40/unit.
- (b) Annual Administration, Portfolio Management and Compliance, and Asset Management Fees. The Department shall set ongoing fees to be paid by Development Owners to cover the Department's costs of administering the Bonds, portfolio management and compliance with the program requirements applicable to each Development and asset management applicable requirements. The annual compliance fee is paid in advance and is equal to \$40/unit beginning two years from the first payment date; the asset management fee is paid in advance and is equal to \$25/unit beginning two years from the first payment date; both are adjusted annually for CPI. The annual administration fee is paid in arrears and is equal to 10 basis points (0.001) of the outstanding bond amount beginning three years from the closing date. These fees are paid for a minimum of thirty (30) years or as long as the bonds are out standing.

#### §3533.9 Waiver of Rules

Provided all requirements of the Act, the Code, and any other applicable law are met, the Board may waive any one or more of the Rules set forth in §§3533.3 - 3533.8 of this title relating to the Multifamily Housing Revenue Bond Program in order to further the purposes and the policies of Chapter 2306, Texas Government Code; to encourage the acquisition, construction, reconstruction, or rehabilitation of a Development that would provide decent, safe, and sanitary housing, including, but not limited to, providing such housing in economically depressed or blighted areas, or providing housing designed and equipped for Persons with Special Needs; or for other good cause, as determined by the Board.

#### §3533.10 No Discrimination

The Department and its staff or agents, Applicants, Development Owners, and any participants in the Program shall not discriminate under this Program against any person or family on the basis of race, creed, national origin, age, religion, handicap, family status, or sex, or against persons or families on the basis of their having

minor children, except that nothing herein shall be deemed to preclude a Development Owner from selecting tenants with Special Needs, or to preclude a Development Owner from selecting tenants based on income in renting Units to comply with the set asides under the provisions of this <u>Cchapter</u>.

#### HOME DIVISION

## **BOARD ACTION REQUEST**

**November 8, 2007** 

## **Action Item**

Presentation, Discussion and Possible Approval of the repeal of 10 TAC Chapter 51, Housing Trust Fund Rules and adoption and publication of the new 10 TAC Chapter 51, Housing Trust Fund Rule in the *Texas Register*.

## **Requested Action**

Approve, Deny or Approve with Amendments the repeal, adoption, and publication of new 10 TAC Chapter 51, Housing Trust Fund Rules.

#### **Background**

The Department conducted six public meetings to accept public comment on the proposed changes to the Housing Trust Fund Rule (10 TAC 51) as published September 24, 2007 in the *Texas Register*. The meetings were held on September 24, 2007 in El Paso and on October 4, 2007 in Austin and four other locations. The Department received only one comment on the Rule and it was through the public hearing in El Paso as noted below. However, one comment on the HOME Rules during the Austin Public Hearing specific to the definition of "Persons with Disabilities" was incorporated into the Housing Trust Fund rule as staff plans to also address the issue in the HOME Rule (10 TAC 53) in December 2007 and intends to maintain uniformity across housing program definitions.

#### I. Comment on the Housing Trust Fund Rule and Staff Response:

## **Housing Trust Fund Rule**

## **Comment:**

There are pressing housing needs in the City of El Paso and the City would like to leverage existing funds and identify opportunities to work with the State of Texas Housing Trust Fund to make housing opportunities available for residents in the state including urban areas.

## **Staff Response:**

Items not referring to or addressing a specific section of the Housing Trust Fund Rule have not been directly addressed by changes in this rule. Staff welcomes general comments regarding the Housing Trust Fund. As always, the Department values working with local communities on their specific housing needs.

#### **II. Administrative Clarification:**

Staff received public comment regarding the definition of Persons with Disabilities in response to the HOME Program Rule. For consistency, staff proposes the following change to the

proposed definition: (45) Persons with Disabilities— A household composed of one of more persons, at least one of whom is an Person adult, who has a disability that is a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having an impairment as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. §15002).

Staff also requests the Board's approval to make administrative changes as needed for consistency with other Department rules. These changes would include, but are not limited to correcting references to other rules such as specific sections, capitalization of defined terms and correcting typographical mistakes, etc.

#### Recommendation

Staff recommends Board approval of the repeal and adoption of new 10 TAC Chapter 51, Housing Trust Fund Rule, and publication of 10 TAC Chapter 51, Housing Trust Fund Rule in the *Texas Register*.

# TITLE 10. COMMUNITY DEVELOPMENT Part 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 51. HOUSING TRUST FUND RULES 10 TAC §§51.1 – 51.17. Housing Trust Fund Rules

The Texas Department of Housing and Community Affairs (the Department) adopts new Chapter 51, §§51.1 - 51.17, concerning the Housing Trust Fund Rules with changes to § 51.2 to the proposed rule as published in the September 7, 2007 issue of the *Texas Register* (32 Tex. Reg. 5932). The new chapter is adopted to coordinate current Housing Trust Fund rules with the new rules being adopted as part of the 2008 rule cycle and to implement changes enacted during the 80th regular session of the Texas Legislature.

Public hearings on the new rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, email, and facsimile through October 10, 2007.

#### Justification for Rule Action

This new rule ensures compliance with statutory requirements as per changes in Chapter 2306, Texas Government Code during the 80<sup>th</sup> legislative session. In order to offer consistency and uniformity among housing programs, changes were made to the rule in the areas of definition. One change since the September 7<sup>th</sup> publication in the *Texas Register*, based on public comment on other housing program rules, was incorporated into this rule to maintain uniformity across housing program definitions. To provide clarity regarding administrative processes, additional sections were added to assist in formalizing those program processes. Finally, to streamline and update certain processes, some sections were removed or collapsed with other relevant sections.

## SUMMARY OF RULE COMMENTS:

#### COMMENT:

There are pressing housing needs in the City of El Paso and the City would like to leverage existing funds and identify opportunities to work with the State of Texas Housing Trust Fund to make housing opportunities available for residents in the state including urban areas.

#### STAFF RESPONSE:

Items not referring to or addressing a specific section of the Housing Trust Fund Rule have not been directly addressed by changes in this rule. Staff welcomes general comments regarding the Housing Trust Fund. As always, the Department values working with local communities on their specific housing needs.

The new sections are adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306, and §2306.203 which requires the Board to adopt rules to administer the Housing Trust Fund.

## §51.1. Purpose.

This Chapter clarifies the use and administration of the Housing Trust Fund. The Department shall use the Housing Trust Fund to provide loans, grants, or other comparable forms of assistance to local units of government, public housing authorities, for profit entities, nonprofit organizations, income-eligible individuals, families, and households to finance, acquire, rehabilitate, and develop decent, safe, and sanitary housing. The fund is created pursuant to §2306.201, Texas Government Code. The use of the Housing Trust Fund is limited to activities pursuant to §2306.202, Texas Government Code:

- (1) assistance for individuals and families of low and very low income;
- (2) technical assistance and capacity building to nonprofit organizations engaged in developing housing for individuals and families of low and very low income;
- (3) security for repayment of revenue bonds issued to finance housing for individuals and families of low and very low income; and
- (4) subject to the limitations in §2306.251, Texas Government Code, the Department may also use the fund to acquire property to endow the fund.

## §51.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Administrative Deficiencies--The absence of information or a document from the application as required in this rule or applicable NOFA.
- (2) Administrator--The Person responsible for performing under a Contract with the Department.
- (3) Affiliate--An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include all General Partners, Special Limited Partners and Principals with an ownership interest.
- (4) Affiliated Party--A Person in a relationship with the Administrator on a Contract with the Department.
- (5) Applicant--A person who has submitted an Application for Department funds or other assistance.
- (6) Application--A request for funds submitted to the Department in a form prescribed by the Department, including any exhibits or other supporting material.
- (7) Application Acceptance Period--The period of time that Applications may be submitted to the Department as more fully described in the applicable NOFA.
- (8) Application Submission Procedures Manual ("ASPM")--The manual which sets forth the procedures, forms and instructions for the completion and submission of an Application to the Department.
- (9) Area Median Family Income ("AMFI")--The income estimated and determined by HUD as the median family income with adjustments for family size and geographic locations.
- (10) Articles of Incorporation--The document that sets forth the basic terms for a corporation's existence and is the official recognition of the corporation's existence.
- (11) Board--The governing board of the Texas Department of Housing and Community Affairs.
- (12) Capacity Building--Educational and organizational support assistance to promote the ability of community housing development organizations and nonprofit organizations to maintain, rehabilitate and construct housing for low, very low, and extremely low-income persons and families. This activity may include:

- (A) organizational support to cover expenses for housing development or management related training, technical and other assistance to the board of directors, staff, and members of the nonprofit organizations or community housing development organizations;
- (B) technical assistance and training related to housing development, housing management, or other subjects related to the provision of housing or housing services; or
- (C) studies and analyses of housing needs.
- (13) Chapter 2306--The enabling statute for the Department found in Texas Government Code, Chapter 2306.
- (14) Colonia--A geographic area that is located in a county some part of which is within 150 miles of the international border of this state that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that:
- (A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or
- (B) has the physical and economic characteristics of a colonia, as determined by the Texas Water Development Board.
- (15) Colonia Housing Standards--The Department's HUD approved housing standards that allows Colonia residents with the opportunity to rehabilitate their homes when located in a designated Colonia.
- (16) Competitive Application Cycle--A defined period of time that Applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be reviewed in accordance with the rules for application review published in the NOFA, and the ASPM.
- (17) Control--The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership or voting securities, by contract or otherwise, including specifically ownership of more than 50% of the General Partner interest in a limited partnership, or designation as a managing General Partner of a limited liability company.
- (18) Contract--The executed written agreement between the Department and an Administrator performing an activity related to a program that outlines performance requirements and responsibilities assigned by the document.
- (19) Deobligated Funds--The funds released by an Administrator or Contractor or recovered by the Department canceling a contract or award involving some or all of a contractual financial obligation between the Department and an Administrator or contractor.
- (20) Department--The Texas Department of Housing and Community Affairs.
- (21) Developer--Any Person entering into a contract with the Development Owner to provide development services with respect to the Development and receiving a fee for such services and any other Person receiving any portion of such fee, whether by subcontract or otherwise.
- (22) Development--A Project that has a construction component, either in the form of new construction or the rehabilitation of multi-unit or single family residential housing that meet the affordability requirements.
- (23) Development Funding--
- (A) a loan or grant; or
- (B) an in-kind contribution, including a donation of real property, a fee waiver for a building permit or for water or sewer service, or a similar contribution that:
- (i) provides an economic benefit; and
- (ii) results in a quantifiable cost reduction for the applicable development.

- (24) Development Owner--Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract approved by the Department.
- (25) Development Site--The area, or if scattered site areas, for which the Development is proposed to be located and is to be under the Development Owner's Control.
- (26) Executive Award and Review Advisory Committee ("The Committee")--The Department committee that will develop funding priorities and make funding and allocation recommendations to the Board based upon the evaluation of an Application in accordance with the housing priorities as set forth in Chapter 2306, Texas Government Code, and as set forth herein, and the ability of an Applicant to meet those priorities.
- (27) General Contractor-One who contracts for the construction or Rehabilitation of an entire Development, rather than a portion of the work. The General Contractor hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors.
- (28) General Partner--The partner, or collective of partners, identified as the general partner of the partnership that is the Development Owner and that has general liability for the partnership. In addition, unless the context shall clearly indicate the contrary, if the Development Owner in question is a limited liability company, the term "General Partner" shall also mean the managing member or other party with management responsibility for the limited liability company.
- (29) Grant--Financial assistance that is awarded in the form of money to a housing sponsor for a specific purpose and that is not required to be repaid. For purposes of this chapter, a Grant includes a forgivable loan.
- (30) Household--One or more persons occupying a housing unit.
- (31) Housing Development Costs--The total of all costs incurred, or to be incurred, by the Development Owner in acquiring, constructing, rehabilitating and financing a Development as determined by the Department based on the information contained in the Application. Such costs include reserves and any expenses attributable to commercial areas.
- (32) HUD--The United States Department of Housing and Urban Development, or its successor.
- (33) Intergenerational Housing--Housing that includes specific units that are restricted to the age requirements of a Qualified Elderly Development and specific units that are not age restricted in the same Development that:
- (A) have separate and specific buildings exclusively for the age restricted units;
- (B) have separate and specific leasing offices and leasing personnel exclusively for the age restricted units:
- (C) have separate and specific entrances, and other appropriate security measures for the age restricted units:
- (D) provide shared social service programs that encourage intergenerational activities but also provide separate amenities for each age group;
- (E) share the same Development site;
- (F) are developed and financed under a common plan and owned by the same Person for federal tax purposes; and
- (G) meet the requirements of the federal Fair Housing Act.
- (34) Income Eligible Households--
- (A) Low-Income Households--Households whose annual incomes do not exceed 80% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.

- (B) Very Low-Income Households--Households whose annual incomes do not exceed 60% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.
- (C) Extremely Low Income Households--Households whose annual incomes do not exceed 30% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.
- (35) Land Use Restriction Agreement ("LURA")--A Land Use Restriction Agreement that has been executed by the Department and a Person related to a specific property or properties and filed with the responsible recording authority.
- (36) Loan Agreement--An agreement between the Department and a Person regarding the terms and conditions of a loan provided to the Person from the Department.
- (37) Material Noncompliance--As is defined in Title 10 Texas Administrative Code, Chapter 60, Subchapter A.
- (38) Memorandum of Understanding (MOU)--A written agreement detailing the understanding between the parties.
- (39) Mortgagor ("Borrower")--The Person who borrows money and uses his or her real property as collateral and security for the payment of the debt.
- (40) New construction--Any Development not meeting the definition of Rehabilitation or Reconstruction.
- (41) NOFA--Notice of Funding Availability, published in the Texas Register.
- (42) Nonprofit Organization--A public or private organization that:
- (A) is organized under state or local laws;
- (B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, or §501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization non-profit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant; and
- (D) A private nonprofit organization's pending application for §501(c)(3) or (c)(4) status cannot be used to comply with the tax status requirement.
- (43) Open Application Cycle--A defined period during which applications may be submitted according to a published NOFA and which will be reviewed on a first come-first served basis until all funds available are committed, or until the NOFA is closed.
- (44) Person--Any individual, partnership, corporation, association, unit of government, community action agency, or public or private organization of any character.
- (45) Persons with Disabilities--A Household composed of one or more persons, at least one of whom is an adult Person, who has a disability that is a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. \$15002).
- (46) Person with Special Needs--Individuals or categories of individuals determined by the Department to have unmet housing needs:

- (A) consistent with 42 USC §12701 et seq. and as provided in the Consolidated Plan and may include any households composed of one or more persons with alcohol and/or drug addictions, Colonia residents, Persons with Disabilities, victims of domestic violence, persons with HIV/AIDS, homeless populations and migrant farm workers.
- (B) Housing Trust Funds may also be awarded through Persons legally responsible for caring for a Person with Special Needs, pursuant to §2306.511, Texas Government Code.
- (47) Predevelopment Costs--Reimbursable costs related to a specific eligible housing project including:
- (A) Predevelopment housing project costs that the Department determines to be customary and reasonable, including but not limited to consulting fees, architectural fees, engineering fees, engagement of a development team, site control, and title clearance;
- (B) Pre-construction housing project costs that the Department determines to be customary and reasonable, including but not limited to, the costs of obtaining architectural plans and specifications, zoning approvals, engineering studies and legal fees; and
- (C) Predevelopment costs do not include general operational or administrative costs.
- (48) Principal--Any Person that does or will exercise Control over a partnership, corporation, limited liability company, trust or any other private entity. In the case of:
- (A) Partnerships, Principals include all General Partners, Special Limited Partners and Principals with ownership interest;
- (B) Corporations, Principals include any officer authorized by the board of directors to act on behalf of the corporation, including the president, vice president, secretary, treasurer and all other executive officers, and each stock holder having a ten percent or more interest in the corporation; and
- (C) Limited liability companies, Principals include all managing members, members having a ten percent or more interest in the limited liability company or any officer authorized to act on behalf of the limited liability company.
- (49) Project--A site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or sites on which the building or buildings are located, that are under common ownership, management, and financing.
- (50) Property--The real estate and all improvements thereon which are the subject of the Application whether currently existing or proposed to be built thereon in connection with the Application.
- (51) Public Housing Authority--A housing authority established under the Texas Local Government Code, Chapter 392.
- (52) Received Date--The date and time at which an Application is actually received by the Department.
- (53) Rehabilitation--The improvement or modification of an existing residential development through an alteration, addition, or enhancement. The term includes the demolition of an existing residential development and the reconstruction of any development units, but does not include the improvement or modification of an existing residential development for the purpose of an adaptive reuse of the development.
- (54) Resolution--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of Person or Persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate Bylaws.
- (55) Rural Area--An area that is located:
- (A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;

- (B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or
- (C) in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.
- (56) Rural Development--A development or proposed development that is located in a Rural Area, other than rural new construction Developments with more than 80 units.
- (57) TAC--Texas Administrative Code.
- (58) Third Party--A Person who is not:
- (A) Applicant, General Partner, Developer, or General Contractor, or
- (B) An Affiliate or a Related Party to the Applicant, General Partner, Developer or General Contractor, or
- (C) Person(s) receiving any portion of the contractor fee or developer fee.
- (59) Unit of General Local Government--A city, town, county, or other general purpose political subdivision of the State.
- (60) Urban Area--The area that is located within the boundaries of a primary metropolitan statistical area other than an area described by §2306.004(28-a)(B), Texas Government Code, or eligible for funding as described by §2306.004(28-a)(C).

## §51.3. Allocation of Housing Trust Funds.

- (a) Pursuant to §2306.201, Texas Government Code, the Housing Trust Fund is a fund administered by the Department, and placed with the Texas Treasury Safekeeping Trust Company.
- (b) Uses of the Housing Trust Fund will be limited to those defined by §2306.202, Texas Government Code.
- (c) Each biennium the first \$2.6 million available through the housing trust fund for loans, grants, or other comparable forms of assistance shall be set aside and made available exclusively for local units of government, public housing authorities, and nonprofit organizations. Any additional funds may also be made available to for-profit organizations so long as at least 45 percent of available funds in excess of the first \$2.6 million shall be made available to nonprofit organizations. The remaining portion shall be competed for by nonprofit organizations, for-profit organizations, and other eligible entities, pursuant to \$2306.202, Texas Government Code.
- (d) Funds shall be allocated to achieve broad geographic dispersion by awarding funds in accordance with §2306.111(d) and (g), Texas Government Code.
- (e) The Department shall require that Applicants target at least 50% of those units served by housing trust funds to individuals and families earning less than 60% of AMFI.
- (f) Bond indenture requirements governing expenditure of bond proceeds deposited in the housing trust fund shall govern and prevail over all other allocation requirements established in this Section.

  However, the Department shall distribute these funds in accordance with the requirements of this Section to the extent possible.
- (g) Housing Trust Funds may also be allocated to the Texas Bootstrap Loan Program and will be awarded in accordance with §2306.753, Texas Government Code.

## §51.4. Basic Eligible Activities.

(a) Pursuant to §2306.202, Texas Government Code, the Department, through the housing finance division, shall use the housing trust fund to provide Loans, Grants, or other comparable forms of

assistance to Units of General Local Government, Public Housing Authorities, for-profit entities, Nonprofit organizations, and Income-Eligible individuals, families, and Households to finance, acquire, Rehabilitate, and Develop decent, safe, and sanitary housing. In each biennium the first \$2.6 million available through the housing trust fund for Loans, Grants, or other comparable forms of assistance shall be set aside and made available exclusively for Units of General Local Government, Public Housing Authorities, and Nonprofit organizations. Any additional funds may also be made available to for-profit organizations so long as at least forty-five percent (45%) of available funds in excess of the first \$2.6 million shall be made available to Nonprofit organizations for the purpose of acquiring, Rehabilitating, and Developing decent, safe, and sanitary housing. The remaining portion shall be competed for by nonprofit organizations, for-profit organizations, and other eligible entities. Notwithstanding any other section of this chapter, but subject to the limitations in \$2306.251(c), the Department may also use the fund to acquire property to endow the fund.

- (b) Use of the fund is limited to providing:
- (1) assistance for individuals and families of low and very low income;
- (2) technical assistance and capacity building to nonprofit organizations engaged in developing housing for individuals and families of low and very low income; and
- (3) security for repayment of revenue bonds issued to finance housing for individuals and families of low and very low income.

## §51.5. Application Procedures and Requirements.

- (a) Competitive and Open Application Cycles. The Department will declare within a NOFA whether the application cycle will be a competitive or open cycle.
- (b) Ex Parte Communications
- (1) During the period beginning on the date Applications are filed in response to a NOFA and ending on the date the Board makes a final decision with respect to the approval of any Application for that NOFA, a member of the Board may not communicate with the following persons:
- (A) an Applicant or a Related Party, as defined by state law, including board rules, and federal law; and
- (B) any Person who is:
- (i) active in the construction, Rehabilitation, ownership, or Control of the proposed Project, including:
- (ii) a General Partner or Contractor; and
- (iii) a Principal or Affiliate of a General Partner or Contractor; or
- (iv) employed as a consultant, lobbyist, or attorney by an Applicant or a Related Party.
- (2) Subject to paragraph (1) of this subsection, during the period beginning on the Applications are filed in response to a NOFA and ending on the date the Board makes a final decision with respect to the approval of any Application for that NOFA, an employee of the Department may communicate about the Application with the following Persons:
- (A) the Applicant or a Related Party, as defined by state law, including board rules, and federal law; and
- (B) any Person who is:
- (i) active in the construction, rehabilitation, ownership, or control of the proposed project including:
- (ii) a General Partner or Contractor; and
- (iii) a Principal or Affiliate of a General Partner or contractor; or
- (iv) employed as a consultant, lobbyist or attorney by the Applicant or a Related Party.
- (3) A communication under paragraph (2) of this subsection may be oral or in any written form, including electronic communication through the internet, and must satisfy the following conditions:

- (A) the communication must be restricted to technical or administrative matters directly affecting the Application;
- (B) the communication must occur or be received on the premises of the Department during established business hours; and
- (C) a record of the communication must be maintained and included with the Application for purposes of Board review and must contain the following information:
- (i) the date, time, and means of communication;
- (ii) the names and position titles of the Persons involved in the communication and, if applicable, the Person's relationship to the Applicant;
- (iii) the subject matter of the communication; and
- (iv) a summary of any action taken as a result of the communication.
- (4) Notwithstanding paragraphs (1), (2) or (3) of this subsection, a Board member or Department employee may communicate without restriction with a Person listed in paragraphs (1) or (2) of this subsection during any Board meeting or public hearing held with respect to the Application, but not during a recess or other nonrecord portion of the meeting or hearing.
- (5) Paragraph (1) of this subsection does not prohibit the Board from participating in social events at which a Person with whom communications are prohibited may or will be present, provided that all matters related to Applications to be considered by the Board will not be discussed.
- (c) Eligible Applicants. The following organizations or entities are eligible to apply for Program Activities:
- (1) Nonprofit organizations;
- (2) Units of General Local Government;
- (3) for-profit entities and sole proprietors; and
- (4) Public Housing Agencies.
- (d) Ineligible Applications, Activities, and Restrictions. The following conditions will cause an Applicant, and any applications they have submitted, to be ineligible:
- (1) The Applicant, Development Owner, or Developer is an Administrator of a previously funded Contract for which Housing Trust Funds have been partially or fully deobligated due to failure to meet contractual obligations during the 12 months prior to application submission date, unless the deobligation was voluntary and prior to the contract term expiration date;
- (2) The Applicant, Development Owner, or Developer has failed to submit or is delinquent in a response to provide an explanation, evidence of corrective action or a payment of disallowed costs or fees as a result of a monitoring review.
- (3) The Applicant, Development Owner, or Developer has failed to make timely payment or is delinquent on any loans or fee commitments made with the Department on the date of the Application submission;
- (4) The Applicant, Development Owner, or Developer has been or is barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement of Non-procurement Programs or has otherwise been debarred by HUD or the Department;
- (5) The Applicant, Development Owner, or Developer has violated the State's revolving door policy; (6) The Applicant, Development Owner, or Developer has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or
- other similar criminal offenses within fifteen years preceding the Application deadline;

- (7) The Applicant, Development Owner, or Developer at the time of Application submission is: subject to an enforcement or disciplinary action under state or federal securities law or by the NASD is subject to a federal tax lien; or is the subject of an enforcement proceeding with any governmental entity;
- (8) The Applicant, Development Owner, or Developer has issues covered under 10 TAC §1.3;
- (9) The 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 can not 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. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant;
- (10) The Applicant, Development Owner, or Developer or anyone that has Controlling ownership interest in the Development Owner or Developer that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA;
- (11) The Application is a joint venture Application for the same Program Activity to serve the same town, city, or county that is identified in the Application already submitted as a sole Application for the same Program Activity in the same town, city or county;
- (12) Any Application that includes financial participation by a Person who, during the five-year period preceding the date of the bid or award, has been convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricanes Rita or Katrina or any other disaster occurring after September 25, 2005, or was assessed a federal civil or administrative penalty in relation to such a contract;
- (13) Applications which propose the refinancing or rehabilitation of properties constructed within the past 5 years and previously funded by the Department are not eligible; or
- (14) Displacement of Existing Affordable Housing. 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 dislocation provision of this paragraph, that recipient risks loss of Housing Trust Funds and the landlord/developer must pay the affected tenant's costs and all moving expenses.
- (e) Noncompliance. Each Application will be reviewed for its compliance history by the Department, consistent with Chapter 60, Subchapter A of this title. Applications containing Persons found to be in Material Noncompliance or otherwise violating the compliance rules of the Department will be terminated.
- (f) Application Form and Materials. The Department will develop and publish on its website an Application and ASPM that if completed would satisfy the requirements for requesting funds from the Department. The Department may limit the eligibility of Applications in the NOFA and ASPM.

  (g) General Application Requirements. Applicants must submit an Application by the deadline date specified in the NOFA using the Application and ASPM forms required by the Department. All Applications must be received during business hours (8:00 a.m. to 5:00 p.m. Central Standard Time) on any business day. Completion and submission of the Application includes the entire Uniform Application and any other supplemental forms which may be required by the Department.

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(h) Application Limitations. The Department reserves the right to reduce the amount requested in an Application based on activity or Project feasibility, underwriting analysis, or availability of funds.

## §51.6. Multifamily Development Application Requirements.

- (a) Rental Housing Development Site and Development Restrictions. Restrictions include all those items referred to in Chapter 2306, Texas Government Code and any additional items included in the NOFA for rental housing developments.
- (b) Limitations on the Size of Developments. 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.

# §51.7. Multifamily Development Applicants Requesting Additional Funding from Other Housing Finance Programs.

- (a) If an Application is submitted to the Department for a Development that requests funds from two separate housing finance programs, one of which includes the Housing Trust Fund, and only one of the housing finance programs is operated as a Competitive Application Cycle, then the Application will be handled in accordance with the competitive cycle guidelines for that program. If an Application is submitted for two separate housing finance programs where both programs are either open cycle, or competitive, one of which is Housing Trust Fund, the Application will be handled in accordance with the most restrictive program rules with the approval of the Department's Executive Director. Threshold and any other rental requirements will be noted in any NOFA released.
- (b) Applicants who are seeking tax credits and are also seeking funds under this Chapter for the same Development must meet the requirements under the Qualified Allocation Plan for the year in which they are applying for the tax credits, and all of the requirements of this Chapter specifically waived by the Department.
- (c) Public Notification. 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 lose its "received by date" under open application cycles, or be terminated under competitive application cycles. Applicants must provide notifications to:
- (1) 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;
- (2) all neighborhood organizations whose defined boundaries include the location of the Development; (3) executive officer and Board President of the school district that covers the location of the Development;
- (4) residents of occupied housing units that may be rehabilitated, reconstructed or demolished;
- (5) the State Representative and State Senator whose district covers the location of the Development; and
- (6) 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.

## §51.8. Application Procedure and Requirements.

- (a) Applications received by the Department in response to an Open Application Cycle NOFA will be handled in the following manner:
- (1) The Department will accept Applications on an ongoing basis, until such date when the Department makes notice to the public that an Open Application Cycle has been closed.
- (2) 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 two review phases, as applicable. Applications will continue to be prioritized for funding based on its Received Date unless it does 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.
- (A) Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and ASPM and will issue a notice of any Administrative Deficiencies for threshold criteria. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable, and will continue to be prioritized by their Received Date. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not require additional review in Phase Two, will be reviewed for recommendation to the Board by the Committee.
- (B) Phase Two will include a comprehensive review for financial feasibility for Development Activities. 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 may issue a notice of any Administrative Deficiencies. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase will be reviewed for recommendation to the Board by the Committee.
- (3) Because applications are processed in the order they are received by the Department it is possible that the Department will expend all available Housing Trust Fund funds before an application has completed all phases of review. In the case that all Housing Trust Fund 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 ninety (90) days in its current phase. If new Housing Trust Fund funds become available, Applications will continue onward with their review without losing their Received Date priority. If Housing Trust Fund funds do not become available within ninety (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 the NOFA, the applicant will be notified that no funds remain under the NOFA and that the application will not be processed.

  (b) Applications received by the Department in response to a Competitive Application Cycle NOFA for housing development activities will be handled in the following manner:
- (1) The Department will accept Applications on an ongoing basis during the Application Acceptance Period as specified in the NOFA.
- (2) Applications submitted and accepted by the Department will be reviewed for eligibility, threshold and selection criteria and all Application requirements. The Department will ensure review of materials

required under the NOFA and ASPM. A comprehensive review of financial feasibility for

Development activities will be conducted by the Real Estate Analysis (REA) Division consistent with

§1.32 of this title for all competitive applications. 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 issue a notice of any Administrative Deficiencies for items
reviewed. If Administrative Deficiencies are not cured to the satisfaction of the Department within five
(5) business days of the deficiency notice date, then five (5) points shall be deducted from the selection
score for each additional day the Administrative Deficiency remains unresolved. If Administrative
Deficiencies are not clarified or corrected within seven (7) business days from the deficiency notice
date, then the Application shall be terminated.

- (3) Upon completion of review and no unresolved Administrative Deficiencies, the Application will be reviewed for recommendation to the Board by the Committee.
- (c) Administrative Deficiencies. If an application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies including threshold and/or selection criteria documentation and/or financial feasibility analysis. The Department staff may request clarification or correction in a deficiency notice in the form of a facsimile and a telephone call to the Applicant advising that such a request has been transmitted. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. An Applicant may not change or supplement any part of an Application in any manner after submission to the Department, increase their award amount, or revise their unit mix (both income levels and bedroom mixes), except in response to a direct request from the Real Estate Analysis Division to remedy an Administrative Deficiency as further described in this title or by amendment of an Application after a commitment or allocation of Housing Trust Fund monies. (d) The Department may decline to fund 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 reserves the right to negotiate individual elements of any Application.
- (e) A site visit will be conducted. Applicants must receive recommendation for approval from the Department to be considered for funding by the Board.
- (f) Applicants may appeal staff's decisions regarding their applications consistent with §1.7 of this title.
  (g) Alternative Dispute Resolution Policy. Applicant's may utilize the Department's Alternative Dispute Resolution process as defined by §1.17 of this title.

## §51.9. Criteria for Funding.

- (a) In considering applications for funding, the Department considers the following requirements under §2306.203, Texas Government Code, and such others as may be enumerated during the funding cycle:

  (1) Minimum Eligibility Criteria. To be considered for funding, an Applicant must first demonstrate that it meets each of the following threshold criteria:
- (A) the Application is consistent with the requirements established in this rule and the NOFA;
  (B) 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;
  (C) the proposal addresses and identifies a housing need. This assessment will be based on statistical

data, surveys and other indicators of need as appropriate; and

- (D) any outstanding Housing Trust Fund Pre-Development loans for the same proposed Development Site must be paid in full at the time of Loan closing for the current requested funds.
- (2) Evaluation Factors. Pursuant to §2306.203(c), Texas Government Code, the criteria used to evaluate applications, as more fully reflected in the NOFA, will include at a minimum the:
- (A) leveraging of federal funds including the extent to which the project will leverage State funds with other resources, including federal resources, and private sector funds;
- (B) cost-effectiveness of a proposed development; and
- (C) extent to which individuals and families of very low income and extremely low income are served by the development.
- (b) The Board has final approval on all recommendations for funding.
- (c) Eligible Applicants that have been approved for funding and that require a material change in the project description must provide a written request for the material change to the Department prior to implementing the change.
- (1) A material change may include, but is not limited to, the following:
- (A) Change in project site;
- (B) Change in the number of units or set asides; and
- (C) An increase in funding that is not permitted under §51.14 of this chapter.
- (2) Failure to comply with this subsection may result in the termination of funding to Applicant.

## §51.10. Process for Awards During Competitive Application Cycle.

- (a) Applicants applying in response to a Competitive Application Cycle will be ranked by highest score per Uniform State Service Region per Area Type unless otherwise specified in the NOFA.
  (b) In event of a tie between two or more Applicants, the Department reserves the right to determine
- which Application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed Project identified in the Application. Tied Applicants may also receive a partial recommendation for funding.
- (c) If sufficient qualified Applications are not received for a Uniform State Service Region or Area Type, the funds will be redirected to the next Uniform State Service Region that had a higher number of qualified Applicants unless otherwise specified in the NOFA.
- (d) Applicants may also receive a partial recommendation for funding. A minimum award amount may be established to ensure feasibility.
- (e) When the remainder of the allocation within a Uniform State Service Region is insufficient to completely fund the next ranked Application in the Uniform State Service Region, it is within the discretion of the Department to:
- (1) fund the next ranked application for the partial amount, reducing the scope of the Application proportionally;
- (2) make necessary adjustments to fully fund the Application; or
- (3) transfer the remaining funds to other Uniform State Service Region.
- (f) All recommendations for awards will be presented to the Committee before presentation to the Board. All Applications must comply with all applicable program requirements or regulations.
- (g) Applications receiving a favorable staff recommendation are presented to the Board for approval, pending the availability of Housing Trust Fund funds.
- (h) Applicants may appeal staff's decision regarding their Applications in accordance with §1.7 of this title.

(i) Even after Board approval of the award of any Housing Trust Fund funds, acquisition or construction activities will be conditional upon a completed Loan closing and any other conditions deemed necessary by the Department.

## §51.11. Contract Required after Award.

Any activity funded under this program will be governed by a written Contract that identifies the terms and conditions related to the awarded funds. The Contract will not be effective until executed by all parties to the Contract. Any amendments must be in writing and are subject to the requirements of this Chapter.

## §51.12. Documents Supporting Mortgage Loans.

- (a) A mortgage loan shall be evidenced by a mortgage or deed of trust note or bond and by a mortgage that creates a lien on the housing development and on all real property that constitutes the site of or that relates to the housing development.
- (b) A note or bond and a mortgage or deed of trust:
- (1) must contain provisions satisfactory to the department;
- (2) must be in a form satisfactory to the department; and
- (3) may contain exculpatory provisions relieving the Borrower or its Principal from personal liability if the department agrees.
- (c) For each loan made for the Development of multifamily housing with Housing Trust Fund funds provided to the State, the Department shall obtain a mortgagee's title policy in the amount of the loan. The Department may not designate a specific title insurance company to provide the mortgagee title policy or require the borrower to provide the policy from a specific title insurance company. The borrower shall select the title insurance company to close the loan and to provide the mortgagee title policy.

## §51.13. Amendments.

- (a) Amendment requests to be approved by the Executive Director are allowable under the following circumstances:
- (1) Time extensions. The Executive Director may collectively provide up to one six month extension to the end date of any Contract. Any additional time extension granted by the Executive Director shall include a statement by the Executive Director relating to unusual and non foreseeable circumstances. If the extension is longer than six months and the Executive Director determines does not feel he can issue a statement related to unusual or non-foreseeable circumstances can be issued, it will be presented to the Governing Board for approval, approval with modifications, or denial of the requested extension.
- (2) Increase in funds. In the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater. 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.
- (b) If the Administrator or Development Owner fails to meet the contract milestones or Contract term requirements and does not seek, or is not granted, a Contract amendment for an extension of a milestone or the entire term, the awarded funds related to the lack of performance may be entirely or partially deobligated at the Department's sole discretion.

- (c) Additional Funds. In the event the Department receives additional funds, the Department, with Board approval, may elect to distribute funds to other Administrators or Development Owners.

  (d) Accounting Requirements. Within 60 days following the conclusion of a contract issued by the Department the recipient shall provide a full accounting of funds expended under the terms of the contract. Failure of a recipient to provide full accounting of funds expended under the terms of a contract shall be sufficient reason to terminate the contract and for the Department to deny any future contract to the recipient.
- (e) Individual Milestones. Each milestone is an individual term and subject to the amendment processes. An interim milestone extension may or may not extend the entire contract at the Department's discretion.

## §51.14. Other Program Requirements.

- (a) Employment opportunities. In connection with the planning and carrying out of any project assisted under the Act, to the greatest extent feasible, opportunities for training and employment shall be given to low, very low, and extremely low-income persons who meet position requirements residing within the area in which the project is located.
- (b) Conflict of Interest.
- (1) Conflict Prohibited. No person described in paragraph (2) of this subsection who exercises or has exercised any functions or responsibilities with respect to Housing Trust Fund activities under the Statute or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from a Housing Trust Fund assisted activity, or have an interest in any Housing Trust Fund contract, subcontract or agreement or the proceeds hereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- (2) Persons Covered. The conflict of interest provisions of paragraph (1) of this subsection apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the Administrator or Development Owner.
- (c) Right to Inspect and Monitor.
- (1) The Department may, at any time, inspect and monitor the records and the work of the Project so as to ascertain the level of Project completion, quality of work performed, inventory levels of stored material, compliance with the approval plans and specifications, property standards, and program rules and requirements.
- (2) Any unsatisfactory findings in the inspection may result in a reduction in the amount of funds requested or termination of funding.
- (3) Within 45 days of completion of any construction, and before the release of any retainage funds, Administrators and Development Owners are required to notify the Department of the completion by submitting a certificate of completion and any other documents required by program guidelines, including, but not limited to, the following:
- (A) Architect's Certification of Substantial Compliance;
- (B) Administrator or Development Owner's Certificate of Substantial Completion; and
- (C) Administrator or Development Owner's and Supplier's Release of Lien and warrantee.
- (4) The Department performs a final close-out visit and assists owners in preparing for long-term compliance requirements upon completion of project development.
- (d) Compliance.
- (1) Recipient must maintain compliance with each of its Contracts with the Department.
- (2) Restrictions are stated and enforced through a regulatory agreement.

- (3) These restrictions include, but are not limited to the following:
- (A) Rent restrictions;
- (B) Record keeping and reporting; and
- (C) Income targeting of tenants.
- (4) The Department monitors compliance with project restrictions and any other covenants by Recipient in any Housing Trust Fund agreement. An annual per unit compliance fee of \$25.00 may be charged for this review.
- (e) For funds being used for multifamily rental properties, the Recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in §1.37 of this title.
- (f) Accounting Requirements. Within 60 days following the conclusion of a contract issued by the Department the Recipient shall provide a full accounting of funds expended under the terms of the contract. Failure of a recipient to provide full accounting of funds expended under the terms of a contract shall be sufficient reason to terminate the contract and for the Department to deny any future contract to the recipient.

## §51.15. Citizen Participation.

- (a) The Department holds at least one public hearing annually, and additional public hearings prior to consideration of any proposed significant changes to these rules, to solicit comments from the public, eligible applicants, and Administrators and Development Owner on the Department's rules, guidelines, and procedures for the Housing Trust Fund.
- (b) The Department considers the comments it receives at public hearings. The Board annually reviews the performance, administration, and implementation of the Housing Trust Fund in light of the comments it receives. The Board also reviews funding goals and set-asides relating to Allocation of Housing Trust Funds.
- (c) Unless the request is made during a Competitive Application Cycle, Applications for Housing Trust Funds are public information and the Department shall afford the public an opportunity to comment on proposed housing applications prior to making awards.
- (d) Complaints will be handled in accordance with the Department's complaint procedures of 10 TAC §1.2.

## §51.16. Records to be Maintained.

- (a) Administrator or Development Owners are required, at least on an annual basis, to submit to the Department information required under Chapter 1 of this title, which may include, but is not limited to: (1) such information as may be necessary to determine whether a project is benefiting low, very low, and extremely low-income persons and families;
- (2) the monthly rent or mortgage payment for each dwelling unit in each structure assisted;
- (3) such information as may be necessary to determine whether Administrators and Development Owners has carried out their housing activities in accordance with the requirements and primary objectives of the Housing Trust Fund and implementing regulations;
- (4) the size and income of the household for each unit occupied by a low, very low, or extremely low-income person or family;
- (5) data on the extent to which each racial and ethnic group and households have applied for and benefited from any project or activity funded in whole or in part with funds made available under Texas Government Code Chapter 2306. This data shall be updated annually; and
- (6) A final statement of accounting upon completion of the Project.

- (b) Administrator or Development Owners shall maintain records pertinent to the tenant's files for a period of at least three years.
- (c) Administrator or Development Owners shall maintain records pertinent to funding awards including but not limited to project costs and certification work papers for a period of at least five years.
- (d) Administrator or Development Owners shall maintain records in an accessible location.

## §51.17. Waiver.

The Board may, in its discretion, waive any one or more of the rules set forth in this chapter to accomplish its legislative mandates or for other compelling circumstances.

## Portfolio Management and Compliance

## **BOARD ACTION REQUEST**

November 8, 2007

## **Action Items**

Presentation, discussion and possible approval for publication in the Texas Register of 10 TAC Chapter 60, Subchapter A, Compliance Monitoring Rules.

## **Required Action**

- 1. Adoption of repeal of 10 TAC Chapter 60, Subchapter A, Compliance Monitoring.
- 2. Adoption of new 10 TAC Chapter 60, Subchapter A, Compliance Monitoring.

## **Background and recommendation**

See attached summary of public comment received and staff response.

TITLE 10.

COMMUNITY DEVELOPMENT

Part 1.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 60.

COMPLIANCE ADMINISTRATION

SUBCHAPTER A. COMPLIANCE MONITORING

#### 10 TAC §§60.101 – 60.126

The Texas Department of Housing and Community Affairs (the Department) adopts new Subchapter A (§§60.101 – 60.126), concerning Compliance Monitoring with changes to §60.102 and §60.109 and without changes to §60.101, §60.103 though §60.108 and §60.110 through §60.126 of the proposed text as published in the September 7, 2007 issue of the Texas Register (32 Tex. Reg. 5943). New Subchapter A ensures that the compliance monitoring rules conform to other Department rules that are being revised in the 2008 rule cycle and to implement changes enacted during the 80th Regular Session of the Texas Legislature.

Public hearings on the new rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, email, and facsimile through October 10, 2007.

## Summary of Comments, Staff Response and Board Action

Public comments and the Department's responses are presented in the order in which the sections appear in new Subchapter A, starting with general comments for Subchapter A as a whole and ending with comments on §60.118. Following the section number is the title of the section as it appears in the rule. Following the title is a parenthetical containing a number or series of numbers. Each number corresponds to a person who commented on the particular rule section. Following the identification of the section and related commenters is a summary of the comment and staff's response, including the reasons why the agency agreed or disagreed with the comment and a statement of the factual basis for the new sections.

3	Sanderson Consulting
7	Texas Rio Grande Legal Aid, Inc.
8	Texas Affiliation of Affordable Housing Providers
15	Locke Lord Bissell & Liddell LLP
23	Leslie Holleman & Associates
24	Hance Financial
26	Kelly Hunt & Associates
27	Individual
31	Texas Legal Services Center
33	Tropicana Building Corporation
35	Harris Co. MUD 71
50	Captstone Real Estate Services [COMMENT WITHDRAWN!]
59	Hamilton Valley

## Reasoned Response to Public Comment on the Compliance Monitoring Rules

#### General

#### Comment:

Comment was received about a specific property that was on the July 30, 2007 Board Agenda. The commenter did not provide any suggested changes to the Compliance Monitoring Rules. (35)

## **Staff Response:**

No change is recommended.

## §60.102(19) Definition of Material Noncompliance

#### Comment:

Comment was made that material noncompliance score thresholds should be increased to 40 for developments in years 10 through 15 of the compliance period and to 50 for developments in the extended use period since additional issues related to property condition arise as projects age. (15)

## **Staff Response:**

Staff does not recommend a change to accommodate aging developments. The purpose of conducting Uniform Physical Condition Standards inspections and basing material noncompliance scoring (in part) on the result of the inspections, is to ensure developments are maintained in good physical condition and offer safe, decent, and sanitary housing. UPCS inspections are designed to measure the overall condition of a development as a reflection of the maintenance provided. Raising the scoring threshold or otherwise modifying the inspection criteria for older developments would restrict the Department's ability to ensure owners maintain developments in good physical condition.

## §60.102 (21) Definition of Substantial construction

#### Comment:

Comment was received suggesting different definitions of substantial construction to better and more accurately reflect the point of construction that should be achieved by December 1<sup>st</sup> of the year following the award (3, 8, 15, 23, 24, 26 and 27).

## Staff Response:

Based on the comments received, staff concurs that change and clarification is needed. These rules set a high standard for the commencement of substantial construction to allow for some delays such as weather. If a property meets the TDHCA definition of Substantial Construction by December 1 of the year following the award, the property is well positioned to Place in Service timely even in the event of unforeseen delays such as weather. In addition, if a property meets the TDHCA definition of Substantial construction by December 1 of the year following the award, construction may be completed in time for the spring, which is the peak leasing season. Staff recommends the following language:

- (21) Substantial Construction--
- (A) The minimum activity necessary to meet the requirements of substantial construction fFor new eonstruction Developments, will be defined as 1) having building permits, 2) the foundation of all residential buildings and the clubhouse in place 3) 50 80% of the framing is completed and 4) at least 20 10% of the construction contract amount for the Development is expended, adjusted for any change

orders, as certified by Substantial Construction is documented by both the most-recent Application and Certification for Payment (or equivalent) and a certification from the inspecting architect.

(B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be is defined as having 1) building permits issued or a clearance from the City stating that building permits are not required, 2) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation and 3) at least 20 completed 50% of the proposed scope of work and expended 10% of the construction budget expended as documented by the inspecting architect.

## §60.105 Reporting requirements

## Comment:

Comment was received suggesting that owners should be required through the Annual Owner's Compliance Report to state the methodology that was used to calculate the property's utility allowance, the effect of their calculations on the allowances and any adjustments made to the tenant paid rent to ensure that the rents remain restricted. (31)

## Staff response:

Staff does not recommend a change because the Annual Owner's Compliance Report already has several questions related to this issue. Owners are required to certify to the following questions which address utility allowances and rent restrictions:

"Has documentation been maintained to support the utility allowance applicable to each unit during this reporting period?"

"During this reporting period was each low income unit in the Development rent-restricted as required under the Land Use Restriction Agreement / Regulatory Agreement and applicable program regulations?"

"During this reporting period, did any resident have increases in gross rent with respect to a low-income unit not other wise permitted under program guidelines?"

## §60.105 Reporting requirements

#### Comment:

Comment was received suggesting that the Department should presume that if the Annual Owner's Compliance Report is not received that the utility allowance has not been properly calculated. (31)

#### Staff Response:

Staff does not recommend a change. Owners that do not submit the required annual report are cited under the noncompliance event "Failure to submit part or all of the AOCR or failure to submit any other annual, monthly, or quarterly report required by the Department". See Figure 10 TAC 60.121(k).

## §60.105(c) Reporting Requirements

#### Comment:

Comment was received stating that financial audits are not always completed during the first quarter of the year, which makes it difficult to submit audited financial reports with part D of the Annual Owner's Compliance Report. (15)

## **Staff Response:**

Staff does not recommend a change. An audited financial statement provides a more verified reflection of the year's financial status than an internally generated statement by the owner. Audited financial statements are typically required by tax credit investors as a prudent business practice. The existing rule allows for them to be provided on the last day of April or 120 days after the year end and after the April 15 tax return deadline. The Department uses the information in the audited financial statements to develop the operating expense database, to measure performance of other comparable developments, and to predict the operating performance of proposed developments.

## §60.109 Utility Allowances (General)

#### Comment:

Comment was received stating that this section of the proposed rule is a reasonable change that will benefit tenants and the tax credit program in general. This section of the Rule also offers an excellent solution to an existing problem with utility allowances. (33)

## Staff Response:

Staff appreciates the support expressed for this section of the Rule.

#### § 60.109 Utility Allowances (General)

#### Comment:

Comment was received pointing out that the Internal Revenue Service has issued proposed changes to Treasury Regulation 1.42-10 and that in light of their proposed revisions; the Department should take no action. (7)

## Staff response:

Staff does not agree. It is not certain when the IRS will release final revisions to Treasury Regulation 1.42-10 or when the changes might be effective. In addition, this section of the Rule conforms to the proposed changes. Furthermore, if upon final adoption of Treasury Regulation 1.42-10, an amendment to §60.109 is needed the Department can make those changes accordingly.

#### §60.109 Utility Allowances (General)

#### Comment:

Comment was received that elderly and disabled tenants requiring special high energy consumptive equipment should be allowed to request a higher utility allowance. The commenter referenced 24CFR §982.517(e) which addresses the requirement of a Public Housing Authority to approve a utility allowance schedule if needed as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. (7)

#### Staff Response:

Staff does not recommend a change. Tenants already have the right to request reasonable accommodations to make a program accessible to a family member with a disability. This includes asking for a higher utility allowance to allow the use of specialized equipment.

#### §60.109 Utility Allowances (General)

#### Comment:

Comment was received suggesting that owners should be required to maintain and make available to residents documentation showing the data on which the utility allowance is based. (7)

#### **Staff Response:**

Staff agrees that this is a reasonable requirement and proposes the following addition to §60.109:

(h) The owner shall maintain and make available for inspection by the tenant the data upon which the utility allowance schedule is calculated. Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling unit of the tenant at the convenience of both the apartment owner and tenant.

## §60.109 Utility Allowances (General)

#### Comment:

Comment was received that owners should be required to provide 30 days notice of the initial allowance for new properties or a change in a proposed allowance that exceeds 10% and give tenants access to supporting information and an opportunity to comment with a duty to fairly consider the comments.(7)

## Staff Response:

Other than the addition of §60.109(h) which allows tenants to inspect the utility allowance documentation, staff does not recommend a change. The commenter did not specify who the notice would go to for new properties. Any change to the tenant rent caused by a change in the utility allowance will be dictated by the legally binding lease agreement entered into by the resident and owner. The owner does not have the ability to change the utility allowance based on comments made by the residents, therefore staff does not see justification for providing tenants with the opportunity to comment on the allowance. However, the current Treasury Regulation 1.42-10 allows any interested party, including the tenants of the development, to obtain a written local estimate from the utility provider. If the buildings are not regulated by FmHA or HUD, the written local estimate would become the applicable allowance.

## §60.109(e) Utility Allowances

## Comment:

Comment was received suggesting that owners opting to use the Public Housing Authority (PHA) methodology for calculating utility allowances should be required to provide the Department with documentation that validates that the PHA has updated the allowance within the preceding 12 months to reflect current utility prices. (31)

#### **Staff Response:**

Staff does not recommend a change. It is the Department's understanding that PHAs are required to annually review the allowance, but are only required to update the allowance if there has been a change of more than 10%. It's therefore possible that the PHA may not update the allowance because the change was not 10% or more. The Department of Housing and Urban Development monitors Public Housing Authorities for compliance with these requirements.

## § 60.109(e)(2)(B) and (C)

#### Comment:

Comment was received pointing out that data regarding utility bills may not always come directly from a utility provider. There are circumstances when a third party may be handling the billing and collection of the amounts due for utilities. The Rule needs to reflect that income from the third party billing entity is an acceptable source of documentation to be used in computing an allowance under the Actual Use methodology.(15)

## **Staff Response:**

Staff Agrees and proposes the following language:

(e) For a development owner to use the Actual Use Method they must:

- (1) provide a minimum sample size of usage data for at least 5 continuously occupied units of each Unit Type or 20% of each Unit Type whichever is greater. *Example 109(1)*: A property has 20 three bedroom one bath Units and 80 three bedroom two bath Units, data must be supplied for at least 5 of the three bedroom one bath Units and 16 of the three bedroom two bath Units. If there are less than 5 units of any Unit Type, data for 100% of the Unit Type must be provided.
- (2) the following information must be scanned onto a CD and submitted to the Department within 45 days of receipt of the data from the utility provider:
- (A) An Excel spreadsheet listing every unit on the property, the number of bedrooms, bathrooms and square footage for each Unit, and the billing history by month for each unit for which data was obtained.
- (B) A copy of the request to the utility provider (or billing entity for the utility provider) to provide usage data.
- (C) All documentation obtained from the utility provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider.

#### §60.109(e)(4)Utility Allowances

#### Comment:

Comment was received noting that the rule does not address how to handle the Department contesting an owner's calculation of the allowance. (31)

## **Staff Response:**

Staff does not recommend a change. The Department will be calculating the allowance, not the owner. Therefore, there is no need to address how the Department would contest and owner's calculation.

## §60.109(f)Utility Allowances

## Comment:

Comment was received suggesting that if an owner opts to combine different methodologies for calculating the total allowance that the Department should require the owner to chose the methodology that provides the highest allowance for the tenant.(31)

## Staff Response:

Staff does not recommend a change. Treasury Regulation 1.42-10, lists acceptable methods for establishing an allowance. The Treasury Regulations specify that buildings regulated by HUD or FmHA must use a specific allowance. However, for other buildings, the regulation does not require one methodology over another. Nor does the Regulation specify that the State Housing Finance Agency may require the owner of non HUD or FmHA building to use one option over another. Since the Treasury Regulation does not allow State Housing Finance Agencies to dictate one allowance over another, the Department is not able to incorporate this suggestion.

## §60.109(g) Utility Allowances

#### Comment:

Comment was received suggesting that utility allowance increases must be implemented immediately rather than within the 90 day period allowed by Treasury Regulation 1.42-10. (7)

#### Staff Response:

Staff does not recommend a change. The Treasury Regulations allow 90 days to implement changes. The Federal Regulations would need to be ammended in order for the Department to effectively adopt this suggesiton.

## §60.110 Lease Requirements (HTC and HOME Properties)

#### Comment:

Comment was received suggesting that §60.110 should be revised to reflect requirements of SB 1733 to state that landlords may not non-renew a lease unless they have good cause. (7)

## Staff Response:

Staff does not recommend a change. The requirements of SB 1733 have been incorporated into Texas Government Code Chapter 2306.6735 which reads:

Sec. 2306.6735. REQUIRED LEASE AGREEMENT PROVISIONS. A lease agreement with a tenant in a development supported with a housing tax credit allocation must:

- (1) include any applicable federal or state standards identified by department rule that relate to the termination or nonrenewal of the lease agreement; and
  - (2) be consistent with state and federal law.

§60.110 does exactly and only what the Texas Government Code requires. Internal Revenue Service Revenue Ruling 2004-82 does not address non renewals of leases, only evictions and terminations of tenancy. The HOME Final Rule specifically addresses renewals and lease terms. Therefore, §60.110 as proposed is consistent with state and federal law.

## §60.110 Lease Requirements (HTC and HOME Properties) Comment:

Comment was received that §60.110 should be revised to reflect requirements of SB 1733 to add language to require the lease or an addendum to the lease state that "non-renewal of the tenancy at the end of the lease term" for other than good cause are prohibited. (7)

## Staff Response:

Staff does not recommend a change. The requirements of SB 1733 were incorporated into Texas Government Code Chapter 2306.6735 which does not require this language, only that the lease agreement... "include any applicable federal or state standards identified by department rule that relate to the termination or nonrenewal of the lease agreement; and be consistent with state and federal law." The Department fully complies with this section of the Texas Government Code.

## §60.110 Lease Requirements (HTC and HOME Properties)

#### Comment:

Comment was received that §60.110 should be revised to include language to require landlords be prohibited from terminating tenancy in retaliation for a tenant's action in engaging in protected behavior. (7)

## **Staff Response:**

Staff does not recommend a change. The determination of "good cause" is a function of the appropriate court. The Compliance Rule does not attempt to define any action by any party as good cause. Additionally, as pointed out by the commenter, the Texas Property Code already provides protection for tenants from retaliatory evictions and nonrenewals.

## §60.110 Lease Requirements (HTC and HOME Properties)

#### Comment:

Comment was made that §60.110 does not specifically state TDHCA will monitor for compliance with the Section. (7)

## **Staff Response:**

Staff does not recommend a change. §60.121, Material Noncompliance Methodology, specifically lists scoring for failure to include provisions required in §60.110. Developments are monitored for compliance with all applicable provisions listed in §60.121. Other Sections of the Compliance Rule address document retention and inspection provisions.

## §60.110 Lease Requirements (HTC and HOME Properties)

#### Comment:

Comment was made that the Rule should require owners of tax credit properties to give written notice specifying grounds for termination or non-renewal of a lease prior to filing an eviction suit. (7)

## **Staff Response:**

Staff does not recommend a change. This is not required by the IRS. Eviction procedure and notice of eviction is addressed in other sections of State law.

## §60.110 Lease Requirements (HTC and HOME Properties)

#### Comment:

Comment was made that §60.110 should be effective immediately and should apply to leases signed before the effective date, even if those leases do not contain the specific prohibitions against termination for other than good cause. (7)

## Staff Response:

For Housing Tax Credit developments, all Land Use Restriction Agreements (LURAs) require compliance with all applicable IRS rulings and since 2005, all amended or new LURAs contain specific language prohibiting owners from evicting or terminating tenancy for other than good cause. The HOME Final Rule has similar language. No additional language is required.

## §60.111 Income at Recertification (Housing Tax Credit Properties)

#### Comment:

Comment was received that this section of the Rule is a good change. (59)

## **Staff Response:**

Staff appreciates support for this section of the Rule.

## §60.118 Special Rules Regarding Rents and Rent Limit Violations

#### Comment:

Comment was received suggesting that TDHCA should require owners to refund any excess rent collected by a Housing Tax Credit owner. (31)

## **Staff Response:**

The refunding of overcharged rent is not a requirement of the Internal Revenue Service (IRS) under the Housing Tax Credit program. The Department has adopted the IRS Guide for Completing Form 8823 and will monitor for compliance with the Housing Tax Credit program consistent with the Guide. Should the IRS change the required corrective action for this violation, TDHCA would adopt that requirement.

The new sections are adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306; and §2306.185 which authorizes the Department to adopt policies and procedures to ensure that owners of Department-funded multifamily rental housing keep rents affordable for low income tenants for the longest period that is economically feasible, and provide regular maintenance to keep the development sanitary, decent, and safe.

TITLE 10.

**COMMUNITY DEVELOPMENT** 

Part 1.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CHAPTER 60.

COMPLIANCE ADMINISTRATION

SUBCHAPTER A. COMPLIANCE MONITORING

#### §60.101. Purpose and Overview.

- (a) This rule satisfies the requirement of §42(m)(1)(B)(iii) Internal Revenue Code (Code) to provide a procedure that will be followed for monitoring for noncompliance with the provisions of the Code and to notify the Internal Revenue Service of such noncompliance. The Department monitors rental developments receiving assistance under:
- (1) the Housing Tax Credit program (HTC);
- (2) the HOME Investment Partnerships program (HOME);
- (3) the Tax Exempt Bond program (BOND);
- (4) the Housing Trust Fund program (HTF);
- (5) the Community Development Block Grant Disaster Recovery Program (CDBG); and
- (6) the Federal Deposit Insurance Corporation's Affordable Housing Program (AHP) (formerly the Resolution Trust Corporation's Affordable Housing Disposition Program).
- (b) All properties monitored by the Department are subject to the Department's enforcement rules, found in Subchapter C of this chapter.
- (c) Compliance monitoring begins with the commencement of construction and continues to the end of the long term Affordability Period. The Portfolio Management and Compliance Division (PMC) monitors to ensure owners comply with the program rules and regulations, Chapter 2306, Texas Government Code, the Land Use Restriction Agreement (LURA) requirements and conditions, and representations imposed by the Application or award of funds by the Department. These rules do not address forms and other records that may be required of Development Owners by the Internal Revenue Service (IRS) or other governmental entities more generally, whether for purposes of filing annual returns or supporting Development Owner tax positions during an IRS or other governmental audit.

#### §60.102.Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Affordability Period--The Affordability Period commences as specified in the Land Use Restriction Agreement (LURA), or federal regulation or commences on the first day of the Compliance Period as defined by §42(i)(1) of the Internal Revenue Code (IRC) and continues through the appropriate program's affordability requirements or termination of the LURA, whichever is later. The term of the Affordability Period shall be imposed by LURA or other deed restriction and may be terminated upon foreclosure. During this period the Department shall monitor to ensure compliance with programmatic rules, regulations, and Application representations.
- (2) Application--An Application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material. (§2306.6702)
- (3) Architect of Record--The architect licensed in the jurisdiction that the project is located in, who prepares, stamps and signs the construction documents, and is legally recorded as the architect for the project.
- (4) Board--The governing Board of the Texas Department of Housing and Community Affairs.
- (5) Code--The U.S. Internal Revenue Code of 1986, as amended from time-to-time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued by the United States Department of the Treasury or the Internal Revenue Service.
- (6) Compliance Period—With respect to a Housing Tax Credit building, the period of 15 taxable years, beginning with the first year of the Credit Period, pursuant to the Code §42(i)(1).
- (7) Continuously Occupied--The same household has resided in the Unit for at least 12 months.
- (8) Credit Period--With respect to a Housing Tax Credit building, the period of 10 taxable years, beginning with the taxable year the building is placed in service or at the election of the Development Owner, the succeeding taxable year, as more fully defined in the Code §42(f)(1).
- (9) Department--The Texas Department of Housing and Community Affairs, an official and public agency of the State of Texas pursuant to Chapter 2306, Texas Government Code.
- (10) Development--A property or work or a project, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation, that meets or is designed to meet minimum property standards required by the Department and that is financed under the provisions of Chapter 2306, Texas Government Code.
- (11) Extended Use Period--With respect to a Housing Tax Credit building, the period beginning on the first day of the Compliance Period and ending the later of:
- (A) the date specified in the Land Use Restriction Agreement, or
- (B) the date which is 15 years after the close of the Compliance Period.
- (12) Historically Underutilized Business (HUB)--Any entity defined as a historically underutilized business with its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code.

- (13) Housing Quality Standards--The property condition standards described in 24 Code of Federal Regulations §982.401.
- (14) Housing Sponsor--Sometimes referred to as "Development Owner." An individual, joint venture, partnership, limited partnership, trust, firm, corporation, limited liability company, other form of business organization or cooperative that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing Development, subject to the regulatory powers of the Department and other terms and conditions.
- (15) HTC Development--Sometimes referred to as "HTC Property." A Development using Housing Tax Credits allocated by the Department.
- (16) HUD-regulated Building--The rents and utility allowances of the building are reviewed by HUD on an annual basis.
- (17) Low Income Unit--A Unit that is intended for occupancy by an income eligible household, as defined by the Department or the Code.
- (18) Land Use Restriction Agreement or LURA--An agreement between the Department and the Development Owner which is a binding covenant upon the Development Owner's successors in interest that encumbers the Development with respect to the requirements of Chapter 2306, Texas Government Code; the Code; and the requirements of the various programs administered or funded by the Department.
- (19) Material Noncompliance--
- (A) A Housing Tax Credit Development located within the state of Texas will be classified by the Department as being in Material Noncompliance status if the noncompliance score for such Development is equal to or exceeds a threshold of 30 points in accordance with the Material Noncompliance provisions, methodology, and point system of this title.
- (B) Non HTC Developments monitored by the Department with 1 to 50 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 30 points. Non HTC Developments monitored by the Department with 51 to 200 Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 50 points. Non HTC Developments monitored by the Department with 201 or more Low Income Units will be classified as being in Material Noncompliance status if the noncompliance score is equal to or exceeds a threshold of 80 points.
- (C) For all programs, a Development will be in Material Noncompliance if the noncompliance is stated in §60.121 of this chapter to be Material Noncompliance.
- (20) Non HTC Development--Sometimes referred to as Non HTC Property. Any Development not utilizing Housing Tax Credits.
- (21) Substantial Construction--
- (A) The minimum activity necessary to meet the requirements of substantial construction from new construction Developments, will be defined as 1) having building permits, 2) the foundation of all residential buildings and the clubhouse in place 3) 50 80% of the framing is completed and 4) at least

- <u>20</u> 10% of the construction contract amount for the Development is expended, adjusted for any change orders, as certified by. Substantial Construction is documented by both the most recent Application and Certification for Payment (or equivalent) and a certification from the inspecting architect.
- (B) The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for rehabilitation Developments will be is defined as having 1) building permits issued or a clearance from the City stating that building permits are not required, 2) a certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation and 3) at least 20 completed 50% of the proposed scope of work and expended 10% of the construction budget expended as documented by the inspecting architect.
- (22) Unit--Any residential rental Unit in a Development consisting of an accommodation, including a single room used as an accommodation on a non-transient basis that contains complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation.
- (23) Unit Type--Units will be considered different Unit Types if there is any variation in the number of bedroom, bathrooms or square footage. For example, a two bedroom one bath Unit is considered a different Unit Type than a two bedroom two bath Unit. A three bedroom two bath Unit with 1,000 square feet is considered a different Unit Type than a three bedroom two bath Unit with 1,200 square feet.

#### §60.103. Construction Monitoring.

- (a) The Department will monitor the entire construction phase for all applicable requirements according to the level of risk. After final Construction during the affordability period, the department will periodically monitor the development to assure that the initial compliance review was correct.
- (b) The Department will not provide any funding to any Development unless the owner certifies that the housing Development is, or will be upon completion of construction, in compliance with the following housing laws:
- (1) state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601, et seq.), and the Fair Housing Amendments of 1988 (42 U.S.C. §3601, et seq.);
- (2) the Civil Rights Act of 1964 (42 U.S.C. §2000a, et seq.);
- (3) the Americans with Disabilities Act of 1990 (42 U.S.C. §12101, et seq.); and
- (4) §504, Rehabilitation Act of 1973 (29 U.S.C. §701, et seq.). (§2306.257)
- (c) Evidence of Commencement of Substantial Construction must be submitted no later than the deadline established in the Development's Commitment Notice.
- (d) Copies of any construction reports supplied to a syndicator must be supplied to the Department.
- (e) Copies of any reports issued during construction that indicate changes that affect the representations made during the application process must be supplied to the Department.

- (f) Owners are required to submit evidence of construction completion within thirty days of completion in a format prescribed by the Department. In addition, the Architect of Record must submit a certification that the property was built in compliance with all applicable laws.
- (g) The Department will conduct a final inspection after receipt of notification of construction completion. During the inspection, the Department will confirm that committed amenities have been provided and inspect for compliance with the applicable laws referenced in subsection (b) of this section.
- (h) Owners will be provided a written notice after the final inspection. If any deficiencies are noted, a 90 day corrective action period will be provided.
- (i) Forms 8609 and final retainage will not be released until the owner receives written notice from the Department that all noted deficiencies have been resolved.
- (j) During any construction inspection, if the owner and the Department are unable to agree that an identified issue is a violation, the owner must request Alternative Dispute Resolution. The process for engaging ADR is outlined in §60.123 of this chapter.
- §60.104. Recording of Land Use Restriction Agreements (HTC Properties).
- (a) In general, no credit is allowable for a building unless there is a properly executed LURA in effect at the end of the first year of the credit period. Requests for a LURA must be provided no later than September 1st of the calendar year in which the owner intends to have it recorded. A request for a LURA received after September 1st may not be able to be processed by the Department in the same calendar year.
- (b) Land Use Restriction Agreements will impose the rent and income restrictions identified in the property's final underwriting report.
- (c) The Department will not issue Forms 8609 until it receives the original recorded LURA.
- §60.105. Reporting Requirements.
- (a) The Department requires reports to be submitted electronically through the Department's web-based Compliance Monitoring and Tracking System (CMTS) and in the format prescribed by the Department. The Electronic Compliance Reporting Filing Agreement and the Owner's Designation of Administrator of Accounts forms must be filed no later than September 1st of the year following the award. The Department will provide general instruction regarding the electronic transfer of data. Under special circumstances, the Department may, at its discretion, waive the online reporting requirements where a hardship can be demonstrated. In the absence of a written waiver, all Developments are required to submit reports online.
- (b) Each Development is required to submit an Annual Owner's Compliance Report (AOCR). Depending on the property, some or all of the Report must be submitted. The first AOCR is due the second year following the award. For example, if a Development is awarded funds in calendar year 2007, the first report is due in 2009. The AOCR is comprised of 4 sections:
- (1) Part A "Owner's Certification of Program Compliance." All Development Owners must annually certify to compliance with applicable program requirements. The AOCR Part A shall include answers

to all questions required by Treasury Regulation 1.42-5(b)(1) or the applicable program rules. In addition, owners, with the exception of the FDIC's Affordable Housing Program properties, are required to report on the racial and ethnic composition of individuals and families applying for and receiving assistance. Housing Tax Credit properties during the Compliance Period will also be required to provide the name and mailing address of the syndicator in the Annual Owner's Compliance Report.

- (2) Part B "Unit Status Report." All Developments must annually report the information related to individual household income, rent, certification dates and other necessary data to ensure compliance with applicable program regulations.
- (3) Part C "Housing for Persons with Disabilities." The Department must establish a system that requires owners of state or federally assisted housing Developments with 20 or more housing Units to report information regarding housing Units designed for persons with disabilities. The questions on Part C satisfy this requirement. The FDIC's Affordable Housing Properties are not required to submit Part C of the Annual Owner's Compliance Report.
- (4) Part D "Owner's Financial Certification." Developments funded by the Department must annually provide the data requested in the Owner's Financial Certification. The FDIC's Affordable Housing Properties are not required to submit Part D of the Annual Owner's Compliance Report.
- (c) Parts A, B and C of the Annual Owner's Compliance Report must be provided to the Department no later than March 1st of each year, reporting data current as of December 31 of the previous year (the reporting year). Part D, "Owner's Financial Certification", which includes the current audited financial statements and income and expenses of the Development for the prior year, must be submitted to the Department no later than the last day of April each year.
- (d) Any Development for which the AOCR, Part A, "Owner's Certification of Program Compliance," is not received or is received past the due date will be considered not in compliance with these rules. If Part A is incomplete, improperly completed or not submitted by the Development Owner, it will be considered not received and not in compliance with these rules. The Department will report to the IRS on form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, any HTC Development that fails to comply with this requirement.
- (e) Department staff will review Part A of the AOCR for compliance with the requirements of the appropriate program. If it appears that the property is not in compliance based upon the report, the owner will be given written notice and provided a corrective action period to clarify or correct the report. If the owner does not respond to the notice, the report will be subject to the sanctions listed in subsections (f) and (g) of this section.
- (f) If any required section, or sections (Parts A, B, C or D), of the report are not received on or before the deadline for submission specified in subsection (c) of this section, a notice of noncompliance will be sent to the owner, specifying a corrective action deadline. If the report is not received on or before the corrective action deadline the Department shall:
- (1) For all HTC properties, issue form 8823 notifying the Internal Revenue Service of the violation.
- (2) For all properties, score the noncompliance in accordance with §60.121 of this chapter.

- (g) The Department may assess and enforce the following sanctions against a Housing Sponsor who fails to submit the AOCR on or before March 1 of each year. These sanctions will be assessed for multiple, consistent and/or repeated violations of failure to submit the AOCR by March 1 of each year.
- (1) Impose a late processing fee in an amount equal to \$1,000;
- (2) A HTC Development that fails to submit the required AOCR three consecutive years in a row may be reported to the Internal Revenue Service as no longer in compliance and never expected to comply.
- (h) Periodic Unit Status Reports. HOME, Housing Trust Fund, the FDIC's Affordable Housing Properties and properties funded under the Department's CDBG Disaster Recovery Program, shall provide tenant information provided on Part B, "Unit Status Report," at least quarterly during lease up and until occupancy requirements are achieved. Once the Department determines that all occupancy requirements are met, the Development shall submit the Unit Status Report at least annually and as required by this section.
- (i) Developments financed by Tax Exempt Bonds issued by the Department shall report quarterly throughout the Qualified Project Period unless notified by the Department of a change in the reporting frequency.
- (j) Owners are encouraged to continuously maintain current resident data in the Department's Compliance Monitoring and Tracking System. Under certain circumstances, such as in the event of a natural disaster, the Department may require all Developments to provide current occupancy data through the Department's Compliance Monitoring and Tracking System.
- (k) All rental Developments funded or administered by the Department will be required to submit a current Unit Status Report prior to an onsite monitoring visit.
- §60.106.Record Keeping Requirements.
- (a) Development Owners must comply with program recordkeeping requirements. Records must include sufficient information to comply with the reporting requirements of §60.105 of this chapter and any additional programmatic requirements. Housing tax credit property owners must retain records sufficient to comply with the reporting requirements of Treasury Regulation 1.42-5(b)(1). Records must be kept for each qualified low income rental Unit and building in the Development, commencing with lease up activities and continuing on a monthly basis until the end of the Affordability Period.
- (b) Each Development that is administered by the Department including the FDIC's AHP is required to retain the records as required by the specific funding program rules and regulations. In general, retention schedules include but are not limited to the provision of subsections (c) (f) of this section.
- (c) HTC records must be retained for at least six years after the due date (with extensions) for filing the federal income tax return for that year; however, the records for the first year of the Credit Period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period of the building. (§1.42-5(b)(2) of the Code)
- (d) Retention of records for HOME rental Developments and the CDBG Disaster Recovery program must comply with the provisions of 24 CFR §92.508(c) which generally requires retention of rental housing records for five years after the Affordability Period terminates.

- (e) Housing Trust Fund (HTF) rental Developments must retain tenant files for at least three years beyond the date the tenant moves from the Development. Records pertinent to the funding of the award, including but not limited to the Application, development costs and documentation, must be retained for at least five years after the Affordability Period terminates.
- (f) Other rental Developments funded or administered in whole or in part by the Department must comply with record retention requirements as required by rule or deed restriction.

#### *§60.107.Notices to the Department.*

- (a) If any of the events in paragraphs (1) (3) of this subsection occur, written notice must be provided to the Department within the timeframes listed below:
- (1) Any sale, transfer, exchange, of the Development or any portion of the Development. Notification must be provided at least 30 days prior to this event.
- (2) The Development suffers in whole or in part a casualty loss. Notification must be provided within 30 days following the event of loss.
- (3) Owners of Tax Exempt Bond Developments shall notify the Department of the date 10 percent of the Units are occupied and the date 50 percent of the Units are occupied within 90 days of such dates.
- (b) Owners are responsible for maintaining current information (including contact persons, physical addresses, mailing addresses, and phone numbers) for the ownership entity, and management company in the Department's Compliance Monitoring and Tracking System (CMTS). Treasury Regulations require the Department to notify Housing Tax Credit owners of upcoming reviews and instances of noncompliance. The Department will rely on the owner supplied information in CMTS to meet this requirement.
- §60.108. Determination, Documentation and Certification of Annual Income.
- (a) For all programs administered by the Department, annual income shall be determined consistent with the Section 8 program, using the definitions of annual income described in HUD Handbook 4350.3 as amended from time to time.
- (b) The Department permits owners to use check stubs or other documentation of income and assets provided by the applicant or household in lieu of employment verification forms. It is not necessary to first attempt to obtain an employment verification form as required by the HUD 4350.3.
- (c) The Department requires the use of the TDHCA Income Certification form, unless the property also participates in the Rural Development or a project Based HUD program, in which case, the other program's income certification form will be accepted.

#### §60.109. Utility Allowances.

(a) The Department will monitor to determine if HTC, Bond, CDBG and HTF properties comply with published rent limits which include an allowance for utilities. Where residents are responsible for some, or all, of the utilities--other than telephone and cable--Development Owners must use a utility allowance that complies with both this section and the applicable program regulation. An owner may not change utility allowance methods without the written approval from the Department.

- (b) Farmer's Home Administration (FmHA) Buildings or buildings with FmHA assisted tenants layered with any Department program. The applicable utility allowance will be determined under the method prescribed by the Farmer's Home Administration (or successor agency).
- (c) HUD-Regulated buildings layered with any Department program. If neither the building nor any tenant in the building receives FmHA rental assistance payment, and the rents and the utility allowances of the building are reviewed by HUD on an annual basis (HUD-regulated building), the applicable utility allowance for all rent restricted units in the building is the applicable HUD utility allowance.
- (d) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the following methods:
- (1) The utility allowance established by the applicable Public Housing Authority. If the applicable PHA allowance lists flat fees for any utility, those flat fees must be included in the calculation of the utility allowance if the resident is responsible for that utility.
- (2) A written estimate from a local utility provider, or
- (3) An allowance based upon an average of the actual use of similarly constructed and sized units in the building using actual utility usage data and rates, provided that the Development Owner has the written permission of the Department. This methodology is referred to as the "Actual Use Method."
- (e) For a development owner to use the Actual Use Method they must:
- (1) provide a minimum sample size of usage data for at least 5 continuously occupied units of each Unit Type or 20% of each Unit Type whichever is greater. *Example 109(1)*: A property has 20 three bedroom one bath Units and 80 three bedroom two bath Units, data must be supplied for at least 5 of the three bedroom one bath Units and 16 of the three bedroom two bath Units. If there are less than 5 units of any Unit Type, data for 100% of the Unit Type must be provided.
- (2) the following information must be scanned onto a CD and submitted to the Department within 45 days of receipt of the data from the utility provider:
- (A) An Excel spreadsheet listing every unit on the property, the number of bedrooms, bathrooms and square footage for each Unit, and the billing history by month for each unit for which data was obtained.
- (B) A copy of the request to the utility provider (or billing entity for the utility provider) to provide usage data.
- (C) All documentation obtained from the utility provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider.
- (D) The rent roll showing occupancy as of the end of the month for the month in which the data was requested from the utility provider.
- (E) Documentation of the current utility allowance used by the Development.

- (3) Upon receipt of the required information, the Department will determine if the Development Owner has provided the minimum information necessary to calculate an allowance using the Actual Use Method. If so, the Department shall calculate the utility allowance for each bedroom size using the following guidelines:
- (A) If data is obtained for more than 20% or 5 of each Unit Type, all data will be used to calculate the allowance.
- (B) If more than 12 months of data is provided for any unit, only the data for the most current 12 months will be averaged.
- (C) The allowance will be calculated by averaging the utility costs for all Unit Types within that bedroom size. For example, if sufficient data is supplied for 18 two bedroom one baths and 12 two bedroom two baths, the data for all 30 units will be averaged to calculate the allowance for all two bedroom Units.
- (D) The allowance will be rounded up to the next whole dollar amount.
- (4) The Department will complete its evaluation and calculation within 30 days of receipt of all the information requested in paragraph (2) of this subsection. If the allowance increases, owners must implement the allowance for all rent restricted Units within 90 days of the effective date. The effective date of the new utility allowances is the date of the notice to the owner establishing the new utility allowances computed under this subsection. The allowance calculated using the Actual Use Method will be valid for twelve months.
- (5) Once the Actual Use Method is approved for use by the Department, the Development Owner must continue to provide the data listed in paragraph (2) of this subsection on an annual basis. The data must be supplied to the Department within 60 days of the expiration of the previous years' allowance. If the owner is unable to obtain the necessary billing histories from the utility provider in subsequent years, the owner must request permission to change utility allowance methods.
- (f) Combining Methodologies. With the exception of HUD regulated buildings and FmHA buildings, Owners may combine any methodology described in this section for each utility service type (electric, water gas etc.). For example, if residents are responsible for electricity and water, an owner may use the appropriate PHA allowance to determine the water portion of the allowance and use the Actual Use Method to determine the electric portion of the allowance.
- (g) Increases in Utility Allowances because the HOME final rule does not provide a grace period for implementing increased utility allowances, changes in utility allowances must be implemented on the published effective date. All other properties shall implement increases in utility allowances within 90 days of the effective date of the change.
- (h) The owner shall maintain and make available for inspection by the tenant the data upon which the utility allowance schedule is calculated. Records shall be made available at the resident manager's office during reasonable business hours or, if there is no resident manager, at the dwelling unit of the tenant at the convenience of both the apartment owner and tenant.

#### §60.110.Lease Requirements (HTC and HOME Properties).

- (a) For HTC properties, Revenue Ruling 2004-82 prohibits the eviction or termination of tenancy of low income households throughout the entire Affordability Period. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or terminations of tenancy for other than good cause are prohibited.
- (b) For HOME properties, the HOME final rule prohibits owners from evicting low income residents or refusing to renew a lease except for serious or repeated violations of the terms and conditions of the lease, for violations of applicable federal state or local law, for completion of the tenancy period for transitional housing or for other good cause. To terminate tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy. Owners executing or renewing leases after November 1, 2007 shall specifically state in the lease or in an addendum attached to the lease that evictions or non-renewal of leases for other than good cause are prohibited. (24 CFR §92.253)
- (c) The Department does not determine if an owner has good cause or if a resident has violated the lease terms. If there is a challenge to a good cause eviction, that determination will be made by a court of competent jurisdiction or an agreement of the parties in arbitration. The Department will rely on the court decision or the agreement of the parties.

#### §60.111.Income at Recertification (Housing Tax Credit Properties).

- (a) Under the Code, HTC Development owners elect a minimum set aside requirement of 20/50 or 40/60 (20% of the units restricted to the 50% income and rent limits or 40% of the units restricted to the 60% income and rent limits). The minimum set aside elected by the Development Owner sets the maximum income and rent limits at the property. Many HTC development owners agreed to lease Units to households with an annual income and rent lower than the maximum limits (for example at the 30%, 40% or 50% income and rent limits) established by the minimum set aside election of the Owner. This requirement is referred to as "additional occupancy restrictions" and is reflected in the Development's Land Use Restriction Agreement. Household income at recertification for the additional occupancy restrictions will be monitored as follows:
- (b) Households initially designated at the 30% income and rent limits. If upon recertification, the household's income exceeds the 30% limit, but remains less than the 40% limit, the unit will continue to meet the 30% set aside requirement provided that the owner does not charge rent in excess of the 30% rent limits. If upon recertification, the household's income exceeds the 40% limit, but is less than the 50% limit, the unit will continue to meet the 30% set aside requirement provided that the owner does not charge rent in excess of the 40% rent limits. If the household's income exceeds the 50% income limit, the unit no longer meets the 30% set aside requirement. The household will not be required to vacate the unit. The owner will not be found in noncompliance provided that the next available unit on the property is leased to a household with an income and rent less than the 30% limits. If the household is replaced, the rent for the previously qualified Unit may be increased to the limit established by the minimum set aside, subject to applicable tax credit requirements, lease provisions and local tenant-landlord laws.
- (c) Households initially designated at the 40% income and rent limits. If upon recertification, the household's income exceeds the 40% limit, but is less than the 50% limit, the unit will continue to meet

the 40% set aside requirement provided that the owner does not charge rent in excess of the 40% rent limits. If the household's income exceeds the 50% income limit, the unit no longer meets the 40% set aside requirement. The household will not be required to vacate the unit. The owner will not be found in noncompliance, provided that the next available unit on the property is leased to a household with an income and rent less than the 40% limits. If the household is replaced, the rent for the previously qualified Unit may be increased to the limit established by the minimum set aside, subject to applicable tax credit requirements, lease provisions and local tenant-landlord laws.

- (d) Households initially designated at the 50% income and rent limits (for HTC properties with the 40/60 minimum set aside). If the household's income exceeds the 50% income limit, the unit no longer meets the Development's additional occupancy restriction. The household will not be required to vacate the unit. The owner will not be found in noncompliance, provided that the next available unit on the property is leased to a household with an income and rent less than the 50% limits. Once the household has been replaced, the rent for the previously qualified Unit may be increased to the limit established by the minimum set aside, subject to applicable tax credit requirements, lease provisions and local tenant-landlord laws. *Example 111.1:* A 100 unit property agreed to lease 10 units to households with an income and rent under the 30% limits. The remaining 90 units are subject to the 60% income and rent limits. Upon recertification, it is determined that one of the 30% households has experienced an increase in income; their re-certified annual income is now between the 40% and 50% income limits. The owner can continue to count this unit towards the 30% set aside provided that the rent charged remains at or below the 40% rent limit.
- (e) This section does not apply to households designated at the maximum income and rent limits required by the Code. Nor does this section in any way require a Development to lease more units under the additional occupancy restrictions than established in the Land Use Restriction Agreement.
- §60.112. Requirements Pertaining to Households with Rental Assistance.
- (a) The Department will monitor to ensure Development Owners comply with §2306.269 and §2306.6728, Texas Government Code regarding residents receiving rental assistance under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437F).
- (b) The policies, standards, and sanctions established by this section apply only to:
- (1) multifamily housing Developments that receive the following assistance from the Department on or after January 1, 2002: (§2306.185)
- (A) a loan or grant in an amount greater than 33% of the market value of the Development on the date the recipient took legal possession of the Development; or
- (B) a loan guarantee for a loan in an amount greater than 33% of the market value of the Development on the date the recipient took legal title to the Development;
- (2) multifamily rental housing Developments that applied for and were awarded housing tax credits after 1992.
- (3) housing Developments that benefit from the incentive program under §2306.805 of the Texas Government Code.

- (c) Housing Sponsors of multifamily rental housing Developments described in subsection (a) of this section are prohibited from:
- (1) excluding an individual or family from admission to the Development because the individual or family participates in the HOME Tenant Based Rental Assistance Program or the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. §1437f); and
- (2) using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than 2.5 times the individual's or family's share of the total monthly rent payable to the owner of the Development. A household participating in the voucher program or receiving any other type of rental assistance may not be required to have a minimum income exceeding \$2,500 per year.
- (d) To demonstrate compliance with this section Housing Sponsors shall:
- (1) State in their leasing criteria that the Development will comply with state and federal fair housing and antidiscrimination laws;
- (2) Apply screening criteria, (rental, credit and/or criminal history) including employment policies uniformly and in a manner consistent with the Texas and Federal Fair Housing Acts, program guidelines, and the Department's rules;
- (3) Approve and distribute an Affirmative Marketing Plan. The Affirmative Marketing plan must be provided to the property management and onsite staff. Housing Sponsors are encouraged to use HUD Form 935.2 or successors as applicable. The Affirmative Marketing Plan must identify methods to market the property to persons with disabilities. Additionally, the Affirmative Marketing plan must be displayed in the leasing office and available to the public on request.

#### §60.113. Onsite Monitoring.

- (a) The Department may perform an onsite monitoring of any low income Development, and review and photocopy all documents and records supporting compliance with Departmental programs through the end of the Compliance Period or the end of the period covered by the Land Use Restriction Agreement, whichever is later. The Development Owner shall permit the Department access to the Development premises and records.
- (b) The Department will perform onsite monitoring reviews of each low income Development. The Department will conduct:
- (1) the first review of HTC Developments by the end of the second calendar year following the year the last building in the Development is placed in service.
- (2) the first review of all other Developments as leasing commences.
- (3) a subsequent reviews at least once every three years during the Affordability Period.
- (4) a physical inspection of the Development including the exterior of the Development, Development amenities, and an interior inspection of a sample of Units.
- (c) The Department will perform on site file reviews and monitor:

- (1) a sampling of the low income resident files in each Development, and review the income certifications,
- (2) the documentation the Development Owner has received to support the certifications,
- (3) the rent records and any additional information that the Department deems necessary.
- (d) At times other than on site reviews, the Department may request for review, in a format designated by the Department, information on tenant income and rent for each Low Income Unit and may require a Development Owner to submit copies of the tenant files, including copies of the income certification, the documentation the Development Owner has received to support that certification, and the rent record for any low income tenant.
- (e) The Department will select the Low Income Units and tenant records that are to be inspected and reviewed. Original records are required for review. The Department will not give Development Owners advance notice that a particular Unit, tenant record, or a particular year will be inspected or reviewed. However, the Department will give reasonable notice to the Development Owner that an onsite inspection or a tenant record review will occur so the Development Owner may notify tenants of the inspection or assemble original tenant records for review. If a credible complaint of fraud or other egregious noncompliance is received, the Department reserves the right to conduct unannounced onsite monitoring visits.

#### §60.114. Monitoring for Social Services.

- (a) If a property's Land Use Restriction Agreement requires the provision of social services, the Department will confirm this requirement is being met. Owners are required to maintain sufficient documentation to evidence that services are actually being provided. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.
- (b) If an owner wishes to change the scope of services provided, prior approval from the Department is necessary. It is not necessary to obtain prior written approval to change the provider of services unless the scope of services is being changed. Failure to comply with the requirements of this section shall result in a finding of noncompliance.

#### §60.115. Monitoring for Non-Profit Participation or HUB Participation.

- (a) If a property's Land Use Restriction Agreement requires the material participation of a non-profit or Historically Underutilized Business (HUB), the Department will confirm this requirement is being met throughout the development phase and ongoing operations of the property. Owners are required to maintain sufficient documentation to evidence that a non-profit or HUB is materially participating. Documentation may be reviewed during onsite visits or must be submitted to the Department upon request.
- (b) If an owner wishes to change the non-profit, or HUB, prior approval from the Department is necessary. The Annual Owner's Compliance Report also requires owners to certify to compliance with this requirement. Failure to comply with the requirements of this section shall result in a finding of noncompliance. In addition, the Internal Revenue Service will be notified if the non-profit is not materially participating on a Housing Tax Credit property during the Compliance Period.

(c) The Department does not enforce partnership agreements or determine equitable fund distributions of partnerships. These disputes are matters for a court of competent jurisdiction.

### §60.116.Property Condition Standards.

- (a) All Developments funded by the Department must be decent, safe, sanitary and in good repair throughout the Affordability Period. The Department will use HUD's Uniform Physical Condition Standards (UPCS) to determine compliance with property condition. In addition, Developments must comply with all local heath, safety, and building codes. The Department may contract with a third party to complete UPCS inspections.
- (b) Housing Tax Credit property owners are required by Treasury Regulation 1.42-5 to report (through the Annual Owner's Compliance Report) any local health, safety, or building code violations. HTC Developments that fail to comply with local codes shall be reported to the IRS.
- (c) The Department will evaluate UPCS reports in the following manner:
- (1) A finding of Major Violations will be cited if:
- (A) uncorrected life threatening health, safety, or fire safety hazards (other than smoke detectors and blocked egresses which are addressed in subsection (d) of this section) are reported on the Notification of Exigent and Fire Safety Hazards Observed form in any building exterior, building system, common area, site, or dwelling Unit;
- (B) 20% or more of buildings or dwelling Units inspected have any level three violation; or
- (C) an overall UPCS score of less than 60% (59% or below) is reported.
- (2) A finding of Minor Violations will be assessed if:
- (A) 20% or more of the buildings or dwelling Units inspected have any level two violation; or
- (B) An overall score between 60% and 79% is reported.
- (3) Findings of both Major and Minor Violations will be assessed if deficiencies reported meet the criteria for both.
- (d) Owners are ultimately responsible for compliance. However, the Department recognizes that despite an owner's effort to comply, residents may disable smoke detectors or arrange their furniture in a manner that blocks a fire egress. If inoperable smoke detectors or resident caused blocked egresses are noted during the UPCS inspection, they will not be taken into consideration for the purposes of the Department's evaluation of the report provided that the Department is notified of the correction within 72 hours. If the owner fails to notify the Department of the correction of inoperable smoke detectors and/or blocked egresses within 72 hours the property will be considered to have Major violations of the Uniform Physical Condition Standards.
- (e) The Department must report to the Internal Revenue Service on form 8823 any HTC property fails to comply with the requirements of the UPCS or local codes at any time (including smoke detectors and blocked egresses). Accordingly, the Department will submit forms 8823 for any UPCS violation.

However, if the violation(s) do not meet the conditions described in subsection (c)(1) or (2) of this section, no points will be assigned in the Department's compliance status evaluation of the property.

- (f) Property representatives will have the opportunity and are encouraged to correct deficiencies while the inspector is on site. Such corrected items will not be assessed a finding unless there is a pattern of the same violation (25% or more of dwelling Units or buildings inspected with the same deficiency).
- (g) Acceptable evidence of correction of deficiencies is a certification from an appropriate licensed professional that the item now complies with the inspection standard or other documentation that the violation has been corrected.
- (h) The Department will provide a 90 day corrective action period to respond to a notice of noncompliance for violations of the Uniform Physical Condition Standards. The Department will grant up to an additional 90 day extension if there is good cause and the owner clearly requests an extension.
- (i) The FDIC's Affordable Housing Program does not establish a specific set of property standards that owners must meet. Therefore, the Department cannot conduct physical assessments of the FDIC's Affordable Housing Properties. However, if the Department discovers that an owner is not adequately maintaining the physical condition of the property, the Department may request the owner make corrections and/or inform the local housing inspector. In addition, if the Department is notified by a local code enforcement entity that an Affordable Housing Property is not in compliance with local health, safety and building codes, the Department will notify the FDIC and cooperate with any enforcement activities requested by the FDIC.
- (j) Section 92.251 of the HOME final rule requires rental property assisted with HOME funds to be maintained in compliance with all local codes and Housing Quality Standards (24 CFR §982.401). To meet this requirement, all HOME rental Development Owners must annually complete an HQS inspection of all HOME assisted Units. The Department will review for compliance with this requirement during onsite monitoring visits.

#### §60.117.Notice to Owners.

The Department will provide written notice to the Development Owner if the Department does not receive the AOCR or discovers through audit, inspection, review or any other manner that the Development is not in compliance with the provisions of the deed restrictions, conditions imposed by the Department, or program rules and regulations, including §42 of the IRC. The notice will specify a correction period of 90 days from the date of notice to the Development Owner, during which the Development Owner may respond to the Department's findings, bring the Development into compliance, or supply any missing documentation or certifications. The Department may extend the correction period for up to six months from the date of the notice to the Development Owner if there is good cause for granting an extension. If any communication to the Development Owner under this section is returned to the Department as refused, unclaimed or undeliverable, the Development may be considered not in compliance without further notice to the Development Owner. The Development Owner is responsible for providing the Department with current contact information, including address(es) and phone number(s). The Development Owner must also provide current contact information to the Department as required by §1.22 of this title (relating to Providing Current Contact Information to the Department).

§60.118.Special Rules Regarding Rents and Rent Limit Violations.

- (a) Rent or Utility Allowance Violations of the maximum allowable limit (HTC). Under the housing tax credit program, the amount of rent paid by the household plus an allowance for utilities cannot exceed the maximum applicable limit (as determined by the minimum set aside elected by the owner) published by the Department. If it is determined that a Housing Tax Credit property, during the Compliance Period, collected rent in excess of the rent limit established by the minimum set aside, the Department will report the violation as corrected on the date that the rent plus the utility allowance is less than the applicable limit. The refunding of overcharged rent does not avoid the disallowance of the credit by the Internal Revenue Service.
- (b) Rent or Utility Allowance Violations of additional rent restrictions (HTC). If the owner agreed to lease Units at rents less than the maximum allowed under the Code (additional occupancy restrictions), the Department will require the owner to refund to the affected residents the amount of rent that was overcharged. This applies during the entire Affordability Period. The noncompliance event will be considered corrected on date which is the later of the date the overcharged rent was refunded/credited to the resident or the date that the rent plus the utility allowance is equal to or less than the applicable limit. Example 118(1): For Internal Revenue Code §42 purposes, the maximum allowable limit in 60%. However, the owner agreed to lease some units to households at the 30% income and rent limits. It was discovered that the 30% households were overcharged rent. The owner will be required to reduce the current amount of rent charged and refund the excess rents to the households.
- (c) Rent or Utility Allowance Violations on Non Housing Tax Credit properties. If it is determined that the property collected rent in excess of the allowable limit, the Department will require the owner to refund to the affected residents the amount of rent that was overcharged. The issue will be considered corrected on date which is the later of the date the overcharged rent was refunded/credited to the resident or the date that the rent plus the utility allowance is less than the applicable limit.
- (d) Trust Account to be established. If the owner is required to refund rent under subsection (b) or (c) of this section and cannot locate the resident, the excess rent collected must be deposited into a trust account for the tenant. The account must remain open for a four year period or until all funds are claimed.
- (e) Rent Adjustments for HOME properties. Section 92.252 of the HOME Final Rule requires owners to charge households with an income in excess of 80% at recertification, a rent equal to the lesser of 30% of the household's adjusted income or the market rent for comparable unassisted units in the neighborhood. The Department will find a HOME property in noncompliance with this section if the owner fails to determine the over income household's adjusted income or maintain documentation of market rents for comparable unassisted Units in the neighborhood.
- (f) Special conditions for CDBG properties. To determine if a unit is rent restricted, the amount of rent paid by the household, plus an allowance for utilities, plus any rental assistance payment must be less than the applicable limit.
- §60.119. Notices to the Internal Revenue Service (HTC Properties).
- (a) Even when an event of noncompliance is corrected, the Department is required to file IRS Form 8823 with the IRS. IRS Form 8823 will be filed not later than 45 days after the end of the correction period specified in the Notice to Owner (including any extensions permitted by the Department) but will not be filed before the end of the correction period. The Department will indicate on IRS Form

- 8823 the nature of the noncompliance and will indicate whether the Development Owner has corrected the noncompliance.
- (b) The Department will retain records of noncompliance or failure to certify for six years beyond the Department's filing of the respective IRS Form 8823. The Department will retain the AOCRs and records for three years from the end of the calendar year the Department receives the certifications and records.
- (c) The Department will send the owner of record copies of any IRS Forms 8823 submitted to the IRS. Copies of Form(s) 8823 will be submitted to the syndicator for Developments awarded tax credits after January 1, 2004. The Development Owner is responsible for providing the name and mailing address of the syndicator in the Annual Owner's Compliance Report.
- §60.120. Monitoring Procedures for Housing Tax Credit Properties After the Compliance Period.
- (a) Housing Tax Credit properties allocated credit in 1990 and after are required under the Code (§42(h)(6)) to record a LURA restricting the property for 30 years. Various sections of the Code specify monitoring rules State Housing Finance Agencies must implement during the Compliance Period.
- (b) After the Compliance Period, the Department will continue to monitor Housing Tax Credit Developments using the rules detailed in paragraphs (1) (13) of this subsection.
- (1) On site monitoring visits will continue to be conducted approximately every three years, unless the Department determines that a more frequent schedule is necessary;
- (2) In general, the Department will review 10% of the low income files. No less than 5 files and no more than 20 files will be reviewed;
- (3) The exterior of the property, all building systems and 20% of the Units will be physically inspected to determine compliance with HUD's Uniform Physical Condition Standards;
- (4) Each Development shall submit an annual report in the format prescribed by the Department;
- (5) Reports to the Department must be submitted electronically as required in §60.105 of this chapter;
- (6) Compliance monitoring fees will continue to be submitted to the Department annually in the amount stated in the LURA;
- (7) All households must be income qualified upon initial occupancy of any Low Income Unit. Proper verifications of income are required, and the Department's Income Certification form must be completed unless the Development participates in the Rural Rental Housing Program or a project based HUD program;
- (8) Rents will remain restricted for all Low Income Units. The tenant paid portion of the rent plus the applicable utility allowance must not exceed the applicable limit;
- (9) Owners and managers must continue to screen households for income, assets, and household size on an annual basis. In addition, an Income Certification form must be completed on an annual basis;
- (10) All additional income and rent restrictions defined in the LURA remain in effect;

- (11) Other requirements defined in the LURA, such as the provision of social services or serving special needs households, will remain in effect;
- (12) The owner shall not terminate the lease or evict the resident or refuse to renew the lease except for Material Noncompliance with the lease or other good cause; and
- (13) The total number of required Low Income Units must be maintained Development wide.
- (c) After the first 15 years of the Extended Use Period, certain requirements will not be monitored as detailed in paragraphs (1) (4) of this subsection.
- (1) At recertification verification of income and assets will not be required;
- (2) The student restrictions found in §42(i)(3)(D) of the Code. An income qualified household consisting entirely of full time students may occupy a Low Income Unit;
- (3) The Available Unit Rule found in Treasury Regulation §1.42-15; and
- (4) The building applicable fraction found in the Development's Cost Certification and/or the LURA. Low income occupancy requirements will be monitored Development wide, not building by building.
- (d) Unless specifically noted in this section, all requirements of this chapter and §42 of the Internal Revenue Code remain in effect for the Extended Use Period. These Post Year 15 Monitoring Rules apply only to the Housing Tax Credit Developments administered by the Department. Participation in other programs administered by the Department may require additional monitoring to ensure compliance with the requirements of those programs.

## §60.121. Material Noncompliance Methodology.

- (a) The Department maintains a compliance history of each monitored Development in the Department's Compliance Status System. Developments with more than one program administered by the Department are scored by program. The Development will be considered in Material Noncompliance if the score for any single program exceeds the noncompliance limit for that program.
- (b) A Development will not be assigned the scores noted in this section until after the owner has been provided a written notice of the noncompliance and provided a corrective action deadline to show that either the property never was in noncompliance or that the noncompliance event has been corrected.
- (c) This section identifies all possible noncompliance events for all programs monitored by the Department. However, not all issues listed in this section pertain to all Developments. In addition, only certain noncompliance events are reportable on form 8823. Those events that are reportable under the Housing Tax Credit program on form 8823 are so indicated in subsections (k) and (j) of this section.
- (d) For Housing Tax Credit Developments, all forms 8823 issued by the Department will be entered into the Department's Compliance Status System. However, forms 8823 issued prior to the development of January 1, 1998 will not be considered in determining Material Noncompliance.
- (e) For all programs, a Development will be in Material Noncompliance if the noncompliance event is stated in this section to be Material Noncompliance. The Department may take into consideration the

representations of the Applicant regarding noncompliance events; however, the compliance records of the Department shall be presumed to be correct.

- (f) All Developments, regardless of status, that are or have been administered, funded, or monitored by the Department are scored even if the Development no longer actively participates in the program.
- (g) A Development's score will be reduced by the number of points needed to be one point under the Material Noncompliance threshold under the following circumstances:
- (1) The Development has no uncorrected noncompliance events, and
- (2) All noncompliance events were corrected during the corrective action period, and
- (3) All corrective action documentation was provided to the Department during the corrective action period.
- (h) Noncompliance events are categorized as either "Development events" or "Unit/building events." Development events of noncompliance affect some or all the buildings in the Development; however, the Development will receive only one score for the noncompliance event rather than a score for each building. Other noncompliance events are identified individually by Unit and will receive the appropriate score for each Unit cited with an event. The Unit scores and the Development scores accumulate towards the total score of the Development. Violations under the HTC program are identified by Unit; however, the building is scored rather than the Unit and the building will receive the noncompliance score if one or more of the Units are in noncompliance.
- (i) Uncorrected noncompliance events, if applicable to the Development, will carry the maximum number of points until the noncompliance event has been reported corrected by the Department. Once reported corrected by the Department, the score will be reduced to the "corrected value." Corrected noncompliance will no longer be included in the Development score three years after the date the noncompliance was reported corrected by the Department.
- (j) Each noncompliance event is assigned a point value. The possible events of noncompliance and associated "corrected" and "uncorrected" points are listed in subsection (k) of this section.
- (k) The chart below lists events of noncompliance that affect the entire development rather than an individual unit. The first column of the chart identifies the noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. Material Noncompliance for a HTC property is 30 points. Material noncompliance for a non HTC property with 51 to 200 Low Income Units is 50 points. Material Noncompliance for Non HTC properties with 201 or more low income units is 80 points. The third column lists the number of points assigned this event when the issue is corrected until three years after correction. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on form 8823 for Housing Tax Credit properties.

Figure: 10 TAC §60.121(k)	·		·	•
Noncompliance Event	Uncorrected Points	Corrected Points	Programs	If HTC, on Form 8823?
Major property condition violations	Material Noncompliance	10	HTC Bonds HOME	Yes

		i ·	HTF	1
			CDBG	
Pattern of minor property condition violations	10	5	HTC Bonds HOME HTF CDBG	Yes
Administrative reporting of property condition violations	0	0	HTC Bonds HOME HTF CDBG	Yes
Owner refused to lease to a holder of rental assistance certificate/voucher because of the status of the prospective tenant as such a holder	Material Noncompliance	10	See §60.112	Yes
Owner failed to approve and distribute an Affirmative Marketing Plan as required under §60.112 of this chapter	3	1	See §60.112	No
Development failed to comply with requirements limiting minimum income standards for Section 8 residents.	10	3	See §60.112	No
Development is not available to general public	10	0	HTC	Yes
HUD or DOJ notification of possible Fair Housing Act violation	0	0	HTC	Yes
Determination of a violation under the Fair Housing Act	Material Noncompliance	10	All programs	Yes
Development is out of compliance and never expected to comply/ Foreclosure	Material Noncompliance	NA/ No correction possible	All program	Yes
Owner did not allow on-site monitoring review	Material Noncompliance	5	All programs	Yes
LURA not in effect	Material Noncompliance	5	All programs	Yes
Development failed to meet minimum set aside	20	10	HTC Bonds	Yes
No evidence of, or failure to certify to, material participation of a non-profit <u>or HUB</u> , if required by the Land Use Restriction Agreement	10	3	HTC	Yes
Development failed to meet additional State required rent and occupancy restrictions	10	3	HTC Home HTF Bonds	No
The Development failed to provide required supportive services as promised at Application	10	3	HTC Bonds	No
The Development failed to provide	10	3	HTC	No

housing to the elderly as promised at Application			Bonds HOME HTF	
Failure to provide special needs housing	10	3	CDBG HTC Bonds HOME HTF CDBG	: No
Changes in Eligible Basis or Applicable Percentage	3	NA, No correction possible	нтс	Yes
Failure to submit part or all of the AOCR or failure to submit any other annual, monthly, or quarterly report required by the Department	10	3	All programs	Yes
Utility Allowance not calculated properly	20	5	HTC Bonds HOME HTF CDBG	Yes
Failure to comply with the Next Available Qualifying Unit Rule	3	1	AHP	Na
Owner failed to execute required lease provisions, including language required by §60.110 or exclude prohibited lease language	3	1	HTC HOME	No.
Failure to provide annual Housing Quality Standards inspection	10	3	HOME	NA
Development has failed to establish and maintain a reserve account in accordance with §1.37 of this title	Material Noncompliance	10	HTC	No
Development substantially changed the scope of services as presented at initial Application without prior Department approval	4	0	HTC	No
Change in ownership or General Partner without proper notification to and approval of Department	4	0	All programs	No
Failure to provide a notary public as promised at Application	5	1	HTC	No
Violations of the Unit Vacancy Rule	3	1	HTC	Yes
Casualty loss	0	0	All programs	Yes

<sup>(</sup>l) The chart below lists 10 events of noncompliance associated with individual units. The first column of the chart identifies the noncompliance event. The second column identifies the number of points assigned this event while the issue is uncorrected. Material Noncompliance for a HTC property is 30 points. Material noncompliance for a non HTC property with 51 to 200 Low Income Units is 50 points. Material Noncompliance for Non HTC properties with 201 or more low income units is 80 points. The

third column lists the number of points assigned this event when the issue is corrected until three years after the event is corrected. The fourth column indicates what programs the noncompliance event applies to. The last column indicates if the issue is reportable on form 8823 for Housing Tax Credit properties.

Figure: 10 TAC §60.121(I)  Noncompliance Event Uncorrected Corrected Programs If HTC, on form						
•	Points	Corrected Points	Programs	If HTC, on form 8823?		
Unit not leased to Low Income Household	5	1	All programs	Yes		
Low Income Units occupied by nonqualified full-time students	3	1	HTC during the compliance period Bond	Yes		
Low Income Units used on transient basis	3		HTC Bond	Yes		
Household income increased above the re-certification limit and an available Unit was rented to a market tenant	3	1	HTC During the compliance period Bonds HOME HTF AHP	Yes		
Gross rent exceeds the highest rent allowed under the LURA or other deed restriction	5	1	All programs	Yes		
Failure to maintain or provide tenant income certification and documentation	3	1	All programs	Yes		
Unit not available for rent	3	1	All programs	Yes		
Qualifying Unit designation removed from household	3	1	AHP	NA		
Development evicted or terminated the tenancy of a low income tenant for other than good cause	10	3	HTC HOME	Yes		
Household income increased above 80% at recertification and owner failed to properly determine rent	. 3	1	HOME	NA		

#### §60.122. Previous Participation Reviews.

(a) Prior to providing any Department assistance, executing a Carryover Allocation Agreement or processing a request for a Qualified Contract, the Portfolio Management and Compliance Division will conduct a previous participation review to determine if the requesting entity owes the Department any fees, has any outstanding audit issues or any uncorrected issues of noncompliance. Assistance includes but is not limited to allocating any Department funds, permitting the transfer of ownership of a property, engaging in loan or contract or LURA modifications, and providing incentive awards.

- (b) If during the previous participation review an uncorrected issue of noncompliance is identified on a HOME Development monitored by the Department, the entity requesting assistance will be notified of the issue and provided a 5 day period to submit all necessary corrective action to cure the violation(s). The notification will be in writing and may be delivered by email. If the requesting entity does not cure the issues, the Application for assistance will be terminated. If the application is terminated the applicant has the ability to appeal as provide in §1.7 of this title.
- (c) If during the previous participation review, the Department determines that the requesting entity has control of an existing Development monitored by the Department that is in Material Noncompliance the Application for assistance will be terminated.
- (d) If during the previous participation review, the Department determines that the requesting entity is on the Department's or the Department of Housing Urban Development's debarred list, the Application for assistance will be terminated.
- (e) In accordance with §2306.057 of the Texas Government Code, the Board shall fully document and disclose any instances in which the Board approves a project Application despite any noncompliance associated with the project, applicant, or affiliate. If an Application is terminated because of the Previous Participation Review, the applicant may appeal the decision in accordance with §1.7 or §1.8 of this title.
- (f) Treatment of previously owned Developments during a Previous Participation review:
- (1) The Department will not take into consideration the score of a Development transferred by the applicant over three years ago.
- (2) The Department will not take into consideration the score of a Development whose Affordability Period ended over three years ago.
- (3) If the property was transferred less than three years ago, the Department will determine the score for the noncompliance events with a date of noncompliance identified during the applicant's period of ownership. If the points associated with the noncompliance events identified during the applicant's period of ownership exceed the threshold for Material Noncompliance, the Application will not be recommended.
- (g) Date for determining of Material Noncompliance. For HTC Applications, the score in effect on May 1st of the year the HTC Application is submitted will be used. For Carryover Allocations, the score in effect on October 1st of the year the award is being made will be used. For all other requests for assistance, the score in effect the day of Previous Participation Review is being conducted will be used.

#### §60.123. Alternative Dispute Resolution (ADR).

(a) It is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures (ADR) to assist in resolving disputes under the Department's jurisdiction. If at any time an applicant or other person would like to engage the Department in an ADR process, 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 §1.17 of this title.

- (b) In all phases of monitoring (construction and throughout the entire Affordability Period) if a potential issue of noncompliance has been identified, owners will be provided a written notice of noncompliance. The Department will provide a 90 day corrective action period which can and will be extended for an additional 90 days if there is good cause and the owner requests an extension.
- (c) Owners must respond to the Department's notice of noncompliance. If an owner does not respond, this ADR process which is explained in this section cannot be initiated.
- (d) If an owner does not agree with the Department's assessment of compliance, they should clearly explain their position and provide as much supporting documentation as possible. If the position is reasonable and well supported, the issue of noncompliance will be cleared with no further action taken, i.e. for HTC properties, form 8823 will not be filed with the Internal Revenue Service and the issue will not be scored in the Department's compliance status system.
- (e) If an owner's response indicates disagreement with the Department's assessment of noncompliance, but does not appear to be a valid concern to the Department, staff will notify the owner in writing of their right to engage in ADR. The owner must respond in 5 days and request ADR. In addition, the owner must request an extension of the corrective action deadline, if one is still available. If the owner does not respond to the staff's invitation to engage in ADR, the Department's assessment of the violation is final.
- (f) The Department must meet the Treasury Regulation requirement found in §1.42-5 and file form 8823 within 45 days after the end of the corrective action period. Therefore it is possible that the owner and Department may still be engaged in ADR. In this circumstance, the form 8823 will be filed. However, it will be sent to the IRS with an explanation that the owner disagrees with the Department's assessment and is pursuing ADR. All owner supplied documentation supporting their position will be supplied to the IRS. Although the violation will be reported to the IRS within the required timeframes, it will not be scored in the Department's compliance status system pending outcome of ADR.

#### §60.124.Liability.

Compliance with the program requirements including compliance with §42 of the IRC, is the sole responsibility of the Development Owner. By monitoring for compliance, the Department in no way assumes any liability whatsoever for any action or failure to act by the Development Owner including the Development Owner's noncompliance with §42 of the IRC, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, HOME program regulations, BOND program requirements, and all other programs monitored by the Department.

#### §60.125.Applicability.

Unless otherwise noted, these provisions apply to all Developments administered by the Department.

#### §60.126.Waiver.

The Board, in its discretion and within the limits of law, may waive any one or more of these Rules if the Board finds that a waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as determined by the Board.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State on August 24, 2007.

TRD-200703891

#### TITLE 10. COMMUNITY DEVELOPMENT

#### Part 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Chapter 60. COMPLIANCE ADMINISTRATION

#### Subchapter A. COMPLIANCE MONITORING

#### 10 TAC §§60.1 - 60.22

The Texas Department of Housing and Community Affairs adopts the repeal of §§60.1 - 60.22, concerning Compliance Monitoring. The sections are adopted for repeal in order to enact new sections that will conform to other Department rules that are also being revised in the 2008 rule cycle and to implement changes enacted during the 80th Regular Session of the Texas Legislature.

Public hearings on the new rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, email, and facsimile through October 10, 2007.

The repeal is adopted pursuant to the authority of the Texas Government Code, Chapter 2306 and the Internal Revenue Code of 1986, §42, as amended, which provide the Department with the authority to adopt rules governing the administration of the Department and its programs.

No comments were received regarding this adopted repeal.

§60.1.Purpose.

§60.2.Definitions.

§60.3. Development Inspections.

§60.4.Monitoring During the Affordability Period.

§60.5. Compliance History.

§60.6.Section 8 Voucher Holders and Tenant Selection.

§60.7. Monitoring for Compliance.

§60.8.Recordkeeping.

§60.9.Reporting.

§60.10. Annual Owner's Compliance Report Certification and Review.

§60.11.Record Retention Provisions.

§60.12.Inspection Provision.

§60.13.Inspection Standard.

§60.14. Notices to Owner.

§60.15. Notice to the IRS (HTC Developments only).

 $\S60.16.$ Notices to the Department.

§60.17.Utility Allowances.

§60.18.Material Noncompliance.

§60.19. Alternative Dispute Resolution Policy.

§60.20.Liability.

§60.21. Applicability to All Programs.

§60.22. Waiver.

#### LEGAL SERVICES DIVISION

# **BOARD ACTION REQUEST**

**November 8, 2007** 

#### **Action Item**

Presentation, Discussion and Possible Approval to publish a final rule of the proposed new 10 TAC Chapter 60, Subchapter C, Enforcement and Administrative Penalties in the *Texas Register* for adoption.

#### **Requested Action**

Approve, approve with amendments or deny the final rules for publication in the *Texas Register* for Public comments relating to Enforcement and Administrative Penalties in Chapter 60, Subchapter C.

#### **Background and Recommendations**

During the 80<sup>th</sup> Legislative Session, SB 1908 provided significant new authority to the Department to develop and administer new administrative penalties to assure compliance with the Department's program requirements and rules. The rules were placed into public comment and received one true comment from Cynthia Bast of Locke Lord Bissell and Liddell, LLP. One additional comment made reference to the enforcement rules, but the transcript contained no actual comment on the rule itself.

#### The comments were:

Section 60.301(a) thought that the language was too broadly worded and should be more limited in scope to reflect Land Use Restriction Agreements and Compliance Rules.

**Staff Response:** No change is necessary.

While most of the discussion has been around the two items listed, the purpose of the statute is broadly worded but the penalty table makes clear what violations may receive an administrative penalty.

Section 60.302 and General Comment 14, suggest to clarify who would be considered a responsible party and bear the financial burden.

**Staff Response:** In keeping with another suggestion later, the staff agrees with the later comment and has removed the language relating to "Responsible Party" and therefore makes it clear that the Owner is the responsible party for all actions at the development. In questions of whom among ownership structures will be responsible, that would be an internal matter of the partnership.

The Term Responsible Party is deleted throughout the document, as is the definition for Responsible Party.

Section 60.302(15) Sought clarification of who would serve on and chair the Enforcement Committee.

**Staff recommendation:** Staff agrees with the comment and has proposed the following change to the rule:

(15) Enforcement Committee--A committee of not more than five people staff members, with a designated chairman from its members selected assigned by the Executive Director to make recommendations on Enforcement including Administrative Penalties.

The decision as to who would chair would be left up to the Executive Director.

Section 303(a) suggested we use the more encompassing definition terms instead of specific documents.

**Staff recommendation**: Staff agrees with this recommendation and suggest the following language:

(a) Owners are required to follow LURAs, covenants, or state and Federal Laws and Rules as promulgated by the appropriate legislative body or executive department Terms.

\_Section 60.304(c) was suggested to be changed to provide more clear direction on frequency and type of penalty.

**Staff recommendation:** Staff believes that the terms are clear within the penalty table but will add the following language to clarify that the penalty table will be followed:

(c) A Responsible Party or An Owner who violates any provision of the Terms or order of the Board is subject to an Administrative pPenalty of up to \$1,000 per day per violation as allowed under these rules, the Penalty Table and Texas Government Code \$2306.042. Penalties will be assessed according to the Penalty Table found within this rule.

Section 60.307(d) (actually refers to 60.308(d)) was suggested to be changed to provide a response date for filing exceptions to a PFD.

**Staff recommendation:** Staff agrees with this suggestion and has placed a fifteen day period for filing exceptions to be consistent with the State Office of Administrative Hearing rules. The new section will read:

(d) Any party may file exceptions within fifteen days to the Proposal for Decision if they believe it misstates the law. The exceptions must state a legally reasoned response for the basis of the misstatement.

Section 60.308(d) suggested that the rules should cover penalty calculations if an owner requests a hearing and asks the rule to cover a stay of penalty if the penalty is challenged in court.

**Staff recommendation.** No change suggested. Section 60.309 gives the factors for penalty calculation. The rules governing the process for a court challenge are clearly detailed in the statute as Texas Government Code §2306.048 and would be repetitive in the rule.

Section 60.309 (comment number 8) suggests that he penalty be determined as a per unit or per violation.

**Staff recommendation:** No change. Covered under §60.304(c). Each penalty is per violation and per unit if applicable. The table demonstrates the potential penalty and the notice of violation required instatute will outline the violation.

Section 60.309 (comments numbers 9,10, 11, and 17) suggest that we clarify the language of the penalties and make them more narrow.

**Staff recommendation:** We believe the penalties use language that is common in the idustry and appears on Form 8823. The terms will be more narrowly defined when notice is received.

General Comment number 12 suggests that the term penalty appears in lower case and without its preface of Administrative in the rule.

**Staff Recommendation**: We agree and added the Term penalty to the definition of Administrive Penalty and capitalized the term through the rule.

General Comment 13 and 15 suggests that more calrification is needed for notice and opportunity to be heard prior to an administrative penalty.

**Staff recommendation**: Staff agrees in principle and has added the statutory language in 60.304(d) as follows:

# (d) The Executive Director shall provide notice of violation as is required under Texas Government Code §2306.043

Staff also believes that the informal conference could clear up any potential inconsistency of application as the Enforcement Committee will review similar cases in the course of its operation.

General Comment 16 suggests that there could be a ptoential conflict between the adherence to obligations penalties in the Quallified Allocation Plan and the Enforcement rules.

Staff recommendation: This argument is not persuasive since the time periods are likely to be very different. If the issue arises, thent he Executive Director will need to utilize discretion in assessing penalties.

General Comment 18 suggest that portions that are covered in the statute but not in the rules make the rules incomplete. Further, it suggests that a reitieration in the rules of direct stutory language is not particurally beneficial.

Staff recommendation: The statutory sections included within the rules are placed there to help understand the implementation of the administrative penalty process. Challenges to the penalties and similar actions are left ins tatute as there is no benefit to repeating them in the rule as they are mandatory actions that must be followed. This is similar to the process used in a contested case hearing within the Administrative Procedures Act.

#### **Staff Recommendation:**

Staff recommends the adoption of the Enforcement and Administrative Penalty rule as changed based on public comment for final adoption and publication in the *Texas Register* as 10 TAC Chapter 60 Subchapter C

# TITLE 10. COMMUNITY DEVELOPMENT Part 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS Subchapter C. ADMINISTRATIVE PENALTIES 10 TAC §§60.301 – 60.309

The Texas Department of Housing and Community Affairs (the Department) adopts new Subchapter C (§§60.301 – 60.309), concerning Administrative Penalties with changes to §§60.302, 60.304-60.309, and without changes to §§60.301 and 60.303 of the proposed text as published in the September 7, 2007 issue of the Texas Register (32 Tex. Reg. 5953). New Subchapter C implements §§2306.041 – 2306.0503 of the Texas Government Code, as amended by S.B. 1908 in the 80th Regular Session of the Texas Legislature, and provides the procedures and guidelines for implementing the Department's administrative penalty authority.

Public hearings on the new rule were held in El Paso (September 24, 2007), Lubbock (September 28, 2007), Brownsville (October 3, 2007), Houston (September 26, 2007), Dallas (October 1, 2007), and Austin (October 4, 2007). Additionally, written comments on the new rule were accepted by mail, e-mail, and facsimile through October 10, 2007.

#### SUMMARY OF COMMENTS, STAFF RESPONSE AND BOARD ACTION

Public comments and the Department's responses are presented in the order in which the sections appear in new Subchapter C, starting with general comments for Subchapter C as a whole and ending with comments on §60.309. Following the section number is the title of the section as it appears in the rule. Following the title is a parenthetical containing a number or series of numbers. Each number corresponds to a person who commented on the particular rule section. Following the identification of the section and related commenters is a summary of the comment and staff's response, including the reasons why the agency agreed or disagreed with the comment and a statement of the factual basis for the new sections.

Public comments on the proposed sections were received by Locke, Lord, Bissell & Liddell LLP (LLBL) and Harris Co. MUD 71 (Other than saying they are commenting on them, there are no comments).

**COMMENT:** Section 60.301(a). Thought that the language was too broadly worded and should be more limited in scope to reflect Land Use Restriction Agreements and Compliance Rules.

**STAFF RESPONSE**: No change is necessary.

While most of the discussion has been around the two items listed, the purpose of the statute is broadly worded but the penalty table makes clear what violations may receive an administrative penalty.

**COMMENT:** Section 60.302 and General Comment, suggest to clarify who would be considered a responsible party and would bear the financial burden.

STAFF RESPONSE: In keeping with another suggestion discussed later in this summary, staff agrees with the later comment and has removed the language relating to "Responsible Party" and therefore makes it clear that the Owner is the responsible party for all actions at the development. In

questions of who among ownership structures will be responsible, that would be an internal matter of the partnership.

The Term Responsible Party is deleted throughout the document, as is the definition for Responsible Party.

**COMMENT:** Section 60.302(15). Sought clarification of who would serve on and chair the Enforcement Committee.

**STAFF RECOMMENDATION**: Staff agrees with the comment and has proposed the following change to the rule:

(15) Enforcement Committee--A committee of not more than five people staff members, with a designated chairman from its members selected assigned by the Executive Director to make recommendations on Enforcement including Administrative Penalties.

The decision as to who would chair would be left up to the Executive Director.

**COMMENT:** Section 303(a). Suggested we use the more encompassing definition terms instead of specific documents.

**STAFF RECOMMENDATION**: Staff agrees with this recommendation and suggest the following language:

(a) Owners are required to follow LURAs, covenants, or state and Federal Laws and Rules as promulgated by the appropriate legislative body or executive department Terms.

**COMMENT:** Section 60.304(c). Suggested to be changed to provide clearer direction on frequency and types of penalties.

**STAFF RECOMMENDATION:** Staff believes that the terms are clear within the penalty table but will add the following language to clarify that the penalty table will be followed:

(c) A Responsible Party or An Owner who violates any provision of the Terms or order of the Board is subject to an Administrative pPenalty of up to \$1,000 per day per violation as allowed under these rules, the Penalty Table and Texas Government Code §2306.042. Penalties will be assessed according to the Penalty Table found within this rule.

**COMMENT:** Section 60.307(d) (actually refers to 60.308(d)). Was suggested to be changed to provide a response date for filing exceptions to a PFD.

**STAFF RECOMMENDATION:** Staff agrees with this suggestion and has placed a fifteen day period for filing exceptions to be consistent with the State Office of Administrative Hearing rules. The new section will read:

(d) Any party may file exceptions to the Proposal for Decision within fifteen days if they believe it misstates the law. The exceptions must state a legally reasoned response for the basis of the misstatement.

**COMMENT:** Section 60.308(d). Suggested that the rules should cover penalty calculations if an owner requests a hearing and asks the rule to cover a stay of penalty if the penalty is challenged in court.

**STAFF RECOMMENDATION.** No change suggested. Section 60.309 gives the factors for penalty calculation. The rules governing the process for a court challenge are clearly detailed in the statute as Texas Government Code §2306.048 and would be repetitive in the rule.

**COMMENT:** Section 60.309. Suggests that the penalty be determined as a per unit or per violation.

**STAFF RECOMMENDATION:** No change. Covered under §60.304(c). Each penalty is per violation and per unit if applicable. The table demonstrates the potential penalty and the notice of violation required in statute will outline the violation.

**COMMENT:** Section 60.309. Suggest that we clarify the language of the penalties and make them more narrow.

**STAFF RECOMMENDATION:** We believe the penalties use language that is common in the industry and appears on Form 8823. The terms will be more narrowly defined when notice is received.

**GENERAL COMMENT:** Suggests that the term penalty appears in lower case and without its preface of Administrative in the rule.

**STAFF RECOMMENDATION**: We agree and added the Term penalty to the definition of Administrative Penalty and capitalized the term through the rule.

**GENERAL COMMENT:** Suggests that more clarification is needed for notice and opportunity to be heard prior to an administrative penalty.

**STAFF RECOMMENDATION**: Staff agrees in principle and has added the statutory language in 60.304(d) as follows:

(d) The Executive Director shall provide notice of violation as is required under Texas Government Code §2306.043

Staff also believes that the informal conference could clear up any potential inconsistency of application as the Enforcement Committee will review similar cases in the course of its operation.

**GENERAL COMMENT:** Suggests that there could be a potential conflict between the adherence to obligations penalties in the Qualified Allocation Plan and the Enforcement rules.

**STAFF RECOMMENDATION**: This argument is not persuasive since the time periods are likely to be very different. If the issue arises, then the Executive Director will need to utilize discretion in assessing penalties.

**GENERAL COMMENT:** Suggests that portions covered in the statute but not in the rules make the rules incomplete. Further, it suggests that a reiteration in the rules of direct statutory language is not particularly beneficial.

STAFF RECOMMENDATION: The statutory sections included within the rules are placed there to help understand the implementation of the administrative penalty process. Challenges to the penalties and similar actions are left in the statute as there is no benefit to repeating them in the rule since they are mandatory actions that must be followed. This is similar to the process used in a contested case hearing within the Administrative Procedures Act.

The new sections are adopted pursuant to authority granted in Chapter 2306, Texas Government Code; specifically §2306.053 which grants the Department general rulemaking authority to carry out the powers expressly granted or necessarily implied by Chapter 2306; and §2306.041 which authorizes the Board to impose an administrative penalty on a person who violates Chapter 2306 of the Texas Government Code, or a rule or order adopted pursuant thereto.

#### §60.301.Purpose.

- (a) The purpose of this subchapter is to assist with the enforcement of all applicable laws including Chapter 2306, Board Rules, LURAs, Applications, Covenants filed in conjunction with awards and Board Orders vests in the Board and the Department.
- (b) These rules do not apply to any local enforcement codes or building codes.
- (c) The enforcement provisions shall be governed by these rules and 1 TAC Part 7, Chapter 155, as applicable, unless specifically indicated otherwise by these rules, incorporated herein by reference.

#### §60.302.Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Act--The Cranston-Gonzalez National Affordable Housing Act codified at 42 U.S.C. §12704 et seq.
- (2) Administrative Penalty (or Penalty)--A monetary penalty per the penalty table assessed for failure to comply with the Act, a LURA, restrictive covenant, the rules found in Subchapters A and B of this chapter, or other federal or state law or rule identified in the penalty table as allowed under Texas Government Code §§2306.041 2306.042.
- (3) Affiliated Party-A Person in a relationship with an Responsible Party or Owner. Does not apply to an Affiliated Party for Application purposes.
- (4) Asset--A property covered by the Act, a LURA, Contract, grant agreement, or Commitment or any other property acquired, improved, or subsidized, directly or indirectly, in whole or in part with funds provided by any program(s) administered by the Department or purchased by a Subsequent Purchaser.

- (5) Audit--An audit required to be performed by a third party or performed by the Department relating to a Contract.
- (6) Board--The Governing Board of the Department.
- (7) Chapter 2306--The enabling statute for the Department found in Texas Government Code Chapter 2306.
- (8) Compliance Monitoring Fees--The fees identified in a LURA or other Contract payable by Project Owner related to an Asset.
- (9) Compliance Rules--The rules found in Subchapters A and B of this chapter.
- (10) Contract--Any executed written agreement between the Department and an Administrator, Home Owner, Mortgagor, Project Owner, Subrecipient, Subrecipient Organization, or other beneficiary of a Department program.
- (11) Department--The Texas Department of Housing and Community Affairs.
- (12) Development--Any Project that has a construction component, either in the form of new construction or the rehabilitation of residential housing with funds or credits supplied by the Department and subject to a LURA or other restrictive covenant.
- (13) Director of Compliance--The person designated by the Executive Director with directing the activities of the division responsible for compliance or their designee, including subcontractors of the Department.
- (14) Eligible Household—A household that meets the requirements associated with a Department Contract or LURA and applicable law, as in effect from time to time.
- (15) Enforcement Committee--A committee of not more than five people-staff members, with a designated chairman from its members selected assigned by the Executive Director to make recommendations on Enforcement including Administrative Penalties.
- (16) Executive Director--As defined under Texas Government Code §2306.036 and/or §2306.038.
- (17) Federal Laws and Rules--Treasury Regulations, United States Code and/or the Code of Federal Regulations, including but not limited to the current version of the Guide for Completing Form 8823 Low Income Housing Credit Agencies Report of Non-Compliance or Building Disposition promulgated by the Internal Revenue Service.
- (18) LURA--Land Use Restriction Agreement that has been executed by the Department and a Person related to a specific property or properties and filed with required recording authorities.
- (19) Owner--The Person who has the beneficial ownership of a Development whether through award of the Department or as a Subsequent Purchaser.
- (20) Penalty Table--The table adopted by the Board detailing a schedule of proposed penalties for violations of identified actions commonly found in LURAs, other restrictive covenants, state and federal rules.

- (21) Person--Any individual, partnership, corporation, association, trust, unit of government, community action agency, or public or private organization of any character, however organized.
- (22) Proposal for Decision--A document issued by an administrative law judge that provides a statement of facts and conclusions of law for the Board to make a final determination on the Administrative Penalty.
- (23) Reserved. Responsible Party—The Person or other beneficiary of a Department program subject to this rule for purposes of enforcement.
- (24) Subsequent Purchaser--A Person who is not the original awardee but purchases a development or Asset subject to a valid LURA, other restrictive covenant or state and federal rules associated with Chapter 2306.
- (25) Terms--Any condition placed on the property through a LURA, restrictive covenant, loan document, application, or Federal Laws and Rules or rules promulgated by the Department as allowed by the laws of the State of Texas.
- (26) Treasury Department--The U.S. Department of the Treasury, the Internal Revenue Service or related federal departments.

#### §60.303.Standards of Conduct.

- (a) Responsible Parties or Owners are required to follow LURAs, covenants, or state and Federal Laws and Rules as promulgated by the appropriate legislative body or executive department Terms.
- (b) Responsible Parties or Owners are responsible for knowing the terms and conditions placed on their Assets and the application of Federal Laws and Rules and rules promulgated by the Department relevant to their Development.

#### §60.304. Violations of Standards and Rules.

- (a) The Board may issues administrative penalties as specified in this chapter to persons who violate Terms.
- (b) A violation occurs when, either by action or failure to act, an Responsible Party or Owner does not Comply with the Terms of an Asset.
- (c) An Responsible Party or Owner who violates any provision of the Terms or order of the Board is subject tot an Administrative P-penalty of up to \$1,000 per day per violation as allowed under these rules, the Penalty Table and Texas Government Code \$2306.042. Penalties will be assessed according to the Penalty Table found within this rule.
- (d) The Executive Director shall provide notice of violation as is required under Texas Government Code §2306.043

#### §60.305.Investigation of Complaints.

Complaints shall be investigated under the requirements of Chapter 2306.

#### §60.306.Informal Conference.

- (a) If the Enforcement Committee decides to offer an Informal Conference to an responsible Party or Owner, the Department shall give notice of the Informal Conference, including a summary of the alleged violation and the Responsible Party or Owner's right to request a hearing on the alleged allegations with the Board or their designated Administrative Law Judge.
- (b) If the Informal Conference results in an agreed order, the Executive Director shall prepare the agreed settlement as an agreed final order for adoption by the Board.
- (c) If the Informal Conference fails to result in an agreed order, the Executive Director shall set a formal hearing with the Board or their designated Administrative Law Judge.

#### §60.307.Administrative Penalty.

- (a) If the Executive Director decides to pursue an Aadministrative Ppenalty under the Penalty Schedule adopted by the Board he shall provided Notice to the Board, or their designee, that briefly states the facts of the alleged violation, includes his recommendation of a Ppenalty and the amount of the Ppenalty.
- (b) Within 14 days of notifying the Board under subsection (a) of this section, the Executive Director shall issue a Notice of Alleged Violation to the Responsible Party or Owner which must include a brief summary of the alleged violation, state the amount of the Ppenalty pursued and inform the Responsible Party or Owner of their right to a Hearing before the Administrative Law Judge appointed by the Board to hear contested cases on the occurrence of the violation, the amount of the Ppenalty, or both.
- (c) If the Responsible Party or Owner chooses within 20 days after receipt of Notice to enter an agreed order either accepting the Executive Director's recommendation or agrees to corrective action with or without a Ppenalty, without a formal hearing before the Board or their designated Administrative Law Judge, The Executive Director shall prepare a Board Order affirming the agreed order.
- (d) The Responsible Party or Owner must pay the Ppenalty within sixty (60) days following the Board Order and complete any corrective action within the agreed time period or be subject to penalties for violation of the Board Order affirming the agreed order.
- (e) The Executive Director shall set a hearing with the Board or their Designated Administrative Law Judge if:
- (1) the Respondent requests a formal hearing not later than the 20th day after the Notice of Alleged Violation is received by the Responsible Party or Owner;
- (2) the Responsible Party or Owner fails to respond in writing to the Notice of Alleged Violation not later than the 20th day after the Notice of Alleged Violation is received by the Responsible party or Owner; or
- (3) the Responsible Party or Owner fails to pay the Ppenalty or complete the corrective action agreed to in the agreed order.
- (f) The Executive Director may recommend for Debarment according to this title to an any Responsible Party or Owner who fails to:

- (1) respond in writing to the Notice of Alleged Violation not later that the 20th day after the notice was received by the Responsible Party or Owner;
- (2) perform according to the agreed settlement; or
- (3) fails to pay the Ppenalty assessed by the Board Order.

#### §60.308. Administrative Hearing Process.

- (a) The Board shall request the Executive Director to provide the Board with access to an administrative law judge hired through the appropriate procurement process to hold hearings for the purpose of developing a Proposal For Decision. The administrative law judge shall serve at the pleasure of the Board, but administratively be employed as a subcontractor through the Executive Director. The administrative law judge shall not be a full time employee of the Department.
- (b) If the Responsible Party or Owner has formally requested a hearing before the Board within the appropriate time frame, the administrative law judge shall conduct a formal hearing in accordance with this subchapter and, based on the record created by the Executive Director and the Responsible Party or Owner or their counsel, issue a Proposal for Decision determining the findings of fact and conclusions of law in accordance with the rules and statutes governing the agency. The Proposal for Decision shall clearly indicate why any changes to the recommended Ppenalty were made.
- (c) The administrative law judge will provide the Board, the Executive Director and the Responsible Party or Owner or their counsel with a copy of the Proposal For Decision.
- (d) Any party may file exceptions to the Proposal for Decision within fifteen days if they believe it misstates the law. The exceptions must state a legally reasoned response for the basis of the misstatement.
- (e) The Board shall, based on the findings of fact and conclusions of law within the Proposal for Decision, and any exceptions properly filed, issue an order that finds:
- (1) that a violation occurred and impose a Ppenalty including a statement of the right of the subject of the order to seek judicial review of the order; or
- (2) find that a violation did not occur.
- (f) Not later than the 30th day after the date the Board's decision becomes final, the Person subject to the order shall:
- (1) pay the Ppenalty; or
- (2) file a petition for judicial review contesting the occurrence of the violation, the amount of the Ppenalty, or both.
- (g) The pPenalty may be stayed under the terms of §2306.048 of the Texas Government Code.
- (h) If timely filed, a decision will be made by the district court in Travis County under a de novo review.

- (i) If the court sustains the finding that a violation occurred, the court may uphold or reduce the amount of the Ppenalty and order the Person to pay the full or reduced amount of the Ppenalty. If the court does not sustain the finding that a violation occurred, the court shall order that a Ppenalty is not owed and may award the person reasonable attorney fees.
- (j) The party filing the court action shall include in their prayer for relief that if the court finds in their favor that the order include a remittance of Ppenalty and interest or release of the Bond.
- (k) If the Ppenalty is sustained, and the enforcement of the Ppenalty is not stayed, the Department may collect the Ppenalty. The Attorney General may sue to collect the Ppenalty. This proceeding shall be a contested case under Chapter 2001 of the Texas Government Code.

#### §60.309.Penalty Table.

- (a) The Department has developed penalties based on the following factors:
- (1) the seriousness of the violation, including:
- (A) the nature, circumstance, extent, and gravity of any prohibited act; and
- (B) the hazard or potential hazard created to the health, safety, or economic welfare of the public;
- (2) the history of previous violations;
- (3) the amount necessary to deter a future violation;
- (4) efforts made to correct the violation.

Figure: 10 TAC §60.309(a)(4)

(b) The amount of the Ppenalty may be lowered based on presentation of information that would indicate that justice requires the downward adjustment of the Ppenalty. Solely economic harm will not be considered as a factor for downward adjustment.

"Figure 10 TAC <\*>60.309(a)(4)"

"Figure 10 TAC <*>60.309(a)(4)  Violation	Administrative Penalty with	Penalty for Non-compliance
Violation	Corrective Action	non-corrected action
Units leased to households that are not eligible because their income exceeds the allowable limit; occupied by non-eligible full time students; or noncompliance with senior age restrictions	Lease labeled "Do not renew leaseas soon as possible lease the unit to eligible household;" Lease to eligible household  Penalty: \$100 per violation	Violation of do not renew restriction Penalty: \$500 per violation Multiple Violations after Corrective action requested. Penalty: \$1,000 per violation
Rents charged exceed allowable limits or improperly calculated utility allowance	Responsible Party/Owner/manager demonstrates reduction in rent and/or recalculation of utility allowance Penalty: \$100 per violation	Violation based on administrative error Penalty: \$250 per violation Repeated Violations after Notice Penalty: \$500 per violation
Property Condition Violations	Appropriate repairs completed and provide evidence related to public health and safety  Penalty: \$250 per violation  Violation not an issue of public health and safety maters  Penalty: \$50 per violation	Violation for public health and safety matters  Penalty: \$1,000 per day  Violation not an issue of public health and safety maters  Penalty: \$250 per violation
Failure to Submit Reports Timely and or failure to execute and record program documents	After written notice of failure to receive report owner must provide corrective action support within 30 days  Penalty: \$100 per violation	Failure to submit after: 30 days  Penalty: \$250 per violation 60 days  Penalty: \$500 per violation 90 days or more  Penalty: \$1000 per violation
Change in eligible basis	Owner to cease charging for facilities and/or convert commercial space back to residential space as applicable Penalty: \$50 per violation	Penalty: \$200 per violation
Failure to meet minimum set aside, violation of Available Unit Rule, or comply with rent and occupancy restrictions	Units rented to the appropriate income and rent restrictions for eligible households  Penalty: \$25 per violation	Penalty: \$300 per violation
Failure to follow Fair Housing or federal laws providing access by the general public or failure to comply with Section 8 minimum income to rent standard	Owner must enter into a corrective action agreement and amend leasing requirements if appropriate  Penalty: \$100 per violation	General Public or Section 8 violations Penalty: \$250 per violation
Failure to maintain adequate documentation or certification for compliance	Owner to recertify accordingly and provide documentation upon completion  Penalty: \$25 per violation	Failure to recertify Penalty: \$250 per violation Failure to provide documentation Penalty: \$100 per violation

Low income units used on	Owner should execute at least six	Failure to correct within:
transient basis	month lease and provide evidence Penalty: \$25 per violation	30 days  Penalty: \$100 per violation 60 days  Penalty: \$200 per violation 90 days
Violation of the Unit Vacancy	Property must advertise availability of	Penalty: \$300 per violation Failure to comply after:
Rule	units within 30 days and provide evidence Penalty: \$100 per violation	30 days Penalty: \$250 per violation 60 days Penalty: \$500 per violation 90 days or more
No evidence of material participation by a qualified nonprofit	Owner to correct issue and certify compliance within 60 days  Penalty: \$100 per violation	Penalty: \$1000 per violation Failure to submit documentation after: 60 days Penalty: \$500 per violation 90 days Penalty: \$1000 per violation
Failure to provide agreed to supportive services	Corrective action within 30 days  Penalty: \$100 per violation	Failure to provide agreed services after: 30 days Penalty: \$500 per violation 60 plus days Penalty: \$1000 per violation
Failure to pay compliance fees or compliance penalties timely	After notice of fees due and payable within 30 days of notice Penalty: \$25 per violation	Admin penalty of 5% of fee owed per month as late fees
Failure to meet prescribed special needs set aside	Property must develop and follow adequate marketing plan utilizing organizations that work with special needs for corrective action within 60 days  Penalty: \$100 per violation	For each 30 day period set aside is not met or marketed after 60 days  Penalty: \$250 per violation
Failure to meet Department minimum standards for rehabilitation act compliance	If discovered during development, potential correction of building. If discovered after building, establish an account to fund necessary modifications  Penalty: \$100 per violation	Penalty of up to \$1,000 per of up to a maximum of the cosmaking necessary changes a referral for Debarment unde 10 TAC §1.20
Continued non-compliance resulting in declaration of no longer participating in program	After written notice owner should provide a corrective action memo Penalty: \$100 per violation	Penalty: \$1000 per violation
Determination of material Non- compliance for more than six months	After notice of violation corrective action plan developed with Department  Penalty: \$100 per violation	Penalty: \$500 per violation
Owner refuses to allow monitoring review	Allow monitoring upon request  Penalty: \$50 per day not previously allowed	Penalty: \$500 per day not allowing monitoring.

#### HOME DIVISION

#### **BOARD ACTION REQUEST**

**November 8, 2007** 

#### **Action Item**

Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program Contracts:

1000518 Temple Housing Authority HBA

#### **Requested Action**

Approve, Deny or Approve with Conditions Requests for Amendments to HOME Investment Partnerships Program Contracts:

1000518 Temple Housing Authority HBA

#### **Background**

The Temple Housing Authority (Administrator) requested an amendment to extend the end date of their contract for twelve (12) months from September 28, 2007 to September 30, 2008. At the August 23, 2007, the Board meeting denied this request since the Administrator was not able to outline a specific plan to assist the remaining households within the 12-month extension period.

The Administrator submitted a request on September 12, 2007 to extend this contract until March 28, 2008 to provide assistance to the seven (7) households that are pending approval in the Department's Contract System. The customary amendment process would allow an administrative 6-month extension to be granted. However due to the Board's previous denial of the 12-month extension request, staff is presenting this request for the Board's consideration today. Staff has received and reviewed detailed information regarding the status of each household's home purchase transaction and it is anticipated that all construction of the homes and mortgage loan closings will occur prior to March 28, 2008. Two of the seven households are scheduled to close the first week of November and are approved to be funded.

Amendment Number: 1

Activity Type: Homebuyer Assistance (HBA)
Contract Executor: Executive Director, Barbara Bozon

Contract Start Date: October 3, 2005 Contract End Date: September 30, 2007 Reguested End Date: March 28, 2008

Service Area: Bell County and Milam County

Total Budget Amount: \$520,000 Project Amount: \$500,000 Administration Amount: \$20,000 Households Required: 48 Households Assisted: 7

Amount Drawn To-Date: \$70,609.99

#### Recommendation

Staff recommends approval of an amendment to extend this contract for six (6) months to March 28, 2008 to provide assistance to the households identified in the Department's Contract System. If assistance to any of the households is cancelled prior to the end of the contract end date or additional households are qualified for assistance, the Administrator will not be able to substitute or add another household unless that household can be provided assistance prior to March 28, 2008.

#### DISASTER RECOVERY DIVISION

#### BOARD ACTION REQUEST November 8, 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 November 8, 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 October 18, 2007. Access to the Housing Trust Fund and clarifying the definition of certified eligibility became the topics of discussion. A policy for access to the Housing Trust Fund continues to be developed. A letter clarifying the definition of certified eligibility was provided (10/25/07) as a result of the Division's monthly meeting. The Division also visited the City of Beaumont to substantiate the eligibility status of applicants as reported in the Activity Log.

A performance benchmark memo was disseminated to the COGs on September 19, 2007. The Division's goal was to increase the number of certified eligible clients with the expectation that once certified the home delivery phase (replacement, rehabilitation or reconstruction) would increase proportionately.

The Department has established a goal for each COG to certify that at least 50% of the contractual number of households to be served have been identified and verified as eligible to receive assistance by November 8, 2007. These benchmarks have been effective in ensuring that the program continues to move forward. As of board book posting, the percentage identified by each COG as eligible measured against the contractual number to be served are as follows:

- **DETCOG 5%**
- H-GAC 43%
- SETRPC 62%
  - SETRPC 96%
  - City of Beaumont 7%
  - o City of Port Arthur − 33%

#### **Financial Activity**

	Current Budget	Total Admin Drawn	Total Project Drawn	Contract Balance	% Disbursed	Increase Since 10/11/07
DETCOG	\$6,745,034.00	\$239,820.23	\$31,606.04	\$6,473,607.73	4.02%	\$65,621.17
H-GAC	\$7,015,706.00	\$354,151.84	\$0.00	\$6,661,554.16	5.05%	\$32,110.26
SETRPC	\$26,498,536.00	\$544,154.66	\$861,129.44	\$25,440,258.03	5.30%	\$347,006.13
SETRPC	\$15,788,536.00	\$544,154.66	\$861,129.44	\$14,383,251.90	8.90%	\$347,006.13
Beaumont	\$5,145,000.00	\$0.00	\$0.00	\$5,145,000.00	0.00%	\$0.00
Port Arthur	\$5,565,000.00	\$0.00	\$0.00	\$5,565,000.00	0.00%	\$0.00
Totals	\$40,259,276.00	\$1,138,126.73	\$892,735.48	\$38,575,419.92	14.37%	\$791,743.69

#### **Project Activity**

	Total # of Applications	Total to be Assisted*	Total Certified Eligible	Total Contracts Awarded	Total of Assisted Households	Increase Since 10/11/07
DETCOG	744	182	9	5	4	2
H-GAC	526	127	54	19	7	3
SETRPC	2910	228	141	35	18	3
SETRPC	1,569	127	122	35	18	3
Beaumont	764	55	4	0	0	0
Port Arthur	577	46	15	0	0	0
Total	4,180	537	204	56	29	8

<sup>\*</sup> 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's Activity Log dated 10/29/07 reflects applicants at various stages of eligibility verification; however, only 5 applicants have been identified as certified eligible and ready to receive assistance. Two MHU's were installed on October 9, 2007, bringing the total assisted to 4.

#### **Houston-Galveston Area Council**

HGAC's Activity Log dated 10/23/07 identified a significant increase in the number of certified eligible applicants. Of the 54 certified eligible applicants, 14 (26%) stick built units are awaiting bid packet submission and 5 (9%) manufactured home units' orders have been placed and expected to be installed by November 8, 2008. Twenty-eight applicants are awaiting resolution of gap financing before proceeding into the bidding phase.

#### **South East Texas Regional Planning Commission**

SETRPC's is the first COG to complete the construction of 2 stick built homes. In addition, the Activity Log dated 10/26/07 reflects the installation of one manufactured housing unit. SETRPC has increased and almost met the number of contractually certified eligible applicants required to be assisted. Of the 122 certified eligible applicants, bids have been awarded for 33 stick built units (27%) and construction for seven of the units is currently underway. Fifteen applicants (12%) are located in a floodplain so they are going through the loan closing process, and 45 applicants (37%) are in the pre-bidding phase.

SETRPC continues to work closely with each of its subcontractors to increase and certify the eligibility status of applicants within their region. Although the City of Beaumont has only four certified eligible

applicants, their Activity Log reflects applicants at various levels of eligibility verification. With continued oversight and assistance from SETRPC, the City of Beaumont is expected to significantly increase the number of certified eligible applicants by November 8, 2007. The City of Port Arthur has increased the number of certified eligible applicants to 15. Both subcontractors anticipate awarding contracts for the construction of housing in November 2007.

#### **DISASTER RECOVERY DIVISION**

#### BOARD ACTION REQUEST November 8, 2007

#### **Action Item**

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts

#### **Requested Action**

Approve the request for an amendment related to Houston-Galveston Area Council's housing contract under Round I of the CDBG Disaster Recovery Program.

#### **Background**

The U. S. Department of Housing and Urban Development approved the State of Texas Action Plan (Action Plan) related to the *CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita* specifically states that contract amendments that vary more than 5% must be approved by the TDHCA Board.

#### Houston-Galveston Area Council (H-GAC) Contract Number C060001

#### **Summary of Request**

H-GAC is requesting to transfer \$3,138,977 from the emergency repair budget category and \$964,318 from the rehabilitation budget category to the reconstruction budget category. This request will eliminate the emergency repair budget category, reduce the rehabilitation category to \$919,068, and increase the reconstruction budget category to \$5,358,886.

#### **Budget**

3	Original	Requested	Change	Percent Change
Emergency Repair	\$3,138,977	\$0	(\$3,138,977)	(100)%
Rehabilitation	\$1,883,386	\$919,068	(\$964,318)	(51.2)%
Reconstruction	\$1,255,591	\$5,358,886	\$4,103,295.00	326.8%
TOTAL	\$6,277,954	\$6,277,954		

#### **Beneficiaries**

	Original	Requested	Change	Percent Change
	Beneficiaries			
Emergency Repair	914	0	(914)	(100)%
Rehabilitation	219	100	(119)	(54.3)%
Reconstruction	56	243	187	333.9%
TOTAL	1189	343	(846)	

#### Households

	Original	Requested	Change	Percent Change
	Household			-
Emergency Repair	339	0	(339)	(100)%
Rehabilitation	81	37	(44)	(54.3)%

Reconstruction	21	90	69	328.6%
TOTAL	441	127	(314)	

This change is requested because H-GAC's current budget categories were projected and provided during July 2006 before the intake of applications and housing inspections had begun. Based upon a review of their applicant pool and the types of damages they are encountering, H-GAC is requesting a corresponding adjustment in budget categories and beneficiaries.

#### **Requested Action**

Approve the request to move \$3,138,977 from the emergency repair budget category and \$964,318 from the rehabilitation budget category to the reconstruction budget category for a total budget of \$919,068 in rehabilitation and \$5,358,886 in reconstruction. The required beneficiaries will be reduced by 846 and required households will be reduced by 314 accordingly.

## DISASTER RECOVERY DIVISION BOARD ACTION

**November 8, 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 \$5,463,597 has been paid to non-housing contractors of which \$322,848 or 6% is local administrative costs. Approximately 47% of the contracts awarded under CDBG Round 1 have requested draws totaling 17.7% of the non-housing funds. Seventy-one or 77% of the non-housing contracts have completed environmental reviews. Another nine or 10% have completed the environmental review on a portion of the contract activities. Procurement of goods and services continues. At least nine contracts totaling \$5.2 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 track the status of each grant and identify problems that may prevent the completion of all funded activities within the contract period. A report of all DRS-1 grants has been created to monitor the funding available, the current status of each grant, and the reason for any impediments that may exist. ORCA will provide this list to the TDHCA Board at each board meeting. "Next Step" remedies to the problems are proposed and forwarded to all non-housing recipients with identified risk factors. ORCA Disaster Recovery staff continue to conduct technical assistance visits with each city, county, and tribe to discuss the status of each project, establish the "plan or next step" necessary for communities to complete project activities and to submit reimbursements requests to ORCA. This program is part of ORCA's enhanced effort to encourage all parties to focus on any impediments grantees are encountering in submitting reimbursement requests to ORCA in a timely manner, and is combined with additional technical assistance that would benefit the communities.

In a further attempt to expedite use of CDBG grant funds in Hurricane Rita recovery efforts, a special planning meeting was held November 1<sup>st</sup> targeting those grants experiencing delays because of FEMA HGMP funding issues. ORCA staff worked with community leaders, contracted grant administrators, and regional Council of Government staff to coordinate efforts and find new, innovative uses of the allocated funds so as to maximize the benefit to the communities without further delaying progress.

#### **NON-HOUSING ACTIVITIES for CDBG Round 2**

In the August 23<sup>rd</sup> 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.

Another set aside award was granted to Hardin County on October 11th, for \$10 million to fund debris removal. And a third set aside grant for \$3.8 million to fund repairs and improvements to the city wide drainage and water/wastewater facilities in Bridge City has been recommended by ORCA for Board approval at the November 8<sup>th</sup> Board meeting. ORCA received 26 applications totaling \$73,363,664 for the competitive portion of the Restoration of Critical Infrastructure Program. The Board will be considering approval of the competitive awards to award the remainder of the Restoration of Critical Infrastructure Program.

A Memorandum of Understanding has been executed authorizing ORCA to enter into contracts with the communities for Round 2 Funding once awards have been granted by the Board.

# Texas Community Development Block Grant Program Disaster Recovery Awards - Rita CDBG Round 1 November 2007

Contractor	<u>Total</u> <u>Beneficiaries</u>	Co	ntract Total	<u>Dra</u>			Available Balance	<u>Local Admin</u> <u>Drawn to Date</u>		Environmental Complete	FEMA Project
Alabama Coushatta Indian		_									
Reservation	480	\$	9,512			\$	9,512.00	_		X	
Alto	1190	\$	316,600	\$	9,000.00	\$	307,600.00	\$	9,000.00	Р	
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	Χ
Bevil Oaks	1346	\$	200,000	\$	12,923.10	\$	187,076.90	\$	-	Х	
Bridge City	8651	\$	300,000	\$	237,724.01	\$	62,275.99	\$	-	Х	Х
Broaddus	210	\$	21,403	\$	778.40	\$	20,624.60	\$	778.40	Р	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			Х	
China	1112	\$	200,000			\$	200,000.00			X	
Cleveland	6857	\$	350,000			\$	350,000.00				Х
Coldspring	700	\$	15,457			\$	15,457.00			Х	
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				Х
Diboll	5470	\$	69,300	\$	2,520.00	\$	66,780.00	\$	2,520.00	X	
Gallatin	394	\$	58,800			\$	58,800.00			Р	
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	_

<u>Contractor</u>	<u>Total</u> <u>Beneficiaries</u>	Co	ntract Total			<u>Available</u> <u>Balance</u>		cal Admin wn to Date	Environmental Complete	<u>FEMA</u> <u>Project</u>	
Grapeland	1293	\$	19,800	\$	720.00	\$	19,080.00	\$	720.00	Х	
Groves	15733	\$	500,000			\$	500,000.00			Х	Χ
Groveton	677	\$	28,314	\$	1,029.60	\$	27,284.40	\$	-	Р	
Hardin County	48073	\$	1,050,000	\$	519,282.28	\$	530,717.72	\$	-	Х	X
Hemphill	1209	\$	63,017	\$	24,658.66	\$	38,358.34	\$	-	Х	Х
Henderson	5932	\$	338,600			\$	338,600.00	\$	-	Х	Х
Houston County	23218	\$	218,500	\$	7,400.00	\$	211,100.00	\$	7,400.00	Х	
Hudson	3792	\$	72,044	\$	2,524.40	\$	69,519.60	\$	2,524.40	Х	Χ
Huntington	2085	\$	21,583			\$	21,583.00			Х	
Huntsville	23576	\$	350,000			\$	350,000.00			Х	
Huxley	982	\$	4,340	\$	3,982.45	\$	357.55	\$	-	Х	
Jasper	8247	\$	747,133	\$	146,621.53	\$	600,511.47	\$	-	Х	Х
Jasper County	35604	\$	2,270,118	\$	1,859,922.01	\$	410,195.99	\$	62,335.00	Х	Х
Jefferson	2024	\$	316,600			\$	316,600.00			Х	Х
Jefferson County	252051	\$	1,500,000			\$ ^	1,500,000.00				Х
Joaquin	839	\$	35,200	\$	1,280.00	\$	33,920.00	\$	1,280.00	Х	
Kennard	360	\$	38,400	\$	1,160.00	\$	37,240.00	\$	1,160.00	Х	
Kirbyville	2085	\$	188,890			\$	188,890.00			Р	Х
Kountze	1738	\$	210,000	\$	4,000.00	\$	206,000.00	\$	4,000.00	Х	
Liberty County	386	\$	350,000	\$	28,157.50	\$	321,842.50	\$	13,170.00	Х	Х
Livingston	5433	\$	129,194			\$	129,194.00			Х	Х
Longview	98500	\$	338,997			\$	338,997.00			Х	
Lovelady	607	\$	27,500	\$	1,000.00	\$	26,500.00	\$	1,000.00	Х	
Lufkin	32709	\$	485,000			\$	485,000.00			Х	Х
Lumberton	8833	\$	315,000	\$	210,692.50	\$	104,307.50	\$	12,450.00	Х	
Montgomery County	350000	\$	189,202			\$	189,202.00			Х	Х
Nacogdoches	29914	\$	158,371	\$	82,992.13	\$	75,378.87	\$	-	Х	Х
Nacogdoches County	59203	\$	436,065			\$	436,065.00			Х	
Nederland	17422	\$	500,000			\$	500,000.00			Х	
New Waverly	950	\$	100,000	\$	4,050.00	\$	95,950.00	\$	4,050.00	Х	
Newton	2459	\$	172,729	\$	133,163.52	\$	39,565.48	\$	-		Χ

Contractor	Total Beneficiaries	Co	ontract Total	D	rawn to Date	Available Balance	ocal Admin wn to Date	Environmental Complete	FEMA Project
Newton County	15072	\$	877,654	\$	103,979.49	\$ 773,674.51	\$ -	X	X
Nome	515	\$	100,000	-	· · · · · · · · · · · · · · · · · · ·	\$ 100,000.00		Х	
Onalaska	1174	\$	28,050	\$	10,740.00	\$ 17,310.00	\$ 1,020.00	Х	
Orange	4707	\$	750,000	\$	97,250.67	\$ 652,749.33	\$ -	Х	
Orange County	84966	\$	1,200,000			\$ 1,200,000.00			Х
Panorama Village	1965	\$	72,760			\$ 72,760.00		Р	Х
Pine Forest	652	\$	100,000			\$ 100,000.00		Р	
Pinehurst	2274	\$	200,000			\$ 200,000.00		Χ	
Pineland	980	\$	56,100	\$	2,040.00	\$ 54,060.00	\$ 2,040.00	X	
Point Blank	559	\$	12,504			\$ 12,504.00		Χ	
Polk County	46397	\$	886,854			\$ 886,854.00		Χ	
Port Arthur	57023	\$	1,500,000	\$	1,187,487.47	\$ 312,512.53	\$ -	Х	Х
Port Neches	13601	\$	500,000			\$ 500,000.00		Χ	Х
Rose City	519	\$	100,000			\$ 100,000.00		Х	
Rusk	640	\$	291,800			\$ 291,800.00			
Sabine County	10469	\$	473,140			\$ 473,140.00		Х	
San Augustine	2678	\$	111,100	\$	4,040.00	\$ 107,060.00	\$ 4,040.00	Х	
San Augustine County	4715	\$	236,765			\$ 236,765.00		Х	
San Jacinto County	22246	\$	478,669			\$ 478,669.00		Р	
Shelby County	25224	\$	221,699	\$	21,334.40	\$ 200,364.60	\$ 7,334.40	Х	Х
Shepherd	2029	\$	48,300	\$	3,100.00	\$ 45,200.00	\$ 1,520.00	Х	
Silsbee	6398	\$	315,000			\$ 315,000.00		Р	Х
Sour Lake	1667	\$	210,000	\$	35,880.00	\$ 174,120.00	\$ -	Х	Х
Splendora	1275	\$	350,000			\$ 350,000.00			Х
Surfside Beach	450	\$	130,000	\$	125,921.80	\$ 4,078.20	\$ _	X	
Taylor Landing	265	\$	50,000			\$ 50,000.00		X	Χ
Timpson	1094	\$	14,173			\$ 14,173.00		Х	
Trinity County	13779	\$	267,300	\$	12,150.00	\$ 255,150.00	\$ 12,150.00	Χ	Х
Tyler County	20871	\$	1,918,920			\$ 1,918,920.00		Χ	Χ
Vidor	11440	\$	500,000	\$	176,279.54	\$ 323,720.46	\$ 9,280.00	X	Χ
Walker County	2600	\$	396,930	\$	8,960.62	\$ 387,969.38	\$ -	Х	Χ
West Orange	4111	\$	200,000	\$	200,000.00	\$ -	\$ -	Х	

<u>Contractor</u>	<u>Total</u> <u>Beneficiaries</u>	<u>Cc</u>	ontract Total	Dra	awn to Date			_	ocal Admin awn to Date	Environmental Complete	<u>FEMA</u> <u>Project</u>
Willis	4028	\$	219,109			\$	219,109.00				Х
Woodville	2415	\$	264,993			\$	264,993.00			Х	
Zavalla	701	\$	52,600	\$	1,640.00	\$	50,960.00	\$	1,640.00	Х	Х
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	Ç	-	\$	50,000.00		
Houston-Galveston Area Council of Governments		\$	74,556	\$	22,686.57	\$	51,869.43	\$	22,686.57		
South East TX Regional Planning Commission		\$	18,656	\$	6,224.00	\$	12,432.00	\$	6,224.00		
Total:	1,592,918	\$	30,845,074	\$	5,463,597			\$	332,848		

P = environmental partially complete

#### **OFFICE OF RURAL COMMUNITY AFFAIRS**

#### BOARD ACTION REQUEST November 8, 2007

#### **Action Item**

Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts administered by the Office of Rural Community Affairs (ORCA) for CDBG Round 1 Funding

#### **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 and 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 Woodville DRS060094

#### **Summary of Request**

The City of Woodville is requesting approval of a transfer in funding categories to move \$111,300 from sewer activities and \$3,522 from the specially authorized public facilities, to move the total of \$114,822 into the water facilities line item.

The TDHCA Governing Board approved a \$264,993 award for installation of generators at various water and sewer sites and at the Tyler County Hospital. As the City has progressed with its projects it has determined that a better use of its funds is to move the funds associated with the sewer plant and hospital to water activities. Both the sewer plant and hospital have received generators from other sources. There will be no change in the number of beneficiaries.

Activity	Current Budget	Change (+/-)	Revised Budget
Water Facilities	\$ 109,000.00	<b>+</b> \$114,822.00	\$ 223,822.00
Sewer Facilities	\$ 111,300.00	- \$111,300.00	\$ -

Specially Authorized Public			\$	
Facilities	\$ 3,522.00	-	3,522.00	\$ -
Engineering	\$ 22,634.00		\$ -	\$ 22,634.00
Planning / Project Delivery	\$ 18,540.00		\$ -	\$ 18,540.00
	\$ 264,996.00			\$ 264,996.00

#### **Requested Action**

ORCA recommends approval of a transfer in funding categories to move \$111,300 from sewer activities and \$3,522 from the specially authorized public facilities to move the total of \$114,822 into the water facilities line item.

#### **City of Jasper Contract Number DRS060039**

#### **Summary of Request**

The City of Jasper is requesting approval of a transfer in funding categories to move \$183,650 from the specially authorized public facilities to use \$66,197 in the water facilities line item and \$117,453 in the sewer facilities line item.

On August 30, 2006 the TDHCA Governing Board approved a \$747,133 award for 8 generators at various water and sewer facility sites and for FEMA match to purchase and install 231 electrical poles damaged by Hurricane Rita. Since the award the City has had an engineer evaluate the size generator necessary for each of the various water and sewer facility sites and the size and costs have changed accordingly. As the City has progressed with its projects FEMA match is no longer required for match for the electrical poles. There will be no change in the number of beneficiaries.

Activity	Current Budget		Change (+/-)		Re	vised Budget
Water Facilities	\$	292,000.00	+	\$ 66,197.00	\$	358,197.00
Sewer Facilities	\$	189,000.00	+	\$117,453.00	\$	306,453.00
Specially Authorized Public Facilities	\$	183,650.00	•	\$183,650.00	\$	-
Engineering	\$	37,483.00			\$	37,483.00
Planning / Project Delivery	\$	45,000.00			\$	45,000.00
	\$	747,133.00			\$	747,133.00

#### **Requested Action**

ORCA recommends approval of a transfer in funding categories to move \$183,650 from the specially authorized public facilities to use \$66,197 in the water facilities line item and \$117,453 in the sewer facilities line item.

#### **Hardin County Contract Number DRS060031**

#### **Summary of Request**

Hardin County is requesting approval of a transfer in funding categories to move \$75,000 from the flood and drainage activity to use \$55,000 in the street activity line item and \$20,000 in the engineering line item.

The TDHCA Governing Board approved a \$1,050,000 award for street improvements, debris removal, and a planning study. The County has determined a better use of its funds would be to repair county roads and to complete the associated engineering work. There will be no change in the number of beneficiaries.

Activity	Current Budget	Change (+/-)	Revised Budget	
Street Activities	\$ -	+ \$ 55,000.00	\$ 55,000.00	
Flood & Drainage	\$ 725,000.00	- \$ 75,000.00	\$ 650,000.00	
Neighborhood Facilities	\$ 250,000.00	\$ -	\$ 250,000.00	
Engineering	\$ 25,000.00	+ \$ 20,000.00	\$ 45,000.00	
Planning Study	\$ 50,000.00	\$ -	\$ 50,000.00	
	\$ 1,050,000.00		\$ 1,050,000.00	

ORCA recommends approval of a transfer in funding categories to move \$75,000 from the flood and drainage activity to use \$55,000 in the street activity line item and \$20,000 in the engineering line item.

#### **Montgomery County DRS060054**

#### **Summary of Request**

Montgomery County is requesting approval of a performance statement amendment to reduce the number of generators to be purchased from 4 to 3.

The TDHCA Governing Board approved a \$189,202 award for installation of 4 generators at 3 community shelters and a food bank in the county. Due to "skyrocketing costs of generators and labor" the County has found it is only able to purchase 3 generators. The generators will be located at the food bank and the North and East Montgomery County Community Centers because these facilities are located on the feeders of major interstate evacuation routes. There will be no change in the number of beneficiaries.

ORCA recommends approval of a performance statement amendment to reduce the number of generators to be purchased from 4 to 3.

#### OFFICE OF RURAL COMMUNITY AFFAIRS

### **BOARD ACTION REQUEST November 8, 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 Bridge City 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 Bridge City presented such significant need for funding that funds were specifically reserved accordingly.

#### **Bridge City**

During Hurricane Rita Bridge City experienced 120 mile per hour winds and heavy rain fall. Under the three million eight hundred thousand (\$3.8 million) reserved funding for Bridge City the City will demolish and replace an existing elevated water storage tank, repair a wastewater treatment plant, clean storm drains, and replace / relocate drainage.

Hurricane force winds during Hurricane Rita created extreme load stressing of the elevated water storage tank adjacent to city hall. At the recommendation of the city engineer CDBG funds will be used to demolish and replace the existing water storage to maintain the city's ability to provide an adequate water supply.

The city's wastewater treatment plant was operating normally when Hurricane Rita made landfall and continued to operate until electricity service was interrupted. The facility was damaged as hurricane force winds twisted the traveling bridge mechanisms and related appurtenances. The damage left the facility in need of ongoing repairs, reduced the city's ability to fully remove solids, and left it unable to meet its permit parameters. The CDBG funds will be used to make necessary repairs to the wastewater treatment plant.

Due to the heavy rainfall associated with Hurricane Rita, storm drains along State Highway 87 accumulated large amounts of silt that impaired efficient operation of the storm drain system. If left unaddressed the silt will continue to accumulate and will further impair drainage from this

important transportation artery. The CDBG funds will be used to clean out storm drains silted by Hurricane Rita.

During Hurricane Rita and in subsequent periods of heavy rainfall the roadside ditches along Ferry Drive are inadequate to handle water flow and drainage. In instances like this, flooding occurs. CDBG funds will be used to eliminate the roadside ditches and replace them with underground storm sewers, along with improvements to the outfall ditches, to correct these problems and mitigate future flooding.

The city's entire population of 8,651 individuals, in 3,195 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. At the October 11, 2007 Board Meeting the Hardin County \$10 million set aside award was approved. Bridge City has since submitted an administrative budget for the requested costs based on specific tasks required to administer its contract. Based on the information provided by the City ORCA would recommend \$211,316 for the administrative costs associated with the demolition and reconstruction of a water tower damaged by Hurricane Rita, repairs to a wastewater treatment plant also damaged by Hurricane Rita, replacement and upgrade of deficient storm drains, and storm drain clean out. ORCA is only recommending the budget for administrative expenses; all costs must be supported with actual documentation to be paid.

ORCA staff reviewed the proposed administrative budget provided by the City 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.

In the review of the administrative costs for the Bridge City project staff also considered the TDHCA Governing Board approval of the staff recommendation for the administrative expenses related to the Hardin County set aside and its administrative expenses.

The proposed administrative costs for the Bridge City 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 \$211,316 for the activities proposed.

#### **Requested Action**

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

Activity	Cost	
Water Activities	\$	515,250
Sewer Activities	\$	550,000
Flood & Drainage Activities	\$	2,206,228
Engineering	\$	317,206
Administration (Project Delivery)	\$	211,316
	\$	3,800,000

Fori		

Description of Task	Local Requested	Local Approved	Consultant Requested	Consultant Approved	Sub Requested	Sub Approved	Total Requested	Total Approved	Comment
Project Management									
Develop record keeping system			3,111	1,530			3,111	1,530	Comparat
Establish filing system			1,778	1,080			1,778	1,080	Comparat
Maintain filing system			19,245	22,500			19,245	22,500	Reasonab per projec = 6mo, Fe 6mo)
Provide TA			25,294	0			25,294	0	Ineligible ( at no cost
Procure engineering			0	0			0	0	
Furnish forms and procedures			9,185	0			9,185	0	Ineligible ( ORCA at ı
Meet special conditions			4,321	200			4,321	200	Reasonab form for 2 1 special c
Prepare and submit amendments			5,250	6,000			5,250	6,000	Reasonab amendme
Conduct environmental reassessment for amendments			4,200	2,800			4,200	2,800	Reasonab one in-der potential fi drainage r
Quarterly reports			4,581	4,581			4,581	4,581	Request c
Disclosure reports			486	452			486	452	Comparat
Establish procedures to document local expenditures			3,161	0			3,161	0	Ineligible of from past
Monitoring liaison			3,149	7,000			3,149	7,000	Reasonab travel as \$
Financial Management									
Prove ability to manage funds	2,425		1,729	0			4,154	0	Duplicate charged b
Establish bank account	1,038	100	2,074	500			3,112	600	Reasonab open accc
Maintain bank account	8,556	2,400	21,113				29,669	2,400	Reasonab calculated
Submit financial startup forms: Acct Cert, Direct Dep, Auth Signatory	345	100	1,037	300			1,382	400	Reasonab consultant
Prepare drawdowns	8,482	5,000	48,696	25,000			57,178	30,000	Reasonab (consultar 1 draw pe

Provide TA			24,397	0			24,397	0	Ineligible (
Provide IA								0	at no cost
Fraud prevention			16,840	1,500	17,285	6,500	34,125	8,000	Reasonab total proje compared
Description of Task	Local Requested	Local Approved	Consultant Requested	Consultant Approved	Sub Requested	Sub Approved	Total Requested	Total Approved	Comment
Environmental Review									
Prepare EA			49,385	15,000			49,385	15,000	Reasonab estimated
Coordinate clearance with other agencies			6,420				6,420	0	Duplicate environme
Conduct public meetings			2,764	2,750			2,764	2,750	Comparat
Acquisition									
Submit required reports			0	100			0	100	Reasonab form
Construction Management									
Establish procedures for local construction	1,037	0	1,926	0	1,185	0	4,148	0	Ineligible ( in project
Ensure EEO compliance			1,729	1,750			1,729	1,750	Comparat
Minimum wage / overtime pay compliance	5,556	2,500	3,374	5,000			8,930	7,500	Reasonab per constr
Act as LSO			2,079	100			2,079	100	Reasonab form, subr
Request wage rates			875	875			875	875	Request c
Provide sample contract to engineer			220	0			220	0	Ineligible ( at no char
Advertise for bids			6,000	6,000			6,000	6,000	Request c
10 day call			220	220			220	220	Comparat contraction
Verify construction contractor eligibility	190	0	440	1,500			630	1,500	Reasonab construction
Review construction contracts	5,600	1,750	5,600	7,000			11,200	8,750	Comparat contraction
Conduct pre-construction conference	2,364	3,000	3,949	5,000			6,313	8,000	Reasonab (consultar constructio
Issue Notice of Start of Construction			225	500			225	500	Reasonab form

Review payrolls and	10,371	1,250	8,993	20,300			19,364	21.550	Reasonab
conduct employee	10,371	1,250	0,993	20,300			19,304	21,550	per month
interviews									WWTP =
micor violio									drains = 4
									in the case
Process change orders			7,778	7,778			7,778	7,778	Request c
									local know
Obtain COCC / FWCR			1,926	1,000			1,926	1,000	Reasonab
									form
Provide TA			35,952	0			35,952	0	Ineligible (
			,	_			,	_	at no cost
Description of Task	Local	Local	Consultant	Consultant	Sub	Sub	Total	Total	Comment
Description of Task	Requested	Approved	Requested	Approved	Requested	Approved	Requested	Approved	Commen
Fair Housing / Equal	rioquodiou	тфріотоц	rioquooiou	7.6610100	rtoquootou	7 App. 0 T C C	rtoquootou	740104	
Opportunity									
			000	4.000			200	4.000	
Fair housing activities			888	1,200			888	1,200	Comparat
Document beneficiary			266	0			266	0	Ineligible (
demographics									demograp application
Prepare Section 3 and			346	0			346	0	Duplicate
Affirmative Action Plan			040	· ·			040	Ů	managem
			400	000			400	000	=
Prepare Section 504 requirements			198	200			198	200	Comparat
Provide EO provisions in			1.013	0			1.013	0	Duplicate
bid packet			1,010	ŭ			1,010		managem
Audit / Closeout									
Procedures									
Prepare closeout reports			1,729	7,000			1,729	7,000	Comparat
Procure project audit	0	20.000	875	0	29,508	0	30,383	20,000	Comparat
Resolve monitor/audit		20,000	4,345	7,000	20,000	ŭ	4,345	7,000	Comparat
findings			4,545	7,000			4,545	7,000	Comparac
Resolve third party claims			2,764	5,000			2,764	5,000	Comparat
Provide auditor with			225	0			225	0	Ineligible (
guidelines				, and the second				ŭ	by ORCA
									<u> </u>
TOTAL	45,964	36,100	352,151	168,716	47,978	6,500	446,093	211,316	
TOTAL									
RECOMMENDATIO									
N								211,316	
IN	1							211,310	

#### OFFICE OF RURAL COMMUNITY AFFAIRS

#### BOARD ACTION REQUEST November 8, 2007

#### **Action Item**

Presentation, Discussion and Possible Approval of competitive projects 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 competitive awards under 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 Action Plan on April 13, 2007. Within the Action Plan, \$22,200,000 was provided for competitive award for restoration of critical infrastructure projects in the region most impacted by Hurricane Rita.

Applications for the competitive awards were received by ORCA on August 10, 2007. ORCA received 24 applications totaling \$70,809,664. Of the applications ranked for an award based on the scoring criteria, four of the five applicants exceeded the administrative amount ORCA would recommend for TDHCA Governing Board approval. Based on additional information received from the applicants, ORCA has compiled recommended budgets for each award following a similar process as that completed for the set aside awards for Hardin County and Bridge City.

In the process to recommend applicants for award, ORCA staff reviewed the proposed administrative budgets provided by the applicants 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 greater than \$1 million.

In the review of the administrative costs for the applicant recommendations staff also considered the TDHCA Governing Board approval of the staff recommendation for the administrative expenses related to the Hardin County and Bridge City set asides and their respective administrative expenses.

The proposed administrative costs for the applicant recommendation projects 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 each proposal was evaluated for reasonableness based on historical program experience.

#### **Detail**

#### **Jefferson County**

During Hurricane Rita, Jefferson County experienced 140-150 mph winds that damaged trees and electrical systems through out the County combined with heavy rainfall. Fast moving floodwater, laden with debris, struck existing bridges constructed of wood piles compromising and weakening the structural integrity of the bridges and drainage systems. Since Hurricane Rita, the debris remaining causes rainwater to backup and flow over the bridges continuing to deteriorate the bridge structures and cause erosion of the entire system. In some cases, the wooden piles making up the bridges are now broken or shifted away from parallel to the stream flow. According to FEMA estimates, the County sustained \$48,258,061 in damages to infrastructure from Hurricane Rita with per capita damages of \$600 per person. To date the County has completely replaced one bridge, has plans and specifications underway for the replacement of 3 more bridges, and is partnering with TxDOT for the replacement of another 7 bridges.

Jefferson County is requesting \$4,750,000 to replace and/ or elevate 8 bridges impacted by Hurricane Rita with appropriate engineering and administrative costs. The project will benefit 18,702 individuals.

#### **Requested Action**

ORCA recommends approval of the Jefferson County application with the budget as detailed below.

<u>Activity</u>	Cost
Street Improvements - Bridges	\$4,331,269
Engineering	\$ 224,853
Administrative (Planning/Project Delivery)	\$ 193,878
Total	\$4,750,000

#### **Tyler County**

During Hurricane Rita, Tyler County had sustained winds of 150-160 mph that blew over trees and power poles county wide and excessive amounts of rainfall. Most of the Federal, State, and local roadways and drainage systems were blocked with debris. Since Hurricane Rita, the remaining debris has continued to deteriorate bridges and drainage structures county wide. The debris has also slowed the flow subsequent rainwater and caused flooding in areas that have not

flooded in the past. According to FEMA estimates, the County sustained \$28,941,338 in damages to infrastructure from Hurricane Rita with per capita damages of \$1,387 per person.

Tyler County is requesting \$4,994,540 to replace and/ or elevate 11 bridges, 5 drainage structures, and 2 headwalls impacted by Hurricane Rita with appropriate acquisition, engineering, and administrative costs. The project will benefit 20,871 individuals.

#### **Requested Action**

ORCA recommends approval of the Tyler County application with the budget as detailed below.

Activity	Cost
Street Improvements - Bridges	\$4,173,584
Debris Removal (Flood and Drainage Improvements)	\$ 61,000
Acquisition	\$ 30,300
Engineering	\$ 482,000
Administrative (Planning/Project Delivery)	\$ 247,656
Total	\$4,994,540

#### **City of Lumberton**

During Hurricane Rita, the City of Lumberton had 130 mph winds that blew over many large trees. The resulting overturned trees with their root balls have since impeded water flow causing backups upstream. The loss of hundreds of trees has also changed the natural drainage systems causing soil erosion city wide and more frequent flooding.

The City of Lumberton is requesting \$5,000,000 to construct a detention pond on either end of the City with diversion channels to allow controlled discharge and prevent surcharging. In addition the City will complete a comprehensive drainage study to evaluate the overall drainage infrastructure for the City and identify and prioritize drainage improvements that will reduce flooding experienced within the City. Once the project is complete, the City will have a public owned and maintained drainage system that has never before been possible. According to FEMA estimates, the City sustained \$4,099,344 in damages to infrastructure from Hurricane Rita with per capita damages of \$470 per person.

The City of Lumberton is requesting \$5,000,000 for the construction of 2 detention ponds and diversion channels with appropriate acquisition, engineering, and administration. The project will benefit 8,731 individuals.

#### **Requested Action**

ORCA recommends approval of the City of Lumberton application with the budget as detailed below.

Activity	Cost
Flood and Drainage Improvements	\$2,841,744
Acquisition	\$ 835,000
Engineering	\$1,130,000
Administrative (Planning/Project Delivery)	\$ 193,256
Total	\$5,000,000

#### City of Silsbee

During Hurricane Rita, the City of Silsbee had 130 mph winds that blew over large trees and destroyed electrical power lines. Much of the city's drainage system was clogged by debris which created flooding. Since the hurricane, the drainage system has not been able to handle large amounts of water during heavy rains.

The project would make major improvements to 3 drainage facilities. The drainage project will benefit the entire city since the drainage improvements will protect two sewer treatment plants from excessive infiltration and inflow from flood waters. The project will benefit 6,393 residents. According to FEMA estimates, the City sustained \$2,549,932 in damages to infrastructure from Hurricane Rita with per capita damages of \$399 per person.

#### **Requested Action**

ORCA recommends approval of the Silsbee application with the budget as detailed below.

Activity	Cost
Flood and Drainage Improvements	\$3,235,000
Acquisition	\$ 733,337.50
Engineering	\$ 766,000
Administrative (Planning/Project Delivery)	\$ 160,662.50
Total	\$4,895,000

#### **Jasper County**

During Hurricane Rita, Jasper County experienced 150-160 mph winds that blew down many trees and utility poles county wide. Southern Jasper County sustained the worst damage. Most Federal, State, and local roadway and drainage systems were blocked or partially obstructed by the numerous fallen trees. Since Hurricane Rita, the remaining debris has continued to deteriorate bridges and drainage structures county-wide. The debris has also slowed the flow subsequent rainwater and caused flooding in areas that have not flooded in the past. According

to FEMA estimates, the County sustained \$35,249,566 in damages to infrastructure from Hurricane Rita with per capita damages of \$990 per person.

Jasper County requested \$5,000,000 for replacement of 7 bridges and debris removal with appropriate acquisition, engineering, and administration.

#### **Requested Action**

ORCA recommends approval of the Jasper County application with the budget as detailed below. Because of Jasper County's ranking for an award, they are recommended for the remainder of the restoration of critical infrastructure funding and will be scaling back their project from its original submission accordingly.

Activity	Cost
Street Improvements-Bridges, Debris removal,	
Acquisition, Engineering	\$2,378,104
Administrative (Planning/Project Delivery)	\$ 182,356
Total	\$2,560,460

#### **Timely Expenditure Requirements and Assessment**

To improve the timely expenditure of funds under the Disaster Recovery contract awards, ORCA will institute the following actions:

- 1. Include timely expenditure timeframes in the award contracts that supplement the Action Plan, with the specific timeframes based on the contract start date; and
- 2. Conduct an expenditure capacity review and assessment of the applicant <u>prior</u> to executing the contract covering this recommended award, including a consideration of capacity as evidenced by the expenditures under the first round of disaster recovery funding. ORCA will not execute a contract until the applicant's expenditure capacity assessment has been completed.

#### RESTORATION OF CRITICAL INFRASTRCTURE (DRS2)

	Project Type	<b>Amount of Damages</b>	Amount of Per Capita		Amount	Recommended	Unfunded
Applicant	Score	Sustained Score	Damages Score	<b>Total Score</b>	Requested	Funding	Amount
Jefferson County	200	16.26022461	100	316.26022	\$4,750,000	\$4,750,000	\$0 \$0
Tyler County	200	10.88670002	100	310.8867	\$4,994,540	\$4,994,540	\$0
Lumberton	200	1.440780078	100	301.44078	\$5,000,000	\$5,000,000	\$0
Silsbee	200	0.924976836	100	300.92498	\$4,895,000	\$4,895,000	\$0
Jasper County	200	0.187835584	100	300.18784	\$5,000,000	\$2,560,460	\$2,439,540
Newton County	185.5345272	0.048450535	100	285.58298	\$4,954,371	\$0	\$4,954,371
Port Arthur	200	1.775777105	49.38980286	251.16558	\$4,208,088	\$0	\$4,208,088
Beaumont	200	1.635971202	22.49910396	224.13508	\$5,000,000		\$5,000,000
Anahuac	200	0	13.55298785	213.55299	\$4,265,000	\$0	\$4,265,000
Chambers County	200	0.185211071	9.787006599	209.97222	\$4,160,000		\$4,160,000
Vidor	200	0.112764036	8.255524439	208.36829	\$2,635,916		\$2,635,916
Polk County	200	0.102797676	4.178697772	204.2815	\$4,997,270	\$0	\$4,997,270
Kemah	200	0.00540869	3.217571942	203.22298			\$2,383,740
Devers	192.8364689	0.003140504	9.008371588	201.84798	\$872,000	\$0	\$872,000
San Augustine County	150	0.309028178	38.54893733	188.85797	\$2,467,504	\$0	\$2,467,504
San Augustine	150	0.085105711	27.67501316	177.76012	\$53,437	\$0	\$53,437
Orange County	150	0.227811005	11.29880558	161.52662	\$4,419,400	\$0	\$4,419,400
Cleveland	150	0.08268125	9.421614209	159.5043	\$1,604,150	\$0	\$1,604,150
Splendora	150	0	3.304583177	153.30458	\$274,150		\$274,150
Willis	150	0.000514387	0.096303183	150.09682	\$796,425	\$0	\$796,425
Dayton	108.9703279	0.00627457	4.027731093	113.00433	\$2,078,020		\$2,078,020
Liberty County	50	0.085109864	6.486901338	56.572011	\$418,713	\$0	\$418,713
Diboll	50	0.03033964	4.651623711	54.681963	\$379,500	\$0	\$379,500
Ames	50	0	0	50	\$202,440	\$0	\$202,440
			_		\$70,809,664	\$22,200,000	\$48,609,664

#### Jefferson County Disaster Recovery Project Total Administrative Costs General Grant Activities

Description of Task	Amount	Amount	Comments
Description of Task	Requested	Approved	Comments
Project Management	Requesteu	Approved	
Develop record keeping system	\$1,530	\$1 530	Comparable to previous analysis
Establish filing system	\$1,080		Comparable to previous analysis
Maintain filing system	\$13,000		Reasonable cost calculated as \$500/mo
Provide TA	\$13,000		
Procure engineering	\$0 \$0		
• •			
Furnish forms and procedures	\$0 \$0		
Meet special conditions	\$0		
Prepare and submit amendments	\$8,000	\$2,000	Resonable cost calculated as \$2000 per amendment for 1 amendment
Conduct environmental reassessment for amendments	\$1,400	\$1,400	Reasonable costs estimated by staff for one reassessment
Quarterly reports	\$8,348	\$4,000	Reasonable cost for reporting 1 activity, as
Quarterly reports	φ0,340	\$4,000	compared to previous analysis
Disclosure reports	\$452	\$452	Comparable to previous analysis
Establish procedures to document local	\$0	\$0	
expenditures			
Monitoring liaison	\$7,000	\$7,000	Reasonable cost calculated for time and travel as \$1000 per visit for 7 visits
Financial Management			
Prove ability to manage funds	\$0	\$0	
Establish bank account	\$1,200		Reasonable cost for staff time, only one account needed
Maintain bank account	\$3,600	\$2,400	Reasonable cost to reconcile accounts calculated as \$100 per month
Submit financial startup forms: Acct Cert, Direct Dep, Auth Signatory	\$500	\$400	Reasonable cost calculated as \$100 per form
Prepare drawdowns	\$54,000	\$30,000	Reasonable cost calculated as \$1200 per draw, 1 draw per month and 1 closeout draw
Provide TA	\$0	\$0	
Fraud prevention	\$5,000		Includes Fraud Prevention Plan submitted to ORCA
Environmental Review			
Prepare EA	\$31,500	\$21,000	Reasonable cost calculated for 1 county-wide EA plus 7 site-specific evaluations @ \$2000
Coordinate clearance with other agencies	\$0		principal control of the control of
Conduct public meetings	\$2,750	\$2,750	Comparable to previous analysis
Acquisition			
Provide TA	\$0	\$0	
Submit acquisition reports	\$100	\$100	Comparable to previous analysis
Establish acquisition files for each parcel	\$0		
Conduct acquisition procedures	\$0	\$0	
Construction Management			
Establish procedures for local	\$10,800	\$0	No force account in this project
construction (force account)			
Ensure EEO compliance	\$1,750	\$1,750	Comparable to previous analysis
Minimum wage / overtime pay	\$12,000		Reasonable cost calculated as \$1500 per
compliance			construction contract
Act as LSO	\$50	\$100	Reasonable cost calculated as \$100 per form, submitted once for the contract

# Jefferson County Disaster Recovery Project Total Administrative Costs General Grant Activities

Request wage rates	\$700	\$700	Request considered reasonable
Provide sample contract to engineer	\$0	\$0	
Advertise for bids	\$11,142.80	\$5,572	Reasonable cost calculated as \$1393 per
			construction contract
10 day call	\$44	\$44	Comparable to previous analysis, one call for all
			contracts bid simultaneously
Verify construction contractor eligibility	\$2,100	\$1,200	Reasonable cost calculated as \$300 per
			construction contract
Review construction contracts	\$12,250	\$7,000	Reasonable cost calculated as \$1750 per
			construction contract
Conduct pre-construction conference	\$11,200	\$6,400	Reasonable cost calculated as \$1600 per
			construction contract
Issue Notice of Start of Construction	\$700		Reasonable cost calculated as \$100 per form
Review payrolls and conduct employee	\$42,000	\$22,400	Reasonable cost as estimated as \$700 per month
interviews			of construction, 8mo for each of 4 bridge
			contracts; drainage is exempt
Process change orders	\$24,500	\$9,400	Comparable to previous analysis
Obtain COCC / FWCR	\$1,400	\$800	Reasonable cost calculated as \$100 per form
Provide TA	\$0	\$0	
Fair Housing / Equal Opportunity			
Fair housing activities	\$1,200	\$1,200	Comparable to previous analysis
Document beneficiary demographics	\$0	\$0	
Prepare Section 3 and Affirmative Action	\$0	\$0	
Plan			
Prepare Section 504 requirements	\$200	\$200	Comparable to previous analysis
Provide EO provisions in bid packet	\$0	\$0	
Audit / Closeout Procedures			
Prepare closeout reports	\$5,000		Comparable to previous analysis
Procure project audit	\$7,500		Comparable to previous analysis
Resolve monitor/audit findings	\$5,000	\$7,000	Comparable to previous analysis
Resolve third party claims	\$5,000	\$5,000	Comparable to previous analysis
Provide auditor with guidelines	\$0	\$0	
Grant Total	\$293,997	\$193,878	
	* 1 contractors	due to time o	constraints for construction of bridges
			5 months per bridge (Larger bridge structures)
	100 payrolls	estimated @	o months per bridge (Larger bridge structures)

# Tyler County Disaster Recovery Project Total Administrative Costs General Grant Activities

Description of Task	Amount	Amount	Comments
Description of Task	Requested	Approved	Comments
Project Management	Requesteu	Approved	
Project Management	¢4 520	¢4 E20	Compareble to provious analysis
Develop record keeping system	\$1,530		Comparable to previous analysis
Establish filing system	\$1,080		Comparable to previous analysis
Maintain filing system	\$13,000	\$18,000	Reasonable cost calculated as \$500/mo (bridges = 24mo, drainage = 12mo)
Provide TA	\$0	\$0	
Procure engineering	\$0	\$0	
Furnish forms and procedures	\$0		
Meet special conditions	\$0		
Prepare and submit amendments	\$8,000	\$4,000	Resonable cost calculated as \$2000 per amendment for 2 amendments
Conduct environmental reassessment for	\$1,400	\$1.400	Reasonable costs estimated by staff for one
amendments	ψ1,400	ψ1,400	reassessment
	\$8,348	\$5,000	Reasonable cost for reporting 2 activities, as
Quarterly reports	φο,340	\$5,000	· · ·
Disclosure vanante	¢450	¢450	compared to previous analysis
Disclosure reports	\$452		Comparable to previous analysis
Establish procedures to document local	\$0	\$0	
expenditures			
Monitoring liaison	\$7,000	\$7,000	Reasonable cost calculated for time and travel as \$1000 per visit for 7 visits
Financial Management			
Prove ability to manage funds	\$0	\$0	
Establish bank account	\$1,200	\$600	Reasonable cost for staff time, only one account needed
Maintain bank account	\$3,600	\$2,400	Reasonable cost to reconcile accounts calculated
Culturality financial atomicus formasis Apat Cont	¢500	¢400	as \$100 per month
Submit financial startup forms: Acct Cert,	\$500	\$400	Reasonable cost calculated as \$100 per form
Direct Dep, Auth Signatory	ФE 4.000	<b>#20.000</b>	D
Prepare drawdowns	\$54,000	\$30,000	Reasonable cost calculated as \$1200 per draw, 1
D : L TA	40	00	draw per month and 1 closeout draw
Provide TA	\$0		
Fraud prevention	\$5,000	\$5,000	Includes Fraud Prevention Plan submitted to ORCA
Environmental Review			
Prepare EA	\$49,000	\$31,000	Reasonable cost calculated for 1 county-wide EA plus 12 site-specific evaluations @ \$2000
Coordinate clearance with other agencies	\$0		priso 12 one opcome oversamente (g. v2000
Conduct public meetings	\$2,750	\$2,750	Comparable to previous analysis
Acquisition	. ,		
Provide TA	\$0	\$0	
Submit acquisition reports	\$100		Comparable to previous analysis
Establish acquisition files for each parcel	\$2,250		Comparable to previous analysis
Conduct acquisition procedures	\$9,500	\$9 500	Comparable to previous analysis
Construction Management	Ψ5,550	Ψ0,000	
Establish procedures for local construction (force account)	\$10,800	\$0	No force account in this project
Ensure EEO compliance	\$1,750	\$1.750	Comparable to previous analysis
Minimum wage / overtime pay compliance	\$1,730		Reasonable cost calculated as \$1500 per
wage / overtime pay compliance	Ψ19,500	Ψ10,500	construction contract

# Tyler County Disaster Recovery Project Total Administrative Costs General Grant Activities

	General	Grant Activ	1063
Act as LSO	\$50	\$100	Reasonable cost calculated as \$100 per form,
			submitted once for the contract
Request wage rates	\$700	\$700	Request considered reasonable
Provide sample contract to engineer	\$0	\$0	
Advertise for bids	\$9,750	\$5,250	Reasonable cost calculated as \$750 per
			construction contract
10 day call	\$44	\$44	Comparable to previous analysis, one call for all
			contracts bid simultaneously
Verify construction contractor eligibility	\$2,100	\$2,100	Reasonable cost calculated as \$300 per
			construction contract
Review construction contracts	\$12,250	\$12,250	Reasonable cost calculated as \$1750 per
			construction contract
Conduct pre-construction conference	\$11,200	\$11,200	Reasonable cost calculated as \$1600 per
			construction contract
Issue Notice of Start of Construction	\$700		Reasonable cost calculated as \$100 per form
Review payrolls and conduct employee	\$42,000	\$29,400	Reasonable cost as estimated as \$700 per month
interviews			of construction, 6mo for each of 7 bridge contracts;
			drainage is exempt
Process change orders	\$24,500		Comparable to previous analysis
Obtain COCC / FWCR	\$1,400		Reasonable cost calculated as \$100 per form
Provide TA	\$0	\$0	
Fair Housing / Equal Opportunity			
Fair housing activities	\$1,200	\$1,200	Comparable to previous analysis
Document beneficiary demographics	\$0	\$0	
Prepare Section 3 and Affirmative Action	\$0	\$0	
Plan			
Prepare Section 504 requirements	\$200		Comparable to previous analysis
Provide EO provisions in bid packet	\$0	\$0	
Audit / Closeout Procedures			
Prepare closeout reports	\$5,000		Comparable to previous analysis
Procure project audit	\$7,500		Comparable to previous analysis
Resolve monitor/audit findings	\$5,000	\$7,000	Comparable to previous analysis
Resolve third party claims	\$5,000	\$5,000	Comparable to previous analysis
Provide auditor with guidelines	\$0	\$0	
Grant Total	\$329,354	\$247,656	
	* 7 contractor	e due to tim	e constraints for construction of bridges
			@ 4 months per bridge
	200 payroll	o commateu	Tw + months per bridge

# City of Lumberton Disaster Recovery Project Total Administrative Costs General Grant Activities

Description of Took		Amount	
Description of Task	Amount		Comments
Desired Management	Requested	Approved	
Project Management	£4.500	Φ4 F20	O a ser a mala da manada ser a mala da
Develop record keeping system	\$1,530		Comparable to previous analysis
Establish filing system	\$1,080		Comparable to previous analysis
Maintain filing system	\$8,000		Reasonable cost calculated as \$500/mo
Provide TA	\$0		
Procure engineering	\$0	\$0	
Furnish forms and procedures	\$0		
Meet special conditions	\$0		
Prepare and submit amendments	\$2,500	\$2,000	Resonable cost calculated as \$2000 per amendment for 1 amendment
Conduct environmental reassessment for	\$1,400	\$1,400	Reasonable costs estimated by staff for one
amendments			reassessment
Quarterly reports	\$8,348	\$4,000	Reasonable cost for reporting 1 activity, as compared to previous analysis
Disclosure reports	\$452	\$452	Comparable to previous analysis
Establish procedures to document local	\$0	\$0	
expenditures			
Monitoring liaison	\$5,000	\$7,000	Reasonable cost calculated for time and travel as \$1000 per visit for 7 visits
Financial Management			
Prove ability to manage funds	\$0	\$0	
Establish bank account	\$600	\$600	Reasonable cost for staff time
Maintain bank account	\$2,400	\$2,400	Reasonable cost to reconcile accounts calculated as
			\$100 per month
Submit financial startup forms: Acct Cert,	\$500	\$400	Reasonable cost calculated as \$100 per form
Direct Dep, Auth Signatory			
Prepare drawdowns	\$35,000	\$30,000	Reasonable cost calculated as \$1200 per draw, 1 draw per month and 1 closeout draw
Provide TA	\$0	\$0	
Fraud prevention	\$2,500	\$2,500	Includes city Fraud Prevention Plan submitted to ORCA
Environmental Review			
Prepare EA	\$35,000	7000	Reasonable cost calculated for 1 city-wide EA
Coordinate clearance with other agencies	\$0		Includes wetland mitigation
Conduct public meetings	\$2,750		Comparable to previous analysis
Acquisition	Ψ2,100	2.00	osmparasis to provious analysis
Provide TA	\$0	\$0	
Submit acquisition reports	\$100		Comparable to previous analysis
Establish acquisition files for each parcel	\$35,000		Comparable to previous analysis
Conduct acquisition procedures	\$25,000	\$15,000	Greater number of parcels, smaller parcel sizes compared to previous analysis
Construction Management			osmparou to provious unarysis
Establish procedures for local	\$10,800	\$0	No force account in this project
construction (force account)	Ψ10,000	ΨΟ	
Ensure EEO compliance	\$1,750	\$1 750	Comparable to previous analysis
Minimum wage / overtime pay compliance			Reasonable cost calculated as \$1500 per construction contract
Act as LSO	\$50	\$100	Reasonable cost calculated as \$100 per form, submitted once for the contract
Request wage rates	\$700	\$700	Request considered reasonable
Provide sample contract to engineer	\$700		
i rovide sample contract to engineer	φυ	φυ	

# City of Lumberton Disaster Recovery Project Total Administrative Costs General Grant Activities

Description of Task	Amount	Amount	Comments
Description of Task	Requested		Comments
Advertise for bids	\$5,250		Reasonable cost calculated as \$750 per
Advertise for blus	ψ3,230	Ψ2,200	construction contract
10 day call	\$44	\$44	Comparable to previous analysis, one call for all
To day ball	Ψ	ΨΤΤ	contracts bid simultaneously
Verify construction contractor eligibility	\$2,100	\$900	Reasonable cost calculated as \$300 per
Verify construction contractor enginement	Ψ2,100	Ψυσο	construction contract
Review construction contracts	\$6,500	\$5 250	Reasonable cost calculated as \$1750 per
The view contained and continuous	ψ0,000	ψ0,200	construction contract
Conduct pre-construction conference	\$6,000	\$4,800	Reasonable cost calculated as \$1600 per
Consultation of the control of the c	,,,,,,,,	<b>4</b> 1,000	construction contract
Issue Notice of Start of Construction	\$500	\$300	Reasonable cost calculated as \$100 per form
Review payrolls and conduct employee	\$12,000		Reasonable cost as estimated as \$700 per month of
interviews	, ,,,,,,,,	, , , , , ,	construction, 6mo for each of 4 bridge contracts;
			drainage is exempt
Process change orders	\$4,500	\$9,400	Comparable to previous analysis
Obtain COCC / FWCR	\$1,000		Reasonable cost calculated as \$100 per form
Provide TA	\$0		
Fair Housing / Equal Opportunity			
Fair housing activities	\$1,200	\$1,200	Comparable to previous analysis
Document beneficiary demographics	\$0	\$0	
Prepare Section 3 and Affirmative Action	\$0	\$0	
Plan			
Prepare Section 504 requirements	\$200	\$200	Comparable to previous analysis
Provide EO provisions in bid packet	\$0	\$0	
Audit / Closeout Procedures			
Prepare closeout reports	\$4,000	\$7,000	Comparable to previous analysis
Procure project audit	\$7,500		Comparable to previous analysis
Resolve monitor/audit findings	\$7,000	\$7,000	Comparable to previous analysis
Resolve third party claims	\$8,000		Comparable to previous analysis
Provide auditor with guidelines	\$0	\$0	
Grant Total	\$251,254	\$193,256	
J. G.	Ψ201,204	ψ133, <u>2</u> 30	* 3 contractors due to time constraints for
			construction of detention pond, inlet & outlet
			channels & 16,000 ft of existing drainage ditches-
			clearing, grubbing and regrading
			ordaring, grabbing and regrading
			<u>l</u>

# Jasper County Disaster Recovery Project Total Administrative Costs General Grant Activities

		ral Grant Acti	
Description of Task	Amount	Amount	Comments
	Requested-	Approved -	
		for	
	Amount of	Reduced	
	\$5 Million	Award	
		Amount	
Project Management			
Develop record keeping system	\$1,530	\$1,530	Comparable to previous analysis
Establish filing system	\$1,080	\$1,080	Comparable to previous analysis
Maintain filing system	\$15,000		Reasonable cost calculated as \$500/mo (bridges
	, , , , , , ,	, , , , , , ,	= 24 mo, drainage = 12 mo)
Provide TA	\$0	\$0	
	\$0		
Procure engineering			
Furnish forms and procedures	\$0		
Meet special conditions	\$0		
Prepare and submit amendments	\$8,000	\$2,000	Resonable cost calculated as \$2000 per
			amendment for 1 amendment
Conduct environmental	\$1,400	\$1.400	Reasonable costs estimated by staff for one
reassessment for amendments		,,,,,,,	reassessment
Quarterly reports	\$8,348	\$5,000	Reasonable cost for reporting 2 activities, as
Quarterly reports	ψ0,540	ψ5,000	
D: 1	0.450	<b>0.450</b>	compared to previous analysis
Disclosure reports	\$452		Comparable to previous analysis
Establish procedures to document	\$0	\$0	
local expenditures			
Monitoring liaison	\$7,000	\$7,000	Reasonable cost calculated for time and travel as
_			\$1000 per visit for 7 visits
Financial Management			
Prove ability to manage funds	\$0	\$0	
Establish bank account	\$1,200		Reasonable cost for staff time, only one account
Establish bank account	\$1,200	\$000	
	40.000	<b>\$0.400</b>	needed
Maintain bank account	\$3,600	\$2,400	Reasonable cost to reconcile accounts calculated
			as \$100 per month
Submit financial startup forms: Acct	\$500	\$400	Reasonable cost calculated as \$100 per form
Cert, Direct Dep, Auth Signatory			
Prepare drawdowns	\$54,000	\$30,000	Reasonable cost calculated as \$1200 per draw, 1
l repaire aramae inic	40.,000	, ,,,,,,,,	draw per month and 1 closeout draw
Provide TA	\$0	\$0	
Fraud prevention	\$5,000	\$5,000	Includes Fraud Prevention Plan submitted to
			ORCA
Environmental Review	ļ		
Prepare EA	\$41,500	\$15,000	Reasonable cost calculated for 1 county-wide EA
		ĺ	plus 7 site-specific evaluations @ \$2000; Debris
			removal is exempt
Coordinate clearance with other	\$0		•
agencies			
Conduct public meetings	\$5,500	\$2.7E0	Comparable to previous analysis
	φ <sub>0</sub> ,500	φ∠,730	Comparable to previous analysis
Acquisition	1		
Provide TA	\$0		
Submit acquisition reports	\$100		
Establish acquisition files for each	\$22,000	\$2,250	Comparable to previous analysis
parcel			
Conduct acquisition procedures	\$17,500	\$9.500	Comparable to previous analysis
Construction Management	1 ,,	<b>+</b> 2,2 <b>0</b> 0	
Someti detion management		<u>i</u>	<u> </u>

## Jasper County Disaster Recovery Project Total Administrative Costs General Grant Activities

Ensure EEO compilance \$1,750 \$1,750 Comparable to previous analysis Minimum wage / overtime pay \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract subject to DBRA Request wage rates \$700 \$700 Request considered reasonable Provide sample contract to engineer \$0 \$0 \$0 Request considered reasonable Provide sample contract to engineer \$0 \$0 \$0 Request considered reasonable Provide sample contract to engineer \$0 \$0 \$0 Request considered reasonable Provide sample contract to engineer \$0 \$0 \$0 Request considered reasonable Provide sample contracts bid simultaneously Provide sample contracts bid simultaneously Provide sample contracts bid simultaneously Provide sample construction contract simultaneously Provide Conduct pre-construction contracts \$8,750 \$9,000 Reasonable cost calculated as \$300 per construction contract provided pre-construction contract \$8,000 \$0,000 Reasonable cost calculated as \$1750 per construction contract Provided Provides Provided P		* 2 contractors	s due to time	constraints for construction of bridges
Minimum wage / overtime pay compiliance   Act as LSO	Grant Total	\$318,554	\$182,356	
Minimum wage / overtime pay compiliance	Provide auditor with guidelines	\$0	\$0	
Minimum wage / overtime pay compiliance   Act as LSO				
Minimum wage / overtime pay compliance				
Minimum wage / overtime pay compliance				
Minimum wage / overtime pay compliance Act as LSO Stoppilance Act as LSO Stoppilance Stoppilance Act as LSO Stoppilance Stoppi				
Minimum wage / overtime pay compliance  Act as LSO  Stopplance  Act as LSO  Stopplance  St				
Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract Request wage rates \$700 \$700 Request considered reasonable Provide sample contract to engineer \$0 \$0 \$0 Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract bid simultaneously Verify construction contracts \$8,750 \$5,250 Reasonable cost calculated as \$300 per construction contract \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract \$8,000 \$4,800 Reasonable cost calculated as \$1600 per construction contract Issue Notice of Start of Construction \$500 \$300 Reasonable cost calculated as \$1600 per construction contract \$24,000 \$8,400 Reasonable cost calculated as \$100 per form Review payrolls and conduct \$24,000 \$8,400 Reasonable cost as estimated as \$700 per more amployee interviews \$19,500 \$9,400 Comparable to previous analysis Obtain COCC / FWCR \$1,000 \$600 Reasonable cost calculated as \$100 per form Provide TA \$0 \$0 \$1,200 Comparable to previous analysis Document beneficiary demographics \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0				
Minimum wage / overtime pay compliance  Act as LSO  Storm St		\$200	\$200	Comparable to previous analysis
Minimum wage / overtime pay compliance  Act as LSO  \$50 \$100 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO  \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates  \$700 \$700 Request considered reasonable  Provide sample contract to engineer  Advertise for bids  \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call  \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor  eligibility  Review construction contracts  \$8,750 \$5,250 Reasonable cost calculated as \$300 per construction contract  Review construction contracts  \$8,750 \$5,250 Reasonable cost calculated as \$300 per construction contract  Review construction contracts  \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract  Reasonable cost calculated as \$1750 per construction contract  Reasonable cost calculated as \$1600 per construction contract  Issue Notice of Start of Construction  \$500 \$300 Reasonable cost calculated as \$100 per form  Review payrolls and conduct  employee interviews  \$24,000 \$8,400 Reasonable cost as estimated as \$700 per more of construction, 6mo for each of 2 bridge contracts; drainage is exempt  Process change orders  \$19,500 \$9,400 Comparable to previous analysis  Obtain COCC / FWCR  \$1,000 \$600 Reasonable cost calculated as \$100 per form  Fair Housing / Equal Opportunity  Fair housing activities  \$1,200 Comparable to previous analysis		\$0	\$0	
Minimum wage / overtime pay compliance  Act as LSO  \$50  \$100  Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO  \$50  \$100  Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates  \$700  \$700  Request considered reasonable  Provide sample contract to engineer  \$0  \$0  Advertise for bids  \$9,750  \$2,250  Reasonable cost calculated as \$750 per construction contract  10 day call  \$44  \$44  \$44  Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor  eligibility  Review construction contracts  \$8,750  \$5,250  Reasonable cost calculated as \$1750 per construction contract  Conduct pre-construction conference  \$8,000  \$4,800  Reasonable cost calculated as \$1600 per construction contract  Reasonable cost calculated as \$1600 per construction contract  Reasonable cost calculated as \$100 per form  \$500  Reasonable cost calculated as \$100 per				
Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per construction contract  Review construction contracts \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract  Conduct pre-construction conference \$8,000 \$4,800 Reasonable cost calculated as \$1600 per construction contract  Issue Notice of Start of Construction \$500 \$300 Reasonable cost calculated as \$100 per form  Review payrolls and conduct \$24,000 \$8,400 Reasonable cost calculated as \$100 per form  Process change orders \$19,500 \$9,400 Comparable to previous analysis  Obtain COCC / FWCR \$1,000 \$600 Reasonable cost calculated as \$100 per form  Provide TA \$0	Fair housing activities	\$1.200	\$1.200	Comparable to previous analysis
Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per construction contract  Review construction contracts \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract  Conduct pre-construction conference \$8,000 \$4,800 Reasonable cost calculated as \$1600 per construction contract  Issue Notice of Start of Construction \$500 \$300 Reasonable cost as estimated as \$100 per form  Review payrolls and conduct \$24,000 \$8,400 Reasonable cost as estimated as \$700 per modern of construction, 6mo for each of 2 bridge contracts; drainage is exempt  Process change orders \$19,500 \$9,400 Comparable to previous analysis  Obtain COCC / FWCR \$1,000 \$600 Reasonable cost calculated as \$100 per form		Ψ0	ΨΟ	
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Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per construction contract  Review construction contracts \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract  Conduct pre-construction conference \$8,000 \$4,800 Reasonable cost calculated as \$1600 per construction contract  Issue Notice of Start of Construction \$500 \$300 Reasonable cost calculated as \$100 per form  Review payrolls and conduct \$24,000 \$8,400 Reasonable cost as estimated as \$700 per m	employee interviews			-
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Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per eligibility  Review construction contracts \$8,750 \$5,250 Reasonable cost calculated as \$1750 per construction contract  Conduct pre-construction conference \$8,000 \$4,800 Reasonable cost calculated as \$1600 per			·	Reasonable cost calculated as \$100 per form
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Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per construction contract	Leviem coustinction contracts	φο, / ου	φ5,∠30	•
Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per construction contract  10 day call \$44 \$44 Comparable to previous analysis, one call for contracts bid simultaneously  Verify construction contractor \$2,100 \$900 Reasonable cost calculated as \$300 per		¢0 750	¢5 250	
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Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0  Advertise for bids \$9,750 \$2,250 Reasonable cost calculated as \$750 per	·			Comparable to previous analysis, one call for all contracts bid simultaneously
Minimum wage / overtime pay compliance \$10,000 \$3,000 Reasonable cost calculated as \$1500 per construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates \$700 Request considered reasonable  Provide sample contract to engineer \$0 \$0	Advertise for bids	\$9,750	\$2,250	•
Minimum wage / overtime pay compliance  Act as LSO  Reasonable cost calculated as \$1500 per construction contract subject to DBRA  \$10,000  \$3,000  Reasonable cost calculated as \$1500 per construction contract subject to DBRA  \$100  Reasonable cost calculated as \$100 per form submitted once for the contract  Request wage rates  \$700  \$700  Request considered reasonable	·			
Minimum wage / overtime pay \$10,000 \$3,000 Reasonable cost calculated as \$1500 per compliance construction contract subject to DBRA  Act as LSO \$50 \$100 Reasonable cost calculated as \$100 per form submitted once for the contract				
Minimum wage / overtime pay \$10,000 \$3,000 Reasonable cost calculated as \$1500 per compliance construction contract subject to DBRA				
Minimum wage / overtime pay \$10,000 \$3,000 Reasonable cost calculated as \$1500 per		\$50	\$100	
		+ 10,000	70,000	
Ensure EEO compliance \$1,750 \$1,750 Comparable to previous analysis			· ·	·
		\$1 750	\$1 750	Comparable to previous analysis
Establish procedures for local \$10,800 \$0 No force account in this project construction (force account)	-	\$10,000	φυ	INO force account in this project

#### **HOUSING RESOURCE CENTER**

# **BOARD ACTION REQUEST November 8, 2007**

#### **Action Item**

2008 Housing Tax Credit (HTC), HOME, and Housing Trust Fund (HTF) Regional Allocation Formula (RAF) Methodology.

#### **Required Action**

Board approval of the 2008 HTC, HOME and HTF RAF Methodology.

- > See Attachment A for Public Comments on the Proposed 2008 RAF and the Department's Reasoned Responses.
- > See Attachment B for the 2008 RAF Funding Distribution for the HTC, HOME and HTF programs.
- > See Attachment C for the 2008 HTC, HOME and HTF RAF Methodology.

#### **Background**

§2306.111(d) of the Texas Government Code requires that the Department use the RAF to allocate its HOME, HTF, and HTC funding. The RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. The RAF also allocates funding to rural and urban areas within each region.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF provides for the statewide distribution of scarce affordable housing dollars to meet widely varying types and levels of need. With this in mind, the Department relies on statutory direction and reasonably interprets a formula for delivery of these scarce resources. The RAF was made available for public comment from September 10, 2007, through October 10, 2007. Public hearings were held at six locations across the state – Austin, Brownsville, Dallas, El Paso, Houston, and Lubbock – to allow citizens to respond and comment in a public forum. Written comment was accepted at the public hearings, as well as by mail, fax, or email.

The HTC, HOME and HTF RAFs use slightly different formulas because the programs have different eligible activities, households, and geographical service areas. §2306.111(c) of the Texas Government Code requires that 95 percent of HOME funding be set aside for non-participating jurisdictions (non-PJs). Therefore, the HOME RAF only uses need and available resource data for non-PJs.

The RAF's resulting funding distribution is published in the *State Low Income Housing Plan and Annual Report*. The detailed final methodology is published on the TDHCA website.

It should be emphasized that with this action the Board is approving the formula and methodology, not specific allocation amounts. The figures for tax credits are still draft numbers which will be updated based on population and per capita information provided in early 2008 and the tax credit amounts do not yet reflect forward commitments and binding allocations that have already been made out of the 2008 ceiling.

#### Recommendation

It is recommended that the Board approve the 2008 HTC, HOME and HTF RAF Methodology.

# ATTACHMENT A PUBLIC COMMENTS ON THE PROPOSED 2008 RAF AND THE DEPARTMENT'S REASONED RESPONSES

#### 1. Clarification Regarding Rural HTC Allocation

The commenter requested clarification regarding the \$500,000 per region minimum rural allocation for the HTC RAF. From the tables published in the draft HTC RAF, the commenter noted that it appears as if the Department began the RAF analysis with a \$500,000 per region floor and then applied the affordable housing need indicators and further RAF analysis. The commenter noted that some regions have more than the minimum \$500,000 rural allocation. Also, it appears as if the Department has allocated more than the minimum required 20 percent of the state's HTC allocation to rural areas in the state. (Bobby Bowling)

#### **Staff Response:**

To clarify, Table 1 of the series of ten HTC RAF tables published is actually a summary of the RAF process, not the starting point for the RAF analysis.

Table 10 of the HTC RAF illustrates the following steps in order to meet the statutory requirements of \$500,000 rural allocation per region and 20 percent rural allocation of the state tax credit ceiling.

- After the application of the regional allocation formula based on affordable housing need adjusted for the availability of housing resources, each region not yet meeting the minimum \$500,000 rural allocation is adjusted upwards to achieve that minimum.
- If the total rural allocation still does not equal at least 20 percent of the total HTC ceiling, then the rural allocation is increased proportionally for each region until the minimum 20 percent is achieved. This step results in some regions receiving more than the minimum \$500,000 rural allocation.

No change to the RAF Methodology is recommended.

# ATTACHMENT B 2008 RAF DISTRIBUTION FOR THE HTC, HOME AND HTF PROGRAMS

The resulting funding distributions under the 2008 RAF for the HTC, HOME and HTF programs are provided.

2008 HTC RAF – Before Rural Minimum Adjustments

_	Large MSA w/in Region	Regional	Regional		Rural		
Region	for Geographical	Funding	Funding	Rural Funding	Funding	Urban Funding	Urban
Re	Reference	Amount	%	Amount	%	Amount	Funding %
1	Lubbock	\$ 1,598,378	4.4%	\$ 537,508	33.6%	\$ 1,060,870	66.4%
2	Abilene	\$ 845,577	2.3%	\$ 335,340	39.7%	\$ 510,238	60.3%
3	Dallas/Fort Worth	\$ 7,961,458	21.8%	\$ 451,015	5.7%	\$ 7,510,442	94.3%
4	Tyler	\$ 1,909,950	5.2%	\$ 1,075,712	56.3%	\$ 834,238	43.7%
5	Beaumont	\$ 884,466	2.4%	\$ 515,666	58.3%	\$ 368,800	41.7%
6	Houston	\$ 7,852,357	21.5%	\$ 545,062	6.9%	\$ 7,307,294	93.1%
7	Austin/Round Rock	\$ 2,001,194	5.5%	\$ 224,479	11.2%	\$ 1,776,716	88.8%
8	Waco	\$ 2,298,372	6.3%	\$ 426,344	18.5%	\$ 1,872,028	81.5%
9	San Antonio	\$ 2,690,143	7.4%	\$ 223,735	8.3%	\$ 2,466,407	91.7%
10	Corpus Christi	\$ 1,556,436	4.3%	\$ 653,004	42.0%	\$ 903,431	58.0%
11	Brownsville/Harlingen	\$ 4,556,233	12.5%	\$ 1,577,145	34.6%	\$ 2,979,088	65.4%
12	San Angelo	\$ 962,143	2.6%	\$ 324,865	33.8%	\$ 637,278	66.2%
13	El Paso	\$ 1,433,293	3.9%	\$ 178,646	12.5%	\$ 1,254,648	87.5%
	Total	\$ 36,550,000	100.0%	\$ 7,068,521	19.3%	\$ 29,481,479	80.7%

Rural Percent of Tax Credit Ceiling Amount: 16%

2008 HTC RAF - Final

			2000 1110	MAI IIIIMI			
_	Large MSA w/in Region	Regional	Regional		Rural		
Region	for Geographical	Funding	Funding	Rural Funding	Funding	Urban Funding	Urban
Re	Reference	Amount	%	Amount	%	Amount	Funding %
1	Lubbock	\$ 1,598,378	4.7%	\$ 546,769	34.2%	\$ 1,051,609	65.8%
2	Abilene	\$ 845,577	2.4%	\$ 504,696	59.7%	\$ 340,882	40.3%
3	Dallas/Fort Worth	\$ 7,961,458	21.4%	\$ 542,000	6.8%	\$ 7,419,458	93.2%
4	Tyler	\$ 1,909,950	5.3%	\$ 1,086,106	56.9%	\$ 823,844	43.1%
5	Beaumont	\$ 884,466	2.5%	\$ 520,569	58.9%	\$ 363,896	41.1%
6	Houston	\$ 7,852,357	21.7%	\$ 587,589	7.5%	\$ 7,264,767	92.5%
7	Austin/Round Rock	\$ 2,001,194	4.7%	\$ 509,221	25.4%	\$ 1,491,973	74.6%
8	Waco	\$ 2,298,372	6.4%	\$ 512,473	22.3%	\$ 1,785,899	77.7%
9	San Antonio	\$ 2,690,143	6.0%	\$ 511,764	19.0%	\$ 2,178,378	81.0%
10	Corpus Christi	\$ 1,556,436	4.5%	\$ 661,722	42.5%	\$ 894,713	57.5%
11	Brownsville/Harlingen	\$ 4,556,233	12.7%	\$ 1,601,942	35.2%	\$ 2,954,291	64.8%
12	San Angelo	\$ 962,143	2.9%	\$ 505,756	52.6%	\$ 456,387	47.4%
13	El Paso	\$ 1,433,293	4.8%	\$ 509,392	35.5%	\$ 923,902	64.5%
·	Total	\$ 36,550,000	100.0%	\$ 8,600,000	23.5%	\$ 27,950,000	76.5%

Rural Percent of Tax Credit Ceiling Amount: 20%

The estimated total tax credit ceiling for this table is \$43 million. As required by state statute, 15% (\$6,450,000) of that ceiling is deducted for the At-Risk Set-Aside, which is not awarded regionally. The balance of the estimated ceiling, \$36,550,000 is regionally allocated using this formula.

The final amount of rural funding was adjusted to meet legislative requirements. Step One: Regions with less than \$500,000 rural funding per the RAF were adjusted up to \$500,000. Step Two: The rural percentage of the total tax credit ceiling amount was calculated and if the rural percentage was less than 20 percent, the rural amount for each region was increased at a rate equal to their regional funding percentage until the rural percentage reached 20 percent.

Funding Distribution Changes between the 2008 and 2007 HTC RAF Allocations

			Change	
_	Place for	Change	from '07	Change from
Region	Geographical	from '07	Rural	'07 Urban
Re	Reference	Allocation	Allocation	Allocation
1	Lubbock	(\$497,720)	(\$513,419)	\$15,698
2	Abilene	(\$405,947)	(\$42,182)	(\$363,765)
3	Dallas/Fort Worth	(\$636,841)	(\$117,991)	(\$518,849)
4	Tyler	(\$376,572)	(\$268,878)	(\$107,694)
5	Beaumont	(\$480,725)	(\$191,877)	(\$288,848)
6	Houston	(\$2,330,503)	\$157,032	(\$2,487,535)
7	Austin/Round Rock	\$81,736	\$383,539	(\$301,802)
8	Waco	(\$60,004)	\$83,041	(\$143,045)
9	San Antonio	\$241,241	\$130,355	\$110,887
10	Corpus Christi	(\$19,039)	(\$156,054)	\$137,015
11	Brownsville/Harlingen	(\$1,044,441)	(\$437,288)	(\$607,153)
12	San Angelo	(\$338,044)	\$124,271	(\$462,315)
13	El Paso	(\$583,142)	\$242,241	(\$825,383)
	Total	(\$6,450,000)	(\$607,210)	(\$5,842,790)

Note that the total funds allocated through the HTC RAF have decreased by \$6,450,000 as a result of statutory changes that remove the At-Risk Set-Aside award process from regional allocation requirements.

#### 2008 HOME RAF

_	Large MSA w/in Region	Regional	Regional		Rural	Urban	
gi	for Geographical	Funding	Funding	Rural Funding	Funding	Funding	Urban
Region	Reference	Amount	%	Amount	%	Amount	Funding %
1	Lubbock	\$1,806,138	5.6%	\$1,805,803	100.0%	\$335	0.0%
2	Abilene	\$1,185,677	3.7%	\$1,160,586	97.9%	\$25,091	2.1%
3	Dallas/Fort Worth	\$5,659,827	17.7%	\$1,737,644	30.7%	\$3,922,182	69.3%
4	Tyler	\$4,068,199	12.7%	\$3,172,779	78.0%	\$895,420	22.0%
5	Beaumont	\$1,880,350	5.9%	\$1,702,882	90.6%	\$177,468	9.4%
6	Houston	\$2,272,433	7.1%	\$932,492	41.0%	\$1,339,941	59.0%
7	Austin/Round Rock	\$1,361,443	4.3%	\$766,555	56.3%	\$594,888	43.7%
8	Waco	\$1,501,825	4.7%	\$798,792	53.2%	\$703,033	46.8%
9	San Antonio	\$1,633,550	5.1%	\$1,025,036	62.7%	\$608,514	37.3%
10	Corpus Christi	\$2,314,752	7.2%	\$1,917,919	82.9%	\$396,832	17.1%
11	Brownsville/Harlingen	\$5,624,379	17.6%	\$4,078,419	72.5%	\$1,545,960	27.5%
12	San Angelo	\$1,624,679	5.1%	\$1,133,886	69.8%	\$490,793	30.2%
13	El Paso	\$1,066,747	3.3%	\$592,177	55.5%	\$474,570	44.5%
	Total	\$32,000,000	100.0%	\$20,824,970	65.1%	\$11,175,030	34.9%

### **2008 HTF RAF**

_	Large MSA w/in Region	Regional	Regional		Rural		
gi	for Geographical	Funding	Funding	Rural Funding	Funding	Urban Funding	Urban
Region	Reference	Amount	%	Amount	%	Amount	Funding %
1	Lubbock	\$47,052	4.7%	\$19,531	41.5%	\$27,520	58.5%
2	Abilene	\$20,175	2.0%	\$12,087	59.9%	\$8,089	40.1%
3	Dallas/Fort Worth	\$222,580	22.3%	\$15,039	6.8%	\$207,541	93.2%
4	Tyler	\$65,181	6.5%	\$34,450	52.9%	\$30,731	47.1%
5	Beaumont	\$26,664	2.7%	\$16,327	61.2%	\$10,337	38.8%
6	Houston	\$185,413	18.5%	\$13,634	7.4%	\$171,779	92.6%
7	Austin/Round Rock	\$35,475	3.5%	\$3,116	8.8%	\$32,358	91.2%
8	Waco	\$55,523	5.6%	\$13,932	25.1%	\$41,591	74.9%
9	San Antonio	\$73,831	7.4%	\$9,422	12.8%	\$64,409	87.2%
10	Corpus Christi	\$49,076	4.9%	\$21,585	44.0%	\$27,491	56.0%
11	Brownsville/Harlingen	\$146,542	14.7%	\$57,775	39.4%	\$88,767	60.6%
12	San Angelo	\$33,137	3.3%	\$13,255	40.0%	\$19,882	60.0%
13	El Paso	\$39,352	3.9%	\$5,713	14.5%	\$33,639	85.5%
	Total	\$1,000,000	100.0%	\$235,867	23.6%	\$764,133	76.4%

Note: At this time there were not sufficient funds in the Housing Trust Fund to require allocation under the formula. This formula and estimate of \$1,000,000 is merely a model of what the RAF would be for Housing Trust Fund dollars if the program funds were increased.

# ATTACHMENT C 2008 RAF METHODOLOGY (RECOMMENDED FOR BOARD APPROVAL)

#### **BACKGROUND**

Sections 2306.111(d) and 2306.1115 of the Texas Government Code require that TDHCA use a Regional Allocation Formula (RAF) to allocate its HOME, Housing Trust Fund (HTF), and Housing Tax Credit (HTC) funding. This RAF objectively measures the affordable housing need and available resources in 13 State Service Regions used for planning purposes. These regions are shown in "Figure 1. State Service Regions." The RAF also allocates funding to rural and urban areas within each region.

As a dynamic measure of need, the RAF is revised annually to reflect updated demographic and resource data; respond to public comment; and better assess regional housing needs and available resources. The RAF is submitted annually for public comment.

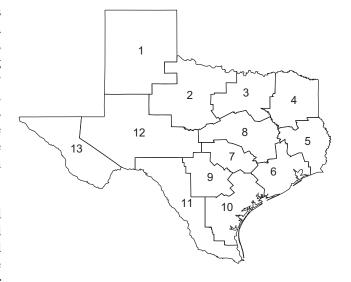


Figure 1. State Service Regions

The HOME, HTF and HTC RAFs use slightly different formulas because the programs have different eligible activities, households, and geographical service areas. §2306.111(c) of the Texas Government Code requires that 95 percent of HOME funding be set aside for non-participating jurisdictions (non-PJs). Therefore, the HOME RAF only uses need and available resource data for non-PJs.

#### METHODOLOGY

### Consideration of Affordable Housing Need

The first part of the RAF determines the funding allocation based solely on objective measures of each region's share of the State's affordable housing need. The RAF uses the following 2000 US Census data to calculate this regional need distribution.

- Poverty: Number of persons in the region who live in poverty.
- Cost Burden: Number of households with a monthly gross rent or mortgage payment to monthly household income ratio that exceeds 30 percent.
- Overcrowded Units: Number of occupied units with more than one person per room.
- Units with Incomplete Kitchen or Plumbing: Number of occupied units that do not have all of the following: sink with piped water; range or cook top and oven; refrigerator, hot and cold piped water, flush toilet, and bathtub or shower.

Non-poverty data is for households at or below 80% of the Area Median Family Income (AMFI).

- Because the HTC program supports rental development activities, renter household data is used for the HTC RAF.
- Because the HOME and HTF programs support renter and owner activities, both renter and owner data is used in the HOME and HTF RAFs.

The following steps are used to measure regional need.

- 1. Each need measure is weighted to reflect its perceived relevance in assessing affordable housing need. Half the measure weight is associated with poverty because of the significant number of persons in poverty and the use of this factor in the HUD Community Planning and Development Program Formula Allocations. The remaining measure weight is proportionately allocated based on the relative size of the other three measure populations. The resulting need measure weights are: poverty = 50 percent, cost burden = 36 percent, overcrowding = 12 percent, and substandard housing = 2 percent.
- 2. The following steps calculate the funding distribution based on the need measures.
  - a. The total RAF funding amount is multiplied by each need measure weight to determine the amount of funding distributed by that measure.
  - b. Each measure's amount of funding is regionally distributed based on the distribution of persons or households in need.
- 3. The resulting regional measure distributions are then combined to calculate each region's need-based funding amount.
- 4. Each region's need based funding amount is divided by the total RAF funding amount. This quotient is the region's need percentage.

#### Consideration of Available Housing Resources

In addition to TDHCA, there are many other sources of funding that address affordable housing needs. To mitigate any inherent inequities in the way these resources are regionally allocated, the RAF compares each region's level of need to its level of resources.

Because the resources used in the RAF reflect the three programs' eligible households and activities, the following data is used.

- The HTC RAF uses rental funding sources.
- The HTF RAF uses sources of rental and owner funding.
- The HOME RAF uses sources of rental and owner funding in non-PJs.

The following resources are used in the HOME, HTF and HTC RAFs.

- Housing Tax Credits (4% and 9%)<sup>1</sup>
- Housing Trust Fund Rental Development Funding
- HUD HOME Funds (TDHCA and Participating Jurisdiction)
- HUD Housing for Persons with AIDS Funding
- HUD Public Housing Authority (PHA) Capital Funding
- HUD §8 Tenant-Based Rental Assistance (TDHCA & PHA)
- Multifamily Texas Housing Trust Fund
- Multifamily Tax-Exempt Bond Financing<sup>2</sup>
- United States Department of Agriculture (USDA) Multifamily Development Funding
- USDA Rental Assistance

The HOME and HTF RAFs also include the following sources of owner funding.

- USDA 502 and 504 Loans and Grants
- Single Family Bond Financing (TDHCA and Housing Finance Corporations)

These steps calculate the regional distribution of available housing resources.

-

<sup>&</sup>lt;sup>1</sup> Estimated capital raised through the syndication of the HTCs.

<sup>&</sup>lt;sup>2</sup> The value of the bonds is 62 percent of the total bond amount. This is an estimate of the capital required to fill an affordability gap that remains after the capital raised through the syndication of the 4% HTCs is deducted from the total development cost.

- 1. The available resources are summed by region and for the state. The resulting sums are the regional and state resource totals.
- 2. The regional resource total is divided by the state resource total. This quotient is the region's resource percentage.

#### Comparison of Regional Need and Available Resource Distributions

In theory, if the measurement of regional need is accurate, then the region's need percentage should reflect its resource percentage. A region with a negative resource and need difference is considered to be "under allocated." This region should have received a larger portion of the available resources to address their need. Similarly, a region with a positive difference is considered "over allocated." Conversely, it should have received a smaller portion of the available resources.

To address differences between the regional need and resource distributions, the RAF uses a resource funding adjustment to shift a portion of the need based funding distribution from over allocated to under allocated regions.

A resource funding adjustment limit is used to ensure that a particular region or geographical area is not overly penalized or benefited by the resource funding adjustments. A region's need based funding amount cannot be reduced or increased by more than the percentage of the state's available resources that are not already regionally distributed. This percentage is calculated by finding the average difference between each funding source's regional distribution and the regional need percentages. Sources whose average of the regional differences exceeds five percent or that are not distributed to all regions are included in the resource funding adjustment limit.

The following steps calculate the resource funding adjustments.

- 1. The regional resource percentage and regional need percentage differences are calculated.
- 2. The resulting over allocated (positive) resource differences are summed to calculate the state resource difference.
- 3. The state resource difference is multiplied by the total RAF funding. This product is the state over allocated resource amount.
- 4. Each over allocated resource difference is divided by the state resource difference. This quotient is the over allocation percentage.
- 5. Each over allocation percentage is multiplied by the state over allocated resource amount to determine the base resource funding adjustment.
- 6. The region's need based funding amount is multiplied by the resource funding adjustment limit. This product is the maximum resource funding adjustment.
- 7. The lesser of the base resource funding adjustment and the maximum resource funding adjustment is the over allocated region's resource funding adjustment.
- 8. The over allocated regions' resource funding adjustments are summed. This total is the state under allocated resource amount.
- 9. Each under allocated (negative) resource difference is divided by the state resource difference to determine the under allocation percentage.
- 10. Each under allocation percentage is multiplied by the state under allocated resource amount. This product is the under allocated region's resource funding adjustment.

#### Consideration of Rural and Urban Need<sup>3</sup>

There are a number of factors that affect the distribution of resources to rural and urban areas. These include rural area feasible development sizes, allowable rent and income levels, and proximity to developers, contractors, and materials. Access to resources is also an issue because some funding, such as multifamily tax-exempt bond financing, does not work very well in rural areas. As required by §2306.111(d) of the Texas

<sup>3 §2306.111(</sup>d) requires the RAF to consider "rural and urban areas" in its distribution of program funding.

Government Code, to ensure an equitable distribution of funding to both rural and urban areas, the RAF analyzes the distribution of rural and urban need and resources at the regional level.

The RAF uses the following definitions to categorize rural and urban areas.

- 1. Area The geographic area contained within the boundaries of:
  - a. an incorporated place, or
  - b. a Census Designated Place (CDP) as established by the U.S. Census Bureau for the most recent Decennial Census.

#### 2. Rural – An Area that is:

- a. outside the boundaries of a metropolitan statistical area (MSA); or
- b. within the boundaries of a MSA, if the Area has a population of 25,000<sup>4</sup> or less and does not share a boundary with an Urban Area.<sup>5</sup>
- c. in an Area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an Area that is located in a municipality with a population of more than 50,000.

#### 3. Urban – An Area that:

- a. is located within the boundaries of a metropolitan statistical area (MSA); or
- b. does not meet the Rural Area definition.

#### Measuring Rural and Urban Affordable Housing Need

The following steps calculate the level of need in rural and urban areas.

- 1. The same need measure weights used to determine the regional need distribution are multiplied by the region's funding amount. This product is the measure funding amount.
- 2. Area level measure data is identified as being rural or urban based on the RAF area definitions.
- 3. Using the coded area data, each measure's affected number of rural and urban persons or households in the region is calculated.
- 4. The corresponding measure rural and urban percentages are calculated.
- 5. For each measure, the regional funding amount is multiplied by the measure rural and urban percentages to calculate the rural and urban measure funding amounts.
- 6. The rural and urban measure funding amounts are summed for the measures. These totals are the region's rural and urban need based funding amounts.
- 7. The region's rural and urban need based funding amounts are divided by the region's total funding amount. These quotients provide the region's rural and urban need percentages.

#### Measuring Rural and Urban Available Resources

The following steps calculate the Rural and Urban distribution of available housing resources.

<sup>&</sup>lt;sup>4</sup> The definition of "population" in state law (Sec. 311.005(3), Government Code) is "the population shown by the most recent federal decennial census." Because of this requirement, the decennial census place population must be used to make the area type determination.

<sup>&</sup>lt;sup>5</sup> Applicants may petition TDHCA to update the "Rural" designation of an incorporated area within a metropolitan statistical area by providing a letter from a local official. Such letter must clearly indicate that the area's incorporated boundary touches the boundary of another incorporated area with a population of over 25,000. To treat all applicants equitably, such letter must be provided to TDHCA prior to the commencement of the pre-application submission period for HTC applications, or application submission period for HOME applications.

<sup>6</sup> TDHCA utilizes the most recent list of designated places produced by the Texas USDA Rural Development State Office. Applicants may petition TDHCA to update the "Rural" designation of an area by providing a letter from a USDA Rural Development official clearly stating that the area is eligible for funding by USDA Rural Development. To treat all applicants equitably, such letter must be provided to TDHCA prior to the commencement of the pre-application submission period for HTC applications, or application submission period for HOME applications.

- 1. The geographically coded area data is summed to calculate regional rural and urban resource totals. Funding allocated at the county level is proportionately distributed based on the percentage split between rural and urban areas within the county. The resulting totals are the rural and urban resource totals.
- 2. The corresponding regional rural and urban resource percentages are calculated.

#### Rural and Urban Available Resources Funding Adjustment

The following steps calculate the rural and urban area resource funding adjustments.

- 1. The differences between the rural and urban resource percentages and rural and urban need percentages are calculated. The resulting differences show which of the two areas (rural or urban) were over or under allocated.
- 2. Each over allocated (positive) area resource difference is multiplied by the region's funding amount. For example, if the urban area is over allocated, then the difference is multiplied by the Regional Funding Amount. The resulting product is the area's base resource funding adjustment.
- 3. The over allocated area's need based funding amount is multiplied by the resource funding adjustment limit. This product is the area's maximum resource funding adjustment.
- 4. The lesser of the area's base resource funding adjustment or the maximum resource funding adjustment is the area's resource funding adjustment.

#### Rural and Urban Regional Funding Amounts

The area's over allocated resource funding adjustment is subtracted from the over allocated area's need based funding amount and is added to the under allocated area's need based funding amount.

For the HTC RAF, the regional amount of rural funding is adjusted to a minimum of \$500,000, if needed, and the overall state rural percentage of the total tax credit ceiling amount is adjusted to a minimum of 20 percent, if needed.

#### **QUESTIONS AND COMMENTS**

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#### HOUSING RESOURCE CENTER

### BOARD ACTION REQUEST November 8, 2007

#### **Action Item**

2008 Affordable Housing Need Score (AHNS) Methodology

#### **Required Action**

Approval of the 2008 AHNS Methodology is requested.

- See Attachment A for the 2008 AHNS Methodology.
- See Attachment B for the Housing Tax Credit (HTC), Housing Trust Fund (HTF), and HOME scores as generated by the 2008 AHNS Methodology.

#### **Background**

The AHNS scoring criterion is used to evaluate HOME, HTC, and HTF applications. The formula is submitted annually for public comment. The final methodology and resulting scores are published on the TDHCA website.

While not specifically legislated by the state, the AHNS helps address other need based funding allocation requirements by responding to:

- an IRS Section 42 requirement that the selection criteria used to award the HTC funding must include "housing needs characteristics."
- State Auditor's Office (SAO) and Sunset findings that called for the use of objective, need based criteria to award TDHCA's funding.

Through the AHNS, applicants are encouraged to request funding to serve communities that have a high level of need.

The HOME, HTF, and HTC programs use slightly modified versions of the AHNS because the programs have different eligible activities, households, and geographical areas. Under §2306.111(c) of the Texas Government Code, 95 percent of HOME funding is set aside for non-participating jurisdictions (PJ). Therefore, the HOME AHNS only uses need data for non-PJs.

No public comment was received on the 2008 Affordable Housing Need Score (AHNS) Methodology (Draft for Public Comment).

#### Recommendation

Approval of the 2008 Affordable Housing Need Score (AHNS) Methodology.

# Attachment A 2008 AHNS METHODOLOGY

#### **Background**

The AHNS scoring criterion is used to evaluate HOME, Housing Tax Credit (HTC), and Housing Trust Fund (HTF) applications. The formula is submitted annually for public comment. The final version is published in the SLIHP.

While not specifically legislated by the state, the AHNS helps address other need based funding allocation requirements by responding to:

- an IRS Section 42 requirement that the selection criteria used to award the HTC funding must include "housing needs characteristics."
- State Auditor's Office (SAO) and Sunset findings that called for the use of objective, need based criteria to award TDHCA's funding.

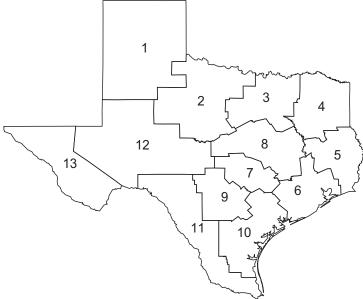


Figure 1. State Service Regions

The AHNS is an extension of the TDHCA

Regional Allocation Formula (RAF) in that it provides a comparative assessment of each area's level of need relative to the other areas within its State Service Region. Through the AHNS, applicants are encouraged to request funding to serve communities that have a high level of need.

The HOME, HTF, and HTC programs use slightly modified versions of the AHNS because the programs have different eligible activities, households, and geographical areas. Under §2306.111(c) of the Texas Government Code, at least 95 percent of HOME funding is set aside for non-participating jurisdictions. Therefore, the HOME AHNS only uses need data for non-participating jurisdictions.

#### Methodology

The following steps measure each area's level of affordable housing need.

- 1) The Census number of households at or below 80% AMFI with cost burden establishes baseline for each area's number of households in need of housing assistance. The type of household considered for this baseline varies by activity.
  - a) Renter data is used for the rental development (RD), tenant based rental assistance (TBRA), and down payment assistance (DPA) scores.
  - b) Owner data is used for the owner occupied rehabilitation (OCC) score.
- 2) For each activity, an adjusted number of households with cost burden is calculated based on the difference between the area's population in the 2000 Census and the most recent State Data Center population estimate.
- 3) The number of households assisted using TDHCA funding since the Census was taken (April 1, 2000) is subtracted from the adjusted number of households with cost burden. The resulting number shows the area's estimated remaining need.
  - a) For HTC scores, RD activity is used;

- b) For HOME and HTF TBRA and RD scores, TBRA<sup>1</sup> and RD activity is used;
- c) For HOME and HTF DPA scores, First Time Homebuyer and HOME DPA activity is used; and
- d) For HOME and HTF OCC scores, HOME OCC activity is used.
- 4) The estimated remaining need measure is used to quantify the area's level of need for each scoring activity as measured by the ratio of the area's households in need to the area's total households. This ratio shows the concentration of need within an area.
- 5) A sliding scale that compares each area's level of need to the region's other areas is used to assign points to each area based on its relative concentration of need (maximum of 6 points).

#### **Rural and Urban Need**

Section 2306.111(d) of the Government Code requires the RAF to consider rural and urban areas in its distribution of funds. To assist with this distribution, each area is classified using the RAF's geographic area definitions.

The RAF and AHNS use the following definitions to categorize rural and urban areas.

- 1. Area The geographic area contained within the boundaries of:
  - a. an incorporated place, or
  - b. a Census Designated Place (CDP) as established by the U.S. Census Bureau for the most recent Decennial Census.
- 2. Rural An Area that is:
  - a. outside the boundaries of a metropolitan statistical area (MSA); or
  - b. within the boundaries of a MSA, if the Area has a population of 25,000<sup>2</sup> or less and does not share a boundary with an Urban Area.<sup>3</sup>
  - c. in an Area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an Area that is located in a municipality with a population of more than 50,000.<sup>4</sup>
- 3. Urban An Area that:
  - a. is located within the boundaries of a metropolitan statistical area (MSA); or
  - b. does not meet the Rural Area definition.

For the HOME program, a county score is used for activities that will serve more than one Area within a county. If multiple counties or Areas in multiple counties will be served by an application, then the county scores will be averaged. Participating Jurisdictions (PJ) receive a score of zero.

<sup>&</sup>lt;sup>1</sup> Because of the limited duration of TBRA, a conversion factor was used to equate the value of a voucher to an affordable housing unit. This factor equaled the voucher duration divided by the number of years since the Census. For 2007, this is 2 years/7 years or an approximate reduction in the number of households in need by 29 percent for each TBRA voucher.

<sup>&</sup>lt;sup>2</sup> The definition of "population" in state law (Sec. 311.005(3), Government Code) is "the population shown by the most recent federal decennial census." Because of this requirement, the decennial census place population must be used to make the area type determination.

<sup>&</sup>lt;sup>3</sup> Applicants may petition TDHCA to update the "Rural" designation of an incorporated area within a metropolitan statistical area by providing a letter from a local official. Such letter must clearly indicate that the area's incorporated boundary touches the boundary of another incorporated area with a population of over 25,000. To treat all applicants equitably, such letter must be provided to TDHCA prior to the commencement of the pre-application submission period for HTC applications, or application submission period for HOME applications.

<sup>4</sup> TDHCA utilizes the most recent list of designated places produced by the Texas USDA Rural Development State Office. Applicants may petition TDHCA to update the "Rural" designation of an area by providing a letter from a USDA Rural Development official clearly stating that the area is eligible for funding by USDA Rural Development. To treat all applicants equitably, such letter must be provided to TDHCA prior to the commencement of the pre-application submission period for HTC applications, or application submission period for HOME applications.

# 2008 HTC Affordable Housing Need Scores (AHNS) Place Level

(Sorted by Region then Place)

#### Instructions:

Use this table to determine an application's AHNS:

- (1) Locate the row that corresponds to the place where the funds will be used.
- (2) Development sites located outside the boundaries of a place (as designated by the U.S. Census) will utilize the score of the place whose boundary is closest to the development site.

All questions relating to scoring an application under the AHN Scoring Component should be submitted in writing to Audrey Martin via facsimile at (512) 475-0764 or by email at audrey.martin@tdhca.state.tx.us.

Sorted by Region then Area Name

Region				41110 07	AU IN 10 00	Change in AHNS 08 - 07*
	Area Name	County Name	Area Type	AHNS 07	AHNS 08	
-	,	Hale	Rural	5	4	-1
1	Adrian	Oldham	Rural	7	6	-1
	Amarillo	Potter	Urban	6	5	-1
	Amherst	Lamb	Rural	5	4	-1
1	Anton	Hockley	Rural	4	3	-1
1		Potter	Rural	4	3	-1
1	Booker	Lipscomb	Rural	6	5	-1
1	Borger	Hutchinson	Rural	5	4	-1
1	Bovina	Parmer	Rural	4	3	-1
1	Brownfield	Terry	Rural	7	6	-1
1	Buffalo Springs	Lubbock	Rural	5	4	-1
1	Cactus	Moore	Rural	4	3	-1
1	Canadian	Hemphill	Rural	6	5	-1
1	Canyon	Randall	Rural	7	6	-1
1	Channing	Hartley	Rural	7	6	-1
1	Childress	Childress	Rural	5	4	-1
1	Clarendon	Donley	Rural	6	5	-1
1	Claude	Armstrong	Rural	7	6	-1
1	Crosbyton	Crosby	Rural	6	5	-1
1	Dalhart	Dallam	Rural	7	6	-1
1	Darrouzett	Lipscomb	Rural	7	6	-1
1	Denver City	Yoakum	Rural	5	4	-1
1	Dickens	Dickens	Rural	7	6	-1
1	Dimmitt	Castro	Rural	5	4	-1
1	Dodson	Collingsworth	Rural	7	6	-1
1	Dumas	Moore	Rural	5	4	-1
1	Earth	Lamb	Rural	5	4	-1
1	Edmonson	Hale	Rural	4	3	-1
1	Estelline	Hall	Rural	6	6	0
1	Farwell	Parmer	Rural	7	6	-1
1	Floydada	Floyd	Rural	6	5	-1
1	Follett	Lipscomb	Rural	4	3	-1
1	Friona	Parmer	Rural	6	5	-1
1	Fritch	Hutchinson	Rural	6	5	-1
1	Groom	Carson	Rural	7	6	-1
1	Gruver	Hansford	Rural	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Hale Center	Hale	Rural	6	5	-1
1	Нарру	Swisher	Rural	5	4	-1
	Hart	Castro	Rural	5	3	-2
1	Hartley	Hartley	Rural	5	4	-1
1	Hedley	Donley	Rural	7	6	-1
1	Hereford	Deaf Smith	Rural	4	3	-1
1	Higgins	Lipscomb	Rural	4	3	-1
1	Howardwick	Donley	Rural	7	6	-1
	Idalou	Lubbock	Rural	4	3	-1
	Kress	Swisher	Rural	5	5	0
	Lake Tanglewood	Randall	Rural	7	6	-1
	Lakeview	Hall	Rural	7	6	-1
	Lefors	Gray	Rural	4	3	-1
	Levelland	Hockley	Rural	7	5	-2
	Lipscomb	Lipscomb	Rural	4	3	- <u>-</u> 2
	Littlefield	<u> </u>		7	6	-1 -1
1		Lamb	Rural	4	3	-1 -1
	Lockney	Floyd	Rural			
	Lorenzo	Crosby	Rural	5	4	-1
	Lubbock	Lubbock	Urban	7	6	-1
	Matador	Motley	Rural	5	4	-1
	McLean	Gray	Rural	6	5	-1
1	Meadow	Terry	Rural	4	3	-1
	Memphis	Hall	Rural	5	4	-1
	Miami	Roberts	Rural	7	6	-1
	Mobeetie	Wheeler	Rural	4	3	-1
1	Morse	Hansford	Rural	5	4	-1
1	Morton	Cochran	Rural	4	3	-1
1	Muleshoe	Bailey	Rural	4	3	-1
1	Nazareth	Castro	Rural	5	4	-1
1	New Deal	Lubbock	Rural	6	5	-1
1	New Home	Lynn	Rural	5	4	-1
1	O'Donnell	Lynn	Rural	4	3	-1
1	Olton	Lamb	Rural	4	3	-1
1	Opdyke West	Hockley	Rural	5	4	-1
1	Palisades	Randall	Rural	6	5	-1
1	Pampa	Gray	Rural	6	4	-2
1	Panhandle	Carson	Rural	5	4	-1
1	Perryton	Ochiltree	Rural	4	3	-1
1	Petersburg	Hale	Rural	4	3	-1
1	Plains	Yoakum	Rural	5	4	-1
1	Plainview	Hale	Rural	5	4	-1
1	Post	Garza	Rural	7	6	-1
1	Quail	Collingsworth	Rural	4	3	-1
1	Quitaque	Briscoe	Rural	7	6	-1
1	Ralls	Crosby	Rural	5	4	-1
1	Ransom Canyon	Lubbock	Rural	5	4	-1
	Reese Center	Lubbock	Urban	4	3	-1
1	Roaring Springs	Motley	Rural	4	3	-1
1	Ropesville	Hockley	Rural	4	3	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
1	Samnorwood	Collingsworth	Rural	4	3	-1
	Sanford	Hutchinson	Rural	6	5	-1
	Seth Ward	Hale	Rural	6	5	<u>-1</u>
	Shallowater	Lubbock	Rural	7	6	-1
	Shamrock	Wheeler	Rural	6	5	-1
	Silverton	Briscoe	Rural	7	6	-1
	Skellytown	Carson	Rural	4	3	-1
	Slaton	Lubbock	Rural	6	5	-1
			Rural	5	4	-1
	Smyer	Hockley		6	5	-1
	Spade	Lamb Hansford	Rural	4	3	
	Spearman		Rural	7		-1
1	Springlake	Lamb	Rural	_	6	-1
	Spur	Dickens	Rural	4	3	-1
	Stinnett	Hutchinson	Rural	6	5	-1
1	Stratford	Sherman	Rural	4	3	-1
1	Sudan	Lamb	Rural	5	4	-1
1	Sundown	Hockley	Rural	5	4	-1
1	Sunray	Moore	Rural	5	4	-1
1	Tahoka	Lynn	Rural	4	3	-1
1	Texhoma	Sherman	Rural	7	6	-1
1	Texline	Dallam	Rural	5	4	-1
1	Timbercreek Canyon	Randall	Rural	4	3	-1
1	Tulia	Swisher	Rural	5	4	-1
1	Turkey	Hall	Rural	4	3	-1
1	Vega	Oldham	Rural	6	5	-1
1	Wellington	Collingsworth	Rural	5	4	-1
1	Wellman	Terry	Rural	5	4	-1
1	Wheeler	Wheeler	Rural	5	4	-1
1	White Deer	Carson	Rural	6	5	-1
1	Whiteface	Cochran	Rural	4	3	-1
1	Wilson	Lynn	Rural	4	3	-1
1	Wolfforth	Lubbock	Rural	6	5	-1
2	Abilene	Taylor	Urban	6	5	-1
2	Albany	Shackelford	Rural	6	5	-1
2	Anson	Jones	Rural	4	3	-1
2	Archer City	Archer	Rural	5	4	-1
2	Aspermont	Stonewall	Rural	5	4	-1
2	Baird	Callahan	Rural	4	3	-1
2	Ballinger	Runnels	Rural	7	6	-1
2	Bangs	Brown	Rural	6	5	-1
	Bellevue	Clay	Rural	6	5	-1
2	Benjamin	Knox	Rural	4	3	-1
2	Blackwell	Nolan	Rural	5	4	-1
	Blanket	Brown	Rural	7	6	-1
	Bowie	Montague	Rural	7	5	-2
	Breckenridge	Stephens	Rural	5	4	<u>-</u> -1
	Brownwood	Brown	Rural	6	4	-2
	Bryson	Jack	Rural	6	5	-1
	Buffalo Gap	Taylor	Rural	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
_	Burkburnett	Wichita	Rural	6	5	-1
2	Byers	Clay	Rural	7	6	-1
	Carbon	Eastland	Rural	4	3	-1
	Chillicothe	Hardeman	Rural	7	6	-1
2	Cisco	Eastland	Rural	7	6	-1
	Clyde	Callahan	Rural	6	5	-1
	Coleman	Coleman	Rural	6	5	-1
	Colorado City	Mitchell	Rural	7	6	-1
	Comanche	Comanche	Rural	7	6	-1
	Cross Plains	Callahan	Rural	4	3	-1
	Crowell	Foard	Rural	6	5	-1
	De Leon	Comanche	Rural	6	5	-1
	Dean	Clay	Rural	7	6	-1
	Early	Brown	Rural	5	4	-1
	Eastland	Eastland	Rural	4	4	0
	Elbert	Throckmorton		7	6	-1
	Electra	Wichita	Rural		5	-1 -1
		1	Rural	6		
	Girard	Kent	Rural	4	3	-1
	Goree	Knox	Rural	4	3	-1
	Gorman	Eastland	Rural	4	3	-1
	Graham	Young	Rural	5	4	-1
	Gustine	Comanche	Rural	7	6	-1
	Hamlin	Jones	Rural	5	4	-1
	Haskell	Haskell	Rural	6	5	-1
	Hawley	Jones	Rural	7	6	-1
2	Henrietta	Clay	Rural	6	5	-1
2	Hermleigh	Scurry	Rural	6	5	-1
	Holliday	Archer	Rural	4	3	-1
2	Impact	Taylor	Urban	4	3	-1
	Iowa Park	Wichita	Rural	6	5	-1
2	Jacksboro	Jack	Rural	6	5	-1
	Jayton	Kent	Rural	4	3	-1
2	Jolly	Clay	Rural	7	6	-1
2	Knox City	Knox	Rural	5	4	-1
2	Lake Brownwood	Brown	Rural	7	6	-1
2	Lakeside City	Archer	Urban	5	4	-1
2	Lawn	Taylor	Rural	4	3	-1
2	Loraine	Mitchell	Rural	6	5	-1
2	Lueders	Jones	Rural	5	4	-1
2	Megargel	Archer	Rural	4	3	-1
2	Merkel	Taylor	Rural	6	6	0
2	Miles	Runnels	Rural	5	5	0
2	Moran	Shackelford	Rural	5	4	-1
2	Munday	Knox	Rural	4	3	-1
_	Newcastle	Young	Rural	6	5	-1
	Nocona	Montague	Rural	5	4	-1
	Novice	Coleman	Rural	4	3	-1
	O'Brien	Haskell	Rural	4	3	-1
	Olney	Young	Rural	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Paducah	Cottle	Rural	5	4	-1
	Petrolia	Clay	Rural	7	6	-1
	Pleasant Valley	Wichita	Urban	7	6	-1
	Potosi	Taylor	Urban	7	6	-1
	Putnam	Callahan	Rural	7	6	-1
	Quanah	Hardeman	Rural	7	6	-1
	Ranger	Eastland	Rural	5	4	-1
	Rising Star	Eastland	Rural	5	4	-1
		Fisher	Rural	6	5	-1
	Roby Rochester	Haskell	Rural	5	4	-1
	Roscoe	Nolan			4	-1 -1
	Rotan		Rural	5		
		Fisher	Rural	5	4	-1
	Rule	Haskell	Rural	6	4	-2
	Santa Anna	Coleman	Rural	4	3	-1
	Scotland	Archer	Rural	4	3	-1
_	Seymour	Baylor	Rural	5	4	-1
	Snyder	Scurry	Rural	5	4	-1
	St. Jo	Montague	Rural	4	3	-1
	Stamford	Jones	Rural	5	4	-1
	Sunset	Montague	Rural	4	3	-1
	Sweetwater	Nolan	Rural	6	5	-1
	Throckmorton	Throckmorton	Rural	5	4	-1
2	Trent	Taylor	Rural	6	6	0
	Tuscola	Taylor	Rural	4	3	-1
_	Туе	Taylor	Urban	7	6	-1
2	Vernon	Wilbarger	Rural	4	3	-1
2	Weinert	Haskell	Rural	7	6	-1
2	Westbrook	Mitchell	Rural	6	5	-1
2	Wichita Falls	Wichita	Urban	5	4	-1
2	Windthorst	Archer	Rural	4	3	-1
	Winters	Runnels	Rural	4	3	-1
2	Woodson	Throckmorton	Rural	5	3	-2
3	Addison	Dallas	Urban	5	4	-1
3	Aledo	Parker	Rural	6	5	-1
3	Allen	Collin	Urban	6	5	-1
3	Alma	Ellis	Rural	7	6	-1
3	Alvarado	Johnson	Rural	5	4	-1
3	Alvord	Wise	Rural	7	5	-2
3	Angus	Navarro	Rural	5	5	0
3	Anna	Collin	Rural	7	6	-1
3	Annetta	Parker	Rural	7	6	-1
3	Annetta North	Parker	Rural	7	6	-1
3	Annetta South	Parker	Rural	7	6	-1
	Argyle	Denton	Urban	5	4	-1
	Arlington	Tarrant	Urban	6	5	-1
	Aubrey	Denton	Rural	7	6	-1
	Aurora	Wise	Rural	7	6	-1
	Azle	Tarrant	Urban	5	4	-1
	Bailey	Fannin	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Balch Springs	Dallas	Urban	5	3	-2
	Bardwell	Ellis	Rural	4	3	-1
	Barry	Navarro	Rural	7	6	-1
	Bartonville	Denton	Rural	4	3	-1
	Bedford	Tarrant	Urban	6	5	-1
	Bells	Grayson	Rural	6	5	-1
	Benbrook	Tarrant	Urban	6	5	-1
	Blooming Grove	Navarro	Rural	5	4	-1
	Blue Mound	Tarrant	Urban	5	4	-1
	Blue Ridge	Collin	Rural	6	5	-1
	Bonham	Fannin	Rural	7	6	-1
	Boyd	Wise	Rural	5	4	-1
	Briar	Tarrant	Rural	4	3	-1
	Briaroaks	Johnson	Rural	4	3	-1
	Bridgeport	Wise	Rural	6	5	-1
3	Burleson	Johnson	Urban	4	4	0
	Caddo Mills	Hunt	Rural	7	6	-1
		Cooke	Rural	5	4	-1
	Callisburg Campbell	Hunt		6	5	-1 -1
			Rural		-	
	Carrollton	Denton	Urban	5	4	-1
	Cedar Hill	Dallas	Urban	6	5	-1
3	Celeste	Hunt	Rural	4	3	-1
	Celina	Collin	Urban	5	4	-1
	Chico	Wise	Rural	6	5	-1
	Cleburne	Johnson	Urban	5	3	-2
3	Cockrell Hill	Dallas	Urban	4	3	-1
3	Colleyville	Tarrant	Urban	5	4	-1
3	Collinsville	Grayson	Rural	4	3	-1
3	Combine	Kaufman	Rural	5	4	-1
3	Commerce	Hunt	Rural	7	6	-1
3	Cool	Parker	Rural	7	6	-1
3	Coppell	Dallas	Urban	5	4	-1
3	Copper Canyon	Denton	Urban	7	6	-1
3	Corinth	Denton	Urban	4	3	-1
3	Corral City	Denton	Rural	4	3	-1
3	Corsicana	Navarro	Rural	6	5	-1
3	Cottonwood	Kaufman	Rural	4	3	-1
3	Crandall	Kaufman	Rural	5	4	-1
3	Cross Roads	Denton	Rural	4	3	-1
3	Cross Timber	Johnson	Rural	7	6	-1
3	Crowley	Tarrant	Urban	6	5	-1
3	Dallas	Dallas	Urban	5	4	-1
3	Dalworthington Gardens	Tarrant	Urban	4	3	-1
	Dawson	Navarro	Rural	4	3	-1
	Decatur	Wise	Rural	6	5	-1
	Denison	Grayson	Urban	5	4	-1
	Denton	Denton	Urban	7	6	-1
	DeSoto	Dallas	Urban	4	3	-1
	Dodd City	Fannin	Rural	7	6	-1

Area Name	-1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -
3   Double Oak   Denton   Urban   7   6   3   Dublin   Erath   Rural   5   4   4   3   Duncanville   Dallas   Urban   5   5   5   3   Eagle Mountain   Tarrant   Urban   5   5   4   3   Ector   Fannin   Rural   6   5   5   3   Edgecliff Village   Tarrant   Urban   7   6   6   5   3   Emhouse   Navarro   Rural   4   3   3   Ennis   Ellis   Rural   4   3   3   Euless   Tarrant   Urban   5   4   4   3   3   Euless   Tarrant   Urban   5   4   4   3   3   Eureka   Navarro   Rural   4   3   3   Eureman   Tarrant   Urban   6   5   5   5   3   Fairview   Collin   Urban   7   6   6   5   5   3   Fairmers Branch   Dallas   Urban   4   3   3   Farmers Branch   Dallas   Urban   4   3   3   Farmers Eranch   Ellis   Rural   5   4   4   3   Farmers Eranch   Denton   Urban   5   4   4   4   3   Forest Hill   Tarrant   Urban   5   4   4   4   3   Forest Hill   Tarrant   Urban   5   5   5   5   5   5   5   5   5	-1 0 -1 -1 -1 -1 -1 -1 -1 -1
3   Dublin   Erath   Rural   5   4   3   Duncanville   Dallas   Urban   5   5   5   5   3   Eagle Mountain   Tarrant   Urban   5   4   4   3   Ector   Fannin   Rural   6   5   5   3   Edgecliff Village   Tarrant   Urban   7   6   6   5   3   Emhouse   Navarro   Rural   4   3   3   Ennis   Ellis   Rural   4   3   3   Euless   Tarrant   Urban   5   4   4   3   3   Euless   Tarrant   Urban   5   4   4   3   3   Euless   Tarrant   Urban   5   4   4   3   3   Euless   Tarrant   Urban   6   5   5   4   3   3   Eureka   Navarro   Rural   4   3   3   Eureka   Navarro   Rural   4   3   3   Eureman   Tarrant   Urban   6   5   5   5   3   Fairview   Collin   Urban   7   6   6   5   5   5   5   5   5   5   5	0 -1 -1 -1 -1 -1 -1 -1 -1 -1
Dallas   Urban   5   5   5   3   Eagle Mountain   Tarrant   Urban   5   4   4   3   5   5   4   3   5   5   5   4   3   5   5   5   5   5   5   5   5   5	-1 -1 -1 -1 -1 -1 -1 -1 -1
3 Eagle Mountain         Tarrant         Urban         5         4           3 Ector         Fannin         Rural         6         5           3 Edgecliff Village         Tarrant         Urban         7         6           3 Emhouse         Navarro         Rural         4         3           3 Ennis         Ellis         Rural         4         3           3 Eureka         Navarro         Rural         4         3           3 Everman         Tarrant         Urban         6         5           3 Fairview         Collin         Urban         7         6           3 Farrers Branch         Dallas         Urban         7         6           3 Farrers Branch         Dallas         Urban         7         6           3 Ferris         Ellis         Rural         7         6           3 Forers Hill <t< td=""><td>-1 -1 -1 -1 -1 -1 -1 -1 -1</td></t<>	-1 -1 -1 -1 -1 -1 -1 -1 -1
Sector	-1 -1 -1 -1 -1 -1 -1 -1
3 Edgecliff Village         Tarrant         Urban         7         6           3 Emhouse         Navarro         Rural         4         3           3 Ennis         Ellis         Rural         4         3           3 Euless         Tarrant         Urban         5         4           3 Eureka         Navarro         Rural         4         3           3 Everman         Tarrant         Urban         6         5           3 Fairview         Collin         Urban         7         6           3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Farris         Ellis         Rural         7         6           3 Foreris         Ellis         Rural         5         4           3 Forest Hill         Tarrant         Urban         5         4           3 Forney         Kaufman         Rural         5         5           3 Forst Worth         Tarrant         Urban         6         5           3 Forst         Nava	-1 -1 -1 -1 -1 -1 -1 -1
3 Emhouse         Navarro         Rural         4         3           3 Ennis         Ellis         Rural         4         3           3 Euless         Tarrant         Urban         5         4           3 Eureka         Navarro         Rural         4         3           3 Everman         Tarrant         Urban         6         5           3 Fairview         Collin         Urban         7         6           3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Farresville         Rockwall         Rural         7         6           3 Farris         Ellis         Rural         7         6           3 Forris         Ellis         Rural         5         4           3 Forest Hill         Tarrant         Urban         5         4           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Gainesville         Cooke	-1 -1 -1 -1 -1 -1 -1
Section   Sect	-1 -1 -1 -1 -1
3 Euless         Tarrant         Urban         5         4           3 Eureka         Navarro         Rural         4         3           3 Everman         Tarrant         Urban         6         5           3 Fairview         Collin         Urban         7         6           3 Farmers Branch         Dallas         Urban         4         3           3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Ferris         Ellis         Rural         5         4           3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         5         4           3 Gainesville         <	-1 -1 -1 -1 -1
3 Eureka   Navarro   Rural   4   3   3   Everman   Tarrant   Urban   6   5   5   3   Fairview   Collin   Urban   7   6   6   3   Farmers Branch   Dallas   Urban   4   3   3   Farmersville   Collin   Rural   5   4   4   3   Farmersville   Rural   7   6   6   7   7   6   7   7   7   7	-1 -1 -1 -1
3 Everman         Tarrant         Urban         6         5           3 Fairview         Collin         Urban         7         6           3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Ferris         Ellis         Rural         5         4           3 Flower Mound         Denton         Urban         5         4           3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Glen Rose <t< td=""><td>-1 -1 -1</td></t<>	-1 -1 -1
3 Fairview         Collin         Urban         7         6           3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Ferris         Ellis         Rural         5         4           3 Flower Mound         Denton         Urban         5         4           3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forest Hill         Tarrant         Urban         4         3           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Glen Rose         Somervell         Rural         7         6           3 Godley	-1 -1
3 Farmers Branch         Dallas         Urban         4         3           3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Ferris         Ellis         Rural         5         4           3 Flower Mound         Denton         Urban         5         4           3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Gen Rose         Somervell         Rural         7         6           3 Glen Heights         Dallas         Urban         6         5           3 Godlow	-1
3 Farmersville         Collin         Rural         5         4           3 Fate         Rockwall         Rural         7         6           3 Ferris         Ellis         Rural         5         4           3 Forest Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Gen Rose         Somervell         Rural         7         6           3 Glen Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	· ·
3 Fate       Rockwall       Rural       7       6         3 Ferris       Ellis       Rural       5       4         3 Flower Mound       Denton       Urban       5       4         3 Forest Hill       Tarrant       Urban       4       3         3 Forney       Kaufman       Rural       5       5         3 Fort Worth       Tarrant       Urban       5       4         3 Frisco       Collin       Urban       6       5         3 Frost       Navarro       Rural       6       5         3 Gainesville       Cooke       Rural       5       4         3 Garland       Dallas       Urban       5       4         3 Garrett       Ellis       Rural       7       6         3 Glen Rose       Somervell       Rural       5       4         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Ferris         Ellis         Rural         5         4           3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Genrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	4
3 Flower Mound         Denton         Urban         5         4           3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Garrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Forest Hill         Tarrant         Urban         4         3           3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Garrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Glenn Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Forney         Kaufman         Rural         5         5           3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Garrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Glenn Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Fort Worth         Tarrant         Urban         5         4           3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Garrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Glenn Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Frisco         Collin         Urban         6         5           3 Frost         Navarro         Rural         6         5           3 Gainesville         Cooke         Rural         5         4           3 Garland         Dallas         Urban         5         4           3 Garrett         Ellis         Rural         7         6           3 Glen Rose         Somervell         Rural         5         4           3 Glenn Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	0
3 Frost       Navarro       Rural       6       5         3 Gainesville       Cooke       Rural       5       4         3 Garland       Dallas       Urban       5       4         3 Garrett       Ellis       Rural       7       6         3 Glen Rose       Somervell       Rural       5       4         3 Glenn Heights       Dallas       Urban       6       5         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Gainesville       Cooke       Rural       5       4         3 Garland       Dallas       Urban       5       4         3 Garrett       Ellis       Rural       7       6         3 Glen Rose       Somervell       Rural       5       4         3 Glenn Heights       Dallas       Urban       6       5         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Garland       Dallas       Urban       5       4         3 Garrett       Ellis       Rural       7       6         3 Glen Rose       Somervell       Rural       5       4         3 Glenn Heights       Dallas       Urban       6       5         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Garrett       Ellis       Rural       7       6         3 Glen Rose       Somervell       Rural       5       4         3 Glenn Heights       Dallas       Urban       6       5         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Glen Rose       Somervell       Rural       5       4         3 Glenn Heights       Dallas       Urban       6       5         3 Godley       Johnson       Rural       7       6         3 Goodlow       Navarro       Rural       4       3	-1
3 Glenn Heights         Dallas         Urban         6         5           3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Godley         Johnson         Rural         7         6           3 Goodlow         Navarro         Rural         4         3	-1
3 Goodlow Navarro Rural 4 3	-1
	-1
3 Gordon Palo Pinto Rural 7 6	-1
	-1
3 Graford Palo Pinto Rural 5 4	-1
3 Granbury Hood Rural 7 5	-2
3 Grand Prairie Dallas Urban 5 4	-1
3 Grandview Johnson Rural 6 5	-1
3 Grapevine Tarrant Urban 5 4	-1
3 Grays Prairie Kaufman Rural 7 6	-1
3 Greenville Hunt Rural 5 4	-1
3 Gunter Grayson Rural 6 5	-1
3 Hackberry Denton Urban 7 6	-1
3 Haltom City Tarrant Urban 6 5	-1
3 Haslet Tarrant Urban 5 4	
3 Hawk Cove Hunt Rural 4 3	-1
3 Heath Rockwall Urban 4 3	-1 -1
3 Hebron Denton Urban 4 3	-1
3 Hickory Creek Denton Urban 4 3	-1 -1
3 Highland Park Dallas Urban 4 3	-1
3 Highland Village Denton Urban 6 5	-1 -1 -1 -1
3 Honey Grove Fannin Rural 4 3	-1 -1 -1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Howe	Grayson	Urban	6	5	-1
	Hudson Oaks	Parker	Rural	7	6	-1
	Hurst	Tarrant	Urban	7	5	-2
	Hutchins	Dallas	Urban	6	5	-1
3	Irving	Dallas	Urban	5	4	-1
	Italy	Ellis	Rural	5	4	-1
	Josephine	Collin	Rural	7	6	-1
	Joshua	Johnson	Urban	5	4	-1
	Justin	Denton	Rural	6	5	-1
	Kaufman		Rural	5	3	-2
		Kaufman				
	Keene	Johnson	Rural	6	5	-1
	Keller	Tarrant	Urban	4	3	-1
	Kemp	Kaufman	Rural	7	6	-1
	Kennedale	Tarrant	Urban	5	4	-1
	Kerens	Navarro	Rural	6	5	-1
	Knollwood	Grayson	Urban	7	6	-1
	Krugerville	Denton	Rural	7	6	-1
3	Krum	Denton	Rural	4	3	-1
3	Ladonia	Fannin	Rural	4	3	-1
3	Lake Bridgeport	Wise	Rural	4	3	-1
3	Lake Dallas	Denton	Rural	6	5	-1
3	Lake Kiowa	Cooke	Rural	4	3	-1
3	Lake Worth	Tarrant	Urban	6	5	-1
3	Lakeside (Tarrant)	Tarrant	Urban	6	6	0
3	Lakewood Village	Denton	Rural	7	6	-1
3	Lancaster	Dallas	Urban	4	3	-1
3	Lavon	Collin	Rural	4	3	-1
3	Leonard	Fannin	Rural	6	5	-1
3	Lewisville	Denton	Urban	6	5	-1
3	Lincoln Park	Denton	Rural	5	4	-1
3	Lindsay (Cooke)	Cooke	Rural	5	4	-1
3	Lipan	Hood	Rural	4	3	-1
3	Little Elm	Denton	Urban	4	3	-1
	Lone Oak	Hunt	Rural	4	3	-1
	Lowry Crossing	Collin	Urban	7	6	-1
	Lucas	Collin	Urban	7	6	-1
	Mabank	Kaufman	Rural	5	3	-2
	Mansfield	Tarrant	Urban	4	3	-1
	Marshall Creek	Denton	Rural	7	6	-1
	Maypearl	Ellis	Rural	6	5	-1
	McKinney	Collin	Urban	5	4	-1
	McLendon-Chisholm	Rockwall	Rural	7	6	<u>'</u> -1
	Melissa	Collin	Urban	6	5	-1
		Dallas	Urban	5	4	-1 -1
	Mesquite Midlethian	Ellis		5		
	Midlothian Midrod		Urban		4	-1
	Mildred	Navarro	Rural	7	6	-1
	Milloop	Ellis	Rural	4	3	-1
	Millsap	Parker	Rural	4	3	-1
3	Mineral Wells	Palo Pinto	Rural	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Mingus	Palo Pinto	Rural	7	6	-1
	Mobile City	Rockwall	Rural	4	4	0
	Muenster	Cooke	Rural	6	5	-1
	Murphy	Collin	Urban	7	6	-1
	Mustang	Navarro	Rural	4	3	-1
	Navarro	Navarro	Rural	4	3	-1
	Nevada	Collin	Rural	5	3	-2
	New Fairview	Wise	Rural	5	4	-1
	New Hope	Collin	Rural	4	3	-1
	Newark	Wise	Rural	7	6	-1
	Neylandville	Hunt	Rural	4	3	-1
	North Richland Hills	Tarrant	Urban	6	5	-1
	Northlake			6	4	-2
	Oak Grove	Denton Kaufman	Urban Rural	7	6	- <u>-</u> 2
		Ellis		7	6	-1 -1
	Oak Leaf		Rural		-	
	Oak Point	Denton	Rural	6	5	-1
	Oak Ridge (Cooke)	Cooke	Rural	6	6	0
	Oak Ridge (Kaufman)	Kaufman	Rural	7	6	-1
	Oak Trail Shores	Hood	Rural	4	3	-1
	Oak Valley	Navarro	Rural	6	5	-1
	Ovilla	Ellis	Urban	7	6	-1
	Palmer	Ellis	Rural	4	3	-1
	Pantego	Tarrant	Urban	4	3	-1
3	Paradise	Wise	Rural	7	6	-1
3	Parker	Collin	Urban	4	3	-1
3	Pecan Acres	Wise	Rural	7	6	-1
3	Pecan Hill	Ellis	Rural	6	5	-1
3	Pecan Plantation	Hood	Rural	6	4	-2
3	Pelican Bay	Tarrant	Rural	6	5	-1
3	Pilot Point	Denton	Rural	5	4	-1
3	Plano	Collin	Urban	5	4	-1
3	Ponder	Denton	Rural	5	4	-1
3	Post Oak Bend City	Kaufman	Rural	5	3	-2
3	Pottsboro	Grayson	Rural	5	4	-1
3	Powell	Navarro	Rural	4	3	-1
3	Princeton	Collin	Urban	6	5	-1
3	Prosper	Collin	Urban	5	4	-1
3	Quinlan	Hunt	Rural	7	6	-1
3	Ravenna	Fannin	Rural	4	3	-1
3	Red Oak	Ellis	Urban	6	5	-1
3	Rendon	Tarrant	Urban	4	3	-1
3	Reno (Parker)	Parker	Rural	6	5	-1
	Retreat	Navarro	Rural	5	4	-1
	Rhome	Wise	Rural	6	5	-1
	Rice	Navarro	Rural	6	5	-1
	Richardson	Dallas	Urban	5	4	-1
	Richland	Navarro	Rural	7	6	-1
	Richland Hills	Tarrant	Urban	6	5	-1
	Rio Vista	Johnson	Rural	5	3	-2

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	River Oaks	Tarrant	Urban	6	5	-1
3	Roanoke	Denton	Urban	6	5	-1
	Rockwall	Rockwall	Urban	4	4	0
	Rosser	Kaufman	Rural	7	6	-1
3	Rowlett	Dallas	Urban	6	5	-1
	Royse City	Rockwall	Rural	5	4	-1
	Runaway Bay	Wise	Rural	6	5	-1
	Sachse	Dallas	Urban	4	3	-1
	Sadler	Grayson	Rural	7	6	-1
	Saginaw	Tarrant	Urban	6	5	-1
	Sanctuary	Parker	Rural	7	6	-1
	Sanger	Denton	Rural	4	3	-1
	Sansom Park	Tarrant	Urban	6	5	-1
	Savoy	Fannin	Rural	7	6	-1
	Seagoville	Dallas	Urban	4	3	-1
-			Urban	4	3	-1
	Shady Shores	Denton		6	5	-1 -1
3	Sherman	Grayson	Urban			
	Southlake	Tarrant	Urban	5	4	-1
	Southmayd	Grayson	Rural	5	4	-1
	Springtown	Parker	Rural	4	3	-1
	St. Paul (Collin)	Collin	Rural	4	3	-1
	Stephenville	Erath	Rural	7	6	-1
	Strawn	Palo Pinto	Rural	6	5	-1
	Sunnyvale	Dallas	Urban	4	3	-1
	Talty	Kaufman	Rural	4	3	-1
3	Terrell	Kaufman	Rural	6	5	-1
3	The Colony	Denton	Urban	5	4	-1
3	Tioga	Grayson	Rural	4	3	-1
3	Tolar	Hood	Rural	5	4	-1
	Tom Bean	Grayson	Rural	4	3	-1
3	Trenton	Fannin	Rural	5	4	-1
3	Trophy Club	Denton	Rural	5	4	-1
3	University Park	Dallas	Urban	5	4	-1
3	Valley View	Cooke	Rural	5	4	-1
3	Van Alstyne	Grayson	Rural	4	3	-1
3	Venus	Johnson	Rural	4	3	-1
3	Watauga	Tarrant	Urban	5	4	-1
3	Waxahachie	Ellis	Rural	4	3	-1
3	Weatherford	Parker	Rural	5	4	-1
3	West Tawakoni	Hunt	Rural	7	6	-1
3	Westlake	Tarrant	Urban	4	3	-1
3	Westminster	Collin	Rural	4	3	-1
3	Weston	Collin	Urban	5	5	0
3	Westover Hills	Tarrant	Urban	4	3	-1
3	White Settlement	Tarrant	Urban	5	4	-1
3	Whitesboro	Grayson	Rural	6	5	-1
	Whitewright	Grayson	Rural	7	6	-1
	Willow Park	Parker	Rural	4	3	-1
	Wilmer	Dallas	Rural	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Windom	Fannin	Rural	4	3	-1
	Wolfe City	Hunt	Rural	6	5	-1
	Wylie	Collin	Rural	4	3	-1
	Alba	Wood	Rural	7	6	-1
4	Alto	Cherokee	Rural	5	4	-1
4	Annona	Red River	Rural	7	6	-1
4	Arp	Smith	Rural	4	3	-1
	Athens	Henderson	Rural	5	4	-1
	Atlanta	Cass	Rural	5	4	-1
	Avery	Red River	Rural	6	5	-1
	Avinger	Cass	Rural	7	6	-1
	Beckville	Panola	Rural	7	6	-1
	Berryville	Henderson	Rural	5	4	-1
	Big Sandy	Upshur	Rural	4	3	-1
	Bloomburg	Cass	Rural	4	3	-1
4			Rural	5	4	-1
	Blossom	Lamar Dad Divor		4	3	-1 -1
	Bogata	Red River	Rural			
	Brownsboro	Henderson	Rural	7	6	-1
	Bullard	Smith	Rural	6	5	-1
		Henderson	Rural	7	6	-1
4	Canton	Van Zandt	Rural	5	4	-1
4	Carthage	Panola	Rural	6	5	-1
4	Chandler	Henderson	Rural	5	4	-1
4	Clarksville	Red River	Rural	6	5	-1
4	Clarksville City	Gregg	Rural	5	4	-1
4	Coffee City	Henderson	Rural	4	3	-1
4	Como	Hopkins	Rural	5	4	-1
4	Cooper	Delta	Rural	7	6	-1
4	Cumby	Hopkins	Rural	6	5	-1
4	Cuney	Cherokee	Rural	5	4	-1
4	Daingerfield	Morris	Rural	7	6	-1
4	De Kalb	Bowie	Rural	7	6	-1
4	Deport	Lamar	Rural	5	4	-1
4	Detroit	Red River	Rural	5	4	-1
4	Domino	Cass	Rural	4	3	-1
4	Douglassville	Cass	Rural	4	3	-1
4	East Mountain	Upshur	Rural	5	4	-1
4	East Tawakoni	Rains	Rural	7	6	-1
4	Easton	Gregg	Rural	4	3	-1
4	Edgewood	Van Zandt	Rural	6	5	-1
4	Edom	Van Zandt	Rural	7	6	-1
4	Elkhart	Anderson	Rural	7	5	-2
4	Emory	Rains	Rural	7	6	-1
4	Enchanted Oaks	Henderson	Rural	7	6	-1
4	Eustace	Henderson	Rural	4	3	-1
4	Frankston	Anderson	Rural	5	4	-1
4	Fruitvale	Van Zandt	Rural	5	4	-1
4	Gallatin	Cherokee	Rural	5	4	-1
4	Gary City	Panola	Rural	4	3	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
4	Gilmer	Upshur	Rural	7	6	-1
4	Gladewater	Gregg	Rural	7	5	-2
	Grand Saline	Van Zandt	Rural	4	3	-1
	Gun Barrel City	Henderson	Rural	6	5	-1
	Hallsville	Harrison	Rural	4	3	-1
	Hawkins	Wood	Rural	7	6	-1
	Henderson	Rusk	Rural	4	3	-1
	Hooks	Bowie	Rural	5	4	-1
	Hughes Springs	Cass	Rural	5	4	-1
_	Jacksonville	Cherokee	Rural	5	4	-1
	Jefferson	Marion	Rural	7	6	-1
	Kilgore	Gregg	Rural	5	4	-1
				5	4	-1
	Lakeport	Gregg Bowie	Rural Rural	4	3	-1 -1
	Leary			5	4	-1 -1
	Liberty City	Gregg	Rural			
	Lindale	Smith	Rural	6	5	-1
	Linden	Cass	Rural	5	4	-1
	Log Cabin	Henderson	Rural	7	6	-1
	Lone Star	Morris	Rural	5	4	-1
	Longview	Gregg	Urban	6	5	-1
	Malakoff	Henderson	Rural	6	5	-1
	Marietta	Cass	Rural	4	3	-1
	Marshall	Harrison	Rural	5	4	-1
	Maud	Bowie	Rural	7	6	-1
4	Miller's Cove	Titus	Rural	6	5	-1
4	Mineola	Wood	Rural	6	5	-1
4	Moore Station	Henderson	Rural	7	6	-1
4	Mount Enterprise	Rusk	Rural	5	4	-1
4	Mount Pleasant	Titus	Rural	5	4	-1
4	Mount Vernon	Franklin	Rural	4	3	-1
4	Murchison	Henderson	Rural	4	3	-1
4	Naples	Morris	Rural	7	6	-1
4	Nash	Bowie	Urban	6	5	-1
4	Nesbitt	Harrison	Rural	4	3	-1
4	New Boston	Bowie	Rural	7	6	-1
4	New Chapel Hill	Smith	Rural	4	3	-1
4	New London	Rusk	Rural	6	5	-1
4	New Summerfield	Cherokee	Rural	5	4	-1
4	Noonday	Smith	Rural	5	4	-1
4	Omaha	Morris	Rural	7	6	-1
4	Ore City	Upshur	Rural	7	6	-1
4	Overton	Rusk	Rural	7	6	-1
4	Palestine	Anderson	Rural	6	5	-1
4	Paris	Lamar	Rural	6	5	-1
4	Payne Springs	Henderson	Rural	4	3	-1
	Pecan Gap	Delta	Rural	6	5	-1
	Pittsburg	Camp	Rural	4	3	-1
	Point	Rains	Rural	7	6	-1
4	Poynor	Henderson	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Queen City	Cass	Rural	7	6	-1
	Quitman	Wood	Rural	5	4	-1
	Red Lick	Bowie	Rural	7	6	-1
	Redwater	Bowie	Rural	6	4	-2
	Reklaw	Cherokee	Rural	4	3	<u> </u>
	Reno (Lamar)	Lamar	Rural	4	3	-1
	Rocky Mound	Camp	Rural	4	3	-1
	Roxton	Lamar	Rural	6	5	-1
	Rusk	Cherokee	Rural	6	5	-1
	Scottsville	Harrison	Rural	5	4	<u>'</u> -1
	Seven Points	Henderson	Rural	4	3	<u>'</u> -1
	Star Harbor	Henderson	Rural	4	3	-1
	Sulphur Springs	Hopkins	Rural	6	5	-1
	Sun Valley	Lamar	Rural	4	3	-1
	Talco	Titus	Rural	6	5	-1
	Tatum	Rusk		6	5	-1 -1
4	Texarkana		Rural	5	4	-1 -1
4		Bowie	Urban			
	Tira	Hopkins	Rural	4	3	-1
	Toco	Lamar	Rural	7	6	-1
	Tool	Henderson	Rural	4	3	-1
	Trinidad	Henderson	Rural	6	5	-1
	Troup	Smith	Rural	6	5	-1
	Tyler	Smith	Urban	6	5	-1
	Uncertain	Harrison	Rural	6	6	0
	Union Grove	Upshur	Rural	4	3	-1
	Van	Van Zandt	Rural	7	6	-1
4	Wake Village	Bowie	Urban	5	4	-1
	Warren City	Gregg	Rural	7	6	-1
4	Waskom	Harrison	Rural	5	4	-1
4	Wells	Cherokee	Rural	6	5	-1
	White Oak	Gregg	Urban	6	5	-1
4	Whitehouse	Smith	Rural	4	3	-1
4	Wills Point	Van Zandt	Rural	5	4	-1
4	Winfield	Titus	Rural	5	4	-1
4	Winnsboro	Wood	Rural	6	5	-1
4	Winona	Smith	Rural	4	3	-1
4	Yantis	Wood	Rural	4	3	-1
5	Appleby	Nacogdoches	Rural	6	5	-1
5	Beaumont	Jefferson	Urban	6	4	-2
5	Bevil Oaks	Jefferson	Rural	4	3	-1
5	Bridge City	Orange	Rural	6	5	-1
5	Broaddus	San Augustine	Rural	7	6	-1
5	Browndell	Jasper	Rural	4	3	-1
5	Buna	Jasper	Rural	4	3	-1
5	Burke	Angelina	Rural	7	6	-1
5	Center	Shelby	Rural	5	4	-1
	Central Gardens	Jefferson	Rural	4	3	-1
5	Chester	Tyler	Rural	5	4	-1
	China	Jefferson	Rural	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
-	Chireno	Nacogdoches	Rural	5	4	-1
	Coldspring	San Jacinto	Rural	5	5	0
	Colmesneil	Tyler	Rural	6	4	-2
	Corrigan	Polk	Rural	7	6	-1
5	Crockett	Houston	Rural	5	4	-1
	Cushing	Nacogdoches	Rural	6	5	-1
	Deweyville	Newton	Rural	5	5	0
	Diboll	Angelina	Rural	5	4	-1
	Evadale	Jasper	Rural	4	3	-1
5	Garrison	Nacogdoches	Rural	5	4	-1
5	Goodrich	Polk	Rural	4	3	-1
		Houston		7		
	Grapeland		Rural		6	-1
	Groves	Jefferson	Urban	5	4	-1
	Groveton	Trinity	Rural	6	5	-1
	Hemphill	Sabine	Rural	4	3	-1
5	Hudson	Angelina	Rural	5	4	-1
	Huntington	Angelina	Rural	6	5	-1
	Huxley	Shelby	Rural	4	3	-1
	Jasper	Jasper	Rural	5	4	-1
	Joaquin	Shelby	Rural	4	3	-1
	Kennard	Houston	Rural	7	6	-1
	Kirbyville	Jasper	Rural	6	5	-1
	Kountze	Hardin	Rural	6	5	-1
5	Latexo	Houston	Rural	4	3	-1
	Livingston	Polk	Rural	6	5	-1
5	Lovelady	Houston	Rural	7	6	-1
5	Lufkin	Angelina	Rural	6	5	-1
5	Lumberton	Hardin	Rural	4	3	-1
5	Mauriceville	Orange	Rural	5	4	-1
5	Milam	Sabine	Rural	4	3	-1
5	Nacogdoches	Nacogdoches	Rural	7	6	-1
5	Nederland	Jefferson	Urban	5	4	-1
5	Newton	Newton	Rural	7	6	-1
5	Nome	Jefferson	Rural	6	5	-1
5	Oakhurst	San Jacinto	Rural	5	4	-1
5	Onalaska	Polk	Rural	7	6	-1
5	Orange	Orange	Rural	6	5	-1
5	Pine Forest	Orange	Rural	6	5	-1
5	Pineland	Sabine	Rural	7	6	-1
5	Pinewood Estates	Hardin	Rural	4	3	-1
5	Point Blank	San Jacinto	Rural	5	4	-1
5	Port Arthur	Jefferson	Urban	4	3	-1
5	Port Neches	Jefferson	Urban	5	4	-1
	Rose City	Orange	Rural	6	5	-1
	Rose Hill Acres	Hardin	Urban	7	6	-1
	San Augustine	San Augustine	Rural	6	5	-1
	Seven Oaks	Polk	Rural	4	3	-1
	Shepherd	San Jacinto	Rural	5	4	-1
	Silsbee	Hardin	Rural	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Sour Lake	Hardin	Rural	4	3	-1
	South Toledo Bend	Newton	Rural	4	3	-1
	Tenaha	Shelby	Rural	6	5	-1
	Timpson	Shelby	Rural	7	6	-1
	Trinity	Trinity	Rural	6	5	<u>-1</u>
	Vidor	Orange	Rural	5	4	-1
	West Livingston	Polk	Rural	6	5	<u>-1</u>
	West Orange	Orange	Rural	5	4	-1
	Woodville	Tyler	Rural	7	6	-1
	Zavalla	Angelina	Rural	7	6	-1
	Aldine	Harris	Urban	4	3	-1
	Alvin	Brazoria	Urban	6	5	-1
	Ames		Rural	5	4	-1
	Anahuac	Liberty Chambers	Rural	6	5	-1 -1
						-3
	Angleton	Brazoria	Rural	6	3	
	Arcola	Fort Bend	Rural	6	5	-1
	Atascocita	Harris	Urban	6	4	-2
	Bacliff	Galveston	Urban	7	6	-1
	Bailey's Prairie	Brazoria	Rural	4	3	-1
	Barrett	Harris	Rural	7	6	-1
	Bay City	Matagorda	Rural	6	5	-1
	Bayou Vista	Galveston	Rural	5	4	-1
	Baytown	Harris	Urban	4	3	-1
_	Beach City	Chambers	Urban	5	4	-1
	Beasley	Fort Bend	Rural	5	4	-1
6	Bellaire	Harris	Urban	5	4	-1
6	Bellville	Austin	Rural	4	3	-1
6	Blessing	Matagorda	Rural	4	3	-1
6	Boling-lago	Wharton	Rural	4	3	-1
6	Bolivar Peninsula	Galveston	Rural	7	6	-1
6	Bonney	Brazoria	Rural	4	3	-1
6	Brazoria	Brazoria	Rural	6	5	-1
6	Brookshire	Waller	Rural	7	6	-1
6	Brookside Village	Brazoria	Urban	5	4	-1
6	Bunker Hill Village	Harris	Urban	7	6	-1
6	Channelview	Harris	Urban	6	5	-1
6	Cinco Ranch	Fort Bend	Urban	6	5	-1
6	Clear Lake Shores	Galveston	Urban	5	4	-1
6	Cleveland	Liberty	Rural	7	6	-1
6	Cloverleaf	Harris	Urban	7	6	-1
6	Clute	Brazoria	Urban	5	3	-2
6	Columbus	Colorado	Rural	5	4	-1
6	Conroe	Montgomery	Urban	4	4	0
6	Cove	Chambers	Rural	7	6	-1
6	Crosby	Harris	Rural	5	5	0
	Cumings	Fort Bend	Rural	4	3	-1
_	Cut and Shoot	Montgomery	Urban	7	6	-1
	Daisetta	Liberty	Rural	6	5	-1
	Damon	Brazoria	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Danbury	Brazoria	Rural	7	6	-1
	Dayton	Liberty	Rural	6	5	-1
	Dayton Lakes	Liberty	Rural	4	3	-1
-	Deer Park	Harris	Urban	6	4	-2
	Devers	Liberty	Rural	7	6	-1
	Dickinson	Galveston	Urban	7	5	-2
	Eagle Lake	Colorado	Rural	6	5	-1
	East Bernard	Wharton	Rural	5	4	-1
	El Campo	Wharton	Rural	5	4	-1
	El Lago	Harris	Urban	5	4	-1
	Fairchilds	Fort Bend	Rural	5	4	-1
	Fifth Street	Fort Bend	Urban	5	4	-1
	Four Corners	Fort Bend		6	5	-1
		Brazoria	Urban Urban	6	5	-1 -1
	Freeport			6	5	-1 -1
	Fresno	Fort Bend	Urban			
	Friendswood	Galveston	Urban	6	5	-1
	Fulshear	Fort Bend	Rural	7	6	-1
	Galena Park	Harris	Urban	5	4	-1
	Galveston	Galveston	Urban	7	6	-1
	Greatwood	Fort Bend	Urban	6	5	-1
	Hardin	Liberty	Rural	4	3	-1
	Hedwig Village	Harris	Urban	6	5	-1
-	Hempstead	Waller	Rural	4	3	-1
-	Highlands	Harris	Urban	5	4	-1
6	Hillcrest	Brazoria	Rural	7	6	-1
	Hilshire Village	Harris	Urban	7	6	-1
6	Hitchcock	Galveston	Rural	4	3	-1
6	Holiday Lakes	Brazoria	Rural	7	6	-1
6	Houston	Harris	Urban	5	4	-1
6	Humble	Harris	Urban	4	3	-1
6	Hungerford	Wharton	Rural	4	3	-1
6	Hunters Creek Village	Harris	Urban	4	3	-1
6	Huntsville	Walker	Rural	7	6	-1
6	Industry	Austin	Rural	4	3	-1
6	Iowa Colony	Brazoria	Urban	6	5	-1
6	Jacinto City	Harris	Urban	4	3	-1
6	Jamaica Beach	Galveston	Urban	7	6	-1
6	Jersey Village	Harris	Urban	4	3	-1
6	Jones Creek	Brazoria	Rural	5	4	-1
6	Katy	Harris	Urban	4	3	-1
6	Kemah	Galveston	Urban	7	6	-1
6	Kendleton	Fort Bend	Rural	5	4	-1
6	Kenefick	Liberty	Rural	5	4	-1
6	La Marque	Galveston	Urban	6	5	-1
	La Porte	Harris	Urban	4	3	-1
	Lake Jackson	Brazoria	Urban	6	4	-2
-	League City	Galveston	Urban	4	3	-1
	Liberty	Liberty	Rural	7	4	-3
_	Liverpool	Brazoria	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Louise	Wharton	Rural	5	4	-1
	Magnolia	Montgomery	Rural	7	6	-1
	Manvel	Brazoria	Urban	4	3	-1
	Markham	Matagorda	Rural	4	3	-1
	Mission Bend	Fort Bend	Urban	6	5	-1
	Missouri City	Fort Bend	Urban	6	4	-2
	Mont Belvieu	Chambers	Rural	5	4	<u>-</u> -1
_	Montgomery	Montgomery	Rural	7	6	-1
	Morgan's Point	Harris	Urban	6	5	-1
	Nassau Bay	Harris	Urban	7	6	-1
	Needville	Fort Bend	Rural	4	3	-1
	New Territory	Fort Bend	Urban	5	4	-1
	New Waverly	Walker	Rural	7	6	-1
	North Cleveland	Liberty	Rural	4	3	-1
	Oak Ridge North	Montgomery	Urban	6	5	-1
6	Old River-Winfree	Chambers	Rural	7	5	-2
6	Orchard	Fort Bend	Rural	4	3	-1
	Oyster Creek	Brazoria	Rural	5	4	-1
	Palacios			5	4	-1 -1
		Matagorda	Rural			
	Panorama Village	Montgomery	Urban	6	5	-1
	Pasadena	Harris	Urban	6	4	-2
	Pattison	Waller	Rural	5	5	0
	Patton Village	Montgomery	Rural	6	5	-1
	Pearland	Brazoria	Urban	5	5	0
	Pecan Grove	Fort Bend	Rural	5	4	-1
	Pine Island	Waller	Rural	5	4	-1
	Pinehurst (Montgomery)	Montgomery	Rural	5	4	-1
	Piney Point Village	Harris	Urban	5	4	-1
6	Pleak	Fort Bend	Rural	7	6	-1
	Plum Grove	Liberty	Rural	4	3	-1
6	Porter Heights	Montgomery	Rural	4	3	-1
6	Prairie View	Waller	Rural	4	3	-1
6	Quintana	Brazoria	Rural	4	3	-1
6	Richmond	Fort Bend	Rural	6	5	-1
6	Richwood	Brazoria	Urban	5	4	-1
6	Riverside	Walker	Rural	7	6	-1
6	Roman Forest	Montgomery	Rural	5	4	-1
6	Rosenberg	Fort Bend	Rural	5	5	0
6	San Felipe	Austin	Rural	7	6	-1
6	San Leon	Galveston	Urban	7	6	-1
6	Santa Fe	Galveston	Urban	5	4	-1
6	Seabrook	Harris	Urban	5	4	-1
6	Sealy	Austin	Rural	4	3	-1
6	Sheldon	Harris	Rural	4	3	-1
6	Shenandoah	Montgomery	Urban	7	6	-1
6	Shoreacres	Harris	Urban	7	6	-1
6	Sienna Plantation	Fort Bend	Urban	5	5	0
6	Simonton	Fort Bend	Rural	7	6	-1
6	South Houston	Harris	Urban	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Southside Place	Harris	Urban	7	6	-1
6	Splendora	Montgomery	Rural	7	6	-1
	Spring	Harris	Urban	5	4	-1
	Spring Valley	Harris	Urban	5	4	-1
	Stafford	Fort Bend	Urban	6	5	-1
	Stagecoach	Montgomery	Rural	4	3	-1
	Stowell	Chambers	Rural	5	4	-1
	Sugar Land	Fort Bend	Urban	6	5	-1
	Surfside Beach	Brazoria	Rural	5	4	-1
	Sweeny	Brazoria	Rural	5	4	-1
	·	Harris	Urban	4	3	-1
	Taylor Lake Village			7		
	Texas City	Galveston	Urban		6	-1
	The Woodlands	Montgomery	Urban	5	4	-1
	Thompsons	Fort Bend	Urban	5	4	-1
	Tiki Island	Galveston	Urban	4	3	-1
6	Tomball	Harris	Rural	6	6	0
	Van Vleck	Matagorda	Rural	4	3	-1
6	Waller	Waller	Rural	5	4	-1
6	Wallis	Austin	Rural	4	3	-1
6	Webster	Harris	Urban	4	3	-1
6	Weimar	Colorado	Rural	6	5	-1
6	West Columbia	Brazoria	Rural	7	6	-1
6	West University Place	Harris	Urban	4	3	-1
6	Wharton	Wharton	Rural	6	5	-1
6	Wild Peach Village	Brazoria	Rural	4	3	-1
6	Willis	Montgomery	Rural	4	3	-1
6	Winnie	Chambers	Rural	5	4	-1
6	Woodbranch	Montgomery	Rural	5	4	-1
6	Woodloch	Montgomery	Rural	7	6	-1
7	Anderson Mill	Williamson	Urban	6	5	-1
7	Austin	Travis	Urban	6	5	-1
7	Bartlett	Williamson	Rural	7	6	-1
7	Barton Creek	Travis	Urban	7	6	-1
7	Bastrop	Bastrop	Rural	4	5	1
	Bear Creek	Hays	Rural	4	3	-1
	Bee Cave	Travis	Rural	5	4	-1
7	Bertram	Burnet	Rural	5	4	-1
7	Blanco	Blanco	Rural	6	5	-1
	Briarcliff	Travis	Rural	5	4	-1
	Brushy Creek	Williamson	Urban	5	4	-1
	Buchanan Dam	Llano	Rural	6	5	-1
	Buda	Hays	Urban	5	3	-2
7	Burnet	Burnet	Rural	5	4	-1
				4	3	-1
	Camp Swift	Bastrop	Rural	7		
	Carmine Coder Bork	Fayette	Rural		6	-1
7	Cedar Park	Williamson	Urban	4	3	-1
	Circle D-KC Estates	Bastrop	Rural	4	3	-1
	Cottonwood Shores	Burnet	Rural	7	6	-1
7	Creedmoor	Travis	Rural	4	3	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
_	Dripping Springs	Hays	Rural	4	3	-1
	Elgin	Bastrop	Rural	5	4	-1
	Fayetteville	Fayette	Rural	5	4	-1
7	Flatonia	Fayette	Rural	6	5	-1
7	Florence	Williamson	Rural	7	6	-1
7	Garfield	Travis	Rural	5	4	-1
7	Georgetown	Williamson	Urban	4	4	0
7	Giddings	Lee	Rural	4	3	-1
7	Granger	Williamson	Rural	6	5	-1
7	Granite Shoals	Burnet	Rural	6	5	-1
	Hays	Hays	Rural	4	3	-1
	Highland Haven	Burnet	Rural	7	6	-1
	Horseshoe Bay	Llano	Rural	5	4	-1
	Hudson Bend	Travis	Urban	6	5	-1
7	Hutto	Williamson	Rural	6	5	-1
	Johnson City	Blanco	Rural	4	3	-1
	Jollyville	Williamson	Urban	6	5	-1
	Jonestown	Travis	Rural	7	6	-1
	Kingsland	Llano	Rural	4	3	-1
	•		Rural	4	4	0
	Kyle	Hays		6	5	-1
	La Grange	Fayette	Rural			
	Lago Vista	Travis	Rural	7	6	-1
	Lakeway	Travis	Rural	5	4	-1
	Leander	Williamson	Urban	7	6	-1
	Lexington	Lee	Rural	5	4	-1
	Liberty Hill	Williamson	Rural	4	3	-1
7	Llano	Llano	Rural	5	4	-1
7	Lockhart	Caldwell	Rural	6	5	-1
	Lost Creek	Travis	Urban	5	4	-1
	Luling	Caldwell	Rural	5	4	-1
	Manor	Travis	Urban	4	4	0
	Marble Falls	Burnet	Rural	5	4	-1
	Martindale	Caldwell	Rural	6	5	-1
	Meadowlakes	Burnet	Rural	7	6	-1
	Mountain City	Hays	Rural	7	6	-1
	Mustang Ridge	Caldwell	Rural	4	3	-1
7	Niederwald	Hays	Rural	5	4	-1
7	Onion Creek	Travis	Urban	5	4	-1
	Pflugerville	Travis	Urban	4	3	-1
	Rollingwood	Travis	Urban	7	6	-1
	Round Mountain	Blanco	Rural	4	3	-1
	Round Rock	Williamson	Urban	6	5	-1
7	Round Top	Fayette	Rural	4	3	-1
7	San Leanna	Travis	Urban	7	6	-1
7	San Marcos	Hays	Urban	7	6	-1
7	Schulenburg	Fayette	Rural	6	5	-1
7	Serenada	Williamson	Urban	7	6	-1
7	Shady Hollow	Travis	Urban	5	4	-1
7	Smithville	Bastrop	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Sunrise Beach Village	Llano	Rural	7	5	-2
	Sunset Valley	Travis	Urban	6	5	-1
	Taylor	Williamson	Rural	6	5	-1
	The Hills	Travis	Rural	4	3	-1
	Thrall	Williamson	Rural	6	5	-1
	Uhland	Hays	Rural	7	6	-1
$\overline{}$	Weir	Williamson	Rural	5	4	-1
	Wells Branch	Travis	Urban	6	5	-1
	West Lake Hills	Travis	Urban	4	3	-1
	Wimberley	Hays	Rural	6	5	<u>'</u> -1
_	Windemere	Travis	Urban	6	5	<u>'</u> -1
	Woodcreek	Hays	Rural	6	5	-1
	Wyldwood	Bastrop	Rural	4	3	-1
	Abbott	Hill	Rural	5	4	-1
	Anderson	Grimes	Rural	4	3	-1
		Hill		7	6	-1 -1
	Aquilla Bellmead	McLennan	Rural	5	4	-1 -1
			Urban			
_	Belton	Bell	Urban	5	4	-1
	Beverly Hills	McLennan	Urban	6	5	-1
	Blum	Hill	Rural	7	6	-1
	Bremond	Robertson	Rural	5	4	-1
	Brenham	Washington	Rural	5	4	-1
	Bruceville-Eddy	McLennan	Rural	6	5	-1
	Bryan	Brazos	Urban	7	6	-1
	Buckholts	Milam	Rural	7	6	-1
	Buffalo	Leon	Rural	7	6	-1
8	Burton	Washington	Rural	5	4	-1
_	Bynum	Hill	Rural	7	6	-1
8	Caldwell	Burleson	Rural	5	4	-1
8	Calvert	Robertson	Rural	4	3	-1
8	Cameron	Milam	Rural	4	3	-1
8	Carl's Corner	Hill	Rural	7	6	-1
8	Centerville	Leon	Rural	6	4	-2
8	Clifton	Bosque	Rural	4	3	-1
8	College Station	Brazos	Urban	7	6	-1
8	Coolidge	Limestone	Rural	6	5	-1
8	Copperas Cove	Coryell	Urban	5	4	-1
8	Covington	Hill	Rural	4	3	-1
8	Cranfills Gap	Bosque	Rural	5	4	-1
8	Crawford	McLennan	Rural	5	4	-1
8	Evant	Coryell	Rural	7	6	-1
8	Fairfield	Freestone	Rural	6	5	-1
8	Fort Hood	Bell	Urban	4	3	-1
8	Franklin	Robertson	Rural	5	4	-1
8	Gatesville	Coryell	Rural	4	4	0
	Gholson	McLennan	Rural	4	3	-1
	Goldthwaite	Mills	Rural	6	5	-1
	Golinda	Falls	Rural	6	5	-1
	Groesbeck	Limestone	Rural	5	4	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Hallsburg	McLennan	Rural	6	6	0
	Hamilton	Hamilton	Rural	4	3	-1
	Harker Heights	Bell	Urban	5	4	-1
	Hearne	Robertson	Rural	6	5	-1
	Hewitt	McLennan	Urban	5	4	-1
	Hico	Hamilton	Rural	5	4	-1
	Hillsboro	Hill	Rural	6	5	-1
	Holland	Bell	Rural	5	3	-2
	Hubbard	Hill	Rural	4	3	-1
	Iredell	Bosque	Rural	5	4	-1
	Itasca	Hill	Rural	4	3	-1
	Jewett	Leon	Rural	7	6	-1
			Rural	6	5	-1
	Kempner Killeen	Lampasas Bell	Urban	5	4	-1 -1
				4	3	-1 -1
	Kirvin	Freestone	Rural			
	Kosse	Limestone	Rural	7	6	-1
	Lacy-Lakeview	McLennan	Urban	6	5	-1
	Lampasas	Lampasas	Rural	5	4	-1
	Leona	Leon	Rural	7	6	-1
	Leroy	McLennan	Rural	4	3	-1
	Little River-Academy	Bell	Rural	7	6	-1
	Lometa	Lampasas	Rural	5	4	-1
	Lorena	McLennan	Rural	4	3	-1
	Lott	Falls	Rural	6	5	-1
	Madisonville	Madison	Rural	5	4	-1
8	Malone	Hill	Rural	4	3	-1
8	Marlin	Falls	Rural	6	5	-1
8	Marquez	Leon	Rural	6	4	-2
8	Mart	McLennan	Rural	7	6	-1
8	McGregor	McLennan	Urban	6	5	-1
8	Meridian	Bosque	Rural	4	3	-1
8	Mertens	Hill	Rural	7	6	-1
8	Mexia	Limestone	Rural	7	6	-1
8	Midway	Madison	Rural	4	3	-1
8	Milano	Milam	Rural	5	4	-1
8	Millican	Brazos	Rural	4	3	-1
8	Moody	McLennan	Rural	7	6	-1
8	Morgan	Bosque	Rural	4	3	-1
8	Morgan's Point Resort	Bell	Rural	5	4	-1
8	Mount Calm	Hill	Rural	5	4	-1
8	Mullin	Mills	Rural	6	5	-1
8	Navasota	Grimes	Rural	6	5	-1
8	Nolanville	Bell	Rural	6	5	-1
8	Normangee	Leon	Rural	4	3	-1
_	Oakwood	Leon	Rural	5	4	-1
	Oglesby	Coryell	Rural	7	6	-1
	Penelope	Hill	Rural	7	6	-1
	Richland Springs	San Saba	Rural	4	3	-1
	Riesel	McLennan	Rural	7	6	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Robinson	McLennan	Urban	5	4	-1
	Rockdale	Milam	Rural	6	5	-1
	Rogers	Bell	Rural	5	4	-1
	Rosebud	Falls	Rural	5	4	-1
	Ross	McLennan	Rural	4	3	-1
	Salado	Bell	Rural	4	4	0
	San Saba	San Saba	Rural	5	4	-1
	Snook	Burleson	Rural	7	6	-1
	Somerville	Burleson	Rural	6	5	-1
	South Mountain	Coryell	Rural	5	4	-1
	Streetman	Freestone	Rural	4	3	-1
	Teague	Freestone	Rural	5	4	-1
	Tehuacana		Rural	5	4	-1
		Limestone Bell	Urban	5	4	-1 -1
	Temple			6	5	-1 -1
	Thorndale	Milam	Rural		-	
	Thornton	Limestone	Rural	5	5	0
	Todd Mission	Grimes	Rural	4	3	-1
	Troy	Bell	Rural	6	6	0
	Valley Mills	Bosque	Rural	4	3	-1
	Waco	McLennan	Urban	7	6	-1
	Walnut Springs	Bosque	Rural	4	3	-1
	West	McLennan	Rural	5	4	-1
	Whitney	Hill	Rural	7	6	-1
	Wixon Valley	Brazos	Rural	7	6	-1
8	Woodway	McLennan	Urban	4	3	-1
8	Wortham	Freestone	Rural	7	6	-1
	Alamo Heights	Bexar	Urban	5	4	-1
9	Balcones Heights	Bexar	Urban	7	6	-1
9	Bandera	Bandera	Rural	4	3	-1
9	Bigfoot	Frio	Rural	4	3	-1
9	Boerne	Kendall	Rural	6	4	-2
9	Bulverde	Comal	Rural	4	3	-1
9	Canyon Lake	Comal	Rural	5	4	-1
9	Castle Hills	Bexar	Urban	7	6	-1
9	Castroville	Medina	Rural	6	5	-1
9	Charlotte	Atascosa	Rural	4	3	-1
9	China Grove	Bexar	Rural	4	3	-1
9	Christine	Atascosa	Rural	4	3	-1
9	Cibolo	Guadalupe	Rural	7	6	-1
9	Comfort	Kendall	Rural	5	4	-1
9	Converse	Bexar	Urban	6	3	-3
9	Cross Mountain	Bexar	Urban	4	3	-1
9	Devine	Medina	Rural	6	5	-1
	Dilley	Frio	Rural	7	6	-1
	Elmendorf	Bexar	Rural	5	4	-1
	Fair Oaks Ranch	Bexar	Urban	5	4	-1
	Falls City	Karnes	Rural	5	4	-1
	Floresville	Wilson	Rural	4	3	-1
	Fredericksburg	Gillespie	Rural	4	3	-1

9 Geronimo Guadalupe F 9 Grey Forest Bexar F 9 Harper Gillespie F 9 Helotes Bexar L 9 Hill Country Village Bexar L 9 Hilltop Frio F	Area Type Rural Rural Rural Rural Rural Urban Urban Rural	7 4 5 5	6 3 4	-1 -1
9 Geronimo Guadalupe F 9 Grey Forest Bexar F 9 Harper Gillespie F 9 Helotes Bexar U 9 Hill Country Village Bexar U 9 Hilltop Frio F	Rural Rural Urban Urban	5 5		-1
9 Grey Forest Bexar F 9 Harper Gillespie F 9 Helotes Bexar U 9 Hill Country Village Bexar U 9 Hilltop Frio F	Rural Urban Urban	5	4	
9 Harper Gillespie F 9 Helotes Bexar L 9 Hill Country Village Bexar L 9 Hilltop Frio F	Urban Urban	5		-1
9 Helotes Bexar U 9 Hill Country Village Bexar U 9 Hilltop Frio F	Urban Urban		5	0
9 Hill Country Village Bexar L 9 Hilltop Frio F	Urban	5	4	-1
9 Hilltop Frio F		4	3	-1
		4	3	-1
o Honywood Fank	Urban	7	6	-1
9 Hondo Medina F	Rural	4	4	0
	Rural	7	6	-1
	Rural	7	6	-1
	Rural	6	5	-1
	Rural	5	4	-1
	Rural	7	6	-1 -1
		4		
3,	Rural	,	3	-1
	Urban	6	5	-1
	Rural	7	6	-1
	Urban	4	3	-1
	Rural	6	5	-1
	Rural	7	6	-1
	Urban	5	4	-1
	Urban	5	4	-1
	Rural	4	4	0
-	Rural	6	5	-1
	Rural	5	4	-1
9 Moore Frio F	Rural	5	4	-1
9 Natalia Medina F	Rural	7	6	-1
9 New Berlin Guadalupe F	Rural	4	3	-1
9 New Braunfels Comal L	Urban	6	5	-1
9 North Pearsall Frio F	Rural	5	4	-1
9 Northcliff Guadalupe F	Rural	5	4	-1
9 Olmos Park Bexar L	Urban	5	4	-1
9 Pearsall Frio F	Rural	5	4	-1
9 Pleasanton Atascosa F	Rural	7	6	-1
9 Poteet Atascosa F	Rural	5	4	-1
9 Poth Wilson F	Rural	5	5	0
9 Redwood Guadalupe F	Rural	6	5	-1
9 Runge Karnes F	Rural	7	6	-1
9 San Antonio Bexar L	Urban	6	5	-1
9 Santa Clara Guadalupe F	Rural	7	6	-1
9 Scenic Oaks Bexar L	Urban	4	3	-1
9 Schertz Guadalupe L	Urban	6	5	-1
	Rural	6	5	-1
	Urban	7	6	-1
	Urban	4	3	-1
	Rural	7	6	-1
	Rural	6	6	0
- i	Rural	6	5	-1
	Rural	6	5	-1

Part	Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
9 Universal City		Terrell Hills	<del>'</del>		5	4	-1
9   West Pearsall	9	Universal City	Bexar	Rural	6	5	-1
9 Windcrest		·	_				
Szuehl   Guadalupe   Rural   4   3   -1			+				-1
10 Agua Dulce (Nueces)						-	
10   Airport Road Addition   Brooks   Rural   4   3   -1     10   Airport South La Paloma   Jim Wells   Rural   5   4   -1     10   Ailce   Ailce   Jim Wells   Rural   5   4   -1     10   Ailce Acres   Jim Wells   Rural   5   4   -1     10   Aironsas Pass   San Patricio   Rural   7   6   -1     10   Aransas Pass   San Patricio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Beeville   Bee   Rural   6   4   -2     10   Beaville   Bee   Rural   6   5   -1     10   Beaville   Bee   Rural   6   5   -1     10   Blishop   Nueces   Rural   6   5   -1     10   Blishop   Nueces   Rural   7   6   -1     10   Blibue Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Cuero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Edrowal   San Patricio   Rural   7   6   -1     10   Edrowal   San Patricio   Rural   7   6   -1			<del>                                       </del>				
10 Alfred-South La Paioma		, ,	_				
10   Alice Acres   Jim Wells   Rural   4   3   -1     10   Alice Acres   Jim Wells   Rural   4   3   -1     11   Aransas Pass   San Patricio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Beeville   Bee   Rural   6   4   -2     10   Benavides   Duval   Rural   6   5   -1     10   Bishop   Nueces   Rural   6   5   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Blice Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Coreps Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Couero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Driscoll   Nueces   Rural   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgawater-Paisano   San Patricio   Rural   7   6   -1     10   Edfona   Jackson   Rural   7   6   -1     10   Edfona   Jackson   Rural   7   6   -1     10   Edfona   Jackson   Rural   4   3   -1     10   Falfurias   Brooks   Rural   7   6   -1     10   Falfurias   Brooks   Rural   7   6   -1     10   Falganad   Jackson   Rural   5   4   -1     10   Falganad   Jackson   Rural   5   4   -1     10   Falganad   Jackson   Rural   5   4   -1     10   Gonzales   Gonzales   Rural   6   5   -1     10   Goliad   Goliad   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   4   -1     10   Ingleside   San Patricio   Rural   5   4   -1     10   Ingleside   San Patricio   Rural   7   6   -1		'	2.00.00				
10   Alice Acres   Jim Wells   Rural   4   3   -1     10   Aransas Pass   San Patricio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Beeville   Bee   Rural   6   4   -2     10   Beeville   Bee   Rural   6   5   -1     10   Bishop   Nueces   Rural   6   5   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bibonington   Victoria   Rural   7   6   -1     10   Bibonington   Victoria   Rural   7   6   -1     10   Blue Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Concepcion   Duval   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coryus Christi   Nueces   Urban   6   5   -1     10   Curo   DeWitt   Rural   4   3   -1     10   Curo   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Dirscoll   Nueces   Rural   7   6   -1     10   Edna   Jackson   Rural   7   6   -1     10   Edna   Jackson   Rural   7   6   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Fowella   Brooks   Rural   7   6   -1     10   Fowella   Brooks   Rural   5   4   -1     10   Gonzales   Gonzales   Gonzales   Rural   6   5   -1     10   Gonzales   Gonzales   Rural   6   5   -1     10   Injeside   Contact   Rural   5   4   -1     10   Injeside   Contact   Rural   5   4   -1     10   Injeside   Contact   Rural   7   6   -1     10   Kingswille   Kleberg   Rural   7   6   -1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1			+			-	
10   Aransas Pass   San Patricio   Rural   5   4   -1     10   Austwell   Refugio   Rural   7   6   -1     10   Bayside   Refugio   Rural   7   6   -1     10   Beeville   Bee   Rural   6   4   -2     10   Benavides   Duval   Rural   6   5   -1     10   Bishop   Nueces   Rural   6   5   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bishop   Nueces   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coyote Acres   Jim Wells   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Dole   San Patricio   Urban   4   3   -1     10   Dole   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edna   Jackson   Rural   7   6   -1     10   Edna   Jackson   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Falman-County Acres   San Patricio   Rural   5							
10   Austwell							
10   Bayside   Refugio   Rural   7   6   -1     10   Beeville   Bee   Rural   6   4   -2     10   Benavides   Duval   Rural   6   5   -1     10   Bishop   Nueces   Rural   6   5   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bloomington   Victoria   Rural   7   6   -1     10   Blue Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Concepcion   Duval   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coyote Acres   Jim Wellis   Rural   4   3   -1     10   Coyote Acres   Jim Wellis   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Discoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   7   6   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   5   4   -1     10   Gorge West   Live Oak   Rural   5   4   -1     10   Gorge West   Live Oak   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1							
10   Beeville   Bee   Rural   6   4   -2     10   Benavides   Duval   Rural   6   5   -1     10   Bishop   Nueces   Rural   6   5   -1     10   Bishop   Nueces   Rural   7   6   -1     10   Bloomington   Victoria   Rural   7   6   -1     10   Blue Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Concepcion   Duval   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coyote Acres   Jim Wells   Rural   4   3   -1     10   Cuero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Rural   4   3   -1     10   Discoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edrory   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Filton   Aransas   Rural   5   4   -1     10   Ganado   Jackson   Rural   5   4   -1     10   Gorge West   Live Oak   Rural   5   4   -1     10   Gregory   San Patricio   Rural   5   4   -1     10   Ingleside   San Patricio   Rural   5   4   -1     10   Ingleside   San Patricio   Rural   5   4   -1     10   Ingleside   San Patricio   Rural   7   6   -1     10   Kasar Ranch   Jim Wells   Rural   7   6   -1     10   Kasar Ranch   Jim Wells   Rural   7   6   -1     10   Kasar Ranch   Jim Wells   Rural   7   6   -1     10   Kasar Ranch   Jim Wells   Rural   7   6   -1     10   Kasar Ranc	_						
Duval   Rural   6   5   -1		•	<u> </u>			-	
10   Bishop   Nueces   Rural   6   5   -1     10   Bloomington   Victoria   Rural   7   6   -1     10   Blue Berry Hill   Bee   Rural   4   3   -1     10   Cantu Addition   Brooks   Rural   4   3   -1     10   Concepcion   Duval   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coryote Acres   Jim Wells   Rural   4   3   -1     10   Coyote Acres   Jim Wells   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Discoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edra   Jackson   Rural   7   6   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   4   3   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Foreer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   5   4   -1     10   Gonado   Jackson   Rural   5   4   -1     10   Gonado   Jackson   Rural   5   4   -1     10   Gonado   Jackson   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Injeside on the Bay   San Patricio   Urban   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   Klasr Ranch   Jim Wells   Rural   7   6   -1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1							
10   Bloomington   Victoria   Rural   7   6   .1     10   Blue Berry Hill   Bee   Rural   4   3   .1     10   Cantu Addition   Brooks   Rural   4   3   .1     10   Concepcion   Duval   Rural   4   3   .1     10   Corpus Christi   Nueces   Urban   6   5   .1     10   Coyote Acres   Jim Wells   Rural   7   6   .1     10   Cuero   DeWitt   Rural   7   6   .1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   .1     10   Duyle   San Patricio   Rural   7   6   .1     10   Discoll   Nueces   Rural   7   6   .1     10   Edgewater-Paisano   San Patricio   Rural   7   6   .1     10   Edgewater-Paisano   San Patricio   Rural   7   6   .1     10   Edroy   San Patricio   Rural   7   6   .1     10   Edroy   San Patricio   Rural   7   6   .1     10   Edroy   San Patricio   Rural   4   3   .1     10   Falfurrias   Brooks   Rural   4   3   .1     10   Falfurrias   Brooks   Rural   7   6   .1     10   Falman-County Acres   San Patricio   Rural   7   6   .1     10   Fowella   Brooks   Rural   7   6   .1     10   Falman-County Acres   San Patricio   Rural   5   4   .1     10   Fulton   Aransas   Rural   5   4   .1     10   Ganado   Jackson   Rural   5   4   .1     10   Ganado   Jackson   Rural   5   4   .1     10   Gorge West   Live Oak   Rural   5   4   .1     10   Hallettsville   Lavaca   Rural   6   5   .1     10   Ingleside   San Patricio   Urban   7   6   .1     10   K-Bar Ranch   Jim Wells   Rural   7   6   .1     10   Kingsville   Kleberg   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   Rura   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   .1     10   La Paloma-Lost Creek   Nueces   Rural   7   6						-	
10   Blue Berry Hill   Bee   Rural   4   3   -1	-	•	_				
10   Cantu Addition			_				
10   Concepcion   Duval   Rural   4   3   -1     10   Corpus Christi   Nueces   Urban   6   5   -1     10   Coyote Acres   Jim Wells   Rural   4   3   -1     10   Cuero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   7   6   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   5   4   -1     10   Ganado   Jackson   Rural   5   4   -1     10   Goigad   Goliad   Rural   5   4   -1     10   Goigad   Goliad   Rural   5   4   -1     10   Gorgary   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1	_						
10   Corpus Christi							
10   Coyote Acres   Jim Wells   Rural   4   3   -1     10   Cuero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   7   6   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Goliad   Rural   5   4   -1     10   Gregory   San Patricio   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1		·	+				
10   Cuero   DeWitt   Rural   7   6   -1     10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   7   6   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   5   4   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   5   -1     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   5   4   -1     10   Ingeside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1			+				
10   Del Sol-Loma Linda   San Patricio   Rural   4   3   -1     10   Doyle   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   5   4   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   5   -1     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   5   4   -1     10   Ingeside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1							
10   Doyle   San Patricio   Urban   4   3   -1     10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Eddna   Jackson   Rural   6   5   -1     10   Eddroy   San Patricio   Rural   4   3   -1     10   Eddroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   5   -1     10   Hallettsville   Lavaca   Rural   5   4   -1     10   Ingeside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1			+	Rural			
10   Driscoll   Nueces   Rural   7   6   -1     10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   5   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Inez   Victoria   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   Kapar Rural   Rural   7   6   -1	10	Del Sol-Loma Linda	San Patricio	Rural			-1
10   Edgewater-Paisano   San Patricio   Rural   7   6   -1     10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   4   -2     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   5   4   -1     10   Inez   Victoria   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1	10	Doyle	San Patricio	Urban		3	-1
10   Edna   Jackson   Rural   6   5   -1     10   Edroy   San Patricio   Rural   4   3   -1     10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   4   -2     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Inez   Victoria   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1	10	Driscoll	Nueces	Rural	7	6	-1
10 Edroy         San Patricio         Rural         4         3         -1           10 Encino         Brooks         Rural         4         3         -1           10 Falfurrias         Brooks         Rural         7         6         -1           10 Falman-County Acres         San Patricio         Rural         7         6         -1           10 Flowella         Brooks         Rural         4         3         -1           10 Freer         Duval         Rural         5         4         -1           10 Freer         Duval         Rural         5         4         -1           10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ing			San Patricio	Rural	7	6	-1
10   Encino   Brooks   Rural   4   3   -1     10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   4   -2     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Inez   Victoria   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside   On the Bay   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   6   -1     10   Kingsville   Kleberg   Rural   7   6   -1     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1	10	Edna	Jackson	Rural	6	5	-1
10   Falfurrias   Brooks   Rural   7   6   -1     10   Falman-County Acres   San Patricio   Rural   7   6   -1     10   Flowella   Brooks   Rural   4   3   -1     10   Freer   Duval   Rural   5   4   -1     10   Fulton   Aransas   Rural   6   5   -1     10   Ganado   Jackson   Rural   5   4   -1     10   George West   Live Oak   Rural   5   4   -1     10   Goliad   Goliad   Rural   5   3   -2     10   Gonzales   Gonzales   Rural   6   4   -2     10   Gregory   San Patricio   Rural   5   4   -1     10   Hallettsville   Lavaca   Rural   6   5   -1     10   Inez   Victoria   Rural   5   4   -1     10   Ingleside   San Patricio   Urban   5   4   -1     10   Ingleside on the Bay   San Patricio   Urban   7   6   -1     10   K-Bar Ranch   Jim Wells   Rural   7   5   -2     10   La Paloma-Lost Creek   Nueces   Rural   7   6   -1	10	Edroy	San Patricio	Rural	4	3	-1
10 Falman-County Acres         San Patricio         Rural         7         6         -1           10 Flowella         Brooks         Rural         4         3         -1           10 Freer         Duval         Rural         5         4         -1           10 Fulton         Aransas         Rural         6         5         -1           10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Kingsville         Kleberg         Rural         7         6         -1	10	Encino	Brooks	Rural	4	3	-1
10 Flowella         Brooks         Rural         4         3         -1           10 Freer         Duval         Rural         5         4         -1           10 Fulton         Aransas         Rural         6         5         -1           10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 Kingsville         Kleberg         Rural         7         6         -1           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1 <td>10</td> <td>Falfurrias</td> <td>Brooks</td> <td>Rural</td> <td>7</td> <td>6</td> <td>-1</td>	10	Falfurrias	Brooks	Rural	7	6	-1
10 Freer         Duval         Rural         5         4         -1           10 Fulton         Aransas         Rural         6         5         -1           10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 Kingsville         Kleberg         Rural         7         6         -1           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Falman-County Acres	San Patricio	Rural	7	6	-1
10 Fulton         Aransas         Rural         6         5         -1           10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         6         -1           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1 <td>10</td> <td>Flowella</td> <td>Brooks</td> <td>Rural</td> <td>4</td> <td>3</td> <td>-1</td>	10	Flowella	Brooks	Rural	4	3	-1
10 Ganado         Jackson         Rural         5         4         -1           10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Freer	Duval	Rural	5	4	-1
10 George West         Live Oak         Rural         5         4         -1           10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Fulton	Aransas	Rural	6	5	-1
10 Goliad         Goliad         Rural         5         3         -2           10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Ganado	Jackson	Rural	5	4	-1
10 Gonzales         Gonzales         Rural         6         4         -2           10 Gregory         San Patricio         Rural         5         4         -1           10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	George West	Live Oak	Rural	5	4	-1
10 Gregory       San Patricio       Rural       5       4       -1         10 Hallettsville       Lavaca       Rural       6       5       -1         10 Inez       Victoria       Rural       5       4       -1         10 Ingleside       San Patricio       Urban       5       4       -1         10 Ingleside on the Bay       San Patricio       Urban       7       6       -1         10 K-Bar Ranch       Jim Wells       Rural       7       6       -1         10 Kingsville       Kleberg       Rural       7       5       -2         10 La Paloma-Lost Creek       Nueces       Rural       7       6       -1	10	Goliad	Goliad	Rural	5	3	-2
10 Hallettsville         Lavaca         Rural         6         5         -1           10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Gonzales	Gonzales	Rural	6	4	-2
10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Gregory	San Patricio	Rural	5	4	-1
10 Inez         Victoria         Rural         5         4         -1           10 Ingleside         San Patricio         Urban         5         4         -1           10 Ingleside on the Bay         San Patricio         Urban         7         6         -1           10 K-Bar Ranch         Jim Wells         Rural         7         6         -1           10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	10	Hallettsville	Lavaca	Rural	6	5	-1
10 Ingleside       San Patricio       Urban       5       4       -1         10 Ingleside on the Bay       San Patricio       Urban       7       6       -1         10 K-Bar Ranch       Jim Wells       Rural       7       6       -1         10 Kingsville       Kleberg       Rural       7       5       -2         10 La Paloma-Lost Creek       Nueces       Rural       7       6       -1			Victoria	Rural	5	4	-1
10 Ingleside on the Bay       San Patricio       Urban       7       6       -1         10 K-Bar Ranch       Jim Wells       Rural       7       6       -1         10 Kingsville       Kleberg       Rural       7       5       -2         10 La Paloma-Lost Creek       Nueces       Rural       7       6       -1							
10 K-Bar Ranch       Jim Wells       Rural       7       6       -1         10 Kingsville       Kleberg       Rural       7       5       -2         10 La Paloma-Lost Creek       Nueces       Rural       7       6       -1							
10 Kingsville         Kleberg         Rural         7         5         -2           10 La Paloma-Lost Creek         Nueces         Rural         7         6         -1	_		<del> </del>				
10 La Paloma-Lost Creek Nueces Rural 7 6 -1							
	_						
10 = 1 1 1 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
10 Lake City San Patricio Rural 5 4 -1			<del> </del>				

10   Lakeshore Gardens-Hidden Acres   San Patricio   Rural   4     10   Lakeside (San Patricio)   San Patricio   Rural   4   10   Lolita   Jackson   Rural   4   10   Loma Linda East   Jim Wells   Rural   4   10   Mathis   San Patricio   Rural   7   10   Morgan Farm Area   San Patricio   Rural   7   10   Moulton   Lavaca   Rural   5   San Patricio   Rural   San Patricio   Rural   7   San Patricio   8   San Patricio	3 3 3 3 6 6 4 4	-1 -1 -1 -1 -1 -1
10 Lakeside (San Patricio)         San Patricio         Rural         4           10 Lolita         Jackson         Rural         4           10 Loma Linda East         Jim Wells         Rural         4           10 Mathis         San Patricio         Rural         7           10 Morgan Farm Area         San Patricio         Rural         7           10 Moulton         Lavaca         Rural         5	3 3 3 6 6 4 4	-1 -1 -1 -1 -1
10 Lolita         Jackson         Rural         4           10 Loma Linda East         Jim Wells         Rural         4           10 Mathis         San Patricio         Rural         7           10 Morgan Farm Area         San Patricio         Rural         7           10 Moulton         Lavaca         Rural         5	3 6 6 4 4	-1 -1 -1 -1
10 Loma Linda East         Jim Wells         Rural         4           10 Mathis         San Patricio         Rural         7           10 Morgan Farm Area         San Patricio         Rural         7           10 Moulton         Lavaca         Rural         5	3 6 6 4 4	-1 -1 -1
10 Mathis         San Patricio         Rural         7           10 Morgan Farm Area         San Patricio         Rural         7           10 Moulton         Lavaca         Rural         5	6 6 4 4	-1 -1
10Morgan Farm AreaSan PatricioRural710MoultonLavacaRural5	6 4 4	-1
10 Moulton Lavaca Rural 5	4	
	4	
10 Nixon Gonzales Rural 6		-2
10 Nordheim DeWitt Rural 5	•	-1
10 Normanna Bee Rural 4	3	-1
10 North San Pedro Nueces Rural 5	4	-1
10 Odem San Patricio Rural 6	5	-1
10 Orange Grove Jim Wells Rural 7	6	-1
10 Owl Ranch-Amargosa Jim Wells Rural 7	6	-1
10 Pawnee Bee Rural 4	3	-1
10 Pernitas Point Live Oak Rural 7	6	-1
10 Petronila Nueces Rural 4	3	-1
10 Pettus Bee Rural 5	4	-1
10 Point Comfort Calhoun Rural 6	5	-1
10 Port Aransas Nueces Urban 7	6	-1
10 Port Lavaca Calhoun Rural 6	5	-1
10 Portland San Patricio Urban 6	5	-1
10 Premont Jim Wells Rural 6	5	-1
10 Rancho Alegre Jim Wells Rural 6	6	0
10 Rancho Banquete Nueces Rural 4	3	-1
10 Rancho Chico San Patricio Rural 7	6	-1
10 Realitos Duval Rural 4	3	-1
10 Refugio Refugio Rural 5	4	-1
10 Robstown Nueces Rural 5	4	-1
10 Rockport Aransas Rural 5	4	-1
10 San Diego Duval Rural 6	5	-1
10 San Patricio San Patricio Rural 7	6	-1
10 Sandia Jim Wells Rural 4	3	-1
10 Sandy Hollow-Escondidas Nueces Rural 5	4	-1
10 Seadrift Calhoun Rural 6	5	-1
10 Shiner Lavaca Rural 6	5	-1
10 Sinton San Patricio Rural 6	5	-1
10 Skidmore Bee Rural 7	5	-2
10 Smiley Gonzales Rural 6	5	-1
10 Spring Garden-Terra Verde Nueces Rural 4	3	-1
10 St. Paul (San Patricio) San Patricio Rural 4	3	-1
10 Taft San Patricio Rural 6	5	-1
10 Taft Southwest San Patricio Rural 5	4	-1
10 Three Rivers Live Oak Rural 6	5	-1
10 Tierra Grande Nueces Rural 5	4	-1
10 Tradewinds San Patricio Rural 4	3	-1
10 Tuleta Bee Rural 4	3	-1
10 Tulsita Bee Rural 4	3	-1
10 Tynan Bee Rural 6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
_	Vanderbilt	Jackson	Rural	4	3	-1
	Victoria	Victoria	Urban	6	5	-1
	Waelder	Gonzales	Rural	5	4	-1
	Westdale	Jim Wells	Rural	4	3	-1
	Woodsboro	Refugio	Rural	6	5	-1
	Yoakum	Lavaca	Rural	7	6	-1
	Yorktown	DeWitt	Rural	6	5	-1
	Abram-Perezville	Hidalgo	Rural	7	6	-1
	Alamo	Hidalgo	Urban	4	3	-1
	Alto Bonito	Starr	Rural	4	3	-1
	Alton	Hidalgo	Rural	4	3	-1
	Alton North	Hidalgo	Rural	6	5	-1
	Arroyo Alto	Cameron	Rural	4	3	-1
	Arroyo Colorado Estates	Cameron	Rural	7	6	-1
	Arroyo Gardens-La Tina Ranch	Cameron	Rural	4	3	-1
	Asherton	Dimmit	Rural	7	6	-1
	Batesville	Zavala	Rural	6	5	-1
	Bausell and Ellis	Willacy	Rural	4	3	-1
	Bayview	Cameron	Rural	7	6	-1
	Big Wells	Dimmit	Rural	7	6	-1
	Bixby	Cameron	Rural	4	3	-1
	Bluetown-Iglesia Antigua	Cameron	Rural	6	5	-1
	Botines	Webb	Rural	7	6	-1 -1
	Box Canyon-Amistad	Val Verde	Rural	4	3	-1
	Brackettville	Kinney	Rural	7	6	-1 -1
	Brownsville	Cameron	Urban	6	5	-1
		Dimmit	Rural	4	3	-1
	Brundage Bruni	Webb	Rural	4	3	-1 -1
	Cameron Park	Cameron	Urban	5	4	-1 -1
	Camp Wood	Real	Rural	7	6	-1 -1
11	Carrizo Hill	Dimmit	Rural	7	6	-1 -1
		D		_	•	
	Carrizo Springs	Dimmit	Rural	4	3	-1 -1
	Catarina Cesar Chavez	Hidalgo	Urban	6	5	-1
	Chula Vista-Orason	Cameron		7	6	-1
	Chula Vista-Orason Chula Vista-River Spur	Zavala	Rural Rural	4	3	-1
	Cienegas Terrace	Val Verde		7	6	-1
	•		Rural		3	
	Citrus City Combes	Hidalgo Cameron	Rural Urban	6	5	-1 -1
	Cotulla			4		-1 -1
	Crystal City	La Salle Zavala	Rural Rural	6	3 5	-1 -1
				4	3	-1
	Cuevitas  Del Mar Heights	Hidalgo Cameron	Rural Rural	4	3	-1 -1
	Del Rio	Val Verde	Rural	6	5 F	-1
	Doffing	Hidalgo	Rural	6	5	-1
	Donna	Hidalgo	Rural	4	3	-1
	Doolittle Fools Bass	Hidalgo	Urban	5 7	4	-1 1
	Eagle Pass	Maverick	Rural		6	-1
11	Edcouch	Hidalgo	Rural	4	3	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Edinburg	Hidalgo	Urban	6	5	-1
	Eidson Road	Maverick	Rural	5	4	-1
	El Camino Angosto	Cameron	Rural	4	3	-1
	El Cenizo	Webb	Rural	5	4	-1
	El Indio	Maverick	Rural	7	6	-1
	El Refugio	Starr	Rural	7	6	-1
	Elm Creek	Maverick	Rural	4	3	-1
	Elsa	Hidalgo	Rural	7	6	-1
	Encantada-Ranchito El Calaboz	Cameron	Rural	4	3	-1
	Encinal	La Salle	Rural	7	6	-1
	Escobares	Starr	Rural	6	5	-1
	Falcon Heights	Starr	Rural	4	3	-1
	Falcon Lake Estates	Zapata	Rural	6	5	-1
	Falcon Mesa	Zapata	Rural	4	3	-1
11	Falcon Village	Starr	Rural	7	6	-1
	Faysville	Hidalgo	Urban	7	6	-1
	Fowlerton	La Salle	Rural	4	3	-1
	Fronton	Starr	Rural	4	3	-1
11		Starr	Rural	7	6	-1
	Grand Acres	Cameron	Rural	4	3	-1
	Granjeno	Hidalgo	Urban	4	3	-1
11	•	Cameron	Rural	4	3	-1
11	·	Jim Hogg	Rural	4	3	-1
	Harlingen	Cameron	Urban	6	5	-1
	Havana	Hidalgo	Rural	6	5	-1
	Hebbronville	Jim Hogg	Rural	6	5	-1
	Heidelberg	Hidalgo	Rural	7	6	-1
	Hidalgo	Hidalgo	Rural	6	5	-1
	Indian Hills	Hidalgo	Rural	5	4	-1
	Indian Lake	Cameron	Rural	7	6	-1
	Knippa	Uvalde	Rural	5	4	-1
	La Blanca	Hidalgo	Rural	7	6	-1
	La Casita-Garciasville	Starr	Rural	5	4	-1
	La Feria	Cameron	Rural	7	6	-1
11	La Feria North	Cameron	Rural	7	6	-1
	La Grulla	Starr	Rural	5	4	-1
	La Homa	Hidalgo	Urban	6	5	-1
	La Joya	Hidalgo	Rural	7	4	-3
	La Paloma	Cameron	Rural	7	6	-1
	La Presa	Webb	Rural	4	3	-1
	La Pryor	Zavala	Rural	6	5	-1
	La Puerta	Starr	Rural	4	3	-1
	La Rosita	Starr	Rural	6	5	-1
	La Victoria	Starr	Rural	4	3	-1
	La Villa	Hidalgo	Rural	4	3	-1
	Lago	Cameron	Rural	7	6	-1
	Laguna Heights	Cameron	Rural	5	4	-1
	Laguna Seca	Hidalgo	Rural	4	3	-1
	Laguna Vista	Cameron	Rural	4	3	-1
	- 3		1		-	<u> </u>

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Lake View	Val Verde	Rural	4	3	-1
	Laredo	Webb	Urban	6	5	-1
	Laredo Ranchettes	Webb	Rural	4	3	-1
	Larga Vista	Webb	Urban	7	6	-1
_	Las Colonias	Zavala	Rural	7	6	-1
	Las Lomas	Starr	Rural	7	6	-1
	Las Lomitas	Jim Hogg	Rural	4	3	-1
	Las Palmas-Juarez	Cameron	Rural	5	4	-1
	Las Quintas Fronterizas	Maverick	Rural	5	4	-1
				4	3	-1
	Lasana	Cameron	Urban			
	Lasara	Willacy	Rural	5	4	-1
-	Laughlin AFB	Val Verde	Rural	5	4	-1
-	Laureles	Cameron	Rural	6	5	-1
_	Leakey	Real	Rural	7	6	-1
	Llano Grande	Hidalgo	Urban	6	5	-1
_	Lopeno	Zapata	Rural	4	3	-1
	Lopezville	Hidalgo	Urban	5	4	-1
	Los Alvarez	Starr	Rural	5	4	-1
11	Los Angeles Subdivision	Willacy	Rural	7	6	-1
11	Los Ebanos	Hidalgo	Rural	6	5	-1
11	Los Fresnos	Cameron	Rural	5	4	-1
11	Los Indios	Cameron	Rural	4	3	-1
11	Los Villareales	Starr	Rural	4	3	-1
11	Lozano	Cameron	Rural	4	3	-1
11	Lyford	Willacy	Rural	6	5	-1
11	Lyford South	Willacy	Rural	7	6	-1
11	McAllen	Hidalgo	Urban	6	5	-1
11	Medina	Zapata	Rural	5	4	-1
11	Mercedes	Hidalgo	Rural	6	4	-2
11	Midway North	Hidalgo	Urban	4	3	-1
_	Midway South	Hidalgo	Urban	6	5	-1
	Mila Doce	Hidalgo	Rural	5	4	-1
	Mirando City	Webb	Rural	7	6	-1
_	Mission	Hidalgo	Urban	5	4	-1
	Monte Alto	Hidalgo	Rural	6	5	-1
	Morales-Sanchez	Zapata	Rural	4	3	-1
_	Muniz	Hidalgo	Rural	7	6	-1
-	New Falcon	Zapata	Rural	4	3	-1
	North Alamo	Hidalgo	Urban	5	4	-1
	North Escobares	Starr	Rural	7	6	-1
	Nurillo	Hidalgo	Urban	6	5	-1
_	Oilton	Webb	Rural	4	3	-1
	Olivarez	1	Rural	6	5	-1 -1
		Hidalgo				
	Olmito  Polm Volloy	Cameron	Urban	6	5	-1
	Palm Valley	Cameron	Urban	5	4	-1
_	Palmhurst	Hidalgo	Urban	6	5	-1
	Palmview	Hidalgo	Urban	6	5	-1
	Palmview South	Hidalgo	Urban	6	5	-1
11	Penitas	Hidalgo	Rural	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Pharr	Hidalgo	Urban	5	4	-1
	Port Isabel	Cameron	Rural	6	5	-1
_	Port Mansfield	Willacy	Rural	6	5	-1
-	Primera	Cameron	Urban	6	5	-1
	Progreso	Hidalgo	Rural	6	5	-1
_	Progreso Lakes	Hidalgo	Rural	4	3	-1
	Quemado	Maverick	Rural	4	3	-1
-	Radar Base	Maverick	Rural	4	3	-1
	Ranchette Estates	Willacy	Rural	4	3	-1
-	Ranchitos Las Lomas	Webb	Rural	4	3	-1
_	Rancho Viejo	Cameron	Urban	6	5	-1
_	Ranchos Penitas West	Webb	Urban	4	3	-1
		Cameron	Rural	4	3	-1
_	Rangerville Ratamosa	Cameron	Rural	4	3	-1 -1
-				5	4	-1 -1
	Raymondville	Willacy	Rural			
	Reid Hope King	Cameron	Urban	7	6	-1
_	Relampago	Hidalgo	Rural	4	3	-1
_	Rio Bravo	Webb	Urban	5	4	-1
_	Rio Grande City	Starr	Rural	5	4	-1
	Rio Hondo	Cameron	Rural	6	5	-1
_	Rocksprings	Edwards	Rural	6	5	-1
-	Roma	Starr	Rural	7	6	-1
-	Roma Creek	Starr	Rural	4	3	-1
_	Rosita North	Maverick	Rural	5	4	-1
11	Rosita South	Maverick	Rural	6	5	-1
11	Sabinal	Uvalde	Rural	7	6	-1
11	Salineno	Starr	Rural	4	3	-1
11	San Benito	Cameron	Urban	6	5	-1
11	San Carlos	Hidalgo	Rural	7	6	-1
11	San Ignacio	Zapata	Rural	4	3	-1
11	San Isidro	Starr	Rural	6	5	-1
11	San Juan	Hidalgo	Urban	6	5	-1
11	San Manuel-Linn	Hidalgo	Rural	4	3	-1
11	San Pedro	Cameron	Rural	4	3	-1
11	San Perlita	Willacy	Rural	7	6	-1
11	Santa Cruz	Starr	Rural	7	6	-1
11	Santa Maria	Cameron	Rural	5	4	-1
11	Santa Monica	Willacy	Rural	4	3	-1
11	Santa Rosa	Cameron	Rural	4	3	-1
11	Scissors	Hidalgo	Rural	4	3	-1
11	Sebastian	Willacy	Rural	4	3	-1
11	Siesta Shores	Zapata	Rural	4	3	-1
11	Solis	Cameron	Rural	7	6	-1
11	South Alamo	Hidalgo	Rural	6	5	-1
11	South Fork Estates	Jim Hogg	Rural	4	3	-1
11	South Padre Island	Cameron	Rural	7	6	-1
11	South Point	Cameron	Rural	7	6	-1
_	Spofford	Kinney	Rural	4	3	-1
_	Sullivan City	Hidalgo	Rural	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Tierra Bonita	Cameron	Rural	4	3	-1
	Utopia	Uvalde	Rural	6	5	-1
-	Uvalde	Uvalde	Rural	7	6	-1
	Uvalde Estates	Uvalde	Rural	6	5	-1
-	Val Verde Park	Val Verde	Rural	6	5	-1
	Villa del Sol	Cameron	Rural	4	3	-1
	Villa Pancho	Cameron	Urban	7	6	-1
-	Villa Verde	Hidalgo	Urban	4	3	-1
-	Weslaco	Hidalgo	Urban	5	5	0
-	West Sharyland	Hidalgo	Rural	5	4	-1
	Willamar	Willacy	Rural	4	3	-1
-	Yznaga	Cameron	Rural	4	3	-1
		Zapata	Rural	5	4	-1
	Zapata Zapata Ranch	Willacy	Rural	4	3	-1 -1
	'	•		5	4	-1 -1
	Ackerly	Dawson	Rural			
-	Andrews	Andrews	Rural	6	5	-1
-	Balmorhea	Reeves	Rural	4	4	0
-	Barstow	Ward	Rural	7	6	-1
	Big Lake	Reagan	Rural	6	5	-1
	Big Spring	Howard	Rural	6	5	-1
_	Brady	McCulloch	Rural	5	4	-1
-	Bronte	Coke	Rural	7	6	-1
12	Christoval	Tom Green	Rural	7	6	-1
-	Coahoma	Howard	Rural	5	4	-1
12	Coyanosa	Pecos	Rural	4	3	-1
12	Crane	Crane	Rural	7	6	-1
12	Eden	Concho	Rural	7	6	-1
12	Eldorado	Schleicher	Rural	4	3	-1
12	Forsan	Howard	Rural	5	4	-1
12	Fort Stockton	Pecos	Rural	4	3	-1
12	Gardendale	Ector	Rural	4	3	-1
12	Goldsmith	Ector	Rural	5	4	-1
12	Grandfalls	Ward	Rural	6	5	-1
12	Grape Creek	Tom Green	Rural	6	5	-1
12	Imperial	Pecos	Rural	4	3	-1
12	Iraan	Pecos	Rural	4	3	-1
12	Junction	Kimble	Rural	6	5	-1
12	Kermit	Winkler	Rural	5	4	-1
12	Lamesa	Dawson	Rural	6	5	-1
12	Lindsay (Reeves)	Reeves	Rural	4	3	-1
12	Los Ybanez	Dawson	Rural	4	3	-1
12	Mason	Mason	Rural	6	5	-1
12	McCamey	Upton	Rural	5	4	-1
12	Melvin	McCulloch	Rural	7	6	-1
12	Menard	Menard	Rural	6	5	-1
12	Mertzon	Irion	Rural	4	3	-1
12	Midland	Midland	Urban	6	5	-1
	Monahans	Ward	Rural	7	6	-1
	Odessa	Ector	Urban	6	5	-1

Region	Area Name	County Name	Area Type	AHNS 07	AHNS 08	Change in AHNS 08 - 07*
	Ozona	Crockett	Rural	5	4	-1
	Paint Rock	Concho	Rural	7	6	-1
	Pecos	Reeves	Rural	4	3	-1
	Pyote	Ward	Rural	4	3	-1
	Rankin	Upton	Rural	4	3	-1
	Robert Lee	Coke	Rural	7	6	<u>-1</u>
	San Angelo	Tom Green	Urban	7	6	-1
	Sanderson	Terrell	Rural	7	6	-1
	Seagraves	Gaines	Rural	6	5	-1
	Seminole	Gaines	Rural	5	4	-1
	Sonora	Sutton	Rural	4	3	-1
				1	5	
	Stanton City	Martin	Rural	6		-1
	Sterling City	Sterling	Rural	5	4	-1
	Thorntonville	Ward	Rural	4	3	-1
	Toyah	Reeves	Rural		3	-1
	West Odessa	Ector	Urban	6	5	-1
	Wickett	Ward	Rural	7	6	-1
	Wink	Winkler	Rural	5	4	-1
	Agua Dulce (El Paso)	El Paso	Rural	4	3	-1
	Alpine	Brewster	Rural	7	6	-1
	Anthony	El Paso	Urban	4	3	-1
	Butterfield	El Paso	Rural	4	3	-1
13	Canutillo	El Paso	Urban	5	4	-1
13	Clint	El Paso	Rural	4	3	-1
13	Dell City	Hudspeth	Rural	6	6	0
13	El Paso	El Paso	Urban	7	6	-1
13	Fabens	El Paso	Rural	7	6	-1
13	Fort Bliss	El Paso	Urban	5	4	-1
13	Fort Davis	Jeff Davis	Rural	5	4	-1
13	Fort Hancock	Hudspeth	Rural	6	5	-1
13	Homestead Meadows North	El Paso	Rural	6	5	-1
13	Homestead Meadows South	El Paso	Rural	7	6	-1
13	Horizon City	El Paso	Rural	4	3	-1
13	Marathon	Brewster	Rural	5	4	-1
13	Marfa	Presidio	Rural	5	4	-1
13	Morning Glory	El Paso	Rural	4	3	-1
13	Prado Verde	El Paso	Urban	4	3	-1
13	Presidio	Presidio	Rural	6	5	-1
13	Redford	Presidio	Rural	4	3	-1
13	San Elizario	El Paso	Urban	4	4	0
13	Sierra Blanca	Hudspeth	Rural	5	4	-1
13	Socorro	El Paso	Urban	6	5	-1
13	Sparks	El Paso	Rural	6	5	-1
	Study Butte-Terlingua	Brewster	Rural	5	4	-1
	Tornillo	El Paso	Rural	7	6	-1
	Valentine	Jeff Davis	Rural	6	5	-1
	Van Horn	Culberson	Rural	7	6	-1
	Vinton	El Paso	Rural	7	6	-1
	Westway	El Paso	Urban	7	6	-1

## 2008 HOME Affordable Housing Need Scores (AHNS) Place Level

(Sorted by Region then Place)

## Instructions:

Use this table to determine the AHNS of an application that will serve a **single** place.

**Special Circumstances** 

- (1) Rental Development activities that are not located within a place's jurisdiction will utilize the score of closest place.
- (2) Participating Jurisdictions (PJ) recieve a score of zero and are not included in the table.

All questions relating to scoring an application under the AHN Scoring Component should be submitted in writing to Sandy Garcia via facsimile at (512) 475-4798 or by email at sandy.garcia@tdhca.state.tx.us.

					Rental Development &		
Region			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Rec	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
1	Abernathy	Hale		Rural	5	5	4
1	Adrian	Oldham		Rural	6	6	6
_1	Amherst	Lamb		Rural	4	4	6
1	Anton	Hockley	,	Rural	3	3	5
1	Bishop Hills	Potter	210	Rural	3	3	6
1	Booker	Lipscomb		Rural	5	5	3
1	Borger	Hutchinson	14,302	Rural	4	5	3
1	Bovina	Parmer	,	Rural	4	3	3
1	Brownfield	Terry	9,488	Rural	6	6	4
1	Buffalo Springs	Lubbock	493	Rural	4	4	4
1	Cactus	Moore	2,538	Rural	3	3	4
1	Canadian	Hemphill	2,233	Rural	5	5	4
1	Canyon	Randall	12,875	Rural	6	6	3
1	Channing	Hartley	356	Rural	6	6	4
1	Childress	Childress	6,778	Rural	4	5	3
1	Clarendon	Donley	1,974	Rural	5	5	3
1	Claude	Armstrong	1,313	Rural	6	6	4
1	Crosbyton	Crosby	1,874	Rural	5	5	3
1	Dalhart	Dallam	7,237	Rural	6	6	4
1	Darrouzett	Lipscomb	303	Rural	6	6	6
1	Denver City	Yoakum	3,985	Rural	4	4	6
1	Dickens	Dickens	332	Rural	6	6	6
1	Dimmitt	Castro	4,375	Rural	5	4	5
1	Dodson	Collingsworth	115	Rural	6	6	6
1	Dumas	Moore	13,747	Rural	4	4	3
1	Earth	Lamb	1,109	Rural	4	4	5
1	Edmonson	Hale	123	Rural	3	3	5
1	Estelline	Hall	168	Rural	6	6	6
1	Farwell	Parmer	1,364	Rural	6	6	4
1	Floydada	Floyd	3,676	Rural	5	5	3
1	Follett	Lipscomb	412	Rural	4	4	6
1	Friona	Parmer	3,854	Rural	5	5	3
1	Fritch	Hutchinson	2,235	Rural	5	4	4
1	Groom	Carson	587	Rural	6	6	6
1	Gruver	Hansford	1,162	Rural	5	5	4
1	Hale Center	Hale	2,263	Rural	5	5	4
1	Нарру	Swisher	647	Rural	4	4	5
1	Hart	Castro	1,198	Rural	4	4	4

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					Rental Development &		
ы			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
1	Hartley	Hartley	441	Rural	5	5	5
1	Hedley	Donley	379	Rural	6	6	6
1	Hereford	Deaf Smith	14,597	Rural	3	4	4
1	Higgins	Lipscomb	425	Rural	3	3	6
1	Howardwick	Donley	437	Rural	6	6	4
1	Idalou	Lubbock	2,157	Rural	3	3	3
1	Kress	Swisher	826	Rural	5	5	3
1	Lake Tanglewood	Randall	825	Rural	6	6	3
1	Lakeview	Hall	152	Rural	6	6	4
1	Lefors	Gray	559	Rural	3	3	5
1	Levelland	Hockley	12,866	Rural	5	6	5
1	Lipscomb	Lipscomb	44	Rural	3	3	3
1	Littlefield	Lamb	6,507	Rural	6	6	4
1	Lockney	Floyd	2,056	Rural	4	3	4
1	Lorenzo	Crosby	1,372	Rural	4	4	4
1	Matador	Motley	740	Rural	4	4	3
1	McLean	Gray		Rural	5	5	6
1	Meadow	Terry		Rural	3	3	4
1	Memphis	Hall	· · · · · · · · · · · · · · · · · · ·	Rural	5	5	3
1	Miami	Roberts		Rural	6	6	4
1	Mobeetie	Wheeler		Rural	3	3	4
1	Morse	Hansford		Rural	4	4	6
1	Morton	Cochran	· · · · · · · · · · · · · · · · · · ·	Rural	4	3	3
1	Muleshoe	Bailey	· · · · · · · · · · · · · · · · · · ·	Rural	3	3	4
1	Nazareth	Castro		Rural	4	4	4
1	New Deal	Lubbock		Rural	5	5	3
1	New Home	Lynn		Rural	4	4	3
1	O'Donnell	Lynn	•	Rural	3	3	3
1	Olton	Lamb		Rural	3	3	4
_1	Opdyke West	Hockley		Rural	4	4	6
1	Palisades	Randall		Rural	5	5	4
	Pampa	Gray	17,887		5	5	4
1	Panhandle	Carson		Rural	4	4	3
1	Perryton	Ochiltree		Rural	3	4	3
1	Petersburg	Hale		Rural	3	3	3
1	Plains	Yoakum		Rural	5	5	3
	Plainview	Hale	22,336	Rural Rural	5	5	4
	Post	Garza			6	6	6
1	Quail	Collingsworth Briscoe		Rural Rural	3	3	3
1	Quitaque			Rural	6 5	6	5
	Ralls	Crosby		Rural	4	5 4	6
	Ransom Canyon	Lubbock		Urban	3	3	3
	Reese Center	Lubbock					6
	Roaring Springs	Motley Hockley		Rural Rural	3	3	3
1	Ropesville	Collingsworth		Rural	3	3	3
1	Samnorwood	Hutchinson		Rural	5		4
1	Sanford	Hale		Rural	5	5 5	6
1	Seth Ward	Lubbock		Rural	6	6	5
1	Shallowater Shamrook	Wheeler		Rural	5	5	6
1	Shamrock Silverton	Briscoe		Rural	6	5	3
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					Rental Development &		
E			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
1	Skellytown	Carson	•	Rural	3	3	6
1	Slaton	Lubbock	6,109	Rural	5	5	6
1	Smyer	Hockley	480	Rural	4	4	6
1	Spade	Lamb	100	Rural	5	5	3
1	Spearman	Hansford	3,021	Rural	3	3	4
1	Springlake	Lamb	135	Rural	6	6	3
1	Spur	Dickens	1,088	Rural	3	3	5
1	Stinnett	Hutchinson	1,936	Rural	5	5	4
1	Stratford	Sherman	1,991	Rural	3	3	3
1	Sudan	Lamb	1,039	Rural	5	4	3
1	Sundown	Hockley	1,505	Rural	4	4	4
1	Sunray	Moore	1,950	Rural	4	4	3
1	Tahoka	Lynn	2,910	Rural	4	3	6
1	Texhoma	Sherman	371	Rural	6	6	6
1	Texline	Dallam	511	Rural	4	4	5
1	Timbercreek Canyon	Randall	406	Rural	3	3	3
1	Tulia	Swisher	5,117	Rural	4	4	4
1	Turkey	Hall	494	Rural	3	3	6
1	Vega	Oldham	936	Rural	5	5	6
1	Wellington	Collingsworth	2,275	Rural	4	4	5
	Wellman	Terry	203	Rural	4	3	6
1	Wheeler	Wheeler	1,378	Rural	4	4	3
1	White Deer	Carson	1,060	Rural	5	5	3
1	Whiteface	Cochran	465	Rural	3	3	6
1	Wilson	Lynn	532	Rural	3	3	4
1	Wolfforth	Lubbock	2,554	Rural	5	5	6
2	Albany	Shackelford	1,921	Rural	5	5	3
2	Anson	Jones	2,556	Rural	3	3	5
2	Archer City	Archer	1,848	Rural	4	4	3
2	Aspermont	Stonewall	1,021	Rural	4	4	5
2	Baird	Callahan	1,623	Rural	3	5	4
2	Ballinger	Runnels	4,243	Rural	6	6	6
2	Bangs	Brown	1,620	Rural	5	5	6
2	Bellevue	Clay	386	Rural	5	5	5
2	Benjamin	Knox		Rural	3	3	6
2	Blackwell	Nolan		Rural	4	4	3
	Blanket	Brown		Rural	6	6	4
	Bowie	Montague		Rural	5	6	6
	Breckenridge	Stephens		Rural	5	4	3
	Brownwood	Brown	18,813		4	6	4
	Bryson	Jack		Rural	5	5	6
2	Buffalo Gap	Taylor		Rural	4	4	3
	Burkburnett	Wichita	10,927		5	5	3
	Byers	Clay		Rural	6	6	5
	Carbon	Eastland		Rural	3	3	3
2	Chillicothe	Hardeman		Rural	6	6	3
2	Cisco	Eastland		Rural	6	6	5
2	Clyde	Callahan		Rural	5	5	4
	Coleman	Coleman		Rural	5	5	6
2	Colorado City	Mitchell		Rural	6	5	6
2	Comanche	Comanche	4,482	Rural	6	6	4

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L.			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
2	Cross Plains	Callahan		Rural	3	6	6
2	Crowell	Foard		Rural	5	5	5
2	De Leon	Comanche	2,433	Rural	5	5	5
2	Dean	Clay	341	Rural	6	6	5
2	Early	Brown	2,588	Rural	4	4	4
2	Eastland	Eastland	3,769	Rural	3	6	6
2	Elbert	Throckmorton	56	Rural	6	6	3
2	Electra	Wichita	3,168	Rural	5	5	5
2	Girard	Kent	62	Rural	3	3	6
2	Goree	Knox	321	Rural	3	3	6
2	Gorman	Eastland	1,236	Rural	3	3	3
2	Graham	Young	8,716	Rural	4	4	4
2	Gustine	Comanche	457	Rural	6	6	6
2	Hamlin	Jones	2,248	Rural	4	4	6
2	Haskell	Haskell	3,106	Rural	5	5	6
2	Hawley	Jones	646	Rural	6	6	4
2	Henrietta	Clay	3,264	Rural	5	5	4
2	Hermleigh	Scurry	393	Rural	5	5	6
2	Holliday	Archer	1,632	Rural	3	3	5
2	Impact	Taylor	39	Urban	3	3	3
2	Iowa Park	Wichita	6,431	Rural	5	5	3
2	Jacksboro	Jack	4,533	Rural	5	5	5
2	Jayton	Kent	513	Rural	3	3	3
2	Jolly	Clay	188	Rural	6	6	6
2	Knox City	Knox	1,219	Rural	4	4	6
2	Lake Brownwood	Brown	1,694	Rural	6	6	6
2	Lakeside City	Archer	984	Urban	4	4	3
2	Lawn	Taylor	353	Rural	3	3	4
2	Loraine	Mitchell	656	Rural	5	5	3
2	Lueders	Jones	300	Rural	4	4	6
2	Megargel	Archer	248	Rural	3	3	3
2	Merkel	Taylor	2,637	Rural	6	5	3
2	Miles	Runnels	850	Rural	5	5	5
2	Moran	Shackelford		Rural	4	4	5
2	Munday	Knox		Rural	3	3	3
2	Newcastle	Young		Rural	5	5	4
	Nocona	Montague		Rural	4	3	3
	Novice	Coleman		Rural	3	3	3
	O'Brien	Haskell		Rural	3	3	6
	Olney	Young		Rural	4	4	5
	Paducah	Cottle		Rural	4	4	3
	Petrolia	Clay		Rural	6	6	3
_	Pleasant Valley	Wichita		Urban	6	6	5
	Potosi	Taylor		Urban	6	6	3
	Putnam	Callahan		Rural	6	6	4
2	Quanah	Hardeman		Rural	6	6	3
	Ranger	Eastland		Rural	4	3	6
	Rising Star	Eastland		Rural	4	4	6
	Roby	Fisher		Rural	5	5	3
	Rochester	Haskell		Rural	4	4	5
2	Roscoe	Nolan	1,378	Rural	4	3	4

Place Name			1	1	I	1		1
Fig.   Place Name   County   Population   Area Type   Tennal Based Rantal   Homebuyer   Assistance   Assist						Rental Development &		
Rote	ы			2000 Census		'	Homebuyer	Owner Occupied
Rote	Regi	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
2   Santa Arma		Rotan	Fisher	1,611	Rural	4	4	3
Scotland	2	Rule	Haskell	698	Rural	5	4	5
Seymour	2	Santa Anna	Coleman	1,081	Rural	· ·	4	4
2   Sryydar   Scurry   10.783 Rural   4   4   4   4   4   4   5   5   5   5		Scotland	Archer	438	Rural	3	3	5
St. Jo	2	Seymour	Baylor	2,908	Rural	4	4	3
Stamford		Snyder	Scurry	,				4
2         Sunset         Monlague         339 Rural         3         3         6           2         Suveelwater         Nolan         11.145 Rural         5         5         5         4           2         Throckmorton         Throckmorton         906 Rural         4         3         3         3           2         Trent         Taylor         318 Rural         6         6         3         4         3         3         4         4         4         3	2	St. Jo	Montague			3	3	5
2   Sweetwater   Nolan		Stamford				· ·		
Throckmorton		Sunset	_			·		
Trent		Sweetwater		,		· ·		<u> </u>
Tuscola   Taylor   T14 Rural   3   3   3   3   3   3   2   Tye   Taylor   1,156 Urban   6   6   6   4   4   4   4   4   4   2   Vernon   Wilbarger   11,660 Rural   3   4   4   4   4   4   4   4   4   4		Throckmorton				·		
Type						· ·		
Vernon   Wilbarger   11,660 Rural   3   4   4								
Weinert			- 1					
Westbrook   Mitchell   203 Rural   5   5   4			ŭ					<u> </u>
Windfirest								<u> </u>
2         Winters         Runnels         2,860 Rural         3         3         4           2         Woodson         Throckmorton         296 Rural         3         3         4           3         Addison         Dallas         14,166 Urban         4         4         3           3         Aldedo         Parker         1,726 Rural         5         5         5           3         Allen         Collin         43,554 Urban         5         5         5           3         Allen         Collin         43,554 Urban         5         5         5           3         Alvarado         Johnson         3,288 Rural         6         6         6           3         Alvord         Wise         1,007 Rural         5         5         5         3           3         Angus         Navarro         334 Rural         6         4         3         5           3         Anna         Collin         1,225 Rural         6         4         3         3           3         Annetta         Parker         1,100 Rural         6         6         3         3           3         Annetta South <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td><u> </u></td></t<>								<u> </u>
2         Woodson         Throckmorton         296 Rural         3         3         4           3         Addison         Dallas         14,166 Urban         4         4         3           3         Aledo         Parker         1,726 Rural         5         5         5           3         Allen         Collin         43,554 Urban         5         5         3           3         Allen         Collin         43,554 Urban         5         5         3           3         Allen         Collin         43,554 Urban         6         6         6         6           3         Alvarado         Johnson         3,288 Rural         4         3         5           3         Alvord         Wise         11,007 Rural         5         5         5         3           3         Angus         Navarro         334 Rural         5         5         5         5         3           3         Anna         Collin         1,225 Rural         6         4         3         3           3         Annata         Collin         1,225 Rural         6         6         3         3           3								
3   Addison   Dallas   14,166 Urban   4   4   3				,		· ·		<u> </u>
3   Aledo   Parker   1,726   Rural   5   5   5   5     3   Allen   Collin   43,554   Urban   5   5   3     3   Alma   Ellis   302   Rural   6   6   6   6     3   Alvarado   Johnson   3,288   Rural   4   3   5     3   Alvord   Wise   1,007   Rural   5   5   5   3     3   Angus   Navarro   334   Rural   5   5   5   5     3   Anna   Collin   1,225   Rural   6   4   3     3   Anna   Collin   1,225   Rural   6   6   6   3     3   Annetta   Parker   1,108   Rural   6   6   3     3   Annetta North   Parker   467   Rural   6   6   3     3   Annetta North   Parker   555   Rural   6   6   3     3   Arnetta South   Parker   5558   Rural   6   6   3     3   Argyle   Denton   2,366   Urban   4   4   3     3   Autora   Wise   853   Rural   6   6   6     3   Bailey   Fannin   213   Rural   6   6   6     3   Bardwell   Ellis   583   Rural   3   3   6     3   Bardwell   Ellis   583   Rural   6   6   6     4   4   3     5   Balley   Fannin   213   Rural   6   6   6     5   5   5     5   5   5     6   Bulle   Ridge   Collin   672   Rural   5   5     7   8   Bulle   Ridge   Collin   672   Rural   6   5   5     8   Bilo   Ridge   Collin   672   Rural   6   5   5     9   Birar   Tarrant   5,350   Rural   3   3   4     9   Birar   Tarrant   5,350   Rural   3   5   5     10   Caddo Mills   Hunt   1,149   Rural   6   5   5     10   Caddo Mills   Hunt   734   Rural   5   5   6     10   Carrollton   Denton   109,576   Urban   4   4   4   6     10   Carrollton   Denton   109,576   Urban   4   4   4   6     10   Carrollton   Denton   109,576   Urban   4   4   4   6     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban   4   4   4   6     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban   4   4   4   5     10   Carrollton   Denton   10,976   Urban								
3 Allen         Collin         43,554 Urban         5         5         3           3 Alma         Ellis         302 Rural         6         6         6           3 Alvarado         Johnson         3,288 Rural         4         3         5           3 Alvord         Wise         1,007 Rural         5         5         3           3 Angus         Navarro         334 Rural         5         5         5         5           3 Anna         Collin         1,225 Rural         6         4         3           3 Annetta         Parker         1,108 Rural         6         6         3           3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,368 Urban         4         4         3           3 Autora         Wise         853 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         3           3 Bardwell         Ellis         583 Rural         3         3         6								
3 Alma								
3 Alvarado         Johnson         3,288 Rural         4         3         5           3 Alvord         Wise         1,007 Rural         5         5         3           3 Angus         Navarro         334 Rural         5         5         5           3 Anna         Collin         1,225 Rural         6         4         3           3 Annetta         Parker         1,108 Rural         6         6         3           3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,366 Urban         4         4         3           3 Aurora         Wise         853 Rural         6         5         5           3 Bailey         Fannin         213 Rural         6         6         3           3 Barry         Navarro         209 Rural         6         6         4           3 Balley         Fannin         1,093 Rural         3         3         3           3 B				,				<u> </u>
3 Alvord   Wise   1,007 Rural   5   5   5   3						· ·		
3 Angus         Navarro         334 Rural         5         5         5           3 Anna         Collin         1,225 Rural         6         4         3           3 Annetta         Parker         1,108 Rural         6         6         3           3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,365 Urban         4         4         3           3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         6           3 Bardwell         Ellis         538 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Barlonville         Denton         1,093 Rural         3         3         3           3 Bilse Ridge         Grayson         1,190 Rural         5         5         5 <td< td=""><td></td><td></td><td></td><td>,</td><td></td><td></td><td></td><td><u> </u></td></td<>				,				<u> </u>
3 Anna         Collin         1,225 Rural         6         4         3           3 Annetta         Parker         1,108 Rural         6         6         3           3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,365 Urban         4         4         3           3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         6           3 Bardwell         Ellis         583 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bilse         Grayson         1,190 Rural         5         5         5           3 Bilse Ridge         Collin         672 Rural         5         5         6								<u> </u>
3 Annetta         Parker         1,108 Rural         6         6         3           3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,365 Urban         4         4         3           3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         6           3 Bardwell         Ellis         553 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Blue Ridge         Collin         672 Rural         5         5         5           3 Bonham         Fannin         9,990 Rural         6         5         5 <td< td=""><td></td><td>•</td><td></td><td></td><td></td><td>· ·</td><td></td><td></td></td<>		•				· ·		
3 Annetta North         Parker         467 Rural         6         6         3           3 Annetta South         Parker         555 Rural         6         6         3           3 Argyle         Denton         2,365 Urban         4         4         3           3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         3           3 Bardwell         Ellis         583 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Bloeming Grove         Navarro         833 Rural         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         5           3 Bonham         Fannin         9,990 Rural         6         5         5						· ·		
3 Annetta South       Parker       555 Rural       6       6       3         3 Argyle       Denton       2,365 Urban       4       4       4       3         3 Aubrey       Denton       1,500 Rural       6       5       5         3 Aurora       Wise       853 Rural       6       6       6       6         3 Bailey       Fannin       213 Rural       6       6       6       3         3 Bardwell       Ellis       583 Rural       3       3       6         3 Barry       Navarro       209 Rural       6       6       4         3 Bells       Grayson       1,190 Rural       5       5       5         3 Biloming Grove       Navarro       833 Rural       4       4       5         3 Bilue Ridge       Collin       672 Rural       5       5       5         3 Bonham       Fannin       9,990 Rural       6       5       5       5         3 Briar       Tarrant       5,350 Rural       3       3       3       5         3 Briaroaks       Johnson       493 Rural       3       3       3       4         3 Caddo Mills       Hunt       <						·		
3 Argyle         Denton         2,365 Urban         4         4         3           3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         3           3 Bardwell         Ellis         583 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Blooming Grove         Navarro         833 Rural         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         6           3 Bonham         Fannin         9,990 Rural         6         5         5           3 Boyd         Wise         1,099 Rural         4         4         5           3 Briar         Tarrant         5,350 Rural         3         3         3         5								
3 Aubrey         Denton         1,500 Rural         6         5         5           3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         3           3 Bardwell         Ellis         583 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Blooming Grove         Navarro         833 Rural         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         6           3 Bonham         Fannin         9,990 Rural         6         5         5           3 Boyd         Wise         1,099 Rural         4         4         4           3 Briar         Tarrant         5,350 Rural         3         3         3         5           3 Briageport         Wise         4,309 Rural         3         3         5         5 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
3 Aurora         Wise         853 Rural         6         6         6           3 Bailey         Fannin         213 Rural         6         6         3           3 Bardwell         Ellis         583 Rural         3         3         6           3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5         5           3 Blooming Grove         Navarro         833 Rural         4         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         5         6           3 Bonham         Fannin         9,990 Rural         6         5         5         5           3 Briar         Tarrant         5,350 Rural         4         4         4         5           3 Briaroaks         Johnson         493 Rural         3         3         5         5           3 Caddo Mills         Hunt         1,149 Rural         6         5         5         5           3						· ·	<u> </u>	
3         Bailey         Fannin         213 Rural         6         6         3           3         Bardwell         Ellis         583 Rural         3         3         6           3         Barry         Navarro         209 Rural         6         6         4           3         Bartonville         Denton         1,093 Rural         3         3         3           3         Bells         Grayson         1,190 Rural         5         5         5           3         Blooming Grove         Navarro         833 Rural         4         4         4         5           3         Blue Ridge         Collin         672 Rural         5         5         5         6           3         Bonham         Fannin         9,990 Rural         6         5         5         5           3         Boyd         Wise         1,099 Rural         4         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briageport         Wise         4,309 Rural         3         3         5         5           3         Caddo Mill								
3         Bardwell         Ellis         583 Rural         3         3         6           3         Barry         Navarro         209 Rural         6         6         4           3         Bartonville         Denton         1,093 Rural         3         3         3           3         Bells         Grayson         1,190 Rural         5         5         5           3         Blooming Grove         Navarro         833 Rural         4         4         4         5           3         Blue Ridge         Collin         672 Rural         5         5         6           3         Bonham         Fannin         9,990 Rural         6         5         5           3         Boyd         Wise         1,099 Rural         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briageport         Wise         4,309 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6<								
3 Barry         Navarro         209 Rural         6         6         4           3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Blooming Grove         Navarro         833 Rural         4         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         6           3 Bonham         Fannin         9,990 Rural         6         5         5           3 Boyd         Wise         1,099 Rural         4         4         5           3 Briar         Tarrant         5,350 Rural         3         3         5           3 Briaroaks         Johnson         493 Rural         3         3         4           3 Bridgeport         Wise         4,309 Rural         3         5         5           3 Caddo Mills         Hunt         1,149 Rural         6         5         5           3 Campbell         Hunt         734 Rural         5         5         6           3 Carrollton         Denton         109,576 Urban         4         4         4								
3 Bartonville         Denton         1,093 Rural         3         3         3           3 Bells         Grayson         1,190 Rural         5         5         5           3 Blooming Grove         Navarro         833 Rural         4         4         4         5           3 Blue Ridge         Collin         672 Rural         5         5         6           3 Bonham         Fannin         9,990 Rural         6         5         5           3 Boyd         Wise         1,099 Rural         4         4         5           3 Briar         Tarrant         5,350 Rural         3         3         5           3 Briaroaks         Johnson         493 Rural         3         3         4           3 Bridgeport         Wise         4,309 Rural         3         5         5           3 Caddo Mills         Hunt         1,149 Rural         6         5         5           3 Callisburg         Cooke         365 Rural         4         4         6           3 Carrollton         Denton         109,576 Urban         4         4         3								
3         Bells         Grayson         1,190 Rural         5         5         5           3         Blooming Grove         Navarro         833 Rural         4         4         5           3         Blue Ridge         Collin         672 Rural         5         5         6           3         Bonham         Fannin         9,990 Rural         6         5         5           3         Boyd         Wise         1,099 Rural         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         4           3         Carrollton         Denton         109,576 Urban         4         4         4								
3         Blooming Grove         Navarro         833 Rural         4         4         5           3         Blue Ridge         Collin         672 Rural         5         5         6           3         Bonham         Fannin         9,990 Rural         6         5         5           3         Boyd         Wise         1,099 Rural         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         4           3         Carrollton         Denton         109,576 Urban         4         4         3								
3         Blue Ridge         Collin         672 Rural         5         5         6           3         Bonham         Fannin         9,990 Rural         6         5         5           3         Boyd         Wise         1,099 Rural         4         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         4         6           3         Campbell         Hunt         734 Rural         5         5         6           3         Carrollton         Denton         109,576 Urban         4         4         4         3								
3         Bonham         Fannin         9,990 Rural         6         5         5           3         Boyd         Wise         1,099 Rural         4         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         4           3         Campbell         Hunt         734 Rural         5         5         6           3         Carrollton         Denton         109,576 Urban         4         4         4         3								
3         Boyd         Wise         1,099 Rural         4         4         5           3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         6           3         Campbell         Hunt         734 Rural         5         5         6           3         Carrollton         Denton         109,576 Urban         4         4         4         3	_	-				6	5	5
3         Briar         Tarrant         5,350 Rural         3         3         5           3         Briaroaks         Johnson         493 Rural         3         3         4           3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         6           3         Campbell         Hunt         734 Rural         5         5         6           3         Carrollton         Denton         109,576 Urban         4         4         3	_		Wise			4	4	5
3     Briaroaks     Johnson     493 Rural     3     3     4       3     Bridgeport     Wise     4,309 Rural     3     5     5       3     Caddo Mills     Hunt     1,149 Rural     6     5     5       3     Callisburg     Cooke     365 Rural     4     4     6       3     Campbell     Hunt     734 Rural     5     5     6       3     Carrollton     Denton     109,576 Urban     4     4     3		-				3		
3         Bridgeport         Wise         4,309 Rural         3         5         5           3         Caddo Mills         Hunt         1,149 Rural         6         5         5           3         Callisburg         Cooke         365 Rural         4         4         4         6           3         Campbell         Hunt         734 Rural         5         5         6           3         Carrollton         Denton         109,576 Urban         4         4         3						3	3	
3     Caddo Mills     Hunt     1,149 Rural     6     5     5       3     Callisburg     Cooke     365 Rural     4     4     6       3     Campbell     Hunt     734 Rural     5     5     6       3     Carrollton     Denton     109,576 Urban     4     4     3			Wise			3	5	5
3     Callisburg     Cooke     365 Rural     4     4     6       3     Campbell     Hunt     734 Rural     5     5     6       3     Carrollton     Denton     109,576 Urban     4     4     3			Hunt			6	5	5
3 Campbell         Hunt         734 Rural         5         5         6           3 Carrollton         Denton         109,576 Urban         4         4         3	3		Cooke	365	Rural	4	4	6
3 Carrollton Denton 109,576 Urban 4 4 3	3		Hunt	734	Rural	5	5	6
3 Celeste Hunt 817 Rural 3 3 5	3		Denton	109,576	Urban	4	4	3
	3	Celeste	Hunt	817	Rural	3	3	5

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u			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Celina	Collin		Urban	4	3	5
3	Chico	Wise		Rural	5	5	5
3	Cleburne	Johnson	26,005		3	5	5
3	Colleyville	Tarrant	19,636		4	4	3
3	Collinsville	Grayson	1.235		3	3	4
3	Commerce	Hunt	7,669		6	6	3
3	Cool	Parker		Rural	6	6	6
3	Copper Canyon	Denton		Urban	6	6	3
3	Corinth	Denton	11,325		3	4	3
3	Corral City	Denton		Rural	3	3	6
3	Corsicana	Navarro	24,485		5	5	5
3	Cottonwood	Kaufman		Rural	3	3	5
3	Crandall	Kaufman	2,774		4	4	4
3	Cross Roads	Denton	-	Rural	3	3	6
3	Cross Timber	Johnson		Rural	6	6	4
3		Navarro		Rural	3	3	5
3	Dawson Decatur	Wise	5,201		4	4	5
3		Grayson	22,773		4	5	5
3	Denison	Dallas	37,646		3	6	4
	DeSoto	Fannin		Rural	6	6	5
	Dodd City	Grayson	_	Urban	3	3	6
	Dorchester Dorchester	Denton		Urban	6	6	3
	Double Oak	Erath	3,754		4	4	6
3	Dublin	Tarrant	,	Urban	4	4	4
	Eagle Mountain	Fannin		Rural	5	5	3
3	Ector	Tarrant		Urban	6	5	4
	Edgecliff Village	Navarro		Rural	3	3	3
3	Emhouse	Ellis	16,045		3	4	5
3	Ennis Euless		46,005		4	4	3
3		Tarrant Navarro		Rural	3	3	5
	Eureka	Collin		Urban	6	6	3
	Fairview	Collin	3,118		4	4	3
$\overline{}$	Farmersville	Rockwall		Rural	6	6	4
	Fate	Ellis		Rural	4	4	3
	Ferris	Denton	50,702		4	4	3
_	Flower Mound	Kaufman	•	Rural	5	5	5
	Forney	Collin	33,714		5	5	3
	Frisco	Navarro		Rural	5	5	6
	Frost	Cooke	15,538		4	5 5	4
	Gainesville	Ellis		Rural	6	6	6
	Garrett	Somervell		Rural	4	4	5
	Glen Rose			Rural			4
	Godley	Johnson			6	6	
3	Goodlow	Navarro Pala Pinto		Rural	3	3	6
3	Gordon	Palo Pinto		Rural	6	6	4
3	Graford	Palo Pinto		Rural	4	4	4
3	Granbury	Hood		Rural	5	6	4
	Grandview	Johnson		Rural	5	5	6
-	Grays Prairie	Kaufman		Rural	6	6	3
_	Greenville	Hunt	23,960		4	5	5
	Gunter	Grayson		Rural	5	4	4
3	Hackberry	Denton	544	Urban	6	6	6

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					Rental Development &		
ы			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Hawk Cove	Hunt	457	Rural	3	3	5
3	Heath	Rockwall	4,149	Urban	3	3	3
3	Hebron	Denton	874	Urban	3	3	3
3	Hickory Creek	Denton	2,078	Urban	3	3	3
3	Highland Village	Denton		Urban	5	5	3
3	Honey Grove	Fannin		Rural	3	5	4
3	Howe	Grayson		Urban	5	5	6
3	Hudson Oaks	Parker	,	Rural	6	6	3
3	Italy	Ellis		Rural	4	4	4
3	Josephine	Collin		Rural	6	6	3
3	Joshua	Johnson		Urban	4	4	4
3	Justin	Denton		Rural	5	5	4
3	Kaufman	Kaufman	-	Rural	3	4	6
3	Keene	Johnson		Rural	5	5	6
3	Kemp	Kaufman		Rural	6	6	5
3	Kerens	Navarro		Rural	5	5	5
3	Knollwood	Grayson		Urban	6	6	6
	Krugerville	Denton		Rural	6	6	5
3	Krum	Denton	,	Rural	3	3	4
3	Ladonia	Fannin		Rural	3	3	5
3	Lake Bridgeport	Wise		Rural	3	3	4
3	Lake Dallas	Denton		Rural	5	4	5
3	Lake Kiowa	Cooke		Rural	3	3	3
3	Lakewood Village	Denton		Rural	6	6	5
3	Lavon	Collin		Rural	3	3	4
3	Leonard	Fannin	*	Rural	5	5	4
3	Lewisville	Denton	77,737		5	5	3
3	Lincoln Park	Denton	517	Rural Rural	4	4	6
3	Lindsay (Cooke)	Cooke		Rural	3	3	3 5
3	Lipan	Hood Denton		Urban	3	4	5
	Little Elm	Hunt		Rural	3	3	6
3	Lone Oak	Collin		Urban	6	6	3
3	Lowry Crossing Lucas	Collin		Urban	6	6	3
	Mabank	Kaufman		Rural	3	6	5
	Marshall Creek	Denton		Rural	6	6	6
	Maypearl	Ellis		Rural	5	4	5
	McKinney	Collin		Urban	4	5	3
	McLendon-Chisholm	Rockwall		Rural	6	6	3
	Melissa	Collin		Urban	5	5	4
	Mesquite	Dallas	124,523		4	5	4
	Midlothian	Ellis		Urban	4	4	4
	Mildred	Navarro		Rural	5	5	5
	Milford	Ellis		Rural	3	3	6
	Millsap	Parker		Rural	3	3	4
	Mineral Wells	Palo Pinto	16,946		5	5	5
	Mingus	Palo Pinto		Rural	6	6	3
	Mobile City	Rockwall		Rural	4	4	6
	Muenster	Cooke		Rural	5	5	5
	Murphy	Collin		Urban	6	5	3
	Mustang	Navarro	47	Rural	3	3	6
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=			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Navarro	Navarro	The state of the s	Rural	3	3	3
3	Nevada	Collin	563	Rural	3	3	3
3	New Fairview	Wise	877	Rural	4	4	6
3	New Hope	Collin	662	Rural	3	3	3
	Newark	Wise	887	Rural	5	5	5
_	Neylandville	Hunt	56	Rural	3	3	6
3	Northlake	Denton	921	Urban	4	4	6
3	Oak Grove	Kaufman	710	Rural	6	6	3
3	Oak Leaf	Ellis	1,209	Rural	6	6	3
3	Oak Point	Denton	1,747	Rural	5	4	4
3	Oak Ridge (Cooke)	Cooke	224	Rural	5	5	6
3	Oak Ridge (Kaufman)	Kaufman	400	Rural	6	6	6
3	Oak Trail Shores	Hood	2,475	Rural	3	3	6
3	Oak Valley	Navarro	401	Rural	5	5	5
3	Ovilla	Ellis	3,405	Urban	6	6	4
3	Palmer	Ellis	1,774	Rural	3	3	6
3	Paradise	Wise	459	Rural	6	6	6
3	Parker	Collin	1,379	Urban	3	3	3
3	Pecan Acres	Wise	2,289	Rural	6	6	4
3	Pecan Hill	Ellis	672	Rural	5	5	4
3	Pecan Plantation	Hood	3,544	Rural	4	4	3
3	Pelican Bay	Tarrant	1,505	Rural	5	5	6
3	Pilot Point	Denton	3,538	Rural	4	4	5
3	Ponder	Denton	507	Rural	4	3	4
3	Post Oak Bend City	Kaufman	404	Rural	3	3	5
3	Pottsboro	Grayson	1,579	Rural	4	4	3
3	Powell	Navarro		Rural	3	3	6
3	Princeton	Collin	- 7	Urban	5	4	5
	Prosper	Collin		Urban	4	4	4
3	Quinlan	Hunt	*	Rural	6	6	4
3	Ravenna	Fannin	_	Rural	3	3	6
	Red Oak	Ellis		Urban	5	5	5
	Rendon	Tarrant		Urban	3	3	5
	Reno (Parker)	Parker		Rural	5	5	5
	Retreat	Navarro		Rural	4	4	6
	Rhome	Wise		Rural	5	4	6
	Rice	Navarro		Rural	5	5	4
	Richardson	Dallas	91,802		4	4	3
	Richland	Navarro Johnson		Rural Rural	6	6	6
	Rio Vista			Urban			
	Roanoke	Denton Rockwall		Urban	5 4	4	5 4
	Rockwall			Rural	6		
	Rosser	Kaufman Dallas		Urban	5	6	3
	Rowlett	Rockwall		Rural	4	4	6
	Royse City	Wise		Rural	5	5	5
3	Runaway Bay	Grayson		Rural	6	6	5
3	Sadler	Parker		Rural	6	6	5
3	Sanctuary Sanger	Denton		Rural	3	4	5
	Savoy	Fannin		Rural	5	5	3
	Shady Shores	Denton		Urban	3	3	5
	onady onlores	Donton	1,701	315411	, , ,		

	Debuyer stance Stance Rehabilitation S S S S S S S S S S S S S S S S S S S
Place Name   County   Population   Area Type   Assistance   Assistan	stance         Rehabilitation           5         5           4         4           5         5           3         4           6         5           4         6           3         5           3         3           6         5           4         3           3         4           4         3           4         3           4         3           4         3           4         3           4         3           3         3           3         5
3         Sherman         Grayson         35,082 Urban         5           3         Southmayd         Grayson         992 Rural         4           3         Springtown         Parker         2,062 Rural         3           3         St. Paul (Collin)         Collin         630 Rural         3           3         Stephenville         Erath         14,921 Rural         6           3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	5       5         4       4         5       5         3       4         6       5         4       6         3       5         3       3         6       5         4       3         3       4         4       3         3       5         4       3         4       3         4       3         4       3         3       3         3       5
3         Sherman         Grayson         35,082 Urban         5           3         Southmayd         Grayson         992 Rural         4           3         Springtown         Parker         2,062 Rural         3           3         St. Paul (Collin)         Collin         630 Rural         3           3         Stephenville         Erath         14,921 Rural         6           3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	4 4 5 5 5 3 4 4 6 6 5 5 4 3 3 4 4 4 3 3 3 4 4 4 3 3 3 3 3 3
3         Springtown         Parker         2,062 Rural         3           3         St. Paul (Collin)         Gollin         630 Rural         3           3         Stephenville         Erath         14,921 Rural         6           3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	5 5 5 3 4 6 5 4 6 3 3 5 5 4 3 3 4 4 3 3 4 4 3 3 3 3 3 3 3
3         St. Paul (Collin)         Collin         630 Rural         3           3         Stephenville         Erath         14,921 Rural         6           3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	3 4 6 5 4 6 3 3 3 4 4 4 3 3 3 4 4 3 3 3 3 3 3 3
3         Stephenville         Erath         14,921 Rural         6           3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	6     5       4     6       3     5       3     3       6     5       4     3       3     4       4     3       4     3       4     3       4     3       3     3       5     5
3         Strawn         Palo Pinto         739 Rural         5           3         Sunnyvale         Dallas         2,693 Urban         3           3         Talty         Kaufman         1,028 Rural         3           3         Terrell         Kaufman         13,606 Rural         5           3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	4 6 3 5 3 3 6 5 4 3 3 4 4 3 3 4 4 3 3 3 3 3 3 3 3 3 5 5
3     Sunnyvale     Dallas     2,693 Urban     3       3     Talty     Kaufman     1,028 Rural     3       3     Terrell     Kaufman     13,606 Rural     5       3     The Colony     Denton     26,531 Urban     4       3     Tioga     Grayson     754 Rural     3       3     Tolar     Hood     504 Rural     4       3     Tom Bean     Grayson     941 Rural     3       3     Trenton     Fannin     662 Rural     4	3 5 3 6 5 4 3 3 4 4 3 4 3 3 3 3 3 3 5 5
3     Talty     Kaufman     1,028 Rural     3       3     Terrell     Kaufman     13,606 Rural     5       3     The Colony     Denton     26,531 Urban     4       3     Tioga     Grayson     754 Rural     3       3     Tolar     Hood     504 Rural     4       3     Tom Bean     Grayson     941 Rural     3       3     Trenton     Fannin     662 Rural     4	3 3 6 5 4 3 3 4 4 3 4 3 3 3 3 3 3 5 5
3     Terrell     Kaufman     13,606 Rural     5       3     The Colony     Denton     26,531 Urban     4       3     Tioga     Grayson     754 Rural     3       3     Tolar     Hood     504 Rural     4       3     Tom Bean     Grayson     941 Rural     3       3     Trenton     Fannin     662 Rural     4	6 5 4 3 3 3 4 4 4 3 3 4 4 3 3 4 4 3 3 3 3
3         The Colony         Denton         26,531 Urban         4           3         Tioga         Grayson         754 Rural         3           3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	4 3 4 4 3 5 4 3 4 3 3 3 3 3 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6
3     Tioga     Grayson     754 Rural     3       3     Tolar     Hood     504 Rural     4       3     Tom Bean     Grayson     941 Rural     3       3     Trenton     Fannin     662 Rural     4	3 4 4 3 5 4 4 3 4 3 4 3 3 3 3 5 5
3         Tolar         Hood         504 Rural         4           3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	4 3 5 4 3 4 3 3 3 3 5 5
3         Tom Bean         Grayson         941 Rural         3           3         Trenton         Fannin         662 Rural         4	3 5 4 3 4 3 4 3 3 3 3 5
3 Trenton         Fannin         662 Rural         4	4 3 4 3 4 3 3 3 3 5
Tremen	4 3 4 3 3 3 3 3 5 5
3 Trophy Club Denton 6,350 Rural 4	4 3 3 3 3 5
	3 3 3 5
3 Valley View Cooke 737 Rural 4	3 5
3 Van Alstyne Grayson 2,502 Rural 3	
3 Venus Johnson 910 Rural 3	
3 Waxahachie Ellis 21,426 Rural 3	
3 Weatherford Parker 19,000 Rural 4	5 4
3 West Tawakoni Hunt 1,462 Rural 5	5 5
3 Westminster Collin 390 Rural 3	3 5
3         Weston         Collin         635 Urban         5           3         Westover Hills         Tarrant         658 Urban         3	5 3 3 3
1.100.01.01.11.11.10	3 3 5 4
	6 5
	3 3
7	3 5
1	5 4
	4 5
3         Wylie         Collin         15,132 Rural         3           4         Alba         Wood         430 Rural         6	6 6
4 Alto Cherokee 1,190 Rural 4	4 4
4 Annona Red River 282 Rural 6	6 6
4 Arp Smith 901 Rural 3	3 4
4 Athens Henderson 11,297 Rural 4	5 4
4 Atlanta Cass 5,745 Rural 4	4 5
4 Avery Red River 462 Rural 5	5 3
4 Avinger Cass 464 Rural 6	6 5
4 Beckville Panola 752 Rural 6	5 4
4 Berryville Henderson 891 Rural 4	4 6
4 Big Sandy Upshur 1,288 Rural 3	3 6
4 Bloomburg Cass 375 Rural 3	3 6
4 Blossom Lamar 1,439 Rural 4	4 3
4 Bogata Red River 1,396 Rural 3	3 4
4 Brownsboro Henderson 796 Rural 6	6 5
4 Bullard Smith 1,150 Rural 5	5 4
4 Caney City Henderson 236 Rural 6	6 6
4 Canton Van Zandt 3,292 Rural 4	4 4
4 Carthage Panola 6,664 Rural 5	5 4
4 Chandler Henderson 2,099 Rural 4	4 3
4 Clarksville Red River 3,883 Rural 5	4 3

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					Rental Development &		
E			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
4	Clarksville City	Gregg	806	Rural	4	4	5
4	Coffee City	Henderson	193	Rural	3	3	6
4	Como	Hopkins	621	Rural	4	4	5
4	Cooper	Delta	2,150	Rural	6	6	5
4	Cumby	Hopkins	616	Rural	5	5	4
4	Cuney	Cherokee	145	Rural	4	4	6
4	Daingerfield	Morris	2,517	Rural	6	6	3
4	De Kalb	Bowie	1,769	Rural	6	5	5
4	Deport	Lamar	718	Rural	4	4	3
4	Detroit	Red River	-	Rural	4	4	4
4	Domino	Cass		Rural	3	3	3
4	Douglassville	Cass		Rural	3	3	3
4	East Mountain	Upshur		Rural	4	4	4
4	East Tawakoni	Rains		Rural	6	6	3
4	Easton	Gregg		Rural	3	3	5
4	Edgewood	Van Zandt	*	Rural	5	5	5
4	Edom	Van Zandt	-	Rural	6	6	5
4	Elkhart	Anderson		Rural	5	5	5
4	Emory	Rains	, -	Rural	6	5	4
4	Enchanted Oaks	Henderson		Rural	6	6	4
4	Eustace	Henderson		Rural	3	3	3
4	Frankston	Anderson		Rural	4	4	4
4	Fruitvale	Van Zandt		Rural	4	3	3
4	Gallatin	Cherokee		Rural	4	4	5
4	Gary City	Panola		Rural	3	3	3
4	Gilmer	Upshur	,	Rural	6	6	4
4	Gladewater	Gregg	,	Rural	5	6	4
4	Grand Saline	Van Zandt	,	Rural	3	3	4
4	Gun Barrel City	Henderson		Rural	5	5	5
	Hallsville	Harrison		Rural	3	3	3
4	Hawkins	Wood	•	Rural	6	5	5
	Henderson	Rusk	11,273		3	3	3
	Hooks	Bowie		Rural	4	4	4
4	Hughes Springs	Cass		Rural	4	3	4
4	Jacksonville	Cherokee Marion	13,868	Rural	4	5 6	5
4	Jefferson		11,301		6		4
4	Kilgore	Gregg Gregg		Rural	4	4	5
4	Lakeport	Bowie		Rural	3	3	5
_	Leary	Gregg		Rural	4	3	3
	Liberty City	Smith		Rural	5	4	4
	Lindale	Cass		Rural	4	4	3
4	Linden	Henderson		Rural	6	6	3
	Log Cabin	Morris		Rural	4	5	3
	Lone Star Malakoff	Henderson		Rural	5	5	5
		Cass		Rural	3	3	6
4	Marietta Marshall	Harrison	23,935		4	4	4
4	Maud	Bowie		Rural	6	6	3
4	Miller's Cove	Titus		Rural	5	5	6
	Mineola	Wood		Rural	5	5	3
	Moore Station	Henderson		Rural	6	6	5
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					Rental Development &		
o.			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Mount Enterprise	Rusk		Rural	4	3	5
4	Mount Pleasant	Titus	13,935	Rural	4	4	4
4	Mount Vernon	Franklin	2,286	Rural	3	5	5
4	Murchison	Henderson		Rural	3	3	4
4	Naples	Morris	1,410	Rural	6	6	5
4	Nash	Bowie	2,169	Urban	5	4	5
4	Nesbitt	Harrison		Rural	3	3	6
4	New Boston	Bowie	·	Rural	6	6	4
	New Chapel Hill	Smith		Rural	3	3	6
	New London	Rusk		Rural	5	5	4
4	New Summerfield	Cherokee		Rural	4	3	3
	Noonday	Smith		Rural	4	4	3
4	Omaha	Morris		Rural	6	6	3
4	Ore City	Upshur	•	Rural	6	6	5
4	Overton	Rusk	,	Rural	6	6	5
4	Palestine	Anderson	17,598		5	5	5
4	Paris	Lamar	25,898		5	6	4
4	Payne Springs	Henderson		Rural	3	3	3
4	Pecan Gap	Delta		Rural	5	5	6
	Pittsburg	Camp	,	Rural	3	4	4
	Point	Rains		Rural	6	6	6
4	Poynor	Henderson		Rural Rural	6	6 5	4
4	Queen City	Cass	,	Rural	4	4	5
	Quitman Red Lick	Bowie		Rural	6	6	3
4		Bowie		Rural	4	4	6
4	Redwater Reklaw	Cherokee		Rural	3	3	6
	Reno (Lamar)	Lamar		Rural	3	3	3
	Rocky Mound	Camp	, .	Rural	3	3	6
4	Roxton	Lamar		Rural	5	5	5
4	Rusk	Cherokee		Rural	5	5	3
	Scottsville	Harrison		Rural	4	4	6
	Seven Points	Henderson		Rural	3	6	6
4	Star Harbor	Henderson		Rural	3	3	3
4	Sulphur Springs	Hopkins	14,551		5	5	4
	Sun Valley	Lamar		Rural	3	3	6
4	Talco	Titus	570	Rural	5	5	6
4	Tatum	Rusk	1,175	Rural	5	5	4
4	Texarkana	Bowie	34,782	Urban	4	5	3
4	Tira	Hopkins	248	Rural	3	3	5
4	Toco	Lamar	89	Rural	6	6	6
4	Tool	Henderson	2,275	Rural	3	3	4
4	Trinidad	Henderson	1,091	Rural	5	5	3
4	Troup	Smith	1,949	Rural	5	4	5
4	Uncertain	Harrison	150	Rural	6	6	6
4	Union Grove	Upshur		Rural	3	3	6
4	Van	Van Zandt		Rural	6	5	4
4	Wake Village	Bowie		Urban	4	4	3
4	Warren City	Gregg		Rural	6	6	5
4	Waskom	Harrison		Rural	4	4	4
4	Wells	Cherokee	769	Rural	5	5	6

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					Rental Development &		
on			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	White Oak	Gregg	5,624	Urban	5	5	4
4	Whitehouse	Smith	5,346	Rural	3	4	3
4	Wills Point	Van Zandt	3,496	Rural	4	4	5
4	Winfield	Titus	499	Rural	4	4	5
4	Winnsboro	Wood	3,584	Rural	5	5	4
	Winona	Smith		Rural	3	3	3
4	Yantis	Wood		Rural	3	3	6
5	Appleby	Nacogdoches		Rural	5	5	5
	Bevil Oaks	Jefferson		Rural	3	3	4
	Broaddus	San Augustine		Rural	6	6	6
	Browndell	Jasper	219	Rural	3	3	6
	Buna	Jasper	-	Rural	3	3	5
5	Burke	Angelina		Rural	6	6	5
5	Center	Shelby		Rural	4	5	4
5	Central Gardens	Jefferson	,	Rural	3	3	3
5	Chester	Tyler		Rural	3	3	6
5	Chireno	Nacogdoches		Rural	4	4	4
5	Coldspring	San Jacinto		Rural	5	4	5
5	Colmesneil	Tyler		Rural	4	4	5
5 5	Corrigan	Polk	,	Rural	6	6 4	4
5	Crockett	Houston		Rural Rural	4	4	6 3
	Cushing	Nacogdoches Newton		Rural	5	4	3
5	Deweyville	Angelina	,	Rural	3	3	4
5	Diboll Evadale	Jasper	-	Rural	3	3	5
5	Garrison	Nacogdoches		Rural	4	4	4
5	Goodrich	Polk		Rural	3	3	6
5	Grapeland	Houston		Rural	6	6	6
5	Groves	Jefferson	15,733		4	4	3
5	Groveton	Trinity		Rural	5	5	6
5	Hemphill	Sabine		Rural	3	4	5
	Hudson	Angelina		Rural	4	4	4
	Huntington	Angelina		Rural	5	5	5
	Huxley	Shelby		Rural	3	3	3
5	Jasper	Jasper	8,247	Rural	3	5	6
5	Joaquin	Shelby	925	Rural	3	4	6
5	Kennard	Houston	317	Rural	6	6	6
5	Kirbyville	Jasper	2,085	Rural	5	5	4
5	Latexo	Houston	272	Rural	3	3	6
5	Livingston	Polk	5,433	Rural	5	5	5
5	Lovelady	Houston	608	Rural	6	6	3
5	Lufkin	Angelina	32,709	Rural	4	6	4
5	Lumberton	Hardin		Rural	3	3	4
5	Mauriceville	Orange		Rural	4	4	4
	Milam	Sabine		Rural	3	3	3
	Nacogdoches	Nacogdoches	29,914		6	6	4
	Nederland	Jefferson	17,422		4	4	3
	Newton	Newton		Rural	6	6	4
	Nome	Jefferson		Rural	5	5	5
5	Oakhurst	San Jacinto		Rural	4	4	5
5	Onalaska	Polk	1,174	Rural	6	6	5

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					Rental Development &		
uc			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Pine Forest	Orange	632	Rural	5	5	4
5	Pineland	Sabine	980	Rural	6	6	4
5	Pinewood Estates	Hardin	1,633	Rural	3	3	3
5	Point Blank	San Jacinto	559	Rural	4	4	6
5	Port Neches	Jefferson	13,601	Urban	4	3	3
5	Rose City	Orange	519	Rural	5	5	6
5	Rose Hill Acres	Hardin	480	Urban	6	6	3
5	San Augustine	San Augustine	2,475	Rural	5	4	3
5	Seven Oaks	Polk	131	Rural	3	3	3
5	Shepherd	San Jacinto		Rural	4	3	5
5	South Toledo Bend	Newton		Rural	3	3	4
5	Tenaha	Shelby	,	Rural	5	4	5
5	Timpson	Shelby		Rural	6	6	6
5	Trinity	Trinity		Rural	5	5	6
5	West Livingston	Polk	,	Rural	5	4	6
	Woodville	Tyler		Rural	6	6	4
5	Zavalla	Angelina		Rural	6	6	3
6	Aldine	Harris		Urban	3	3	6
6	Ames	Liberty		Rural	4	4	6
6	Anahuac	Chambers	,	Rural	5	5	5
	Angleton	Brazoria	18,130		3	5	4
6	Atascocita	Harris	35,757		4	4	4
	Bacliff	Galveston		Urban	6	6	6
6	Barrett	Harris	-	Rural	6	6	6
	Bay City	Matagorda	18,667		5	4	3
	Bayou Vista	Galveston	,	Rural	4	4	5
	Baytown	Harris	66,430		3	4	5
	Beach City	Chambers		Urban Rural	3	3	4 4
	Bellville	Austin		Rural	3	3	6
	Blessing	Matagorda Wharton		Rural	3	3	4
	Boling-lago	Galveston		Rural	6	6	5
	Bolivar Peninsula Brookshire	Waller		Rural	6	6	6
_	Bunker Hill Village	Harris		Urban	6	6	4
	Channelview	Harris		Urban	5	5	5
	Cinco Ranch	Fort Bend		Urban	5	5	3
	Clear Lake Shores	Galveston	-	Urban	4	4	3
6	Cleveland	Liberty		Rural	6	6	6
	Cloverleaf	Harris	23,508		5	5	4
6	Columbus	Colorado		Rural	4	3	4
6	Conroe	Montgomery	36,811		4	5	5
6	Cove	Chambers		Rural	6	6	3
6	Crosby	Harris	1,714	Rural	4	3	6
	Cumings	Fort Bend		Rural	3	3	3
	Cut and Shoot	Montgomery		Urban	6	6	5
	Daisetta	Liberty		Rural	5	5	5
	Damon	Brazoria	535	Rural	6	6	6
	Dayton Lakes	Liberty	101	Rural	3	3	3
_	Devers	Liberty	416	Rural	6	6	6
6	Dickinson	Galveston	17,093	Urban	5	5	4
6	Eagle Lake	Colorado	3,664	Rural	5	4	5

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					Rental Development &		
ы			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
6	East Bernard	Wharton	1,729	Rural	4	4	5
6	El Campo	Wharton	10,945	Rural	4	5	4
6	El Lago	Harris	3,075	Urban	4	4	3
6	Fifth Street	Fort Bend	2,059	Urban	4	4	6
6	Four Corners	Fort Bend		Urban	5	5	5
6	Fresno	Fort Bend		Urban	5	3	4
6	Friendswood	Galveston	29,037		5	5	4
6	Greatwood	Fort Bend	,	Urban	5	5	3
6	Hardin	Liberty		Rural	3	3	5
	Hedwig Village	Harris	,	Urban	5	4	3
	Hempstead	Waller		Rural	3	5	6
	Highlands	Harris		Urban	4	3	5
6	Hillcrest	Brazoria		Rural	6	6	4
6	Hilshire Village	Harris		Urban	6	6	3
6	Hitchcock	Galveston	,	Rural	3	5	6
6	Hungerford	Wharton		Rural	3	3	5
6	Hunters Creek Village	Harris		Urban	3	3	3
	Huntsville	Walker	35,078		6	6	4
6	Industry	Austin		Rural	3	3	6
6	Jamaica Beach	Galveston	,	Urban	6	6	5
6	Jersey Village	Harris		Urban	3	4	3
6	Kemah	Galveston	,	Urban	6	6	5
6	Kenefick	Liberty		Rural	4	4	6
6	La Marque	Galveston	45,444	Urban	5 3	5 4	6 4
6	League City	Galveston Brazoria	,	Rural	6	6	4
6	Liverpool	Wharton		Rural	4	3	4
	Louise	Montgomery		Rural	5	4	6
	Magnolia Markham	Matagorda		Rural	3	3	3
6		Fort Bend	30,831		5	4	5
6	Mission Bend Missouri City	Fort Bend	52,913		4	4	4
	Mont Belvieu	Chambers		Rural	4	4	3
	Montgomery	Montgomery		Rural	6	6	6
	Nassau Bay	Harris		Urban	6	6	3
	New Territory	Fort Bend		Urban	4	3	3
	New Waverly	Walker		Rural	6	5	5
	North Cleveland	Liberty		Rural	3	3	6
6	Oak Ridge North	Montgomery		Urban	5	5	3
6	Old River-Winfree	Chambers		Rural	5	5	5
	Palacios	Matagorda	5,153	Rural	4	5	4
	Panorama Village	Montgomery	1,965	Urban	5	4	4
	Pattison	Waller	447	Rural	5	4	5
6	Patton Village	Montgomery	1,391	Rural	5	5	5
	Pecan Grove	Fort Bend	13,551	Rural	4	4	3
	Pine Island	Waller	849	Rural	4	4	3
	Pinehurst (Montgomery)	Montgomery	4,266	Rural	4	4	4
	Piney Point Village	Harris	3,380	Urban	4	3	4
	Plum Grove	Liberty	930	Rural	3	3	6
	Porter Heights	Montgomery	1,490	Rural	3	3	6
6	Prairie View	Waller	4,410	Rural	3	6	6
6	Quintana	Brazoria	38	Rural	3	3	6

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					Rental Development &		
o.			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Riverside	Walker	425	Rural	6	6	6
6	Roman Forest	Montgomery	1,279	Rural	4	3	3
6	San Felipe	Austin	868	Rural	6	6	3
6	San Leon	Galveston	4,365	Urban	5	5	5
6	Santa Fe	Galveston		Urban	4	4	4
6	Sealy	Austin	·	Rural	3	4	5
6	Sheldon	Harris	·	Rural	3	3	4
6	Shenandoah	Montgomery	·	Urban	5	5	4
6	Sienna Plantation	Fort Bend	·	Urban	5	5	3
	Southside Place	Harris	·	Urban	6	6	3
6	Splendora	Montgomery	,	Rural	6	6	5
6	Spring	Harris	36,385		4	4	4
6	Spring Valley	Harris		Urban	4	3	3
6	Stagecoach	Montgomery		Rural	3	3	3
6	Stowell	Chambers		Rural	4	3	6
6	Sugar Land	Fort Bend	63,328		5	4	4
6	Taylor Lake Village	Harris		Urban	3	3	3 5
6	Texas City	Galveston	41,521 55,649		5	6 5	3
6	The Woodlands	Montgomery Galveston		Urban	3	3	4
6	Tiki Island		•	Rural	3	3	5
6	Van Vleck	Matagorda Austin		Rural	3	3	5
6	Wallis	Colorado		Rural	5	4	5
	Weimar	Wharton		Rural	5	5	6
	Wharton Wild Peach Village	Brazoria	•	Rural	3	3	4
	Willis	Montgomery	· · · · · · · · · · · · · · · · · · ·	Rural	3	4	6
6	Winnie	Chambers		Rural	4	3	5
	Woodbranch	Montgomery		Rural	4	3	4
6	Woodloch	Montgomery	7	Rural	6	6	3
7	Anderson Mill	Williamson		Urban	5	5	4
7	Bartlett	Williamson		Rural	6	6	5
7	Barton Creek	Travis		Urban	6	6	3
7	Bastrop	Bastrop		Rural	4	4	5
7	Bear Creek	Hays	360	Rural	3	3	3
7	Bee Cave	Travis	656	Rural	4	4	3
7	Bertram	Burnet	1,122	Rural	5	4	5
7	Blanco	Blanco	1,505	Rural	5	5	6
7	Briarcliff	Travis	895	Rural	4	3	4
7	Brushy Creek	Williamson	15,371	Urban	4	4	3
7	Buchanan Dam	Llano		Rural	5	4	5
7	Buda	Hays	2,404	Urban	3	3	5
7	Burnet	Burnet	4,735	Rural	4	5	6
7	Camp Swift	Bastrop	4,731	Rural	3	3	6
7	Carmine	Fayette		Rural	6	6	6
7	Cedar Park	Williamson		Urban	3	5	4
7	Circle D-KC Estates	Bastrop		Rural	3	3	5
7	Cottonwood Shores	Burnet		Rural	6	5	5
7	Creedmoor	Travis		Rural	3	3	5
7	Dripping Springs	Hays		Rural	3	5	6
7	Elgin	Bastrop		Rural	4	5	5
7	Fayetteville	Fayette	261	Rural	4	3	6

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					Rental Development &		
u			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Flatonia	Fayette		Rural	5	5	4
7	Florence	Williamson	1,054	Rural	6	6	6
7	Garfield	Travis	1,660	Rural	4	3	6
7	Georgetown	Williamson	28,339	Urban	4	5	5
7	Giddings	Lee	5,105	Rural	3	4	3
7	Granger	Williamson	1,299	Rural	5	5	6
7	Granite Shoals	Burnet	2,040	Rural	5	5	6
7	Hays	Hays	233	Rural	3	3	3
7	Highland Haven	Burnet	450	Rural	6	6	3
	Horseshoe Bay	Llano	3,337	Rural	4	4	4
7	Hudson Bend	Travis	2,369	Urban	5	5	4
7	Hutto	Williamson	1,250	Rural	5	3	5
7	Johnson City	Blanco	1,191	Rural	3	4	4
7	Jollyville	Williamson	15,813	Urban	5	5	3
7	Jonestown	Travis	1,681	Rural	6	6	5
7	Kingsland	Llano	4,584	Rural	3	6	5
7	Kyle	Hays	5,314	Rural	4	3	5
7	La Grange	Fayette	4,478	Rural	5	4	3
7	Lago Vista	Travis	4,507	Rural	6	6	5
7	Lakeway	Travis	8,002	Rural	4	4	4
7	Leander	Williamson	7,596	Urban	5	3	5
7	Lexington	Lee	1,178	Rural	4	4	3
7	Liberty Hill	Williamson	1,409	Rural	3	3	6
7	Llano	Llano	3,325	Rural	4	5	3
7	Lockhart	Caldwell	11,615	Rural	5	5	6
7	Lost Creek	Travis	4,729	Urban	4	3	3
7	Luling	Caldwell	5,080	Rural	4	4	4
7	Manor	Travis	1,204	Urban	4	3	4
7	Marble Falls	Burnet	4,959	Rural	4	6	5
7	Martindale	Caldwell		Rural	5	5	4
7	Meadowlakes	Burnet		Rural	6	6	3
7	Mountain City	Hays		Rural	6	6	4
	Mustang Ridge	Caldwell		Rural	3	3	6
7	Niederwald	Hays		Rural	4	4	4
7	Onion Creek	Travis		Urban	4	3	3
	Pflugerville	Travis		Urban	3	3	4
	Rollingwood	Travis	*	Urban	6	6	3
	Round Mountain	Blanco		Rural	3	3	3
	Round Rock	Williamson	61,136		5	5	3
	Round Top	Fayette		Rural	3	3	6
	San Leanna	Travis		Urban	6	6	3
_	San Marcos	Hays	34,733		6	6	6
	Schulenburg	Fayette		Rural	5	5	5
7	Serenada	Williamson		Urban	6	6	3
	Shady Hollow	Travis		Urban	4	4	3
7	Smithville	Bastrop		Rural	5	5	6
7	Sunrise Beach Village	Llano		Rural	5	5	4
/	Sunset Valley	Travis		Urban	5	5	5
-7	Taylor	Williamson	13,575		5	4	4
-/	The Hills	Travis		Rural	3	3	3
1	Thrall	Williamson	/10	Rural	5	5	4

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					Rental Development &		
ion			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
7	Uhland	Hays		Rural	6	6	5
7	Weir	Williamson	591	Rural	5	4	6
7	Wells Branch	Travis	11,271	Urban	5	5	4
7	West Lake Hills	Travis	,	Urban	3	3	3
7	Wimberley	Hays		Rural	5	4	6
7	Windemere	Travis	6,868	Urban	5	5	4
7	Woodcreek	Hays	1,274	Rural	5	5	5
7	Wyldwood	Bastrop		Rural	3	3	4
8	Abbott	Hill	300	Rural	4	4	5
8	Aquilla	Hill		Rural	6	6	3
	Bellmead	McLennan	,	Urban	4	4	5
8	Belton	Bell		Urban	4	5	3
	Beverly Hills	McLennan		Urban	5	5	6
8	Blum	Hill		Rural	6	6	3
8	Bruceville-Eddy	McLennan	,	Rural	5	5	4
8	Buckholts	Milam		Rural	6	6	3
8	Bynum	Hill		Rural	6	6	6
8	Cameron	Milam		Rural	3	4	5
8	Carl's Corner	Hill		Rural	6	6	6
8	Clifton	Bosque	,	Rural	3	4	5
8	Coolidge	Limestone		Rural	5	4	4
8	Copperas Cove	Coryell	29,592		4	4	4
8	Covington	Hill	_	Rural	3	3	4
8	Cranfills Gap	Bosque		Rural	4	4	5
8	Crawford	McLennan		Rural	4	3	4
	Evant	Coryell		Rural	6	6	6
	Fairfield	Freestone	*	Rural	5	5	6
8	Fort Hood	Bell	33,711		3	3	3
8	Gatesville	Coryell	15,591		4	5	4
8	Gholson	McLennan		Rural	3	3	4
8	Goldthwaite	Mills		Rural	5	5	5
_	Golinda	Falls		Rural	5	5	4
8	Groesbeck	Limestone		Rural	4	6	5
	Hallsburg	McLennan		Rural	6	6	3
	Hamilton	Hamilton		Rural	3	4	4
	Harker Heights	Bell		Urban	4	4	3
	Hewitt	McLennan		Urban	4	3	3
	Hico	Hamilton		Rural	4	4	6
	Hillsboro	Hill		Rural	5	6	4
	Holland	Bell		Rural	3	4	4
	Hubbard	Hill		Rural	3	4	5
_	Iredell	Bosque		Rural	4	4	5
_	Itasca	Hill		Rural	3	3	3
	Kempner	Lampasas		Rural	5	4	5
	Kirvin	Freestone		Rural	3	3	4
	Kosse	Limestone		Rural	6	6	6
8	Lacy-Lakeview	McLennan		Urban	5	5	5
8	Lampasas	Lampasas		Rural	4	4	5
8	Leroy	McLennan		Rural	3	3	5
8	Little River-Academy	Bell		Rural	6	6	3
8	Lometa	Lampasas	/82	Rural	4	4	3

Place Name	ĺ	1	I	I	I	ı		1
Place Name						Rental Development &		
8         Lott         Falls         724 Rural         3         3           8         Lott         Falls         724 Rural         5         4         3           8         Mardin         Falls         5,628 Rural         5         5         6           8         Marquez         Leon         220 Rural         4         3         5         6	on			2000 Census			Homebuyer	Owner Occupied
8         Lott         Falls         724 Rural         3         3           8         Lott         Falls         724 Rural         5         4         3           8         Mardin         Falls         5,628 Rural         5         5         6           8         Marquez         Leon         220 Rural         4         3         5         6	Regi	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
Molione		Lorena	McLennan	1,433	Rural	3	3	3
8         Marfin         Falls         6,628 Rural         5         5         6           8         Marquez         Loon         227 Rural         4         4         4         6           8         Mard McLennan         2,278 Rural         6         6         6         4           8         Merdian         Bosque         1,491 Rural         3         5         5         4           8         Merdian         Hill         148 Rural         6         6         6         6         6           8         Merdian         Limestone         6,563 Rural         6 </td <td>8</td> <td>Lott</td> <td>Falls</td> <td>724</td> <td>Rural</td> <td>5</td> <td>4</td> <td>3</td>	8	Lott	Falls	724	Rural	5	4	3
8         Marquez         Leon         220 Rural         4         4         4         6         6           8         Moffeepor         McLennan         2,273 Rural         6 <td>8</td> <td>Malone</td> <td>Hill</td> <td>278</td> <td>Rural</td> <td>3</td> <td>3</td> <td>6</td>	8	Malone	Hill	278	Rural	3	3	6
8         Mart         McLennan         2,273 Rural         6         6         4           8         McGregor         McLennan         4,727 Urban         5         5         5           8         Merdian         905que         1,497 Rural         3         5         5           8         Merans         Hill         146 Rural         6         6         6         6           8         Millano         Millam         400 Rural         4         3         6         6         6         5           8         Millian         Brazos         108 Rural         3         3         3         6 <td>8</td> <td>Marlin</td> <td>Falls</td> <td>6,628</td> <td>Rural</td> <td>5</td> <td>5</td> <td>6</td>	8	Marlin	Falls	6,628	Rural	5	5	6
8         McGregor         McLennan         4,727 Urban         5         5         4           8         Merdialan         Bosque         1,491 Rural         3         5         5           8         Merlans         Hill         146 Rural         6         6         6           8         Mexia         Limestone         6,563 Rural         6         6         6         6           8         Milano         Milam         400 Rural         4         3         6         6         6         6         6         8           8         Millican         Brazos         108 Rural         3         3         3         6         4         4	8	Marquez	Leon	220	Rural	4	4	6
Meridian   Bosque	8	Mart	McLennan	,		6		4
8         Mertens         Hill         146 Rural         6         6         6           8         Milano         Milano         400 Rural         4         3         6           8         Milano         Milano         400 Rural         3         6         6           8         Milano         Brazos         108 Rural         3         3         6           8         Morgan         Bosque         485 Rural         3         3         3         6           8         Morgan Point Resort         Bell         2.988 Rural         4         4         4         3         6         6           8         Morgans Point Resort         Bell         2.988 Rural         4         4         4         3         3         6	8	McGregor	McLennan	· · · · · · · · · · · · · · · · · · ·				4
Mexia		Meridian				·		5
8 Milano         Miliam         400 Rural         4         3         6           8 Millican         Brazos         108 Rural         3         3         3         6           8 Morgan         Bosque         485 Rural         3         3         6         6           8 Morgan's Point Resort         Bell         2,988 Rural         4         4         4         3           8 Mount Calm         Hill         310 Rural         4         4         4         3           8 Mullin         Millis         175 Rural         5         4         6         6           8 Normangee         Leon         715 Rural         3         3         6         6           8 Penelope         Hill         211 Rural         6         6         6         4           8 Penelope         Hill         211 Rural         6         6         6         4           8 Riesel         McLennan         973 Rural         6         6         6         6           8 Rosel         McLennan         973 Rural         6         6         6         3           8 Rogers         Bell         1,117 Rural         4         4         4		Mertens	Hill			·		6
8   Millican   Brazos   108   Rural   3   3   3   6   6   6   6   6   6   6		Mexia				·		5
8         Moody         McLennan         1,400 Rural         6         6         6           8         Morgan         Bosque         4485 Rural         3         3         3           8         Mount Calm         Hill         310 Rural         4         4         4         3           8         Mullin         Millis         175 Rural         5         4         6         6           8         Nolanville         Bell         2,150 Rural         5         5         4         6           8         Nolanville         Bell         2,150 Rural         5         5         5         4           8         Nolanville         Bell         2,150 Rural         5         5         5         4           8         Nolanville         Bell         2,150 Rural         6         6         6         6         4           8         Oglesby         Coryell         458 Rural         6						·		6
8   Morgan's Point Resort   Bell   2,989 Rural   4   4   4   3   4   4   4   3   4   4		Millican						6
8         Morgan's Point Resort         Bell         2,989 Rural         4         4         3           8         Mount Calm         Hill         310 Rural         4         4         3           8         Mullin         Mills         175 Rural         5         4         6           8         Normangee         Leon         719 Rural         3         3         3         6           8         Oglesby         Coryell         458 Rural         6         6         6         4           8         Penelope         Hill         211 Rural         6         6         6         6           8         Penelope         Hill         211 Rural         6         6         6         6         6           8         Richland Springs         San Saba         350 Rural         3 <td></td> <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>6</td>		•						6
8 Mount Calm         Hill         310 Rural         4         4         4           8 Mullin         Mills         175 Rural         5         4         6           8 Nolarville         Bell         2,150 Rural         5         5         4           8 Nolarville         Bell         2,150 Rural         3         3         3         6           8 Nobramagee         Leon         718 Rural         3         3         3         3         6         6         6         4           8 Penelope         Hill         211 Rural         6         6         6         6         4           8 Richland Springs         San Saba         350 Rural         3 <t< td=""><td></td><td></td><td>·</td><td></td><td></td><td></td><td></td><td>6</td></t<>			·					6
8 Mullin         Mills         175 Rural         5         4         6           8 Nolanville         Bell         2,150 Rural         5         5         4           8 Normangee         Leon         719 Rural         3         3         6           8 Oglesby         Coryell         458 Rural         6         6         6         6           8 Penelope         Hill         211 Rural         6         6         6         6           8 Richland Springs         San Saba         350 Rural         3         3         3           8 Riesel         McLennan         973 Rural         6         6         6         6           8 Rosel         McLennan         7,845 Urban         4         3         3         3           8 Rosers         Bell         1,117 Rural         4         4         4         4           8 Roses         McLennan         228 Rural         3         3         3         6           8 Salado         Bell         3,476 Rural         4         4         4         4           8 San Saba         San Saba         2,637 Rural         4         3         3         3           8 Str		· ·		,				3
8 Nolamville         Bell         2,150 Rural         5         5         4           8 Normangee         Leon         719 Rural         3         3         6           8 Oglesby         Coryell         458 Rural         6         6         4           8 Penelope         Hill         211 Rural         6         6         6         4           8 Penelope         Hill         211 Rural         6         3         4         4         <								3
8 Normangee         Leon         719 Rural         3         3         6           8 Oglesby         Coryell         458 Rural         6         6         4           8 Penelope         Hill         211 Rural         6         6         6           8 Richland Springs         San Saba         350 Rural         3         3         3           8 Richland Springs         San Saba         350 Rural         6         6         6         6         6           8 Richland Springs         San Saba         350 Rural         3         4         4         4         4         4         4         4         4         4         4         4<								6
8 Oglesby         Coryell         458 Rural         6         6         4           8 Penelope         Hill         211 Rural         6         6         6           8 Richland Springs         San Saba         350 Rural         3         3         3           8 Richland Springs         San Saba         350 Rural         3         3         3           8 Roseshad         McLennan         973 Rural         6         6         3           8 Robinson         McLennan         7,845 Urban         4         3         3         3           8 Robinson         McLennan         7,845 Urban         4         3         3         3         3         3         3         3         3         3         3         3         3         3         3         3         3         3         4         3         3         3         6         6         8         14         4         <				,				4
8 Penelope         Hill         211 Rural         6         6         6           8 Richland Springs         San Saba         350 Rural         3         3         3           8 Riesel         McLennan         973 Rural         6         6         6         3           8 Robinson         McLennan         7,845 Urban         4         3         3         3           8 Rockdale         Milam         5,439 Rural         5         5         5         5         3         4         3         3         3         6         6         1         2         8		-				·		6
8 Richland Springs         San Saba         350 Rural         3         3           8 Riesel         McLennan         973 Rural         6         6         3           8 Robinson         McLennan         7,845 Urban         4         3         3           8 Rockdale         Milam         5,439 Rural         5         5         5           8 Rosebud         Bell         1,117 Rural         4         4         4         4           8 Rosebud         Falls         1,493 Rural         4         4         4         4         4           8 Roses         McLennan         228 Rural         3         3         3         6         6         3         3         3         6         6         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         3         3         3         6         6         8         8         8         8         8         8         9         8         9         8         8         9         8         9         8         9         9         9		• •	The state of the s			·		
8 Riesel         McLennan         973 Rural         6         6         3           8 Robinson         McLennan         7,845 Urban         4         3         3           8 Rockdale         Milam         5,439 Rural         5         5         5           8 Rogers         Bell         1,117 Rural         4         4         4         4           8 Rosebud         Falls         1,493 Rural         4         4         4         4           8 Roses         McLennan         228 Rural         3         3         3         3         3           8 Salado         Bell         3,475 Rural         4         4         3         4         4         4         4         3         3         3         3								
8         Robinson         McLennan         7,845 Urban         4         3         3           8         Rockdale         Milam         5,439 Rural         5         5         3           8         Rogers         Bell         1,117 Rural         4         4         4         4           8         Rosebud         Falls         1,493 Rural         4         4         4         4           8         Rosebud         Falls         1,493 Rural         4         4         4         4           8         Rosebud         Falls         1,493 Rural         4         3         3         3         6         8         South Mountain         Coryell         412 Rural         4         4         4         4         3         3         3         3         3         3         3         3         3         3         3         4         4         4         4         4         4         4         4         4								
8 Rockdale         Milam         5,439 Rural         5         5           8 Rogers         Bell         1,117 Rural         4         4         4           8 Rosebud         Falls         1,493 Rural         4         4         4         4           8 Ross         McLennan         228 Rural         3         3         3         6           8 Salado         Bell         3,475 Rural         4         4         3         3         3           8 San Saba         San Saba         2,637 Rural         4         4         4         4         3         3         3         6         3         3         3         6         3         3         3         6         3         4         4         4         4         4         4         4         4         4         4         3         3         3         6         6         3         6         4         4         4         4         4         4         4         4         4         4         4         4         4         4         5         3         6         8         7         7         8         7         8         8         7						· ·		
8 Rogers         Bell         1,117 Rural         4         4         4           8 Rosebud         Falls         1,493 Rural         4         4         4           8 Ross         McLennan         228 Rural         3         3         6           8 Salado         Bell         3,475 Rural         4         3         3           8 San Saba         San Saba         2,637 Rural         4         4         4         4           8 Suth Mountain         Coryell         412 Rural         4         4         4         3           8 Streetman         Freestone         203 Rural         3         3         6         6           8 Teague         Freestone         4,557 Rural         4         4         4         5           8 Temple         Bell         54,514 Urban         4         5         3           8 Temple         Bell         54,514 Urban         4         5         3           8 Thorndale         Milam         1,278 Rural         5         5         5         4           8 Thornton         Limestone         525 Rural         3         3         6           8 Todd Mission         Grimes <t< td=""><td></td><td></td><td></td><td>,</td><td></td><td></td><td></td><td></td></t<>				,				
8 Rosebud         Falls         1,493 Rural         4         4         4         4         4         4         4         4         4         4         8         8 Ross         McLennan         228 Rural         3         3         3         6         8         8 Salado         Bell         3,475 Rural         4         4         3         4         4         4         4         4         4         3         3         3         4 <td></td> <td></td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td>				,				
8         Ross         McLennan         228 Rural         3         3         6           8         Salado         Bell         3,475 Rural         4         3         3           8         San Saba         2,637 Rural         4         4         4         3           8         South Mountain         Coryell         412 Rural         4         4         4         3           8         Streetman         Freestone         203 Rural         3         3         3         6           8         Teague         Freestone         4,557 Rural         4         4         4         5           8         Teague         Freestone         307 Rural         4         4         3         3           8         Tenple         Bell         54,514 Urban         4         5         3         3         3           8         Thorndale         Milam         1,278 Rural         5         5         5         4           8         Thornton         Limestone         525 Rural         5         5         5         5           8         Todd Mission         Grimes         146 Rural         3         3         3								
8         Salado         Bell         3,475 Rural         4         3         3           8         San Saba         2,637 Rural         4         4         4         3           8         South Mountain         Coryell         412 Rural         4         4         4         3           8         Streetman         Freestone         203 Rural         3         3         6           8         Teague         Freestone         4,557 Rural         4         4         4         5           8         Teague         Freestone         307 Rural         4         3         3         3           8         Tenple         Bell         54,514 Urban         4         5         3           8         Thomdale         Milam         1,278 Rural         5         5         4           8         Thomton         Limestone         525 Rural         5         5         5           8         Todd Mission         Grimes         146 Rural         3         3         3         6           8         Troy         Bell         1,378 Rural         6         4         3         3           8         Valle						·		
8         San Saba         San Saba         2,637 Rural         4         4         4         3           8         South Mountain         Coryell         412 Rural         4         4         4         3           8         Streetman         Freestone         203 Rural         3         3         3         6           8         Teague         Freestone         4,557 Rural         4         4         4         5           8         Teague         Freestone         307 Rural         4         3         3         3           8         Tehuacana         Limestone         307 Rural         4         3         3         3           8         Temple         Bell         54,514 Urban         4         5         3           8         Thormdale         Milam         1,278 Rural         5         5         5         4           8         Thormdale         Milam         1,278 Rural         5         5         5         5         5           8         Todd Mission         Grimes         146 Rural         3         3         3         6           8         Troy         Bell         1,378 Rural						·		3
8         South Mountain         Coryell         412 Rural         4         4         3           8         Streetman         Freestone         203 Rural         3         3         6           8         Teague         Freestone         4,557 Rural         4         4         4         5           8         Tehuacana         Limestone         307 Rural         4         3         3         3           8         Temple         Bell         54,514 Urban         4         5         3           8         Temple         Milam         1,278 Rural         5         5         4           8         Thorndale         Milam         1,278 Rural         5         5         5         4           8         Thorndale         Milam         1,278 Rural         5         5         5         5         4           8         Thorndale         Milam         1,278 Rural         5         <						·		3
8         Streetman         Freestone         203 Rural         3         3         6           8         Teague         Freestone         4,557 Rural         4         4         5           8         Tehuacana         Limestone         307 Rural         4         3         3           8         Temple         Bell         54,514 Urban         4         5         3           8         Thomloalle         Milam         1,278 Rural         5         5         4           8         Thomton         Limestone         525 Rural         5         5         5           8         Todd Mission         Grimes         146 Rural         3         3         3         6           8         Troy         Bell         1,378 Rural         6         4         3           8         Valley Mills         Bosque         1,123 Rural         3         3         3         5           8         Walnut Springs         Bosque         755 Rural         3         3         3         4           8         West         McLennan         2,692 Rural         4         4         4         3           8         Wixon Val								3
8 Teague         Freestone         4,557 Rural         4         4         5           8 Tehuacana         Limestone         307 Rural         4         3         3           8 Temple         Bell         54,514 Urban         4         5         3           8 Thorndale         Milam         1,278 Rural         5         5         4           8 Thornton         Limestone         525 Rural         5         5         5           8 Todd Mission         Grimes         146 Rural         3         3         3         6           8 Troy         Bell         1,378 Rural         6         4         3         3         6         4         3         3         6         4         3         3         5								6
8 Tehuacana         Limestone         307 Rural         4         3         3           8 Temple         Bell         54,514 Urban         4         5         3           8 Thorndale         Milam         1,278 Rural         5         5         4           8 Thornton         Limestone         525 Rural         5         5         5           8 Todd Mission         Grimes         146 Rural         3         3         3         6           8 Troy         Bell         1,378 Rural         6         4         3           8 Valley Mills         Bosque         1,123 Rural         3         3         5           8 Walnut Springs         Bosque         755 Rural         3         3         4           8 West         McLennan         2,692 Rural         4         4         3           8 Whitney         Hill         1,833 Rural         6         6         5           8 Wixon Valley         Brazos         235 Rural         6         6         3           8 Woodway         McLennan         8,733 Urban         3         3         3           8 Wortham         Freestone         1,082 Rural         6         6         <						·		5
8 Temple         Bell         54,514 Urban         4         5         3           8 Thorndale         Milam         1,278 Rural         5         5         4           8 Thornton         Limestone         525 Rural         5         5         5           8 Todd Mission         Grimes         146 Rural         3         3         6           8 Troy         Bell         1,378 Rural         6         4         3           8 Valley Mills         Bosque         1,123 Rural         3         3         5           8 Walnut Springs         Bosque         755 Rural         3         3         4           8 West         McLennan         2,692 Rural         4         4         3           8 Whitney         Hill         1,833 Rural         6         6         5           8 Wixon Valley         Brazos         235 Rural         6         6         3           8 Woodway         McLennan         8,733 Urban         3         3         3           8 Wortham         Freestone         1,082 Rural         6         6         5           9 Alamo Heights         Bexar         7,319 Urban         4         4         4 <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>3</td>		_						3
8 Thorndale         Milam         1,278 Rural         5         5         4           8 Thornton         Limestone         525 Rural         5         5         5           8 Todd Mission         Grimes         146 Rural         3         3         6           8 Troy         Bell         1,378 Rural         6         4         3           8 Valley Mills         Bosque         1,123 Rural         3         3         5           8 Walnut Springs         Bosque         755 Rural         3         3         4           8 West         McLennan         2,692 Rural         4         4         3           8 Whitney         Hill         1,833 Rural         6         6         5           8 Wixon Valley         Brazos         235 Rural         6         6         3           8 Woodway         McLennan         8,733 Urban         3         3         3           8 Wortham         Freestone         1,082 Rural         6         6         6         5           9 Alamo Heights         Bexar         7,319 Urban         4         4         4         4           9 Bandera         Bandera         957 Rural         3								3
8 Thornton         Limestone         525 Rural         5         5           8 Todd Mission         Grimes         146 Rural         3         3         6           8 Troy         Bell         1,378 Rural         6         4         3           8 Valley Mills         Bosque         1,123 Rural         3         3         5           8 Walnut Springs         Bosque         755 Rural         3         3         3         4           8 West         McLennan         2,692 Rural         4         4         4         3           8 Whitney         Hill         1,833 Rural         6         6         5           8 Wixon Valley         Brazos         235 Rural         6         6         3           8 Woodway         McLennan         8,733 Urban         3         3         3           8 Wortham         Freestone         1,082 Rural         6         6         5           9 Alamo Heights         Bexar         7,319 Urban         4         4         4           9 Bandera         Bandera         957 Rural         3         5         6								4
8         Todd Mission         Grimes         146 Rural         3         3         6           8         Troy         Bell         1,378 Rural         6         4         3           8         Valley Mills         Bosque         1,123 Rural         3         3         5           8         Walnut Springs         Bosque         755 Rural         3         3         4           8         West         McLennan         2,692 Rural         4         4         4         3           8         Whitney         Hill         1,833 Rural         6         6         5           8         Wixon Valley         Brazos         235 Rural         6         6         3           8         Woodway         McLennan         8,733 Urban         3         3         3           8         Wortham         Freestone         1,082 Rural         6         6         6           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6								5
8 Troy       Bell       1,378 Rural       6       4       3         8 Valley Mills       Bosque       1,123 Rural       3       3       5         8 Walnut Springs       Bosque       755 Rural       3       3       4         8 West       McLennan       2,692 Rural       4       4       4       3         8 Whitney       Hill       1,833 Rural       6       6       5         8 Wixon Valley       Brazos       235 Rural       6       6       3         8 Woodway       McLennan       8,733 Urban       3       3       3         8 Wortham       Freestone       1,082 Rural       6       6       5         9 Alamo Heights       Bexar       7,319 Urban       4       4       4         9 Bandera       Bandera       957 Rural       3       5       6								6
8 Valley Mills         Bosque         1,123 Rural         3         3         5           8 Walnut Springs         Bosque         755 Rural         3         3         4           8 West         McLennan         2,692 Rural         4         4         4         3           8 Whitney         Hill         1,833 Rural         6         6         5           8 Wixon Valley         Brazos         235 Rural         6         6         3           8 Woodway         McLennan         8,733 Urban         3         3         3           8 Wortham         Freestone         1,082 Rural         6         6         5           9 Alamo Heights         Bexar         7,319 Urban         4         4         4           9 Bandera         Bandera         957 Rural         3         5         6								3
8         Walnut Springs         Bosque         755 Rural         3         3         4           8         West         McLennan         2,692 Rural         4         4         4         3           8         Whitney         Hill         1,833 Rural         6         6         5           8         Wixon Valley         Brazos         235 Rural         6         6         3           8         Woodway         McLennan         8,733 Urban         3         3         3           8         Wortham         Freestone         1,082 Rural         6         6         5           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6			Bosque					5
8         West         McLennan         2,692 Rural         4         4         4         3           8         Whitney         Hill         1,833 Rural         6         6         5           8         Wixon Valley         Brazos         235 Rural         6         6         3           8         Woodway         McLennan         8,733 Urban         3         3         3           8         Wortham         Freestone         1,082 Rural         6         6         6           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6				755	Rural	3	3	4
8         Whitney         Hill         1,833 Rural         6         6         5           8         Wixon Valley         Brazos         235 Rural         6         6         3           8         Woodway         McLennan         8,733 Urban         3         3         3           8         Wortham         Freestone         1,082 Rural         6         6         5           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6			McLennan	2,692	Rural	4	4	3
8     Wixon Valley     Brazos     235 Rural     6     6       8     Woodway     McLennan     8,733 Urban     3       8     Wortham     Freestone     1,082 Rural     6     6       9     Alamo Heights     Bexar     7,319 Urban     4     4       9     Bandera     Bandera     957 Rural     3     5     6			Hill	1,833	Rural	6	6	5
8         Woodway         McLennan         8,733 Urban         3         3           8         Wortham         Freestone         1,082 Rural         6         6         5           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6			Brazos	235	Rural	6	6	3
8         Wortham         Freestone         1,082 Rural         6         6         5           9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6		-	McLennan	8,733	Urban	3	3	3
9         Alamo Heights         Bexar         7,319 Urban         4         4         4           9         Bandera         Bandera         957 Rural         3         5         6		-	Freestone	1,082	Rural	6	6	5
9         Bandera         Bandera         957 Rural         3         5         6			Bexar	7,319	Urban	4	4	4
9 Bigfoot Frio 304 Rural 3 3 4		· ·	Bandera	957	Rural	3	5	6
	9	Bigfoot	Frio	304	Rural	3	3	4
	9	Boerne	Kendall			4	6	6
9         Bulverde         Comal         3,761         Rural         3         3	9	Bulverde	Comal	3,761	Rural	3	3	3

					Dentel Development 8		
Region	Place Name	County	2000 Census Population	Area Type	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
9	Canyon Lake	Comal	16,870		4	4	5
9	Castle Hills	Bexar		Urban	6	6	4
9	Castroville	Medina	*	Rural	5	4	4
9	Charlotte	Atascosa		Rural	4	3	5
9	Christine	Atascosa		Rural	3	3	5
9	Cibolo	Guadalupe	3,035	Rural	6	6	4
9	Comfort	Kendall	2,358	Rural	4	4	6
9	Cross Mountain	Bexar	,	Urban	3	3	3
9	Devine	Medina		Rural	5	5	5
9	Dilley	Frio		Rural	6	6	6
9	Fair Oaks Ranch	Bexar	4,695	Urban	5	4	3
9	Falls City	Karnes		Rural	4	4	3
9	Floresville	Wilson	5,868	Rural	3	5	5
9	Fredericksburg	Gillespie		Rural	3	5	5
9	Garden Ridge	Comal		Rural	6	6	3
9	Geronimo	Guadalupe		Rural	3	3	5
9	Harper	Gillespie		Rural	5	4	6
9	Hill Country Village	Bexar	· ·	Urban	3	3	3
9	Hilltop	Frio		Rural	3	3	5
9	Hollywood Park	Bexar		Urban	6	6	3
9	Hondo	Medina	,	Rural	4	5	4
9		Kerr		Rural	6	5	6
9	Ingram Jourdanton	Atascosa		Rural	6	6	5
9	Karnes City	Karnes	,	Rural	5	4	5
9	Kenedy	Karnes	· ·	'Rural	4	4	5
9	Kerrville	Kerr	20,425		6	6	5
9		Guadalupe		Rural	3	3	4
9	Kingsbury La Vernia	Wilson		Rural	6	6	5
9	Lackland AFB	Bexar		Urban	3	3	6
9	LaCoste	Medina		Rural	5	4	5
9	Lakehills	Bandera	*	Rural	6	6	5
	Lytle	Atascosa		Rural	4	4	6
9	Marion	Guadalupe		Rural	5	4	4
9	McQueeney	Guadalupe		Rural	4	4	5
9	Moore	Frio		Rural	4	3	3
9	Natalia	Medina		Rural	6	6	6
	New Berlin	Guadalupe		'Rural	3	3	4
	New Braunfels	Comal		Urban	5	5	4
		Frio		Rural	4	3	5
	North Pearsall Northcliff	Guadalupe		Rural	4	4	4
9	Olmos Park	Bexar		Urban	4	3	3
	Pearsall	Frio		Rural	4	4	6
		Atascosa		Rural	6	6	5
	Pleasanton	Atascosa		Rural	4	5	5
	Poteet	Wilson		Rural	5	4	4
9	Poth	Guadalupe		Rural	5	5	6
9	Redwood	Karnes		Rural	6	5 5	4
9	Runge	Guadalupe		Rural	6	6	5
9	Santa Clara	·		Urban	3	3	3
	Scenic Oaks	Bexar					4
9	Schertz	Guadalupe		Urban	5	4	
9	Seguin	Guadalupe	22,011	Kurai	5	5	5

Place Name		1	ı	I	I	1 1		1
Place Name						Rental Development &		
9   St. Hudwig   Bexar   1.875 Rural   6   5   3     9   Stockable   Wilson   1.389 Rural   5   5   5   5     9   Stockable   Wilson   1.389 Rural   5   5   5   5     9   Terrel Hills   Bexar   5.019 Urban   4   4   3   3     9   West Peansall   Fino   3.46 Rural   6   6   6   3   3     9   West Peansall   Fino   3.46 Rural   6   6   6   3   3     9   Winducest   Bexar   5.109 Urban   6   6   6   3   3     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Rural   8   7   7   7   7   7   7   7   7   7	ы			2000 Census			Homebuyer	Owner Occupied
9   St. Hudwig   Bexar   1.875 Rural   6   5   3     9   Stockable   Wilson   1.389 Rural   5   5   5   5     9   Stockable   Wilson   1.389 Rural   5   5   5   5     9   Terrel Hills   Bexar   5.019 Urban   4   4   3   3     9   West Peansall   Fino   3.46 Rural   6   6   6   3   3     9   West Peansall   Fino   3.46 Rural   6   6   6   3   3     9   Winducest   Bexar   5.109 Urban   6   6   6   3   3     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Dulce (Nueces)   Nueces   7.57 Rural   5   4   4   4     10   Algua Rural   8   7   7   7   7   7   7   7   7   7	Regi	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
Stonewall   Gillespie   445 Rural   5   5   5   5		St. Hedwig	Bexar			6	5	3
Tertell Hills	9	Stockdale	Wilson	1,398	Rural	5	5	4
West Pearsall	9	Stonewall	Gillespie	469	Rural	5	5	5
9   Windcrest   Baxar   S.105 Urban   6   6   3   3   9   Zueh   Guadalupe   346 Rumi   3   3   5   10   Agua Duice (Nueces)   Nueces   737 Ruma   5   4   4   4   4   4   4   10   Agua Duice (Nueces)   Nueces   737 Ruma   5   4   4   4   4   4   4   4   10   Altred South La Patoma Jim Wells   451 Ruma   3   3   4   4   4   4   4   4   4   4	9	Terrell Hills	Bexar	5,019	Urban	4	4	3
9   Zueht   Guadalupe   346 Rural   3   3   5     10   Agua Dulce (Nueces)   Nueces   737 Rural   5   4   4   4     11   Alfred South La Paloma   5   4   4   4     12   Alfred South La Paloma   5   5   4   4   4     13   Alfred South La Paloma   5   5   4   4   4     14   Alfred South La Paloma   5   5   5   4   4   4     15   Alfred South La Paloma   5   5   5   5   4     16   Alce	9	West Pearsall	Frio			6	6	3
10   Agua Dulce (Nueces)   Nueces   73   Rural   5   4   4     10   Airport Road Addition   Brooks   13,2   Rural   3   3   3   4     10   Airport Road Addition   Brooks   13,2   Rural   3   3   3   4     10   Aire   South La Paloma   Jim Wells   19,010   Rural   4   4   4   4     10   Aire   Aire   Aire   Aire   Aire   Aire   Aire   Aire     10   Aire   Aire   Aire   Aire   Aire   Aire   Aire     10   Aire   Aire   Aire   Aire   Aire   Aire     10   Aire   Aire   Aire   Aire   Aire     10   Aire   Aire   Aire   Aire     10   Aire   Aire   Aire   Aire     10   Bayside   Refugio   366   Rural   6   6   6   6     10   Bayside   Refugio   366   Rural   6   6   6   6   6     10   Bayside   Bee   13,129   Rural   6   6   6   6   6     10   Bernardos   Duval   1,666   Rural   5   5   4     10   Benardos   Duval   1,666   Rural   5   5   4     10   Bionemington   Victoria   2,553   Rural   5   5   5   4     10   Bionemington   Victoria   2,553   Rural   6   6   6   4     10   Bionemington   Victoria   2,553   Rural   3   3   6     10   Cancepcion   Duval   6   Rural   3   3   3   6     10   Cancepcion   Duval   6   Rural   3   3   3   6     10   Concepcion   Duval   6   Rural   3   3   3   6     10   Coyle   Arres   Jim Wells   388   Rural   3   3   3   6     10   Dus   Arres   Aire   Aire   Aire   Aire   Aire   Aire   Aire     10   Del Sol-Lome Linda   San Patricio   728   Rural   3   3   3   5     10   Doyle   San Patricio   288   Urban   3   3   3   3     10   Edgewater-Paisano   San Patricio   288   Rural   5   6   3     10   Edgewater-Paisano   San Patricio   289   Rural   5   6   6   3     10   Edgewater-Paisano   Brooks   177   Rural   5   6   5     10   Edgewater-Paisano   Brooks   179   Rural   4   4   4   4     10   Filton   Airansas   1,553   Rural   6   6   6   3     10   Filton   Airansas   1,553   Rural   5   6   6   6     10   Galad   Goliad   Goliad   1,973   Rural   4   4   4   4     10   Robert   Live Oak   2,524   Rural   4   4   4     10   Robert   Live Oak   2,524   Rural   4   4   4   4     10	9	Windcrest		5,105	Urban	· ·		3
10   Alirport Road Addition	9	Zuehl	Guadalupe				3	5
10   Alfred-South La Paloma   Jim Wells   451   Rural   3   3   4   4   4   4   4   4   4   4		• , ,						<u> </u>
10   Alice		'						
10   Alice Acres   Jim Wells   491   Rural   3   3   3   3     10   Aransas Pass   San Patricio   8,138   Rural   4   5   6   6   6     10   Austwell   Refugio   192   Rural   6   6   6   6   6   6     10   Bayside   Refugio   360   Rural   6   6   6   6   6     10   Beeville   Bee   13,129   Rural   4   5   4     10   Benavides   Duval   1,688   Rural   5   5   4     10   Benavides   Duval   1,688   Rural   5   5   5   4     10   Bishop   Nucces   3,305   Rural   5   5   5   4     10   Bishop   Nucces   3,305   Rural   6   6   6   4     10   Bib Berry Hill   Bee   982   Rural   3   3   6     10   Cantu Addition   Brooks   217   Rural   3   3   3   6     10   Concepcion   Duval   6   18   Rural   3   3   3   6     10   Concepcion   Duval   6   18   Rural   3   3   3   6     10   Cuero   DeWitt   6,577   Rural   3   3   3   6     10   Cuero   DeWitt   6,577   Rural   6   6   6   4     10   Del Sol-Loma Linda   San Patricio   728   Rural   3   3   3   5     10   Doyle   San Patricio   285   Urban   3   3   3   3     10   Edgewater-Paisano   San Patricio   182   Rural   5   6   6   3     10   Edna   Jackson   5,989   Rural   5   6   5     10   Edna   Jackson   5,989   Rural   5   6   5     10   Ednia   Jackson   5,989   Rural   5   6   5     10   Ednia   Jackson   5,989   Rural   5   6   5     10   Filman-County Acres   San Patricio   283   Rural   6   6   6   3     10   Findan-County Acres   San Patricio   283   Rural   4   4   4   4     10   Fulton   Aransas   1,553   Rural   4   4   4   4     10   Fulton   Aransas   1,553   Rural   4   4   4   4     10   George West   Uve Oak   2,524   Rural   4   4   4   4     10   Ingleside on the Bay   San Patricio   9,388   Urban   4   4   4   5     10   Ingleside on the Bay   San Patricio   9,388   Urban   4   6   6   6     10   Lake City   San Patricio   568   Rural   6   6   6   6     10   Lake City   San Patricio   568   Rural   6   6   6   6     10   Lake City   San Patricio   568   Rural   6   6   6   6     10   Lake City   San Patricio   568   Rural   6   6   6   6		Alfred-South La Paloma						
10   Aransas Pass   San Patricio   1938 Rural   4   5   6     10   Aransas Pass   Refugio   1938 Rural   6   6   6   6     10   Bayside   Refugio   360 Rural   6   6   6   6     10   Beveille   Bee   13,129 Rural   4   5   4     10   Benavides   Duval   1,688 Rural   5   5   4     10   Bishop   Nueces   3,308 Rural   5   5   4     10   Bishop   Nueces   3,308 Rural   5   5   4     10   Bibue Berry Hill   Bee   982 Rural   3   3   6     10   Cantu Addition   Brooks   217 Rural   3   3   3   6     10   Cantu Addition   Brooks   217 Rural   3   3   3   6     10   Concepcion   Duval   6   8 Rural   3   3   3   6     10   Concepcion   Duval   6   8 Rural   3   3   3   6     10   Colero   DeWitt   6,571 Rural   6   6   6   4     10   Del Sol-Loma Linda   San Patricio   288 Urban   3   3   3   5     10   Doyle   San Patricio   288 Urban   3   3   3   3     10   Discoll   Nueces   828 Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182 Rural   5   6   3     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Encino   Brooks   177 Rural   3   3   3   6     10   Encino   Brooks   178 Rural   4   4   4   4     Fultron   Aransas   1,558 Rural   4   4   4   4     10   George West   Live Oak   2,524 Rural   4   4   4   4     10   George West   Live Oak   2,524 Rural   4   4   4     10   George West   Live Oak   2,528 Rural   5   6   6     10   Glorado   San Patricio   9,388 Urban   4   6   6   6     10   Lake City   San Patricio   528 Rural   6   6   6   6     10   Lake City   San Patricio   528 Rural   6   6   6   6     10   Lake City   San Patricio   528 Rural   6   6   6   6     10   Lake City   San Patricio   528 Rural   6   6   6   6     10   Lake City						·	•	
Austwell   Refugio   192 Rural   6   6   6   6   6   6   6   6   6								
10   Bayside   Refugio   360 Rural   6   6   6   6   6   10								
10   Beeville   Bee   13,129   Rural   4   5   4     10   Benavides   Duval   1,686   Rural   5   5   5   4     10   Bishop   Nueces   3,305   Rural   5   5   5   4     10   Biomington   Victoria   2,562   Rural   6   6   6   4     10   Blue Berry Hill   Bee   982   Rural   3   3   3   6     10   Cantu Addition   Brooks   217   Rural   3   3   3   6     10   Concepcion   Duval   6   Rural   3   3   3   6     10   Concepcion   Duval   6   Rural   3   3   3   3   6     10   Concepcion   Duval   6   Rural   3   3   3   3   6     10   Cource   DeWitt   6,571   Rural   6   6   6   4     10   Del Sol-Loma Linda   San Patricio   728   Rural   3   3   3   5     10   Doyle   San Patricio   728   Rural   3   3   3   3   5     10   Discoll   Nueces   828   Rural   3   3   3   3   3     10   Discoll   Nueces   828   Rural   5   6   6   3     10   Edgewater-Paisano   San Patricio   182   Rural   6   6   6   3     10   Edna   Jackson   5,899   Rural   5   6   6   5     10   Edna   Jackson   5,899   Rural   5   6   5     10   Edna   Jackson   5,899   Rural   5   6   5     10   Encino   Brooks   177   Rural   3   3   3   3     10   Edma   Jackson   5,899   Rural   6   6   5   6     10   Falturrias   Brooks   5,297   Rural   6   6   6   3     10   Falturrias   Brooks   5,297   Rural   6   6   6   6     10   Falturrias   Brooks   134   Rural   4   4   4   4     10   Foulton   Aransas   1,553   Rural   4   4   4   4     10   Foulton   Aransas   1,553   Rural   4   4   4   4     10   Foulton   Aransas   1,553   Rural   5   4   6     10   George West   Live Oak   2,524   Rural   4   4   4   4     10   George West   Live Oak   2,524   Rural   4   4   4   4     11   Halletsville   Lavaca   2,348   Rural   4   4   4   4     10   Ingleside   San Patricio   9,388   Rural   5   6   6   6     10   Lake City   San Patricio   66   66   66     10			ŭ					
10   Benavides   Duval   1,686 Rural   5   5   4   4   10   Bishop   Nueces   3,305 Rural   5   5   5   4   10   Bishop   Nueces   3,305 Rural   5   5   5   4   10   Bishomington   Victoria   2,562 Rural   6   6   6   4   4   10   Bibe Berry Hill   8ee   982 Rural   3   3   3   6   6   10   Cantu Addition   Brooks   217 Rural   3   3   3   6   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   18 Rural   3   3   3   6   10   Concepcion   Duval   6   6   6   4   4   10   Del Sol-Loma Linda   San Patricio   726 Rural   3   3   3   5   10   Dolyde   San Patricio   285 Rural   3   3   3   5   10   Dolyde   San Patricio   285 Rural   3   3   3   3   3   10   Driscoll   Nueces   825 Rural   5   6   3   3   3   3   10   Driscoll   Nueces   825 Rural   5   6   3   3   3   10   Driscoll   Nueces   825 Rural   5   6   6   3   3   3   10   Driscoll   Driscoll   Rural   Rural   6   6   6   5   5   6   5   10   Edna   Jackson   5,898 Rural   5   6   5   6   5   5   6   10   Edna   Jackson   5,898 Rural   5   6   5   6   5   10   Edna   Jackson   5,898 Rural   5   6   5   6   5   6   10   Edna   Jackson   177 Rural   3   3   3   3   6   10   Edna   Jackson   178 Rural   3   3   3   3   3   3   6   10   Edna   Jackson   178 Rural   3   3   3   3   6   10   Edna   Jackson   188 Rural   188 R		· ·	ŭ			· ·		
10   Bishop   Nueces   3,305   Rural   5   5   4			_					
10   Bloomington   Victoria   2,562 Rural   6   6   4								
Blue Berry Hill   Bee						· ·		
10   Cantu Addition   Brooks   217   Rural   3   3   6     10   Concepcion   Duval   6   Rural   3   3   3     10   Coyote Acres   Jim Wells   388   Rural   3   3   3     10   Coyote Acres   Jim Wells   388   Rural   3   3   3     10   Coyote Acres   Jim Wells   388   Rural   3   3   3     10   Coyote Acres   Jim Wells   388   Rural   6   6   4     10   Del Sol-Loma Linda   San Patricio   726   Rural   3   3   3     10   Dolyle   San Patricio   288   Urban   3   3   3     10   Driscoll   Nueces   823   Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182   Rural   6   6   6   3     10   Edgewater-Paisano   San Patricio   182   Rural   5   6   5     10   Edna   Jackson   5,899   Rural   5   6   5     10   Edna   Jackson   5,899   Rural   5   6   5     10   Edno   Brooks   177   Rural   3   3   3   6     10   Encino   Brooks   177   Rural   3   3   3   3     10   Falfurrias   Brooks   5,297   Rural   6   5   6     10   Falman-County Acres   San Patricio   288   Rural   6   6   6   3     10   Freer   Duval   3,241   Rural   3   3   6     10   Freer   Duval   3,244   Rural   4   4   4     10   Fulton   Aransas   1,553   Rural   4   4   4     10   Ganado   Jackson   1,915   Rural   4   4   4     10   Gorge West   Live Oak   2,524   Rural   4   4   4     10   Gorge West   Live Oak   2,524   Rural   4   4   4     10   Gorgeory   San Patricio   2,318   Rural   4   4   4     10   Gregory   San Patricio   2,318   Rural   4   4   4     10   Ingleside   Gonzales   Gonzales   7,202   Rural   4   4   4     10   Ingleside   San Patricio   3,388   Urban   4   6   6     10   Ingleside   San Patricio   569   Urban   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200   Rural   6   6   6     10   Laward   Jackson   200				· · · · · · · · · · · · · · · · · · ·		· ·		
10   Concepcion   Duval   61   Rural   3   3   3   3   3   10   Coyote Acres   Jim Wells   388   Rural   3   3   3   6   6   10   Cuero   DeWitt   6,571   Rural   6   6   6   4   10   Del Sol-Loma Linda   San Patricio   726   Rural   3   3   3   5   5   5   6   10   Doyle   San Patricio   288   Jurban   3   3   3   3   10   Driscoll   Nueces   828   Rural   5   6   3   3   3   10   Driscoll   Nueces   828   Rural   5   6   3   3   3   10   Driscoll   Nueces   828   Rural   6   6   6   3   3   10   Edgewater-Paisano   San Patricio   182   Rural   6   6   6   5   5   6   5   10   Edroy   San Patricio   420   Rural   3   3   3   6   6   5   10   Edroy   San Patricio   420   Rural   3   3   3   6   10   Edrino   Brooks   177   Rural   3   3   3   6   10   Edrino   Brooks   5,297   Rural   3   3   3   3   6   10   Ediman-County Acres   San Patricio   288   Rural   6   6   5   6   6   10   Falman-County Acres   San Patricio   288   Rural   6   6   3   3   6   10   Freer   Duval   3,241   Rural   3   3   3   6   10   Freer   Duval   3,241   Rural   4   4   4   4   4   4   10   Fulton   Aransas   1,553   Rural   5   4   6   6   10   Gonzales   Gonzales   7,202   Rural   4   4   4   4   5   10   Gonzales   Gonzales   7,202   Rural   4   4   4   5   10   Gonzales   Gonzales   7,202   Rural   4   4   4   5   10   Gonzales   Gonzales   7,202   Rural   4   4   4   5   10   Ingleside   San Patricio   9,388   Urban   4   6   6   6   6   10   K-Bar Ranch   Jim Wells   350   Rural   5   6   6   6   6   10   Law City   San Patricio   526   Rural   6   6   6   6   6   10   Law City   San Patricio   526   Rural   6   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4   6   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4   6   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4   6   6   6   6   10   Law City   San Patricio   526   Rural   4   4		•						
10   Coyote Acres   Jim Wells   388 Rural   3   3   6     10   Cuero   DeWitt   6,571 Rural   6   6   4     10   Del Sol-Loma Linda   San Patricio   726 Rural   3   3   3   5     10   Doyle   San Patricio   285 Urban   3   3   3   3     10   Driscoll   Nueces   823 Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182 Rural   6   6   6   3     10   Edgewater-Paisano   San Patricio   182 Rural   5   6   5     10   Edna   Jackson   5,899 Rural   5   6   5     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Encino   Brooks   177 Rural   3   3   3   3     10   Falfurias   Brooks   5,297 Rural   6   5   6     10   Falfurias   Brooks   5,297 Rural   6   6   6   3     10   Fowella   Brooks   134 Rural   3   3   3   6     10   Freer   Duval   3,241 Rural   4   4   4   4     10   Fulton   Aransas   1,553 Rural   5   4   6     10   Ganado   Jackson   1,915 Rural   4   4   4     10   Goorge West   Live Oak   2,524 Rural   4   4   4     10   Gorgey West   Live Oak   2,524 Rural   4   4   4     10   Gorgey San Patricio   2,318 Rural   3   4   6     10   Gregory   San Patricio   2,318 Rural   3   4   6     10   Gregory   San Patricio   2,318 Rural   4   4   4   5     10   Gregory   San Patricio   2,318 Rural   4   4   4   5     10   Gregory   San Patricio   3,388 Urban   4   4   4   3     10   Ingleside   San Patricio   9,388 Urban   4   6   6   6     10   K-Bar Ranch   Jim Wells   350 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   4   4   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   4   4   6     10   Laward   Jackson   200 Rural   4   4   6     10   Laward   Jackson   200 Rural   4   4   6								
10   Cuero   DeWitt   6,571   Rural   6   6   4     10   Del Sol-Loma Linda   San Patricio   726   Rural   3   3   3   5     10   Doyle   San Patricio   283   Urban   3   3   3   3     10   Driscoll   Nueces   825   Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182   Rural   6   6   6   3     10   Edgewater-Paisano   San Patricio   182   Rural   5   6   6   5     10   Edna   Jackson   5,899   Rural   5   6   5     10   Edroy   San Patricio   420   Rural   3   3   3   6     10   Encino   Brooks   177   Rural   3   3   3   6     10   Encino   Brooks   5,297   Rural   6   5   6     10   Falman-County Acres   San Patricio   288   Rural   6   6   6   3     10   Flowella   Brooks   134   Rural   3   3   6     10   Freer   Duval   3,241   Rural   4   4   4     10   Fulton   Aransas   1,553   Rural   4   4   4     10   Ganado   Jackson   1,915   Rural   4   4   4     10   Gorge West   Live Oak   2,524   Rural   4   4   4     10   Gonzales   Gonzales   Gonzales   7,202   Rural   4   4   5     10   Gonzales   Gonzales   7,202   Rural   4   4   4     10   Ingleside   San Patricio   2,318   Rural   4   4   4     10   Ingleside   San Patricio   9,388   Urban   4   6   6     10   K-Bar Ranch   Jim Wells   350   Rural   6   6   6     10   Law Ward   Jackson   200   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patricio   526   Rural   6   6   6     10   Law City   San Patrici								
10   Del Sol-Loma Linda   San Patricio   726 Rural   3   3   5     10   Doyle   San Patricio   285 Urban   3   3   3     10   Driscoll   Nueces   825 Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182 Rural   6   6   6   3     10   Edra   Jackson   5,899 Rural   5   6   5     10   Edroy   San Patricio   420 Rural   3   3   6     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Encino   Brooks   177 Rural   3   3   3   3     10   Falfurrias   Brooks   5,297 Rural   6   6   5   6     10   Falman-County Acres   San Patricio   289 Rural   6   6   6   3     10   Ficer   Duval   3,241 Rural   3   3   6     10   Freer   Duval   3,241 Rural   4   4   4     10   Fulton   Aransas   1,553 Rural   5   4   6     10   Ganado   Jackson   1,915 Rural   4   4   4     10   Gorge West   Live Oak   2,524 Rural   4   4   4     10   Gorge West   Live Oak   2,524 Rural   4   4   4     10   Gorgales   Gonzales   Gonzales   7,202 Rural   4   4   4   5     10   Gregory   San Patricio   2,318 Rural   5   4   6     10   Gregory   San Patricio   2,318 Rural   5   4   3     10   Injeside   San Patricio   9,388 Urban   4   6   6   6     10   K-Bar Ranch   Jim Wells   350 Rural   6   6   6     10   La Paloma-Lost Creek   Nueces   323 Rural   6   6   6     10   La Ward   Jackson   200 Rural   6   6   6     10   La Ward   Jackson   200 Rural   6   6   6     10   La Ward   Jackson   200 Rural   6   6   6     10   Lake City   San Patricio   526 Rural   4   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   526 Rural   4   4   6     10   Lake City   San Patricio   52		•						
10   Doyle				· · · · · · · · · · · · · · · · · · ·		· ·		
10   Driscoll   Nueces   825 Rural   5   6   3     10   Edgewater-Paisano   San Patricio   182 Rural   6   6   6   3     10   Edna   Jackson   5,899 Rural   5   6   5     10   Edroy   San Patricio   420 Rural   3   3   3   6     10   Encino   Brooks   177 Rural   3   3   3   3     10   Falfurrias   Brooks   5,297 Rural   6   5   6     10   Falman-County Acres   San Patricio   289 Rural   6   6   3     10   Flowella   Brooks   134 Rural   3   3   3   6     10   Freer   Duval   3,241 Rural   4   4   4     10   Fulton   Aransas   1,553 Rural   5   4   6     10   Ganado   Jackson   1,915 Rural   4   4   4     10   George West   Live Oak   2,524 Rural   4   4   4     10   Goliad   Goliad   Goliad   1,975 Rural   3   4   6     10   Gonzales   Gonzales   7,202 Rural   4   4   4   5     10   Gregory   San Patricio   2,318 Rural   4   4   4   3     10   Hallettsville   Lavaca   2,345 Rural   5   4   6     10   Inez   Victoria   1,787 Rural   4   4   4   3     10   Ingleside on the Bay   San Patricio   9,388 Urban   4   6   6   6     10   K-Bar Ranch   Jim Wells   350 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Laward   Jackson   200 Rural   6   6   6     10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio   526 Rural   4   4   6      10   Lake City   San Patricio						· ·		
10   Edgewater-Paisano   San Patricio   182   Rural   6   6   6   3     10   Edna   Jackson   5,899   Rural   5   6   5     10   Edroy   San Patricio   420   Rural   3   3   3   6     10   Encino   Brooks   177   Rural   3   3   3   3     10   Falfurrias   Brooks   5,297   Rural   6   5   6     10   Falman-County Acres   San Patricio   289   Rural   6   6   6   3     10   Flowella   Brooks   134   Rural   3   3   3   6     10   Freer   Duval   3,241   Rural   4   4   4   4     10   Fulton   Aransas   1,553   Rural   5   4   6     10   Ganado   Jackson   1,915   Rural   4   4   4   4     10   George West   Live Oak   2,524   Rural   4   4   4   4     10   Goliad   Goliad   1,975   Rural   3   4   6     10   Gregory   San Patricio   2,318   Rural   4   4   4   3     10   Hallettsville   Lavaca   2,345   Rural   4   4   4   3     10   Ingeside on the Bay   San Patricio   9,388   Urban   4   6   6     10   K-Bar Ranch   Jim Wells   350   Rural   5   6   5     10   La Paloma-Lost Creek   Nueces   323   Rural   6   6   6     10   La Ward   Jackson   200   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10		•				· ·		
10   Edna			11111					
10   Edroy   San Patricio   420   Rural   3   3   6     10   Encino   Brooks   177   Rural   3   3   3     10   Falfurrias   Brooks   5,297   Rural   6   5   6     10   Falfurrias   Brooks   5,297   Rural   6   6   6     10   Falman-County Acres   San Patricio   289   Rural   6   6   6     10   Falman-County Acres   San Patricio   289   Rural   3   3   3   6     10   Freer   Duval   3,241   Rural   4   4   4   4     10   Fulton   Aransas   1,553   Rural   5   4   6     10   Ganado   Jackson   1,915   Rural   4   4   4   4     10   George West   Live Oak   2,524   Rural   4   4   4   5     10   Goliad   Goliad   Goliad   1,975   Rural   3   4   6     10   Gonzales   Gonzales   7,202   Rural   4   4   5     10   Gregory   San Patricio   2,318   Rural   4   4   3     10   Hallettsville   Lavaca   2,345   Rural   5   4   3     10   Inez   Victoria   1,787   Rural   4   4   4   3     10   Ingleside   San Patricio   9,388   Urban   4   6   6   6     10   K-Bar Ranch   Jim Wells   350   Rural   5   6   5     10   La Paloma-Lost Creek   Nueces   323   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   4   4   4      10   Lake City   San P								
10   Encino   Brooks   177   Rural   3   3   3   3   3   10   Falfurrias   Brooks   5,297   Rural   6   6   5   6   6   10   Falfurrias   Brooks   5,297   Rural   6   6   6   6   3   10   Falman-County Acres   San Patricio   289   Rural   6   6   6   3   3   3   6   10   Freer   Duval   3,241   Rural   4   4   4   4   4   4   4   4   4								
10   Falfurrias   Brooks   5,297   Rural   6   5   6     10   Falman-County Acres   San Patricio   289   Rural   6   6   6     10   Flowella   Brooks   134   Rural   3   3   3   6     10   Freer   Duval   3,241   Rural   4   4   4   4     10   Fulton   Aransas   1,553   Rural   5   4   6     10   Ganado   Jackson   1,915   Rural   4   4   4   4     10   George West   Live Oak   2,524   Rural   4   4   4   5     10   Goliad   Goliad   1,975   Rural   3   4   6     10   Gonzales   Gonzales   7,202   Rural   4   4   4   5     10   Gregory   San Patricio   2,318   Rural   4   4   4   3     10   Hallettsville   Lavaca   2,345   Rural   4   4   4   3     10   Inez   Victoria   1,787   Rural   4   4   4   3     10   Ingleside   San Patricio   9,388   Urban   4   6   6   6     10   K-Bar Ranch   Jim Wells   350   Rural   5   6   5     10   Kingsville   Kleberg   25,575   Rural   5   6   6     10   La Ward   Jackson   200   Rural   6   6   6     10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural   4   4   4   4   6      10   Lake City   San Patricio   526   Rural		•	_					
10         Falman-County Acres         San Patricio         289 Rural         6         6         3           10         Flowella         Brooks         134 Rural         3         3         6           10         Freer         Duval         3,241 Rural         4         4         4         4           10         Ferer         Duval         3,241 Rural         4         5         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         8         1         8         10         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1								
10 Flowella   Brooks   134 Rural   3   3   6     10 Freer   Duval   3,241 Rural   4   4   4     10 Fulton   Aransas   1,553 Rural   5   4   6     10 Ganado   Jackson   1,915 Rural   4   4   4     10 George West   Live Oak   2,524 Rural   4   4   5     10 Goliad   Goliad   Goliad   1,975 Rural   3   4   6     10 Gonzales   Gonzales   7,202 Rural   4   4   5     10 Gregory   San Patricio   2,318 Rural   4   4   3     10 Hallettsville   Lavaca   2,345 Rural   5   4   3     10 Inez   Victoria   1,787 Rural   4   4   3     10 Ingleside   San Patricio   9,388 Urban   4   6   6     10 K-Bar Ranch   Jim Wells   350 Rural   6   6   6     10 Kingsville   Kleberg   25,575 Rural   5   6   6     10 La Ward   Jackson   200 Rural   6   6   6     10 Lake City   San Patricio   526 Rural   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   4   6     10 Lake City   San Patricio   526 Rural   4   4   4   6						-		
10         Freer         Duval         3,241 Rural         4         4         4         4           10         Fulton         Aransas         1,553 Rural         5         4         6           10         Ganado         Jackson         1,915 Rural         4         4         4           10         George West         Live Oak         2,524 Rural         4         4         5           10         Goliad         Goliad         1,975 Rural         3         4         6           10         Gonzales         Gonzales         7,202 Rural         4         4         5           10         Gregory         San Patricio         2,318 Rural         4         4         3           10         Hallettsville         Lavaca         2,345 Rural         5         4         3           10         Inez         Victoria         1,787 Rural         4         4         4         3           10         Ingleside         San Patricio         9,388 Urban         4         6         4           10         Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10         K-Bar Ranc			_					
10         Fulton         Aransas         1,553 Rural         5         4         6           10         Ganado         Jackson         1,915 Rural         4         4         4         4           10         George West         Live Oak         2,524 Rural         4         4         5           10         Goliad         Goliad         1,975 Rural         3         4         6           10         Gonzales         Gonzales         7,202 Rural         4         4         5           10         Gregory         San Patricio         2,318 Rural         4         4         3           10         Hallettsville         Lavaca         2,345 Rural         5         4         3           10         Inez         Victoria         1,787 Rural         4         4         3           10         Ingleside         San Patricio         9,388 Urban         4         6         4           10         Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10         K-Bar Ranch         Jim Wells         350 Rural         5         6         5           10         La Paloma-Lost Creek<								
10 Ganado         Jackson         1,915 Rural         4         4         4           10 George West         Live Oak         2,524 Rural         4         4         5           10 Goliad         Goliad         1,975 Rural         3         4         6           10 Gonzales         Gonzales         7,202 Rural         4         4         5           10 Gregory         San Patricio         2,318 Rural         4         4         3           10 Hallettsville         Lavaca         2,345 Rural         5         4         3           10 Inez         Victoria         1,787 Rural         4         4         3           10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         6           10 Lake City         San Patricio         526 Rural								
10         George West         Live Oak         2,524 Rural         4         4         5           10         Goliad         1,975 Rural         3         4         6           10         Gonzales         Gonzales         7,202 Rural         4         4         5           10         Gregory         San Patricio         2,318 Rural         4         4         3           10         Hallettsville         Lavaca         2,345 Rural         5         4         3           10         Inez         Victoria         1,787 Rural         4         4         3           10         Ingleside         San Patricio         9,388 Urban         4         6         4           10         Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10         K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10         Kingsville         Kleberg         25,575 Rural         5         6         5           10         La Paloma-Lost Creek         Nueces         323 Rural         6         6         6           10         Lake City         San Patricio								
10 Goliad         Goliad         1,975 Rural         3         4         6           10 Gonzales         Gonzales         7,202 Rural         4         4         5           10 Gregory         San Patricio         2,318 Rural         4         4         3           10 Hallettsville         Lavaca         2,345 Rural         5         4         3           10 Inez         Victoria         1,787 Rural         4         4         3           10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10 La Ward         Jackson         200 Rural         6         6         6           10 Lake City         San Patricio         526 Rural         4         4         4         6								
10 Gonzales         Gonzales         7,202 Rural         4         4         5           10 Gregory         San Patricio         2,318 Rural         4         4         3           10 Hallettsville         Lavaca         2,345 Rural         5         4         3           10 Inez         Victoria         1,787 Rural         4         4         3           10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10 La Ward         Jackson         200 Rural         6         6         6           10 Lake City         San Patricio         526 Rural         4         4         6								
10 Gregory         San Patricio         2,318 Rural         4         4         3           10 Hallettsville         Lavaca         2,345 Rural         5         4         3           10 Inez         Victoria         1,787 Rural         4         4         3           10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10 La Ward         Jackson         200 Rural         6         6         6           10 Lake City         San Patricio         526 Rural         4         4         6							4	
10         Hallettsville         Lavaca         2,345 Rural         5         4         3           10         Inez         Victoria         1,787 Rural         4         4         4         3           10         Ingleside         San Patricio         9,388 Urban         4         6         4           10         Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10         K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10         Kingsville         Kleberg         25,575 Rural         5         6         5           10         La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10         La Ward         Jackson         200 Rural         6         6         6           10         Lake City         San Patricio         526 Rural         4         4         6			San Patricio			4	4	
10 Inez         Victoria         1,787 Rural         4         4         3           10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10 La Ward         Jackson         200 Rural         6         6         6           10 Lake City         San Patricio         526 Rural         4         4         6			Lavaca			5	4	3
10 Ingleside         San Patricio         9,388 Urban         4         6         4           10 Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10 K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10 Kingsville         Kleberg         25,575 Rural         5         6         5           10 La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10 La Ward         Jackson         200 Rural         6         6         6           10 Lake City         San Patricio         526 Rural         4         4         6	40		Victoria			4	4	3
10         Ingleside on the Bay         San Patricio         659 Urban         6         6         6           10         K-Bar Ranch         Jim Wells         350 Rural         6         6         3           10         Kingsville         Kleberg         25,575 Rural         5         6         5           10         La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10         La Ward         Jackson         200 Rural         6         6         6           10         Lake City         San Patricio         526 Rural         4         4         6						4	6	4
10       K-Bar Ranch       Jim Wells       350 Rural       6       6       3         10       Kingsville       Kleberg       25,575 Rural       5       6       5         10       La Paloma-Lost Creek       Nueces       323 Rural       6       6       4         10       La Ward       Jackson       200 Rural       6       6       6         10       Lake City       San Patricio       526 Rural       4       4       6			San Patricio	659	Urban	6	6	6
10         Kingsville         Kleberg         25,575 Rural         5         6         5           10         La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10         La Ward         Jackson         200 Rural         6         6         6           10         Lake City         San Patricio         526 Rural         4         4         6			Jim Wells	350	Rural	6	6	3
10         La Paloma-Lost Creek         Nueces         323 Rural         6         6         4           10         La Ward         Jackson         200 Rural         6         6         6           10         Lake City         San Patricio         526 Rural         4         4         6			Kleberg	25,575	Rural	5	6	5
10         La Ward         Jackson         200 Rural         6         6         6           10         Lake City         San Patricio         526 Rural         4         4         6		•	Nueces	323	Rural	6	6	4
			Jackson	200	Rural	6	6	6
10 Lakeshore Gardens-Hidden , San Patricio 720 Rural 3 3 3	10	Lake City	San Patricio	526	Rural	4	4	6
	10	Lakeshore Gardens-Hidder	San Patricio	720	Rural	3	3	3

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					Rental Development &		
E			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
10	Lakeside (San Patricio)	San Patricio	·	Rural	3	3	4
10	Lolita	Jackson	548	Rural	3	3	3
10	Loma Linda East	Jim Wells	214	Rural	3	3	3
10	Mathis	San Patricio	5,034	Rural	6	6	4
10	Morgan Farm Area	San Patricio	484	Rural	6	6	3
	Moulton	Lavaca	944	Rural	4	4	4
10	Nixon	Gonzales	2,186	Rural	4	5	6
10	Nordheim	DeWitt	323	Rural	4	4	6
10	Normanna	Bee	121	Rural	3	3	6
10	North San Pedro	Nueces	920	Rural	4	4	3
10	Odem	San Patricio	2,499	Rural	5	4	4
10	Orange Grove	Jim Wells	1,288	Rural	6	6	3
10	Owl Ranch-Amargosa	Jim Wells	527	Rural	6	6	4
10	Pawnee	Bee	201	Rural	3	3	4
10	Pernitas Point	Live Oak	269	Rural	6	6	4
10	Petronila	Nueces	83	Rural	3	3	3
10	Pettus	Bee	608	Rural	4	4	4
10	Point Comfort	Calhoun		Rural	5	4	3
10	Port Aransas	Nueces	,	Urban	6	6	5
	Port Lavaca	Calhoun	12,035		5	5	4
	Portland	San Patricio		Urban	5	5	3
	Premont	Jim Wells		Rural	5	5	6
	Rancho Alegre	Jim Wells	· · · · · · · · · · · · · · · · · · ·	Rural	6	5	5
_	Rancho Banquete	Nueces		Rural	3	3	6
	Rancho Chico	San Patricio		Rural	6	6	3
	Realitos	Duval		Rural	3	3	3
	Refugio	Refugio		Rural	4	4	5
	Robstown	Nueces	12,727		4	4	5
	Rockport	Aransas		Rural	4	5	5
	San Diego	Duval		Rural	5	4	5
10	San Patricio	San Patricio		Rural	6	6	4
	Sandia	Jim Wells		Rural	3	3	4
	Sandy Hollow-Escondidas	Nueces		Rural	4	4	4
	Seadrift	Calhoun		Rural	5	5	3
	Shiner	Lavaca San Patricio		Rural Rural	5 5	5 5	6 4
	Sinton	Bee		Rural	5	5	4
	Skidmore Smiley	Gonzales		Rural	5	5	6
	Spring Garden-Terra Verde	Nueces		Rural	3	3	5
	St. Paul (San Patricio)	San Patricio		Rural	3	3	4
	Taft	San Patricio		Rural	5	5	6
	Taft Southwest	San Patricio		Rural	4	4	6
	Three Rivers	Live Oak		Rural	5	4	4
	Tierra Grande	Nueces		Rural	4	4	4
	Tradewinds	San Patricio		Rural	3	3	6
	Tuleta	Bee		Rural	3	3	6
	Tulsita	Bee		Rural	3	3	3
	Tynan	Bee		Rural	5	5	3
	Vanderbilt	Jackson		Rural	3	3	3
	Victoria	Victoria	60,603		5	5	4
	Waelder	Gonzales		Rural	4	4	4
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					Rental Development &		
u			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Westdale	Jim Wells		Rural	3	3	6
10	Woodsboro	Refugio	1,685	Rural	5	5	4
10	Yoakum	Lavaca	5,731	Rural	6	6	3
10	Yorktown	DeWitt	2,271	Rural	5	4	4
11	Abram-Perezville	Hidalgo	5,444	Rural	6	6	4
11	Alto Bonito	Starr	569	Rural	3	3	3
11	Alton North	Hidalgo	5,051	Rural	5	5	4
11	Arroyo Alto	Cameron	320	Rural	3	3	5
	Arroyo Colorado Estates	Cameron	755	Rural	6	6	3
11	Arroyo Gardens-La Tina Ran	Cameron	732	Rural	3	3	3
11	Asherton	Dimmit	1,342	Rural	6	5	4
11	Batesville	Zavala	1,298	Rural	5	5	3
11	Bausell and Ellis	Willacy	112	Rural	3	3	3
11	Bayview	Cameron	323	Rural	6	6	6
11	Big Wells	Dimmit	704	Rural	5	5	3
11	Bixby	Cameron	356	Rural	3	3	6
11	Bluetown-Iglesia Antigua	Cameron	692	Rural	5	5	4
11	Botines	Webb	132	Rural	6	6	3
11	Box Canyon-Amistad	Val Verde	76	Rural	3	3	6
11	Brackettville	Kinney	1,876	Rural	6	6	5
11	Brundage	Dimmit	31	Rural	3	3	6
11	Bruni	Webb	412	Rural	3	3	6
11	Cameron Park	Cameron	5,961	Urban	5	4	4
11	Camp Wood	Real	822	Rural	6	6	6
11	Carrizo Hill	Dimmit	548	Rural	6	6	6
11	Carrizo Springs	Dimmit	5,655	Rural	6	6	5
11	Catarina	Dimmit	135	Rural	3	3	4
11	Cesar Chavez	Hidalgo	1,469	Urban	5	5	6
11	Chula Vista-Orason	Cameron	394	Rural	6	6	5
11	Chula Vista-River Spur	Zavala	400	Rural	3	3	5
11	Cienegas Terrace	Val Verde	2,878	Rural	6	6	5
11	Citrus City	Hidalgo	941	Rural	3	3	5
11	Combes	Cameron		Urban	5	5	5
11	Cotulla	La Salle		Rural	3	5	4
	Crystal City	Zavala		Rural	5	5	5
	Cuevitas	Hidalgo		Rural	3	3	6
	Del Mar Heights	Cameron		Rural	3	3	3
	Del Rio	Val Verde	33,867		5	5	4
	Doffing	Hidalgo		Rural	5	5	4
	Doolittle	Hidalgo		Urban	4	4	3
	Eagle Pass	Maverick	22,413		6	6	5
	Edinburg	Hidalgo	48,465		5	5	5
		Maverick		Rural	4	4	5
	El Camino Angosto	Cameron		Rural	3	3	3
	El Cenizo	Webb		Rural	4	4	4
	El Indio	Maverick		Rural	6	6	3
	El Refugio	Starr		Rural	6	6	6
	Elm Creek	Maverick		Rural	3	3	6
				Rural	3	3	4
	Encinal	La Salle		Rural	6	6	3
11	Escobares	Starr	1,954	Rural	5	5	5

Place Name	ĺ	1	I	I	I	1 1		1
Pace Name						Pontal Davalanment 9		
11   Falcon Lake Estates	u			2000 Census			Homebuver	Owner Occupied
11   Falcon Lake Estates	Regic	Place Name	County		Area Type		•	
Falcon Mesa   Zapata   508 Rural   3   3   5     Falcon Village   Siarr   78 Rural   6   6   6   6   6     Falcon Village   Hidalgo   348 Urban   6   6   6   3     Foreign   Hidalgo   348 Urban   6   6   6   3     Foreign   Siarr   598 Rural   3   3   3   3   3     Foreign   Siarr   598 Rural   3   3   3   4     Foreign   Siarr   1438 Rural   6   6   6   6   6     Garceno   Siarr   1438 Rural   6   6   6   6   6     Garceno   Siarr   1438 Rural   6   6   6   6   6     Garceno   Siarr   1438 Rural   3   3   3   4     Hidalgo   4   4   4   6     Guerra   Jim Hogg   6 Rural   3   3   3   4     Guerra   Jim Hogg   6 Rural   3   3   3   3     Hahavana   Hidalgo   452 Rural   5   5   5     Heldeberg   Hidalgo   1,588 Rural   5   5   5     Hidalgo   5   5   5     Hidalgo   1,688 Rural   6   6   6   6     Hidalgo   1,688 R		Falcon Heights	Starr	335	Rural	3	3	4
Falcon Villege	11	Falcon Lake Estates	Zapata	830	Rural	5	5	3
Temporal	11	Falcon Mesa	Zapata	506	Rural	3	3	5
Fowleston	11	Falcon Village	Starr	78	Rural	6	6	6
Fronton	11	Faysville	Hidalgo	348	Urban	6	6	3
11   Garcento   Starr   1,438 Rural   6   6   6   6   6   6   6   1   1   Gard Acres   Cameron   208 Rural   3   3   3   4   1   Guerra   Jim Hogg   8 Rural   3   3   3   4   1   1   Guerra   Jim Hogg   8 Rural   3   3   3   3   3   3   3   1   1   1	11	Fowlerton	La Salle	62	Rural	3	3	3
11   Grand Acres   Cameron   203 Rural   3   3   4     11   Green Valley Farms   Cameron   72R Rural   3   3   3   4     12   Guerra   Jim Hogg   6 Rural   3   3   3   3     13   Havana   Hidalgo   453 Rural   5   5   5     14   Habbronville   Jim Hogg   4,498 Rural   5   5   5     15   Habbronville   Jim Hogg   4,498 Rural   5   5   5     16   Habbronville   Jim Hogg   4,498 Rural   5   6   6   6     17   Indian Lake   Hidalgo   1,586 Rural   6   6   6   6     18   Indian Lake   Cameron   54 Rural   6   6   6   6     19   Indian Lake   Cameron   54 Rural   6   6   6   5     11   Indian Lake   Cameron   54 Rural   6   6   6   5     12   La Bianca   Hidalgo   2,351 Rural   6   6   6   5     13   La Casita-Garciasville   Starr   2,177 Rural   4   6   4   4     14   La Feria Rorth   Cameron   1618 Rural   6   6   5   4     15   La Feria North   Cameron   1618 Rural   6   6   6   3     16   La Feria North   Cameron   1618 Rural   6   6   6   3     17   La Poloma   Cameron   354 Rural   4   4   4   4   4     18   La Presa   Webb   50 Rural   3   3   3   3   3     19   La Presa   Webb   50 Rural   3   3   3   3   3     11   La Presa   Webb   50 Rural   3   3   3   3   3     11   La Presa   Webb   50 Rural   3   3   3   3   3     11   La Puetta   Starr   1,728 Rural   5   5   5   6     11   La Puetta   Starr   1,728 Rural   5   5   5   6     11   La Puetta   Starr   1,728 Rural   5   5   6   6   3     11   La Puetta   Starr   1,728 Rural   5   5   6   6   3     11   La Puetta   Starr   1,728 Rural   5   5   6   6   6   3     11   La Puetta   Starr   1,728 Rural   5   5   6   6   6   3     11   La Puetta   Starr   1,728 Rural   5   5   6   6   6   6     11   La Juna Seca   Hidalgo   267 Rural   3   3   3   6     11   La Juna Seca   Hidalgo   268 Rural   3   3   3   6     11   La Juna Seca   Hidalgo   268 Rural   3   3   6     12   La Juna Seca   Hidalgo   268 Rural   3   3   6     13   La Juna Seca   Hidalgo   268 Rural   3   3   6     14   La Juna Seca   Hidalgo   278 Rural   6   6   6   6     15   La Juna Seca   Hi	11	Fronton	Starr	599	Rural	3	3	4
11   Green Valley Farms   Cameron   720 Rural   3   3   3   4     11   Guerra   Jim Hogg   Rural   3   3   3   3     11   Havana   Hidalpo   452 Rural   5   5   5     11   Habebronville   Jim Hogg   4,498 Rural   5   5   5     11   Hedebronville   Jim Hogg   4,498 Rural   5   5   5     11   Hedebronville   Jim Hogg   4,498 Rural   5   5   5     11   Hedebronville   Jim Hogg   4,498 Rural   6   6   6   6     11   Indian Hills   Hidalpo   1,598 Rural   4   4   4   6     11   Indian Lake   Cameron   541 Rural   6   6   6   5     11   Knippa   Uvalde   738 Rural   4   4   4   4     12   La Salst-Garciasville   Starr   2,177 Rural   4   6   6   6   3     11   La Castal-Garciasville   Starr   2,177 Rural   4   6   6   6   3     11   La Feña North   Cameron   6,112 Rural   6   6   5   4     11   La Feña North   Cameron   168 Rural   6   6   6   5     11   La Paloma   Hidalpo   10,433 Urban   5   5   5     11   La Paloma   Cameron   354 Rural   6   6   6   3     11   La Paloma   Cameron   354 Rural   6   6   6   3     11   La Puerta   Starr   1,431 Rural   6   6   6   3     11   La Puerta   Starr   1,638 Rural   6   6   6   3     11   La Puerta   Starr   1,638 Rural   3   3   3   5     11   La Puerta   Starr   1,638 Rural   3   3   3   3     11   La goura   Hoggis   Cameron   1,638 Rural   3   3   3   3     11   La guna Nista   Cameron   1,638 Rural   3   3   3   3     11   Laguna Heights   Cameron   1,638 Rural   3   3   3   3     11   Laguna Seca   Hidalpo   2,781 Rural   4   4   4   4     11   Laguna Star   4   4   4   4   4     11   Laguna Nista   Cameron   1,658 Rural   3   3   3   3     11   Laguna Star   Vebb   742 Rural   6   6   6   6     11   Las Lomias   Starr   2,884 Rural   6   6   6   6     11   Las Lomias   Starr   2,884 Rural   6   6   6   6     11   Las Lomias   Starr   2,884 Rural   6   6   6   6     11   Las Lomias   Jim Hogg   2,67 Rural   3   3   3   6     11   Lagunin Farnierizas   Maverick   2,030 Rural   4   4   4   4     11   Laguelle   Hidalpo   3,333 Urban   5   5   5     11   Laguelle   Hi	11	Garceno	Starr	1,438	Rural	6	6	6
Suerra	11	Grand Acres	Cameron	203	Rural	3	3	4
Havana	11	Green Valley Farms	Cameron	720	Rural	3	3	4
	11	Guerra	Jim Hogg	8	Rural	3	3	3
Heidelberg	11	Havana	Hidalgo			5		5
	11	Hebbronville	Jim Hogg			5		
11   Indian Lake	11	Heidelberg	Hidalgo					
11   Kinjpa	11	Indian Hills	Hidalgo	,		4		
11   La Bilanca		Indian Lake				6		
11   La Casita-Garciasville   Starr   2,177 Rural   4   6   4     11   La Feria   Cameron   6,115 Rural   6   5   4     11   La Feria   Cameron   168 Rural   6   6   6   3     11   La Grulla   Starr   1,211 Rural   4   4   4   4     11   La Homa   Hidalgo   10,433 Urban   5   5   5     11   La Paloma   Cameron   354 Rural   6   6   6   3     11   La Presa   Webb   508 Rural   3   3   3   3     11   La Presa   Webb   508 Rural   3   3   3   3     11   La Preyor   Zavala   1,491 Rural   5   5   5   4     11   La Puerta   Starr   1,636 Rural   3   3   3   5     11   La Rosita   Starr   1,729 Rural   5   5   6     11   La Victoria   Starr   1,636 Rural   3   3   3   3     11   Lago   Cameron   246 Rural   6   6   3     11   Laguan Heights   Cameron   246 Rural   6   6   6   3     11   Laguan Seca   Hidalgo   251 Rural   3   3   6     11   Laguan Seca   Hidalgo   251 Rural   3   3   5   4     11   Laguan Seca   Hidalgo   251 Rural   3   3   5   4     11   Laguan Vista   Cameron   1,658 Rural   3   3   5   4     11   Laguan Vista   Cameron   1,658 Rural   3   3   5   5     11   Laguan Vista   Cameron   1,658 Rural   3   3   5   5     11   Laguan Vista   Cameron   1,658 Rural   3   3   5   5     11   Laguan Vista   Cameron   1,656 Rural   3   3   5     11   Laguan Vista   Webb   742 Urban   6   6   6   6     11   Las Colonias   Zavala   283 Rural   6   6   6   6     11   Las Lomaltas   Jim Hogg   267 Rural   3   3   6     11   Las Lomiltas   Jim Hogg   267 Rural   3   3   6     11   Las Lomiltas   Jim Hogg   267 Rural   3   3   6     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Lomiltas   Validacy   1,024 Rural   4   4   4   5     11   Las Colonias   Starr   1,434 Rural   4   4   4   6     11   Las Colonias   Starr   1,434 Rural   4   4   4		• • • • • • • • • • • • • • • • • • • •						
11   La Feria   Cameron   6,115   Rural   6   5   4     11   La Feria North   Cameron   168   Rural   6   6   6   3     11   La Grulla   Starr   1,211   Rural   4   4   4   4     11   La Homa   Hidalgo   10,433   Urban   5   5   5     11   La Paloma   Cameron   354   Rural   6   6   6   3     11   La Presa   Webb   508   Rural   3   3   3   3     11   La Proyor   Zavala   1,491   Rural   5   5   5   4     11   La Puerta   Starr   1,636   Rural   3   3   3   5     11   La Puerta   Starr   1,636   Rural   3   3   3   3     11   La Puerta   Starr   1,636   Rural   3   3   3   3   3     11   La Puerta   Starr   1,638   Rural   3   3   3   3   3     12   Lago   Cameron   246   Rural   5   5   5   6     13   Lago   Cameron   246   Rural   6   6   6   3     14   Laguna Heights   Cameron   1,990   Rural   4   4   4   4     15   Laguna Seca   Hidalgo   251   Rural   3   3   3   6     11   Laguna Seca   Hidalgo   251   Rural   3   3   5     11   Laguna Vista   Cameron   1,658   Rural   3   3   5     11   Laguna Vista   Cameron   1,658   Rural   3   3   5     11   Laguna Vista   Webb   1,645   Rural   3   3   3   5     11   Laredo Ranchettes   Webb   1,645   Rural   3   3   3   5     11   Laredo Ranchettes   Webb   742   Urban   6   6   6   6     11   Las Lomias   Zavala   283   Rural   6   6   6   6     11   Las Lomias   Jim Hogg   267   Rural   3   3   6     11   Las Lomias   Jim Hogg   267   Rural   3   3   6     11   Las Lomias   Valieron   1,666   Rural   4   4   4   5     11   Las Lomias   Valieron   1,668   Rural   4   4   4   5     11   Las Lomias   Cameron   1,668   Rural   4   4   4   5     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     11   Las Lomias   Valieron   1,668   Rural   3   3   6     12   Las Lomia			-					
11   La Feria North   Cameron   168 Rural   6   6   3     11   La Grulla   Starr   1,211 Rural   4   4   4     11   La Homa   Hidalgo   10,433 Urban   5   5   5     11   La Paloma   Cameron   354 Rural   6   6   3     11   La Presa   Webb   508 Rural   3   3   3     11   La Presa   Webb   508 Rural   3   3   3     11   La Presa   Webb   508 Rural   3   3   3     11   La Pryor   Zavala   1,491 Rural   5   5   4     11   La Pourta   Starr   1,638 Rural   3   3   5     11   La Rosita   Starr   1,729 Rural   5   5   6     11   La Victoria   Starr   1,683 Rural   3   3   3     11   Lago   Cameron   246 Rural   6   6   6   3     11   Laguna Heights   Cameron   1,990 Rural   4   4   4     11   Laguna Seca   Hidalgo   251 Rural   3   3   3   6     11   Laguna Vista   Cameron   1,658 Rural   3   5   4     11   Lake View   Val Verde   167 Rural   3   3   5     11   Larga Vista   Webb   742 Urban   6   6   6     11   Las Colonias   Zavala   283 Rural   6   6   6     11   Las Lomas   Starr   2,684 Rural   6   6   6     11   Las Lomias   Jim Hogg   267 Rural   3   3   3   6     11   Las Lomias   Jim Hogg   267 Rural   3   3   3   6     11   Las Quintas Fronterizas   Maverick   2,030 Rural   4   4   4   5     11   Lasara   Willacy   1,024 Rural   4   4   4   5     11   Lasara   Willacy   1,024 Rural   4   4   4   5     11   Laseky   Real   387 Rural   5   5   5     11   Lanograpile   Hidalgo   3,333 Urban   5   5   5     11   Lapono   Zapata   140 Rural   3   3   6     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Zapata   140 Rural   4   4   4   4     11   Lopeno   Starr   1,434 Rural   4   4   4   4     11   Lopeno   Starr   1,434 Rural   4   4   4   4     11   Lopeno   Starr   1,434 Rura				,		· ·		
11   La Gralla   Starr   1,211   Rural   4   4   4   4   4   11   La Homa   Hidalgo   10,433   Urban   5   5   5   5   5   11   La Paloma   Cameron   354   Rural   6   6   6   3   3   3   3   3   3   3				,		· ·		•
11   La Homa								
11		La Grulla		•				
11   La Presa   Webb   508 Rural   3   3   3   3   3   3   3   3   3			ŭ .	,				
11   La Pryor   Zavala   1,491 Rural   5   5   4     11   La Puerta   Starr   1,636 Rural   3   3   5     11   La Rosita   Starr   1,728 Rural   5   5   6     11   La Victoria   Starr   1,638 Rural   3   3   3     11   Lago   Cameron   246 Rural   6   6   6   3     11   Laguna Heights   Cameron   1,990 Rural   4   4   4     11   Laguna Seca   Hidalgo   251 Rural   3   3   3   6     11   Laguna Vista   Cameron   1,658 Rural   3   3   5   4     11   Laguna Vista   Cameron   1,658 Rural   3   3   5   4     11   Laredo Ranchettes   Webb   1,845 Rural   3   3   3   5     11   Larga Vista   Webb   742 Urban   6   6   6   6     11   Las Colonias   Zavala   263 Rural   6   6   6   6     11   Las Lomitas   Jim Hogg   267 Rural   3   3   3   6     11   Las Lomitas   Jim Hogg   267 Rural   3   3   3   6     11   Las Lomitas   Jim Hogg   267 Rural   3   3   3   6     11   Las Palmas-Juarez   Cameron   1,666 Rural   4   4   4   5     11   Las Quintas Fronterizas   Maverick   2,030 Rural   4   4   4   5     11   Las Laghlin AFB   Val Verde   2,225 Rural   4   4   4   5     11   Laureles   Cameron   3,265 Rural   5   5   5     11   Laekey   Real   387 Rural   6   6   6     11   Laprone   Zapata   140 Rural   3   3   3   6     11   Lopezville   Hidalgo   4,476 Urban   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4						· ·		
11   La Puerta   Starr   1,636 Rural   3   3   5     12   La Rosita   Starr   1,729 Rural   5   5   6     13   La Victoria   Starr   1,683 Rural   3   3   3     14   Lago   Cameron   246 Rural   6   6   6   3     15   Laguna Heights   Cameron   1,990 Rural   4   4   4     16   Laguna Seca   Hidalgo   251 Rural   3   3   5   4     17   Laguna Vista   Cameron   1,658 Rural   3   5   4     18   Laguna Vista   Cameron   1,658 Rural   3   5   4     19   Laguna Vista   Cameron   1,658 Rural   3   5   4     10   Lake View   Val Verde   167 Rural   3   3   5     11   Laredo Ranchettes   Webb   1,845 Rural   3   3   3     11   Larga Vista   Webb   742 Urban   6   6   6   6     11   Las Colonias   Zavala   263 Rural   6   6   6   6     11   Las Lomas   Starr   2,684 Rural   6   6   6   6     11   Las Lomitas   Jim Hogg   267 Rural   3   3   3   6     11   Las Quintas Fronterizas   Maverick   2,030 Rural   4   4   4   5     11   Lasara   Willacy   1,024 Rural   4   4   5     11   Lasara   Willacy   1,024 Rural   4   4   5     11   Laughlin AFB   Val Verde   2,225 Rural   4   4   4   5     11   Laureles   Cameron   3,285 Rural   6   6   6   6     11   Laekey   Real   3,373 Rural   6   6   6   6     11   Lopero   Zapata   140 Rural   3   3   3   6     11   Lopero   Zapata   140 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     11   Los Alvarez   Starr   1,434 Rural   4   4   4   4     12   Los Alvarez   Starr   1,434 Rural   4   4   4   4     13   Lasara   Lasa						· ·		
11 La Rosita         Starr         1,729 Rural         5         5         6           11 La Victoria         Starr         1,683 Rural         3         3         3           11 Lago         Cameron         246 Rural         6         6         3           11 Laguna Heights         Cameron         1,990 Rural         4         4         4           11 Laguna Seca         Hidalgo         251 Rural         3         3         6           11 Laguna Vista         Cameron         1,658 Rural         3         5         4           11 Lake View         Val Verde         167 Rural         3         3         5           11 Laredo Ranchettes         Webb         1,845 Rural         3         3         3         5           11 Laredo Ranchettes         Webb         1,845 Rural         3         3         3         3         3           11 Laredo Ranchettes         Webb         1,845 Rural         3				,		· ·		
11   La Victoria   Starr   1,683 Rural   3   3   3   3   3   3   3   3   3						· ·		
11 Lago         Cameron         246 Rural         6         6         3           11 Laguna Heights         Cameron         1,990 Rural         4         4         4           11 Laguna Seca         Hidalgo         251 Rural         3         3         6           11 Laguna Vista         Cameron         1,658 Rural         3         5         4           11 Lake View         Val Verde         167 Rural         3         3         5           11 Laredo Ranchettes         Webb         1,845 Rural         3         3         3         3           11 Larga Vista         Webb         1,845 Rural         3         3         3         3           11 Larga Vista         Webb         742 Urban         6         6         6         6           11 Las Colonias         Zavala         283 Rural         6         6         6         6           11 Las Lomias         Starr         2,684 Rural         6         6         4         4           11 Las Palmas-Juarez         Cameron         1,666 Rural         3         3         3         6           11 Las Palmas-Juarez         Cameron         135 Urban         3         3         3     <	_			, -		The state of the s		
11 Laguna Heights         Cameron         1,990 Rural         4         4         4           11 Laguna Seca         Hidalgo         251 Rural         3         3         6           11 Laguna Vista         Cameron         1,658 Rural         3         5         4           11 Lake View         Val Verde         167 Rural         3         3         5           11 Lardo Ranchettes         Webb         1,845 Rural         3         3         3         3           11 Larga Vista         Webb         742 Urban         6         6         6         6           11 Las Colonias         Zavala         283 Rural         6         6         6         6           11 Las Lomitas         Jim Hogg         267 Rural         3         3         6         4           11 Las Las Lomitas         Jim Hogg         267 Rural         3         3         6         4           11 Las Colinias         Zameron         1,666 Rural         4         4         4         5           11 Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         4         3           11 Lasara         Willacy         1,024 Rural         4         <								
11 Laguna Seca         Hidalgo         251 Rural         3         3         6           11 Laguna Vista         Cameron         1,658 Rural         3         5         4           11 Lake View         Val Verde         167 Rural         3         3         5           11 Lardo Ranchettes         Webb         1,845 Rural         3         3         3           11 Larga Vista         Webb         742 Urban         6         6         6           11 Las Colonias         Zavala         283 Rural         6         6         6           11 Las Lomas         Starr         2,684 Rural         6         6         4           11 Las Lomitas         Jim Hogg         267 Rural         3         3         6           11 Las Palmas-Juarez         Cameron         1,666 Rural         4         4         5           11 Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         3           11 Lasara         Willacy         1,024 Rural         4         4         4         5           11 Laughlin AFB         Val Verde         2,225 Rural         4         4         4         3           11 Laugeles         Cameron<								
11         Laguna Vista         Cameron         1,658 Rural         3         5         4           11         Lake View         Val Verde         167 Rural         3         3         5           11         Laredo Ranchettes         Webb         1,845 Rural         3         3         3         3           11         Larga Vista         Webb         742 Urban         6         6         6         6           11         Larga Vista         Webb         742 Urban         6         6         6         6           11         Las Colonias         Zavala         283 Rural         6         6         6         6           11         Las Lomias         Starr         2,684 Rural         6         6         4           11         Las Lomias         Jim Hogg         267 Rural         3         3         6           11         Las Palmas-Juarez         Cameron         1,666 Rural         4         4         4         5           11         Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         4         3           11         Lasara         Willacy         1,024 Rural         3 <t< td=""><td></td><td>-</td><td></td><td>·</td><td></td><td></td><td></td><td></td></t<>		-		·				
11         Lake View         Val Verde         167 Rural         3         3         5           11         Laredo Ranchettes         Webb         1,845 Rural         3         3         3           11         Larga Vista         Webb         742 Urban         6         6         6         6           11         Las Colonias         Zavala         283 Rural         6         6         6         6           11         Las Colonias         Starr         2,684 Rural         6         6         6         4           11         Las Lomitas         Starr         2,684 Rural         6         6         4           11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         4         5           11         Lasara         Willacy         1,024 Rural         3         3         3         3           11         Lasara         Willacy         1,024 Rural         4         4         4 <td></td> <td></td> <td>· ·</td> <td></td> <td></td> <td>· ·</td> <td></td> <td></td>			· ·			· ·		
11         Laredo Ranchettes         Webb         1,845 Rural         3         3         3           11         Larga Vista         Webb         742 Urban         6         6         6           11         Las Colonias         Zavala         283 Rural         6         6         6           11         Las Lomas         Starr         2,684 Rural         6         6         4           11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Palmas-Juarez         Cameron         1,666 Rural         4         4         5           11         Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         3           11         Lasana         Cameron         135 Urban         3         3         3           11         Lasara         Willacy         1,024 Rural         4         4         4           11         Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11         Leakey         Real		_						
11         Larga Vista         Webb         742 Urban         6         6         6           11         Las Colonias         Zavala         283 Rural         6         6         6           11         Las Lomas         Starr         2,684 Rural         6         6         4           11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Palmas-Juarez         Cameron         1,666 Rural         4         4         4         5           11         Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         3           11         Lasana         Cameron         135 Urban         3         3         3           11         Lasara         Willacy         1,024 Rural         4         4         4         5           11         Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11         Laureles         Cameron         3,285 Rural         5         5         5           11         Leakey         Real         387 Rural         6         6         6           11         Lopeno								
11 Las Colonias         Zavala         283 Rural         6         6         6           11 Las Lomas         Starr         2,684 Rural         6         6         4           11 Las Lomitas         Jim Hogg         267 Rural         3         3         6           11 Las Palmas-Juarez         Cameron         1,666 Rural         4         4         4         5           11 Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         3           11 Lasana         Cameron         135 Urban         3         3         3           11 Lasara         Willacy         1,024 Rural         4         4         4         5           11 Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11 Laureles         Cameron         3,285 Rural         5         5         5           11 Leakey         Real         387 Rural         6         6         6           11 Llano Grande         Hidalgo         3,333 Urban         5         5         3           11 Lopeno         Zapata         140 Rural         3         3         6           11 Lopezville         Hidalgo         4,								
11 Las Lomas       Starr       2,684 Rural       6       6       4         11 Las Lomitas       Jim Hogg       267 Rural       3       3       6         11 Las Palmas-Juarez       Cameron       1,666 Rural       4       4       4       5         11 Las Quintas Fronterizas       Maverick       2,030 Rural       4       4       4       3         11 Lasana       Cameron       135 Urban       3       3       3         11 Lasara       Willacy       1,024 Rural       4       4       5         11 Laughlin AFB       Val Verde       2,225 Rural       4       4       3         11 Laureles       Cameron       3,285 Rural       5       5       5         11 Leakey       Real       387 Rural       6       6       6         11 Llano Grande       Hidalgo       3,333 Urban       5       5       3         11 Lopeno       Zapata       140 Rural       3       3       6         11 Lopezville       Hidalgo       4,476 Urban       4       4       4       4         11 Los Alvarez       Starr       1,434 Rural       4       4       4       6								
11         Las Lomitas         Jim Hogg         267 Rural         3         3         6           11         Las Palmas-Juarez         Cameron         1,666 Rural         4         4         5           11         Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         4         3           11         Lasana         Cameron         135 Urban         3         3         3         3           11         Lasara         Willacy         1,024 Rural         4         4         4         5           11         Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11         Laureles         Cameron         3,285 Rural         5         5         5           11         Leakey         Real         387 Rural         6         6         6           11         Leakey         Real         3,333 Urban         5         5         3           11         Lopeno         Zapata         140 Rural         3         3         6           11         Lopezville         Hidalgo         4,476 Urban         4         4         4           11 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>								
11 Las Palmas-Juarez         Cameron         1,666 Rural         4         4         4         5           11 Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         4         3           11 Lasana         Cameron         135 Urban         3         3         3           11 Lasara         Willacy         1,024 Rural         4         4         4         5           11 Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11 Laureles         Cameron         3,285 Rural         5         5         5           11 Leakey         Real         387 Rural         6         6         6           11 Llano Grande         Hidalgo         3,333 Urban         5         5         3           11 Lopeno         Zapata         140 Rural         3         3         6           11 Lopezville         Hidalgo         4,476 Urban         4         4         4           11 Los Alvarez         Starr         1,434 Rural         4         4         6								
11 Las Quintas Fronterizas         Maverick         2,030 Rural         4         4         3           11 Lasana         Cameron         135 Urban         3         3         3           11 Lasara         Willacy         1,024 Rural         4         4         4         5           11 Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11 Laureles         Cameron         3,285 Rural         5         5         5           11 Leakey         Real         387 Rural         6         6         6           11 Llano Grande         Hidalgo         3,333 Urban         5         5         3           11 Lopeno         Zapata         140 Rural         3         3         6           11 Lopezville         Hidalgo         4,476 Urban         4         4         4           11 Los Alvarez         Starr         1,434 Rural         4         4         6								
11 Lasana         Cameron         135 Urban         3         3         3           11 Lasara         Willacy         1,024 Rural         4         4         5           11 Laughlin AFB         Val Verde         2,225 Rural         4         4         3           11 Laureles         Cameron         3,285 Rural         5         5         5           11 Leakey         Real         387 Rural         6         6         6           11 Llano Grande         Hidalgo         3,333 Urban         5         5         3           11 Lopeno         Zapata         140 Rural         3         3         6           11 Lopezville         Hidalgo         4,476 Urban         4         4         4           11 Los Alvarez         Starr         1,434 Rural         4         4         6						4		
11 Lasara       Willacy       1,024 Rural       4       4       5         11 Laughlin AFB       Val Verde       2,225 Rural       4       4       3         11 Laureles       Cameron       3,285 Rural       5       5       5         11 Leakey       Real       387 Rural       6       6       6         11 Llano Grande       Hidalgo       3,333 Urban       5       5       3         11 Lopeno       Zapata       140 Rural       3       3       6         11 Lopezville       Hidalgo       4,476 Urban       4       4       4         11 Los Alvarez       Starr       1,434 Rural       4       4       6			Cameron			3	3	3
11 Laughlin AFB       Val Verde       2,225 Rural       4       4       3         11 Laureles       Cameron       3,285 Rural       5       5       5         11 Leakey       Real       387 Rural       6       6       6         11 Llano Grande       Hidalgo       3,333 Urban       5       5       3         11 Lopeno       Zapata       140 Rural       3       3       6         11 Lopezville       Hidalgo       4,476 Urban       4       4       4         11 Los Alvarez       Starr       1,434 Rural       4       4       6			Willacy			4	4	5
11 Laureles     Cameron     3,285 Rural     5     5       11 Leakey     Real     387 Rural     6     6       11 Llano Grande     Hidalgo     3,333 Urban     5     5     3       11 Lopeno     Zapata     140 Rural     3     3     6       11 Lopezville     Hidalgo     4,476 Urban     4     4     4       11 Los Alvarez     Starr     1,434 Rural     4     4     6			•			4	4	3
11 Leakey     Real     387 Rural     6     6       11 Llano Grande     Hidalgo     3,333 Urban     5     5       11 Lopeno     Zapata     140 Rural     3     3     6       11 Lopezville     Hidalgo     4,476 Urban     4     4     4       11 Los Alvarez     Starr     1,434 Rural     4     4     6		_				5	5	5
11 Llano Grande     Hidalgo     3,333 Urban     5     5     3       11 Lopeno     Zapata     140 Rural     3     3     6       11 Lopezville     Hidalgo     4,476 Urban     4     4     4       11 Los Alvarez     Starr     1,434 Rural     4     4     6			Real			6	6	6
11 Lopeno     Zapata     140 Rural     3     3     6       11 Lopezville     Hidalgo     4,476 Urban     4     4     4       11 Los Alvarez     Starr     1,434 Rural     4     4     6			Hidalgo	3,333	Urban	5	5	3
11         Lopezville         Hidalgo         4,476 Urban         4         4         4           11         Los Alvarez         Starr         1,434 Rural         4         4         6			Zapata	140	Rural	3	3	6
			Hidalgo	4,476	Urban	4	4	4
11 Los Angeles Subdivision Willacy 86 Rural 6 6 3	11	Los Alvarez	Starr	1,434	Rural	4	4	6
	11	Los Angeles Subdivision	Willacy	86	Rural	6	6	3

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Region	Place Name	County	2000 Census Population	Area Type	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
	Los Ebanos	Hidalgo		Rural	73313ta110e	5	4
	Los Eranos	Cameron		Rural	5	3	6
	Los Indios	Cameron	*	Rural	3	3	4
	Los Iridios Los Villareales	Starr	*	Rural	3	3	4
	Lozano	Cameron		Rural	3	3	3
	Lyford	Willacy		Rural	5	5	5
	Lyford South	Willacy	*	Rural	6	6	4
	Medina	Zapata		Rural	4	4	4
	Midway North	Hidalgo		Urban	3	3	5
	Midway North	Hidalgo		Urban	5	5	6
	Mila Doce	Hidalgo	·	Rural	4	4	5
	Mirando City	Webb	· · · · · · · · · · · · · · · · · · ·	Rural	6	6	6
	Mission	Hidalgo	45,408		4	5	5
	Monte Alto	Hidalgo		Rural	5	5	4
	Morales-Sanchez	Zapata	7 -	Rural	3	3	3
	Muniz	Hidalgo		Rural	6	6	5
	New Falcon	Zapata	,	Rural	3	3	3
	North Alamo	Hidalgo		Urban	4	4	4
		Starr		Rural	6	6	4
	North Escobares Nurillo	Hidalgo	•	Urban	5	5	6
		Webb	,	Rural	3	3	6
<del></del>	Oilton	Hidalgo		Rural	5	5	3
	Olivarez	Cameron	,	Urban	5	5	5
	Olmito	Cameron	,	Urban	4	4	3
	Palm Valley		,	Urban	5	5	4
	Palmview South	Hidalgo	46,660		4	5	4
	Pharr	Hidalgo		Rural	5	4	5
	Port Isabel	Cameron		Rural	5	5	6
	Port Mansfield	Willacy			5	5	5
11	Primera	Cameron		Urban Rural	3	3	3
	Quemado	Maverick Maverick		Rural	3	3	6
	Radar Base			Rural	3	3 3	3
	Ranchette Estates	Willacy Webb		Rural	3	3	4
	Ranchitos Las Lomas			Urban	5	5	3
	Rancho Viejo	Cameron Webb		Urban	3	3	4
	Ranchos Penitas West	Cameron		Rural	3	3	6
	Rangerville	Cameron		Rural	3	3	3
	Ratamosa	Willacy		Rural	4	5	6
	Raymondville	Cameron		Urban	6	6	3
	Reid Hope King			Rural	3	3	6
	Relampago	Hidalgo Webb		Urban	4	3	4
	Rio Bravo		11,923		5	4	4
	Rio Grande City	Starr					
	Rio Hondo	Cameron Edwards		Rural Rural	5 5	3	5
	Rocksprings	Starr		Rural	6	5 6	5
	Roma	Starr		Rural	3	3	3
	Roma Creek	Maverick		Rural	4		5
	Rosita North	Maverick		Rural		<u>4</u> 5	3
	Rosita South				5		5
	Sabinal	Uvalde		Rural Rural	6	6	4
	Salineno	Starr	23,444		3	3 5	
	San Benito	Cameron	۷۵,444	UIDAII	5	υ 	4

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					Rental Development &		
E			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
11	San Carlos	Hidalgo	·	Rural	6	6	6
11	San Ignacio	Zapata	853	Rural	3	3	6
11	San Isidro	Starr	270	Rural	5	5	4
11	San Manuel-Linn	Hidalgo	958	Rural	3	3	3
11	San Pedro	Cameron	668	Rural	3	3	3
11	San Perlita	Willacy	680	Rural	6	6	6
11	Santa Cruz	Starr	630	Rural	6	6	5
11	Santa Maria	Cameron	846	Rural	4	4	3
11	Santa Monica	Willacy	78	Rural	3	3	5
11	Santa Rosa	Cameron	2,833	Rural	3	5	4
11	Scissors	Hidalgo	2,805	Rural	3	3	4
11	Sebastian	Willacy	1,864	Rural	3	3	6
11	Siesta Shores	Zapata	890	Rural	3	3	5
11	Solis	Cameron	545	Rural	6	6	3
11	South Alamo	Hidalgo	3,101	Rural	5	5	4
11	South Fork Estates	Jim Hogg	47	Rural	3	3	3
11	South Padre Island	Cameron	2,422	Rural	6	6	4
11	South Point	Cameron	1,118	Rural	6	6	4
11	Spofford	Kinney	75	Rural	3	3	3
11	Tierra Bonita	Cameron	160	Rural	3	3	4
11	Utopia	Uvalde	241	Rural	5	5	6
11	Uvalde	Uvalde	14,929	Rural	6	5	5
11	Uvalde Estates	Uvalde	1,972	Rural	5	5	5
11	Val Verde Park	Val Verde	1,945	Rural	5	5	4
11	Villa del Sol	Cameron	132	Rural	3	3	5
11	Villa Pancho	Cameron	386	Urban	6	6	6
11	Villa Verde	Hidalgo	891	Urban	3	3	5
11	West Sharyland	Hidalgo	2,947	Rural	4	4	3
11	Willamar	Willacy		Rural	3	3	3
11	Yznaga	Cameron	103	Rural	3	3	6
11	Zapata	Zapata	4,856	Rural	4	6	4
11	Zapata Ranch	Willacy	88	Rural	3	3	5
	Ackerly	Dawson		Rural	4	4	6
	Andrews	Andrews		Rural	5	4	4
	Balmorhea	Reeves		Rural	4	3	4
	Barstow	Ward		Rural	6	6	5
	Big Lake	Reagan		Rural	5	5	4
12	Big Spring	Howard	25,233		5	6	4
	Brady	McCulloch		Rural	5	6	5
	Bronte	Coke		Rural	6	6	5
	Christoval	Tom Green		Rural	6	6	5
	Coahoma	Howard		Rural	4	4	3
	Coyanosa	Pecos		Rural	3	3	4
	Crane	Crane		Rural	6	6	4
	Eden	Concho		Rural	6	6	5
	Eldorado	Schleicher		Rural	3	3	6
	Forsan	Howard		Rural	4	4	6
	Fort Stockton	Pecos		Rural	3	4	5
	Gardendale	Ector		Rural	3	3	3
	Goldsmith	Ector		Rural	4	4	3
12	Grandfalls	Ward	391	Rural	5	4	5

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					Rental Development &		
ы			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
12	Grape Creek	Tom Green	3,138	Rural	5	5	5
12	Imperial	Pecos	428	Rural	3	3	4
12	Iraan	Pecos	1,238	Rural	3	3	3
12	Junction	Kimble	2,618	Rural	5	5	5
12	Kermit	Winkler	5,714	Rural	4	4	3
12	Lamesa	Dawson	9,952	Rural	5	5	4
12	Lindsay (Reeves)	Reeves	394	Rural	3	3	6
12	Los Ybanez	Dawson	32	Rural	3	3	3
12	Mason	Mason	2,134	Rural	6	5	5
12	McCamey	Upton	1,805	Rural	4	4	4
	Melvin	McCulloch		Rural	6	6	6
	Menard	Menard	· · · · · · · · · · · · · · · · · · ·	Rural	5	5	6
	Mertzon	Irion		Rural	3	3	5
12	Midland	Midland	94,996		5	5	4
12	Monahans	Ward	· · · · · · · · · · · · · · · · · · ·	Rural	6	6	3
12	Ozona	Crockett		Rural	4	4	4
12	Paint Rock	Concho		Rural	6	6	5
12	Pecos	Reeves		Rural	3	4	5
	Pyote	Ward		Rural	3	3	6
	Rankin	Upton		Rural	3	3	5
	Robert Lee	Coke		Rural	6	6	5
12	Sanderson	Terrell		Rural	6	6	5
12	Seagraves	Gaines	· · · · · · · · · · · · · · · · · · ·	Rural	6	5	3
12	Seminole	Gaines	· · · · · · · · · · · · · · · · · · ·	Rural	4	4	5
12	Sonora	Sutton	· · · · · · · · · · · · · · · · · · ·	Rural	3	4	4
	Stanton	Martin		Rural	5	5	3
	Sterling City	Sterling	•	Rural	4	4	5
	Thorntonville	Ward		Rural	3	3	4
	Toyah	Reeves		Rural	3	3	3
	West Odessa	Ector	17,799		5	5	5
	Wickett	Ward		Rural	6	6	3
		Winkler		Rural	5	4	3
	Agua Dulce (El Paso)	El Paso		Rural	3	3	6
	Alpine	Brewster		Rural	6	6	3
	Anthony	El Paso El Paso		Urban Rural	3	6 3	3
	Butterfield					4	
	Canutillo Clint	El Paso El Paso		Urban Rural	3	6	4 4
		Hudspeth		Rural	6	6	5
	Dell City Fabens	El Paso		Rural	6	6	3
	Fort Bliss	El Paso		Urban	4	3	3
	Fort Davis	Jeff Davis		Rural	4	4	6
		Hudspeth		Rural	5	5	5
	Fort Hancock Homestead Meadows North			Rural	5	5	6
	Homestead Meadows North Homestead Meadows South			Rural	6	6	5
	Horizon City	El Paso		Rural	3	3	4
	Marathon	Brewster		Rural	4	3	5
	Marfa	Presidio		Rural	4	5	5
	Morning Glory	El Paso		Rural	3	3	3
	Prado Verde	El Paso		Urban	3	3	6
	Presidio Presidio	Presidio		Rural	5	5	4
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Region	Place Name	County	2000 Census Population	Area Type	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
13	Redford	Presidio	132	Rural	3	3	6
13	San Elizario	El Paso	11,046	Urban	4	3	5
13	Sierra Blanca	Hudspeth	533	Rural	4	3	6
13	Socorro	El Paso	27,152	Urban	5	3	6
13	Sparks	El Paso	2,974	Rural	5	5	5
13	Study Butte-Terlingua	Brewster	267	Rural	4	3	3
13	Tornillo	El Paso	1,609	Rural	6	3	4
13	Valentine	Jeff Davis	187	Rural	5	4	3
13	Van Horn	Culberson	2,435	Rural	6	6	4
13	Vinton	El Paso	1,892	Rural	6	6	5
13	Westway	El Paso	3,829	Urban	6	6	5

## 2008 HOME Affordable Housing Need Scores (AHNS) County Level

(Sorted by Region then County)

#### Instructions:

Use this table to determine an AHNS for an application that will serve an entire county, multiple counties, or multiple places within a county or counties.

**Special Circumstances** 

- (1) If multiple counties or places in multiple counties will be served by the application, then the county scores should be averaged.
- (2) Participating Jurisdictions (PJ) recieve a score of zero and are not included in the table.

All questions relating to scoring an application under the AHN Scoring Component should be submitted in writing to Sandy Garcia via facsimile at (512) 475-4798 or by email at sandy.garcia@tdhca.state.tx.us.

Region	County	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
1	Armstrong	6	6	4
1	Bailey	3	3	4
1	Briscoe	6	6	4
1	Carson	4	4	4
1	Castro	4	4	4
1	Childress	4	5	3
1	Cochran	4	3	4
1	Collingsworth	4	4	4
1	Crosby	5	5	4
1	Dallam	5	5	4
1	Deaf Smith	3	4	4
1	Dickens	4	4	6
1	Donley	6	6	4
1	Floyd	4	4	4
1	Garza	6	6	6
1	Gray	4	4	5
1	Hale	4	4	4
1	Hall	5	5	5
1	Hansford	4	4	5
1	Hartley	6	6	4
1	Hemphill	5	5	4
1	Hockley	4	4	5
1	Hutchinson	5	5	4
1	Lamb	5	5	4
1	Lipscomb	4	4	5
1	Lubbock	4	4	4
1	Lynn	4	3	4
1	Moore	4	4	3
1	Motley	4	4	3
1	Ochiltree	3	4	3
1	Oldham	6	6	6
1	Parmer	5	5	3
1	Potter	3	3	6
1	Randall	5	5	3
1	Roberts	6	6	4

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		Rental Development &		
Region		Tenant Based Rental	Homebuyer	Owner Occupied
Reć	County	Assistance	Assistance	Rehabilitation
1	Sherman	4	4	4
1	Swisher	4	4	4
1	Terry	4	4	5
1	Wheeler	4	4	4
1	Yoakum	4	4	4
2	Archer	3	3	4
2	Baylor	4	4	3
2	Brown	5	5	5
2	Callahan	4	6	4
2	Clay	6	6	5
2	Coleman	4	4	4
2	Comanche	6	6	5
2	Cottle	4	4	3
2	Eastland	4	4	5
2	Fisher	4	4	3
2	Foard	5	5	5
2	Hardeman	6	6	3
2	Haskell	5	4	5
2	Jack	5	5	6
2	Jones	4	4	5
2	Kent	3	3	4
2	Knox	3	3	5
2	Mitchell	5	5	4
2	Montague	4	4	5
2	Nolan	4	4	4
2	Runnels	5	5	5
2	Scurry	4	4	5
2	Shackelford	4	4	4
2	Stephens	5	4	3
2	Stonewall	4	4	5
2	Taylor	5	4	3
2	Throckmorton	4	4	3
2	Wichita	5	5	4
2	Wilbarger	3	4	4
2	Young	4	4	4
3	Collin	4	4	4
3	Cooke	4	4	4
3	Dallas	4	4	4
3	Denton	4	4	4
3	Ellis	4	5	5
3	Erath	5	5	6
3	Fannin	4	5	4
3	Grayson	4	4	5
3	Hood	4	4	4
3	Hunt	4	4	5
3	Johnson	4	4	5
3	Kaufman	5	5	4
3	Navarro	4	4	5
3	INAVAIIU	4	4	

Rental Development & Tenant Based Rental Assistance  County Assistance Assistance  Palo Pinto 5 5  Parker 5 5  Rockwall 4 4	Owner Occupied Rehabilitation  4 4 4
©         County         Assistance         Assistance           3         Palo Pinto         5         5           3         Parker         5         5	Rehabilitation 4 4
3         Palo Pinto         5         5           3         Parker         5         5	4
3 Rockwall 4 4	4
3 Somervell 4 4	5
3 Tarrant 4 4	4
3 Wise 5 5	5
4 Anderson 5 5	5
4 Bowie 5 5	4
4 Camp 3 4	5
4 Cass 4 4	4
4 Cherokee 4 4	5
4 Delta 6 6	6
4 Franklin 3 5	5
4 Gregg 4 4	4
4 Harrison 4 4	5
4 Henderson 4 5	4
4 Hopkins 4 4	4
4 Lamar 4 4	4
4 Marion 6 6	5
4 Morris 6 6	4
4 Panola 5 4	4
4 Rains 6 6	4
4 Red River 5 4	4
4 Rusk 5 4	4
4 Smith 4 4	4
4 Titus 4 4	5
4 Upshur 4 4	5
4 Van Zandt 5 4	4
4 Wood 5 5	5
5 Angelina 5 5	4
5 Hardin 4 4	3
5 Houston 5 5	5
5 Jasper 3 4	5
5 Jefferson 4 4	4
5 Nacogdoches 5 5	4
5 Newton 5 4	4
5 Orange 5 5	5
5 Polk 5 4	5
5 Sabine 4 4	4
5 San Augustine 6 5	4
5 San Jacinto 4 4	5
5 Shelby 4 4	5
5 Trinity 5 5	6
5 Tyler 4 4	5
6 Austin 4 4	5
6 Brazoria 4 5	5
6 Chambers 5 4	4
6 Colorado 5 4	5

_		Rental Development &		
Region	County	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
6	Fort Bend	4	4	4
6	Galveston	5	5	5
6	Harris	4	4	4
6	Liberty	4	4	5
6	Matagorda	4	4	4
6	Montgomery	5	5	4
6	Walker	6	6	5
6	Waller	4	5	5
6	Wharton	4	4	5
7	Bastrop	4	4	5
7	Blanco	4	4	4
7	Burnet	5	5	5
7	Caldwell	4	4	5
7	Fayette	5	4	5
7	Hays	4	4	5
7	Lee	4	4	3
7	Llano	4	5	4
7	Travis	4	4	4
7	Williamson	5	5	4
8	Bell	4	4	3
8	Bosque	3	4	5
8	Brazos	4	4	4
8	Coryell	5	5	4
8	Falls	5	4	4
8	Freestone	4	4	5
8	Grimes	3	3	6
8	Hamilton	4	4	5
8	Hill	5	5	5
8	Lampasas	4	4	4
8	Leon	4	4	6
8	Limestone	5	5	5
8	McLennan	4	4	4
8	Milam	5	5	4
8	Mills	5	4	6
8	San Saba	4	4	3
9	Atascosa	4	4	5
9	Bandera	4	6	6
9	Bexar	4	4	3
9	Comal	4	4	4
9	Frio	4	4	5
9	Gillespie	4	5	5
9	Guadalupe	4	4	5
9	Karnes	5	4	4
9	Kendall	4	5	6
9	Kerr	6	6	6
9	Medina	5	5	5
9	Wilson	5	5	4
10	Aransas	4	4	6

		1 1		
		Rental Development &		
Region	Carret .	Tenant Based Rental	Homebuyer	Owner Occupied
	County	Assistance	Assistance	Rehabilitation
10	Bee	4	4	4
10	Brooks	4	3	5
10	Calhoun	5	5	3
10	DeWitt	5	5	5
10	Duval	4	4	4
10	Goliad	3	4	6
10	Gonzales	4	4	5
10	Jackson	4	4	4
10	Jim Wells	4	4	4
10	Kleberg	5	6	5
10	Lavaca	5	5	4
10	Live Oak	5	5	4
10	Nueces	4	4	4
10	Refugio	5	5	5
10	San Patricio	4	5	4
10	Victoria	5	5	4
11	Cameron	4	4	4
11	Dimmit	5	5	5
11	Edwards	5	5	5
11	Hidalgo	4	5	5
11	Jim Hogg	4	4	4
11	Kinney	4	4	4
11	La Salle	4	5	3
11	Maverick	4	4	4
11	Real	6	6	6
11	Starr	4	4	4
11	Uvalde	5	5	5
11	Val Verde	4	4	4
11	Webb	4	4	4
11	Willacy	4	4	5
11	Zapata	3	4	4
11	Zavala	5	5	5
12	Andrews	5	4	4
12	Coke	6	6	5
12	Concho	6	6	5
12	Crane	6	6	4
12	Crockett	4	4	4
12	Dawson	4	4	4
	Ector		4	4
12	Gaines	5	4	4
	Howard	4	5	4
	Irion Kimble	3	3	5
	Kimble Mortin	5	5	5
12	Martin	5	5	3
	Mason	6	5	5
	McCulloch Manard	6	6	6
	Menard	5	5	6
12	Midland	5	5	4

Region	County	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
12	Pecos	3	3	4
12	Reagan	5	5	4
12	Reeves	3	3	4
12	Schleicher	3	3	6
12	Sterling	4	4	5
12	Sutton	3	4	4
12	Terrell	6	6	5
12	Tom Green	6	6	5
12	Upton	4	4	4
12	Ward	5	5	4
12	Winkler	4	4	3
13	Brewster	5	4	4
13	Culberson	6	6	4
13	El Paso	4	4	4
13	Hudspeth	5	5	5
13	Jeff Davis	4	4	4
13	Presidio	4	4	5

# 2008 HTF Affordable Housing Need Scores (AHNS) County Level

(Sorted by Region then County.)

#### Instructions

Use this table to determine an AHNS for an application that will serve an entire county, multiple counties, or multiple places within a county or counties.

Special Circumstances

(1) If multiple counties or places in multiple counties will be served by the application, then the county scores should be averaged.

All questions relating to scoring an application under the AHN Scoring Component should be submitted in writing to Sandy Garcia via facsimile at (512) 475-4798 or by email at sandy.garcia@tdhca.state.tx.us.

Region	County	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
1	Armstrong	6	6	4
1	Bailey	3	3	4
1	Briscoe	6	6	4
1	Carson	4	4	4
1	Castro	4	4	4
1	Childress	4	5	3
1	Cochran	4	3	4
1	Collingsworth	4	4	4
1	Crosby	5	5	4
1	Dallam	5	5	4
1	Deaf Smith	3	4	4
1	Dickens	4	4	6
1	Donley	6	6	4
1	Floyd	4	4	4
1	Garza	6	6	6
1	Gray	4	4	5
1	Hale	4	4	4
1	Hall	5	5	5
1	Hansford	4	4	5
1	Hartley	6	6	4
1	Hemphill	5	5	4
1	Hockley	4	4	5
1	Hutchinson	5	5	4
1	Lamb	5	5	4
1	Lipscomb	4	4	5
1	Lubbock	5	5	4
1	Lynn	4	3	4
1	Moore	4	4	3
1	Motley	4	4	3
1	Ochiltree	3	4	3
1	Oldham	6	6	6
1	Parmer	5	5	3
1	Potter	4	4	5
1	Randall	5	5	3
1	Roberts	6	6	4

Rental Development & Tenant Based Rental Assistance		1	I		
Tenant Based Rental Assistance			Pantal Davalanment 9		
Sherman	E			Homebuver	Owner Occupied
1 Sherman         4         4         4         4           1 Swisher         4         4         4         4           1 Wheeler         4         4         4         4           1 Yoakum         4         4         4         4           2 Brown         5         5         5         5           2 Callahan         4         4         4         4           2 Colay         6         6         5         5           2 Coleman         4         4         4         4           2 Comanche         6         6         5         5           2 Cottle         4         4         4         4         3           2 Eastland         4         4         4         3         2           2 Fisher         4         4         4         3         3         4         4         4         3         3         4         4         4         4         3         3         4         4         4         4         4         4         4         4         4         4         4         4         4         3         3         4         4	Regic	County			
1         Terry         4         4         4         4           1         Wheeler         4         4         4         4           2         Archer         3         3         4         4           2         Archer         3         3         4         4           2         Baylor         4         4         4         3         4         4         4         3         2         Brown         5         5         5         5         5         5         5         5         5         5         5         5         5         5         5         5         2         Callahan         4         5         2         Fisher         4         4         4         5         5         5         5         5         5         5         5         5         5         5			4	4	4
1         Wheeler         4         4         4         4         4         1         Yoakum         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         3         2         Brown         5         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4	1	Swisher	4	4	4
1         Yoakum         4         4         4         4           2         Archer         3         3         4           2         Baylor         4         4         4         3           2         Bown         5         5         5         5           2         Colahan         4         4         6         6         6         5           2         Coleman         4         4         4         4         4         4           2         Comanche         6         6         6         5         5           2         Cottle         4         4         4         3         2         Eastland         4         4         5         5         5         5         5         5         5         5         5         5	1	Terry	4	4	5
2         Archer         3         3         4           2         Baylor         4         4         4         3           2         Brown         5         5         5           2         Callahan         4         4         6         4           2         Callahan         4         6         6         6         5           2         Coleman         4         4         4         4         4           2         Coleman         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         3         2         Eastland         4         4         4         5         6         3         3         4         4         4         5         2         Alexade         5         5         5         5         5         6         6	1	Wheeler	4	4	4
2         Baylor         4         4         3           2         Brown         5         5         5           2         Callahan         4         6         4           2         Colay         6         6         5           2         Coleman         4         4         4           2         Contide         4         4         4         3           2         Cottle         4         4         4         3           2         Eastland         4         4         3         3           2         Fisher         4         4         3         3         2         Fisher         4         4         3         3         2         Fisher         4         4         4         3         3         3         4         4         4         3         3         4         4         4         5         5         5         5         5         5         5         5         6         3         3         4         4         4         5         4         4         5         4         4         5         4         4         5         4	1	Yoakum	4	4	4
2         Brown         5         5         5           2         Callahan         4         6         4           2         Clay         6         6         5           2         Coleman         4         4         4           2         Condeman         4         4         4           2         Coleman         4         4         4         3           2         Collegan         6         6         6         5         6         2         3         3         4         4         4         5         6         2         3         4         4         5         5         5         6         4<	2	Archer	3	3	4
2         Brown         5         5         5           2         Callahan         4         6         4           2         Clay         6         6         5           2         Coleman         4         4         4           2         Comanche         6         6         6         5           2         Contile         4         4         4         3           2         Eastland         4         4         4         3           2         Eastland         4         4         4         3           2         Fisher         4         4         3         3           2         Fisher         4         4         3         3           2         Fisher         4         4         3         3           2         Fisher         4         4         5         5         5         5         5         5         5         5         5         5         6         3         3         3         3         3         4         4         5         6         2         Janes         4         4         4         5	2	Baylor	4	4	3
2 Clay         6         6         5           2 Coleman         4         4         4           2 Cottle         4         4         4           2 Eastland         4         4         4           2 Fisher         4         4         3           2 Foard         5         5         5           2 Hardeman         6         6         6         3           2 Haskell         5         4         5           2 Jones         4         4         5           2 Kent         3         3         3         5           2 Kont         3         3         3         5           2 Mitchell         5         5         5         5           2 Stolary	2		5	5	5
2 Coleman         4         4         4         4           2 Contile         4         4         4         3           2 Eastland         4         4         4         5           2 Fisher         4         4         4         3           2 Foard         5         5         5         5           2 Hardeman         6         6         6         3         3           2 Haskell         5         4         5         5         6           2 Jack         5         5         5         6         2         Jones         4         4         5         5         6         6         3         3         3         3         3         4         4         4         5         4         3         4         4         4         4         5	2	Callahan	4	6	4
2 Contile         4         4         4         3           2 Eastland         4         4         4         5           2 Fisher         4         4         3           2 Foard         5         5         5           2 Hardeman         6         6         3           2 Hardeman         6         6         3           2 Haskell         5         4         5           2 Jack         5         5         6           2 Jones         4         4         5           2 Kent         3         3         3         4           2 Kent         3         3         3         5           2 Mitchell         5         5         5         4           2 Montague         4         4         4         5           2 Nolan         4         4         4         4           2 Runnels         5         5         5         5           2 Scurry         4         4         4         4           2 Stephens         5         4         3         3           2 Stonewall         4         4         4         5	2	Clay	6	6	5
2 Cottle         4         4         4         5           2 Eastland         4         4         5           2 Fisher         4         4         3           2 Foard         5         5         5           2 Hardeman         6         6         3           2 Haskell         5         4         5           2 Jack         5         5         6           2 Jones         4         4         5           2 Kent         3         3         3         4           2 Kent         3         3         3         5           2 Mitchell         5         5         5         4           2 Montague         4         4         4         5           2 Nolan         4         4         4         4           2 Runnels         5         5         5         5           2 Scurry         4         4         4         4           2 Stephens         5         4         3         3           2 Stonewall         4         4         4         5           2 Taylor         5         5         5         3	2	Coleman	4	4	4
2 Eastland         4         4         5           2 Fisher         4         4         3           2 Foard         5         5         5           2 Hardeman         6         6         3           2 Haskell         5         4         5           2 Jack         5         5         6           2 Jones         4         4         5           2 Kent         3         3         4           2 Knox         3         3         3         5           2 Knox         3         3         3         5           2 Mitchell         5         5         4         4           2 Montague         4         4         4         5           2 Nolan         4         4         4         4           2 Runnels         5         5         5         5           2 Scurry         4         4         4         4           2 Stephens         5         4         3         3           2 Stonewall         4         4         4         4           2 Taylor         5         5         3         3	2	Comanche	6	6	5
2         Fisher         4         4         3           2         Foard         5         5         5           2         Hardeman         6         6         3           2         Haskell         5         4         5           2         Jack         5         5         6           2         Jones         4         4         5           2         Kent         3         3         3         4           2         Kent         3         3         3         4           2         Kent         3         3         3         5           2         Kent         3         3         3         5           2         Mitchell         5         5         5         4           2         Nolan         4         4         4         4           2 <t< td=""><td>2</td><td>Cottle</td><td>4</td><td>4</td><td>3</td></t<>	2	Cottle	4	4	3
2 Foard         5         5           2 Hardeman         6         6         3           2 Haskell         5         4         5           2 Jack         5         5         6           2 Jones         4         4         5           2 Kent         3         3         4           2 Knox         3         3         3         5           2 Mitchell         5         5         4         4         5           2 Montague         4         4         4         5         2         4 <td>2</td> <td>Eastland</td> <td>4</td> <td>4</td> <td>5</td>	2	Eastland	4	4	5
2 Hardeman         6         6         3           2 Haskell         5         4         5           2 Jack         5         5         6           2 Jones         4         4         5           2 Kent         3         3         4           2 Knox         3         3         5           2 Mitchell         5         5         4           2 Montague         4         4         4         5           2 Nolan         4         4         4         4           2 Runnels         5         5         5         5           2 Scurry         4         4         4         4           2 Stephens         5         5         5         5           2 Stephens         5         4         3         3           2 Stonewall         4         4         4         5           2 Taylor         5         5         3         3           2 Throckmorton         4         4         4         3           2 Wichita         5         5         4         4           2 Young         4         4         4         4 </td <td>2</td> <td>Fisher</td> <td>4</td> <td>4</td> <td>3</td>	2	Fisher	4	4	3
2 Haskell       5       4       5         2 Jack       5       5       6         2 Jones       4       4       5         2 Kent       3       3       4         2 Knox       3       3       5         2 Mitchell       5       5       4         2 Montague       4       4       4       5         2 Nolan       4       4       4       4         2 Runnels       5       5       5       5         2 Scurry       4       4       4       4         2 Stephens       5       4       3         2 Stephens       5       4       3         2 Stonewall       4       4       4         2 Taylor       5       5       3         2 Throckmorton       4       4       4         2 Wichita       5       5       4         2 Wichita       5       5       4         2 Young       4       4       4         3 Collin       4       4       4         3 Dallas       4       4       4         3 Denton       4       4       <	2	Foard	5	5	5
2 Jack       5       6         2 Jones       4       4       5         2 Kent       3       3       4         2 Knox       3       3       5         2 Mitchell       5       5       4         2 Montague       4       4       4       5         2 Nolan       4       4       4       4         2 Runnels       5       5       5       5         2 Scurry       4       4       4       4         2 Stackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Throckmorton       4       4       4       3         2 Wichita       5       5       4       3         2 Wichita       5       5       4       4         2 Wilbarger       3       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Ellis	2	Hardeman	6	6	3
2 Jones       4       4       5         2 Kent       3       3       4         2 Knox       3       3       5         2 Mitchell       5       5       4         2 Montague       4       4       4       5         2 Nolan       4       4       4       4         2 Runnels       5       5       5       5         2 Scurry       4       4       4       4         2 Stackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Trockmorton       4       4       4       3         2 Wichita       5       5       4       3         2 Wilbarger       3       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Denton       4       4       4       4         3 Erath       5       5       5       6	2	Haskell	5	4	5
2 Kent         3         3         4           2 Knox         3         3         5           2 Mitchell         5         5         4           2 Montague         4         4         4         4           2 Nolan         4         4         4         4           2 Runnels         5         5         5         5           2 Scurry         4         4         4         5           2 Storekelford         4         4         4         4           2 Stephens         5         4         3         3           2 Stonewall         4         4         4         5           2 Taylor         5         5         3         3           2 Trockmorton         4         4         3         4         4           2 Wichita         5         5         4         3         4         4         4           2 Wilbarger         3         4 <td>2</td> <td>Jack</td> <td>5</td> <td>5</td> <td>6</td>	2	Jack	5	5	6
2 Knox       3       3       5         2 Mitchell       5       5       4         2 Montague       4       4       4       5         2 Nolan       4       4       4       4         2 Runnels       5       5       5       5         2 Scurry       4       4       4       5         2 Stackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Throckmorton       4       4       4       3         2 Wichita       5       5       4         2 Wilbarger       3       4       4       4         2 Voung       4       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Denton       4       4       4       4         3 Erath       5       5       6       5         3 Fannin       4       5       5	2	Jones	4	4	5
2 Mitchell         5         5         4           2 Montague         4         4         5           2 Nolan         4         4         4           2 Runnels         5         5         5           2 Scurry         4         4         4         5           2 Storewall         4         4         4         4         5           2 Stonewall         4         4         4         5         3         2         Throckmorton         4         4         3         3         2         Throckmorton         4         4         3         3         4         4         4         3         3         4         4         4         3         4 <td>2</td> <td>Kent</td> <td>3</td> <td>3</td> <td>4</td>	2	Kent	3	3	4
2 Montague       4       4       4       4         2 Nolan       4       4       4       4         2 Runnels       5       5       5         2 Scurry       4       4       4       5         2 Stackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Throckmorton       4       4       4       3         2 Wichita       5       5       5       4         2 Wilbarger       3       4       4       4         2 Young       4       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Denton       4       4       4       4         3 Erath       5       5       5       6         3 Fannin       4       5       5       6         3 Hood       4       4       4       4         3 Johnson       4	2	Knox	3	3	5
2 Nolan       4       4       4         2 Runnels       5       5       5         2 Scurry       4       4       4       5         2 Shackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Throckmorton       4       4       4       3         2 Wichita       5       5       4         2 Wilbarger       3       4       4       4         2 Young       4       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Denton       4       4       4       4         3 Erath       5       5       6         3 Fannin       4       5       5         3 Hood       4       4       4         3 Johnson       4       4       5         3 Kaufman       4       5       4	2	Mitchell	5	5	4
2 Nolan       4       4       4         2 Runnels       5       5       5         2 Scurry       4       4       4       5         2 Shackelford       4       4       4       4         2 Stephens       5       4       3         2 Stonewall       4       4       4       5         2 Taylor       5       5       3       3         2 Throckmorton       4       4       4       3         2 Wichita       5       5       4         2 Wilbarger       3       4       4       4         2 Young       4       4       4       4         3 Collin       4       4       4       4         3 Dallas       4       4       4       4         3 Denton       4       4       4       4         3 Erath       5       5       6         3 Fannin       4       5       5         3 Hood       4       4       4         3 Johnson       4       4       5         3 Kaufman       4       5       4	2	Montague	4	4	5
2       Scurry       4       4       4       4         2       Shackelford       4       4       4       4         2       Stephens       5       4       3         2       Stonewall       4       4       5         2       Taylor       5       5       3         2       Throckmorton       4       4       4         2       Wichita       5       5       4         2       Wilbarger       3       4       4         2       Young       4       4       4         3       Collin       4       4       4         3       Cooke       4       4       4         3       Dallas       4       4       4         3       Denton       4       4       4         3       Erath       5       5       6         3       Fannin       4       5       6         3       Fannin       4       4       4         4       4       4       4       4         3       Hood       4       4       4       5	2		4	4	4
2       Shackelford       4       4       4         2       Stephens       5       4       3         2       Stonewall       4       4       4       5         2       Taylor       5       5       3         2       Throckmorton       4       4       4       3         2       Wichita       5       5       4         2       Wilbarger       3       4       4       4         2       Young       4       4       4       4         3       Collin       4       4       4       4         3       Cooke       4       4       4       4         3       Dallas       4       4       4       4         3       Denton       4       4       4       4         3       Erath       5       5       5       6         3       Fannin       4       5       5       6         3       Fannin       4       4       4       4         3       Hood       4       4       4       4         3       Johnson       4	2	Runnels	5	5	5
2       Stephens       5       4       3         2       Stonewall       4       4       5         2       Taylor       5       5       3         2       Throckmorton       4       4       4         2       Wichita       5       5       4         2       Wilbarger       3       4       4         2       Young       4       4       4         3       Collin       4       4       4         3       Cooke       4       4       4         3       Dellas       4       4       4         3       Dellas       4       4       4         3       Ellis       4       5       5         3       Erath       5       5       6         3       Fannin       4       5       4         3       Hood       4       4       4         3       Hunt       4       4       5         3       Johnson       4       4       5         3       Kaufman       4       5       4	2	Scurry	4	4	5
2 Stonewall       4       4       4       5         2 Taylor       5       5       3         2 Throckmorton       4       4       4         2 Wichita       5       5       4         2 Wilbarger       3       4       4         2 Young       4       4       4         3 Collin       4       4       4         3 Cooke       4       4       4         3 Dallas       4       4       4         3 Denton       4       4       4         3 Ellis       4       5       5         3 Erath       5       5       6         3 Fannin       4       5       4         3 Hood       4       4       4         3 Hunt       4       4       4         3 Johnson       4       4       5         3 Kaufman       4       5       4	2	Shackelford	4	4	4
2 Taylor       5       5       3         2 Throckmorton       4       4       3         2 Wichita       5       5       4         2 Wilbarger       3       4       4         2 Young       4       4       4         3 Collin       4       4       4         3 Cooke       4       4       4         3 Dallas       4       4       4         3 Denton       4       4       4         3 Ellis       4       5       5         3 Erath       5       5       6         3 Fannin       4       5       4         3 Grayson       4       4       4         3 Hood       4       4       4         3 Johnson       4       4       5         3 Kaufman       4       5       4	2	Stephens	5	4	3
2       Throckmorton       4       4       3         2       Wichita       5       5       4         2       Wilbarger       3       4       4         2       Young       4       4       4         3       Collin       4       4       4         3       Cooke       4       4       4         3       Dallas       4       4       4         3       Denton       4       4       4         3       Ellis       4       5       5         3       Erath       5       5       6         3       Fannin       4       5       4         3       Hood       4       4       4         3       Hunt       4       4       5         3       Kaufman       4       5       4	2	Stonewall	4	4	5
2 Wichita       5       5       4         2 Wilbarger       3       4       4         2 Young       4       4       4         3 Collin       4       4       4         3 Cooke       4       4       4         3 Dallas       4       4       4         3 Denton       4       4       4         3 Ellis       4       5       5         3 Erath       5       5       6         3 Fannin       4       5       4         3 Grayson       4       4       4         3 Hood       4       4       4         3 Johnson       4       4       5         3 Kaufman       4       5       4	2	Taylor	5	5	3
2       Wilbarger       3       4       4         2       Young       4       4       4         3       Collin       4       4       4         3       Cooke       4       4       4         3       Dallas       4       4       4         3       Denton       4       4       4         3       Ellis       4       5       5         3       Erath       5       5       6         3       Fannin       4       5       4         3       Grayson       4       4       4       5         3       Hood       4       4       4       5         3       Johnson       4       4       5       4         3       Kaufman       4       5       4	2	Throckmorton	4	4	3
2 Young       4       4       4         3 Collin       4       4       4         3 Cooke       4       4       4         3 Dallas       4       4       4         3 Denton       4       4       4         3 Ellis       4       5       5         3 Erath       5       5       6         3 Fannin       4       5       4         3 Grayson       4       4       5         3 Hood       4       4       4         3 Hunt       4       4       5         3 Kaufman       4       5       4	2	Wichita	5	5	4
3     Collin     4     4     4       3     Cooke     4     4     4       3     Dallas     4     4     4       3     Denton     4     4     4       3     Ellis     4     5     5       3     Erath     5     5     6       3     Fannin     4     5     4       3     Grayson     4     4     5       3     Hood     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	2	Wilbarger	3	4	4
3       Cooke       4       4       4         3       Dallas       4       4       4         3       Denton       4       4       4         3       Ellis       4       5       5         3       Erath       5       5       6         3       Fannin       4       5       4         3       Grayson       4       4       5         3       Hood       4       4       4         3       Hunt       4       4       5         3       Johnson       4       4       5         3       Kaufman       4       5       4	2	Young	4	4	4
3 Dallas       4       4       4         3 Denton       4       4       4         3 Ellis       4       5       5         3 Erath       5       5       6         3 Fannin       4       5       4         3 Grayson       4       4       5         3 Hood       4       4       4       4         3 Hunt       4       4       5         3 Johnson       4       4       5         3 Kaufman       4       5       4	3	Collin	4	4	4
3     Denton     4     4     4       3     Ellis     4     5     5       3     Erath     5     5     6       3     Fannin     4     5     4       3     Grayson     4     4     5       3     Hood     4     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Cooke	4	4	4
3     Ellis     4     5     5       3     Erath     5     5     6       3     Fannin     4     5     4       3     Grayson     4     4     5       3     Hood     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Dallas	4	4	4
3     Erath     5     5     6       3     Fannin     4     5     4       3     Grayson     4     4     5       3     Hood     4     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Denton	4	4	4
3     Fannin     4     5     4       3     Grayson     4     4     5       3     Hood     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Ellis	4	5	5
3     Grayson     4     4     5       3     Hood     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Erath	5	5	6
3     Hood     4     4     4       3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Fannin	4	5	4
3     Hunt     4     4     5       3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Grayson	4	4	5
3     Johnson     4     4     5       3     Kaufman     4     5     4	3	Hood	4	4	4
3 Kaufman 4 5 4	3	Hunt	4	4	5
	3	Johnson	4	4	
3 Navarro 4 4 5	3	Kaufman	4	5	4
	3	Navarro	4	4	5

Rental Development & Tenant Based Rental Assistance			1 1		
Second Second Prints   County   County   County   Assistance   Assistance   County   Assistance   Assistance   County   Assistance			Rental Development &		
3 Palo Pinto 5 5 5 4 3 Parker 5 5 5 4 4 3 Rockwall 4 4 4 4 4 4 3 Somervell 4 4 4 4 5 3 Somervell 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	ion		Tenant Based Rental		
3   Parker   5   5   4   4   4   4   4   4   4   4	Rec	County	Assistance	Assistance	Rehabilitation
3   Rockwall   4   4   4   4   5     3   Tarrant   4   4   4   4   4     4   4   4   4		Palo Pinto	5	5	4
3   Somervell	3	Parker	5	5	4
3 Tarrant         4         4         4         4           3 Wise         5         5         5           4 Anderson         5         5         5           4 Bowle         5         5         5           4 Camp         3         4         5           4 Cass         4         4         4         4           4 Cherokee         4         4         4         4           4 Delta         6         6         6         6           4 Franklin         3         5         5         5           4 Gregg         4         4         4         4           4 Harrison         4         4         4         5           4 Henderson         4         5         4         4         4           4 Hopkins         4         4         4         4         4         4           4 Hopkins         4	3	Rockwall	4	4	4
3 Wise         5         5         5           4 Anderson         5         5         5           4 Bowie         5         5         4           4 Camp         3         4         5           4 Cass         4         4         4         4           4 Cherokee         4         4         4         5           4 Delta         6         6         6         6           4 Franklin         3         5         5         5           4 Gregg         4         4         4         4           4 Harrisson         4         4         4         5           4 Hookins         4         4         4         4           4 Hookins         4         4         4         4           4 Lamar         4         4         4         4           4 Marion         6         6         6         4           4 Panola         5         4         4         4           4 Rains         6         6         6         4           4 Rusk         5         4         4         4           4 Rusk         5         4	3	Somervell	4	4	5
4         Anderson         5         5         5           4         Bowie         5         5         4           4         Camp         3         4         5           4         Cass         4         4         4           4         Cherokee         4         4         4         5           4         Delta         6         6         6         6         6           4         Delta         6         6         6         6         6         6         6           4         Delta         6         6         6         6         6         4 <td< td=""><td>3</td><td>Tarrant</td><td>4</td><td>4</td><td>4</td></td<>	3	Tarrant	4	4	4
4         Bowie         5         5         4           4         Camp         3         4         5           4         Cass         4         4         4           4         Cherokee         4         4         4           4         Delta         6         6         6         6           4         Delta         6         6         6         6           4         Delta         6         6         6         6           4         Franklin         3         5         5         5           4         Gregg         4         4         4         4           4         Harrison         4         4         4         4           4         Henderson         4         4         4         4           4         Henderson         4         4         4         4         4         4           4         Henderson         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4	3	Wise	5	5	5
4         Camp         3         4         5           4         Cass         4         4         4         4           4         Cherokee         4         4         4         5           4         Delta         6         6         6         6           4         Deta         6         6         6         6           4         Franklin         3         5         5         5           4         Herarisin         4	4	Anderson	5	5	5
4         Cass         4         4         4         4         4         4         4         4         5         4         Cherokee         4         4         4         5         5         6         4 <td< td=""><td>4</td><td>Bowie</td><td>5</td><td>5</td><td>4</td></td<>	4	Bowie	5	5	4
4         Cherokee         4         4         5           4         Delta         6         6         6           4         Franklin         3         5         5           4         Gregg         4         4         4           4         Harrison         4         4         4           4         Henderson         4         5         4           4         Henderson         4         4         4           4         Lamar         4         4         4           4         Marion         6         6         6         6           4         Morris         6         6         6         4           4         Rains         6         6         6         4           4         Rusk <t< td=""><td>4</td><td>Camp</td><td>3</td><td>4</td><td>5</td></t<>	4	Camp	3	4	5
4         Delta         6         6         6           4         Franklin         3         5         5           4         Gregg         4         4         4           4         Harrison         4         4         4           4         Henderson         4         4         4           4         Hopkins         4         4         4           4         Marion         6         6         6         5           4         Marion         6         6         6         4           4         Marion         6         6         6         4           4         Panola         5         4         4           4         Rains         6         6         6         4           4         Red River         5         4         4           4         Rusk	4	Cass	4	4	4
4         Franklin         3         5         5           4         Gregg         4         4         4           4         Harrison         4         4         4           4         Henderson         4         4         4           4         Hopkins         4         4         4           4         Hopkins         4         4         4           4         Hopkins         4         4         4           4         Hamar         4         4         4           4         Marion         6         6         6         5           4         Marion         6         6         6         4           4         Marion         6         6         6         4           4         Panola         5         4         4           4         Panola         5         4         4           4         Rains         6         6         6         4           4         Rains         6         6         6         4           4         Rusk         5         4         4           4         R	4	Cherokee	4	4	5
4         Gregg         4 <td>4</td> <td>Delta</td> <td>6</td> <td>6</td> <td>6</td>	4	Delta	6	6	6
4         Harrison         4         4         5           4         Henderson         4         5         4           4         Hopkins         4         4         4           4         Hopkins         4         4         4           4         Hopkins         4         4         4           4         Marion         6         6         6         5           4         Marion         6         6         6         4           4         Marion         6         6         6         4           4         Marion         6         6         6         4           4         Panola         5         4         4         4           4         Rains         6         6         6         4         4           4         Rains         6         6         6         4	4	Franklin	3	5	5
4         Henderson         4         5         4           4         Hopkins         4         4         4           4         Lamar         4         4         4           4         Marion         6         6         5           4         Morris         6         6         4           4         Panola         5         4         4           4         Rains         6         6         6         4           4         Red River         5         4         4         4           4         Rusk         5         4         4         4           4         Smith         4         4         4         4           4         Smith         4         4         4         4           4         Smith         4         4         4         4         4           4         Titus         4<	4	Gregg	4	4	4
4         Hopkins         4 </td <td>4</td> <td>Harrison</td> <td>4</td> <td>4</td> <td>5</td>	4	Harrison	4	4	5
4         Lamar         4         4         4           4         Marion         6         6         5           4         Morris         6         6         4           4         Panola         5         4         4           4         Rains         6         6         6         4           4         Red River         5         4         4         4           4         Rusk         5         4         4         4           4         Smith         4         4         4         4         4           4         Smith         4 <td>4</td> <td>Henderson</td> <td>4</td> <td>5</td> <td>4</td>	4	Henderson	4	5	4
4 Marion       6       6       5         4 Morris       6       6       4         4 Panola       5       4       4         4 Rains       6       6       6       4         4 Red River       5       4       4         4 Rusk       5       4       4         4 Smith       4       4       4         4 Smith       4       4       4         4 Upshur       4       4       5         4 Van Zandt       5       4       4         4 Wood       5       5       5         5 Angelina       5       5       5         5 Hardin       4       4       4         5 Houston       5       5       5         5 Jasper       3       4       5         5 Jefferson       4       4       4         5 Nacogdoches       5       5       5         5 Newton       5       4       4         5 Sabine       4       4       4         5 San Augustine       6       5       4         5 Shelby       4       4       5         5 Trini	4	Hopkins	4	4	4
4 Morris       6       6       4         4 Panola       5       4       4         4 Rains       6       6       6       4         4 Red River       5       4       4         4 Rusk       5       4       4         4 Smith       4       4       4         4 Smith       4       4       4         4 Titus       4       4       4         4 Upshur       4       4       4         4 Van Zandt       5       4       4         4 Wood       5       5       5         5 Angelina       5       5       5         5 Hardin       4       4       4         5 Houston       5       5       5         5 Jasper       3       4       5         5 Jasper       3       4       4         5 Neconn       4       4       4         5 Newton       5       4       4         5 Polk       5       4       5         5 Sabine       4       4       4         5 San Augustine       6       5       4         5 Shelby	4	Lamar	4	4	4
4       Panola       5       4       4         4       Rains       6       6       6       4         4       Red River       5       4       4       4         4       Rusk       5       4       4       4         4       Smith       4       4       4       4         4       Titus       4       4       4       5         4       Upshur       4       4       4       5         4       Van Zandt       5       4       4       4         4       Wood       5       5       5       5         5       Angelina       5       5       5       5         5       Angelina       5       5       5       5         5       Hardin       4       4       4       4         5       Jasper       3       4       5         5       Jasper	4	Marion	6	6	5
4 Rains       6       6       4         4 Red River       5       4       4         4 Rusk       5       4       4         4 Smith       4       4       4         4 Titus       4       4       5         4 Upshur       4       4       5         4 Van Zandt       5       4       4         4 Wood       5       5       5         5 Angelina       5       5       5         5 Hardin       4       4       4         5 Houston       5       5       5         5 Jasper       3       4       4         5 Jefferson       4       4       4         5 Nacogdoches       5       5       5         5 Newton       5       4       4         5 Orange       4       5       4         5 Sabine       4       4       4         5 San Augustine       6       5       4         5 Shelby       4       4       5         5 Trinity       5       5       6         6 Rustin       4       4       5         6 Chambers       <	4	Morris	6	6	4
4       Red River       5       4       4         4       Rusk       5       4       4         4       Smith       4       4       4         4       Titus       4       4       4         4       Upshur       4       4       5         4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       5         5       Angelina       5       5       5         5       Hardin       4       4       4         4       Hardin       4       4       4         5       Hardin       4       4       4         4       4       4       4       4         5       Hardin       4       4       4         5       Jasper       3       4       5         5       Jefferson       4	4	Panola	5	4	4
4       Rusk       5       4       4         4       Smith       4       4       4         4       Titus       4       4       5         4       Upshur       4       4       5         4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       5         5       Hardin       4       4       4         5       Jasper       3       4       4         5       Nacogloches       5	4	Rains	6	6	4
4       Smith       4       4       4         4       Titus       4       4       5         4       Upshur       4       4       5         4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       5         5       Hardin       4       4       4         5       Houston       5       5       5         5       Jasper       3       4       5         5       Jefferson       4       4       4         5       Nacogdoches       5       5       5       4         5       Newton       5       4       4       4         5       Orange       4       5       4       5         5       Polk       5       4       5         5       Sabine       4       4       4       4         5       San Augustine       6       5       4         5       Shelby       4       4       5         5       Trinity       5       5       6 <td>4</td> <td>Red River</td> <td>5</td> <td>4</td> <td>4</td>	4	Red River	5	4	4
4       Titus       4       4       5         4       Upshur       4       4       5         4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       5         5       Hardin       4       4       4         5       Jasper       3       4       5         5       Jasper       3       4       4       4         5       Jasper       3       4       4       4         5       Jasper       3       4       4       4         5       Newton       5       5       5       4         5       Polk       5       4       5	4	Rusk	5	4	4
4       Upshur       4       4       5         4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       5         5       Hardin       4       4       4       4         5       Houston       5       5       5       5         5       Jasper       3       4       5       5         5       Jefferson       4       4       4       4       4         5       Newton       5       5       5       4       4         5       Newton       5       4       4       4       4       4       4       4       4       4       4       4       5       9       9       4       5       5       9       4       4       4       4       4       5       5       9       4       4       4       4       5       5<	4	Smith	4	4	4
4       Van Zandt       5       4       4         4       Wood       5       5       5         5       Angelina       5       5       4         5       Hardin       4       4       4       4         5       Houston       5       5       5       5         5       Jasper       3       4       5       5         5       Jefferson       4       4       4       4         5       Newton       5       5       5       4         5       Newton       5       4       4       4         5       Orange       4       5       4       5         5       Polk       5       4       5         5       Sabine       4       4       4       4         5       San Augustine       6       5       4       4       5         5       Shelby       4       4       5       6         5       Trinity       5       5       6       6         5       Tyler       4       4       5         6       Brazoria       4       <	4	Titus	4	4	5
4       Wood       5       5       5         5       Angelina       5       5       4         5       Hardin       4       4       4       4         5       Houston       5       5       5       5         5       Jasper       3       4       5       5         5       Jefferson       4       4       4       4         5       Newton       5       5       5       4         5       Newton       5       4       4       4         5       Orange       4       5       4       5         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Brazoria       4       4       5         6       Chambers       5       4       4	4	Upshur	4	4	5
5       Angelina       5       5       4         5       Hardin       4       4       4         5       Houston       5       5       5         5       Jasper       3       4       5         5       Jefferson       4       4       4         5       Negdoches       5       5       4         5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Brazoria       4       4       5         6       Chambers       5       4       4	4	Van Zandt	5	4	4
5       Hardin       4       4       4         5       Houston       5       5       5         5       Jasper       3       4       5         5       Jefferson       4       4       4         5       Newton       5       5       4         5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	4	Wood	5	5	5
5       Houston       5       5         5       Jasper       3       4       5         5       Jefferson       4       4       4         5       Nacogdoches       5       5       4         5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Brazoria       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Angelina	5	5	4
5       Jasper       3       4       5         5       Jefferson       4       4       4       4         5       Nacogdoches       5       5       5       4         5       Newton       5       4       4       4         5       Orange       4       5       4       5         5       Polk       5       4       5         5       Sabine       4       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Hardin	4	4	4
5       Jefferson       4       4       4         5       Nacogdoches       5       5       4         5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Houston	5	5	5
5       Nacogdoches       5       5       4         5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Jasper	3	4	5
5       Newton       5       4       4         5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Jefferson	4	4	4
5       Orange       4       5       4         5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Nacogdoches	5	5	4
5       Polk       5       4       5         5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Newton	5	4	4
5       Sabine       4       4       4         5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Orange	4	5	4
5       San Augustine       6       5       4         5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Polk	5	4	5
5       San Jacinto       4       4       5         5       Shelby       4       4       5         5       Trinity       5       5       6         5       Tyler       4       4       5         6       Austin       4       4       5         6       Brazoria       4       5       4         6       Chambers       5       4       4	5	Sabine	4	4	4
5     Shelby     4     4     5       5     Trinity     5     5     6       5     Tyler     4     4     5       6     Austin     4     4     5       6     Brazoria     4     5     4       6     Chambers     5     4     4	5	San Augustine	6	5	4
5     Trinity     5     5     6       5     Tyler     4     4     5       6     Austin     4     4     5       6     Brazoria     4     5     4       6     Chambers     5     4     4	5	San Jacinto	4	4	5
5     Trinity     5     5     6       5     Tyler     4     4     5       6     Austin     4     4     5       6     Brazoria     4     5     4       6     Chambers     5     4     4	5	Shelby	4	4	5
6     Austin     4     4     5       6     Brazoria     4     5     4       6     Chambers     5     4     4	5		5	5	6
6         Brazoria         4         5         4           6         Chambers         5         4         4	5	Tyler	4	4	5
6 Chambers 5 4 4	6	Austin	4	4	5
	6	Brazoria	4	5	4
6 Colorado 5 4 5	6	Chambers	5	4	4
	6	Colorado	5	4	5

		1 1		
		Rental Development &		
Region		Tenant Based Rental	Homebuyer	Owner Occupied
Reć	County	Assistance	Assistance	Rehabilitation
6	Fort Bend	4	4	4
6	Galveston	5	5	5
6	Harris	4	4	4
6	Liberty	4	4	5
6	Matagorda	4	4	4
6	Montgomery	5	5	4
6	Walker	6	6	5
6	Waller	4	5	5
6	Wharton	4	4	5
7	Bastrop	4	4	5
7	Blanco	4	4	4
7	Burnet	5	5	5
7	Caldwell	4	4	5
7	Fayette	5	4	5
7	Hays	4	4	5
7	Lee	4	4	3
7	Llano	4	5	4
7	Travis	4	4	4
7	Williamson	5	5	4
- 8	Bell	4	4	3
8	Bosque	3	4	5
- 8	Brazos	5	5	4
- 8	Burleson	5	5	4
8	Coryell	5	5	4
- 8	Falls	5	4	4
8	Freestone	4	4	5
8	Grimes	4	4	6
8	Hamilton	4	4	5
8	Hill	5	5	5
8	Lampasas	4	4	4
8	Leon	5	5	6
8	Limestone	5	5	5
8	Madison	4	3	4
8	McLennan Milam	4	5	4
8	Mills	5	4	4
		5	4	5
8	Robertson San Saba	4	4	3
8	Washington	4	5	6
9	Atascosa	4	4	5
9	Bandera	4	6	6
		4		
9	Bexar Comal	4	4	4
9	Frio	4	4	5
9	Gillespie	4	5	5
9	Guadalupe	4	4	5
9	Karnes	5	4	4
9	Kendall	4	5	6
9	Nonuali	4	ο	0

Rental Development & Tenart Bassed Rental Assistance			1 1		
9 Medina 5 5 5 5 5 1 4 1 10 Aransas 4 4 4 6 6 6 6 6 6 6 10 Bee 4 4 4 4 4 4 4 10 Brooks 4 3 5 5 5 5 5 10 10 Calhoun 5 5 5 5 5 5 5 5 10 Duval 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Jim Wells 4 4 4 4 4 4 4 10 Jim Wells 4 4 4 4 4 4 4 10 Jim Wells 5 5 5 5 5 10 Lavaca 5 5 5 5 4 10 Lavaca 5 5 5 5 5 4 10 Lavaca 5 5 5 5 5 4 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			Rental Development &		
9 Medina 5 5 5 5 5 1 4 1 10 Aransas 4 4 4 6 6 6 6 6 6 6 10 Bee 4 4 4 4 4 4 4 10 Brooks 4 3 5 5 5 5 5 10 10 Calhoun 5 5 5 5 5 5 5 5 10 Duval 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Gonzelles 4 4 4 4 4 4 4 10 Jim Wells 4 4 4 4 4 4 4 10 Jim Wells 4 4 4 4 4 4 4 10 Jim Wells 5 5 5 5 5 10 Lavaca 5 5 5 5 4 10 Lavaca 5 5 5 5 5 4 10 Lavaca 5 5 5 5 5 4 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 5 10 Lavaca 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	jon		Tenant Based Rental		
9 Medina 5 5 5 5 4 10 Aransas 4 4 4 6 10 Bee 4 4 4 4 4 10 Brooks 4 3 3 5 10 DeWitt 5 5 5 5 10 Duval 4 4 4 4 11 Gollad 3 4 6 10 Jackson 4 4 4 4 10 Gollad 3 4 4 6 10 Jim Wells 4 4 4 4 10 Kleberg 5 6 6 5 10 Live Oak 5 5 5 4 10 Live Oak 5 5 5 5 10 Nueces 4 4 4 4 4 11 Refugio 5 5 5 5 10 San Patricio 4 5 5 5 10 San Patricio 4 5 5 5 11 Hidalgo 4 5 5 11 Hidalgo 4 6 6 11 Jim Hogg 4 4 4 4 4 11 La Salle 4 4 4 4 11 Kreb 4 4 4 4 4 11 La Salle 4 4 4 4 4 11 Kleberg 5 5 6 6 6 6 11 Live Oak 5 5 5 5 5 11 Hidalgo 4 5 5 5 5 11 Hidalgo 4 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Hidalgo 5 5 5 5 5 5 11 Val Verde 5 5 5 5 5 5 12 Concho 6 6 6 6 6 6 5 5 12 Concho 6 6 6 6 6 5 5 12 Concho 6 6 6 6 6 5 5 12 Concho 6 6 6 6 6 5 5 12 Concho 6 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 6 6 6 6 5 5 12 Concho 7 4 4 4 4 4 7 4 7 4 7 4 7 5 12 Livino 7 3 7 5 5 5 5 5 5 12 Kimble 5 5 5 5 5 5 5	Reć	County	Assistance	Assistance	Rehabilitation
9 Wilson 5 5 5 4 10 Aransas 4 4 4 6 10 Boee 4 4 4 4 4 10 Brooks 4 3 5 10 Calhoun 5 5 5 3 10 DeWitt 5 5 5 5 10 Duval 4 4 4 4 4 10 Goliad 3 4 6 10 Gonzales 4 4 4 5 10 Jim Wells 4 4 4 4 4 10 Kieberg 5 6 6 5 10 Lavaca 5 5 5 4 10 Live Oak 5 5 5 4 10 Divolad 5 5 5 5 11 Divolad 6 4 4 4 4 1 11 Caneron 4 4 4 4 4 1 12 Caneron 4 4 4 4 4 1 13 Kinney 4 4 4 4 4 1 14 Caneron 4 4 4 4 4 1 15 Caneron 4 5 5 5 5 1 16 Caneron 4 4 4 4 4 1 17 Kinney 4 4 4 4 4 1 18 Kinney 4 4 4 4 4 4 1 19 Kieberg 5 6 6 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6	9	Kerr		-	
10   Aransas	9		-		
10   Bee	9	Wilson	5	5	4
10 Brooks	10	Aransas	4	4	6
10	10	Bee	4	4	4
10         DeWitt         5         5         5           10         Duval         4         4         4         4           10         Goliad         3         4         6         6           10         Gonzales         4         4         5         5           10         Jackson         4	10	Brooks	4	3	5
10         Duval         4         4         4         4           10         Goliad         3         4         6           10         Jackson         4         4         4         5           10         Jim Wells         4         4         4         4           10         Kleberg         5         6         5         5         4           10         Live Oak         5         5         5         4           10         Live Oak         5         5         5         4           10         Nucces         4         4         4         4         4           10         Nucces         4 <td>10</td> <td>Calhoun</td> <td>5</td> <td>5</td> <td>3</td>	10	Calhoun	5	5	3
10         Goliad         3         4         6           10         Gonzales         4         4         5           10         Jackson         4         4         4         4           10         Jim Wells         4         4         4         4           10         Kieberg         5         6         5         5           10         Lavaca         5         5         5         4           10         Live Oak         5         5         5         4           10         Nueces         4         4         4         4           10         Neces         4         4         4         4           10         Refugio         5         5         5         5           10         San Patricio         4         5         4           11         Cameron         4         4         4           11         Cameron         4         4         4           11         Dimit         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4	10	DeWitt	5	5	5
10 Gonzales         4         4         4         4           10 Jackson         4         4         4         4           10 Jim Wells         4         4         4         4           10 Kleberg         5         6         5         5           10 Live Oak         5         5         5         4           10 Nucces         4         4         4         4           10 Refugio         5         5         5         5           10 San Patricio         4         5         4           10 Victoria         5         5         5         4           11 Cameron         4         4         4         4           11 Edwards         5         5         5         5           11 Edwards         5         5         5         5           11 Hidalgo         4         4         4         4           11 Kinney         4         4	10	Duval		4	4
10 Jackson         4         4         4         4           10 Jim Wells         4         4         4         4           10 Kleberg         5         6         5           10 Live Oak         5         5         5         4           10 Nueces         4         4         4         4           10 Refugio         5         5         5         5           10 San Patricio         4         5         4           10 Victoria         5         5         5         4           11 Cameron         4         4         4         4           11 Dimmit         5         5         5         5           11 Edwards         5         5         5         5           11 Hidalgo         4         5         5         5           11 Jim Hogg         4         4         4         4           11 La Salle         4         4         4         4           11 La Salle         4         5         3         3           11 Maverick         4         4         4         4           11 Valvede         5         5         5         <	10	Goliad	3	4	6
10 Jim Wells         4         4         4         4           10 Kleberg         5         6         5           10 Lavaca         5         5         4           10 Live Oak         5         5         5         4           10 Nueces         4         4         4         4           10 Refugio         5         5         5         5           10 San Patricio         4         5         4           10 Victoria         5         5         5         4           11 Cameron         4         4         4         4           11 Dimmit         5         5         5         5           11 Edwards         5         5         5         5           11 Hidalgo         4         5         5         5           11 Jim Hogg         4         4         4         4           11 Kinney         4         4         4         4           11 La Salle         4         5         3         3           11 Maverick         4         4         4         4           11 Value         5         5         5         5	10	Gonzales	4	4	5
10         Kleberg         5         6         5           10         Lavaca         5         5         4           10         Live Oak         5         5         4           10         Nueces         4         4         4           10         Refugio         5         5         5           10         San Patricio         4         5         4           10         Victoria         5         5         4           11         Cameron         4         4         4           11         Chidalgo         5         5         5           11         Hidalgo         4         5         5           11         Hidalgo         4         4         4           11         Hidalgo         4         4         4           11         Kimalgo         4         4 <t< td=""><td>10</td><td>Jackson</td><td>4</td><td>4</td><td>4</td></t<>	10	Jackson	4	4	4
10         Lavaca         5         5         4           10         Live Oak         5         5         4           10         Nueces         4         4         4           10         Refugio         5         5         5           10         San Patricio         4         5         4           10         Victoria         5         5         4           11         Cameron         4         4         4           11         Cameron         4         4         4           11         Dimnit         5         5         5           11         Edwards         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         5         5           11         Hidalgo         4         4         4           11         Jim Hogg         4         4         4           11         Midalgo         4         4         4           11         La Salle         4         5         3           11         Maverick         4         4         <	10	Jim Wells	4	4	4
10         Live Oak         5         5         4           10         Nueces         4         4         4           10         Refugio         5         5         5           10         San Patricio         4         5         4           10         Victoria         5         5         4           11         Cameron         4         4         4           11         Dimmit         5         5         5           11         Edwards         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         5         5           11         Jim Hogg         4         4         4           11         Kinney         4         4         4           11         Kinney         4         4         4           11         La Salle         4         5         3           11         Maverick         4         4         4           11         Real         6         6         6           12         Starr         4         4         4 </td <td>10</td> <td>Kleberg</td> <td>5</td> <td>6</td> <td>5</td>	10	Kleberg	5	6	5
10 Nucces         4         4         4         4           10 Refugio         5         5         5         5           10 San Patricio         4         5         4           10 Victoria         5         5         4           11 Cameron         4         4         4           11 Dimmit         5         5         5           11 Edwards         5         5         5           11 Hidalgo         4         5         5           11 Jim Hogg         4         4         4           11 Kinney         4         4         4           11 La Salle         4         5         3           11 Maverick         4         4         4           11 Real         6         6         6           11 Starr         4         4         4           11 Val Verde         4         4         4           11 Val Verde         4         4         4           11 Webb         4         4         4           12 Zayala         3         4         4           12 Zorocket         6         6         6         5	10	Lavaca	5	5	4
10         Refugio         5         5         5           10         San Patricio         4         5         4           10         Victoria         5         5         4           11         Cameron         4         4         4           11         Dimmit         5         5         5           11         Edwards         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         5         5           11         Jim Hogg         4         4         4           11         Kinney         4         4         4           11         La Salle         4         4         4           11         La Salle         4         4         4           11         Real         6         6         6           11         Real         6         6         6           11         Starr         4         4         4           11         Val Verde         4         4         4           11         Webb         4         4         4	10	Live Oak	5	5	4
10         San Patricio         4         5         4           10         Victoria         5         5         4           11         Cameron         4         4         4           11         Dimmit         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         5         5           11         Jim Hogg         4         4         4           11         Kinney         4         4         4           11         La Salle         4         4         4           11         Maverick         4         4         4           11         Real         6         6         6           11         Real         6         6         6           12         Starr         4         4         4           11         Uvalde         5         5         5           11         Val Verde         4         4         4           11         Webb         4         4         4           11         Willow         4         4         4	10	Nueces	4	4	4
10         Victoria         5         5         4           11         Cameron         4         4         4           11         Dimmit         5         5         5           11         Edwards         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         4         5         5           11         Jim Hogg         4         4         4         4           11         Kinney         4         4         4         4         4           11         Kinney         4 <td>10</td> <td>Refugio</td> <td>5</td> <td>5</td> <td>5</td>	10	Refugio	5	5	5
11 Cameron         4         4         4           11 Dimmit         5         5         5           11 Edwards         5         5         5           11 Hidalgo         4         5         5           11 Jim Hogg         4         4         4           11 Kinney         4         4         4           11 Kinney         4         4         4           11 La Salle         4         5         3           11 Maverick         4         4         4           11 Real         6         6         6         6           11 Starr         4         4         4         4           11 Uvalde         5         5         5         5           11 Val Verde         4         4         4         4           11 Webb         4         4         4         4           11 Zapata         3         4         4         4           11 Zapata         3         4         4         4           12 Coke         6         6         6         5           12 Corane         6         6         6         5	10	San Patricio	4	5	4
11         Dimmit         5         5         5           11         Edwards         5         5         5           11         Hidalgo         4         4         5           11         Jim Hogg         4         4         4         4           11         Kinney         4         4         4         4         4           11         La Salle         4         5         3         3         1         Maverick         4 <t< td=""><td>10</td><td>Victoria</td><td>5</td><td>5</td><td>4</td></t<>	10	Victoria	5	5	4
11         Edwards         5         5         5           11         Hidalgo         4         5         5           11         Jim Hogg         4         4         4           11         Kinney         4         4         4           11         Kinney         4         4         4           11         La Salle         4         4         4           11         Maverick         4         4         4           11         Real         6         6         6           6         6         6         6         6           11         Starr         4         4         4           11         Uvalde         5         5         5           11         Val Verde         4         4         4           11         Webb         4         4         4           11         Williacy         4         4         4           11         Zapata         3         4         4           11         Zavala         5         5         5           12         Andrews         5         4         4	11	Cameron	4	4	4
11         Hidalgo         4         5         5           11         Jim Hogg         4         4         4           11         Kinney         4         4         4           11         La Salle         4         4         4           11         Maverick         4         4         4           11         Real         6         6         6           11         Starr         4         4         4           11         Uvalde         5         5         5           11         Val Verde         4         4         4           11         Webb         4         4         4           11         Willacy         4         4         4           11         Zapata         3         4         4           11         Zavala         5         5         5           12         Andrews         5         4         4           12         Coke         6         6         5           12         Concho         6         6         5           12         Crone         6         6         6	11	Dimmit	5	5	5
11 Jim Hogg         4         4         4         4           11 Kinney         4         4         4         4           11 La Salle         4         5         3           11 Maverick         4         4         4         4           11 Real         6         6         6         6           11 Starr         4         4         4         4           11 Uvalde         5         5         5         5           11 Val Verde         4         4         4         4           11 Webb         4         4         4         4           11 Zapata         3         4         4         4           11 Zavala         5         5         5         5           12 Andrews         5         4         4         4           12 Coke         6         6         6         5           12 Crane         6         6         5         5           12 Crane         6         6         6         4           12 Ector         4         4         4         4           12 Ector         4         4         4         4	11	Edwards	5	5	5
11       Kinney       4       4       4         11       La Salle       4       5       3         11       Maverick       4       4       4         11       Real       6       6       6         11       Starr       4       4       4         11       Uvalde       5       5       5         11       Val Verde       4       4       4         11       Webb       4       4       4         11       Willacy       4       4       4         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Gaines       5       4       4         12       Irion	11	Hidalgo	4	5	5
11       La Salle       4       5       3         11       Maverick       4       4       4         11       Real       6       6       6         11       Starr       4       4       4         11       Uvalde       5       5       5         11       Val Verde       4       4       4         11       Webb       4       4       4         11       Willacy       4       4       5         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Basson       4       4       4         12       Gaines       5       4       4         12       Howard	11	Jim Hogg	4	4	4
11       Maverick       4       4       4         11       Real       6       6       6         11       Starr       4       4       4         11       Uvalde       5       5       5         11       Val Verde       4       4       4         11       Webb       4       4       4         11       Willacy       4       4       5         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Gaines       5       4       4         12       Howard       4       5       4         12       Kimble       5       5       5	11	Kinney	4	4	4
11 Real       6       6       6         11 Starr       4       4       4         11 Uvalde       5       5       5         11 Val Verde       4       4       4         11 Webb       4       4       4         11 Willacy       4       4       5         11 Zapata       3       4       4         11 Zavala       5       5       5         12 Andrews       5       4       4         12 Coke       6       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	La Salle	4	5	3
11       Starr       4       4       4         11       Uvalde       5       5       5         11       Val Verde       4       4       4         11       Webb       4       4       4         11       Willacy       4       4       5         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Ector       4       4       4         12       Gaines       5       4       4         12       Howard       4       5       4         12       Kimble       5       5       5	11	Maverick	4	4	4
11 Uvalde       5       5       5         11 Val Verde       4       4       4         11 Webb       4       4       4         11 Willacy       4       4       5         11 Zapata       3       4       4         11 Zavala       5       5       5         12 Andrews       5       4       4         12 Coke       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	Real	6	6	6
11 Val Verde       4       4       4         11 Webb       4       4       4         11 Willacy       4       4       5         11 Zapata       3       4       4         11 Zavala       5       5       5         12 Andrews       5       4       4         12 Coke       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	Starr	4	4	4
11       Webb       4       4       4         11       Willacy       4       4       5         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Ector       4       4       4         12       Gaines       5       4       4         12       Howard       4       5       4         12       Irion       3       3       5         12       Kimble       5       5       5	11	Uvalde	5	5	5
11       Willacy       4       4       5         11       Zapata       3       4       4         11       Zavala       5       5       5         12       Andrews       5       4       4         12       Coke       6       6       5         12       Concho       6       6       5         12       Crane       6       6       4         12       Crockett       4       4       4         12       Dawson       4       4       4         12       Ector       4       4       4         12       Gaines       5       4       4         12       Howard       4       5       4         12       Irion       3       3       5         12       Kimble       5       5       5	11	Val Verde	4	4	4
11 Zapata       3       4       4         11 Zavala       5       5       5         12 Andrews       5       4       4         12 Coke       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	Webb	4	4	4
11 Zavala       5       5         12 Andrews       5       4       4         12 Coke       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	Willacy	4	4	5
12 Andrews     5     4     4       12 Coke     6     6     5       12 Concho     6     6     5       12 Crane     6     6     4       12 Crockett     4     4     4       12 Dawson     4     4     4       12 Ector     4     4     4       12 Gaines     5     4     4       12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	11	Zapata	3	4	4
12 Coke       6       6       5         12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	11	Zavala	5	5	5
12 Concho       6       6       5         12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	12	Andrews	5	4	4
12 Crane       6       6       4         12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	12	Coke	6	6	5
12 Crockett       4       4       4         12 Dawson       4       4       4         12 Ector       4       4       4         12 Gaines       5       4       4         12 Howard       4       5       4         12 Irion       3       3       5         12 Kimble       5       5       5	12	Concho	6	6	5
12 Dawson     4     4     4       12 Ector     4     4     4       12 Gaines     5     4     4       12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	12	Crane	6	6	4
12 Ector     4     4     4       12 Gaines     5     4     4       12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	12	Crockett	4	4	4
12 Ector     4     4     4       12 Gaines     5     4     4       12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	12		-	4	
12 Gaines     5     4     4       12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	12		4		
12 Howard     4     5     4       12 Irion     3     3     5       12 Kimble     5     5     5	12			4	
12 Irion     3     3     5       12 Kimble     5     5     5	12			5	
12 Kimble 5 5 5	12		3	3	
	12	Kimble	-		
	12				

Region	County	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
12	Mason	6	5	5
12	McCulloch	6	6	6
12	Menard	5	5	6
12	Midland	5	5	4
12	Pecos	3	3	4
12	Reagan	5	5	4
12	Reeves	3	3	4
12	Schleicher	3	3	6
12	Sterling	4	4	5
12	Sutton	3	4	4
12	Terrell	6	6	5
12	Tom Green	6	6	5
12	Upton	4	4	4
12	Ward	5	5	4
12	Winkler	4	4	3
13	Brewster	5	4	4
13	Culberson	6	6	4
13	El Paso	4	4	4
13	Hudspeth	5	5	5
13	Jeff Davis	4	4	4
13	Presidio	4	4	5

## 2008 HTF Affordable Housing Need Scores (AHNS) Place Level

(Sorted by Region then Place.)

#### Instructions

Use this table to determine the AHNS of an application that will serve a **single** place.

**Special Circumstances** 

(1) Rental Development activities that are not located within a place's jurisdiction will utilize the score of closest place.

All questions relating to scoring an application under the AHN Scoring Component should be submitted in writing to Sandy Garcia via facsimile at (512) 475-4798 or by email at sandy.garcia@tdhca.state.tx.us.

					Rental Development &		
E			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
1	Abernathy	Hale	2,839	Rural	5	5	4
1	Adrian	Oldham	159	Rural	6	6	6
1	Amarillo	Potter	173,627	Urban	5	6	4
1	Amherst	Lamb	791	Rural	4	4	6
1	Anton	Hockley	1,200	Rural	3	3	5
1	Bishop Hills	Potter	210		3	3	6
1	Booker	Lipscomb	1,315	Rural	5	5	3
1	Borger	Hutchinson	14,302	Rural	4	5	3
1	Bovina	Parmer	1,874	Rural	4	3	3
1	Brownfield	Terry	9,488	Rural	6	6	4
1	Buffalo Springs	Lubbock	493	Rural	4	4	4
1	Cactus	Moore	2,538	Rural	3	3	4
1	Canadian	Hemphill	2,233	Rural	5	5	4
1	Canyon	Randall	12,875	Rural	6	6	3
1	Channing	Hartley	356	Rural	6	6	4
1	Childress	Childress	6,778	Rural	4	5	3
1	Clarendon	Donley	1,974	Rural	5	5	3
1	Claude	Armstrong	1,313	Rural	6	6	4
1	Crosbyton	Crosby	1,874	Rural	5	5	3
1	Dalhart	Dallam	7,237	Rural	6	6	4
1	Darrouzett	Lipscomb	303	Rural	6	6	6
1	Denver City	Yoakum	3,985	Rural	4	4	6
1	Dickens	Dickens	332	Rural	6	6	6
1	Dimmitt	Castro	4,375	Rural	5	4	5
1	Dodson	Collingsworth	115	Rural	6	6	6
1	Dumas	Moore	13,747	Rural	4	4	3
1	Earth	Lamb	1,109	Rural	4	4	5
1	Edmonson	Hale	123	Rural	3	3	5
1	Estelline	Hall	168	Rural	6	6	6
1	Farwell	Parmer	1,364	Rural	6	6	4
1	Floydada	Floyd	3,676	Rural	5	5	3
1	Follett	Lipscomb	412	Rural	4	4	6
1	Friona	Parmer		Rural	5	5	3
1	Fritch	Hutchinson		Rural	5	5	4
1	Groom	Carson	587	Rural	6	6	6
1	Gruver	Hansford	1,162	Rural	5	5	4
1	Hale Center	Hale	2,263	Rural	5	5	4
1	Нарру	Swisher	647	Rural	4	4	5

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					Rental Development &		
Region	5	Country	2000 Census	A T	Tenant Based Rental	Homebuyer	Owner Occupied
<u>Re</u>	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
1	Hart	Castro		Rural	4	4	4
1	Hartley	Hartley		Rural	5	5	5
1	Hedley	Donley		Rural	6	6	6
1	Hereford	Deaf Smith	14,597		3	4	4
	Higgins	Lipscomb		Rural	3	3	6 4
	Howardwick	Donley		Rural	6	6	
1	Idalou	Lubbock Swisher		Rural Rural	5	<u>3</u> 5	3
1	Kress			Rural			
1	Lake Tanglewood	Randall Hall		Rural	6	6	3 4
-	Lakeview			Rural	3	3	5
- 1	Lefors	Gray	12,866		5	6	5
- 1	Levelland	Hockley		Rural	3	3	3
1	Lipscomb	Lipscomb		Rural	6	6	
1	Littlefield	Lamb		Rural			4
1	Lockney	Floyd	,	Rural Rural	4	3	4
1	Lorenzo	Crosby			4	4	
1	Lubbock	Lubbock	199,564		6	6	4
	Matador	Motley		Rural	4	4	3
1	McLean	Gray		Rural	5	5	6
	Meadow	Terry		Rural	3	3	4
	Memphis	Hall		Rural	5	5	3
1	Miami	Roberts		Rural	6	6	4
_1	Mobeetie	Wheeler		Rural	3	3	4
	Morse	Hansford		Rural	4	4	6
_	Morton	Cochran	•	Rural	4	3	3
_	Muleshoe	Bailey		Rural	3	3	4
_	Nazareth	Castro		Rural	4	4	4
_	New Deal	Lubbock		Rural	5	5	3
1	New Home	Lynn		Rural	4	4	3
1	O'Donnell	Lynn		Rural	3	3	3
1	Olton	Lamb		Rural	3	3	4
_	Opdyke West	Hockley		Rural	4	4	6
	Palisades	Randall		Rural	5	5	4
1	Pampa	Gray	17,887		5	5	4
-	Panhandle	Carson		Rural	4	4	3
	Perryton	Ochiltree		Rural	3	4	3
	Petersburg	Hale		Rural	3	3	3
	Plains	Yoakum		Rural	5	5	3
	Plainview	Hale	22,336		5	5	4
	Post	Garza		Rural	6	6	6
	Quail	Collingsworth		Rural	3	3	3
	Quitaque	Briscoe		Rural	6	6	5
	Ralls	Crosby		Rural	5	5	6
	Ransom Canyon	Lubbock		Rural	4	4	3
-	Reese Center	Lubbock		Urban	3	3	6
	Roaring Springs	Motley		Rural	3	3	3
1	Ropesville	Hockley		Rural	3	3	3
1	Samnorwood	Collingsworth		Rural	3	3	3
	Sanford	Hutchinson		Rural	5	5	4
	Seth Ward	Hale		Rural	5	5	6
1	Shallowater	Lubbock	2,086	Rural	6	6	5

					Rental Development &		
Region	Place Name	County	2000 Census Population	Area Type	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
1	Shamrock	Wheeler	2,029	Rural	5	5	6
1	Silverton	Briscoe	771	Rural	6	5	3
1	Skellytown	Carson	610	Rural	3	3	6
1	Slaton	Lubbock	6,109	Rural	5	5	6
1	Smyer	Hockley	480	Rural	4	4	6
1	Spade	Lamb	100	Rural	5	5	3
1	Spearman	Hansford	3,021	Rural	3	3	4
1	Springlake	Lamb	135	Rural	6	6	3
1	Spur	Dickens	1,088	Rural	3	3	5
1	Stinnett	Hutchinson	1,936	Rural	5	5	4
1	Stratford	Sherman	1,991	Rural	3	3	3
1	Sudan	Lamb	1,039	Rural	5	4	3
1	Sundown	Hockley	1,505	Rural	4	4	4
1	Sunray	Moore	1,950	Rural	4	4	3
1	Tahoka	Lynn	2,910	Rural	4	3	6
1	Texhoma	Sherman	371	Rural	6	6	6
1	Texline	Dallam	511	Rural	4	4	5
1	Timbercreek Canyon	Randall	406	Rural	3	3	3
1	Tulia	Swisher	5,117	Rural	4	4	4
1	Turkey	Hall	494	Rural	3	3	6
1	Vega	Oldham	936	Rural	5	5	6
1	Wellington	Collingsworth	2,275	Rural	4	4	5
1	Wellman	Terry	203	Rural	4	3	6
1	Wheeler	Wheeler	1,378	Rural	4	4	3
1	White Deer	Carson	1,060	Rural	5	5	3
1	Whiteface	Cochran	465	Rural	3	3	6
1	Wilson	Lynn	532	Rural	3	3	4
1	Wolfforth	Lubbock	2,554	Rural	5	5	6
2	Abilene	Taylor	115,930	Urban	5	5	3
2	Albany	Shackelford	1,921	Rural	5	5	3
2	Anson	Jones		Rural	3	3	5
2	Archer City	Archer	1,848	Rural	4	4	3
2	Aspermont	Stonewall		Rural	4	4	5
2	Baird	Callahan		Rural	3	5	4
2	Ballinger	Runnels		Rural	6	6	6
2	Bangs	Brown		Rural	5	5	6
	Bellevue	Clay		Rural	5	5	5
	Benjamin	Knox		Rural	3	3	6
	Blackwell	Nolan		Rural	4	4	3
	Blanket	Brown		Rural	6	6	4
	Bowie	Montague		Rural	5	6	6
	Breckenridge	Stephens		Rural	5	4	3
	Brownwood	Brown	18,813		4	6	4
	Bryson	Jack		Rural	5	5	6
	Buffalo Gap	Taylor		Rural	4	4	3
	Burkburnett	Wichita	10,927		5	5	3
2	Byers	Clay		Rural	6	6	5
2	Carbon	Eastland		Rural	3	3	3
2	Chillicothe	Hardeman		Rural	6	6	3
2	Cisco	Eastland		Rural	6	6	5
2	Clyde	Callahan	3,345	Rural	5	5	4

<u>L</u>			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Coleman	Coleman	5,127	Rural	5	5	6
2	Colorado City	Mitchell	4,281	Rural	6	5	6
2	Comanche	Comanche	4,482	Rural	6	6	4
2	Cross Plains	Callahan	1,068	Rural	3	6	6
2	Crowell	Foard	1,141	Rural	5	5	5
2	De Leon	Comanche	· · · · · · · · · · · · · · · · · · ·	Rural	5	5	5
2	Dean	Clay		Rural	6	6	5
2	Early	Brown		Rural	4	4	4
2	Eastland	Eastland		Rural	3	6	6
2	Elbert	Throckmorton		Rural	6	6	3
2	Electra	Wichita	,	Rural	5	5	5
2	Girard	Kent		Rural	3	3	6
2	Goree	Knox		Rural	3	3	6
2	Gorman	Eastland		Rural	3	3	3
2	Graham	Young	-,	Rural	4	4	4
2	Gustine	Comanche		Rural	6	6	6
2	Hamlin	Jones	,	Rural	4	4	6
2	Haskell	Haskell		Rural	5	5	6
2	Hawley	Jones		Rural	6	6	4
2	Henrietta	Clay		Rural	5	5	4
2	Hermleigh	Scurry		Rural	5	5	6
2	Holliday	Archer		Rural	3	3	5
2	Impact	Taylor Wichita		Urban Rural	3	3	3
2	Iowa Park				5 5	5 5	3 5
2	Jacksboro	Jack Kent		Rural Rural	3	3	3
2	Jayton	Clay		Rural	6	6	6
2	Jolly Know City	Knox		Rural	4	4	6
2	Knox City Lake Brownwood	Brown	,	Rural	6	6	6
2	Lakeside City	Archer		Urban	4	4	3
2	Lawn	Taylor		Rural	3	3	4
	Loraine	Mitchell		Rural	5	5	3
2	Lueders	Jones		Rural	4	4	6
	Megargel	Archer		Rural	3	3	3
	Merkel	Taylor		Rural	6	5	3
	Miles	Runnels		Rural	5	5	5
	Moran	Shackelford		Rural	4	4	5
	Munday	Knox		Rural	3	3	3
	Newcastle	Young		Rural	5	5	4
	Nocona	Montague		Rural	4	3	3
	Novice	Coleman	142	Rural	3	3	3
	O'Brien	Haskell	132	Rural	3	3	6
	Olney	Young	3,396	Rural	4	4	5
	Paducah	Cottle	1,498	Rural	4	4	3
	Petrolia	Clay	782	Rural	6	6	3
2	Pleasant Valley	Wichita	408	Urban	6	6	5
2	Potosi	Taylor	1,664	Urban	6	6	3
2	Putnam	Callahan		Rural	6	6	4
2	Quanah	Hardeman		Rural	6	6	3
2	Ranger	Eastland		Rural	4	3	6
2	Rising Star	Eastland	835	Rural	4	4	6

Region	Place Name	County	2000 Census Population	Area Type	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
	Roby	Fisher		Rural	5	5	3
2	Rochester	Haskell		Rural	4	4	5
2	Roscoe	Nolan		Rural	4	3	4
2	Rotan	Fisher		Rural	4	4	3
2	Rule	Haskell		Rural	5	4	5
2	Santa Anna	Coleman		Rural	3	4	4
2	Scotland	Archer		Rural	3	3	5
2	Seymour	Baylor		Rural	4	4	3
	Snyder	Scurry	10,783		4	4	4
2	St. Jo	Montague		Rural	3	3	5
2	Stamford	Jones		Rural	4	4	4
2	Sunset	Montague	339	Rural	3	3	6
2	Sweetwater	Nolan	11,415	Rural	5	5	4
2	Throckmorton	Throckmorton		Rural	4	3	3
2	Trent	Taylor	318	Rural	6	6	3
2	Tuscola	Taylor	714	Rural	3	3	3
2	Tye	Taylor	1,158	Urban	6	6	4
2	Vernon	Wilbarger	11,660		3	4	4
2	Weinert	Haskell		Rural	6	6	4
2	Westbrook	Mitchell	203	Rural	5	5	4
2	Wichita Falls	Wichita	104,197	Urban	4	5	3
2	Windthorst	Archer		Rural	3	3	6
2	Winters	Runnels		Rural	3	3	4
2	Woodson	Throckmorton	296	Rural	3	3	4
3	Addison	Dallas	14,166	Urban	4	4	3
3	Aledo	Parker		Rural	5	5	5
3	Allen	Collin	43,554	Urban	5	5	3
3	Alma	Ellis	302	Rural	6	6	6
3	Alvarado	Johnson	3,288	Rural	4	3	5
3	Alvord	Wise	1,007	Rural	5	5	3
3	Angus	Navarro	334	Rural	5	5	5
3	Anna	Collin	1,225	Rural	6	4	3
3	Annetta	Parker	1,108	Rural	6	6	3
3	Annetta North	Parker	467	Rural	6	6	3
3	Annetta South	Parker	555	Rural	6	6	3
3	Argyle	Denton	2,365	Urban	4	4	3
3	Arlington	Tarrant	332,969	Urban	5	5	3
$\overline{}$	Aubrey	Denton	1,500	Rural	6	5	5
	Aurora	Wise	853	Rural	6	6	6
	Azle	Tarrant		Urban	4	4	5
3	Bailey	Fannin		Rural	6	6	3
	Balch Springs	Dallas	19,375		3	5	6
	Bardwell	Ellis		Rural	3	3	6
3	Barry	Navarro		Rural	6	6	4
	Bartonville	Denton		Rural	3	3	3
3	Bedford	Tarrant	47,152		5	5	3
3	Bells	Grayson		Rural	5	5	5
3	Benbrook	Tarrant	20,208		5	5	4
3	Blooming Grove	Navarro		Rural	4	4	5
	Blue Mound	Tarrant		Urban	4	4	4
3	Blue Ridge	Collin	672	Rural	5	5	6

uo			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Bonham	Fannin	9,990	Rural	6	5	5
3	Boyd	Wise	1,099	Rural	4	4	5
3	Briar	Tarrant	5,350	Rural	3	3	5
3	Briaroaks	Johnson	493	Rural	3	3	4
3	Bridgeport	Wise	4,309	Rural	3	5	5
3	Burleson	Johnson	20,976	Urban	4	4	3
3	Caddo Mills	Hunt	1,149	Rural	6	5	5
3	Callisburg	Cooke	365	Rural	4	4	6
3	Campbell	Hunt	734	Rural	5	5	6
3	Carrollton	Denton	109,576	Urban	4	4	3
3	Cedar Hill	Dallas	32,093	Urban	5	5	4
3	Celeste	Hunt	817	Rural	3	3	5
3	Celina	Collin	1,861	Urban	4	3	5
3	Chico	Wise	947	Rural	5	5	5
3	Cleburne	Johnson	26,005	Urban	3	5	5
3	Cockrell Hill	Dallas	4,443	Urban	3	3	4
3	Colleyville	Tarrant	19,636	Urban	4	4	3
3	Collinsville	Grayson	1,235	Rural	3	3	4
3	Combine	Kaufman	1,788	Rural	4	4	4
3	Commerce	Hunt	7,669	Rural	6	6	3
3	Cool	Parker	162	Rural	6	6	6
3	Coppell	Dallas	35,958	Urban	4	4	3
3	Copper Canyon	Denton	1,216	Urban	6	6	3
3	Corinth	Denton	11,325	Urban	3	4	3
3	Corral City	Denton	89	Rural	3	3	6
3	Corsicana	Navarro	24,485	Rural	5	5	5
3	Cottonwood	Kaufman	181	Rural	3	3	5
3	Crandall	Kaufman	2,774	Rural	4	4	4
3	Cross Roads	Denton	603	Rural	3	3	6
3	Cross Timber	Johnson	277	Rural	6	6	4
3	Crowley	Tarrant	7,467	Urban	5	5	4
3	Dallas	Dallas	1,188,580	Urban	4	5	5
3	Dalworthington Gardens	Tarrant	2,186	Urban	3	3	3
3	Dawson	Navarro	852	Rural	3	3	5
3	Decatur	Wise		Rural	4	4	5
3	Denison	Grayson		Urban	4	5	5
3	Denton	Denton		Urban	6	6	5
	DeSoto	Dallas		Urban	3	6	4
3	Dodd City	Fannin		Rural	6	6	5
3	Dorchester	Grayson		Urban	3	3	6
3	Double Oak	Denton		Urban	6	6	3
	Dublin	Erath		Rural	4	4	6
3	Duncanville	Dallas	36,081		5	5	5
	Eagle Mountain	Tarrant		Urban	4	4	4
3	Ector	Fannin		Rural	5	5	3
3	Edgecliff Village	Tarrant		Urban	6	5	4
3	Emhouse	Navarro		Rural	3	3	3
3	Ennis	Ellis	16,045		3	4	5
3	Euless	Tarrant	46,005		4	4	3
3	Eureka	Navarro		Rural	3	3	5
3	Everman	Tarrant	5,836	Urban	5	5	6

<u>L</u>			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Fairview	Collin		Urban	6	6	3
3	Farmers Branch	Dallas	27,508	Urban	3	3	4
3	Farmersville	Collin	3,118	Rural	4	4	3
3	Fate	Rockwall	497	Rural	6	6	4
3	Ferris	Ellis	2,175	Rural	4	4	3
3	Flower Mound	Denton	50,702		4	4	3
3	Forest Hill	Tarrant	12,949		3	5	6
3	Forney	Kaufman		Rural	5	5	5
3	Fort Worth	Tarrant	534,694		4	5	5
3	Frisco	Collin	33,714		5	5	3
3	Frost	Navarro		Rural	5	5	6
3	Gainesville	Cooke	15,538		4	5	4
3	Garland	Dallas	215,768		4	4	4
3	Garrett	Ellis		Rural	6	6	6
3	Glen Rose	Somervell	,	Rural	4	4	5
3	Glenn Heights	Dallas	,	Urban	5	5	5
3	Godley	Johnson		Rural	6	6	4
3	Goodlow	Navarro		Rural	3	3	6
3	Gordon	Palo Pinto		Rural	6	6	4
3	Graford	Palo Pinto		Rural	4	4	4
3	Granbury	Hood		Rural	5	6	4
3	Grand Prairie	Dallas	127,427	Rural	4	5	4
3	Grandview	Johnson Tarrant	42,059		5 4	4	6 3
3	Grapevine	Kaufman		Rural	6	6	3
3	Grays Prairie Greenville	Hunt	23,960		4	5	5
3	Gunter	Grayson		Rural	5	4	4
	Hackberry	Denton	,	Urban	6	6	6
3	Haltom City	Tarrant	39,018		5	4	5
3	Haslet	Tarrant		Urban	4	4	3
3	Hawk Cove	Hunt		Rural	3	3	5
3	Heath	Rockwall		Urban	3	3	3
3	Hebron	Denton		Urban	3	3	3
3	Hickory Creek	Denton	2,078	Urban	3	3	3
3	Highland Park	Dallas		Urban	3	3	3
	Highland Village	Denton	12,173	Urban	5	5	3
3	Honey Grove	Fannin	1,746	Rural	3	5	4
3	Howe	Grayson	2,478	Urban	5	5	6
3	Hudson Oaks	Parker		Rural	6	6	3
3	Hurst	Tarrant		Urban	5	5	3
3	Hutchins	Dallas		Urban	5	5	5
3	Irving	Dallas	191,615		4	4	3
3	Italy	Ellis		Rural	4	4	4
3	Josephine	Collin		Rural	6	6	3
3	Joshua	Johnson		Urban	4	4	4
3	Justin	Denton		Rural	5	5	4
3	Kaufman	Kaufman		Rural	3	4	6
3	Keene	Johnson		Rural	5	5	6
3	Keller	Tarrant	27,345		3	5	3
3	Kemp	Kaufman		Rural	6	6	5
3	Kennedale	Tarrant	5,850	Urban	4	4	4

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Region		0	2000 Census	A T	Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type Rural	Assistance	Assistance	Rehabilitation
3	Kerens	Navarro		Urban	5	5	5
3	Knollwood	Grayson			6	6	6
3	Krugerville	Denton		Rural	6	6	5
3	Krum	Denton	,	Rural	3	3	4
3	Ladonia	Fannin		Rural	3	3	5
3	Lake Bridgeport	Wise		Rural	3	3	4
3	Lake Dallas	Denton		Rural	5	4	5
3	Lake Kiowa	Cooke		Rural	3	3	3
3	Lake Worth	Tarrant		Urban	5	4	5
3	Lakeside (Tarrant)	Tarrant		Urban	5	5	3
3	Lakewood Village	Denton		Rural	6	6	5
3	Lancaster	Dallas	25,894		3	4	6
3	Lavon	Collin		Rural	3	3	4
3	Leonard	Fannin		Rural	5	5	4
3	Lewisville	Denton	77,737		5	5	3
3	Lincoln Park	Denton		Rural	4	4	6
3	Lindsay (Cooke)	Cooke		Rural	4	4	3
3	Lipan	Hood		Rural	3	3	5
3	Little Elm	Denton	· · · · · · · · · · · · · · · · · · ·	Urban	3	4	5
3	Lone Oak	Hunt		Rural	3	3	6
3	Lowry Crossing	Collin		Urban	6	6	3
3	Lucas	Collin		Urban	6	6	3
3	Mabank	Kaufman		Rural	3	6	5
3	Mansfield	Tarrant		Urban	3	4	3
3	Marshall Creek	Denton		Rural	6	6	6
	Maypearl	Ellis		Rural	5	4	5
3	McKinney	Collin	54,369		4	5	3
3	McLendon-Chisholm	Rockwall		Rural	6	6	3
3	Melissa	Collin		Urban	5	5	4
3	Mesquite	Dallas	124,523		4	5	4
3	Midlothian	Ellis		Urban	4	4	4
3	Mildred	Navarro		Rural	5	5	5
3	Milford	Ellis		Rural	3	3	6
3	Millsap	Parker		Rural	3	3	4
3	Mineral Wells	Palo Pinto	16,946		5	5	5
3	Mingus	Palo Pinto		Rural	6	6	3
3	Mobile City	Rockwall		Rural	4	4	6
3	Muenster	Cooke		Rural	5	5	5
3	Murphy	Collin		Urban	6	5	3
3	Mustang	Navarro		Rural	3	3	6
3	Navarro	Navarro		Rural	3	3	3
3	Nevada	Collin		Rural	3	3	3
3	New Fairview	Wise		Rural	4	4	6
3	New Hope	Collin	662	Rural	3	3	3
3	Newark	Wise	887	Rural	5	5	5
3	Neylandville	Hunt	56	Rural	3	3	6
3	North Richland Hills	Tarrant	55,635	Urban	5	5	3
3	Northlake	Denton	921	Urban	4	4	6
3	Oak Grove	Kaufman	710	Rural	6	6	3
3	Oak Leaf	Ellis	1,209	Rural	6	6	3
3	Oak Point	Denton	1,747	Rural	5	4	4
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					Rental Development &		
Region	Place Name	County	2000 Census Population	Area Type	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
3	Oak Ridge (Cooke)	Cooke	224	Rural	5	5	6
3	Oak Ridge (Kaufman)	Kaufman	400	Rural	6	6	6
3	Oak Trail Shores	Hood	2,475	Rural	3	3	6
3	Oak Valley	Navarro	401	Rural	5	5	5
3	Ovilla	Ellis	3,405	Urban	6	6	4
3	Palmer	Ellis	1	Rural	3	3	6
3	Pantego	Tarrant	2,318	Urban	3	3	3
3	Paradise	Wise	459	Rural	6	6	6
3	Parker	Collin	1,379	Urban	3	3	3
3	Pecan Acres	Wise	2,289	Rural	6	6	4
3	Pecan Hill	Ellis	672	Rural	5	5	4
3	Pecan Plantation	Hood		Rural	4	4	3
3	Pelican Bay	Tarrant		Rural	5	5	6
3	Pilot Point	Denton		Rural	4	4	5
3	Plano	Collin	222,030		4	4	3
3	Ponder	Denton		Rural	4	3	4
3	Post Oak Bend City	Kaufman		Rural	3	3	5
3	Pottsboro	Grayson		Rural	4	4	3
3	Powell	Navarro		Rural	3	3	6
3	Princeton	Collin	•	Urban	5	4	5
3	Prosper	Collin		Urban	4	4	4
3	Quinlan	Hunt		Rural	6	6	4
3	Ravenna	Fannin		Rural	3	3	6
3	Red Oak	Ellis		Urban	5	5	5
3	Rendon	Tarrant		Urban	3	3	5
3	Reno (Parker)	Parker		Rural	5	5	5
3	Retreat	Navarro		Rural	4	4	6
3	Rhome	Wise		Rural	5	4	6
3	Rice	Navarro		Rural	5	5	4
3	Richardson	Dallas	91,802		4	4	3
3	Richland	Navarro		Rural	6	6	6
	Richland Hills	Tarrant		Urban	5	5	4
3	Rio Vista	Johnson		Rural	3	3	6
3	River Oaks	Tarrant		Urban	5	5	5
3	Roanoke	Denton Rockwall		Urban Urban	5	4	5
	Rockwall	Kaufman		Rural	4	4	4
3	Rosser	Dallas		Urban	6 5	6 4	3
	Rowlett	Rockwall		Rural	4	4	6
	Royse City	Wise		Rural	5	5	5
3	Runaway Bay Sachse	Dallas		Urban	3	3	4
3		Grayson		Rural	6	6	5
	Sadler	Tarrant		Urban	5	4	3
3	Saginaw	Parker		Rural	6	6	5
3	Sanctuary	Denton		Rural	3	4	5
3	Sanger Sansom Park	Tarrant		Urban	5	5	6
3	Savoy	Fannin		Rural	5	5	3
3	Seagoville	Dallas		Urban	3	4	6
3	Shady Shores	Denton		Urban	3	3	5
	Sherman	Grayson		Urban	5	5	5
3	Southlake	Tarrant		Urban	4	4	3
	Countain		21,010		'		<u> </u>

ion			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
3	Southmayd	Grayson		Rural	4	4	4
3	Springtown	Parker		Rural	3	5	5
3	St. Paul (Collin)	Collin		Rural	3	3	4
3	Stephenville	Erath	14,921		6	6	5
3	Strawn	Palo Pinto		Rural	5	4	6
3	Sunnyvale	Dallas	,	Urban	3	3	5
3	Talty	Kaufman		Rural	3	3	3
3	Terrell	Kaufman	13,606		5	6	5
3	The Colony	Denton	26,531		4	4	3
3	Tioga	Grayson		Rural	3	3	4
3	Tolar	Hood		Rural	4	4	3
3	Tom Bean	Grayson	_	Rural	3	3	5
3	Trenton	Fannin		Rural	4	4	3
3	Trophy Club	Denton		Rural	4	4	3
3	University Park	Dallas	23,324		4	4	3
3	Valley View	Cooke		Rural	4	4	3
3	Van Alstyne	Grayson	*	Rural	3	3	3
3	Venus	Johnson		Rural	3	3	5
3	Watauga	Tarrant	21,908		4	4	4
3	Waxahachie	Ellis	21,426		3	5	5
3	Weatherford	Parker	19,000		4	5	4
3	West Tawakoni	Hunt		Rural	5	5	5
3	Westlake	Tarrant		Urban	3	3	6
3	Westminster	Collin		Rural	3	3	5
3	Weston	Collin		Urban Urban	5	5 3	3
	Westover Hills	Tarrant		Urban	3 4	4	3 4
3	Westworth Village	Tarrant	14,831		4	5	5
3	White Settlement	Tarrant	*	Rural	5	5	4
3	Whitesboro	Grayson Grayson		Rural	6	6	5
3	Whitewright	Parker		Rural	3	3	3
	Willow Park Wilmer	Dallas		Rural	4	4	6
3	Windom	Fannin		Rural	3	3	5
3	Wolfe City	Hunt		Rural	5	5	4
3	Wylie	Collin	15,132		3	4	5
4	Alba	Wood		Rural	6	6	6
4	Alto	Cherokee		Rural	4	4	4
4	Annona	Red River		Rural	6	6	6
4	Arp	Smith		Rural	3	3	4
4	Athens	Henderson	11,297		4	5	4
4	Atlanta	Cass		Rural	4	4	5
4	Avery	Red River		Rural	5	5	3
4	Avinger	Cass		Rural	6	6	5
4	Beckville	Panola		Rural	6	5	4
4	Berryville	Henderson		Rural	4	4	6
4	Big Sandy	Upshur		Rural	3	3	6
4	Bloomburg	Cass		Rural	3	3	6
4	Blossom	Lamar		Rural	4	4	3
4	Bogata	Red River		Rural	3	3	4
4	Brownsboro	Henderson		Rural	6	6	5
4	Bullard	Smith		Rural	5	5	4
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					Rental Development &		
Region	Place Name	County	2000 Census Population	Area Type	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
4	Caney City	Henderson	236	Rural	6	6	6
4	Canton	Van Zandt	3,292	Rural	4	4	4
4	Carthage	Panola	6,664	Rural	5	5	4
4	Chandler	Henderson	2,099	Rural	4	4	3
4	Clarksville	Red River	3,883	Rural	5	4	3
4	Clarksville City	Gregg	806	Rural	4	4	5
4	Coffee City	Henderson	193	Rural	3	3	6
4	Como	Hopkins	621	Rural	4	4	5
4	Cooper	Delta	2,150	Rural	6	6	5
4	Cumby	Hopkins	616	Rural	5	5	4
4	Cuney	Cherokee	145	Rural	4	4	6
4	Daingerfield	Morris	2,517	Rural	6	6	3
4	De Kalb	Bowie	1,769	Rural	6	5	5
4	Deport	Lamar	718	Rural	4	4	3
4	Detroit	Red River	776	Rural	4	4	4
4	Domino	Cass	52	Rural	3	3	3
4	Douglassville	Cass	175	Rural	3	3	3
4	East Mountain	Upshur	580	Rural	4	4	4
4	East Tawakoni	Rains	775	Rural	6	6	3
4	Easton	Gregg	524	Rural	3	3	5
4	Edgewood	Van Zandt	1,348	Rural	5	5	5
4	Edom	Van Zandt	322	Rural	6	6	5
4	Elkhart	Anderson	1,215	Rural	5	5	5
4	Emory	Rains	1,021	Rural	6	5	4
4	Enchanted Oaks	Henderson	357	Rural	6	6	4
4	Eustace	Henderson	798	Rural	3	3	3
4	Frankston	Anderson	1,209	Rural	4	4	4
4	Fruitvale	Van Zandt	418	Rural	4	3	3
4	Gallatin	Cherokee	378	Rural	4	4	5
4	Gary City	Panola	303	Rural	3	3	3
4	Gilmer	Upshur	4,799	Rural	6	6	4
4	Gladewater	Gregg	6,078	Rural	5	6	4
4	Grand Saline	Van Zandt	3,028	Rural	3	3	4
4	Gun Barrel City	Henderson	5,145	Rural	5	5	5
4	Hallsville	Harrison		Rural	3	3	3
4	Hawkins	Wood		Rural	6	5	5
4	Henderson	Rusk	11,273		3	3	3
4	Hooks	Bowie		Rural	4	4	4
4	Hughes Springs	Cass		Rural	4	3	4
4	Jacksonville	Cherokee	13,868		4	5	4
4	Jefferson	Marion		Rural	6	6	5
4	Kilgore	Gregg	11,301		4	4	4
4	Lakeport	Gregg		Rural	4	4	5
4	Leary	Bowie		Rural	3	3	5
4	Liberty City	Gregg		Rural	4	3	3
4	Lindale	Smith		Rural	5	4	4
4	Linden	Cass		Rural	4	4	3
4	Log Cabin	Henderson		Rural	6	6	3
4	Lone Star	Morris		Rural	4	5	3
4	Longview	Gregg	73,344		4	5	3
4	Malakoff	Henderson	2,257	Rural	5	5	5

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					Rental Development &		
Region			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
4	Marietta	Cass		Rural	3	3	6
4	Marshall	Harrison	23,935		4	4	4
4	Maud	Bowie		Rural	6	6	3
4	Miller's Cove	Titus		Rural	5	5	6
4	Mineola	Wood	*	Rural	5	5	3
_	Moore Station	Henderson		Rural	6	6	5
	Mount Enterprise	Rusk		Rural	4	3	5
4	Mount Pleasant	Titus	13,935		4	4	4
4	Mount Vernon	Franklin		Rural	3	5	5
4	Murchison	Henderson		Rural	3	3	4
4	Naples	Morris	*	Rural	6	6	5
4	Nash	Bowie		Urban	5	4	5
4	Nesbitt	Harrison		Rural	3	3	6
4	New Boston	Bowie		Rural	6	6	4
4	New Chapel Hill	Smith		Rural	3	3	6
4	New London	Rusk		Rural Rural	5	5	4
4	New Summerfield	Cherokee			4	3	3
4	Noonday	Smith		Rural	4	4	3
4	Omaha	Morris		Rural	6	6	3
4	Ore City	Upshur		Rural	6	6	5
4	Overton	Rusk		Rural	6	6	5
4	Palestine	Anderson	17,598		5	5	5
4	Paris	Lamar	25,898	Rural	5	6	4
4	Payne Springs	Henderson Delta	214		3	<u> </u>	6
4	Pecan Gap				5	4	4
	Pittsburg	Camp		Rural Rural	3 6	6	6
4	Point	Rains Henderson	314		6	6	4
4	Poynor	Cass		Rural	6	5	4
4	Queen City	Wood		Rural	4	4	5
4	Quitman	Bowie		Rural	6	6	3
	Red Lick Redwater	Bowie		Rural	4	4	6
4		Cherokee		Rural	3	3	6
4	Reklaw Reno (Lamar)	Lamar		Rural	3	3	3
4	Rocky Mound	Camp		Rural	3	3	6
4	Roxton	Lamar		Rural	5	5	5
4	Rusk	Cherokee		Rural	5	5	3
4	Scottsville	Harrison		Rural	4	4	6
4	Seven Points	Henderson		Rural	3	6	6
4	Star Harbor	Henderson		Rural	3	3	3
4	Sulphur Springs	Hopkins	14,551		5	5	4
4	Sun Valley	Lamar		Rural	3	3	6
4	Talco	Titus		Rural	5	5	6
4	Tatum	Rusk		Rural	5	5	4
4	Texarkana	Bowie	34,782		4	5	3
4	Tira	Hopkins		Rural	3	3	5
4	Toco	Lamar		Rural	6	6	6
4	Tool	Henderson		Rural	3	3	4
4	Trinidad	Henderson		Rural	5	5	3
4	Troup	Smith		Rural	5	4	5
4	Tyler	Smith	83,650		5	5	4
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uc			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
4	Uncertain	Harrison	150	Rural	6	6	6
4	Union Grove	Upshur	346	Rural	3	3	6
4	Van	Van Zandt	2,362	Rural	6	5	4
4	Wake Village	Bowie	5,129	Urban	4	4	3
4	Warren City	Gregg	343	Rural	6	6	5
4	Waskom	Harrison		Rural	4	4	4
4	Wells	Cherokee		Rural	5	5	6
4	White Oak	Gregg		Urban	5	5	4
4	Whitehouse	Smith		Rural	3	4	3
4	Wills Point	Van Zandt		Rural	4	4	5
4	Winfield	Titus		Rural	4	4	5
4	Winnsboro	Wood		Rural	5	5	4
4	Winona	Smith		Rural	3	3	3
4	Yantis	Wood	_	Rural	3	3	6
5	Appleby	Nacogdoches		Rural	5	5	5
5	Beaumont	Jefferson	113,866		4	5	4
5	Bevil Oaks	Jefferson		Rural	3	3	4
	Bridge City	Orange	-	Rural	5	5	4
5	Broaddus	San Augustine		Rural	6	6	6
5	Browndell	Jasper		Rural	3	3	6
5	Buna	Jasper		Rural	3	3	5
5	Burke	Angelina		Rural	6	6	5
5	Center	Shelby		Rural	4	5	4
5	Central Gardens	Jefferson	,	Rural	3	3	3
5	Chester	Tyler		Rural	3	3	6
5	China	Jefferson		Rural	4	4	3
5	Chireno	Nacogdoches		Rural Rural	4	4	4
5	Coldspring	San Jacinto			5	4	5
5	Colmesneil	Tyler Polk		Rural Rural	4	4	5
5	Corrigan	Houston		Rural	6 4	6 4	6
	Crockett Cushing	Nacogdoches		Rural	4	4	3
_	•	Newton		Rural	5	4	3
5	Deweyville Diboll	Angelina		Rural	3	3	4
5	Evadale	Jasper		Rural	3	3	5
5	Garrison	Nacogdoches		Rural	4	4	4
5	Goodrich	Polk		Rural	3	3	6
5	Grapeland	Houston		Rural	6	6	6
5	Groves	Jefferson	15,733		4	4	3
5	Groveton	Trinity		Rural	5	5	6
5	Hemphill	Sabine		Rural	3	4	5
	Hudson	Angelina		Rural	4	4	4
	Huntington	Angelina		Rural	5	5	5
	Huxley	Shelby		Rural	3	3	3
5	Jasper	Jasper		Rural	3	5	6
5	Joaquin	Shelby		Rural	3	4	6
5	Kennard	Houston		Rural	6	6	6
5	Kirbyville	Jasper		Rural	5	5	4
5	Kountze	Hardin		Rural	5	5	6
5	Latexo	Houston		Rural	3	3	6
5	Livingston	Polk	5,433	Rural	5	5	5
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Region			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
5	Lovelady	Houston		Rural	6	6	3
5	Lufkin	Angelina	32,709		4	6	4
5	Lumberton	Hardin		Rural	3	3	4
5	Mauriceville	Orange		Rural	4	4	4
_	Milam	Sabine		Rural	3	3	3
$\overline{}$	Nacogdoches	Nacogdoches	29,914		6	6	4
5	Nederland	Jefferson	17,422		4	4	3
5	Newton	Newton		Rural	6	6	4
5	Nome	Jefferson		Rural	5	5	5
5	Oakhurst	San Jacinto		Rural	4	4	5
5	Onalaska	Polk	,	Rural	6	6	5
5	Orange	Orange	18,643		4	5	4
	Pine Forest	Orange		Rural Rural	5	5 6	4
	Pineland	Sabine		Rural	6		4
	Pinewood Estates	Hardin San Jacinto	,	Rural	3 4	3 4	3 6
	Point Blank	Jefferson			3	4	
	Port Arthur	Jefferson	57,755 13,601			3	3
5	Port Neches			Rural	4	<u> </u>	6
5	Rose City	Orange Hardin		Urban	5	6	3
5	Rose Hill Acres			Rural	5	4	3
5	San Augustine	San Augustine Polk		Rural	3	3	3
5	Seven Oaks	San Jacinto		Rural	4	3	5
5	Shepherd	Hardin		Rural	5	4	4
5	Silsbee	Hardin		Rural	3	5	4
5	Sour Lake South Toledo Bend	Newton		Rural	3	3	4
5	Tenaha	Shelby		Rural	5	4	5
5		Shelby	,	Rural	6	6	6
5	Timpson Trinity	Trinity		Rural	5	5	6
5	Vidor	Orange	11,440		3	4	4
5	West Livingston	Polk		Rural	5	4	6
5	West Orange	Orange		Rural	4	4	4
	Woodville	Tyler		Rural	6	6	4
	Zavalla	Angelina		Rural	6	6	3
	Aldine	Harris		Urban	3	3	6
$\overline{}$	Alvin	Brazoria		Urban	5	5	5
	Ames	Liberty		Rural	4	4	6
	Anahuac	Chambers		Rural	5	5	5
	Angleton	Brazoria	18,130		3	5	4
	Arcola	Fort Bend		Rural	5	5	5
$\overline{}$	Atascocita	Harris		Urban	4	4	4
$\overline{}$	Bacliff	Galveston	6,962	Urban	6	6	6
	Bailey's Prairie	Brazoria		Rural	3	3	5
	Barrett	Harris	2,872	Rural	6	6	6
$\overline{}$	Bay City	Matagorda	18,667	Rural	5	4	3
$\overline{}$	Bayou Vista	Galveston	1,644	Rural	4	4	5
	Baytown	Harris	66,430	Urban	3	4	5
$\overline{}$	Beach City	Chambers	1,645	Urban	4	4	4
	Beasley	Fort Bend		Rural	4	3	6
	Bellaire	Harris	15,642	Urban	4	3	3
6	Bellville	Austin	3,794	Rural	3	3	4

Place Name	1	•	1 1		ī			
Place Name								
Bissing   Mislagords   Bis   Fuze   3   3   6	_			2000 Canaua			Homobuwor	Owner Occupied
Bissing   Mislagords   Bis   Fuze   3   3   6	egio	Place Name	County		Area Tyne		•	•
Boling-lago   Wharton   1,27   Rural   3   3   3   4			-	•				
Bolivar Peninsular   Salveston   3.853 Rural   6   6   5		-	_					
Binney   Brazoria   384 Rural   3   3   3   3   3   3   3   3   3							-	
Brazoria   Brazoria   2.787 Rural   5   5   5   5   8   8   Rockshive   Wolfer   3.45/Rural   6   6   6   6   6   6   6   6   6				*				
		· ·						
Brookside Village				•			-	
6   Bunker Hill Williage							-	
6 Channelview Harris 29,685 Urban 5 5 5 5 5 6 6 Choro Ranch Fort Bend 11,196 Urban 5 5 5 3 3 6 Clear Lake Shores Galveston 1,209 Urban 4 4 4 3 3 6 Clear Lake Shores Galveston 1,209 Urban 4 4 4 3 3 6 Cleveland Liberty 7,605 Rural 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6		-		,				
6 Cinco Ranch Fort Bend 11,958 Urban 5 5 5 3 3 6 Cleveland Uberty 7,659 Rural 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6							-	
Clear Lake Shores								
Clovelland   Liberly   7,603 Rural   6   6   6   6   6   6   6   6   6								
Covered								
Clute								
Columbus								
Connoe								
6         Cove         Chambers         323 Rural         6         6         3           6         Corosby         Harris         1,714 Rural         4         4         6           6         Cumings         Fort Bend         683 Rural         3         3         3           6         Cut and Shoot         Montgomery         1,156 Urban         6         6         5           6         Daisetta         Liberty         1,034 Rural         5         5         5           6         Damon         Brazoria         535 Rural         6         6         6         6           6         Danbury         Brazoria         1,611 Rural         5         5         5         4           6         Dayton         Liberty         5,708 Rural         5         5         5         5         5           6         Dayton         Liberty         101 Rural         3<							-	
Crosby							-	
Currings								
6         Cut and Shoot         Montgomery         1,158 Urban         6         6         5           6         Daisetta         Liberty         1,034 Rural         5         5         5           6         Damon         Brazoria         538 Rural         6         6         6         6           6         Dayton         Liberty         5,709 Rural         5         5         5         4           6         Dayton Lakes         Liberty         101 Rural         3 <td></td> <td>•</td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td>		•		,				
6 Daisetta Liberty 1,034 Rural 5 5 5 6 6 Damon Brazoria 535 Rural 6 6 6 6 6 Dambury Brazoria 1,611 Rural 5 5 5 4 6 Dayton Liberty 5,709 Rural 5 5 5 4 6 Dayton Liberty 101 Rural 3 3 3 3 3 6 Dayton Lakes Liberty 101 Rural 3 3 3 3 3 3 6 Deer Park Harris 28,520 Urban 4 4 4 4 6 Devers Liberty 416 Rural 6 6 6 6 6 6 Dickinson Galveston 17,093 Urban 5 5 4 6 Eagle Lake Colorado 3,664 Rural 5 4 5 4 6 Eagle Lake Colorado 3,664 Rural 4 5 4 5 6 El Campo Wharton 1,729 Rural 4 5 5 4 6 El Lago Harris 3,075 Urban 4 4 4 5 5 6 El Lago Harris 3,075 Urban 4 4 4 5 5 6 Freeport Brazoria 12,708 Urban 4 4 6 6 6 Frort Corners Fort Bend 2,954 Urban 4 4 6 6 6 Freeport Brazoria 12,708 Urban 5 5 5 5 6 Freeport Brazoria 12,708 Urban 5 5 5 5 6 Freeport Brazoria 12,708 Urban 5 5 5 5 6 Freeport Brazoria 12,708 Urban 5 6 5 5 6 Freeport Brazoria 12,708 Urban 5 6 5 5 6 Freeport Brazoria 12,708 Urban 5 6 5 5 6 Freeport Brazoria 12,708 Urban 5 6 5 5 6 Freeport Brazoria 12,708 Urban 5 5 5 5 6 Freeport Brazoria 12,708 Urban 5 5 5 5 6 Freeport Brazoria 12,708 Urban 5 6 6 5 6 Galena Park Harris 10,592 Urban 5 5 5 4 6 Freindswood Galveston 57,247 Urban 6 6 6 6 6 6 Galena Park Harris 10,592 Urban 5 5 5 3 6 Hardin Liberty 755 Rural 3 3 5 6 6 Hedwig Village Harris 7,089 Urban 5 5 5 6 6 Hedwig Village Harris 7,089 Urban 5 5 6 6 6 Hedwig Village Harris 7,089 Urban 5 5 6 6 Hedwig Village Harris 7,089 Urban 4 4 5 6 6 Hilcroeck Galveston 6,386 Rural 3 6 6 6 Hilcroeck Galveston 6,386 Rural 3 6 6 6 Hilcroeck Brazoria 722 Rural 6 6 6 6 6 Hilcroeck Brazoria 722 Rural 6 6 6 6 6 Hilcroeck Galveston 6,386 Rural 3 6 6 6 Hilcroeck Galveston 6,386 Rural 3 6 6 6 Hilcroeck Brazoria 1,095 Rural 6 6 6 6							-	
Damon   Brazoria   S35 Rural   6   6   6   6   6   6   6   6   6							-	
6 Danbury         Brazoria         1,611 Rural         5         5         4           6 Dayton         Liberty         5,709 Rural         5         5         5           6 Dayton Lakes         Liberty         101 Rural         3         3         3           6 Dever Rank         Harris         28,520 Urban         4         4         4         4           6 Devers         Liberty         416 Rural         6         6         6         6           6 Dickinson         Galveston         17,093 Urban         5         5         4           6 Eagle Lake         Colorado         3,664 Rural         5         4         5           6 East Bernard         Wharton         1,729 Rural         4         4         5           6 EI Campo         Wharton         10,945 Rural         4         5         4           6 EI Lago         Harris         3,075 Urban         4         4         3         4           6 Firichilds         Fort Bend         678 Rural         4         3         4         6           6 Firich Street         Fort Bend         2,954 Urban         4         4         6         6         Fort Bend         2,954 U				,			-	
Dayton							-	
6         Dayton Lakes         Liberty         101 Rural         3         3         3           6         Deer Park         Harris         28,520 Urban         4         4         4           6         Devers         Liberty         416 Rural         6         6         6           6         Dickinson         Galveston         17,093 Urban         5         5         4           6         Eagle Lake         Colorado         3,664 Rural         5         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         3           6         Faitchilds         Fort Bend         678 Rural         4         4         3           6         Frith Street         Fort Bend				*			-	
6 Deer Park Harris 28,520 Urban 4 4 4 4 6 6 Devers Liberty 416 Rural 6 6 6 6 6 6 Dickinson Galveston 17,093 Urban 5 5 5 4 6 Eagle Lake Colorado 3,664 Rural 5 4 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6		•						
6 Devers         Liberty         416 Rural         6         6         6           6 Dickinson         Galveston         17,093 Urban         5         5         4           6 Eagle Lake         Colorado         3,664 Rural         5         4         5           6 East Bernard         Wharton         1,729 Rural         4         4         5           6 El Campo         Wharton         10,945 Rural         4         5         4           6 El Campo         Wharton         10,945 Rural         4         5         4           6 El Campo         Wharton         10,945 Rural         4         4         3         4           6 El Lago         Harris         3,075 Urban         4         4         3         4           6 Fairchilds         Fort Bend         678 Rural         4         3         4         6           6 Fifth Street         Fort Bend         2,059 Urban         4         4         6         6           6 Four Corners         Fort Bend         2,954 Urban         5         5         5         5         5           6 Freshor         Fort Bend         6,603 Urban         5         4         4         4		•						
6         Dickinson         Galveston         17,093 Urban         5         5         4           6         Eagle Lake         Colorado         3,664 Rural         5         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         4         5           6         El Campo         Wharton         10,945 Rural         4         4         5         4           6         El Campo         Wharton         10,945 Rural         4         4         5         4           6         El Campo         Wharton         10,945 Rural         4         4         5         4           6         El Campo         Wharton         10,945 Rural         4         4         3         4           6         El Lago         Harris         3,075 Urban         4         4         3         4           6         Fairchilds         Fort Bend         6,78 Rural         4         4         6         6           6         Frith Street         Fort Bend         2,059 Urban         5         5         5         5         5         5         5         5         5         5         5 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
6         Eagle Lake         Colorado         3,664 Rural         5         4         5           6         East Bernard         Wharton         1,729 Rural         4         4         5           6         El Campo         Wharton         10,945 Rural         4         5         4           6         El Lago         Harris         3,075 Urban         4         4         3           6         Fairchilds         Fort Bend         678 Rural         4         3         4           6         Fairchilds         Fort Bend         678 Rural         4         4         3         4           6         Fairchilds         Fort Bend         678 Rural         4         4         3         4           6         Fith Street         Fort Bend         2,059 Urban         4         4         6           6         Four Corners         Fort Bend         2,954 Urban         5         5         5         5         5         5         5         5         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6			· ·					
6         East Bernard         Wharton         1,729 Rural         4         4         5           6         EI Campo         Wharton         10,945 Rural         4         5         4           6         EI Lago         Harris         3,075 Urban         4         4         3         4           6         Fairchilds         Fort Bend         678 Rural         4         3         4         6         5         4         4         4         4         4         4         4								
6 El Campo         Wharton         10,945 Rural         4         5         4           6 El Lago         Harris         3,075 Urban         4         4         3           6 Fairchilds         Fort Bend         678 Rural         4         3         4           6 Fifth Street         Fort Bend         2,059 Urban         4         4         6           6 Four Corners         Fort Bend         2,954 Urban         5         5         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeno         Fort Bend         6,603 Urban         5         4         4           6 Friendswood         Galveston         29,037 Urban         5         5         4           6 Fulshear         Fort Bend         716 Rural         6         6         6           6 Galena Park         Harris         10,592 Urban         4         4         6           6 Galveston         Galveston         57,247 Urban         6         6         6         6           6 Hardin         Liberty         755 Rural		•						
6 El Lago         Harris         3,075         Urban         4         4         3           6 Fairchilds         Fort Bend         678         Rural         4         3         4           6 Fifth Street         Fort Bend         2,059         Urban         4         4         6           6 Four Corners         Fort Bend         2,954         Urban         5         5         5           6 Freeport         Brazoria         12,708         Urban         5         6         5           6 Freeport         Brazoria         12,708         Urban         5         6         5           6 Freeno         Fort Bend         6,603         Urban         5         4         4           6 Friendswood         Galveston         29,037         Urban         5         5         4           6 Fulshear         Fort Bend         716         Rural         6         6         6           6 Galeva Park         Harris         10,592         Urban         4         4         6           6 Galveston         Galveston         57,247         Urban         6         6         6           6 Hardin         Liberty         755         <								
6 Fairchilds         Fort Bend         678 Rural         4         3         4           6 Fifth Street         Fort Bend         2,059 Urban         4         4         6           6 Four Corners         Fort Bend         2,954 Urban         5         5         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeno         Fort Bend         6,603 Urban         5         4         4           6 Friendswood         Galveston         29,037 Urban         5         5         4           6 Fullshear         Fort Bend         716 Rural         6         6         6           6 Galena Park         Harris         10,592 Urban         4         4         6           6 Galveston         Galveston         57,247 Urban         6         6         6           6 Greatwood         Fort Bend         6,640 Urban         5         5         3           6 Hardin         Liberty         755 Rural         3         3         5           6 Hedwig Village         Harris         2,334 Urban         5         4         3           6 Hempstead         Waller         4,691 Rural         3		•						
6 Fifth Street         Fort Bend         2,059 Urban         4         4         6           6 Four Corners         Fort Bend         2,954 Urban         5         5         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Freeport         Brazoria         12,708 Urban         5         4         4           6 Freeport         Brazoria         29,037 Urban         5         4         4           6 Friendswood         Galveston         29,037 Urban         5         5         4           6 Fulshear         Fort Bend         716 Rural         6         6         6         6           6 Galeva Park         Harris         10,592 Urban         4         4         6         6           6 Galeva Park         Harris         10,592 Urban         4         4         6         6           6 Galevaton         Galevaton         57,247 Urban         6         6         6         6           6 Hardin						·	•	
6 Four Corners         Fort Bend         2,954 Urban         5         5         5           6 Freeport         Brazoria         12,708 Urban         5         6         5           6 Fresno         Fort Bend         6,603 Urban         5         4         4           6 Friendswood         Galveston         29,037 Urban         5         5         4           6 Fulshear         Fort Bend         716 Rural         6         6         6         6           6 Galena Park         Harris         10,592 Urban         4         4         6         6           6 Galveston         Galveston         57,247 Urban         6         6         6         6           6 Greatwood         Fort Bend         6,640 Urban         5         5         3         3           6 Hardin         Liberty         755 Rural         3         3         5         3           6 Hedwig Village         Harris         2,334 Urban         5         4         3           6 Hempstead         Waller         4,691 Rural         3         5         6           6 Highlands         Harris         7,089 Urban         4         4         5           6 Hilli								
6         Freeport         Brazoria         12,708 Urban         5         6         5           6         Fresno         Fort Bend         6,603 Urban         5         4         4           6         Friendswood         Galveston         29,037 Urban         5         5         4           6         Fulshear         Fort Bend         716 Rural         6         6         6         6           6         Galena Park         Harris         10,592 Urban         4         4         6           6         Galveston         Galveston         57,247 Urban         6         6         6           6         Galveston         Galveston         57,247 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hijkhire Village         Harris								
6         Fresno         Fort Bend         6,603 Urban         5         4         4           6         Friendswood         Galveston         29,037 Urban         5         5         4           6         Fulshear         Fort Bend         716 Rural         6         6         6           6         Galena Park         Harris         10,592 Urban         4         4         6           6         Galveston         Galveston         57,247 Urban         6         6         6           6         Greatwood         Fort Bend         6,640 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720								
6         Friendswood         Galveston         29,037 Urban         5         5         4           6         Fulshear         Fort Bend         716 Rural         6         6         6           6         Galena Park         Harris         10,592 Urban         4         4         6           6         Galveston         Galveston         57,247 Urban         6         6         6           6         Greatwood         Fort Bend         6,640 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Holiday Lakes         Brazoria								
6         Fulshear         Fort Bend         716 Rural         6         6         6           6         Galena Park         Harris         10,592 Urban         4         4         6           6         Galveston         57,247 Urban         6         6         6           6         Greatwood         Fort Bend         6,640 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3	_							
6 Galena Park         Harris         10,592 Urban         4         4         6           6 Galveston         Galveston         57,247 Urban         6         6         6           6 Greatwood         Fort Bend         6,640 Urban         5         5         3           6 Hardin         Liberty         755 Rural         3         3         5           6 Hedwig Village         Harris         2,334 Urban         5         4         3           6 Hempstead         Waller         4,691 Rural         3         5         6           6 Highlands         Harris         7,089 Urban         4         4         5           6 Hillcrest         Brazoria         722 Rural         6         6         4           6 Hilshire Village         Harris         720 Urban         6         6         3           6 Hiltchcock         Galveston         6,386 Rural         3         6         6           6 Holiday Lakes         Brazoria         1,095 Rural         6         6         3								
6         Galveston         Galveston         57,247 Urban         6         6         6           6         Greatwood         Fort Bend         6,640 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hiltchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3								
6         Greatwood         Fort Bend         6,640 Urban         5         5         3           6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3								
6         Hardin         Liberty         755 Rural         3         3         5           6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3		Galveston						
6         Hedwig Village         Harris         2,334 Urban         5         4         3           6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3		Greatwood						
6         Hempstead         Waller         4,691 Rural         3         5         6           6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3	6							
6         Highlands         Harris         7,089 Urban         4         4         5           6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3		Hedwig Village						
6         Hillcrest         Brazoria         722 Rural         6         6         4           6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3		Hempstead						
6         Hilshire Village         Harris         720 Urban         6         6         3           6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3	6	Highlands	Harris			4	4	5
6         Hitchcock         Galveston         6,386 Rural         3         6         6           6         Holiday Lakes         Brazoria         1,095 Rural         6         6         3	6	Hillcrest	Brazoria			6	6	4
6 Holiday Lakes         Brazoria         1,095 Rural         6         6         3	6	Hilshire Village	Harris				6	3
	6	Hitchcock	Galveston					6
6 Houston Harris 1,953,631 Urban 4 5 5	6	Holiday Lakes	Brazoria			6		
	6	Houston	Harris	1,953,631	Urban	4	5	5

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					Rental Development &		
Region			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
6	Humble	Harris	14,579		3	5	5
6	Hungerford	Wharton		Rural	3	3	5
6	Hunters Creek Village	Harris	,	Urban	3	3	3
6	Huntsville	Walker	35,078		6	6	4
6	Industry	Austin		Rural	3	3	6
6	Iowa Colony	Brazoria		Urban	5	5	5
6	Jacinto City	Harris	10,302		3	4	3
6	Jamaica Beach	Galveston	•	Urban	6	6	5
6	Jersey Village	Harris		Urban	3	4	3
6	Jones Creek	Brazoria Harris	2,130 11,775	Rural	3	3	5
6	Katy	Galveston	,	Urban	6	6	5
6	Kemah	Fort Bend		Rural	4	3	6
6	Kendleton	Liberty		Rural	4	4	6
6	Kenefick	Galveston	13,682		5	5	6
6	La Marque La Porte	Harris	31,880		3	4	4
6	La Porte Lake Jackson	Brazoria	26,386		4	5	3
6	League City	Galveston	45,444		3	4	4
6	Liberty	Liberty		Rural	4	5	6
6	Liverpool	Brazoria	,	Rural	6	6	4
6	Louise	Wharton		Rural	4	3	4
	Magnolia	Montgomery		Rural	5	5	6
6	Manvel	Brazoria		Urban	3	3	3
6	Markham	Matagorda		Rural	3	3	3
6	Meadows Place	Fort Bend	•	Urban	3	4	4
6	Mission Bend	Fort Bend	30,831		5	4	5
	Missouri City	Fort Bend	52,913		4	4	4
6	Mont Belvieu	Chambers	2,324	Rural	4	4	3
6	Montgomery	Montgomery	489	Rural	6	6	6
	Morgan's Point	Harris	336	Urban	5	4	4
6	Nassau Bay	Harris	4,170	Urban	6	6	3
6	Needville	Fort Bend	2,609	Rural	3	3	4
6	New Territory	Fort Bend	13,861	Urban	4	3	3
6	New Waverly	Walker	950	Rural	6	5	5
6	North Cleveland	Liberty	263	Rural	3	3	6
6	Oak Ridge North	Montgomery	2,991	Urban	5	5	3
	Old River-Winfree	Chambers		Rural	5	5	5
6	Orchard	Fort Bend		Rural	3	3	3
	Oyster Creek	Brazoria		Rural	4	4	4
	Palacios	Matagorda	-	Rural	4	5	4
	Panorama Village	Montgomery		Urban	5	4	4
	Pasadena	Harris	141,674		4	5	5
_	Pattison	Waller		Rural	5	4	5
	Patton Village	Montgomery		Rural	5	5	5
	Pearland	Brazoria	37,640		5	5	4
6	Pecan Grove	Fort Bend	13,551		4	4	3
	Pine Island	Waller		Rural	4	4	3
	Pinehurst (Montgomery)	Montgomery		Rural	4	4	4
	Piney Point Village	Harris		Urban	4	3	4
	Pleak	Fort Bend		Rural	6	6	6
6	Plum Grove	Liberty	930	Rural	3	3	6

Place Name			I			1		
6 Poter Heights   Mortigomery   1.498 Rural   3   6   6   6   6   6   6   6   6   6	nc			2000 Census		Rental Development & Tenant Based Rental	Homebuver	Owner Occupied
6   Poter Heights   Montgomery   1.489 (Rural   3   6   6   Paties View   Walter   4.410 (Rural   3   6   6   6   6   6   6   6   6   6	Regic	Place Name	County		Area Type		•	Rehabilitation
6   Quintana   Brazoria   38   Rural   3   3   3   6   6   6   6   6   Richmond   Fort Bend   11.06  Rural   5   5   5   4   4   4   4   4   4   4		Porter Heights	Montgomery	1,490	Rural	3	3	6
Richmond   Fort Bend   11,081 Rural   5   5   4	6	Prairie View	Waller	4,410	Rural	3	6	6
Rehvood   Brazoria   3,012 brban   4   4   4   4   6   Reverside   Walker   42 Rural   6   6   6   6   6   6   6   6   6	6	Quintana	Brazoria			3	3	6
6         Riverside         Walker         425 Rural         6         6         6           6         Rosenberg         Montpomery         1,278 Rural         4         3         3         3           6         Rosenberg         Fort Bend         24,048 Rural         5         5         5         5           6         San Felipe         Austin         688 Rural         6         6         6         3           6         San Leon         Galveston         4,368 Urban         5         5         5         5           6         Santa Leon         Galveston         4,368 Urban         4	6	Richmond	Fort Bend	11,081	Rural	5	5	4
Roman Forest   Montgomary   1,278 Rural   4   3   3   3	6	Richwood	Brazoria	3,012	Urban	4	4	4
Rosenberg	6	Riverside	Walker	_		6	6	6
6         San Felipe         Austin         868 Rural         6         6         3           6         San Leon         Galveston         4,368 Urban         5         5         5           6         San Leon         Galveston         9,548 Wrban         4         4         4           6         Saebrook         Harris         9,443 Urban         4         3         3         3           6         Saeby         Austin         5,248 Rural         3         4         5           6         Shedon         Harris         1,838 Wral         3         3         4         5           6         Shedon         Harris         1,838 Wral         3         3         4         5           6         Shoreacres         Harris         1,488 Urban         6         6         6         4           6         Shoreacres         Harris         1,488 Urban         5         5         5         3           6         Shormotton         Fort Bend         718 Rural         6         6         4         4         4         6         6         4         4         4         4         6         6         5	6	Roman Forest	Montgomery			4	3	3
San Leon	6	Rosenberg	Fort Bend			5	5	5
6         Santa Fe         Galvestor         9,548 Urban         4         4         4         4         3         3         3         6         Seaby         Austin         9,443 Urban         4         3         3         3         4         5         6         Sheldon         Harris         1,837 Rural         3         4         5         5         6         Shenandoah         Montgomery         1,502 Urban         5         5         5         4         4         3         3         4         4         5         5         5         4         6         Shenandoah         Montgomery         1,502 Urban         5         5         5         4         6         5         Shoreacres         Harris         1,488 Urban         6         6         6         4         6         5         Shoreacres         Harris         1,188 Urban         6         6         6         4         4         4         4         4         6         6         6         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4         4	6	San Felipe	Austin					1
Seabrook		San Leon	Galveston					
6         Sealyy         Austin         5,248 Rural         3         4         5           6         Sheldon         Harris         1,831 Rural         3         3         3         4           6         Shehandoah         Montgomery         1,503 Urban         5         5         5         4           6         Shenaceres         Harris         1,488 Urban         6         6         4         4           6         Slenna Plantation         Fort Bend         1,898 Urban         5         5         3         3         6         5         6         4         4         4         6         6         4         4         4         6         6         4         4         4         6         6         4         4         4         6         6         3         3         3         4         4         4         4         6         6         5         3         5         5         3         3         3         3         3         3         6         5         9         9         9         9         9         9         9         9         9         9         9         9         9	6	Santa Fe	Galveston	,				
Sheldon		Seabrook	Harris					
6         Shenandoah         Montgomery         1,503 Urban         5         5         4           6         Shoreacres         Harris         1,488 Urban         6         6         4           6         Sienna Plantation         Fort Bend         1,896 Urban         5         5         3           6         Sienna Plantation         Fort Bend         718 Rural         6         6         4           6         Sienna Plantation         Fort Bend         718 Rural         6         6         6         4           6         Southside Place         Harris         1,548 Urban         6         6         6         3           6         Splendora         Montgomery         1,278 Rural         6         6         6         5           6         Spring Valley         Harris         36,385 Urban         4         4         4         4           6         Spring Valley         Harris         36,385 Urban         4		Sealy		*				
6         Shoreacres         Harris         1,488 Urban         6         6         4           6         Sienna Plantation         Fort Bend         1,989 Urban         5         5         3           6         Simonton         Fort Bend         718 Rural         6         6         4           6         Suoth Houston         Harris         15,333 Urban         4         4         4         6           6         Suothside Place         Harris         1,546 Urban         6         6         3           6         Spinder         Montgomery         1,272 Rural         6         6         5           6         Spring Valley         Harris         36,385 Urban         4         4         4         4           6         Spring Valley         Harris         3,6385 Urban         4         3         3         3         3         3         3         3         3         3         3         3 <td< td=""><td></td><td>Sheldon</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>		Sheldon						
6         Sienna Piantation         Fort Bend         1,886 Urban         5         5         3           6         Simonton         Fort Bend         718 Rural         6         6         4           6         South Houston         Harris         15,833 Urban         4         4         6           6         South Houston         Harris         1,548 Urban         6         6         3           6         Spring         Harris         36,385 Urban         4         4         4         4           6         Spring Valley         Harris         36,385 Urban         4         4         4         4           6         Spring Valley         Harris         36,385 Urban         4         4         4         4           6         Stafford         Fort Bend         15,581 Urban         5         5         5         5           6         Stagecoach         Montgomery         455 Rural         3         3         3         3         3         3         3         3         3         3         3         3         4         4         4         4         4         4         4         4         4         4		Shenandoah		,				
6         Simonton         Fort Bend         718 Rural         6         6         4           6         South Houston         Harris         15,833 Urban         4         4         6           6         Southside Place         Harris         1,546 Urban         6         6         3           6         Speindora         Montgomery         12,778 Rural         6         6         5           6         Spring Valley         Harris         36,385 Urban         4         4         4           6         Spring Valley         Harris         36,385 Urban         4         4         4           6         Stafford         Fort Bend         15,681 Urban         5         5         5           6         StageCoach         Montgomery         455 Rural         3         3         3         3           6         StageCoach         Montgomery         455 Rural         3         3         3         6           6         Sugar Land         Fort Bend         63,328 Urban         5         4         4         4         4         4         4         4         4         4         4         4         4         4         4 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
6         South Houston         Harris         15,833 Urban         4         4         4         6           6         Southside Place         Harris         1,549 Urban         6         6         3           6         Spendora         Montgomery         1,275 Rural         6         6         5           6         Spring Harris         36,385 Urban         4         3 <t< td=""><td></td><td>Sienna Plantation</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>		Sienna Plantation						
6         Southside Place         Harris         1,546 Urban         6         6         3           6         Splendora         Montgomery         1,278 Rural         6         6         5           6         Spring         Harris         36,385 Urban         4         4         4           6         Spring Valley         Harris         3,6311 Urban         4         3         3           6         Stafford         Fort Bend         15,681 Urban         5         5         5           6         Stagecoach         Montgomery         455 Rural         3         3         3           6         Stowell         Chambers         1,572 Rural         4         3         6           6         Stowell         Chambers         1,572 Rural         4         3         6           6         Stugar Land         Fort Bend         63,328 Urban         5         4         4         4           6         Surfside Beach         Brazoria         763 Rural         4         4         4         4         4         4         4         4         4         4         4         4         5         6         763 Rural         4								
6         Splendora         Montgomery         1,275 Rural         6         6         5           6         Spring         Harris         36,385 Urban         4         4         4           6         Spring Valley         Harris         3,611 Urban         4         3         3           6         Stafford         Fort Bend         15,681 Urban         5         5         5           6         Stafford         Fort Bend         15,681 Urban         5         5         5         5           6         Stagecoach         Montgomery         455 Rural         3         3         3         3           6         Stowell         Chambers         1,572 Rural         4         3         6           6         Sugar Land         Fort Bend         63,328 Urban         5         4         4         4           6         Sugar Land         Fort Bend         63,328 Urban         5         4         5         6 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
6 Spring Harris 36,385 Urban 4 4 4 4 4 6 Spring Valley Harris 3,611 Urban 5 5 5 5 5 5 6 Stagecoach Montgomery 455 Rural 3 3 3 3 3 6 Stagecoach Montgomery 455 Rural 3 3 3 3 3 6 Stagecoach Montgomery 455 Rural 3 3 3 3 3 6 Stagecoach Montgomery 455 Rural 3 3 3 3 3 6 Stagecoach Montgomery 455 Rural 4 3 3 6 Stagecoach Montgomery 455 Rural 4 3 3 6 Stagecoach Montgomery 455 Rural 4 3 3 6 Stagecoach 6 Stugar Land Fort Bend 63,328 Urban 5 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4								
6         Spring Valley         Harris         3,611 Urban         4         3         3           6         Stafford         Fort Bend         15,681 Urban         5         5         5           6         Stagecoach         Montgomery         455 Rural         3         3         3           6         Stowell         Chambers         1,572 Rural         4         3         6           6         Sugar Land         Fort Bend         63,328 Urban         5         4         4         4           6         Sugar Land         Fort Bend         63,328 Urban         5         4         5         6         6         5         10         10         10         10         10         10         10         10		Splendora						
6 Stafford         Fort Bend         15,681         Urban         5         5           6 Stagecoach         Montgomery         455 Rural         3         3         3           6 Stowell         Chambers         1,572 Rural         4         3         6           6 Sugar Land         Fort Bend         63,328 Urban         5         4         4         4           6 Surfside Beach         Brazoria         763 Rural         4         5         6         6         7         7         7         7         7         7         8         7         8         7         7         8         7         8         1         4         4         4         5         5         6         6         7 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
6         Stagecoach         Montgomery         455         Rural         3         3         3         3           6         Stowell         Chambers         1,572         Rural         4         3         6           6         Sugar Land         Fort Bend         63,328         Urban         5         4         4           6         Sufriside Beach         Brazoria         763         Rural         4         4         4           6         Sweeny         Brazoria         3,624         Rural         4         4         5           6         Taylor Lake Village         Harris         3,694         Urban         3         4         4         4         4         6         6         5         6         7         7         7         8         9				-			-	
6         Stowell         Chambers         1,572 Rural         4         3         6           6         Sugar Land         Fort Bend         63,328 Urban         5         4         4           6         Surfside Beach         Brazoria         763 Rural         4         4         4           6         Sweeny         Brazoria         3,624 Rural         4         4         4         5           6         Taylor Lake Village         Harris         3,694 Urban         3         3         3         3           6         Taylor Lake Village         Harris         3,694 Urban         3         3         3         3           6         Texas City         Galveston         41,521 Urban         5         6         5         5           6         The Woodlands         Montgomery         55,649 Urban         4         5         3         3         4         4         4         6         5         3         4         4         4         6         6         5         7         4         4         4         6         6         5         7         8         4         4         4         4         4         6								
6         Sugar Land         Fort Bend         63,328 Urban         5         4         4           6         Surfside Beach         Brazoria         763 Rural         4         4         4           6         Sweeny         Brazoria         3,624 Rural         4         4         4           6         Taylor Lake Village         Harris         3,694 Urban         3         3         3           6         Texas City         Galveston         41,521 Urban         5         6         5           6         The Woodlands         Montgomery         55,649 Urban         4         5         3           6         The Woodlands         Montgomery         55,649 Urban         4         5         3           6         Thompsons         Fort Bend         236 Urban         4         4         6           6         Tiki Island         Galveston         1,016 Urban         3         3         3         4           6         Tomball         Harris         9,089 Rural         6         6         6         5           6         Van Vleck         Matagorda         1,411 Rural         3         3         3         5							-	
6         Surfside Beach         Brazoria         763 Rural         4         4         4         4           6         Sweeny         Brazoria         3,624 Rural         4         4         4         5           6         Taylor Lake Village         Harris         3,694 Urban         3         3         3         3           6         Texas City         Galveston         41,521 Urban         5         6         5           6         The Woodlands         Montgomery         55,649 Urban         4         5         3           6         The Woodlands         Montgomery         55,649 Urban         4         4         6           6         Tiki Island         Galveston         1,016 Urban         3         3         3         4           6         Tiki Island         Galveston         1,016 Urban         3         3         3         4           6         Tiki Island         Galveston         1,016 Urban         3         3         3         4           6         Tiki Island         Galveston         1,016 Urban         3         3         3         5           6         Waller         Valler         2,022 Rural								
6 Sweeny         Brazoria         3,624 Rural         4         4         5           6 Taylor Lake Village         Harris         3,694 Urban         3         3         3           6 Texas City         Galveston         41,521 Urban         5         6         5           6 The Woodlands         Montgomery         55,649 Urban         4         5         3           6 Thompsons         Fort Bend         236 Urban         4         4         6           6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6         6           6 Wallis         Austin         1,172 Rural         3         3         5         6           6 Webster         Harris         9,083 Urban         3         4         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5           6 Weimar         Colorado         <		-		,				
6 Taylor Lake Village         Harris         3,694 Urban         3         3         3           6 Texas City         Galveston         41,521 Urban         5         6         5           6 The Woodlands         Montgomery         55,649 Urban         4         5         3           6 Thompsons         Fort Bend         236 Urban         4         4         6           6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6           6 Wallis         Austin         1,172 Rural         3         3         5           6 Webster         Harris         9,083 Urban         3         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5           6 West Columbia         Brazoria         4,255 Rural         6         6         5           6 West University Place         Harris         14,211 Urban         3 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
6 Texas City         Galveston         41,521 Urban         5         6         5           6 The Woodlands         Montgomery         55,649 Urban         4         5         3           6 Thompsons         Fort Bend         236 Urban         4         4         6           6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6         6           6 Wallis         Austin         1,172 Rural         3         3         5         6           6 Webster         Harris         9,083 Urban         3         4         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5           6 West Columbia         Brazoria         4,255 Rural         6         6         5           6 West University Place         Harris         14,211 Urban         3         3         3         3           6 Wild Peach Village								
6 The Woodlands         Montgomery         55,649 Urban         4         5         3           6 Thompsons         Fort Bend         236 Urban         4         4         6           6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6           6 Wallis         Austin         1,172 Rural         3         3         5           6 Webster         Harris         9,083 Urban         3         4         4           6 Weimar         Colorado         1,981 Rural         3         4         4           6 West Columbia         Brazoria         4,255 Rural         6         6         5           6 West University Place         Harris         14,211 Urban         3         3         3         3           6 West University Place         Harris         14,211 Urban         3         3         3         4           6 West University Place         Harris <td></td> <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td>		•						1
6 Thompsons         Fort Bend         236 Urban         4         4         6           6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6         6           6 Wallis         Austin         1,172 Rural         3         3         5         6           6 Webster         Harris         9,083 Urban         3         4         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5         6           6 West Columbia         Brazoria         4,255 Rural         6         6         5         5           6 West University Place         Harris         14,211 Urban         3         3         3         3         3         3           6 Wharton         Wharton         9,237 Rural         5         5         6         6           6 Wild Peach Village         Brazoria         2,498 Rural         3 <td></td> <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		•						
6 Tiki Island         Galveston         1,016 Urban         3         3         4           6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6           6 Wallis         Austin         1,172 Rural         3         3         5           6 Webster         Harris         9,083 Urban         3         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5           6 West Columbia         Brazoria         4,255 Rural         6         6         5           6 West University Place         Harris         14,211 Urban         3         3         3         3           6 Wharton         Wharton         9,237 Rural         5         5         6           6 Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6 Wildis         Montgomery         3,985 Rural         3         4         6           6 Winnie         Chambers         2,914 Rural	-					·		
6 Tomball         Harris         9,089 Rural         6         6         5           6 Van Vleck         Matagorda         1,411 Rural         3         3         5           6 Waller         Waller         2,092 Rural         4         6         6           6 Wallis         Austin         1,172 Rural         3         3         5           6 Webster         Harris         9,083 Urban         3         4         4           6 Weimar         Colorado         1,981 Rural         5         4         5           6 West Columbia         Brazoria         4,255 Rural         6         6         5           6 West University Place         Harris         14,211 Urban         3         3         3           6 Wharton         Wharton         9,237 Rural         5         5         6           6 Wild Peach Village         Brazoria         2,498 Rural         3         3         4         6           6 Wildis         Montgomery         3,985 Rural         3         4         6         6           6 Woodbranch         Montgomery         1,305 Rural         4         3         5           6 Woodloch         Montgomery         247 Ru								
6         Van Vleck         Matagorda         1,411 Rural         3         3         5           6         Waller         2,092 Rural         4         6         6           6         Wallis         Austin         1,172 Rural         3         3         5           6         Webster         Harris         9,083 Urban         3         4         4           6         Weimar         Colorado         1,981 Rural         5         4         5           6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3           6         West University Place         Harris         14,211 Urban         3         3         3           6         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4								
6         Waller         2,092 Rural         4         6         6           6         Wallis         Austin         1,172 Rural         3         3         5           6         Webster         Harris         9,083 Urban         3         4         4           6         Weimar         Colorado         1,981 Rural         5         4         5           6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3         3           6         West University Place         Harris         14,211 Urban         3         3         3         3         3         3           6         Wharton         9,237 Rural         5         5         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         6         5         6         6         6         5         6         6         6         5         6         6         6         6         6 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td>								1
6         Wallis         Austin         1,172 Rural         3         3         5           6         Webster         Harris         9,083 Urban         3         4         4           6         Weimar         Colorado         1,981 Rural         5         4         5           6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3         3           6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodloch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Wi			-					
6         Webster         Harris         9,083 Urban         3         4         4           6         Weimar         Colorado         1,981 Rural         5         4         5           6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3           6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4								1
6         Weimar         Colorado         1,981 Rural         5         4         5           6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3           6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4				*				1
6         West Columbia         Brazoria         4,255 Rural         6         6         5           6         West University Place         Harris         14,211 Urban         3         3         3           6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4								1
6         West University Place         Harris         14,211 Urban         3         3         3           6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4	6		Brazoria	4,255	Rural	6	6	5
6         Wharton         Wharton         9,237 Rural         5         5         6           6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4								3
6         Wild Peach Village         Brazoria         2,498 Rural         3         3         4           6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4		·		9,237	Rural	5	5	6
6         Willis         Montgomery         3,985 Rural         3         4         6           6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4			Brazoria			3	3	4
6         Winnie         Chambers         2,914 Rural         4         3         5           6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4		·	Montgomery	3,985	Rural	3	4	6
6         Woodbranch         Montgomery         1,305 Rural         4         3         4           6         Woodloch         Montgomery         247 Rural         6         6         3           7         Anderson Mill         Williamson         8,953 Urban         5         5         4						4	3	5
7         Anderson Mill         Williamson         8,953 Urban         5         5         4			Montgomery	1,305	Rural	4	3	4
	6	Woodloch	Montgomery	247	Rural	6	6	3
7 1 0 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	7	Anderson Mill	Williamson	8,953	Urban	5	5	4
7 Austin Travis 656,562 Urban 5 6 5	7	Austin	Travis	656,562	Urban	5	6	5
7         Bartlett         Williamson         1,675 Rural         6         6         5	7	Bartlett	Williamson	1,675	Rural	6	6	5

iou			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
7	Barton Creek	Travis		Urban	6	6	3
7	Bastrop	Bastrop		Rural	4	4	5
7	Bear Creek	Hays		Rural	3	3	3
7	Bee Cave	Travis		Rural	4	4	3
7	Bertram	Burnet		Rural	5	4	5
7	Blanco	Blanco		Rural	5	5	6
7	Briarcliff	Travis		Rural	4	3	4
7	Brushy Creek	Williamson	15,371		4	4	3
7	Buchanan Dam	Llano		Rural	5	4	5
7	Buda	Hays		Urban	3	3	5
7	Burnet	Burnet	,	Rural	4	5	6
7	Camp Swift	Bastrop	-	Rural	3	3	6
7	Carmine	Fayette		Rural	6	6	6
7	Cedar Park	Williamson	26,049		3	5	4
7	Circle D-KC Estates	Bastrop	,	Rural	3	3	5
7	Cottonwood Shores	Burnet		Rural	6	5	5
7	Creedmoor	Travis		Rural	3	3	5
7	Dripping Springs	Hays		Rural	3	5	6
7	Elgin	Bastrop		Rural	4	5	5
7	Fayetteville	Fayette		Rural	4	3	6
7	Flatonia	Fayette		Rural	5	5	4
7	Florence	Williamson	1,054	Rural	6	6	6
7	Garfield	Travis	1	Rural	4	3	6
7	Georgetown	Williamson	28,339		4	5	5
7	Giddings	Lee	5,105	Rural	3	4	3
7	Granger	Williamson	1,299	Rural	5	5	6
7	Granite Shoals	Burnet	2,040	Rural	5	5	6
7	Hays	Hays	233	Rural	3	3	3
7	Highland Haven	Burnet		Rural	6	6	3
7	Horseshoe Bay	Llano	3,337	Rural	4	4	4
7	Hudson Bend	Travis		Urban	5	5	4
7	Hutto	Williamson		Rural	5	3	5
7	Johnson City	Blanco		Rural	3	4	4
7	Jollyville	Williamson		Urban	5	5	3
7	Jonestown	Travis		Rural	6	6	5
7	Kingsland	Llano		Rural	3	6	5
7	Kyle	Hays		Rural	4	3	5
7	La Grange	Fayette		Rural	5	4	3
7	Lago Vista	Travis		Rural	6	6	5
7	Lakeway	Travis		Rural	4	4	4
7	Leander	Williamson		Urban	5	3	5
7	Lexington	Lee	1	Rural	4	4	3
7	Liberty Hill	Williamson		Rural	3	3	6
7	Llano	Llano		Rural	4	5	3
7	Lockhart	Caldwell	11,615		5	5	6
7	Lost Creek	Travis		Urban	4	3	3
7	Luling	Caldwell		Rural	4	4	4
7	Manor	Travis		Urban	4	3	4
7	Marble Falls	Burnet	4,959	Rural	4	6	5
7	Martindale	Caldwell		Rural	5	5	4
7	Meadowlakes	Burnet	1,293	Rural	6	6	3

Region	Diago Nama	County	2000 Census Population	Aroa Typo	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
	Place Name Mountain City	Hays		Area Type Rural	Assistance 6	6	4
	Mustang Ridge	Caldwell		Rural	3	3	6
7	Niederwald	Hays	584		4	4	4
7	Onion Creek	Travis		Urban	4	3	3
	Pflugerville	Travis		Urban	3	3	4
$\overline{}$	Rollingwood	Travis		Urban	6	6	3
	Round Mountain	Blanco		Rural	3	3	3
_	Round Rock	Williamson	61,136		5	5	3
		Fayette		Rural	3	3	6
	Round Top San Leanna	Travis		Urban	6	6	3
7		Hays	34,733		6	6	6
7	San Marcos	Fayette		Rural	5	5	5
7	Schulenburg	Williamson		Urban	6	6	3
7	Serenada	Travis		Urban	4	4	3
7	Shady Hollow	Bastrop		Rural	5	5	6
7	Smithville	Llano	,	Rural	5	5	4
	Sunrise Beach Village	Travis		Urban	5	5	5
7	Sunset Valley	Williamson	13,575		5	4	4
7	Taylor	Travis		Rural	3	3	3
7	The Hills	Williamson	*	Rural	5	5	4
7	Thrall				6	6	
	Uhland	Hays Williamson		Rural		4	5
7	Weir			Rural	5		6
	Wells Branch	Travis		Urban	5	5	4
	West Lake Hills	Travis		Urban Rural	3	3	3
	Wimberley	Hays			5	4	6
_	Windemere	Travis		Urban	5	5	4
7	Woodcreek	Hays		Rural	5	5	5
-/	Wyldwood	Bastrop	,	Rural	3	3	4
8	Abbott	Hill		Rural	4	4	5
8	Anderson	Grimes		Rural	3	3	6
8	Aquilla	Hill		Rural	6	6	3
_	Bellmead	McLennan		Urban	4	4	5
	Belton	Bell		Urban	4	5	3
	Beverly Hills	McLennan		Urban	5	5	6
	Blum	Hill		Rural	6	6	3
	Bremond	Robertson		Rural	4	3	4
	Brenham	Washington	13,507		4	6	5
_	Bruceville-Eddy	McLennan		Rural	5	5	4
	Bryan	Brazos		Urban Rural	6	6	5
	Buckholts	Milam			6	6	3
	Buffalo	Leon		Rural	6	6	6
_	Burton	Washington		Rural	4	4	6
	Bynum	Hill		Rural	6	6	6
_	Caldwell	Burleson		Rural	4	4	3
	Calvert	Robertson		Rural	3	3	6
	Cameron	Milam		Rural	3	4	5
8	Carl's Corner	Hill		Rural	6	6	6
8	Centerville	Leon		Rural	4	4	6
	Clifton	Bosque		Rural	3	4	5
	College Station	Brazos		Urban	6	6	4
8	Coolidge	Limestone	848	Rural	5	5	4

Region			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
8	Copperas Cove	Coryell	29,592		4	4	4
8	Covington	Hill		Rural	3	3	4
8	Cranfills Gap	Bosque	335		4	4	5
8	Crawford	McLennan		Rural Rural	4	3	4
8	Evant	Coryell			6	6	6
8	Fairfield	Freestone Bell	3,094	Rural	5	5	6
8	Fort Hood				3 4	3 4	6
8	Franklin	Robertson Coryell	15,591	Rural	4	5	4
8	Gatesville	McLennan		Rural	3	3	4
8	Gholson	Mills		Rural	5	5	5
8	Goldthwaite Golinda	Falls	,	Rural	5	5	4
8		Limestone		Rural	4	6	5
8	Groesbeck Hallsburg	McLennan		Rural	6	6	3
8	Hamilton	Hamilton		Rural	3	4	4
8	Harker Heights	Bell	17,308		4	4	3
8	Hearne	Robertson		Rural	5	5	5
8	Hewitt	McLennan	11,085		4	3	3
8	Hico	Hamilton		Rural	4	4	6
8	Hillsboro	Hill	•	Rural	5	6	4
8	Holland	Bell		Rural	3	4	4
8	Hubbard	Hill		Rural	3	4	5
8	Iredell	Bosque		Rural	4	4	5
8	Itasca	Hill		Rural	3	3	3
8	Jewett	Leon	861	Rural	6	6	6
8	Kempner	Lampasas	1,004	Rural	5	5	5
8	Killeen	Bell	86,911	Urban	4	4	4
8	Kirvin	Freestone	122	Rural	3	3	4
8	Kosse	Limestone	497	Rural	6	6	6
8	Lacy-Lakeview	McLennan	5,764	Urban	5	5	5
8	Lampasas	Lampasas	6,786	Rural	4	4	5
8	Leona	Leon	181	Rural	6	6	3
8	Leroy	McLennan	335	Rural	3	3	5
8	Little River-Academy	Bell	1,645	Rural	6	6	3
8	Lometa	Lampasas	782	Rural	4	4	3
8	Lorena	McLennan	1,433	Rural	3	3	3
8	Lott	Falls		Rural	5	4	3
8	Madisonville	Madison		Rural	4	3	5
8	Malone	Hill		Rural	3	3	6
8	Marlin	Falls		Rural	5	5	6
8	Marquez	Leon		Rural	4	4	6
8	Mart	McLennan		Rural	6	6	4
8	McGregor	McLennan		Urban	5	5	4
	Meridian	Bosque		Rural	3	5	5
	Mertens	Hill		Rural	6	6	6
	Mexia	Limestone		Rural	6	6	5
8	Midway	Madison		Rural	3	3	4
8	Milano	Milam		Rural	4	3	6
8	Millican	Brazos		Rural	3	3	6
8	Moody	McLennan		Rural	6	6	6
8	Morgan	Bosque	485	Rural	3	3	6

_			2000 0		Rental Development &	Hamahaaa	0
Region	Place Name	County	2000 Census Population	Area Type	Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
	Morgan's Point Resort	Bell	2,989	Rural	4	4	3
8	Mount Calm	Hill	310	Rural	4	4	3
8	Mullin	Mills	175	Rural	5	4	6
8	Navasota	Grimes	6,789	Rural	5	5	5
8	Nolanville	Bell	2,150	Rural	5	5	4
8	Normangee	Leon	719	Rural	3	3	6
8	Oakwood	Leon	471	Rural	4	4	6
8	Oglesby	Coryell	458	Rural	6	6	4
8	Penelope	Hill	211	Rural	6	6	6
8	Richland Springs	San Saba	350	Rural	3	3	3
8	Riesel	McLennan	973	Rural	6	6	3
8	Robinson	McLennan	7,845	Urban	4	3	3
8	Rockdale	Milam		Rural	5	5	3
8	Rogers	Bell	· ·	Rural	4	4	4
8	Rosebud	Falls	,	Rural	4	4	4
8	Ross	McLennan		Rural	3	3	6
8	Salado	Bell		Rural	4	3	3
8	San Saba	San Saba	· ·	Rural	4	4	3
8	Snook	Burleson		Rural	6	6	4
8	Somerville	Burleson		Rural	5	5	5
8	South Mountain	Coryell	412		4	4	3
8	Streetman	Freestone		Rural	3	3	6
8	Teague	Freestone		Rural	4	4	5
8	Tehuacana	Limestone		Rural	4	3	3
8	Temple	Bell	54,514		4	5	3
8	Thorndale	Milam		Rural	5	5	4
8	Thornton	Limestone		Rural	5	5	5
8	Todd Mission	Grimes		Rural	3	3	6
8	Troy	Bell		Rural	6	4	3
8	Valley Mills	Bosque		Rural	3	3	5
8	Waco	McLennan	113,726		6	6	4
_	Walnut Springs	Bosque		Rural	3	3	4
	West	McLennan		Rural	4	4	3
	Whitney	Hill		Rural	6	6	5
	Wixon Valley	Brazos		Rural	6	6	3
	Woodway	McLennan		Urban Rural	3	3	3
	Wortham	Freestone Bexar		Urban	6 4	6	5 4
	Alamo Heights	Bexar		Urban	6	6	3
	Balcones Heights	Bandera		Rural	3	5	6
	Bandera	Frio		Rural	3	3	4
	Bigfoot	Kendall		Rural	4	6	6
	Boerne	Comal		Rural	3	3	3
	Bulverde	Comal	16,870		4	4	5
9	Canyon Lake Castle Hills	Bexar		Urban	6	6	4
9	Castroville	Medina		Rural	5	4	4
9	Charlotte	Atascosa		Rural	4	3	5
9	China Grove	Bexar		Rural	3	3	3
9	Christine	Atascosa		Rural	3	3	5
9	Cibolo	Guadalupe		Rural	6	6	4
9	Comfort	Kendall		Rural	4	4	6
	Common		2,000	1	'		<u> </u>

u			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
9	Converse	Bexar	11,508	Urban	3	4	5
9	Cross Mountain	Bexar	1,524	Urban	3	3	3
9	Devine	Medina	4,140	Rural	5	5	5
9	Dilley	Frio	3,674	Rural	6	6	6
9	Elmendorf	Bexar	664	Rural	5	4	5
9	Fair Oaks Ranch	Bexar	4,695	Urban	5	4	3
9	Falls City	Karnes	591	Rural	4	4	3
9	Floresville	Wilson	,	Rural	3	5	5
9	Fredericksburg	Gillespie		Rural	3	5	5
9	Garden Ridge	Comal		Rural	6	6	3
9	Geronimo	Guadalupe		Rural	3	3	5
9	Grey Forest	Bexar		Rural	4	4	4
9	Harper	Gillespie		Rural	5	4	6
9	Helotes	Bexar		Urban	4	4	3
9	Hill Country Village	Bexar	· · · · · · · · · · · · · · · · · · ·	Urban	3	3	3
9	Hilltop	Frio		Rural	3	3	5
9	Hollywood Park	Bexar		Urban	6	6	3
9	Hondo	Medina		Rural	4	5	4
9	Ingram	Kerr	, -	Rural	6	5	6
9	Jourdanton	Atascosa		Rural	6	6	5
9	Karnes City	Karnes		Rural	5	4	5
9	Kenedy	Karnes		Rural	4	4	5
9	Kerrville	Kerr	20,425	Rural	6 3	<u>6</u> 3	5 4
9	Kingsbury	Guadalupe Bexar		Urban	5	<u> </u>	5
9	Kirby La Vernia	Wilson		Rural	6	6	5
9	La vernia Lackland AFB	Bexar		Urban	3	3	6
9	LaCoste	Medina		Rural	5	4	5
9	Lakehills	Bandera		Rural	6	6	5
9	Leon Valley	Bexar		Urban	4	5	4
9	Live Oak	Bexar		Urban	5	4	5
9	Lytle	Atascosa	2,383	Rural	4	4	6
	Marion	Guadalupe		Rural	5	4	4
9	McQueeney	Guadalupe	2,527	Rural	4	4	5
9	Moore	Frio	644	Rural	4	3	3
9	Natalia	Medina	1,663	Rural	6	6	6
9	New Berlin	Guadalupe	467	Rural	3	3	4
9	New Braunfels	Comal	36,494		5	5	4
	North Pearsall	Frio		Rural	4	3	5
	Northcliff	Guadalupe		Rural	4	4	4
9	Olmos Park	Bexar		Urban	4	3	3
	Pearsall	Frio		Rural	4	4	6
	Pleasanton	Atascosa		Rural	6	6	5
	Poteet	Atascosa		Rural	4	5	5
9	Poth	Wilson		Rural	5	4	4
9	Redwood	Guadalupe		Rural	5	5	6
9	Runge	Karnes		Rural	6	5	4
9	San Antonio	Bexar	1,144,646		5	5	5
9	Santa Clara	Guadalupe		Rural	6	6	5
9	Scenic Oaks	Bexar		Urban	3	3	3
9	Schertz	Guadalupe	18,694	OLDAU	5	4	4

on			2000 Census		Rental Development & Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
9	Seguin	Guadalupe	22,011	Rural	5	5	5
9	Selma	Bexar	788	Urban	6	6	4
9	Shavano Park	Bexar	,	Urban	3	3	3
9	Somerset	Bexar		Rural	6	6	6
	St. Hedwig	Bexar		Rural	6	5	3
9	Stockdale	Wilson		Rural	5	5	4
9	Stonewall	Gillespie		Rural	5	5	5
9	Terrell Hills	Bexar	•	Urban	4	4	3
	Universal City	Bexar	14,849		5	5	3
	West Pearsall	Frio		Rural	6	6	3
	Windcrest	Bexar	· · · · · · · · · · · · · · · · · · ·	Urban	6	6	3
	Zuehl	Guadalupe		Rural	3	3	5
_	Agua Dulce (Nueces)	Nueces		Rural	5	4	4
	Airport Road Addition	Brooks		Rural	3	3	4
10	Alfred-South La Paloma	Jim Wells		Rural	3	3	4
	Alice	Jim Wells	19,010		4	4	4
	Alice Acres	Jim Wells		Rural	3	3	3
	Aransas Pass	San Patricio		Rural	4	5	6
	Austwell	Refugio		Rural	6	6	6
	Bayside	Refugio		Rural	6	6	6
	Beeville	Bee	13,129		4	5	4
	Benavides	Duval		Rural	5	5	4
_	Bishop	Nueces		Rural	5	5	4
	Bloomington	Victoria		Rural	6	6	4
	Blue Berry Hill	Bee		Rural	3	3	6
	Cantu Addition	Brooks		Rural	3	3	6
_	Concepcion	Duval		Rural	3	3	3
	Corpus Christi	Nueces	277,454		5	5	5
	Coyote Acres	Jim Wells DeWitt		Rural Rural	3 6	6	6
	Cuero	San Patricio		Rural	3	3	5
-	Del Sol-Loma Linda Doyle	San Patricio		Urban	3	3	3
	Driscoll	Nueces		Rural	5	6	3
	Edgewater-Paisano	San Patricio		Rural	6	6	3
	Edna Edna	Jackson		Rural	5	6	5
	Edroy	San Patricio		Rural	3	3	6
	Encino	Brooks		Rural	3	3	3
	Falfurrias	Brooks		Rural	6	5	6
	Falman-County Acres	San Patricio		Rural	6	6	3
	Flowella	Brooks		Rural	3	3	6
	Freer	Duval		Rural	4	4	4
	Fulton	Aransas		Rural	5	4	6
	Ganado	Jackson		Rural	4	4	4
	George West	Live Oak		Rural	4	4	5
	Goliad Goliad	Goliad		Rural	3	4	6
	Gonzales	Gonzales		Rural	4	4	5
	Gregory	San Patricio		Rural	4	4	3
	Hallettsville	Lavaca		Rural	5	4	3
	Inez	Victoria		Rural	4	4	3
	Ingleside	San Patricio		Urban	4	6	4
	Ingleside on the Bay	San Patricio		Urban	6	6	6
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					Rental Development &		
io.			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
10	K-Bar Ranch	Jim Wells	350	Rural	6	6	3
10	Kingsville	Kleberg	25,575	Rural	5	6	5
10	La Paloma-Lost Creek	Nueces	323	Rural	6	6	4
10	La Ward	Jackson	200	Rural	6	6	6
10	Lake City	San Patricio		Rural	4	4	6
10	Lakeshore Gardens-Hidden	San Patricio	720	Rural	3	3	3
10	Lakeside (San Patricio)	San Patricio	333		3	3	4
10	Lolita	Jackson		Rural	3	3	3
10	Loma Linda East	Jim Wells		Rural	3	3	3
10	Mathis	San Patricio		Rural	6	6	4
	Morgan Farm Area	San Patricio		Rural	6	6	3
10	Moulton	Lavaca		Rural	4	4	4
10	Nixon	Gonzales		Rural	4	5	6
10	Nordheim	DeWitt		Rural	4	4	6
10	Normanna	Bee		Rural	3	3	6
10	North San Pedro	Nueces		Rural	4	4	3
10	Odem	San Patricio	,	Rural	5	4	4
10	Orange Grove	Jim Wells		Rural	6	6	3
10	Owl Ranch-Amargosa	Jim Wells		Rural	6	6	4
10	Pawnee	Bee		Rural	3	3	4
	Pernitas Point	Live Oak		Rural	6	6	4
10	Petronila	Nueces		Rural	3	3	3
10	Pettus	Bee		Rural	4	4	4
	Point Comfort	Calhoun		Rural	5	4	3
	Port Aransas	Nueces		Urban	6	6	5
	Port Lavaca	Calhoun	12,035		5	5	4
10	Portland	San Patricio	14,827		5	5	3
10	Premont	Jim Wells	,	Rural	5	5	6
	Rancho Alegre	Jim Wells	•	Rural	6	5	5
	Rancho Banquete	Nueces		Rural	3	3	6
10	Rancho Chico	San Patricio		Rural	6	6	3
	Realitos	Duval		Rural	3	3	3
	Refugio	Refugio		Rural	4	4	5
	Robstown	Nueces	12,727		4	4	5
	Rockport	Aransas		Rural	4	5	5
	San Diego	Duval		Rural	5	4	5
	San Patricio	San Patricio		Rural	6	6	4
	Sandia	Jim Wells		Rural	3	3	4
10	Sandy Hollow-Escondidas	Nueces		Rural	4	4	4
	Seadrift	Calhoun		Rural	5	5	3
	Shiner	Lavaca		Rural Rural	5	5	6
	Sinton	San Patricio		Rural	5	6	4
	Skidmore	Bee			5	5	4
	Smiley	Gonzales		Rural Rural	5	5	6
	Spring Garden-Terra Verde	Nueces San Patricio		Rural	3	3	5
	St. Paul (San Patricio)	San Patricio		Rural	3	3	4
10		San Patricio			5	5	6
10	Taft Southwest	San Patricio		Rural Rural	4	4	6
10	Three Rivers	Live Oak Nueces		Rural	5	4	4
	Tierra Grande	San Patricio		Rural	3	3	6
10	Tradewinds	oan r amolo	103	ivuiai	J	J	0

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					Rental Development &		
Region			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
10	Tuleta	Bee		Rural	3	3	6
10	Tulsita	Bee	_	Rural	3	3	3
10	Tynan	Bee	301		5	5	3
10	Vanderbilt	Jackson		Rural	3	3	3
10	Victoria	Victoria	60,603		5	5	4
10	Waelder	Gonzales		Rural	4	4	4
10	Westdale	Jim Wells		Rural	3	3	6
10	Woodsboro	Refugio		Rural	5	5	4
10	Yoakum	Lavaca		Rural	6	6	3
10	Yorktown	DeWitt		Rural	5	4	4
11	Abram-Perezville	Hidalgo		Rural	6	6	4
11	Alamo	Hidalgo		Urban	3	4	4
11	Alto Bonito	Starr		Rural	3	3	3
11	Alton	Hidalgo	4,384	Rural	3	5	4
11	Alton North	Hidalgo	5,051	Rural	5	5	4
11	Arroyo Alto	Cameron	320	Rural	3	3	5
11	Arroyo Colorado Estates	Cameron	755	Rural	6	6	3
11	Arroyo Gardens-La Tina Ran	Cameron	732	Rural	3	3	3
11	Asherton	Dimmit	1,342	Rural	6	5	4
11	Batesville	Zavala	1,298	Rural	5	5	3
11	Bausell and Ellis	Willacy	112	Rural	3	3	3
11	Bayview	Cameron	323	Rural	6	6	6
11	Big Wells	Dimmit	704	Rural	5	5	3
11	Bixby	Cameron	356	Rural	3	3	6
	Bluetown-Iglesia Antigua	Cameron	692	Rural	5	5	4
11	Botines	Webb	132	Rural	6	6	3
11	Box Canyon-Amistad	Val Verde	76	Rural	3	3	6
11	Brackettville	Kinney	1,876	Rural	6	6	5
11	Brownsville	Cameron	139,722	Urban	5	5	5
11	Brundage	Dimmit	31	Rural	3	3	6
11	Bruni	Webb	412	Rural	3	3	6
11	Cameron Park	Cameron	5,961	Urban	5	4	4
	Camp Wood	Real	822	Rural	6	6	6
	Carrizo Hill	Dimmit	548	Rural	6	6	6
	Carrizo Springs	Dimmit	5,655	Rural	6	6	5
	Catarina	Dimmit	135	Rural	3	3	4
	Cesar Chavez	Hidalgo	1,469	Urban	5	5	6
	Chula Vista-Orason	Cameron	394	Rural	6	6	5
	Chula Vista-River Spur	Zavala	400	Rural	3	3	5
	Cienegas Terrace	Val Verde	2,878	Rural	6	6	5
	Citrus City	Hidalgo	941	Rural	3	3	5
	Combes	Cameron	2,553	Urban	5	5	5
	Cotulla	La Salle	3,614	Rural	3	5	4
	Crystal City	Zavala		Rural	5	5	5
	Cuevitas	Hidalgo		Rural	3	3	6
	Del Mar Heights	Cameron		Rural	3	3	3
	Del Rio	Val Verde	33,867		5	5	4
	Doffing	Hidalgo		Rural	5	5	4
	Donna	Hidalgo	14,768		3	5	4
	Doolittle	Hidalgo		Urban	4	4	3
	Eagle Pass	Maverick	22,413		6	6	5
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					Rental Development &		
ion			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
11	Edcouch	Hidalgo		Rural	3	5	5
11	Edinburg	Hidalgo	48,465		5	5	5
	Eidson Road	Maverick	•	Rural	4	4	5
11	El Camino Angosto	Cameron		Rural	3	3	3
_	El Cenizo	Webb		Rural	4	4	4
	El Indio	Maverick		Rural	6	6	3
	El Refugio	Starr		Rural	6	6	6
	Elm Creek	Maverick	•	Rural	3	3	6
	Elsa	Hidalgo		Rural	6	6	4
	Encantada-Ranchito El Calal			Rural	3	3	4
11	Encinal	La Salle		Rural	6	6	3
	Escobares	Starr		Rural	5	5	5
	Falcon Heights	Starr		Rural	3	3	4
	Falcon Lake Estates	Zapata		Rural	5	5	3
11	Falcon Mesa	Zapata		Rural	3	3	5
11	Falcon Village	Starr		Rural	6	6	6
11	Faysville	Hidalgo		Urban	6	6	3
11	Fowlerton	La Salle		Rural	3	3	3
11	Fronton	Starr		Rural	3	3	4
11	Garceno	Starr	,	Rural	6	6	6
11	Grand Acres	Cameron		Rural	3	3	4
	Granjeno	Hidalgo		Urban	3	3	6
11	Green Valley Farms	Cameron		Rural	3	3	4
	Guerra	Jim Hogg		Rural	3	3	3
	Harlingen	Cameron	57,564		5	5	4
	Havana	Hidalgo		Rural	5	5	5
	Hebbronville	Jim Hogg	,	Rural	5	5	5
	Heidelberg	Hidalgo	,	Rural	6	6	6
	Hidalgo	Hidalgo		Rural	5 4	5 4	6
11	Indian Hills	Hidalgo		Rural Rural	6	6	6 5
11	Indian Lake Knippa	Cameron Uvalde		Rural	4	4	4
		Hidalgo		Rural	6	6	3
	La Blanca	Starr		Rural	4		4
	La Casita-Garciasville La Feria	Cameron		Rural	6	<u>6</u> 5	4
	La Feria North	Cameron		Rural	6	6	3
	La Feria North La Grulla	Starr		Rural	4	4	4
	La Grulia La Homa	Hidalgo	10,433		5	5	5
	La Joya	Hidalgo		Rural	4	5	5
	La Joya La Paloma	Cameron		Rural	6	6	3
	La Presa	Webb		Rural	3	3	3
	La Pryor	Zavala		Rural	5	5	4
	La Pryor La Puerta	Starr	*	Rural	3	3	5
	La Rosita	Starr		Rural	5	5	6
	La Victoria	Starr		Rural	3	3	3
11	La Villa	Hidalgo		Rural	3	5	5
	Lago	Cameron		Rural	6	6	3
	Laguna Heights	Cameron		Rural	4	4	4
	Laguna Seca	Hidalgo		Rural	3	3	6
	Laguna Vista	Cameron		Rural	3	5	4
	Lake View	Val Verde		Rural	3	3	5
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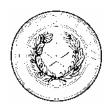
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					Rental Development &		
ion			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
11	Laredo	Webb	176,576		5	5	5
11	Laredo Ranchettes	Webb		Rural	3	3	3
11	Larga Vista	Webb		Urban	6	6	6
11	Las Colonias	Zavala		Rural	6	6	6
11	Las Lomas	Starr		Rural	6	6	4
11	Las Lomitas	Jim Hogg		Rural	3	3	6
_	Las Palmas-Juarez	Cameron		Rural	4	4	5
11	Las Quintas Fronterizas	Maverick		Rural	4	4	3
11	Lasana	Cameron		Urban	3	3	3
11	Lasara	Willacy		Rural	4	4	5
	Laughlin AFB	Val Verde	,	Rural	4	4	3
11	Laureles	Cameron		Rural	5	5	5
11	Leakey	Real		Rural	6	6	6
11	Llano Grande	Hidalgo		Urban	5	5	3
11	Lopeno	Zapata		Rural	3	3	6
11	Lopezville	Hidalgo	,	Urban	4	4	4
11	Los Alvarez	Starr		Rural	4	4	6
	Los Angeles Subdivision	Willacy		Rural	6	6	3
	Los Ebanos	Hidalgo		Rural	5	5	4
	Los Fresnos	Cameron		Rural	5	3	6
11	Los Indios	Cameron		Rural	3	3	4
	Los Villareales	Starr		Rural	3	3	4
11	Lozano	Cameron		Rural	3	3	3
	Lyford	Willacy		Rural	5	5	5
11	Lyford South	Willacy		Rural	6	6	4
	McAllen	Hidalgo	106,414		5	5	5
	Medina	Zapata	,	Rural	4	4	4
	Mercedes	Hidalgo	13,649		4	6	5
	Midway North	Hidalgo		Urban	3	3	5
_	Midway South	Hidalgo		Urban	5	5	6
	Mila Doce	Hidalgo		Rural	4	4	5
	Mirando City	Webb		Rural	6	6	6
	Mission	Hidalgo	45,408		4	5	5
	Monte Alto	Hidalgo		Rural	5	5	4
	Morales-Sanchez	Zapata		Rural	3	3	3
	Muniz	Hidalgo		Rural	6	6	5
	New Falcon	Zapata Hidalgo		Rural Urban	3 4	3 4	3 4
	North Alamo	Starr		Rural	6		4
	North Escobares	Hidalgo		Urban	5	5	6
	Nurillo	Webb		Rural	3	3	6
	Oilton	Hidalgo		Rural	5	5	3
	Olivarez	Cameron		Urban	5	5	5
	Olmito	Cameron		Urban	4	4	3
	Palm Valley Palmhurst	Hidalgo		Urban	5	5	4
	Palmnurst Palmview	Hidalgo		Urban	5	5	5
	Palmview South	Hidalgo		Urban	5	5	4
	Penitas	Hidalgo		Rural	5	4	4
	Pharr	Hidalgo	46,660		4	5	4
	Port Isabel	Cameron		Rural	5	4	5
	Port Mansfield	Willacy		Rural	5	5	6
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					Rental Development &		
lon			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
	Primera	Cameron	2,723	Urban	5	5	5
11	Progreso	Hidalgo	4,851	Rural	5	5	4
11	Progreso Lakes	Hidalgo	234	Rural	3	3	4
11	Quemado	Maverick	243	Rural	3	3	3
11	Radar Base	Maverick		Rural	3	3	6
11	Ranchette Estates	Willacy	133	Rural	3	3	3
11	Ranchitos Las Lomas	Webb	334	Rural	3	3	4
11	Rancho Viejo	Cameron	1,754	Urban	5	5	3
11	Ranchos Penitas West	Webb	520	Urban	3	3	4
	Rangerville	Cameron	203	Rural	3	3	6
	Ratamosa	Cameron		Rural	3	3	3
11	Raymondville	Willacy		Rural	4	5	6
11	Reid Hope King	Cameron		Urban	6	6	3
11	Relampago	Hidalgo		Rural	3	3	6
11	Rio Bravo	Webb	, , , , , , , , , , , , , , , , , , ,	Urban	4	3	4
11	Rio Grande City	Starr	11,923		5	4	4
	Rio Hondo	Cameron		Rural	5	4	5
11	Rocksprings	Edwards		Rural	5	5	5
	Roma	Starr	, , , , , , , , , , , , , , , , , , ,	Rural	6	6	5
	Roma Creek	Starr		Rural	3	3	3
11	Rosita North	Maverick		Rural	4	4	5
11	Rosita South	Maverick	2,574	Rural	5	5	3
11	Sabinal	Uvalde	1,586	Rural	6	6	5
11	Salineno	Starr	304	Rural	3	3	4
11	San Benito	Cameron	23,444		5	5	4
11	San Carlos	Hidalgo	2,650	Rural	6	6	6
11	San Ignacio	Zapata	853	Rural	3	3	6
11	San Isidro	Starr		Rural	5	5	4
11	San Juan	Hidalgo	26,229	Urban	5	5	5
11	San Manuel-Linn	Hidalgo		Rural	3	3	3
11	San Pedro	Cameron		Rural	3	3	3
	San Perlita	Willacy		Rural	6	6	6
	Santa Cruz	Starr		Rural	6	6	5
	Santa Maria	Cameron		Rural	4	4	3
	Santa Monica	Willacy		Rural	3	3	5
_	Santa Rosa	Cameron		Rural	3	5	4
	Scissors	Hidalgo		Rural	3	3	4
	Sebastian	Willacy		Rural	3	3	6
	Siesta Shores	Zapata		Rural	3	3	5
	Solis	Cameron		Rural	6	6	3
	South Alamo	Hidalgo		Rural	5	5	4
	South Fork Estates	Jim Hogg		Rural	3	3	3
	South Padre Island	Cameron		Rural	6	6	4
	South Point	Cameron		Rural	6	6	4
	Spofford	Kinney		Rural	3	3	3
	Sullivan City	Hidalgo		Rural	5	5	4
	Tierra Bonita	Cameron		Rural	3	3	4
_	Utopia	Uvalde		Rural	5	5	6
	Uvalde	Uvalde	14,929		6	5	5
_	Uvalde Estates	Uvalde		Rural	5	5	5
11	Val Verde Park	Val Verde	1,945	Rural	5	5	4

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					Rental Development &		
O			2000 Census		Tenant Based Rental	Homebuyer	Owner Occupied
Region	Place Name	County	Population	Area Type	Assistance	Assistance	Rehabilitation
11	Villa del Sol	Cameron	132	Rural	3	3	5
11	Villa Pancho	Cameron	386	Urban	6	6	6
11	Villa Verde	Hidalgo	891	Urban	3	3	5
11	Weslaco	Hidalgo	26,935	Urban	5	5	4
11	West Sharyland	Hidalgo		Rural	4	4	3
	Willamar	Willacy		Rural	3	3	3
11	Yznaga	Cameron		Rural	3	3	6
11	Zapata	Zapata		Rural	4	6	4
11	Zapata Ranch	Willacy		Rural	3	3	5
	Ackerly	Dawson		Rural	4	4	6
12	Andrews	Andrews	· · · · · · · · · · · · · · · · · · ·	Rural	5	4	4
_	Balmorhea	Reeves		Rural	4	3	4
12	Barstow	Ward		Rural	6	6	5
12	Big Lake	Reagan		Rural	5	5	4
12	Big Spring	Howard	25,233		5	6	4
	Brady	McCulloch		Rural	5	6	5
12	Bronte	Coke		Rural	6	6	5
12	Christoval	Tom Green		Rural	6	6	5
12	Coahoma	Howard		Rural	4	4	3
12	Coyanosa	Pecos		Rural	3	3	4
12	Crane	Crane		Rural	6	6	4
12	Eden	Concho		Rural	6	6	5
12	Eldorado	Schleicher		Rural	3	3	6
	Forsan	Howard		Rural	4	4	6
	Fort Stockton	Pecos		Rural	3	4	5
	Gardendale	Ector		Rural	3	3	3
	Goldsmith	Ector		Rural	4	4	3
12	Grandfalls	Ward		Rural	5	4	5
12	Grape Creek	Tom Green		Rural	5	5	5
12	Imperial	Pecos		Rural	3	3	4
12	Iraan	Pecos		Rural	3	3	3
12	Junction	Kimble		Rural	5	5	5
	Kermit	Winkler		Rural	4	4	3
12	Lamesa	Dawson		Rural	5	5	4
	Lindsay (Reeves)	Reeves		Rural	3	3	6
	Los Ybanez	Dawson Mason		Rural	3	3	3
	Mason	Upton		Rural Rural	6 4	5 4	5 4
	McCamey	McCulloch		Rural	6	6	6
12	Melvin Menard	Menard		Rural	5	5	6
	Mertzon	Irion		Rural	3	3	5
	Midland	Midland	94,996		5	5	4
		Ward		Rural	6	6	3
	Monahans Odessa	Ector	90,943		5	5	4
	Ozona	Crockett		Rural	4	4	4
	Paint Rock	Concho		Rural	6	6	5
	Pecos	Reeves		Rural	3	4	5
	Pyote	Ward		Rural	3	3	6
	Rankin	Upton		Rural	3	3	5
	Robert Lee	Coke		Rural	6	6	5
	San Angelo	Tom Green	88,439		6	6	4
	Can Angolo		33,100		Ť	<u> </u>	<u> </u>

Region	Place Name	County	2000 Census Population	Area Type	Rental Development & Tenant Based Rental Assistance	Homebuyer Assistance	Owner Occupied Rehabilitation
12	Sanderson	Terrell		Rural	6	6	5
12	Seagraves	Gaines		Rural	6	5	3
12	Seminole	Gaines		Rural	4	4	5
12	Sonora	Sutton		Rural	3	4	4
12	Stanton	Martin		Rural	5	5	3
	Sterling City	Sterling		Rural	4	4	5
12	Thorntonville	Ward		Rural	3	3	4
12	Toyah	Reeves		Rural	3	3	3
	West Odessa	Ector	17,799		5	5	5
	Wickett	Ward		Rural	6	6	3
12	Wink	Winkler	919	Rural	5	4	3
13	Agua Dulce (El Paso)	El Paso		Rural	3	3	6
13	Alpine	Brewster	5,786	Rural	6	6	3
13	Anthony	El Paso	3,850	Urban	3	6	4
13	Butterfield	El Paso	61	Rural	3	3	3
13	Canutillo	El Paso	5,129	Urban	4	4	4
13	Clint	El Paso	980	Rural	3	6	4
13	Dell City	Hudspeth	413	Rural	6	6	5
13	El Paso	El Paso	563,662	Urban	6	6	4
13	Fabens	El Paso	8,043	Rural	6	6	3
13	Fort Bliss	El Paso	8,264	Urban	4	3	3
13	Fort Davis	Jeff Davis	1,050	Rural	4	4	6
13	Fort Hancock	Hudspeth	1,713	Rural	5	5	5
13	Homestead Meadows North	El Paso	4,232	Rural	5	5	6
13	Homestead Meadows South	El Paso	6,807	Rural	6	6	5
13	Horizon City	El Paso	5,233	Rural	3	3	4
13	Marathon	Brewster	455	Rural	4	3	5
13	Marfa	Presidio	2,121	Rural	4	5	5
13	Morning Glory	El Paso	627	Rural	3	3	3
13	Prado Verde	El Paso	200	Urban	3	3	6
13	Presidio	Presidio	4,167	Rural	5	5	4
13	Redford	Presidio	132	Rural	3	3	6
	San Elizario	El Paso	11,046	Urban	4	3	5
	Sierra Blanca	Hudspeth	533	Rural	4	3	6
	Socorro	El Paso	27,152	Urban	5	3	6
	Sparks	El Paso		Rural	5	5	5
	Study Butte-Terlingua	Brewster	267	Rural	4	3	3
	Tornillo	El Paso	1,609	Rural	6	3	4
	Valentine	Jeff Davis		Rural	5	4	3
	Van Horn	Culberson	2,435	Rural	6	6	4
	Vinton	El Paso	1,892	Rural	6	6	5
	Westway	El Paso	3,829	Urban	6	6	5
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# REPORT ITEMS



#### TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

#### Memorandum

**To:** Michael Gerber

**From:** Gordon Anderson

**cc:** Brooke Boston, Michael Lyttle

**Date:** October 29, 2007

**Re:** TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for October 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, October 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
Consolidated Hearings	Dallas	October 1	HOME, Multifamily, Office of Colonia Initiatives, Real Estate Analysis, Housing Resource Center	Public Hearing
News Conference for SF Bond Program 70	Amarillo	October 1	Executive, Homeownership, Policy & Public Affairs	News Conference
Consolidated Hearings	Brownsville	October 3	HOME, Multifamily, Office of Colonia Initiatives, Real Estate Analysis, Housing Resource Center	Public Hearing
News Conference for SF Bond Program 70	Harlingen	October 3	Executive, Homeownership, Policy & Public Affairs	News Conference
Colonia Self-Help Center Workshop	San Antonio	October 3-4	Office of Colonia Initiatives	Training
First Thursday Income Eligibility Training	Austin	October 4	Portfolio Management & Compliance	Training
Consolidated Hearings	Austin	October 4	HOME, Multifamily, Office of Colonia Initiatives, Real Estate Analysis, Housing Resource Center	Public Hearing
Concho Valley Economic Development Conference	San Angelo	October 5	Policy & Public Affairs	Presentation
Community Partnership to End Homelessness	Austin	October 5	Housing Resource Center	Participant
Resource Fair	San Antonio	October 6	Homeownership	Exhibitor
Realtor Continuing Education Course	Houston	October 8-9	Homeownership	Training
TACDC Policy Conference	Austin	October 9	Executive, Housing Resource Center	Presentation, Participant
TSAHC/SLIHP Planning Meeting	Austin	October 10	Housing Resource Center	Participant
Houston Association of Realtors Conference	Houston	October 11	Homeownership	Training
TSAHC Planning Meeting	Austin	October 11-12	Policy & Public Affairs	Monitoring
Bootstrap Implementation System Workshop	McAllen	October 12	Office of Colonia Initiatives	Training
Disability Advisory Workgroup	Austin	October 12	Housing Resource Center	Participant
Presentation of to first recipient of a new stick-built home completed with CDBG Hurricane Rita Disaster funds	Silsbee	October 15	Disaster Recovery	Participant
Meeting with FEMA and SETRPC	Beaumont	October 16	Disaster Recovery	Participant
Promoting Independence Advisory Committee	Austin	October 18	Housing Resource Center	Participant

Austin Young Real Estate Professionals	Austin	October 18	Homeownership	Presentation
Bootstrap Implementation System Workshop	El Paso	October 18	Office of Colonia Initiatives	Training
Mental Health Transition Work Group	Austin	October 19	Housing Resource Center	Participant
New Manufactured Housing Rules Hearing	Austin	October 22	Manufactured Housing	Public Hearing
2007 Texas Veterans Housing Support Program Workshop	Houston	October 22	HOME	Training
Realtor Continuing Education Course	Dallas	October 23	Homeownership	Training
Freddie Mac Alternative to Foreclosure Workshop	Dallas	October 23	Homeownership	Training
2007 Texas Veterans Housing Support Program Workshop	Austin	October 24	HOME	Training
Bootstrap Implementation System Workshop	Laredo	October 25	Office of Colonia Initiatives	Training
Interagency Coordination Council for Health Families	Austin	October 26	Housing Resource Center	Participant

# MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD REPORT ITEM

**November 8, 2007** 

#### **Executive Report Item**

The Board requested staff to research Tax Credit applicants utilization of Historically Underutilized Businesses (HUB) when points had been awarded for agreeing to have a plan for utilizing HUBs.

Sixty-three applicants were awarded points for HUB participation in 2006 and forty-nine applicants were awarded the points in 2007. Information on HUB activity was only requested for 2006 applicants because 2007 applicants have just been recently awarded.

Staff has sent letters to the sixty-three 2006 applicants requesting information for the participation of HUBs in their development. Fifty-two development owners responded with information.

Based on the fifty-two responses, there are a total of 656 subcontractors that have been hired; of those 402 are minority owned and 109 are Texas HUB certified.

#### COMMUNITY AFFAIRS DIVISION EMERGENCY SHELTER GRANTS PROGRAM

#### **EXECUTIVE DIRECTOR'S REPORT**

November 8, 2007

#### Item

Follow-up on 2008 Emergency Shelter Grant Program (ESGP) Application.

#### **Background**

At the October 11, 2007 meeting, the Board approved the 2008 ESGP Application with direction to incorporate stated revisions to the section on the Special Initiative Project. Staff was informed that the Application could be released. Board also directed staff to make changes to the Special Initiative Project and to present such in the Executive Director's Report in the November meeting.

The 2008 ESGP Application had a section on solicitation of applications for a Special Initiative Project. After the Board Book had been posted, the Board and Executive directed the Community Affairs Division to make some revisions to the Special Initiative Project. The changes made were to delete the word "statewide" and to delete language in item number 5. of this section which stated experience in "providing training and technical assistance in the implementation and operation of a Homeless Management Information System" and instead state experience in "implementing and operating a Homeless Management Information System."

Attachment—original language and revised language on Special Initiative Project

P:\rgarza\BOARD TDHCA\10.11.07 ESGP 2007 Application\Ex Dir Report for 11.8.07\flw up on ESGP applictn chgs v2.doc

### **Grant Information and Requirements**

Ineligible homelessness prevention activities include: Direct payment to individuals.

#### **ELIGIBLE ACTIVITIES**

#### SPECIAL INITIATIVE PROJECT

The Department will accept applications to provide funding to support the implementation of a <u>statewide</u> 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 implementing and operating 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.

#### **INELIGIBILE 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**

Ineligible homelessness prevention activities include: Direct payment to individuals.

#### **ELIGIBLE ACTIVITIES**

#### SPECIAL INITIATIVE PROJECT

The Department will accept applications to provide funding to support the implementation of a 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.

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- 4) Describe the organization's experience in providing training and technical assistance to homeless coalitions and organizations serving the homeless population;
- 5) Describe the organization's experience in implementing and operating a Homeless Management Information System;
- 6) Describe the organization's 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.
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#### HOME DIVISION

#### **EXECUTIVE DIRECTOR'S REPORT ITEM**

**November 8, 2007** 

#### **Report Item**

This report item consists of a comprehensive report on the current status of the HOME Program.

#### **HOME Program Prior Year Balances in IDIS as of 10/17/2007**

HUD requires that the Department expend all prior year HOME balances as reported in IDIS, the HUD system for program reporting. All prior fiscal year balances have already been committed by the Department at least once. However due to IDIS processing requirements, deobligated funds are returned to prior year allocations rather than the year the funds are deobligated, causing years well in the past to reflect ongoing balances. The table below reflects the Department's HUD allocations from the inception of the program. The "Authorized Amount" column is the amount of funds the Department received under the HOME Grant Agreement for the The "Allocated Amount" column is the amount of funds the corresponding fiscal year. Department has committed to an individual project address under a written agreement with a HOME Contract Administrator. The "Available to Commit" column is the amount of funds the Department has not awarded to a Contract Administrator or has deobligated from individual project addresses and/or an award to a Contract Administrator. The total for the "Available to Commit" column is the amount of funds the Department has available to commit to individual contracts through a written agreement with a Contract Administrator and/or reprogram through the issuance of NOFA's. This total is the beginning balance for the Fund Balance Report described in the next section.

#### **Balance of HOME Funds (non-CHDO)**

<b>FISCAL</b>	AUTHORIZED	ALLOCATED	AVAILABLE TO
YEAR	AMOUNT	<b>AMOUNT</b>	COMMIT
1993	17,374,397.00	17,345,946.29	108,739.20
1994	22,025,104.33	22,025,104.33	508,960.26
1995	24,675,754.00	24,675,754.00	0
1996	24,470,317.00	24,470,317.00	0
1997	24,275,304.00	24,272,710.81	212,921.00
1998	25,104,671.00	25,045,717.05	492,264.50
1999	27,535,025.09	27,534,281.09	155,833.74
2000	29,811,468.00	29,573,569.03	411,675.77
2001	30,417,879.13	30,009,494.85	2,248,474.92
2002	29,304,351.72	28,966,570.38	1,494,666.45
2003	33,821,003.25	33,688,386.27	540,093.06
2004	37,996,311.10	36,650,033.32	3,457,289.11
2005	40,124,930.01	40,021,199.44	5,433,487.55
2006	31,149,727.25	19,104,996.02	15,600,992.47
2007	31,234,067.70	0.00	31,234,067.70
• -	429,320,310.58	367,577,853.94	61,899,465.73

#### **Balance of HOME Funds (CHDO)**

<b>FISCAL</b>	AUTHORIZED	ALLOCATED	AVAILABLE TO
YEAR	<b>AMOUNT</b>	<b>AMOUNT</b>	COMMIT
1996	4,980,583.00	4,980,583.00	0
1997	4,904,850.00	4,904,850.00	0
1998	6,383,629.00	6,383,629.00	0
1999	5,582,472.00	5,582,472.00	0
2000	5,701,762.00	5,701,762.00	407,987.73
2001	6,227,550.00	6,227,550.00	112,567.40
2002	5,918,048.28	5,918,048.28	90,500.00
2003	6,764,200.65	5,290,777.01	1,473,423.64
2004	6,789,157.80	4,917,896.28	2,239,748.98
2005	0.00	0.00	0.00
2006	0.00	0.00	0.00
2007	6,112,041.30	0.00	6,112,041.30
: -	59,364,294.03	48,928,024.98	10,436,269.05

Note: \$6,095,463 CHDO funds will be transferred to non-CHDO as a result of Hurricane Rita waiver.

#### **HOME Fund Balance Report as of 10/17/2007**

The HOME Fund Balance Report is the Department's internal tracking of available balances and has been revised recently to initiate separate accounting of uncommitted versus deobligated funds. For the purposes of this report, uncommitted funds are those that have not been awarded to a Contract Administrator and may include a balance of funds from an undersubscribed NOFA. Deobligated funds are those that have been voluntarily or involuntarily returned from an individual project address or an awarded contract from a Contract Administrator. Since uncommitted and deobligated funds were not previously tracked separately, this report reflects deobligated balances that staff has been able to confirm as in fact deobligated. It can safely be assumed that the balances of uncommitted funds may include deobligated funds. Staff will continue to reconcile these balances with documented and verifiable information.

The beginning balances of this report are the total funds that are "Available to Commit" in IDIS (described in previous section) divided between uncommitted and deobligated balances. The Fund Balance Report provides a bottom-line regarding the amount of funds available for programming after mandated Set-Asides, Board-approved awards (that do not have executed contracts or commitments to individual project addresses in IDIS yet), and published, open NOFA's have been reserved.

HOME FUND BALANCE REPORT  As of October 17, 2007							
	CH	IDO	Non-CHD	00	TOTAL		
	Uncommitted	Deobligated	Uncommitted	Deobligated			
Available Balance in IDIS	\$10,349,981.32	\$86,287.73	\$59,106,897.83	\$2,792,567.90	\$72,335,734.78		
Disaster Set-Aside			(\$2,050,000.00)		(\$2,050,000.00)		
ADDI			(\$1,346,274.00)	\$0.00	(\$1,346,274.00)		
Contract for Deed Set-Aside			(\$4,000,000.00)	\$0.00	(\$4,000,000.00)		
Persons with Disabilities Set-Aside			(\$231,822.00)	\$0.00	(\$231,822.00)		
Colonia Model Subdivision Program	(\$2,000,000.00)	\$0.00			(\$2,000,000.00)		
LESS: Awards approved by the Board but not committed in IDIS ye 2007 RHD NOFA \$15 Million (expires June 2, 2008) 2007 Open Cycle CHDO NOFA \$6 Million (expires June 2, 2008) 2007 CHDO Operating Funds Uncommitted from 2007 Single Family Awards		\$0.00	(\$21,440,066.00) (\$15,000,000.00) (\$4,200,000.00)	(\$480,000.00) \$0.00	(\$25,946,109.00) (\$15,000,000.00) (\$6,000,000.00) (\$305,602.00) (\$4,200,000.00)		
Total Available to Commit (Program):	(\$881,663.68)	(\$1,013,712.27)	\$10,838,735.83	\$2,312,567.90	\$11,255,927.78		

#### **Summary of HOME Amendments Processed as of 10/11/2007**

The following summary of the amendments processed are sorted by fiscal year. In the event that both an extension and a performance statement modification is requested, the amendment is counted twice.

<b>Amendment Type</b>	FY 2005	FY 2006	FY 2007
AMFI Revision	12	20	9
Budget Modification*	18	16	174
Changing Serve Area			1
Contract Extension	100	114	64
Loan Modification	1	11	2
Performance	3	14	13
Statement			
Program Design			3
Revise # of Units	11	3	3
Match Reduction		16	18
Waiver			6
60 Day Waiver		24	9
Other		5	1
Totals	145	223	303

<sup>\*</sup>Includes 163 amendments approved at the February 1, 2007 board meeting to increase contract budgets on 2005 and 2006 OCC contracts to allow maximum amount of assistance for each household to increase from \$55,000 to \$60,000.

#### **Summary of HOME Amendment Process**

HOME Contract Administrators may request amendments to existing contracts; however, in order for a request to be considered, the Contract 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.

Extensions will only be recommended for active projects that have been set-up (committed) in the Department's Contract System. Any funds not committed to a project by the contract end date will be deobligated. Amendment requests will be rescored under the original application criteria. Amendments that would have resulted in an application not being originally funded will not be considered. Amendment requests must be submitted in writing and signed by the person with signature authority on the contract at least thirty (30) days prior to the contract end date. Requests submitted after the contract end date will not be considered.

#### **HOME Program Status of Open Activities**

The HOME federal regulations require construction to begin within 12 months of committing HOME funds to the activity or project. The HUD HOME Open Activities Report includes all open activities from the date of commitment of HOME funds. Since a significant portion of these activities will typically begin construction prior to the 12-month mark, staff focuses attention on and tracks those activities that have been open for more than 12 months without any expenditures. The following table is a breakdown of activities that have been open for more than 12 months without any activity as of 10/17/07:

Date of Funding	Number of Open Activities	Description of Open Activities	Strategy to Resolve Open Activities	Estimated Completion Date
2006	163	14 RHD	These are still within the 18-month development period.	May 2008
		38 HBA 5 HBA waiting refunds 61 OCC	Amendments have been issued or requested for time extensions.	May 2008
		45 activity numbers are assigned to the Administrator	These contracts have been extended until 3/31/08.	May 2008
2005	16	10 RHD	All of these activities are for Statewide CDC which has not yet provided rental close-out reports. The contract has been extended	February 2008

Date of Funding	Number of Open Activities	Description of Open Activities	Strategy to Resolve Open Activities	Estimated Completion Date
			until 12/31/07.	
		3 HBA 3 OCC	HBA activities should be closed by 11/30/2007. OCC activities are for contracts that have extensions until 12/31/07.	February 2008
2004	35	29 HBA 6 OCC	Staff is working with the Administrators to close-out.	December 2007
2003 and prior years	28	3 RHD 4 HBA 21 OCC	These prove to be the most challenging since they require extensive research. While staff has worked to clear these older contracts up, new HOME staff will begin researching these again by contacting the original Administrators to see what information is available. Other strategies may be developed if unable to obtain information through Administrators. OCC Awaiting additional information to closeout.	December 2007 for OCC June 2008 for RHD and HBA
Total	242		1	<u> </u>

Please note that the status of HOME open activities provided to the Board on October 12, 2006 reflected 76 open activities. While staff has been successful in closing a number of activities on this report, the number of activities that have been open for more than 12 months from the commitment of funds has increased merely due to the passage of time and extensions granted to the contract end date. With the reorganization of the HOME Division and creation of the Performance Specialist team, the amount of open activities is anticipated to significantly decrease due to the increased oversight and management of the HOME contracts.

# Texas Department of Housing and Community Affairs Housing Tax Credit Ownership Transfers 2007 3rd Quarter Report

					R e g			
Dev. No.	Date Approved	Development	City	County	i o n	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner). O=other change
70139	7/2/07	Arroyo Estates	San Benito	Cameron	11	DEVCO (O)	Higinio, Jr. & Bertha Campos	<b>D</b> - With almost all partners deceased, DEVCO (partnership) sold to end all operations.
060193	7/19/07	Villa Main	Port Arthur	Jefferson	5	Madhouse Development Services, Inc. (GP)	Villa Main Housing Associates GP, LLC	<b>R</b> - Sole member of new GP is instrumentality of PHA. Transfer allows savings on ad valorem taxes, insurance, and other operating expenses.
060199	7/20/07	Legacy Senior Housing	Port Arthur	Jefferson	5	HHLRG Legacy Senior Housing of Port Arthur, LLC (GP)	PAHA Legacy, LLC (GP)	<b>R</b> - New GP is instrumentality of PHA. Transfer allows savings on ad valorem taxes, insurance, and other operating expenses.
01150	7/24/07	Limestone Ridge	Big Spring	Howard	12	United AF Management, L.L.C. (GP)	Spring City Housing, LLC (GP)	<b>R</b> - Sole member of new GP is PHA. Transfer allows savings on ad valorem taxes, insurance, and other operating expenses.
1434249333	7/25/07	Sunridge	Grand Prairie	Dallas	3	Sunridge LLLC (O)	Sunridge I, LLC Sunridge II, LLC Sunridge III, LLC Sunridge V, LLC Sunridge VI, LLC	S - Sale to investors as tenants in common. (Sunridge IV does not exist)
03441	8/14/07	Primrose at Monticello Park	San Antonio	Bexar	9	Our Casas Resident Council, Inc. (Sole Member of GP)	Las Varas Public Facility Corporation (Sole Member of GP)	R - New sole member of GP is instrumentality of San Antonio Housing Authority
05185	8/22/07	Market Place Apartments	Brownwood	Brown	2	N/A	N/A	NC-Change in development owner name only.
01148	8/31/07	Cedar Point	Mansfield	Tarrant	3	Cedar Point GP, LLC (GP)	Columbia Housing SLP Corporation (GP)	n <b>D</b> - Columbia Housing/PNC Bank removed original GP, a HUB, to remove KRR Construction, Inc.
93158	9/4/07	Prairie Hill Apartments	Dallas	Dallas	3	Beverly Partners Ltd.(O)	Prairie Hill, LLC (O)	<b>O-</b> Property being sold by the Receiver appointed by the Travis County District Court
04000	9/4/07	King Fisher Creek	Austin	Travis	7	MAHGT King Fisher, LLC	King Fisher Creek Austin Limited Partnership	S - Sale to King Fisher Creek Austin Limited Partnership.

#### **DISASTER RECOVERY DIVISION**

## **BOARD REPORT November 8, 2007**

#### Report

Report to Board on Recommendations to the CDBG Disaster Recovery Programs Received from John Henneberger, Texas Low Income Housing Information Service (TxLIHIS), Public Testimony, October 2007 Board Meeting.

#### **Background**

During the October 11, 2007 Board Meeting, John Henneberger of TxLIHIS made recommendations during public testimony concerning the administration of the Community Development Block Grant (CDBG) Disaster Recovery Programs (Programs) that are comprised of two supplemental allocations received as a result of Hurricanes Katrina and Rita. The recommendations focused on housing assistance provided for under the Programs. This Board Report Item summarizes the staff's response to recommendations #2 through #6 as directed by the Governing Board during the meeting.

#### **Staff Responses to Recommendations**

TDHCA appreciates the opportunity to read and respond to the TxLIHIS report released on September 24<sup>th</sup> 2007, which addresses unresolved issues concerning Texas survivors of Hurricane Rita (attached). The report has shown to be valuable by pointing out some of the steps and actions that may be necessary to further assist Texans in recovering from a storm that devastated our coast more than two years ago. TDHCA will take the recommendations in the report into consideration when moving forward to aid in recovery. In response to the recommendations conveyed by TxLIHIS, TDHCA's Disaster Recovery Division has the following comments:

#2 "TDHCA should design a public reporting system that will make progress reports available to the public for both Round 1 and Round 2 [CDBG] programs. This reporting system should provide complete disclosure of the economic, geographic, ethnic, and demographic characteristics of the applicants, families determined to eligible and families provided assistance. This data should also include a reason for denial of eligibility (e.g., over income, no proof of ownership), the type and amount of assistance provided to each recipient and status in the process (e.g., number applied, number contracted, number complete)"

The type of information described above is available under Round I and is largely summarized as part of the monthly report provided to the Governing Board. Additionally, one of the requirements of the Round II Project Management Firm (PM) is to capture all of Round I and Round II applications submitted. The PM Firm will utilize a data management system that will ensure that information is more readily available for public review. TDHCA anticipates that this will occur within 45 days of contract execution with the PM. At that time, staff will report back to the Board with a proposed report format in response to this request.

#3 "TDHCA should appoint and convene a citizens panel to advise the department on the implementation of the relief effort. The panel should meet quarterly with the department staff and

with the contractors funded by the department to consider the progress of the rebuilding effort and to advise the department on any needed changes to the programs."

TDHCA is considering the development of a citizen's panel that would be a balanced representation of the affected region. TDHCA will solicit input on how best to accomplish this. TDHCA anticipates that this will occur within 45 days of contract execution with the PM. At that time, staff will report back to the Board with staff's recommendation for a citizen's panel.

# 4 "Since the federal government has given the state the authority to design and administer these programs, we believe it is essential for the state to carefully evaluate their progress in order to make program and administrative adjustments. This will help ensure that benefits get as quickly and efficiently as possible to the families who have waited so long for help. In short, the state should learn lessons from the Round 1 program and apply those lessons to improving Round 2 [of the CDBG funds]."

Staff has been continually evaluating the program and making adjustments as necessary, as is done in all programs administered by the Department. TDHCA has integrated lessons learned during Round I into the development of Round II and will continue to do so.

#5 "We recommend quarterly performance reviews and contractual measures to enforce performance. It is critical that an evaluation of Round 2 be carried out on an ongoing basis to ensure that money and time are not wasted."

Staff continually analyzes the progress of the COGs administering Round I funding and has implemented benchmarks which have resulted in substantial progress. Through its contract negotiations with the PM Firm administering Round 2, TDHCA has incorporated monthly performance reviews and contractual measures to enforce performance.

- #6 "Round 2 program guidelines should be modified as follows:
  - a) "Increase the maximum grant from \$40,000 to \$65,000 for families earning less than 60 percent of the area median family income;"

The Department was directed to ensure that the maximum number of households could be served under Round 2. That said, the Department concurs that it is unknown at this time if \$40K is sufficient to meet the needs of the pool of disaster victims who will apply under Round 2. This issue will be properly evaluated after applications received by the COGs under Round 1 are transferred to the PM firm administering Round 2. The PM firm will perform an evaluation of remaining needs in the region and TDHCA will work with the PM firm and the public to determine if the \$40K is sufficient. If the need is identified, the Department staff may recommend an Action Plan Amendment; however, at this time there is insufficient data and it would be inappropriate to amend the Action Plan.

b) "Expand the definition of damage attributable to the hurricane for purposes of qualifying for a grant to include damages that have occurred subsequent to the hurricane such as water, rot and mold so long as the cause of these damages can be attributed to hurricane damage; and c) Define as an acceptable proof of "Rita related damage" a statement by a local building official that the damage caused by the hurricane or related damages that have occurred subsequently pose a substantial threat to the health and safety of the homeowner."

This does not require an amendment to the Action Plan, and will certainly be rolled into the Round II Manuals and other public releases. While it is a requirement that damage was caused by the storm, the hurricane damage itself is not the only eligible costs. All costs relating to hurricane damage and the costs to bring the home up to code (regardless of why or when the need occurred) are eligible. For example, \$5K damage may equal a \$40K award if needed to bring up to code, even if the code violations occurred prior to the hurricane.